



Australian Citizens Party

Craig Isherwood, National Secretary

PO Box 376, COBURG, VIC 3058

Phone: 1800 636 432 **Email:** info@citizensparty.org.au **Web:** citizensparty.org.au

MEDIA RELEASE

14 February 2024

Premiers, Opposition must stop Chalmers surrendering power to bankers

REMINDER: Watch *Mr Bates vs the Post Office* 8:55 PM tonight and next week on Channel 7

To show Australians why they should watch this important show, Australian Citizens Party Research Director Robert Barwick interviewed Licensed Post Office Group Executive Director Angela Cramp on *Citizens Insight*: "[Aussie post offices know what Mr Bates is going through!](#)" Please watch and share.

State Labor Premiers Steven Miles, Jacinta Allan, and Roger Cook were right to call for interest rate cuts, but the Reserve Bank was the wrong target.

The Australian Citizens Party (ACP) and others have pointed out that the Premiers should be targeting their Labor Party colleague Jim Chalmers, who has the power to order the RBA to cut rates.

Instead of using his power, however, Chalmers has introduced a bill to surrender it to unaccountable bankers.

ACP Research Director Robert Barwick said today: "The Premiers were right to speak up, because millions of Australian households are suffering from the fastest interest rate hikes in history which have added thousands of dollars to their monthly bills.

"But c'mon—they need to pay attention. Their colleague Jim Chalmers literally has the power to cut rates and provide relief to those households, but just when he needs to use it, he's actually trying to legislate it away.

"He's the one the Premiers should be going after."

Greens Senator Nick McKim also weighed in, tweeting 2 February: "Labor premiers are calling for the RBA to cut rates next week. But will they put pressure on Jim Chalmers to intervene?"

"Jim Chalmers has the power to overrule the RBA on interest rates under S11 of the *RBA Act*. Instead of using this power, the Treasurer is seeking to give it away in upcoming legislation."

The latest data on the burden being borne by mortgaged households underscores the urgency of this issue.

Digital Finance Analytics data scientist Martin North reports his household survey is showing the highest rates of mortgage stress and rental stress ever.

The RBA's interest rate hikes since early 2022 have pushed up mortgage stress to 50.5 per cent of mortgaged households, and rental stress to 73.47 per cent of renters—both up from around 40 per cent in 2021.

[Martin North has also calculated](#) that, annualised, Australia's mortgaged owner-occupiers are collectively paying \$49.52 billion more in interest than in 2021, while mortgaged property investors are collectively paying \$22.5 billion more than in 2021—a whopping \$70 billion extra per year just in interest payments coming out of Australia's mortgaged households.

This huge extra burden on mortgaged households completely dwarfs the government's so-called "cost-of-living tax cuts", which are returning \$20 billion a year, but spread over most taxpayers.

Shane Wright reported in the 7 February *Sydney Morning Herald* that mortgage payments aren't measured in the consumer price index (CPI) of inflation, so the RBA can raise the cost of living on mortgaged households while simultaneously claiming that inflation is coming down.

Wright reported that "the real inflation rate for working families paying off a home loan is almost 70

per cent higher than the official consumer price index”, of which the cost of mortgage interest has risen 109 per cent.

Robert Barwick added: “The Treasurer’s power to overrule the RBA, enshrined in Section 11 of the *Reserve Bank Act*, was originally legislated in 1945 to moderate central bank decisions if necessary, especially when its policies crippled households, as we are seeing now.

“It is a crucial democratic check on the power of unelected central bankers.

“Labor greets John Curtin and Ben Chifley fought furiously for this power—Jim Chalmers has no right to give it away.”

The Greens, One Nation, and many crossbenchers oppose the repeal of Section 11, and the ACP understands there’s growing opposition in the Coalition, which, if the Coalition votes no, would defeat it in the Senate.

The ACP is urging Australians to contact Shadow Treasurer Angus Taylor and Coalition MPs to demand they stop Chalmers from surrendering to bankers.

What you can do

The priority is to phone and email Shadow Treasurer Angus Taylor and the Liberal-National Senators in your state to demand they oppose Jim Chalmers and the ALP repealing Section 11 of the *Reserve Bank Act* that enshrines democratic authority over the Reserve Bank.

Contact Angus Taylor

Telephone (Parliament Office): (02) 6277 4362

Telephone (Electorate Office): (02) 4658 7188

Email: angus.taylor.mp@aph.gov.au

[Click here for the contact details of the Senators in your state.](#)

More action

If you can, please also contact your local federal MP, and the ALP Senators in your state, to deliver the same message.

[Click here to sign the Citizens Party’s petition for a post office people’s bank.](#)