



## Media Release

For immediate release

May 28 2009

# Budget good for banks – how about customers?

Bank workers' union Finsec says that by allowing the rating agencies to call the tune the government has delivered a good budget for banks but not for their staff and customers, with its primary focus on reducing debt in order to maintain the country's credit rating.

"There's not enough in this budget to protect jobs, yet keeping people in work is the best thing we can do for our long term debt outlook," said Campbell.

"New Zealand's credit rating is important, however, the average New Zealander will be no better off as a result of this budget while banks get a no-strings attached Government policy focused on their cost of credit," said Finsec Campaigns Director Andrew Campbell.

"New Zealanders are paying for our credit rating through reductions in public services, losses in public sector jobs, and losing the tax cut they were promised and won't receive."

"We call on the Government to require banks to pass on the benefits of our credit rating to staff and customers," said Campbell.

Finsec has in recent months proposed a suite of initiatives that banks could implement in order to share the benefits they are deriving from government policy support. These include:

- The retention of staff – not adding to unemployment while banks are receiving tax payer support.
- A shared equity fund to support local businesses access to credit.
- 12 month mortgage holidays for people made unemployed by the recession.
- A fair and consistent formula for mortgage break fees.
- Greater transparency around interest rate setting and passing on of Official Cash Rate reductions.

"The recession seems to be affecting everybody except the big banks, who are projected to make \$3 billion this year. It is time for them to do their bit given how much New Zealanders are forgoing for them," said Campbell.

**ENDS**

---

**Contact:** Andrew Campbell, Finsec Campaigns Director, 027 548 7006 or 801 2002