



Review of the Reserve Bank of Australia Annual Report 2013 (First Report)

The House Economics Committee has tabled its first report on the *Review of the Reserve Bank of Australia Annual Report 2013* today.

The Chair of the Committee, Ms Kelly O'Dwyer MP, said that the review of the Reserve Bank of Australia (RBA) through biannual public hearings with the RBA Governor was an extremely important part of the Committee's work in scrutinising economic policy.

In reporting its findings to the Parliament, the Committee was pleased to note that positive economic growth in Australia and among Australia's major trading partners was set to continue for the next few years, albeit below trend. The Committee further noted the Governor's advice however that Australia now faces considerable challenges as investment in the resources sector is declining and that productivity gains and investment need to occur in non-mining sectors of the economy to sustain and increase future growth.

The RBA board continues to leave the cash rate unchanged at two and a half per cent. At its December and February meetings, the Board judged that it was prudent to hold the cash rate steady given the substantial degree of policy stimulus that had been imparted and evidence of its effects. The Board indicated in its recent February statement on monetary policy that market pricing suggests no change to the cash rate is expected for about a year.

The committee considers the current monetary policy settings to be appropriate but has stressed in its report that the Government and the RBA must ensure that sound decisions continue to be made to ensure that Australia's economy transitions successfully to a post-mining boom era.

The report is available on the Committee's website at:

http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=economics/reports.htm

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