



PARLIAMENT of AUSTRALIA

MEDIA RELEASE

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
Reserve Bank public hearing: Friday, 22 February 2019

Chair: Tim Wilson MP
Issued: 18 February 2019

Reserve Bank Governor to appear before House Economics Committee in Sydney

9.30am to 12.30pm, Friday, 22 February 2019

The House of Representatives Standing Committee on Economics will hold a public hearing with the Governor of the Reserve Bank of Australia (RBA), Dr Philip Lowe, in Sydney from 9.30am to 12.30pm on Friday, 22 February 2019.

Since the previous hearing with the RBA in August 2018, monetary policy has remained accommodative with a cash rate of 1.50 per cent, following the RBA's recent decision to leave interest rates unchanged.

Commenting on the decision to keep rates on hold, the RBA Governor noted that 'the central scenario is for the Australian economy to grow by around 3 per cent this year and by a little less in 2020 due to slower growth in exports of resources.'

'The housing markets in Sydney and Melbourne are going through a period of adjustment, after an earlier large run-up in prices. Conditions have weakened further in both markets and rent inflation remains low.'

In relation to the inflation outlook, the Governor stated that 'underlying inflation is expected to pick up over the next couple of years, with the pick-up likely to be gradual and to take a little longer than earlier expected. The central scenario is for underlying inflation to be 2 per cent this year and 2¼ per cent in 2020.'

The Governor concluded that 'the low level of interest rates is continuing to support the Australian economy. Further progress in reducing unemployment and having inflation return to target is expected, although this progress is likely to be gradual.'

The Governor, at a speech on 6 February, commented that 'today, the probabilities appear to be more evenly balanced' between an increase or decrease in rates. It is also notable that in December, the Deputy-Governor commented that 'quantitative easing is a policy option in Australia, should it be required.'

The Chair of the House Economics Committee, Ms Tim Wilson MP, said 'the committee will examine these issues in more detail and will ask the RBA if it remains confident that current monetary policy settings will encourage growth and inflation consistent with the target for coming years.'

Public hearings details:

Committee:	House of Representatives Economics Committee
Venue	NSW Parliament, Macquarie Room, Macquarie Street, SYDNEY
Date:	Friday, 22 February 2019
Time:	9.30am to 12.30pm
Webcast:	The hearing will be webcast: http://www.aph.gov.au/Watch_Read_Listen

Media enquiries: Mr Tim Wilson MP—**Electorate: 03 9557 4644; Parliament: 02 6277 2392**

For background information: House of Representatives Standing Committee on Economics
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