



Sharon Grierson MP
Federal Member for Newcastle



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INTEREST RATES: BROKEN PROMISES & LOST OPPORTUNITIES

The Reserve Bank's decision to raise interest rates today has highlighted both the absurdity of John Howard's interest rates election promise and his Government's complacency in managing Australia's economy over the past nine years.

In Newcastle, according to the latest Census figures, there are almost 12,000 families and individuals with mortgages on their properties. "John Howard must explain to these people why he lied to them at the election," Sharon Grierson, Member for Newcastle, said.

"The Howard Government had promised the nation that his Government would keep interest rates down. Barely 5 months later we see the first of what are expected to be several interest rate rises," Ms Grierson said. "It's 'never-ever' all over again. It's 'children overboard' all over again."

This rate rise will add around \$40 per month in repayments on an average \$210,000 loan, increasing the pressure on Australian families already struggling to meet their financial commitments.

"We've seen the Government's child care rebate promise put back eighteen months, now the interest rates promise has been broken, and in the next few months we will see the Government's radical welfare and industrial relations changes put on the table," Ms Grierson said.

"What all of this shows is the Government's complacency in managing the modern, dynamic economy which Labor reforms of the 1980s made possible," Ms Grierson said. This rate rise, coupled with yesterday's announcement of a record current account deficit of \$15.2 billion for the December quarter, leaves the Government's economic credentials in tatters.

"The Howard Government has not continued with the Labor investments in our nation's infrastructure, in the skills of its people, in the health and welfare of its families, or in the economic future of its children. Instead it has splashed out \$6.6 billion of taxpayers' money on inflationary handouts, rebates and promises to special interest groups, as well as 'Regional Rorts' grants to shore up its marginal seat holders and win another election," Ms Grierson said.

"The past decade has been one of lost opportunities, with a complacent Government taking the economy for granted and making promises to Australian families that it cannot keep."

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