



Sharon Grierson MP
Federal Member for Newcastle

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INTEREST RATES & TAX CUTS: FAMILIES WILL STILL BE SHORT CHANGED

Member for Newcastle Sharon Grierson has warned that Newcastle families will continue to be short-changed by the Howard Government, regardless of the outcomes of today's Reserve Bank meeting on interest rates and next week's Federal Budget.

The Reserve Bank meets tomorrow, and is widely tipped to increase interest rates by 0.25% - the second increase since John Howard promised to keep them down at the 2004 Election.

Next week's Federal Budget is expected to contain tax cuts for low and middle income earners, following Labor's ongoing calls for relief these workers and their families.

"Unfortunately, if both of these occur, the very families who receive tax cuts will see them wiped out when their mortgage repayments go up," Ms Grierson said.

"Ordinary families will gain nothing from the Howard Government."

"And when exorbitant petrol prices and the threat of real wages declining under WorkChoices are factored in, most families will actually be going backwards."

"Workers on average incomes in Newcastle have received only \$10 a week in tax cuts from the Howard Government since 2000, while those on \$120,000 have received \$120 a week."

"Now its too late for the Government to make up for its neglect. Any tax cuts in next week's Budget will be eaten up by rising interest rates, petrol prices, and downward pressure on wages."

"One thing is clear - the high cost of living under Howard is set to get even higher."

For more information contact Sharon Grierson on 4926 1555

Canberra
House of Representatives
Parliament House
CANBERRA ACT 2600
Ph: 02 6277 4221
Fax: 02 6277 8461



Newcastle
427 Hunter Street
NEWCASTLE NSW 2300
Ph: 02 4926 1555
Fax: 02 4926 1895
www.sharongrierson.com