

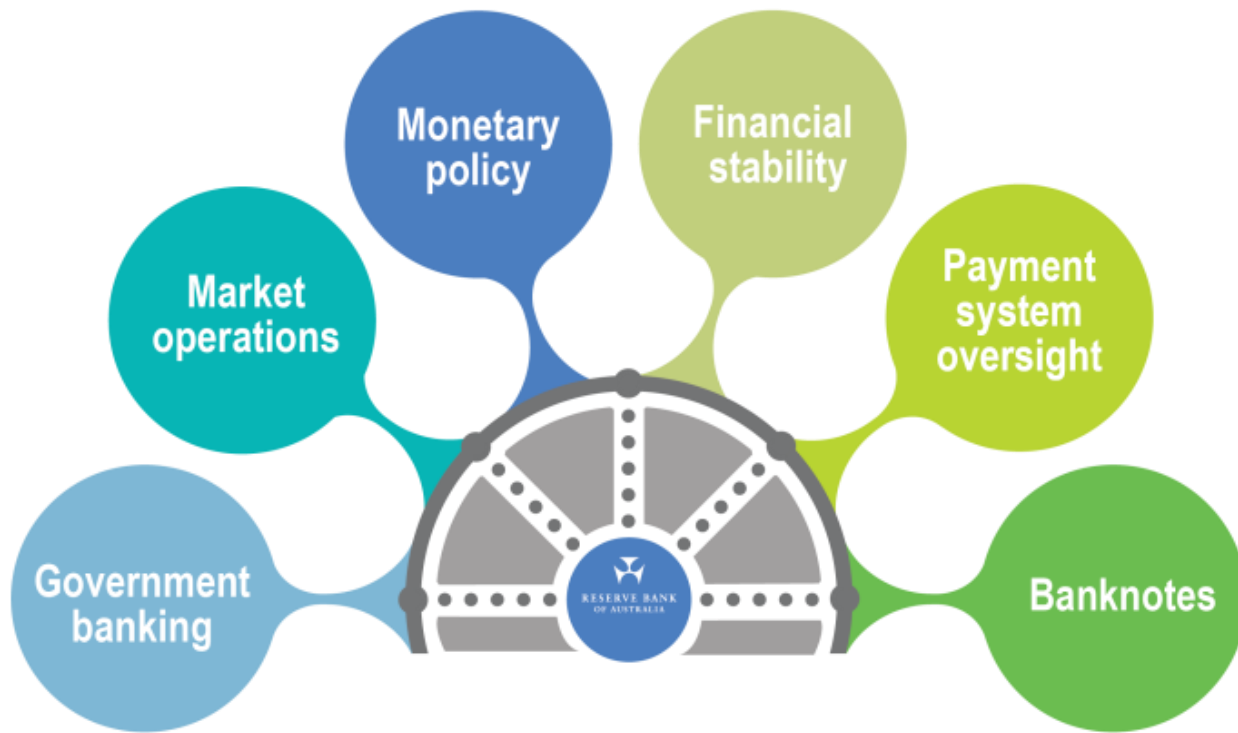


RESERVE BANK OF AUSTRALIA

Monetary Policy and Current Economic Conditions

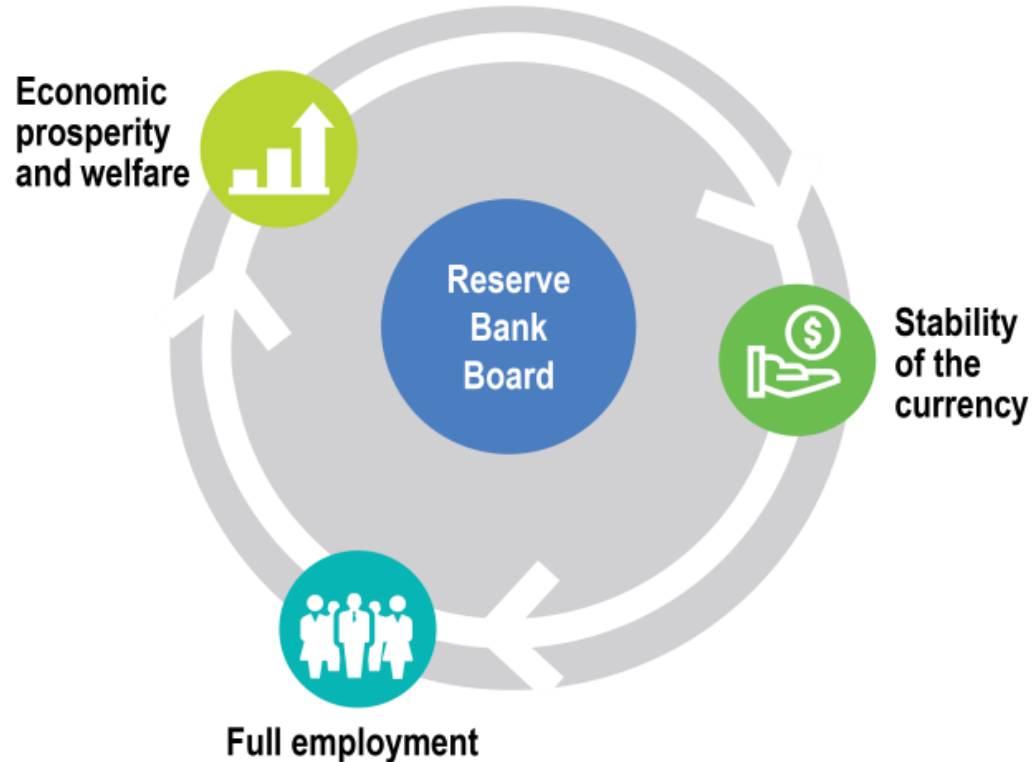
Education

What does the RBA do?





What is the role of the Reserve Bank Board?

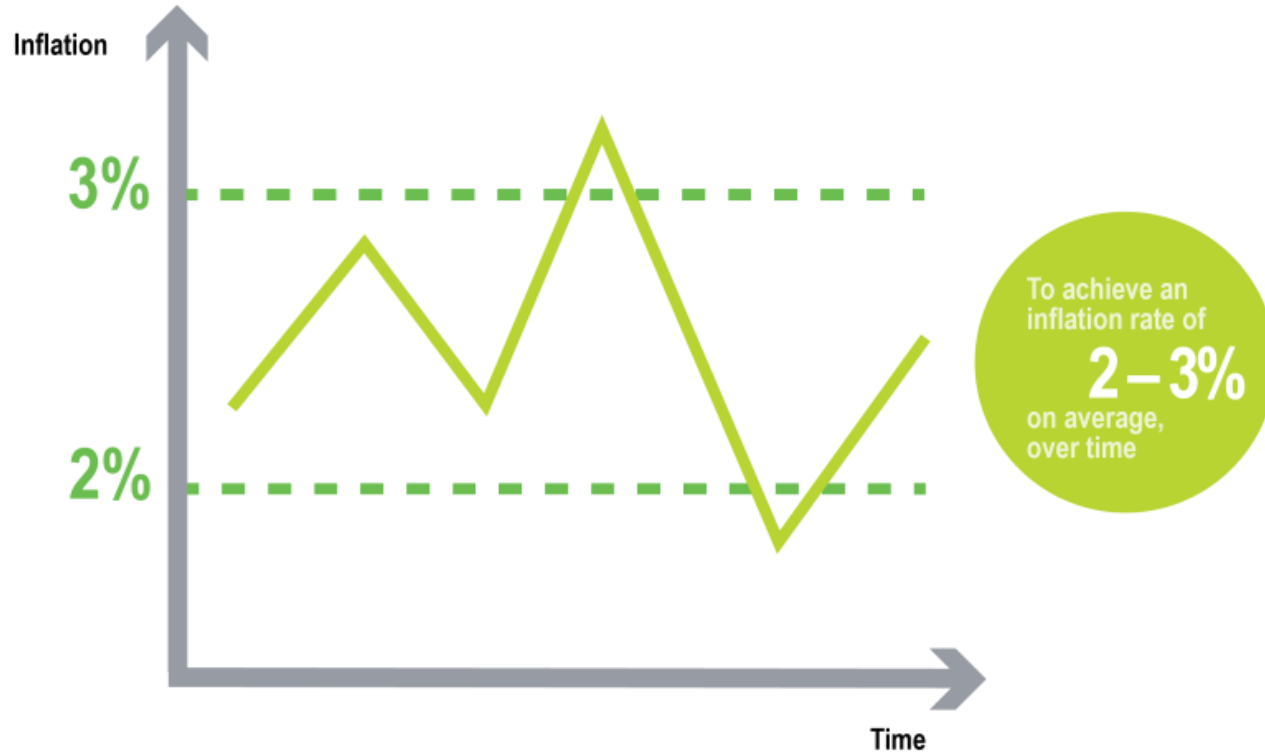




Part 1: Monetary Policy

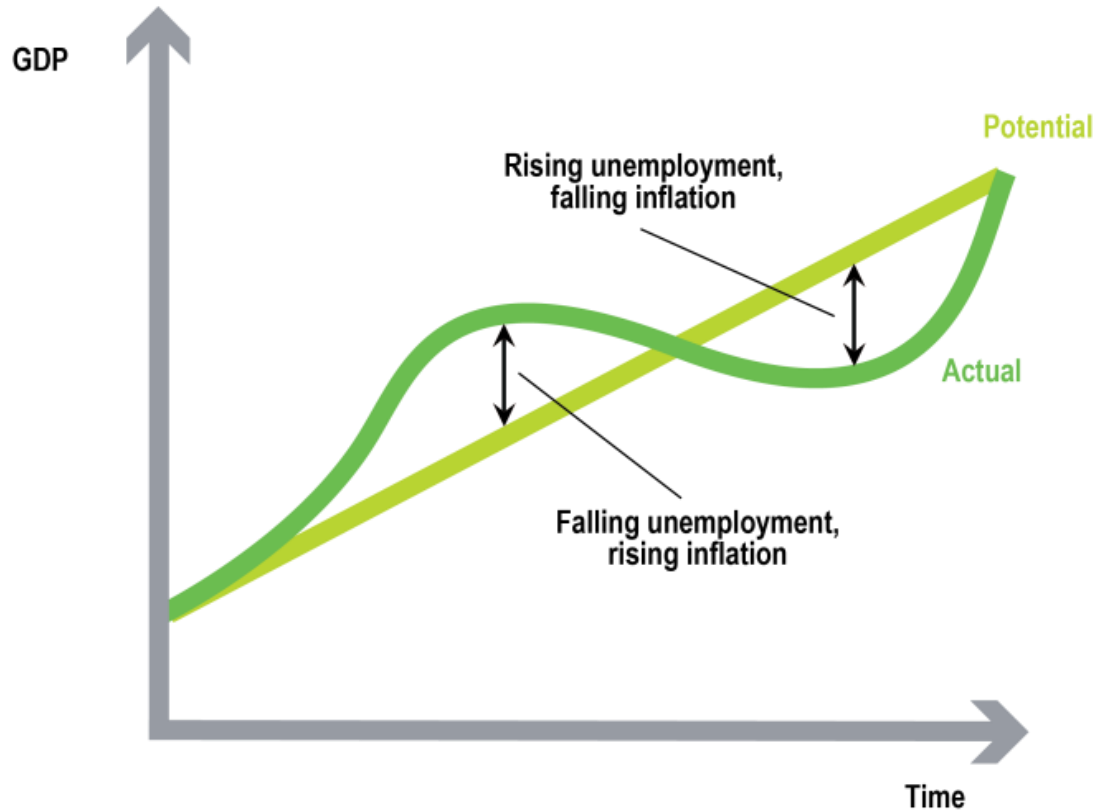


Monetary Policy – Inflation Target



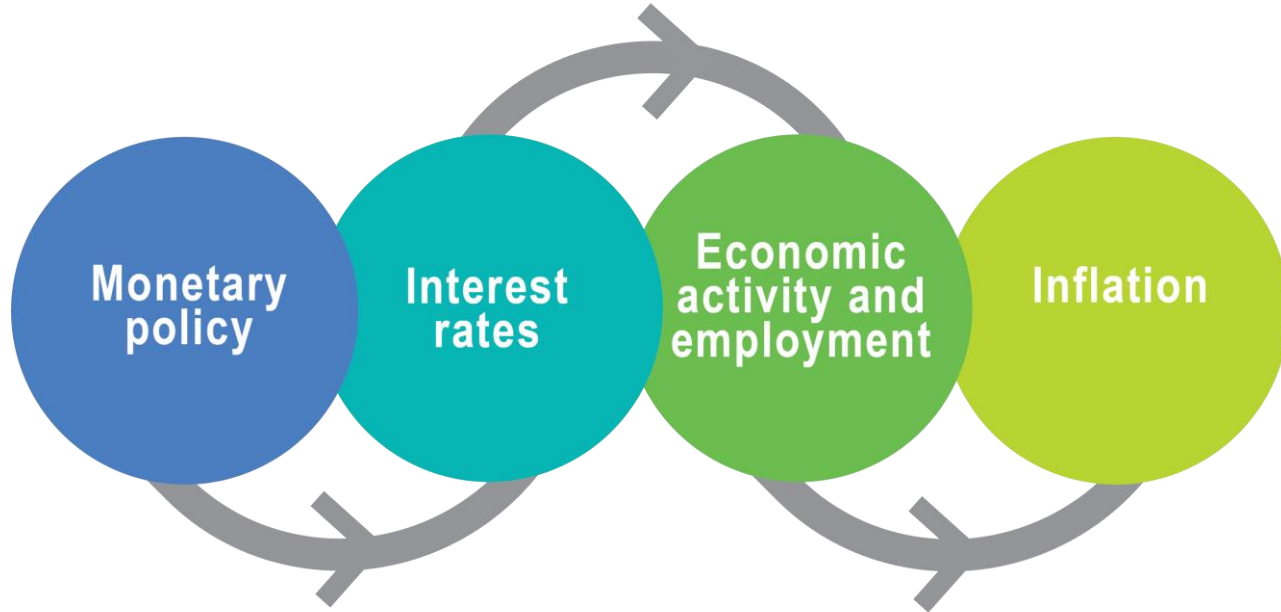


Monetary Policy – Decision Process





Monetary Policy – Transmission Mechanism

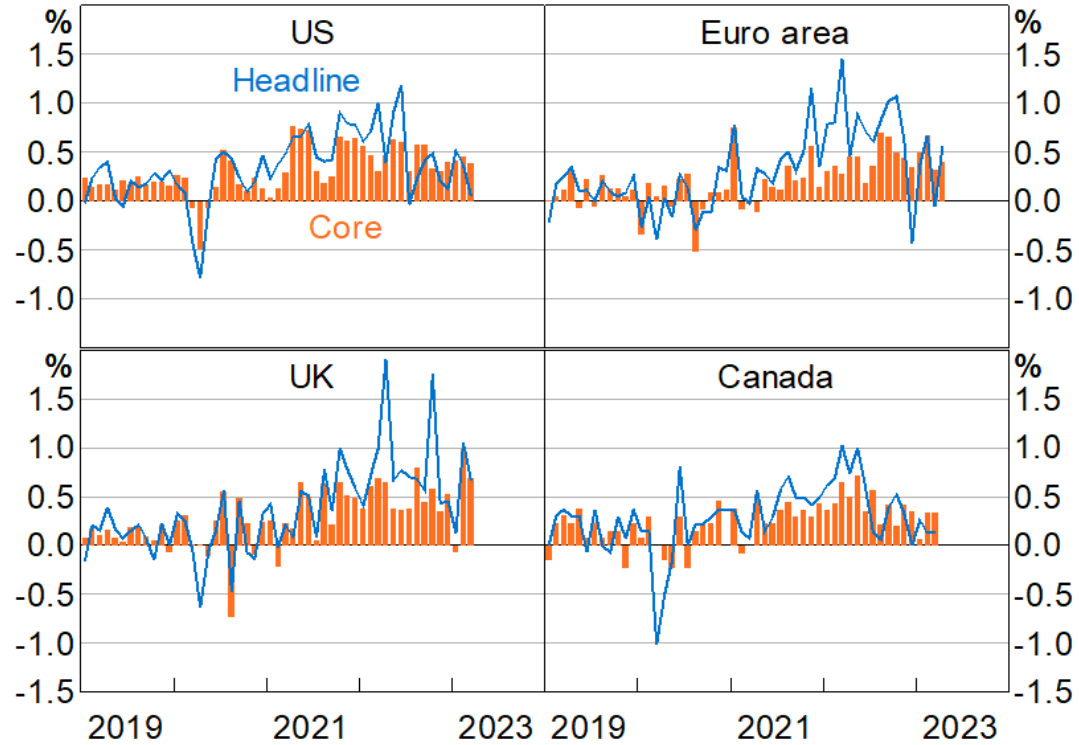


A horizontal bar at the top of the slide, divided into three segments of equal length: dark blue, teal, and lime green.

Part 2: Current Economic Conditions

Consumer Price Inflation

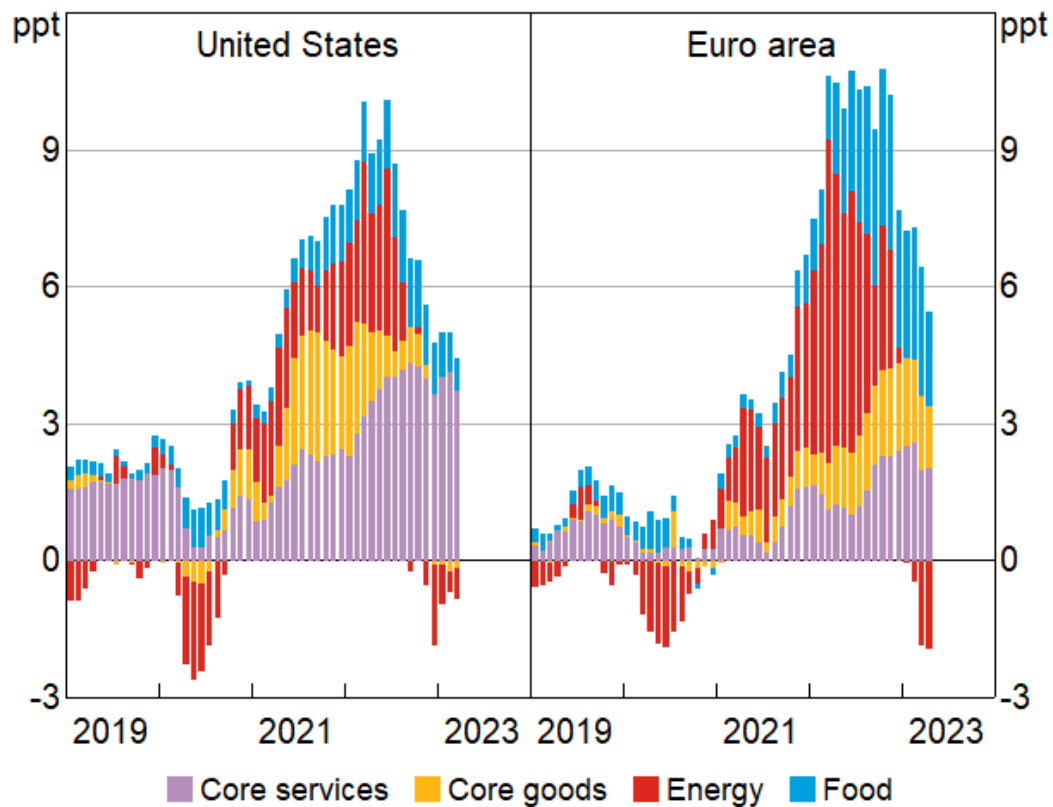
Monthly



Sources: RBA; Refinitiv

Contributions to Headline Inflation

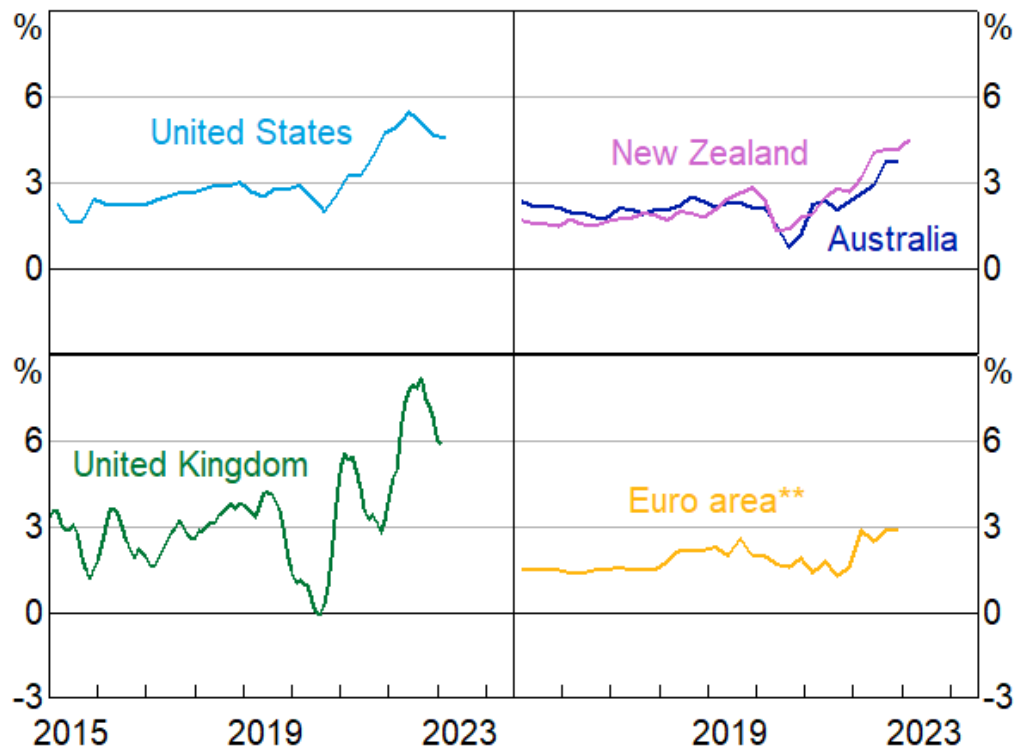
Six-month annualised



Sources: BLS; Eurostat; RBA; Refinitiv

Wages Growth*

Six-month annualised

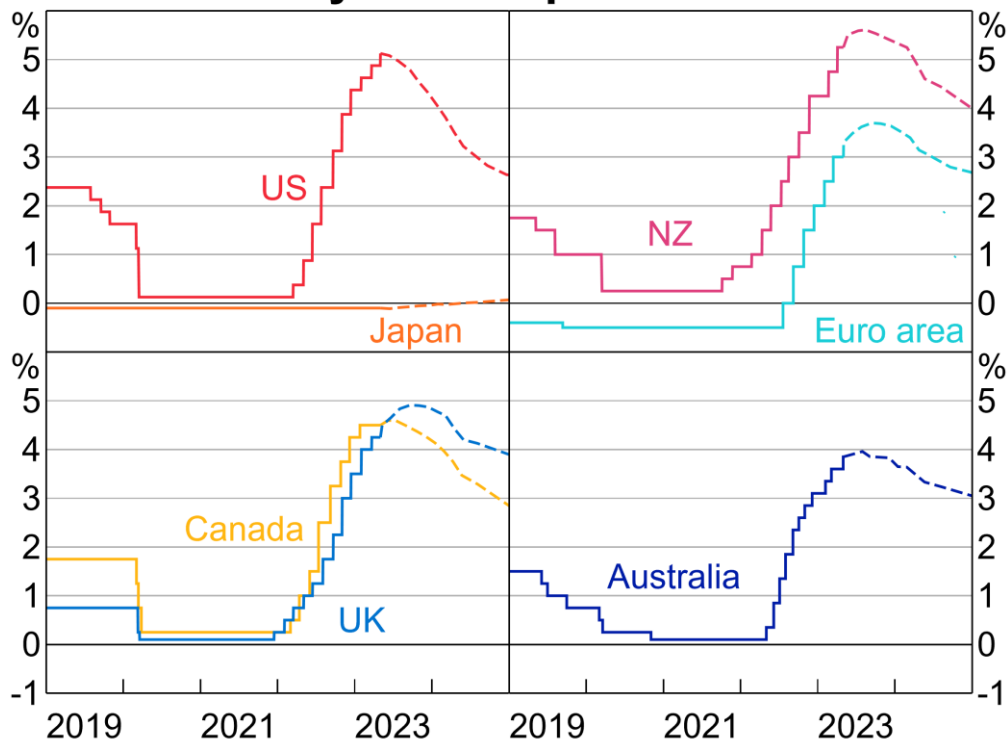


* Labour cost indices used where available; average earnings for the United Kingdom (compositionally controlled prior to April 2022).

** Year-ended.

Sources: BoE; RBA; Refinitiv

Policy Rate Expectations*

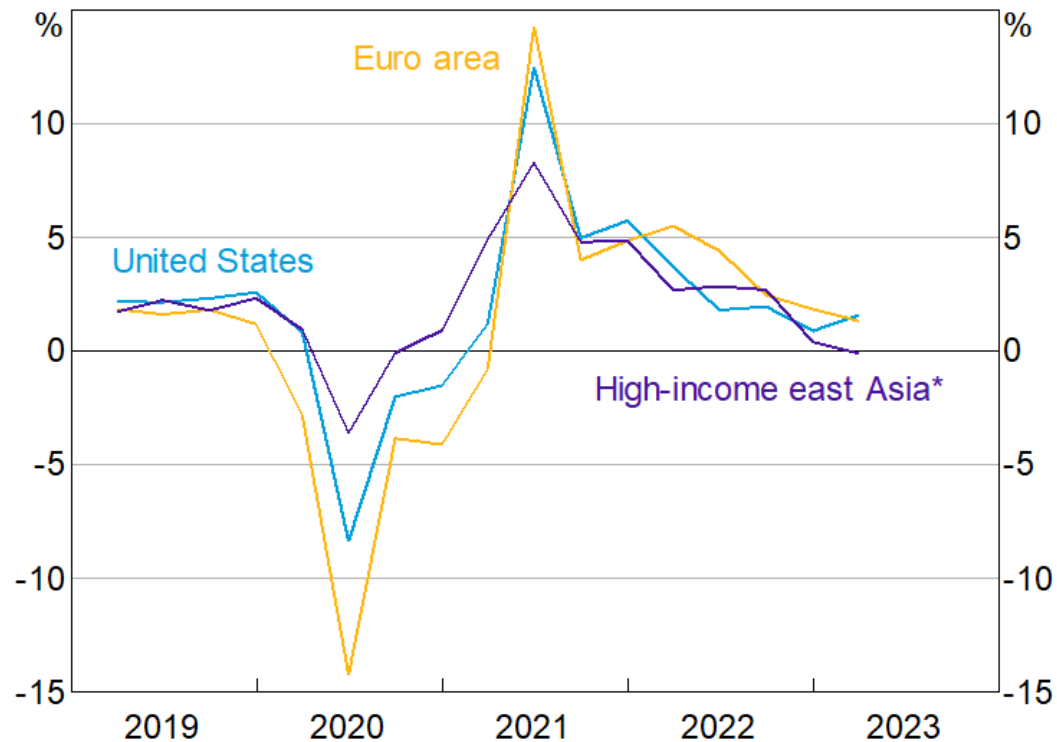


* Dashed lines show expectations implied by overnight indexed swap rates as at the May SMP.

Sources: Bloomberg; RBA.

GDP Growth

Year-ended

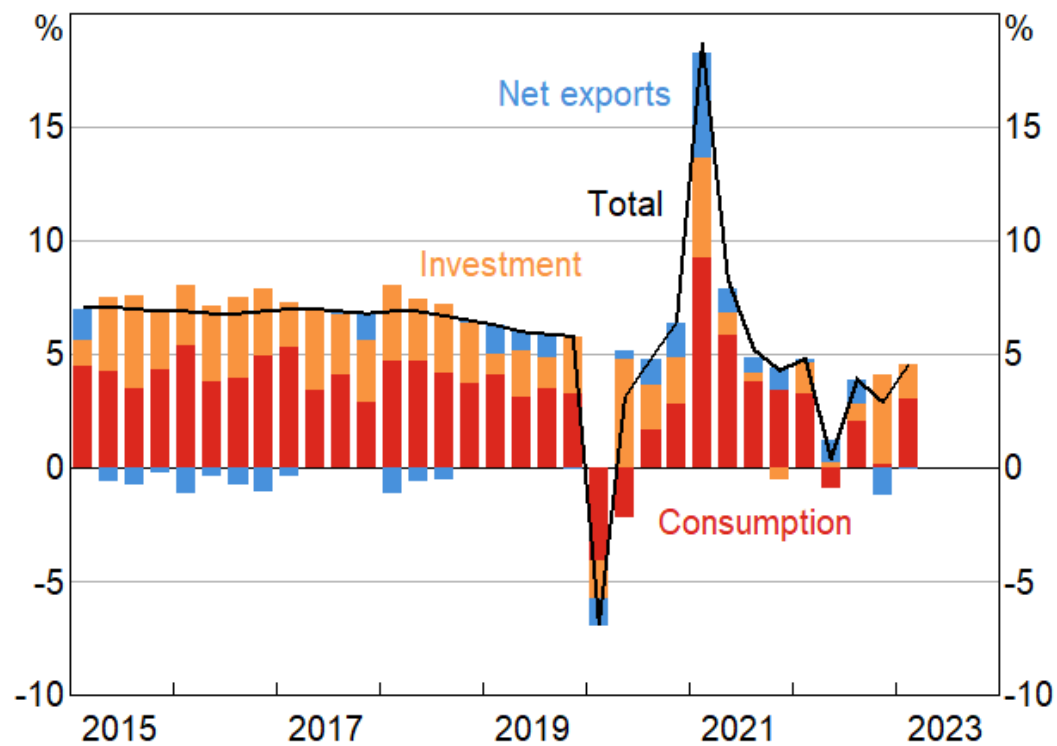


* PPP-weighted average of Hong Kong, Singapore, South Korea and Taiwan.

Sources: CEIC Data; RBA; Refinitiv

China – GDP Growth

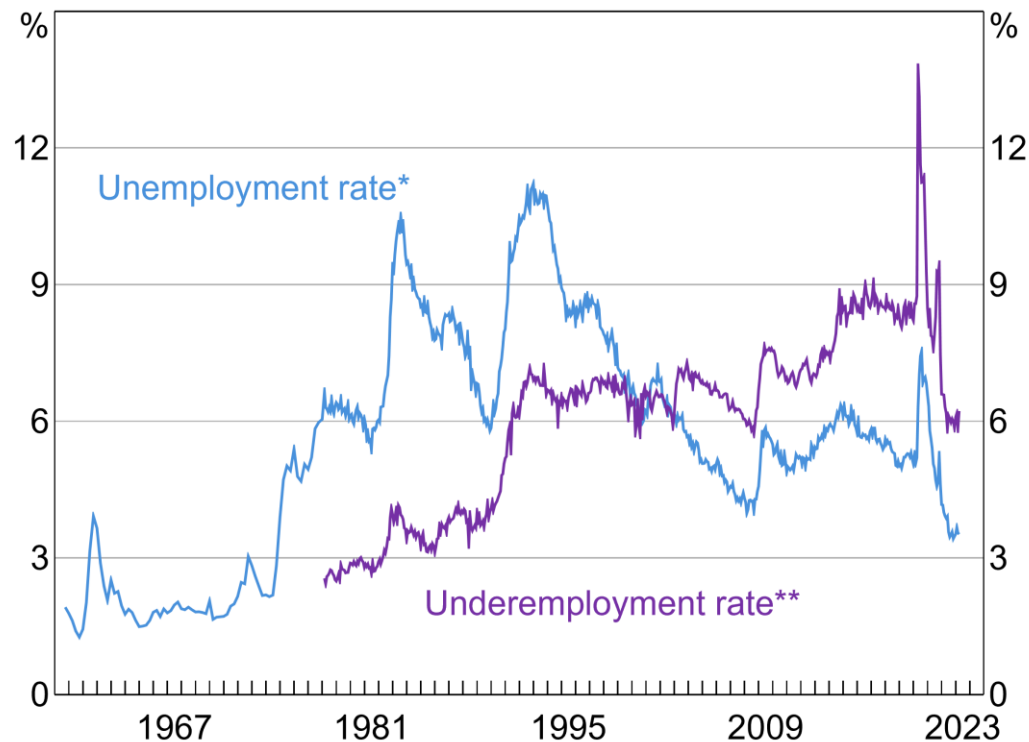
Year-ended with contributions



Sources: CEIC Data; RBA

Unemployment and Underemployment Rates

Per cent of labour force



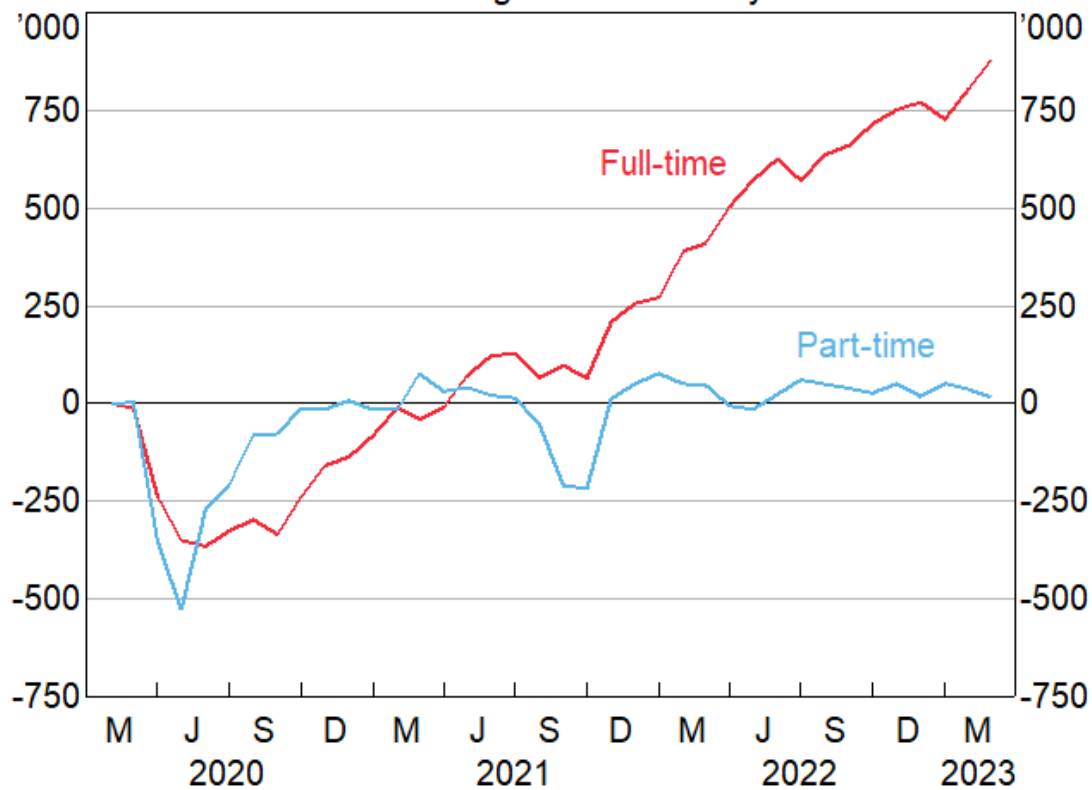
* Quarterly data from 1959 to 1964 are spliced from historical national accounts data.

** Employed people who want, and are available, to work more hours.

Sources: ABS; RBA.

Employment

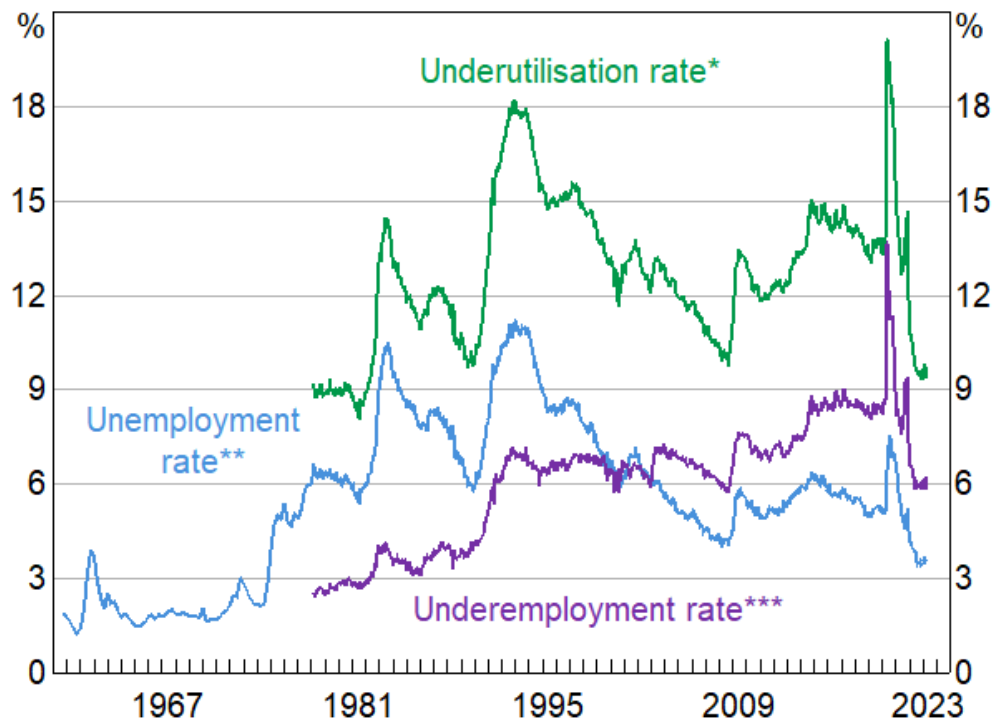
Cumulative change since February 2020



Source: ABS

Labour Underutilisation

Per cent of labour force



* Sum of the unemployment and underemployment rates.

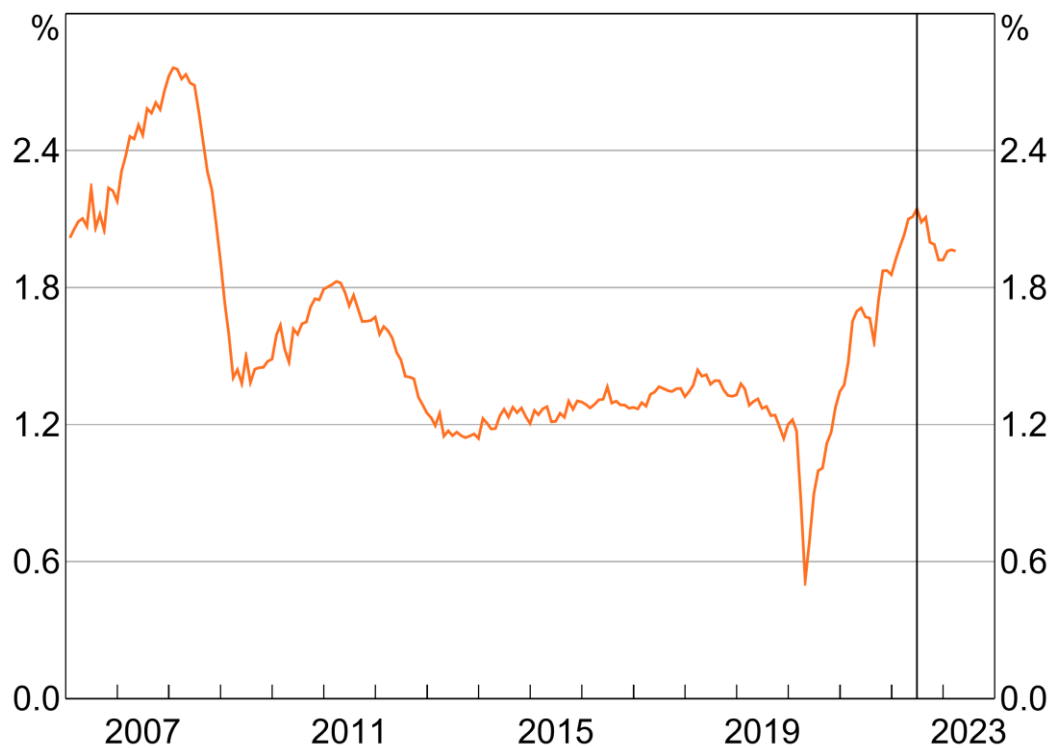
** Quarterly data from 1959 to 1964 are spliced from historical national accounts data.

*** Employed people who want, and are available, to work more hours.

Sources: ABS; RBA

Job Advertisements

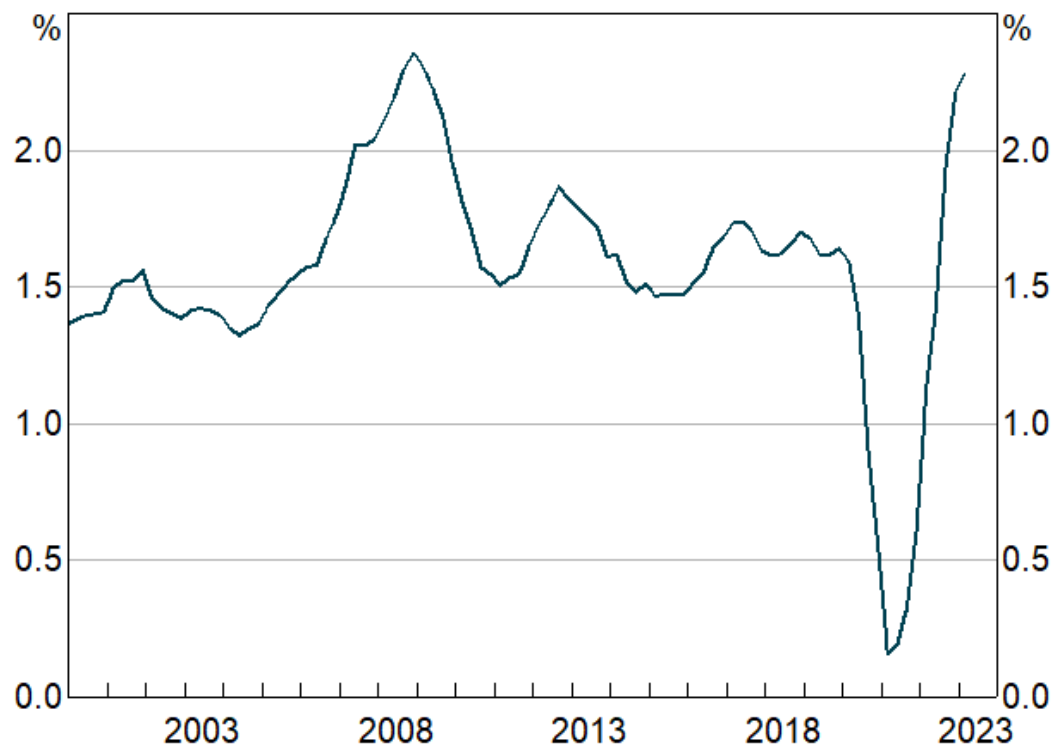
Per cent of labour force



Sources: ABS; Jobs and Skills Australia; RBA.

Working-age Population Growth*

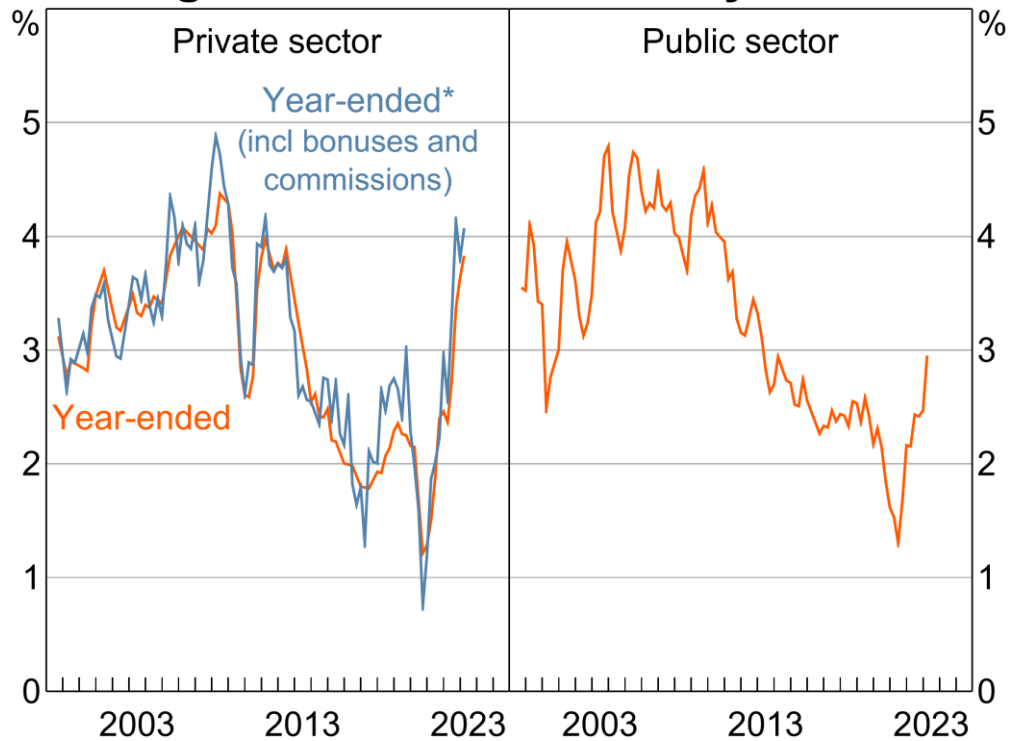
Year-ended



* Population aged 15 years and over.

Source: ABS

Wage Price Index Growth by Sector

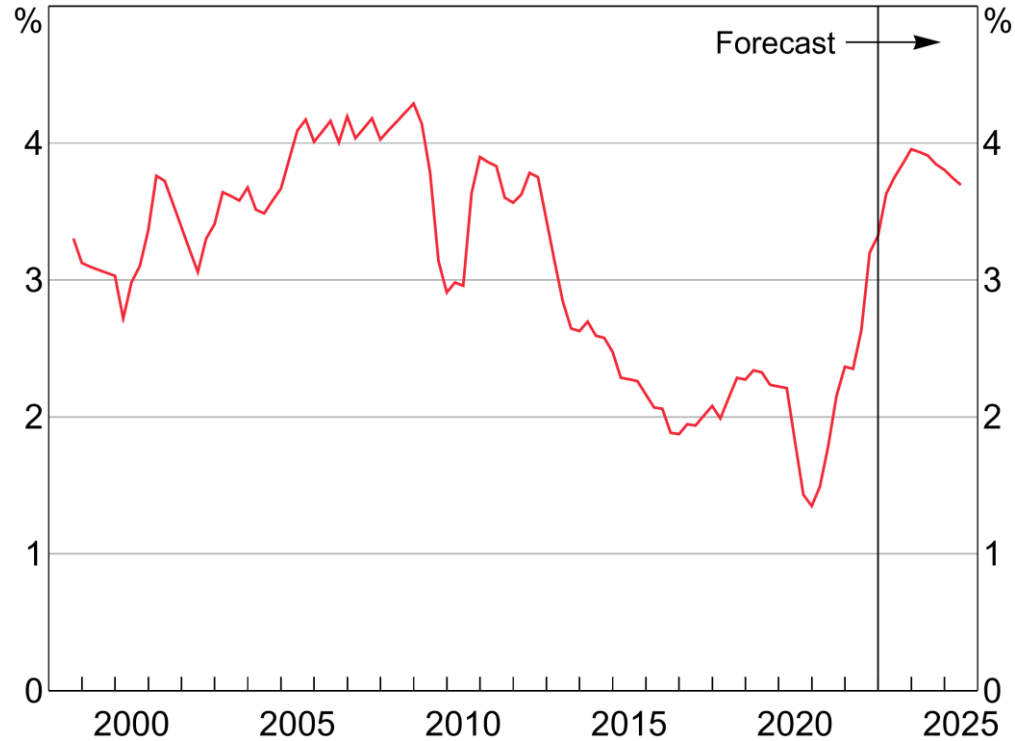


* Non-seasonally adjusted.

Source: ABS.

Wage Price Index Growth*

Year-ended

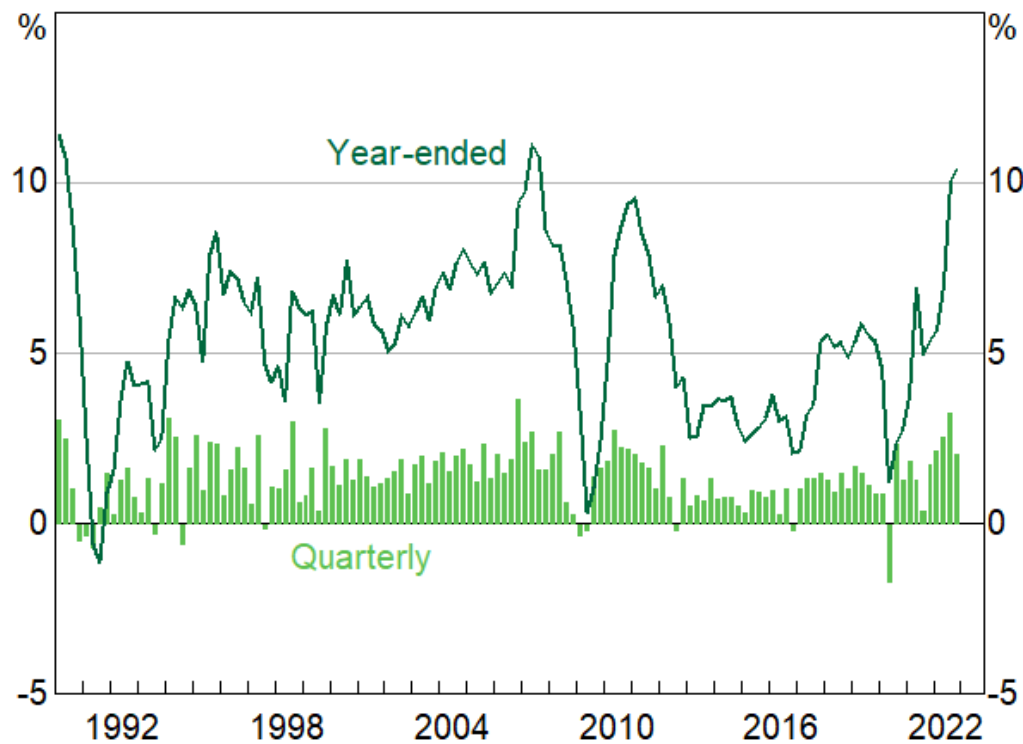


* Excluding bonuses and commissions.

Sources: ABS; RBA.

Compensation of Employees Growth

Non-farm

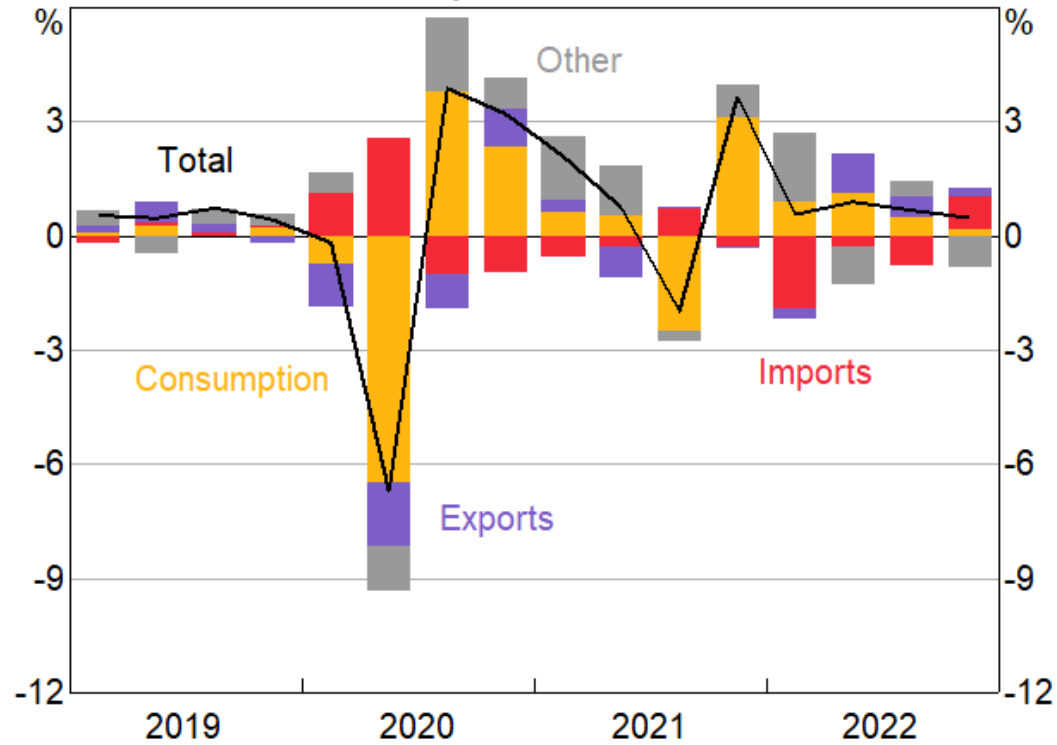


Source: ABS



GDP Growth

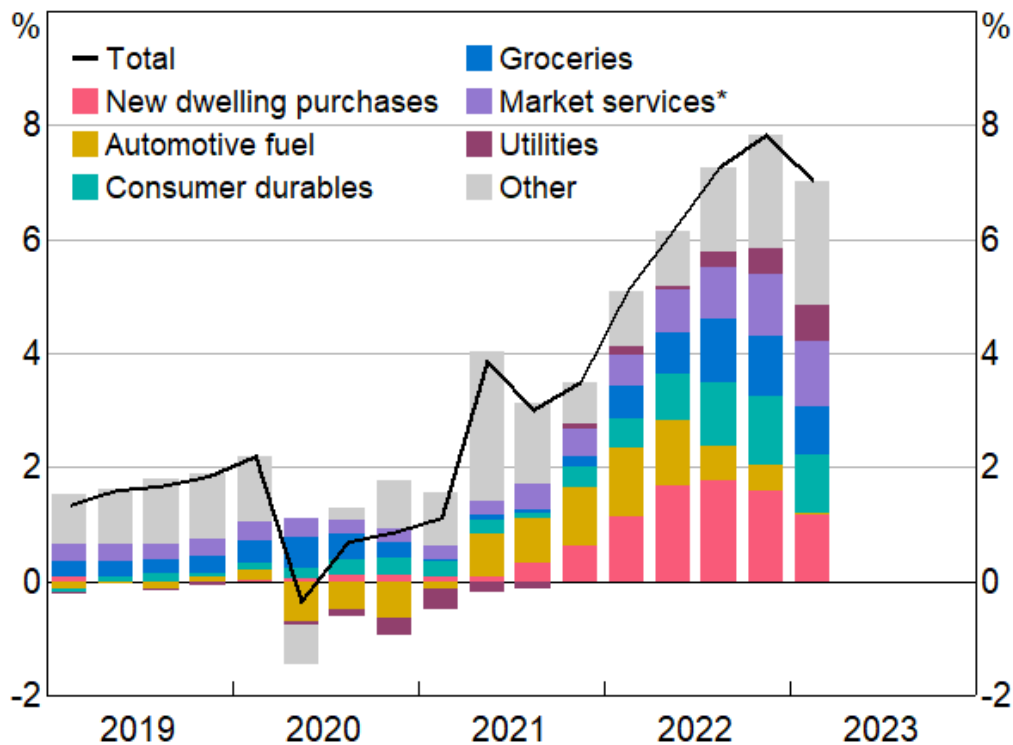
Quarterly with contributions



Sources: ABS; RBA

CPI Inflation

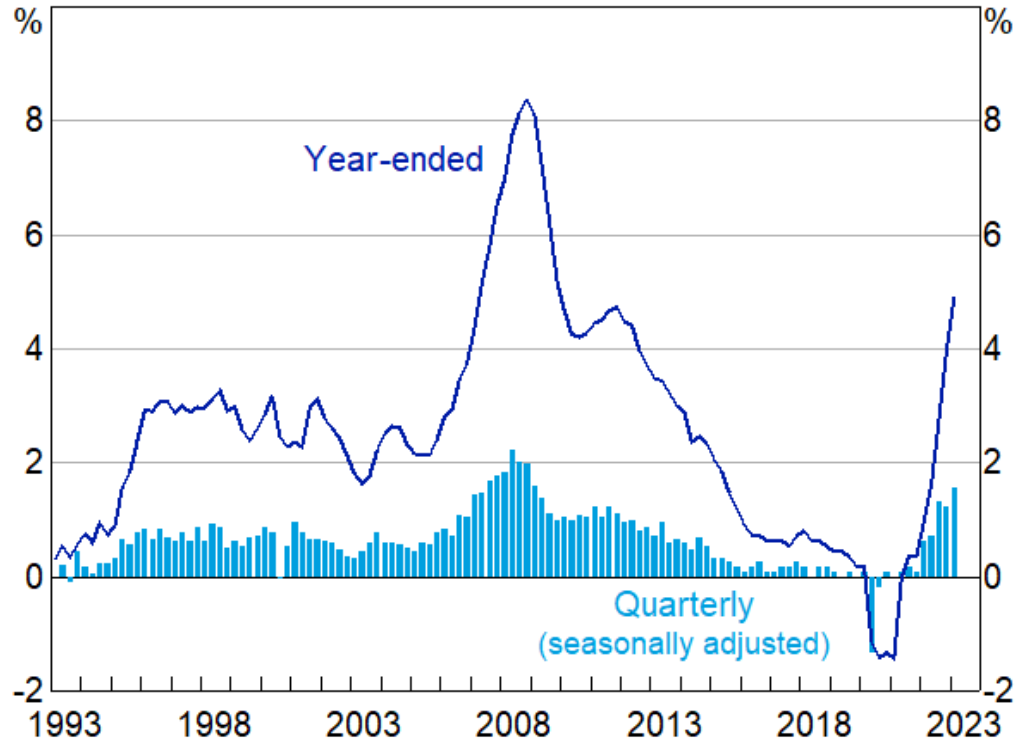
Year-ended with contributions



* Excludes domestic travel and telecommunications.

Sources: ABS; RBA

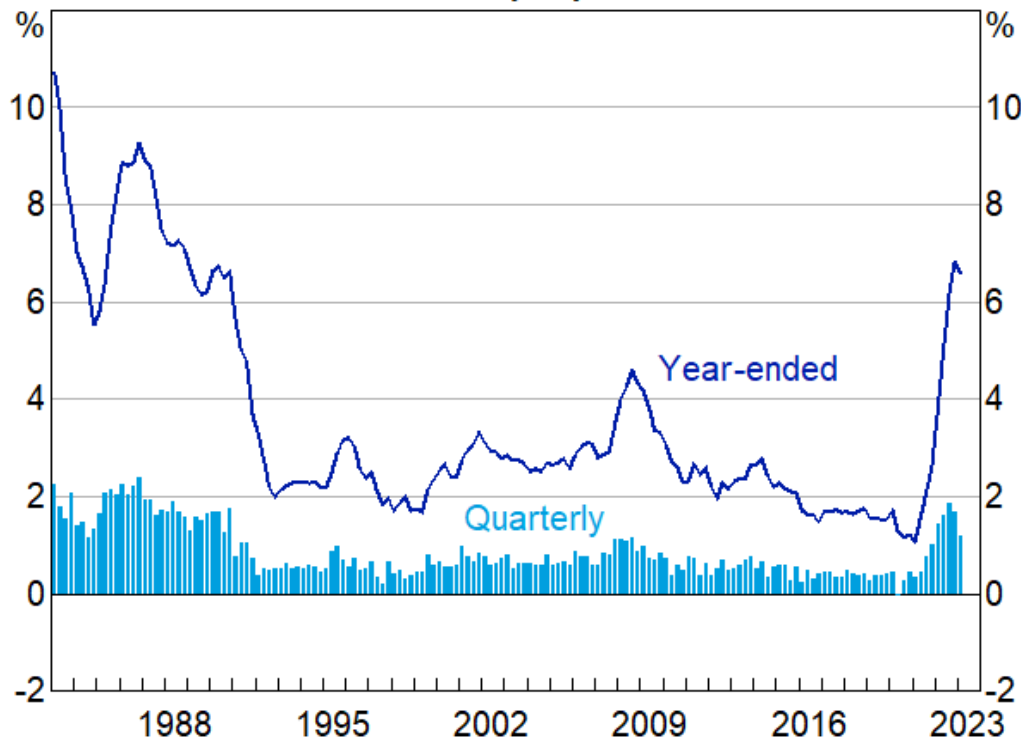
Rent Inflation



Sources: ABS; RBA

Trimmed Mean Inflation*

Seasonally adjusted

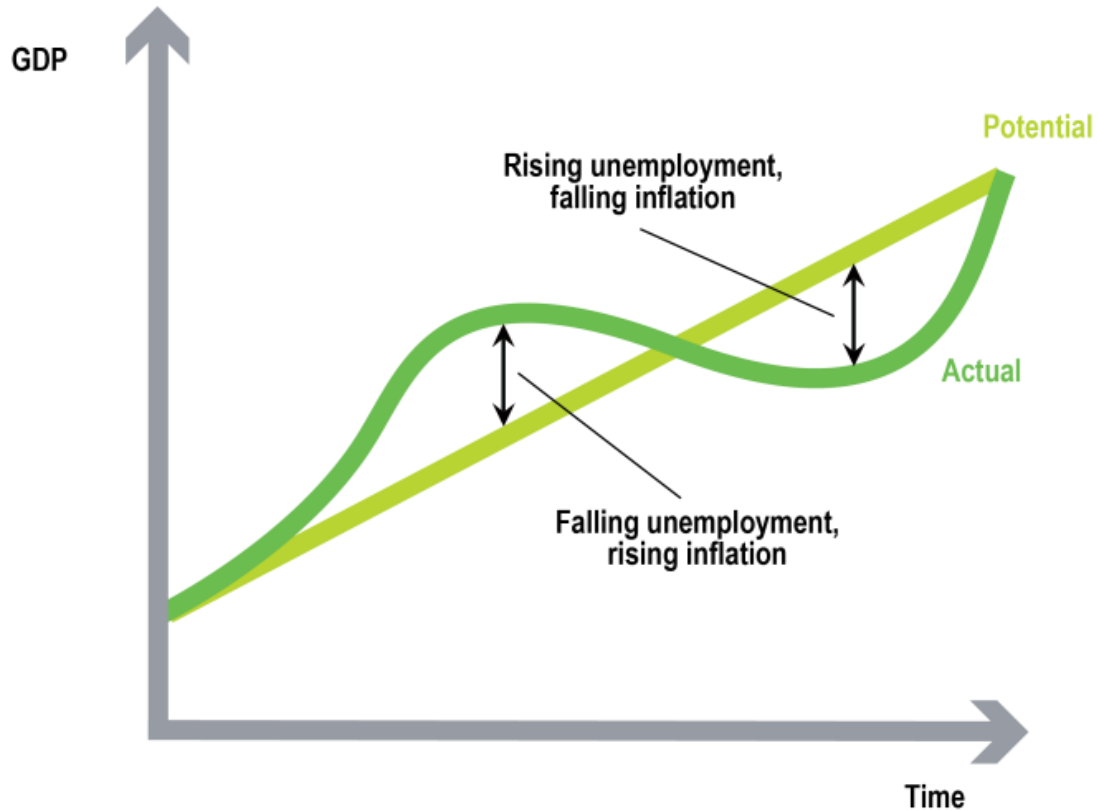


* Excludes interest charges prior to the September quarter of 1998 and deposit & loan facilities; adjusted for the tax changes of 1999–2000.

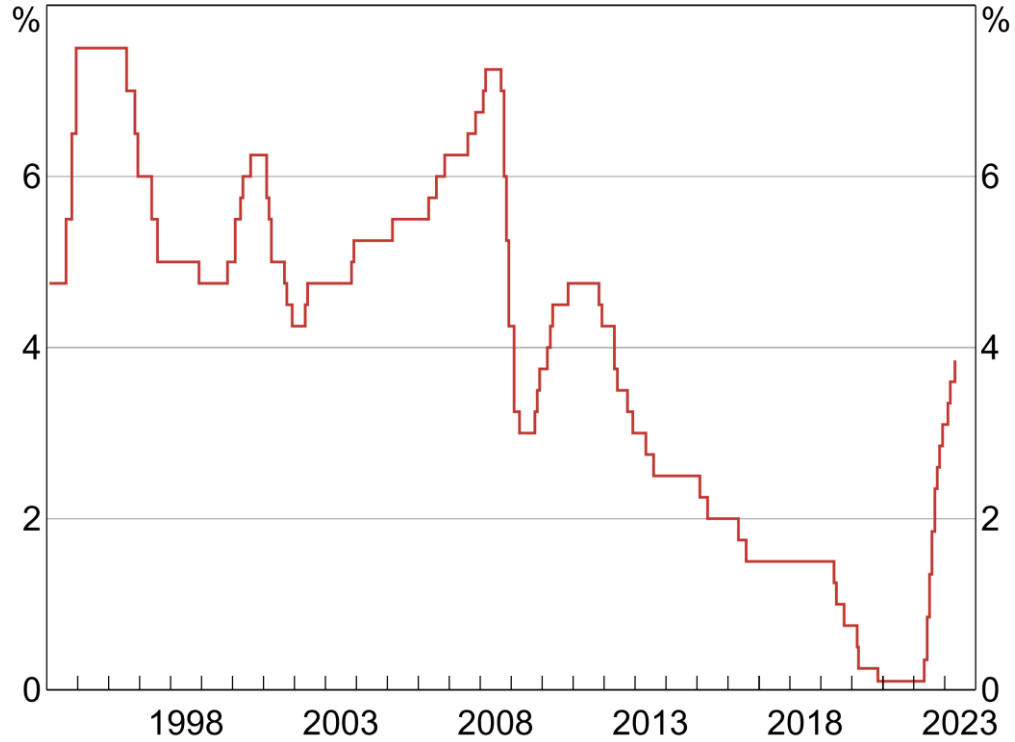
Sources: ABS; RBA



Part 3: How has monetary policy responded?



Australian Cash Rate Target



Source: RBA.