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## **PRIME MINISTER**

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP  
DOORSTOP AT THE SUNBURY CAMPUS OF THE VICTORIA  
UNIVERSITY OF TECHNOLOGY, VICTORIA, 12 MAY 1995**

### **E&OE PROOF COPY**

**J:** Mr Keating, do you have any comment on the National Australia Bank half a per cent drop?

**PM:** This is certainly a good trend and I think it will come as welcome news to home owners that some of the financial institutions are now starting to begin to drop their rates after having seen the Budget. We've seen now, I think, the National Australia Bank drop its fixed rate by about 1 per cent and, I think, Westpac by about half a per cent a week or so ago and we are seeing the trend accelerate. So, that's a good thing and an encouraging thing and this proves the fact that with the long bond rate coming down after the Budget, and now these housing rates starting to respond, that a lot of the pressure that we had on interest rates, the Budget is starting to dissipate.

**J:** Do you think that will become widespread among the other banks?

**PM:** Well it's going to be a factor in the financial markets. The Government this year, as a result of the Budget, is going to be selling \$15 billion less worth of bonds - that is, \$15,000 million less worth of Commonwealth bonds - and that's taken a lot of the pressure off interest rates.

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