



**THE HON SUSSAN LEY MP
LEADER OF THE OPPOSITION
FEDERAL MEMBER FOR FARRER**

**TED O'BRIEN MP
DEPUTY LEADER OF THE OPPOSITION
SHADOW TREASURER
MEMBER FOR FAIRFAX**

MEDIA RELEASE

JIMFLATION STRIKES AGAIN WITH 13TH RATE RISE UNDER LABOR

Tuesday, 3 February 2026

Millions of Australian mortgage holders have been hit with another crushing blow today, as the Reserve Bank raised interest rates for the thirteenth time under Labor's cost-of-living crisis.

For families already stretched to breaking point, this rate rise is devastating news delivered straight to their mortgage statement. The average mortgage holder is now paying more than \$23,000 a year in interest than when Labor was elected.

This comes on top of soaring grocery bills, higher power prices, rising insurance premiums and rents that keep climbing.

This rate rise is not an accident. It is the direct consequence of Labor's addiction to spending, which has kept inflation higher for longer and left the RBA with no choice but to keep tightening.

That assessment is backed by Australia's leading economists.

AMP's chief economist Shane Oliver has been clear: "The best thing that Australian governments can do to help bring down inflation would be to cut government spending back to more normal levels."

IFM Investors' chief economist Alex Joiner has warned that "the fiscal guard rails have come off".

In the current financial year alone, Labor has added an additional \$50 billion of new spending decisions – almost the value of the entire national defence budget.

Australians are now paying the price for Labor's choices. In higher mortgage rates, but also lower real wages and rising tax bills.

Australian mortgage holders are being punished because the Government won't show the discipline that families themselves have been forced to show.

When the RBA raises rates, it pulls money out of the economy to slow inflation. When the Government ramps up spending, it pushes money back in, forcing rates higher for longer.

In a stark indictment of the Government's economic mismanagement, the decision to raise rates was unanimous. The entire RBA Monetary Policy Board has voted to hit the brakes, while the Treasurer keeps his foot flat on the accelerator with his reckless spending.

As part of its decision today the RBA also significantly upgraded its inflation forecasts and now expects inflation to remain above its target for at least another two and a half years.

It also expects that real wages will continue to fall for the remainder of the year, and that even slower economic growth and higher unemployment will result from rising interest rates.

This is Labor's cost of living crisis. When Labor spends, Australians pay.

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Media Contact: Office of the Leader of the Opposition: Liam Jones - 0431 000 583