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## Rates on Hold is Right Decision

The Reserve Bank's decision to hold the official cash rate steady this month is appropriate according to the Housing Industry Association (HIA), Australia's largest building industry association.

"There is a large amount of stimulus in the economy through a combination of big rate cuts and expansionary spending measures," remarked Dr Harley Dale, HIA Chief Economist.

"We think it is appropriate at this juncture for the Reserve Bank to pause and assess economic developments over coming months," said Harley Dale.

"Today's decision shows some confidence in the ability of the Australian economy to ride out the global storm better than most and as such provides a refreshing balance amidst the incessant barrage of doom and gloom headlines," said Harley Dale.

"Any future official rate cuts will prove fruitless if Australia's banks continue to take their recalcitrant stand and fail to provide the necessary interest cost relief to small business owners and households," added Harley Dale.

HIA renews its call for banks to afford more interest rate relief to the small business sector who have to date not seen the reductions made available to mortgage holders.

**For further information:**

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