



Media release: Tasmanians need an interest rate cut now, not next time

Tuesday, 18 February 2025

Unions Tasmania are calling on the Reserve Bank of Australia (RBA) to act today to lower the official cash rate when its two-day meeting wraps up in Sydney this afternoon.

Even a quarter of a percentage point rate cut would put an extra \$70 a month back into Tasmanian workers' household budgets, or \$900 a year for the average mortgage holder in our state.

Tasmanian workers, like workers across our country, have been hit hard financially by the past 13 interest rate rises.

With inflation now falling faster than projected and at 2.4 per cent, it is well within the RBA's target range of 2–3 per cent.

Many economists are predicting a rate cut today. But just under a week ago, Opposition Leader Peter Dutton was asserting that cutting interest rates too early is a "real concern to economists and families". This just underscores how he fails to understand the pressure ordinary households are under following years of a cost-of-living crisis.

Working Australians need to reclaim some of their lost spending power and to confidently expect to be able to hold onto the 1.1 million newly created jobs this term.

If the RBA waits any longer to move on rates, the risk of job losses will compound the slow-down in consumer spending, which saw workers decide to save, not spend, the stage three tax cuts.

Quotes attributable to Jessica Munday:

"Workers should not be asked to absorb high interest rates for any longer than is necessary, now that inflation is within the RBA's target band. They've struggled enough.

"The Reserve Bank should cut rates to maintain low unemployment which is part of its mandate.

"If it doesn't, the slowdown in consumer spending coupled with the threat to jobs could tip the economy over.

"Dutton's claim that working families are concerned the RBA could cut interest rates 'too early' is plain wrong. I've never heard one Tasmanian worker say that to me."

"Being too cautious now won't help workers and it won't help the economy. Inflation is coming down faster than the Bank forecast and unless the strategy is to wait until the economy goes under, taking jobs down in the undertow, the Bank should announce the first rates cut today."

For further comment: 0417 454 809