



MEDIA RELEASE

Joyce says interest rate cut good news for families and small business in Electorate

05 Feb 2015

FEDERAL Member for New England, Barnaby Joyce said the decision by the Reserve Bank of Australia (RBA) to cut the official cash rate to a new record low of 2.25 per cent is good news for families and small business.

"It's good news for the economy and it's good news for jobs," he said.

"This is the first interest rate cut in 18 months and will put an extra \$750 a year into the pockets of a typical Australian family with a mortgage of \$300,000.

"The cut comes on top of recent falls in the price of petrol – saving the typical Australian family around \$80 per month compared with the middle of last year.

Mr Joyce said the scrapping of the Carbon Tax last year by the Abbott Government is saving families around \$550 a year.

He cited figures released by the Australian Competition and Consumer Commission at the end of January which revealed a 6.9 per cent drop in the price of electricity in NSW as a ringing endorsement in the decision to end the Carbon Tax.

He said the ACCC report focussed on the response of Australian businesses in the December 2014 quarter to the Carbon Tax repeal and the extent to which cost savings are flowing through the supply chain.

"Small business owners with a \$200,000 residentially-secured small business variable loan at a typical rate of 7.10 per cent, for example, would save around \$500 a year. Small business owners with a \$50,000 small business unsecured overdraft loan at a typical rate of 9.3 per cent would save \$125 a year," he said.

"While there are always competing household budget priorities, we encourage Australians to consider using some of these savings to support their local businesses by shopping small and shopping locally.

Principal Office - Tamworth

All Mail: PO Box 963, Tamworth NSW 2340
Shop 5, 259 Peel Street, Tamworth NSW 2340
ph 02 6761 3080 **toll free** 1300 301 839
fax 02 6761 3380

Tenterfield Office

255 Rouse Street, Tenterfield NSW 2372
ph 02 6736 1099 **fax** 02 6736 1433





Hon **Barnaby Joyce** MP

FEDERAL MEMBER FOR NEW ENGLAND

“There really is no substitute for customers. By spending a small amount of money at local businesses on a weekly basis, all Australians can support the success of small businesses and family enterprises.”

Mr Joyce said while interest rate decisions are solely a matter for the RBA, the Government’s strong action to fix the Budget are providing more room to move.

“The interest rate cut by the Reserve Bank of Australia (RBA) provides significant opportunities for Australian small business. I urge all banks to pass on the cut in full for these benefits to be realised.

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