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INTEREST RATES ON HOLD: WELCOME RELIEF FROM THE HIGH COST OF LIVING

The Reserve Bank's decision to keep interest rates on hold is a welcome respite for Novocastrians struggling to meet the high cost of living under the Howard Government.

The decision not to raise interest rates is a welcome respite for the 26.9% of Newcastle households currently holding a mortgage.

While interest rates have not risen, it should not be forgotten that the burden of debt weighs heavily on many Australian families and households.

In the past month we saw interest rates increase, private health insurance premiums increase, petrol prices increase and unemployment in the region increase by 2%.

According to the Australian Bureau of Statistics, the size of an average new home loan increased from \$99,100 in 1996 to \$179,300 in 2003.

Mortgage commitments are still at historically high levels. So even without another interest rate rise, mortgage repayments are eating up more of the family budget than ever before.

The Reserve Bank decision has given us a breather, despite the best efforts of the Howard Government to pump up demand, inflation and interest rates through its irresponsible \$66 billion election spending spree. All at the same time as it chose to ignore the supply side of the economy, allowing skills, innovation and infrastructure to erode.

The Howard Government must take a more responsible approach to the economy so that our mortgage holders do not have to sweat on interest rate decisions every month.

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