media release

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Reserve Bank must resist temptation to raise interest rates

Australian Unions are urging the Reserve Bank to resist raising interest rates following today's inflation figures, which confirm the ongoing pressures facing working people.

ABS data shows that headline inflation rose 4.9% in the 12 months to October 2026, up from 4.3% in the year to September 2026. Annual underlying inflation lifted from 3.6% in September to 3.8% in October.

Higher prices for automative fuel, electricity and housing were the biggest contributors to the rise in inflation.

Donald Trump's Iran War drove higher automative fuel prices, increasing 32.5% over the year, including a 6.3% rise from last month. Higher supply chain costs from this global energy shock appears to have flowed through other parts of the economy.

Electricity rose 25.2% over the year largely due to the ending of the Federal Government's electricity rebates.

Union calls on the Reserve Bank to keep rates on hold when it meets next month comes as Governor Michele Bullock conceded that recent rates rises hadn't even flowed through to the economy yet.

Unemployment has also hit 4.9% last week, far worse than the Reserve Bank's recent forecast that it would only reach 4.7% by the end of the year.

Quotes attributable to ACTU Secretary, Melissa Donnelly:

"Today's disappointing inflation figures alongside the latest employment data confirms that working Australians are doing it tough. It's clear that companies are passing on higher input costs caused by Donald Trump's Iran War and this is hurting Australian workers and their families.

"Unions are calling on the Reserve Bank to resist the temptation to increase interest rates when it meets next month. Working people can't afford more financial stress, especially at a time when their jobs are increasingly at risk, and higher rates will do nothing to fix the structural problems in the economy.

"Corporate Australia should use its mega profits to absorb a greater share of overseas cost pressures instead of passing them on to Australian families. Companies decide what prices to charge, and they can choose to prioritise people's livelihoods over protecting their profits."

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