



ATT: National Media – Diary Reminder
PUBLIC HEARING, FRIDAY 4 JUNE 2004, SYDNEY

**Next House Economics Committee
hearing with Reserve Bank Governor**

Are banks profiting too much from fees and charges?

Are bank and credit card fees too high? Is the long housing boom now ending? What do higher petrol prices mean for inflation, interest rates and business investment? And what does it all mean for the household mortgages and interest rates?

All these questions will be asked this week on Friday 4 June in Sydney when the House of Representatives Economics Committee holds its next public hearing with Reserve Bank Governor Ian Macfarlane and other representatives of the Reserve Bank.

The House Economics Committee holds two public hearings each year with the Reserve Bank. They are the only public forums at which the Governor of the Reserve Bank is obliged to publicly answer questions about policy, including the outlook for interest rates and other banking issues.

Of major interest to the committee will be the latest Reserve Bank survey revealing Australian banks earned a staggering \$8.7 billion from all fees in 2003. Two thirds of those fees were paid by business. Personal credit cards fees, excluding interest charges, jumped 38 per cent to \$604 million last year. By comparison, home loan fees only grew by 13 per cent to \$680 million.

“This will be Mr Macfarlane’s last appearance before the Committee before the pending federal election,” Committee Chairman Mr David Hawker said today.

“In light of ongoing speculation about the next move in official interest rates, the Committee will ask the Governor for his views on the pressures facing the Australian economy, including the apparent slowdown in the housing sector.

“The Committee will also ask Mr Macfarlane about a range of other matters, including:

- the results of a recent Reserve Bank survey on banking fees, which showed that banks’ fee incomes from Australian households rose by 15 percent to \$3 billion in 2003; and
- progress with reforms to various aspects of Australia’s payments system, in particular "interchange" fees for ATMs, EFTPOS and credit card services (fees paid between the financial institutions of persons receiving and making payments, and then passed on to consumers).”

The hearing will be held at **All Seasons Menzies Hotel** 14 Carrington Street Sydney CBD.

MEDIA QUERIES ABOUT HEARING ARRANGEMENTS:

Please contact Andrew Dawson, House of Representatives Media Liaison, on (02) 6277 2063 or mobile 0401 143 724.

FOR INTERVIEW:

Please contact Committee Chair, David Hawker, via (02) 6277 4837 or through Graham Soawyer on 0417 328 900. Mr Hawker will be available for interview prior to the hearing.

WHO:	Reserve Bank questioned by House Economics Committee
WHAT:	Twice-yearly Public Hearing
WHERE:	All Seasons Menzies Hotel, 14 Carrington Street, Sydney CBD
WHEN:	Friday 4 June 2004, 10.00am - 1.00pm

The hearing will be broadcast (**AUDIO ONLY**) over the internet (www.aph.gov.au/live) and also back to Parliament House, Canberra, on the internal broadcast system (also **AUDIO ONLY** - this is scheduled to be on HMS Channel 2 on the TV monitors).

The Committee has also invited university and senior secondary students to attend the hearing. At past hearings, students have had an opportunity to discuss issues with the Governor and Committee members during breaks in proceedings.

COMMITTEE MEMBERS:

Chairman

Mr David Hawker MP (Wannon, VIC)

Deputy Chair

Ms Anna Burke MP (Chisholm, VIC)

Other Members

Mr Anthony Albanese MP (Grayndler, NSW)

Mr David Cox MP (Kingston, SA)

Ms Teresa Gambaro MP (Petrie, QLD)

Mr Alan Griffin MP (Bruce, VIC)

Mr Peter King MP (Wentworth, NSW)

Mr Gary Nairn MP (Eden-Monaro, NSW)

The Hon Alex Somlyay MP (Fairfax, QLD)

Dr Andrew Southcott MP (Boothby, SA)