MEDIA RELEASE

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RBA Gets It Right With No Hike

Today's decision by the Reserve Bank Board to keep interest rates on hold was the only sensible course of action given current economic and housing conditions, says the Housing Industry Association (HIA), the voice of Australia's residential building industry.

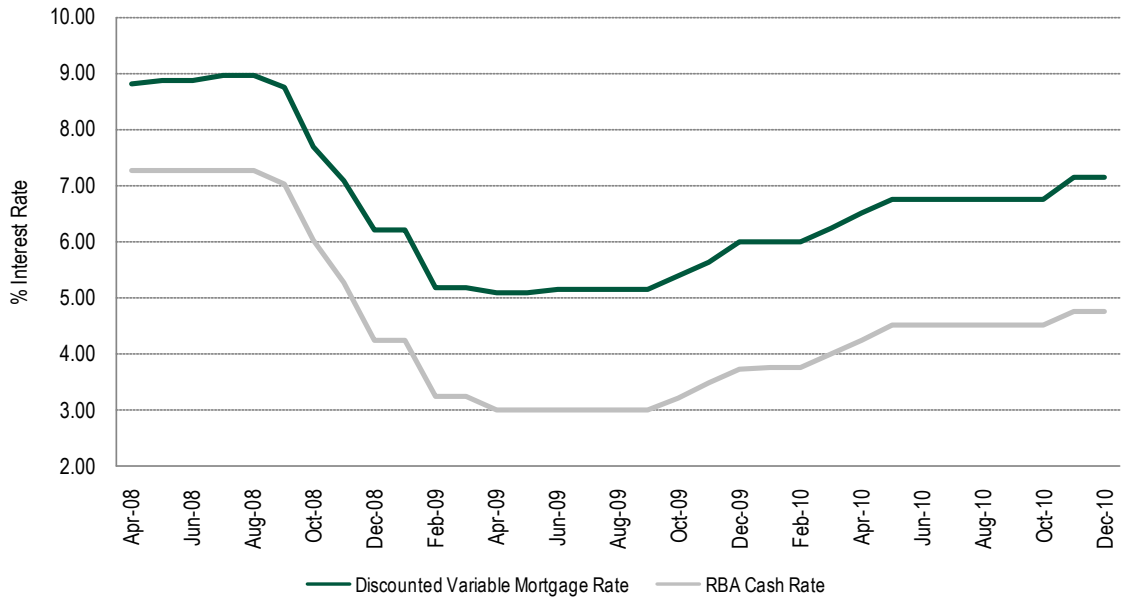
"Given somewhat weak recent economic data, and the deteriorating outlook for housing activity, any further move by the RBA will strike a heavy blow against an already struggling residential industry," said HIA Senior Economist, Andrew Harvey.

"In November we had what is in effect a double-hike due to additional action by the trading banks," noted Andrew Harvey.

"The November rate hikes exerted a considerable negative impact on an already weakening housing industry and turned the screws on small business lending rates to a degree that is unjustified given current economic conditions," Andrew Harvey said.

"It is appropriate for the Reserve Bank to ensure a sustained period of steady rates to allow for a full assessment of the impact of taking interest rates from 45 year lows to restrictive levels in little more than a year," added Andrew Harvey.

Interest Rates, Australia
Source: RBA



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