



United Retail Federation

Serving Members Australia Wide™

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Banks Should Heed RBA Decision and Cool Their Heels

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The **United Retail Federation**, a peak national industry body representing retailers and small businesses for over 120 years, has said it would be a “diabolical decision” for both business and consumers if Australia’s banks were to go outside the Reserve Bank of Australia’s decision today which put a hold on rates.

Scott Driscoll, National President of the **United Retail Federation**, said that if the country’s banks decided to lift rates it would affect consumer confidence and retail sales would continue to plummet to “terminal levels”. Mr Driscoll said the flow on effects would cost jobs, particularly in the retail and small business sectors and it would strengthen the case for a government backed Small Business Bank or similar government secured strategies.

“The RBA’s decision was right and any move from the big four banks to raise interest rates would be utterly reprehensible,” Mr Driscoll said.

“It would doom the retail sector and thousands of small businesses to a situation where we would continue to see a dramatic drop in consumer activity in many areas and the end result will be broad scale job losses

“We have a very clear situation involving a continuing two-speed economy with an inevitable end to unsustainable discounting periods that simply can’t last forever.

“Australia’s big four banks would be throwing another challenge at small businesses already struggling to access finance and would add to the list of reasons for why Australia needs a Government backed financial institution for small businesses,” Mr Driscoll said.

For further comment call Scott Driscoll on 0413 831 045.