



## Next Reserve Bank hearing in Queensland 10.00am, Friday, 17 August 2007

On 21 May, the House Economics Committee tabled its report on the *Review of the Reserve Bank of Australia Annual Report 2006 (First Report)*. This report provides a summary of key issues raised at the public hearing with the Reserve Bank of Australia on 21 February 2007.

The Committee Chair Bruce Baird (Member for Cook, NSW) said “strong global commodity prices continue to fuel Australia’s sustained period of economic growth. In these expansionary conditions, the role of the RBA is crucial in ensuring that inflation is controlled and monetary policy facilitates the stability of the Australian currency and the maintenance of full employment.”

It is widely recognised that Australia is experiencing capacity constraints – shortages of capital and labour – as a result of its strong and extended period of economic growth. The unemployment rate remains very low by historical standards, and the effects of this are further heightened by record high labour participation rates.

Job vacancies continue to increase, and strong demand for labour is confirmed by a range of business surveys and liaison reports. A high level of business investment, however, is expected to bring about expansions in capacity, particularly in the resources sector.

In mid 2006, the economy experienced a mild pick-up in inflation as a result of solid economic growth and the associated capacity constraints. The Governor of the Reserve Bank of Australia reported that he was “considerably more comfortable” with inflation expectations now than in August or November 2006, although the inflation challenge is far from over and vigilance will be required over the short to medium term.

The next public hearing with the Reserve Bank of Australia is on **17 August 2007 starting at 10.00am and finishing at 1.00pm** at the Gold Coast Convention and Exhibition Centre, Broadbeach, QLD.”

Any media or financial wire services requiring direct telecommunications links will need to make their own arrangements with the **Gold Coast Convention Centre and Exhibition Centre**. The committee does not pay for these services.

The full report may be found at: <http://www.aph.gov.au/house/committee/efpa/rba2006/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 <http://www.aph.gov.au/house/committee/efpa/index.htm>