

RBA should stop sitting on its hands and cut rates: ACTU

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Today's inflation figures offer further signs of a clear pathway for the Reserve Bank of Australia to start cutting official interest rates at its first policy meeting in February.

The monthly CPI figures show that inflation was 2.3 percent in November.

Today's CPI figures should build on the Reserve Bank's December expression of 'confidence that inflation is moving sustainably towards target'.

Softer economic growth figures and predictable wage outcomes should give the Reserve Bank even more reasons to start pulling down the official cash rate.

Australian Unions are concerned the current interest rate settings are smashing the finances of working Australians and pose a risk to the one million new jobs that have been created over the past two-and-a-half years.

Quotes attributable to ACTU President, Michele O'Neil:

"The RBA needs to stop sitting on their hands and start cutting interest rates from February because household budgets will take months to repair.

"A resilient jobs market is no reason to delay as spending on services makes up only a tiny part of discretionary spending and is not fueling inflation.

"Australia faces a real risk that the one million job gains that we have made since the change of government will be eroded.

"The RBA needs to abandon its goal to lift unemployment and stop ignoring the warnings signs that interest rates need to come down.

"Annual economic growth of 0.8 per cent should serve as a wakeup call to the RBA to act on rates.

"There is little momentum in the economy, and even less reason to think that inflationary pressures will re-emerge.

"Private sector investment has slowed, and workers are being so cautious that they are saving more than the income boosts they received from the July tax cuts, anxious to rebuild their savings and pay down debt.

"If it wasn't for decent wage growth, investment in the care economy and infrastructure, all supported by this Government, people would be worse off.

"The RBA needs to join the rest of the developed world and start cutting interest rates.

"There's no more time to wait, workers and their families need interest rates need to fall from February."

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