



T R E A S U R E R

MEDIA RELEASE

NSW: banks urged to pass on interest rate relief

NSW Treasurer Eric Roozendaal today welcomed the Reserve Bank decision to lower interest rates by 25 basis points to 3 per cent.

Mr Roozendaal urged banks to pass on the full 0.25 per cent interest rate cut to NSW's 550,000 home mortgage holders.

"In the current economic climate, it's vital banks provide some relief to mortgage holders by passing on the Reserve Bank's rate cut," Mr Roozendaal said.

"Should the banks pass on the whole 0.25% mortgage cut, the average NSW home mortgage holder with a mortgage of \$390,000 will save a further \$59 on their monthly mortgage bill.

"Interest rates have an impact on the housing market and lower interest rates are crucial to a recovery in housing investment," Mr Roozendaal said.

Mr Roozendaal said he expected the latest Rudd Government's stimulus package worth \$42 billion to have a significant positive impact on the NSW economy.

"The Federal Government's stimulus payments arriving in the mail this week are great news for NSW families and the NSW economy.

"Added to that, in November and December alone the NSW Government invested almost \$145 million to assist first home buyers, providing an important stimulus to the property industry.

"The Rees Government is committed to protecting jobs, maintaining front line services and infrastructure in NSW and with the Federal Government will take a responsible approach to managing the NSW economy through this difficult period."

April 7, 2009

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