



ATT: National & Melbourne Media

House Economics Committee - Reserve Bank Hearing

10:00am, Friday 11 May 2001
Legislative Council Chamber
Victorian State Parliament House, Melbourne

Reserve Bank to account for its decisions

This Friday, 11 May, the House Economics Committee will again hold the Reserve Bank of Australia (RBA) to account for its handling of interest rate policy, at a public hearing in Melbourne. One of just two public hearings held each year with representatives of the Reserve, this is a Centenary of Federation event being held in the Victorian Legislative Council Chamber.

The Committee Chairman, Mr David Hawker MP, said: "Given the slowdown of the Australian economy and the prospect of further interest rate reductions, the hearing will be very timely and important.

"We will take the opportunity to question the Governor extensively about the current economic situation in Australia and the full operations of the Bank."

The Governor's biannual appearance before the Committee provides an important avenue for the Bank to demonstrate accountability to the community for the way in which it conducts its operations, especially in relation to monetary policy. The process is strongly supported by both the Parliament and the Bank.

Mr Hawker said that the main issues which are likely to be canvassed at the forthcoming hearing include:

- The slowdown in the Australian economy after a decade of uninterrupted economic growth;
- Why the economy was weaker than expected;
- The trend in unemployment;
- The Bank's current attitudes to business confidence surveys and reasons for the decline in business confidence, especially small business;
- How the Bank sees the US economy unfolding;
- Success of the RBA's new branch offices, and the regional intelligence they were expected to feed into the system;
- The possibility of further interest rate reductions;
- Credit card interchange fees - ramifications of the Payments System Board's decision to "designate" the credit card systems operated in Australia by Bankcard, Mastercard and Visa as payment systems subject to regulation re- their interchange fees.

Mr Hawker said that the papers forming the basis for discussion at this hearing, are the RBA Annual Report for 1999/00, and the Bank's May 2001 Statement on Monetary Policy. The Committee will table a report on this inquiry in the latter part of this year.

The full transcript from the hearing will be available on Wednesday 16 May on the Committee's web site at: www.aph.gov.au/house/committee/efpa .

The Chairman of the House Economics Committee, David Hawker, will be available for both preview and review interview regarding the hearing. Please contact Geoff Dodd via the numbers below. An article from the May/June *About the House* magazine profiling the Committee is also available.

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For media queries or information contact:

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The House Economics Committee

Chairman: Mr David Hawker MP
Deputy Chair: Ms Anna Burke MP
Members: Mr Anthony Albanese MP Ms Teresa Gambaro MP
Mrs Kay Hull MP Mr Mark Latham MP
Mr Christopher Pyne MP Ms Tanya Plibersek MP
Hon Alex Somlyay MP Dr Andrew Southcott MP

Public Hearing Program: Reserve Bank of Australia

Date: Friday, 11 May 2001
Time: 10.00am to 1.00pm
Location: Legislative Council Chamber - Victorian State Parliament House, Melbourne

Witnesses: **Reserve Bank of Australia**
Mr Ian Macfarlane, Governor
Mr Ric Battellino, Assistant Governor
Dr John F. Laker, Assistant Governor
Mr Glenn Stevens, Assistant Governor

Media information

Entry: via front entrance of Victorian State Parliament House. Look for House of Representatives signage in the entrance hall for the appropriate entry point. **Access available from 8:30am.**

Seating plan: The hearing will be on the floor of the Legislative Council Chamber, around the central table. Media will have access to the floor of the Chamber. Journalists will be seated close to the 'action', in the seats occupied by front and backbench Government MLCs when parliament is sitting.

Vision: photographers and TV cameramen will be able to shoot the 'overhead' view of the hearing from the first floor balcony for the first 20 minutes of the hearing only. After that, all vision will be from the floor of the Chamber, where there will be no restrictions on movement, except for normal sensitivities.

Split box: a splitter box will be provided.

Direct feed to Parliament House, Canberra: Parliament's Sound and Vision Office will provide an audio-only feed into Parliament House, Canberra (no vision). This will be carried on Channel 11.

Internet / webcast: an audio feed of the hearing will be streamed from the live webcast link of the Parliament's website; link through <http://www.aph.gov.au>

All media: Please be set up at least 10 minutes prior to the hearing, which will commence at 10:00am sharp.