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## Commonwealth Bank's greedy cash grab risks fuelling community backlash, say unions

The latest rise in interest rates will make life harder for working families and worsen mortgage stress in the lead up to Christmas, say unions.

Yesterday's decision by the board of the Reserve Bank to lift the official cash rate by 0.25 of a percentage point is the sixth rate rise in a year.

ACTU President Ged Kearney also condemned the decision by the nation's biggest mortgage lender, the Commonwealth Bank, to increase its borrowing rates by almost double the Reserve Bank and warned other banks not to follow suit.

"These interest rate rises will mean an added financial burden for working families who have already been hit with price hikes for essentials such as water and electricity," Ms Kearney said.

"And there is no justification for the Commonwealth Bank to move so promptly to not only pass on the rate rise, but to almost double it.

"This is a greedy cash grab after the Commonwealth Bank's profit recently increased by 20% to \$5.6 billion and CEO Ralph Norris' pay packet swelled by 75% to more than \$16 million."

Ms Kearney warned other major banks not to follow the Commonwealth and to keep any increase in their lending rates to the same as that of the Reserve Bank.

"A stronger economy is not a green light for the banks to boost their profits on the backs of families who are struggling with rising mortgage stress."

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