



HOUSE ECONOMICS COMMITTEE

Reserve Bank of Australia - Report on 31 May 2002 public hearing

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**MEDIA RELEASE**

*Issued: 23 Sept 2002*

REPORT TABLED - Monday 23 September

## **Committee to meet Reserve Bank in regional Victoria**

The House of Representatives Economics Committee will hold its December 2002 public hearing with Reserve Bank Governor Ian Macfarlane in regional Victoria.

The public hearing will be on Friday 6 December at Warrnambool, in the state's south-west.

It will be the first time the public hearing with the Reserve Bank will be held in regional Victoria. In December 2000, the Committee met with the Governor in Wagga Wagga, NSW, in its first venture outside Sydney and Melbourne for these important public hearings.

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, including interest rate policy and credit card reform.

The announcement of the Warrnambool hearing came as the Committee tabled the official report of its previous public hearing with the Reserve Bank, which was held in Sydney on 31 May 2002.

That hearing was held the week before the Reserve increased interest rates to 4.75% - an increase 'flagged' at the hearing when the Governor outlined the Bank's intention to return monetary policy to "a more neutral setting".

At the 31 May hearing the Governor also indicated the Bank was ready to release its proposed reforms to credit card schemes. The Reserve subsequently announced changes to allow a 40 per cent reduction for credit card interchange fees; merchants to be allowed to charge cardholders the cost of accepting credit cards; and opening the door to new competitors in the credit card market.

Tabling the Report, the Committee Chair, David Hawker MP, said, "The Committee has been pursuing the Bank on this issue for some time and welcomes these moves by the Reserve Bank. I believe they are an important win for Australian consumers."

Mr Hawker also announced that the Committee would continue with its experiment of seeking public input into questions for the Reserve Bank.

"Preceding Committee hearings with the Reserve Bank have attracted much interest from the Parliament, the financial sector and the financial media," Mr Hawker said. "The hearings have been an excellent avenue of transparency and accountability for the Bank and the Committee continues to strive to find ways to improve this even further, especially to the public."

### **To arrange comment:**

David Hawker, MP (Chairman), Parliament House (02) 6277 4837

### **For a copy of the Committee's report visit:**

[www.aph.gov.au/house/committee/efpa/rba0001/rbaindex.htm](http://www.aph.gov.au/house/committee/efpa/rba0001/rbaindex.htm) or  
contact the Committee Secretariat on (02) 6277 4587