



# Reserve Bank Governor to front House Economics Committee in Canberra this week

**9.30am to 12.30pm, Friday, 26 November 2010**

The House of Representatives Economics Committee will hold a public hearing with the Governor of the Reserve Bank of Australia, Glenn Stevens, in Canberra on Friday, 26 November 2010.

Since October 2009 the RBA has lifted the cash rate seven times taking it from 3.00 to 4.75 per cent. The RBA in its November Board meeting minutes commented that 'the outlook for growth in the resources sector was very strong and GDP growth was expected to rise gradually.' The potential for capacity constraints will be examined.

Committee Chair, Mr Craig Thomson (Member for Dobell, NSW) advised that the RBA's views on the adequacy of competition in the banking and non-banking sector would be sought. The RBA November Board meeting minutes referred to bank funding costs and stated that 'members noted that there was a possibility that banks would increase interest rates on loans by more than any move in the cash rate. This issue will be examined.

The RBA's November quarterly statement on monetary policy indicated that underlying inflation is forecast to remain around 2.5 per cent until mid 2011, before picking up gradually to 3 per cent.

Mr Thomson said the committee will explore with the RBA the short to medium term outlook for the economy and the risks and opportunities that exist. In particular, the committee will be seeking elaboration on employment trends, forecasts for growth and underlying inflation, and what this may mean for the future direction of interest rates.

## **Public Hearing Details**

<b>Committee:</b>	House of Representatives Economics Committee
<b>Venue</b>	Main Committee Room, Parliament House, Canberra
<b>Date:</b>	Friday, 26 November 2010
<b>Time:</b>	9.30am to 12.30pm
<b>Webcast:</b>	The hearing will be webcast <a href="http://webcast.aph.gov.au/livebroadcasting/">http://webcast.aph.gov.au/livebroadcasting/</a>

**For media comment:** Please contact the Committee Chair Craig Thomson MP:

Electorate: (02) 4321 1223

Parliament: (02) 6277 4460

Mobile: 0417 042 072

**For background information:** Please contact the committee secretariat:

Phone: (02) 6277 4564 Email: [economics.reps@aph.gov.au](mailto:economics.reps@aph.gov.au) Website: [www.aph.gov.au/economics](http://www.aph.gov.au/economics)