



HOUSE OF REPRESENTATIVES ECONOMICS,
FINANCE AND PUBLIC ADMINISTRATION COMMITTEE
NEXT PUBLIC HEARING WITH RESERVE BANK

MEDIA ALERT

Issued: 18 August 2006

Chair: the Hon. Bruce Baird MP
Deputy Chair: Dr Craig Emerson MP

RBA to meet with House Economics Committee

Where to next for interest rates?

Following the recent decision to raise interest rates by .25 per cent, the House of Representatives Economics Committee will hold a public hearing with the Reserve Bank Governor, Ian Macfarlane, and other officers of the bank, tomorrow.

The hearing will also mark Mr Macfarlane's last appearance before the Committee after 10 years as Governor. The Deputy Governor Glenn Stevens, who is replacing Mr Macfarlane as Governor, will also attend the hearing.

The hearing will be held on **Friday, 18 August 2006 between 10.00am and 1.00pm in the Chelmsford Room at Tattersalls on Hyde Park, 181 Elizabeth Street, Sydney.**

The Committee, chaired by Bruce Baird (Member for Cook, NSW), will ask Reserve Bank representatives about the decision to lift interest rates, with a particular focus on the economic data underpinning its decision. The Committee will also seek the bank's view on the likelihood of future rate rises.

"The Committee is obviously keen to probe the Reserve Bank about the latest interest rate rise," Mr Baird said today. "Clearly record oil prices are a big factor in the latest rise, but it will be interesting to see what other factors the bank considered important. For example, is the price of bananas as significant as the media has been suggesting?"

"This will be fascinating hearing for the Governor; it is his last and perhaps one of the most important of his tenure."

Mr Baird said the House Economics Committee is entrusted with the responsibility to scrutinise the decisions of the Reserve Bank, which is an independent statutory body.

"This hearing provides an important forum for the Parliament to investigate the decision making of the Reserve Bank," he said. "It will also provide economists, the media and the public with a vital insight into the bank's thinking."

The House Economics Committee holds two public hearings each year with the Reserve Bank.

The hearing will be webcast live (audio only) at <http://www.aph.gov.au/live/webcast3.asp> or on Parliament House's internal HMS channel 9.

WHO: Reserve Bank questioned by House Economics Committee

WHAT: Public Hearing

WHERE: Chelmsford Room, Tattersalls on Hyde Park, 181 Elizabeth Street, Sydney.

WHEN: Friday 18 August 2006, 10.00am – 1.00pm

For media interview: Please contact Committee chairman, Bruce Baird on (02) 9525 8200 or mobile 0418 611 668.

For background information: Please contact Committee secretariat on (02) 6277 4534 or mobile 0413 302 618 or email efpa.reps@aph.gov.au.

For media queries about hearing arrangements: Please contact the House of Representatives media adviser, Andrew Dawson, on (02) 6277 2063 or mobile 0401 143 724.