

MEDIA RELEASE

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Police Credit Union welcomes Federal Government support for credit unions and building societies

Costa Anastasiou from Police Credit Union has welcomed reports today that Federal Treasurer Wayne Swan will offer credit unions and building societies more assistance to allow them to grow and compete fairly with the big four banks.

While the Government's final banking package has yet to be released Treasurer Swan has publicly expressed his support for alternatives to the big banks, Mr Anastasiou said.

"It's great to see this acknowledgment of the role credit unions and building societies can play in offering lower interest rates and better choice to consumers who are sick of the big banks."

A recent KPMG survey confirmed the "strength, resilience and competitiveness" of the mutual banking sector. The report noted that the mutual sector's "place in the Australian financial services sector is well-deserved, with another year of strong performance, increasing profitability and balance sheet growth".

"Credit unions and building societies are strong, secure and regulated the same way as banks. And they are ready to put competition back into retail banking and give Australian consumers a better deal," Mr Anastasiou said.

A recent national poll by Essential Research showed a growing level of dissatisfaction with the major banks, but that consumers believe there are too many obstacles to making a switch.

40 per cent said they had considered changing their main bank at some point in the last five years, but two-thirds of this group ended up sticking with their current bank.

The poll also found strong support for Federal Government action to promote competition, make it easier to shift accounts and abolish exit fees, with 75 per cent of respondents agreeing that the Federal Government needed to do more to encourage competition.

Mr Anastasiou said that credit unions and building societies offer genuine choice to consumers, offer consistently better home loan rates, and access to fee free national ATM networks.

"We welcome the Federal Government's support. Any initiatives that help credit unions and building societies to compete on a level-playing field will help to keep the big banks honest and give customers a real choice," Mr Anastasiou said.

"Major bank customers can vote with their feet and move their banking to a credit union or building society. If people want to know more, we encourage them to go to comesbacktoyou.com.au to find out the credit union or building society for them." Mr Anastasiou said.

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