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NEWS RELEASE

Interest Rates

I am pleased that the Reserve Bank of Australia (RBA) has decided to leave interest rates unchanged this month, which was announced today.

This is a relief for home-owners and buyers.

However, higher interest rates are already having a dramatic impact on family budgets. The RBA's cash-rate is still at a 6-year high (6.25 percent).

The RBA has found a significant and growing level of mortgagee sales in key markets in Sydney, particularly western Sydney. The Sydney property market has a major impact on Wollongong.

Mortgagee sales are the result of high interest rates and financially pressured family budgets because of high household debt.

Inflation is still above the RBA's target range of between 2 and 3 percent. Inflationary pressure is still a threat to the level of interest rates.

The Howard Government is responsible for the inflationary threat because it has failed, despite consistent warnings, to invest in infrastructure, education and training.

It is crucial that the Howard Government does not engage in its usual pre-election spending spree in this year's Federal Budget.

February 7, 2007