FOR IMMEDIATE RELEASE

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Rate Hold Right

The Reserve Bank's decision to stay its hand on the official cash rate is appropriate according to the Housing Industry Association (HIA), Australia's largest building industry association.

"The combination of big rate cuts supported by expansionary spending measures has injected a lot of stimulus into the economy," remarked Ron Silberberg, Managing Director of HIA.

"It makes sense for the Reserve Bank to step back to see how these policy changes impact on the economy," said Dr Silberberg.

"Today's decision shows some confidence in the Australian economy and provides a much-needed balance to the plethora of doom and gloom coverage,

"Interest rates are at 40-year lows now. It is prudent for the RBA to 'keep some powder dry' should it prove necessary to further bolster the Australian economy with interest rate cuts down the track," added Dr Silberberg.

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