



# Coalition seeks Stevens' input

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Coalition senators have won more time to scrutinise the federal government's fiscal policy in the hope of hearing from Reserve Bank of Australia governor Glenn Stevens, amid questions about his appearance at a private committee session tomorrow.

As debate over heavy government spending dominated parliament yesterday, senators agreed to hold two public hearings later this month featuring independent economists and senior public officials.

Mr Stevens is not obliged to appear, but the Senate Economics References Committee will ask that he speak at a hearing in Sydney on September 28.

Spending on schools will also come under the spotlight, in a separate inquiry that the Senate referred yesterday to the Education, Employment and Workplace Relations References Committee, which is chaired by Liberal Gary Humphries.

*The Australian Financial Review* has learned that Mr Stevens addressed the Senate Economics Committee in camera a year ago and is due to do the same this Friday, under an arrangement reached last year.

Economists questioned the use of private briefings, given the power of the central bank's commentary to move the markets. Some senators also indicated they would prefer the sessions to be public.

"Part of the agreement was that the

Senate meeting was private," the chairman of the Economics References Committee, Liberal senator Alan Eggleston, said. A similar committee in the House of Representatives holds public hearings featuring the RBA governor twice a year.

Liberal senator David Bushby said the in-camera session was very effective but that the upper house should eventually hold public hearings.

Independent senator Nick Xenophon said the committee conventions meant any comments Mr Stevens made in the private meeting would not be repeated to those who did not attend.

That would make it impossible for senators to cite the governor's comments this Friday in their report on fiscal stimulus measures.

Senator Xenophon said he believed the meetings should eventually be turned into public hearings.

Macquarie Group senior economist Brian Redican said the RBA generally offered less commentary and guidance than its overseas counterparts but that its statements had greater impact because they were relatively rare.

"If the RBA spoke more often on a wider range of issues it would defuse the impact of its comments," he said.

Senators voted on Tuesday to refer the fiscal stimulus policy to the

Economics References Committee, which has a coalition majority and a slightly different composition to the main Economics Committee.

While the Greens and Labor sought a single hearing this Monday, the coalition pushed for a longer inquiry with hearings on September 21 in Canberra and September 28 in Sydney.

Treasury secretary Ken Henry is expected to appear at the Canberra hearing. The committee will also invite the Australian Office of Financial Management chief executive, Neil Hyden, to talk about public debt levels.

Labor, coalition and cross-bench senators will each nominate economists they would like to appear.

"We think if you're going to do it you should make time to have some contrary views or independent views," Senator Bushby said.

An earlier suggestion for a hearing on September 22 was shelved yesterday because senators were not available. The committee is to report back by October 2.

## KEY POINTS

- A Senate committee is to ask RBA governor Glenn Stevens to appear at a hearing.
- There are questions over private briefings he has given.