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## RBA Deputy Governor to Address Rate Cut Prospects in Sydney

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Mortgage holders and investors are closely watching for new insights into Australia's interest rate outlook, as Reserve Bank of Australia Deputy Governor Andrew Hauser prepares to speak at an economic forum hosted by investment bank Barrenjoey in Sydney this Thursday.

The forum follows the latest release from the Australian Bureau of Statistics showing inflation pressures continue to ease. The RBA's preferred measure, the trimmed mean inflation rate, dipped to 2.7 per cent in the June quarter. Slightly below market expectations.

This outcome has bolstered speculation that the RBA could lower the official cash rate to 3.6 per cent at its next meeting in August.

Markets have already priced in a 25-basis-point cut and are assigning a 40 per cent probability to a follow-up cut in September, according to CommSec Chief Economist Ryan Felsman.

However, Hauser may temper expectations. Some analysts believe he could argue against rushing into rate reductions, reinforcing the RBA's cautious stance. In July, the central bank surprised many by keeping rates on hold, with Governor Michele Bullock later noting that the board prefers a "measured and gradual" path when it comes to easing monetary policy.

Adding to the economic picture, new retail sales figures are due Thursday. While less influential than inflation or employment data, the update will shed light on household spending—an area that has been recovering more slowly than expected. Economists forecast a bounce back in June, potentially marking the strongest monthly gain since early 2024. This will be the final release under the current system, as the ABS transitions to a more detailed monthly household spending indicator in the months ahead.

Elsewhere, economic policy continues to stir debate as the federal government prepares for a roundtable focused on lifting Australia's productivity levels. One point of contention is artificial intelligence.

Union leaders have voiced concerns that unregulated AI adoption could lead to job losses, urging the government to impose stricter controls. In contrast, business groups argue that over-regulation could hamper innovation and efficiency.

Independent MP Zali Steggall weighed in, urging the appointment of a dedicated AI envoy to oversee technology integration while addressing public concerns. "It must be safe," she said, "but trying to reverse technological change is unrealistic."

The upcoming economic talks are expected to cover a wide range of policy areas, with a focus on ensuring long-term economic resilience in a shifting global landscape.