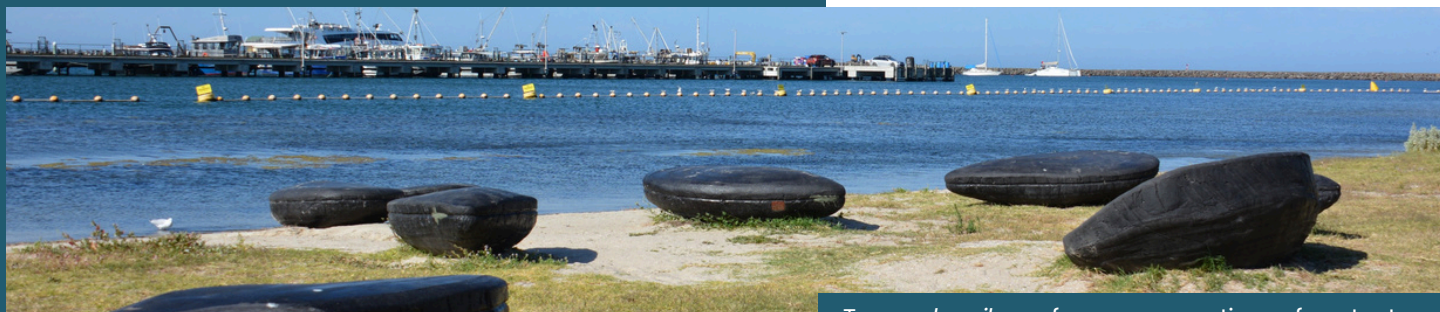
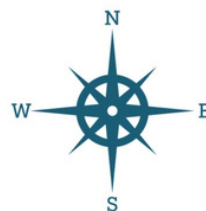




What the Latest RBA Decision Means for Households and Businesses

The latest Reserve Bank of Australia (RBA) cash rate decision has once again put interest rates front and centre for households and businesses. While rate movements can create uncertainty, they also present an opportunity to review existing financial arrangements and ensure they remain fit for purpose. The key message is simple: borrowers should be proactive rather than reactive.

For households, even a 0.25% movement in interest rates can have a noticeable impact on monthly repayments. Across many Australian families, mortgage repayments remain one of the largest household expenses, and incremental increases can place additional pressure on cash flow. For borrowers on variable rates, the effect is often felt quickly. Fixed-rate borrowers may be insulated in the short term, but it is important to understand when fixed periods expire and what options are available well before that date arrives.

One of the less discussed consequences of higher interest rates is the impact on confidence and spending behaviour. As borrowing becomes more expensive, households often delay discretionary purchases, renovations, motor vehicle upgrades and other major spending decisions. Businesses can respond in a similar way by postponing investment in equipment, premises, staffing or expansion plans. While these are rational responses to tighter financial conditions, reduced spending across the economy can create a flow-on effect for other businesses, reducing revenue opportunities and potentially slowing employment growth. This is one of the key mechanisms through which higher interest rates help moderate inflation, but it can also create challenges for both business owners and employees during the adjustment period.

To *unsubscribe* or for any suggestions of content, please email: admin@kistafinance.com.au.

Kista Finance acknowledges the **Wadawurrung People** as the Traditional Owners of the land and waters on which we live and work and pays respect to Elders past, present and emerging.

Important dates for the Month:

- 21Oct26 – Monthly BAS due
- 21Oct26 – Annual PAYG Instalment Notice payment due
- 28Oct26 – Qtr 1 BAS/IAS for non-electronic lodgers
- 28Oct26 – Qtr 1 PYG Instalments
- 31Oct26 – due date for 2026 Income Tax Returns for individuals without a tax agent. **If this is you**, either get organised or get a tax agent.

FYI: 03Nov26 – Next RBA cash rate decision

Self-Care tip for the Month.....

Practice self-compassion

Be kind and understanding toward yourself. Treat yourself with the same level of care and compassion you would show to a loved one. Practice positive self-talk and forgive yourself for mistakes.

Joke of the Month.....

I want to tell you a joke about time travel..... but you didn't like it.

(I never promised that these would be good jokes!)



Businesses face a similar challenge. Higher borrowing costs can influence equipment finance, commercial lending and working capital facilities. At the same time, many business owners continue to navigate rising operating expenses, wage pressures and changing consumer spending habits. Maintaining healthy cash flow and regularly reviewing lending structures can make a meaningful difference to business resilience and growth opportunities.

One of the most common questions I am asked is: 'What happens next?' The reality is that no one can accurately predict future rate decisions. However, borrowers do not need to wait for certainty before taking action. Reviewing your lending arrangements today may uncover opportunities to reduce costs, improve flexibility or better align your finance structure with your current objectives.

Whether you are a homeowner, investor or business owner, periods of interest rate uncertainty are often the best time to seek advice. A tailored review can help identify opportunities that may not be immediately obvious and ensure you are positioned as effectively as possible regardless of where rates move next.

Checklist: Actions to Consider Now

- Review your current interest rate against available market options.
- Check whether refinancing or repricing could improve your position.
- Assess whether fixed, variable or split loan structures suit your circumstances.
- Confirm your borrowing capacity if you are planning a purchase, investment or business expansion.
- Review cash flow forecasts and household or business budgets.
- Consider consolidating higher-cost debt where appropriate.



Community.....

Biketober Geelong

- Month-long community cycling program

Geelong Botanical Gardens - 175th Anniversary

- 03Oct26 - Open Day

Around The Bay Bike Ride 2026

- 18Oct26 - Victoria's major community cycling event, incorporating the Geelong and Bellarine region.

Composting at Home Workshop

- 24Oct26 Hosted at Drysdale Library, offering practical sustainability and gardening skills for local residents.

Lions Club - Portarlington Sunday Market

- 25Oct26 at W. G. Little Reserve, Portarlington, Victoria 3223

Half'n' Half
Growing up Italian in Australia

When **BIG** was better,
Concrete was king
and **Cousins** ruled

Come along for a night of great stories about growing up in a big Calabrese family during the 1980s and sing along to music celebrating the Calabrese culture.

Presented by award winning filmmaker and best selling author, **Joe Novella**

with special guest **Matthew Tripodi** on guitar and vocals

TICKETS ARE ONLY \$25

VENUE
Supper Room at the Geelong Town Hall

FRIDAY
2nd OCTOBER

SHOW STARTS
AT 7 PM

BOOK YOUR TICKETS AT
www.joe-novella.com

5 STAR REVIEWS
★★★★★
"I sang, laughed and cried!"

5 STAR REVIEWS
★★★★★
"After watching the show I wish I was born Italian!"

5 STAR REVIEWS
★★★★★
"We absolutely loved this show!"



- Ensure offset accounts and repayment strategies are working effectively.
- Identify upcoming funding requirements before they become urgent.
- Speak with your broker before making major financial decisions.

Interest Rate Outlook

The Reserve Bank of Australia (RBA) has recently increased the cash rate to 4.60%, reinforcing its commitment to returning inflation to the 2–3% target range. Recent RBA statements indicate that while inflation has eased from earlier peaks, price pressures remain higher than expected, particularly as rising energy costs and broader cost increases continue to flow through the economy.

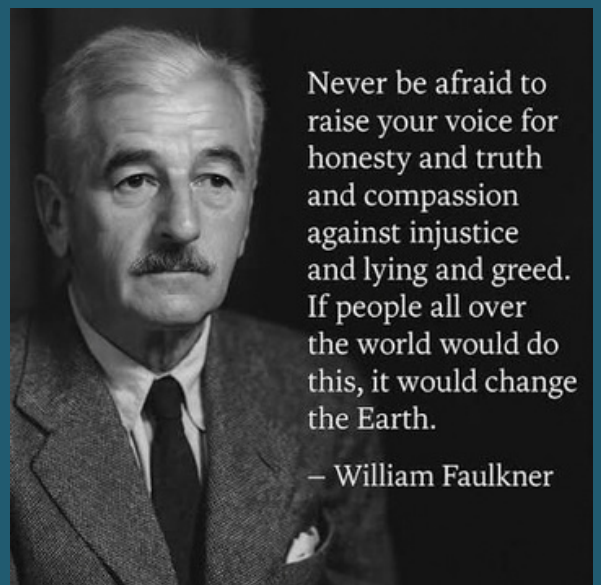
The labour market has softened modestly but remains relatively resilient. Employment levels remain healthy, business investment has held up well, and consumer spending is slowing only gradually. While housing activity has weakened in a number of markets, the RBA remains concerned that domestic demand and ongoing capacity constraints could keep inflation elevated.

Looking ahead, the next six months are likely to be shaped by inflation and employment data. The RBA has made it clear that it will take whatever action is necessary to prevent inflation becoming entrenched. As a result, interest rates may remain higher for longer than many borrowers had anticipated earlier in the year.

The outlook for November is particularly important. ANZ and Westpac are now forecasting a further 0.25% increase in the cash rate, reflecting concerns that inflation is not easing quickly enough. Other economists remain divided, with some expecting the September increase to be sufficient. While another hike is by no means certain, the probability has increased following stronger-than-expected inflation data and the RBA's increasingly cautious tone.

For borrowers and investors, a prudent approach remains appropriate, with the path of inflation likely to determine the direction of interest rates over coming months.

Quote of the Month.....



Never be afraid to raise your voice for honesty and truth and compassion against injustice and lying and greed. If people all over the world would do this, it would change the Earth.

– William Faulkner



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