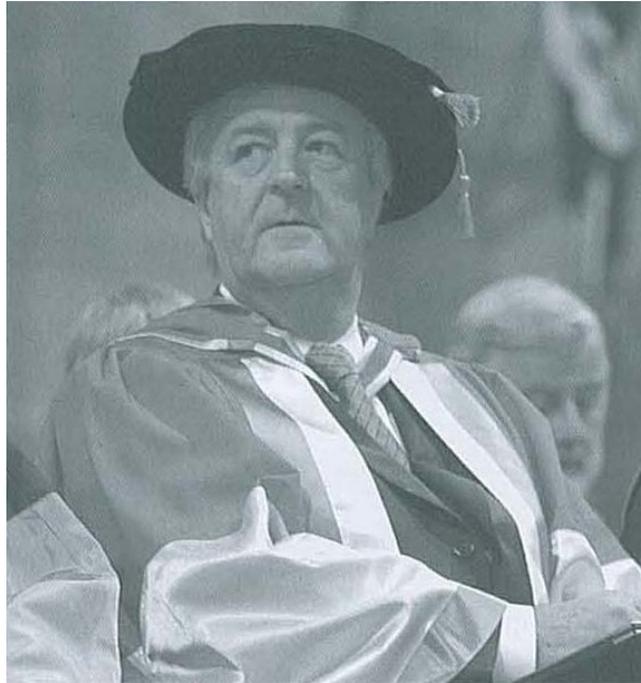


Mr Ian John Macfarlane

The degree of Doctor of Science in Economics (honoris causa) was conferred upon Ian John Macfarlane at the Economics and Business ceremony held at 2.00pm on 21 May 2004.



Ian John Macfarlane, *photo, 'The University of Sydney News', 4 June 2004, University of Sydney Archives.*

Citation

Chancellor, I have the honour to present Ian John Macfarlane for the conferring of the degree of Doctor of Science in Economics (honoris causa).

Though born in Sydney in 1946, Ian Macfarlane was brought up in Melbourne. At Monash University, he obtained a Master of Economics degree in 1969, and then taught for a short time. As a young graduate, he was employed briefly by the Reserve Bank of Australia and then by the Institute for Economics and Statistics at Oxford University. In 1972, he went to the OECD in Paris, where he worked for six years.

Ian Macfarlane returned to Australia in 1979 to take up a position in the research department of the Reserve Bank of Australia. He subsequently held senior positions in other areas of the Bank, before returning in 1988 to become the head of the research department. In 1990, he became the Bank's Assistant Governor (Economic), and two years later the Deputy Governor. In 1996, he was appointed Governor, and in 2003 the term of his appointment was extended for a further five years. He is also Chairman of the Payments System Board and a member of the Board of the Australian Prudential Regulation Authority.

Mr Macfarlane has published many articles and statements in the Reserve Bank Bulletin. The vast majority of these were given as speeches at conferences or other public occasions. Indeed, he is one of Australia's most sought-after speakers.

His major intellectual contribution was to publish in 1989 a schematic framework for the conduct of monetary policy for Australia. In this framework, he foresaw the need to use the overnight cash rate as the instrument of monetary policy, and to focus on a medium-term nominal target such as inflation. During his time as Governor, the Reserve Bank's inflation targeting framework for monetary policy has been fully and successfully established.

In determining monetary policy, the Reserve Bank of Australia is essentially independent of the government. Under Ian Macfarlane's stewardship, that policy has become the dominant instrument of macroeconomic stabilisation. Low inflation has been consolidated in Australia, and the economy has experienced the longest period of uninterrupted growth since the Second World War. These outcomes have not been bettered in any other OECD country. For this success, the Reserve Bank can take significant credit. In addition, the Bank

has acted with commendable transparency and has explained its actions with clarity.

Thus it is no wonder that many regard Ian Macfarlane as the most influential economic policy maker in Australia today. Furthermore, for his intellectual ability in applied macroeconomics and for his strong and effective leadership, he has deservedly earned the respect of the corporate, government and academic worlds.

Chancellor, I have great pleasure in presenting to you, for admission to the degree of Doctor of Science in Economics (honoris causa), administrator, policy-maker, public educator and Governor of the Reserve Bank of Australia, Ian John Macfarlane.