

Interest Rate Rise Was Not A Mistake, Says RBA Governor Michelle Bullock

BRISBANE, QUEENSLAND, AUSTRALIA, February 15, 2024 /EINPresswire.com/ -- In response to the rise of interest rates, the former governor of the Reserve Bank of Australia defended the decision as she issued a stark warning regarding the upcoming developments.

The governor of the Reserve Bank of Australia has defended the decision of the rise of interest while justifying that it was not a mistake and that the mortgage holders need to be cautious of persistent inflation.

On Thursday, during a senate estimates hearing, Ms Michelle Bullock told the senators that the step towards lifting the interest rates for a continuous 13th time in November was the right move regarding the economic climate.

She justified the decision, saying, "It wasn't a mistake to raise the interest rate at this point. We were acting on the information available, and that was an appropriate response".

After the lift of interest rates to 4.35 per cent in early November, the decision has significantly affected Australian homeowners as it piled up an extra \$76 per month for families with a mortgage of \$500,000.

RBA, in its revised inflation forecast, which was released last week, revealed that by June 2024, the interest rates might drop down to 3.3 per cent, which is lower than the estimated drop that was 3.9 per cent. However, Ms Bullock issued a warning as she welcomed the global decrease in inflation, stating that service inflation in Australia would remain elevated.

She further emphasised the persistent inflammatory pressure and cautioned that they could have significant and widespread implications for the economy if not checked adequately.

The remarks from RBA's governor following the event of the largest interest rate hike of the decade sparked a widespread debate and concerns among businesses and consumers, with questions regarding its impact on the borrowing amount, consumer spending and economic growth overall.

[Finguard Finance](#) is one of the most trusted providers of insurance and mortgage services. We acknowledge the persistent changes in interest rates and the implications they could have on the

overall economy, as stated by Ms Michelle Bullock. We aim to provide complete support to our customers for all the challenges they might experience as we look into the situation and monitor it closely.

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