



FAMILY FIRST



Steve Fielding **Family First** Senator for Victoria

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TREASURER MUST REJECT BANK MERGER AND GET BANKS TO JUSTIFY RATE CHANGES

Public pressure has forced one bank to agree to drop mortgage rates if the Reserve Bank cuts its rate next month, but the Treasurer must ensure competition between banks to keep rates as low as possible.

"The Treasurer must reject the proposed merger between Australia's third and fifth largest banks to protect competition and help ensure banks pass on Reserve Bank rate cuts to families," Family First Leader Senator Steve Fielding said today.

"This is a real test now for the Rudd government. Is the Rudd Government going to put *families first* or big *business first*? If the biggest bank merger in Australia's history goes ahead, how can the Rudd Government claim it is helping its so-called *working families*?"

"We just have seen how the Rudd Government has too easily accepted the ACCC's report that found that we have 'workable competition' in grocery market. That's a joke, we all know we have a cosy duopoly in the grocery market and *working families* are being slugged at the checkout.

"We have a cosy club of big business with stranglehold on the grocery market, petrol market and banking market. The last think *working families* need is a merger between two big banks.

"Of course banks should be able to make money, but how much bigger do we need them to get?"

"Family First calls on the remaining three of the big four banks to guarantee they will cut mortgage rates if the Reserve Bank does.

"Family First has also been calling for extra scrutiny for bank rate rises made independent of the Reserve Bank. Banks should have to seek approval for unofficial interest rate increases, much like approval is sought for increases in private health insurance premiums. Banks should have to make a case for increasing their rates separate to Reserve Bank rate rises.

"The Treasurer must guarantee that those unofficial interest rate hikes are taken off when market conditions improve."

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