



## **New Reserve Bank Governor to front House Economics Committee at hearing in Perth 8am, Wednesday, 21 February 2007**

On 4 December, the House Economics Committee tabled its report on the *Review of the Reserve Bank of Australia Annual Report 2005 (Second Report)*. This report provides a summary of key issues raised at the public hearing with the Reserve Bank of Australia on 18 August 2006.

The Committee Chair Bruce Baird (Member for Cook, NSW) said "Australia's current economic expansion has continued for an unprecedented 15 years. This is an enviable performance and one which many western countries would like to emulate."

This long period of expansion has resulted in capacity constraints which are creating some inflationary concerns. The RBA is quick to point out that full capacity is not something to fear. For example, the unemployment rate is the lowest in 30 years.

In relation to housing affordability, the RBA was surprised at the enormous public focus placed on the recent rate increases and their apparent impact on housing affordability. Mr Macfarlane, the then Governor of the RBA, suggested that the real problem for people was not the rate increases but the fact that houses were so expensive.

The public hearing held on 18 August 2006 marked the final appearance of Mr Ian Macfarlane who retired in September. "I take this opportunity, on behalf of the committee, to congratulate Mr Macfarlane on his leadership of the RBA over ten successful years and commend him for his outstanding contribution to the stability and growth of the Australian economy," Mr Baird said.

"I would also like to take this opportunity to welcome Mr Glenn Stevens as the new Governor of the RBA and look forward to formally meeting with him at the next public hearing with the RBA on **21 February 2007 starting at 8.00am and finishing at 11.00am** in Perth, Western Australia."

The venue for the public hearing is the **Rendezvous Observation City Hotel, Perth**. Any media or financial wire services requiring direct telecommunications links will need to make their own arrangements with the **Rendezvous Observation City Hotel**.

The full committee report may be found at:

[http://www.aph.gov.au/house/committee/efpa/rba2005\\_2/report.htm](http://www.aph.gov.au/house/committee/efpa/rba2005_2/report.htm)

**To arrange media comment:** Please contact the committee chairman, Hon Bruce Baird MP on (02) 6277 4814 or 0418 611 668 (mobile).

**For further information:** Please contact the committee secretariat on (02) 6277 4209, email [efpa.reps@aph.gov.au](mailto:efpa.reps@aph.gov.au) or visit online from the committee's website