



Which way next for interest rates?

We'll ask the man who decides

**Plus: Terrorist group money laundering – can it happen here?
And what would you ask the Reserve Bank?
Email the committee your question**

The House of Representatives Economics Committee will quiz Australia's most powerful banker - the Governor of the Reserve Bank, Ian Macfarlane - on the outlook for interest rates, economic growth and credit card fees at a public hearing in **Warrnambool, Victoria** this **Friday 6 December, 2002**.

The hearing comes just a week after the Federal Treasurer released his mid-year economic review, in which growth was predicted to remain quite strong, at three per cent, despite the drought and international uncertainty.

The Reserve Bank sets official interest rates, and can regulate aspects of credit and debit card fees. The Bank has put forward proposals for credit card fee reform. These are being challenged by Visa International and Mastercard.

The Committee will also question the Governor about measures in place in Australia to prevent the laundering or channelling of funds to or by international terrorist groups.

"This is an important international issue, and we will be looking for reassurance that the Reserve Bank is on top of it here in Australia," said the Chair of the House Economics Committee, David Hawker MP.

The House Economics Committee holds two public hearings each year with the Reserve Bank, in May and December. They are the only public forums at which the Governor of the Reserve is obliged to publicly answer questions about Bank policy and outlooks.

This will be just the second time the Reserve Bank hearing has been held outside of Sydney or Melbourne, and the first time it has been held in regional Victoria. In December 2000, the Committee held its hearing with the Governor in Wagga Wagga, NSW.

Mr Hawker said finding out about the Reserve Bank's thinking on interest rates, credit card fees and the general outlook for the economy is important to the daily lives of all Australians.

"The issues we talk about with the Reserve Bank aren't just important to the financial markets, they impact directly on household budgets," Mr Hawker said.

Mr Hawker also said that following the success of a trial in May, he was once again keen to seek input from people about what they would like the Reserve Bank to be asked.

"The Committee always holds pre-hearing briefings with various economists and financial institutions," Mr Hawker said. "But we are also keen for public input into this process. If you have a question you would like to see put to the Governor of the Reserve Bank you can email it to the Committee at **efpa.reps@aph.gov.au**."

The public hearing will be held at the Warrnambool Racing Club, from 9.30am, and can be listened to live over the internet via the links at www.aph.gov.au/live

For media comment or interview, please contact David Hawker on 02 6277 4837

For further information about the hearing:

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