



Australian Council of Trade Unions

MEDIA RELEASE

Sunday, 6 December 2009

Westpac's 'community consultation' is a public relations sham, say unions

This week's interest rate decision by Westpac is a slap in the face for customers and shows the bank is only paying lip service to community consultation, say unions.

The ACTU and the Finance Sector Union have resigned from Westpac's Community Consultative Council in protest at the bank's decision to lift its interest rates by almost double the Reserve Bank.

In a strongly worded letter, the ACTU and the FSU have accused Westpac's senior management team of being less than honest in its commitment to the Australian community.

ACTU President Sharan Burrow and FSU Acting Secretary Rod Masson attended a meeting of the WCCC on Monday afternoon, just 24 hours before Westpac became the first bank to respond to Tuesday's Reserve Bank meeting. Yet they were given no indication of the bank's plans.

Ms Burrow said the decision of Westpac to lift its home loan rates by 0.45%, compared to the official rate rise of 0.25%, was outrageous and showed some big banks had learn nothing from the Global Financial Crisis.

"Unions believe the third consecutive rate rise by the Reserve Bank was unnecessary and places extra financial pressure on working families when the economy is still fragile," Ms Burrow said.

"But Westpac's action to profit out of this decision is beyond the pale. No wonder banks are held in such appalling low regard by the Australian community when there is unconscionable behaviour like that of Westpac, which made \$3.4 billion in profit last year.

"On Monday, we sat down with senior executives from Westpac to talk about how to help home owners in financial hardship. They knew how the bank was going to respond to the Reserve Bank decision, yet they never gave us any indication.

"This is an affront to the Australian community and an insult to those who give up their time to work with the bank on community issues.

"It shows that for Westpac, community consultation is a public relations sham, and the bank has no real commitment to helping customers in financial hardship.

"By contrast, we welcome the decisions of some other banks, such as NAB, to only pass on the cost of the latest official rise in interest rates, not seek to boost their own profits from it."

FSU Acting Secretary Rod Masson said the decision by Westpac was short-sighted and would undermine the bank's strategy.

"Bank employees – our members – are at the frontline of having to deal with very angry customers after this decision," Mr Masson said.

"Already, there is a strong backlash."

Media contact: Mark Phillips (ACTU) 0422 009 011; Rod Masson (FSU) 0408 374 677

www.actu.asn.au

your rights at work — worth fighting for