



Exchange Rates

From the Classroom: Ian Bullock
(Educators Advisory Panel)

Coverage of Exchange Rates in State Syllabi

1. Measurement and types of exchange rate regimes

- ▶ Fixed, Managed, Floating

2. Factors affecting exchange rates - *Demand and Supply*

- ▶ Interest rates, Demand for X & M, Terms of Trade, Capital flows, Inflation differentials

3. Effects of exchange rates on ... the domestic economy

- ▶ CAD, Macroeconomic goals or sectors of the economy, Allocation of resources

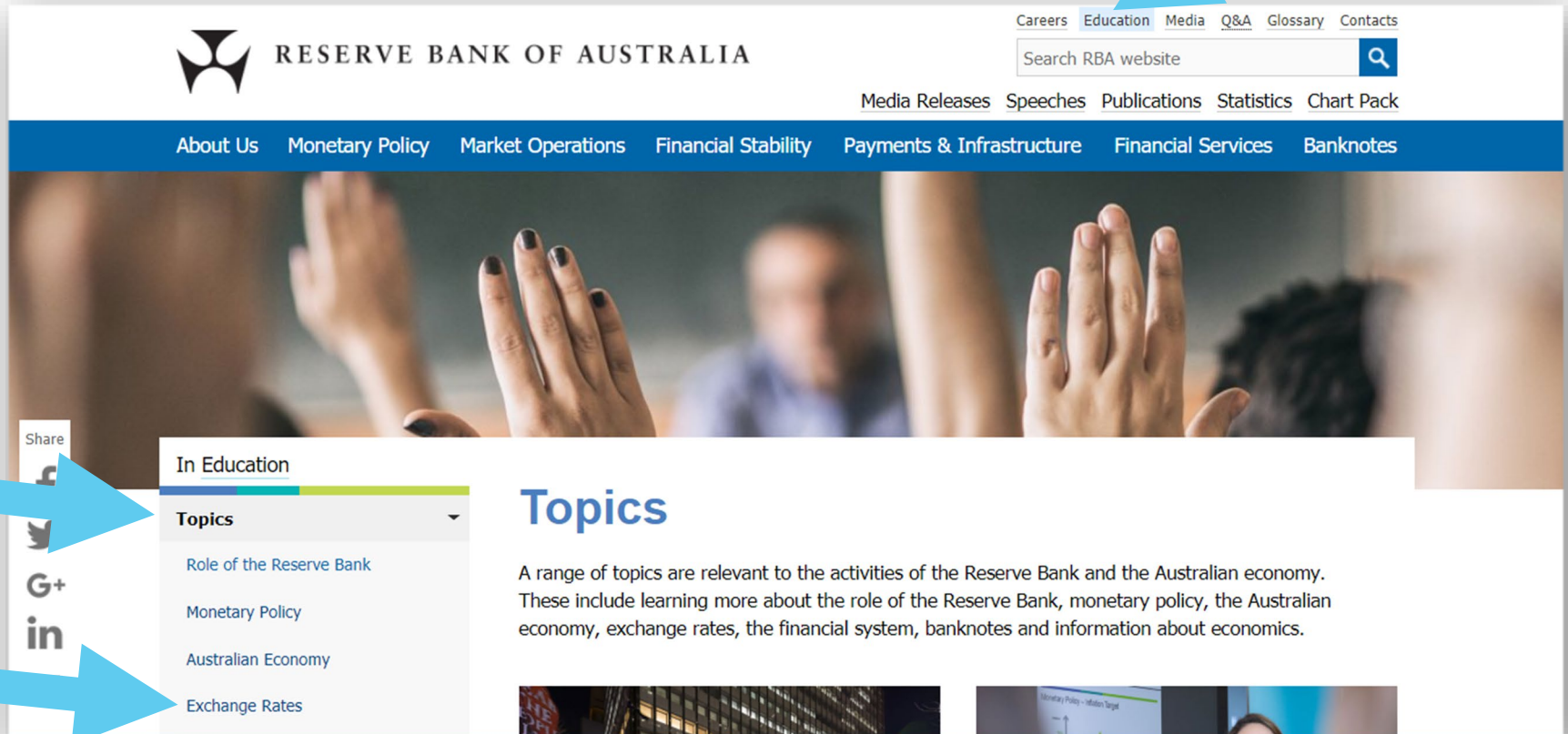
4. Policy responses

- ▶ RBA and Government

5. Terms of Trade

- ▶ Not all but a majority

Where to go?



The image shows a screenshot of the Reserve Bank of Australia (RBA) website. At the top left is the RBA logo and the text "RESERVE BANK OF AUSTRALIA". To the right is a navigation menu with links for "Careers", "Education", "Media", "Q&A", "Glossary", and "Contacts". Below this is a search bar labeled "Search RBA website" with a magnifying glass icon. Further down is another navigation bar with links for "Media Releases", "Speeches", "Publications", "Statistics", and "Chart Pack". A dark blue horizontal bar contains links for "About Us", "Monetary Policy", "Market Operations", "Financial Stability", "Payments & Infrastructure", "Financial Services", and "Banknotes". The main content area features a background image of people with their hands raised. On the left side, there is a "Share" section with icons for Facebook, Twitter, Google+, and LinkedIn. A dropdown menu is open under "Share", showing the text "In Education" and a list of topics: "Role of the Reserve Bank", "Monetary Policy", "Australian Economy", and "Exchange Rates". To the right of the dropdown is a "Topics" section with a heading "Topics" and a paragraph: "A range of topics are relevant to the activities of the Reserve Bank and the Australian economy. These include learning more about the role of the Reserve Bank, monetary policy, the Australian economy, exchange rates, the financial system, banknotes and information about economics." Below the text are two small images: one of a modern building at night and another of a presentation slide titled "Monetary Policy - Inflation Target".

RESERVE BANK OF AUSTRALIA

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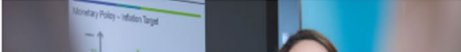

In Education

Topics

- Role of the Reserve Bank
- Monetary Policy
- Australian Economy
- Exchange Rates

Topics

A range of topics are relevant to the activities of the Reserve Bank and the Australian economy. These include learning more about the role of the Reserve Bank, monetary policy, the Australian economy, exchange rates, the financial system, banknotes and information about economics.



In Education

Topics

[Role of the Reserve Bank](#)

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Exchange Rates

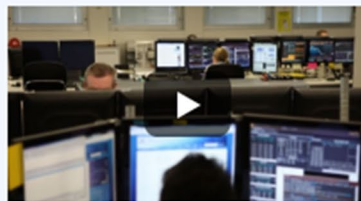
An exchange rate is the value of one currency in terms of another currency. The exchange rate can have an important influence on economic activity, inflation and the balance of payments in a small open economy such as Australia.

Exchange rates are measured in different ways and, over the years, there have been different operational arrangements for determining the value of Australia's exchange rate. Currently, Australia has a floating exchange rate, and it is the fifth most traded currency in foreign exchange markets.

Videos

International Market Operations

Watch Deputy Governor Guy Debelle explain why the Reserve Bank operates in the foreign exchange market.



[View transcript](#)

Explainers

Exchange Rates and the Australian Economy

Explains how changes in the value of the Australian dollar affect economic activity and inflation in Australia, along with the nation's balance of payments.



Available Resources

[Videos](#)

[Explainers](#)

[Presentations](#)

[Learning Activities](#)


[Snapshots](#)

[Chart Pack](#)



1. Measurement and types of exchange rate regimes

Explainer: Exchange rates and their measurement



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www.rba.gov.au
twitter.com/RBAInfo
www.youtube.com/user/RBAInfo

Exchange Rates and their Measurement

An exchange rate is a relative price of one currency expressed in terms of another currency (or group of currencies). For economies like Australia that actively engage in international trade, the exchange rate is an important economic variable. Changes in it affect economic activity, inflation and the nation's balance of payments. (See [Explainer: Exchange Rates and the Australian Economy](#).)

The Australian dollar is also the fifth most traded currency in foreign exchange markets. There are different ways in which exchange rates are measured and, over the years, there have been different operational arrangements for determining the value of Australia's exchange rate.

they purchase inputs to production from other countries and enter contracts to export their goods and services elsewhere.

Cross rates

Bilateral exchange rates also provide a basis for calculating 'cross rates'. A cross rate is an exchange rate calculated by reference to a third currency. For instance, if the exchange rate for the euro (EUR) against the US dollar is known as well as for the Australian dollar against the US dollar, the exchange rate between the euro and the Australian dollar (EUR/AUD) can be calculated by

Learning Activities Tab (LHS)

build different skills through meaningful learning experiences.

Opening the Vault

Guides students through how to find the information they need on the RBA website.

Activity: [Opening the Vault](#) [PDF](#) 93KB



Unpacking Publications

Helps students familiarise themselves with RBA publications and provides some tips to make the most of the information provided.

Activity: [Unpacking Publications](#) [PDF](#) 84KB



Read and Rehash

Guides students through how to make the most of RBA publications.

Activity: [Read and Rehash](#) [PDF](#) 334KB



Read and Rehash



A reading strategy for RBA publications

01

Skim and scan the text. Predict what the text is about by:

- reading the title
- skimming sub-headings and diagrams
- reading the introduction and conclusion.

03

Reread and mark the text.

- number the paragraphs. As with page numbers, paragraph numbers will act as a reference so you can easily refer to specific sections of the text
- circle key terms or terms you don't understand or you feel are important
- develop a glossary of unfamiliar terms
- highlight the main ideas.

02

Read the text.

- read the text to get a general idea about what the text is about.

04

Pause to connect ideas within the text.

- connect what is said to the visuals in the text. (Ask questions such as 'How does this section connect to the previous section?').

The RBA releases many publications that are up-to-date and useful for students. Some of them, however, have complex concepts. This infographic is designed to guide you through the process of how to make meaning from the range of publications released by the RBA. Use this process to read any publication on the RBA website.

Combining a Resource and an Activity

05

Write summary statements in the margin.

For each paragraph, look for:

- the topic sentence (often the first sentence which tells you the topic of the paragraph)
- supporting evidence or additional associated detail that follows
- any analysis or concluding statements within the paragraph.

07

Compose a tweet to give a succinct summary of the text.

Remember a tweet can only be 140 characters. Share your tweet with other students.

06

Group/categorise the ideas and link to broad economic concepts/ideas/objectives.

Main ideas

Considerations for Monetary Policy

takes into account when making decisions about monetary policy

Evidence/details

Outlook for global economy is good

1 In considering the stance of monetary policy, members noted that the outlook for the global economy remained positive. The broad-based nature of the data supporting this outlook provided some confidence that the expansion could become self-reinforcing. At the same time, the improved conditions and ongoing accommodative stance of monetary policy globally had not, to date, led to a sustained increase in inflation. Members noted that various policy, financial and geopolitical risks to the ongoing expansion in the global economy were still present. The improvement in global economic conditions had helped to support commodity prices although recent commodity price movements had also been affected by commodity-specific supply factors, such as disruptions to Australian coking coal exports following Cyclone Debbie.

Broad-based growth
No sustained increase in inflation
Risks still present
Commodity prices supported by demand and supply factors

Inflation outcomes are as expected

2 Domestically, inflation outcomes had been as expected in the March quarter. The central forecast for headline inflation was that it would be above 2 per cent over the forecast period; underlying inflation was expected to increase gradually from its current rate of 1 3/4 per cent. Subdued growth in labour costs and strong competition in the retail sector had continued to have a dampening effect on aggregate inflation. Working in the other direction, rises in utilities prices and the cost of new dwelling construction had increased inflationary pressures.

Subdued growth in labour costs and retail competition weighing on inflation

Little pressure on wages growth

3 Members noted that, although it seemed unlikely that wage growth would slow much further, wage pressures were expected to rise only gradually as the effects of structural adjustment following the mining investment and terms of trade boom, which had weighed on aggregate wage growth, continued to wane. Data on the labour market had been somewhat mixed, but forward-looking indicators continued to suggest that employment growth would maintain its recent pace and spare capacity in the labour market would decline gradually.

Rises in utilities prices and housing construction boosting inflation

Economic growth moderate

4 Recent data suggested that the Australian economy had grown at a moderate pace at the beginning of 2017. The outlook was little changed from three months earlier and continued to be supported by the increase in the terms of trade and the low level of interest rates, although lenders had announced increases in mortgage rates, particularly those paid by investors and on interest-only loans. The pick-up in non-mining business investment had been modest and forward-looking indicators of investment remained mixed. The drag from the fall in mining investment (and the spillover effects of this on non-mining investment and activity) had continued to ease. Recent data had provided further signs that the downswings in the Western Australian and Queensland economies were coming to an end. The depreciation of the exchange rate since 2013 had assisted the economy through this transition; an appreciation of the exchange rate would complicate this adjustment process.

Unemployment expected to go down
Increase in ToT
Low level of interest rates
Drag from ending of mining boom easing
Lower AUD helping

Housing market conditions vary between cities

5 Conditions in the housing market continued to vary considerably across the country. Conditions in established housing markets in Sydney and Melbourne remained robust, but housing prices had been falling in Perth. The additional supply of apartments scheduled to be completed over the next couple of years in the eastern capital cities was expected to put some downward pressure on growth in apartment prices and on rents, particularly in Brisbane.

Housing credit growth outstripping growth in household income

6 Growth in housing credit had continued to outpace growth in household incomes, which suggested that the risks associated with household balance sheets had been rising. Recently announced supervisory measures were designed to help mitigate these risks by reinforcing prudent lending standards and ensuring that loan serviceability was appropriate for current financial and housing market conditions. However, it would take some time to assess the full effects of recent increases in mortgage rates and the additional supervisory focus.

Supervisory measures should help mitigate risks in household balance sheets

Evidence supports decision to maintain

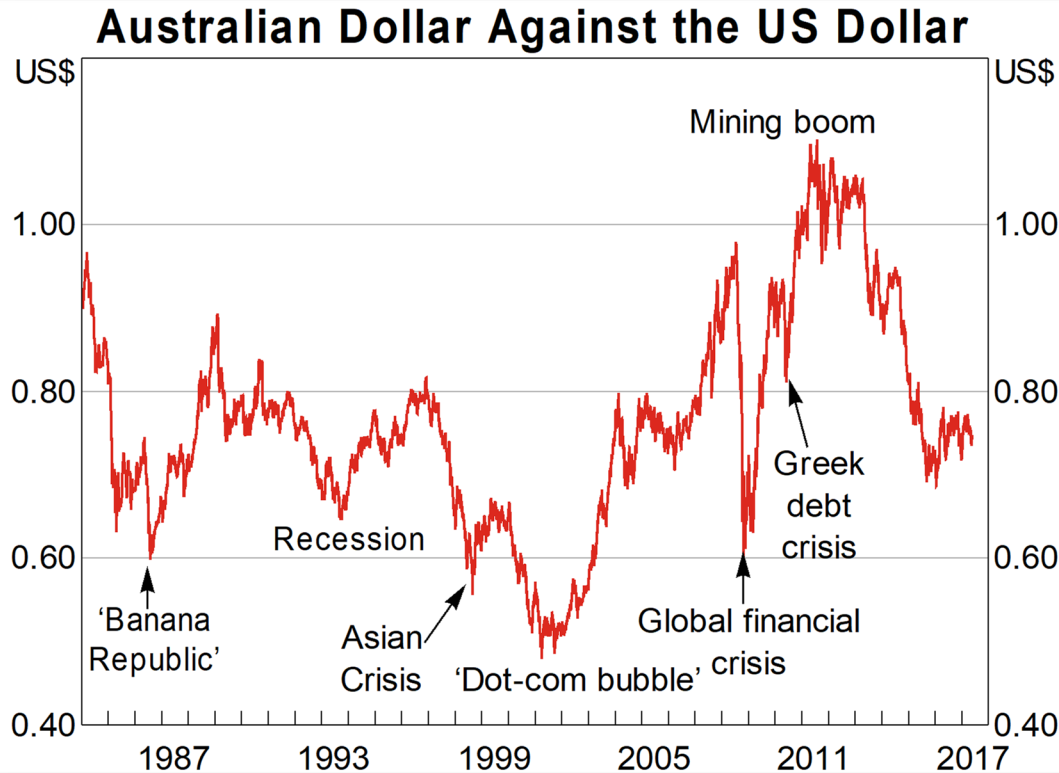
7 The Board continued to judge that developments in the labour and housing markets warranted careful monitoring. Taking into account all the available information and the updated forecasts, the Board's assessment was that maintaining the current accommodative stance of monetary policy would be consistent with achieving sustainable growth and the inflation target over time.

Excerpt from Minutes of the Monetary Policy Meeting of the Reserve Bank Board, Sydney - 2 May 2017

“Read and rehash”

2. Factors affecting exchange rates - *Demand and Supply*

Using the Chart Pack:

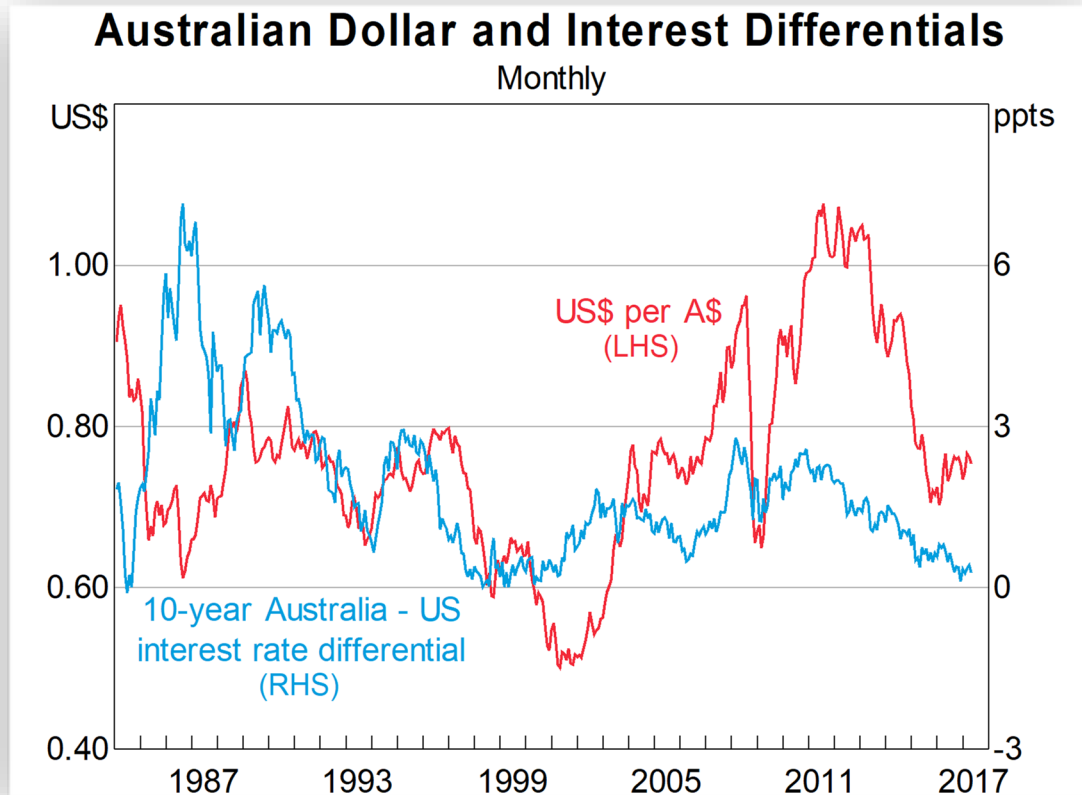


Look for general trends ...

... then identify specific changes and reasons

... then link to a Dd/Ss diagram

2. Factors affecting exchange rates - *Demand and Supply*

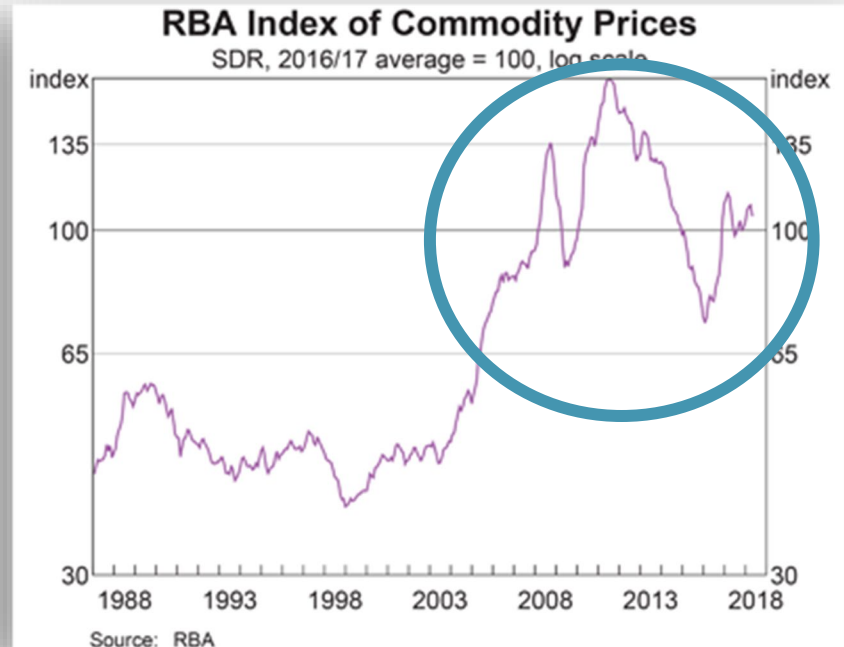
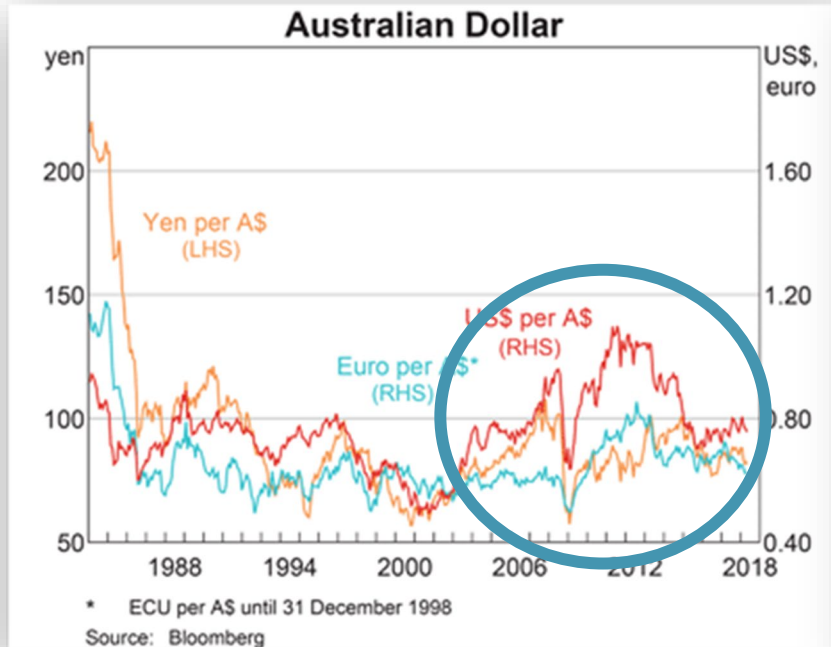


Explain how *interest* impacts on Demand for AUD through Dd/Ss diagram

Highlight:

1. Correlations
2. Divergences
3. Lags

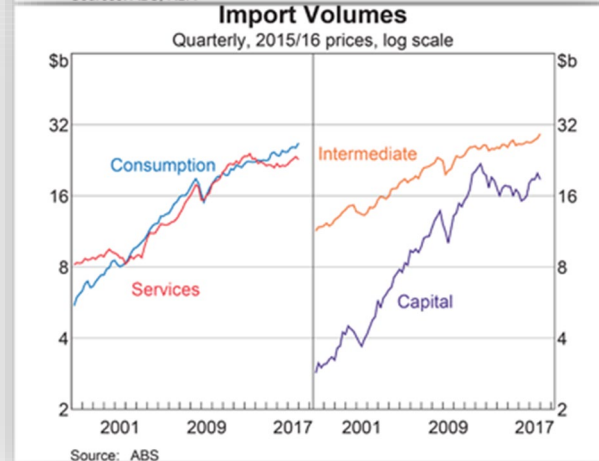
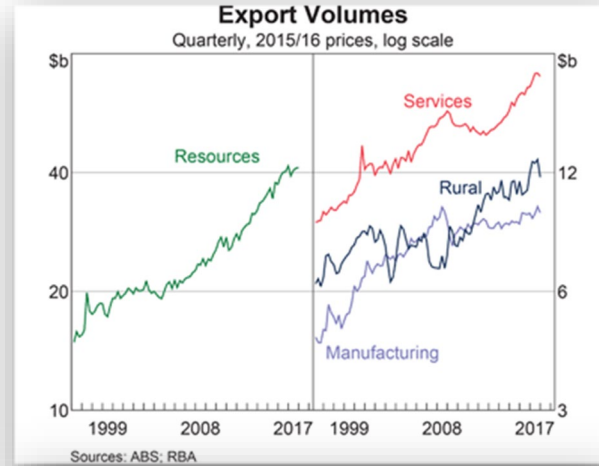
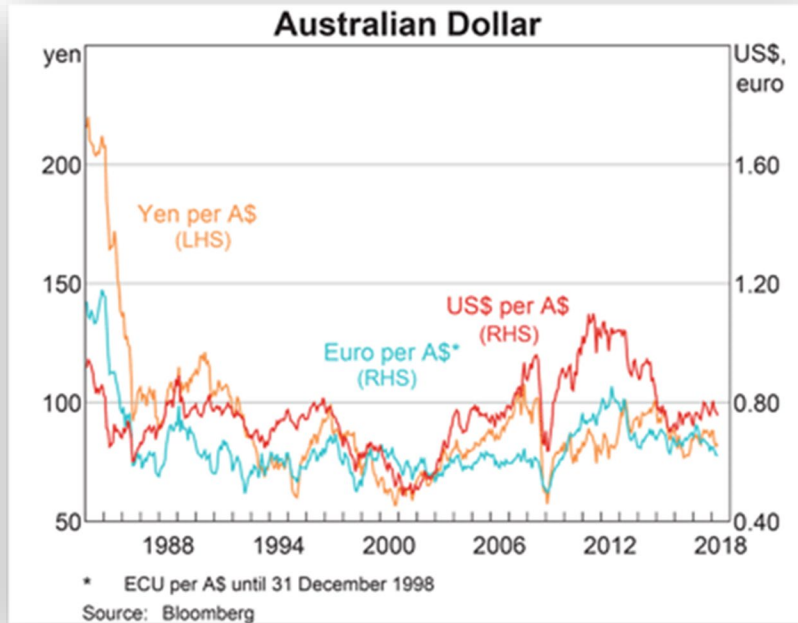
2. Factors affecting exchange rates - *Demand and Supply*



How have Commodity Prices affected the AUD?

Students to identify the relationship

2. Factors affecting exchange rates - *Demand and Supply*



Consider: GFC & beyond

Is this 'cause or effect'?

3. Effects of exchange rate on the domestic economy

Explainer: Exchange Rates and the Australian Economy

Flip the classroom:

1. Read and Rehash

2. Students find evidence from Chart pack to support findings



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www.rba.gov.au
twitter.com/RBAInfo
www.youtube.com/user/RBAInfo

Exchange Rates and the Australian Economy

An exchange rate is the value of one currency in terms of another currency. Exchange rates matter to Australia's economy because of their influence on trade and financial flows between Australia and the rest of the world. Changes in exchange rates affect the Australian economy in two main ways:

- 1 There is a **direct effect** on the prices of goods and services produced in Australia relative to the prices of goods and services produced overseas.
- 2 There is an **indirect effect** on economic activity and inflation as changes in the relative prices of goods and services produced domestically and overseas influence decisions about production

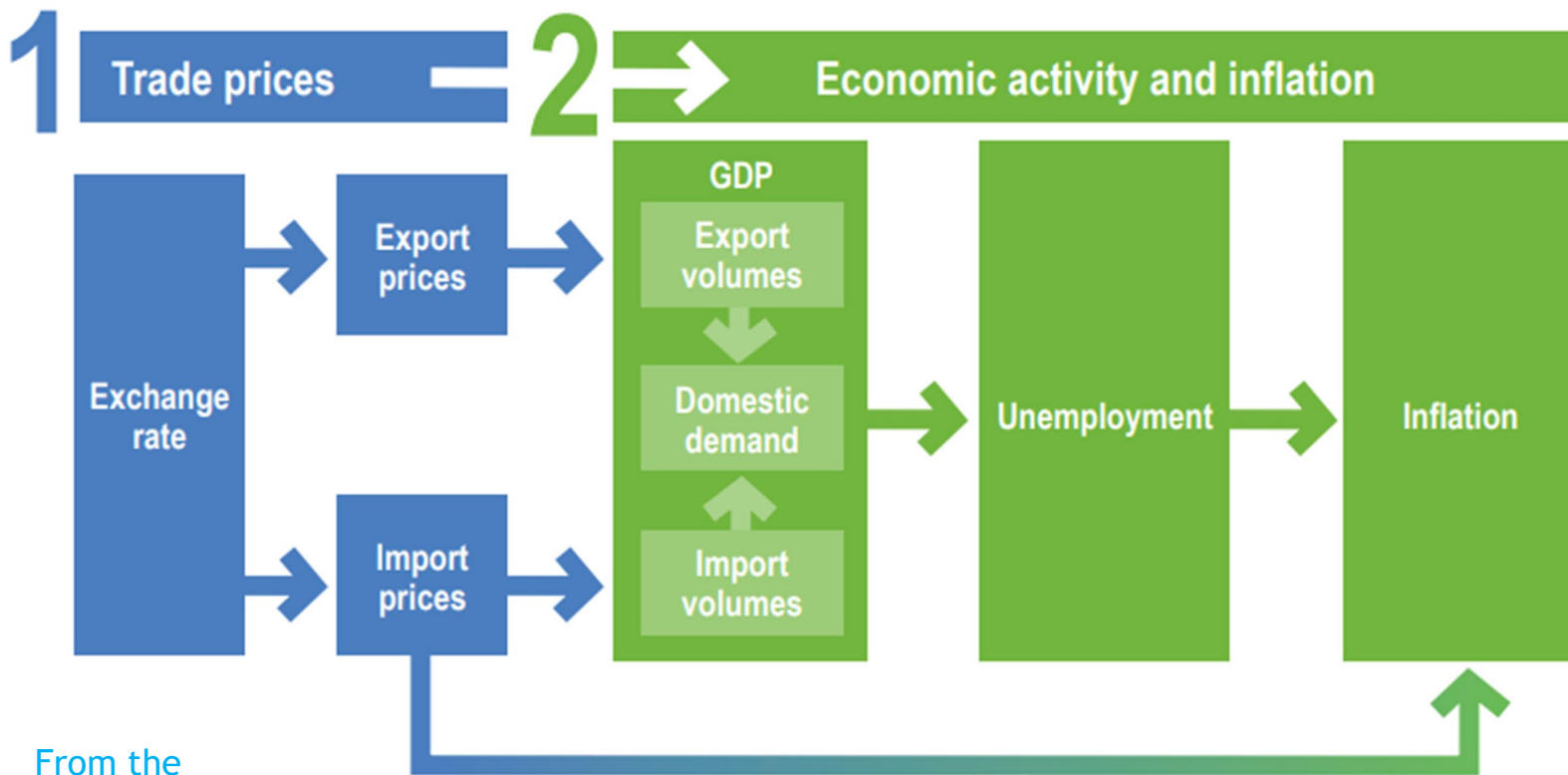
Together these effects also have implications for the balance of payments. This Explainer describes the effects of exchange rate movements and highlights the main channels through which these changes affect the Australian economy.

If the exchange rate between the Australian dollar and the US dollar is 0.75 then one Australian dollar can be converted into US75c. An increase in the value of the Australian dollar is called an appreciation. A decrease in the value of the Australian dollar is known as a depreciation.



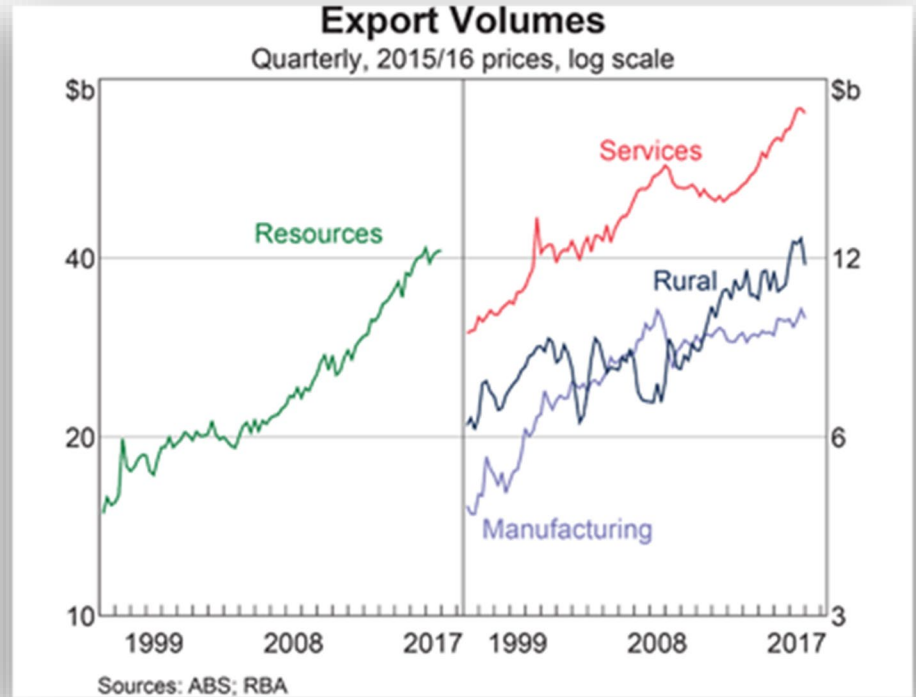
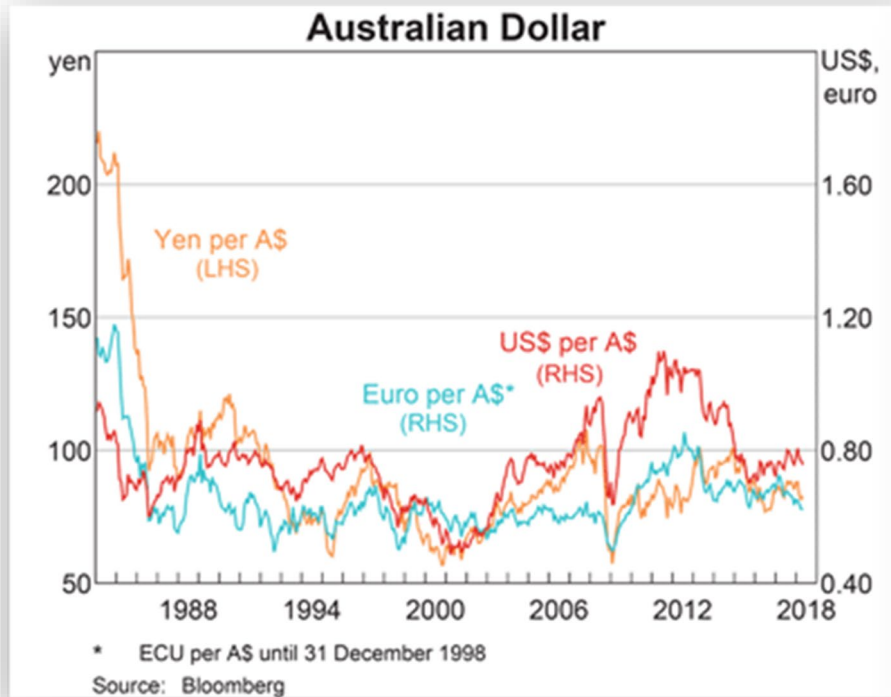
3. Effects of exchange rate on the domestic economy

Exchange rates and economic activity



From the explainer :

3. Effects of exchange rate on the domestic economy

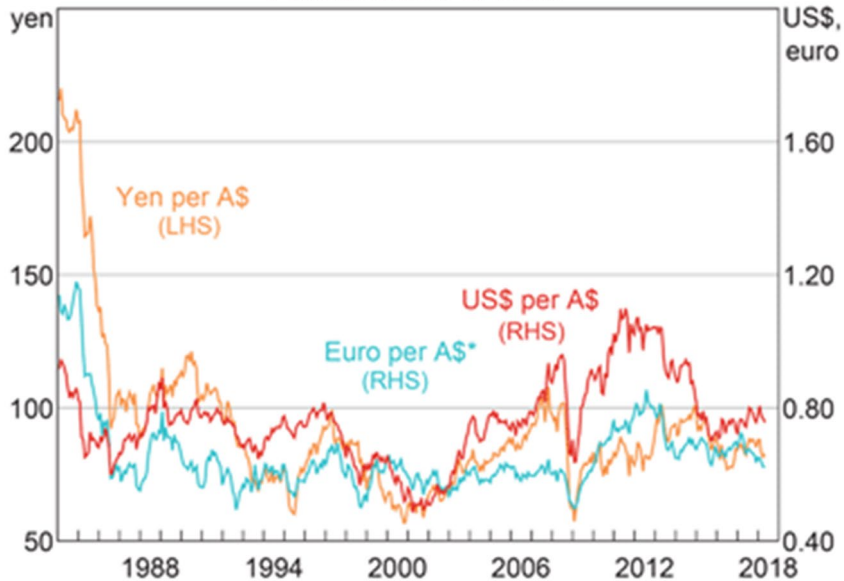


DIRECT EFFECT:

... or is this a 'cause'? ... or both?

3. Effects of exchange rate on the domestic economy

Australian Dollar

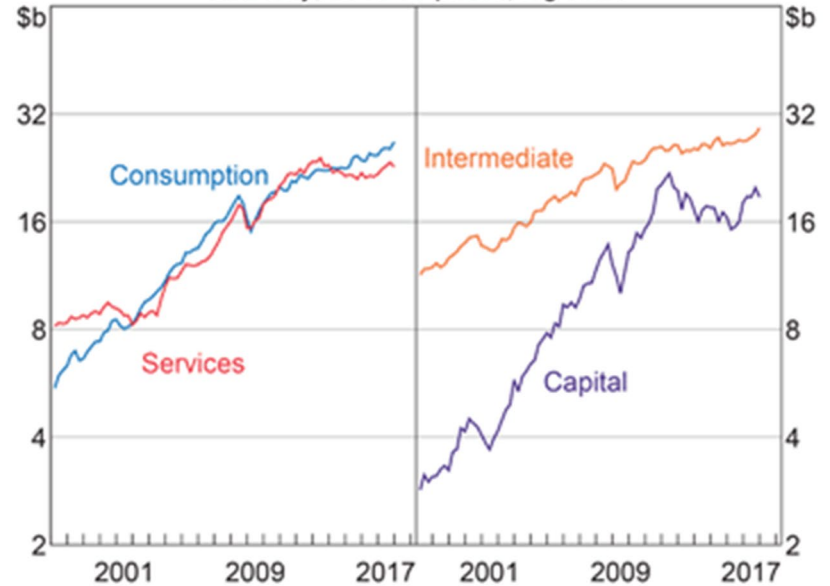


* ECU per AS until 31 December 1998

Source: Bloomberg

Import Volumes

Quarterly, 2015/16 prices, log scale

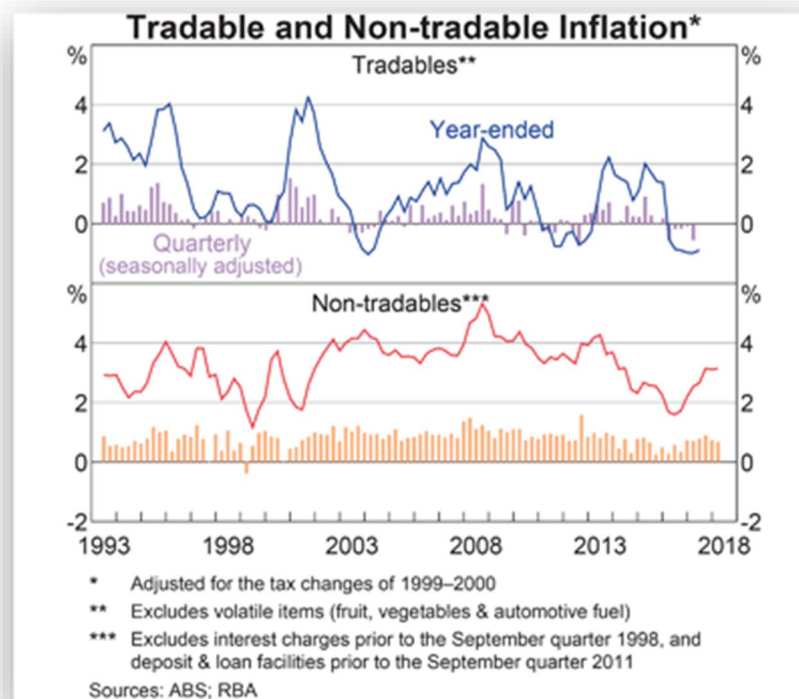
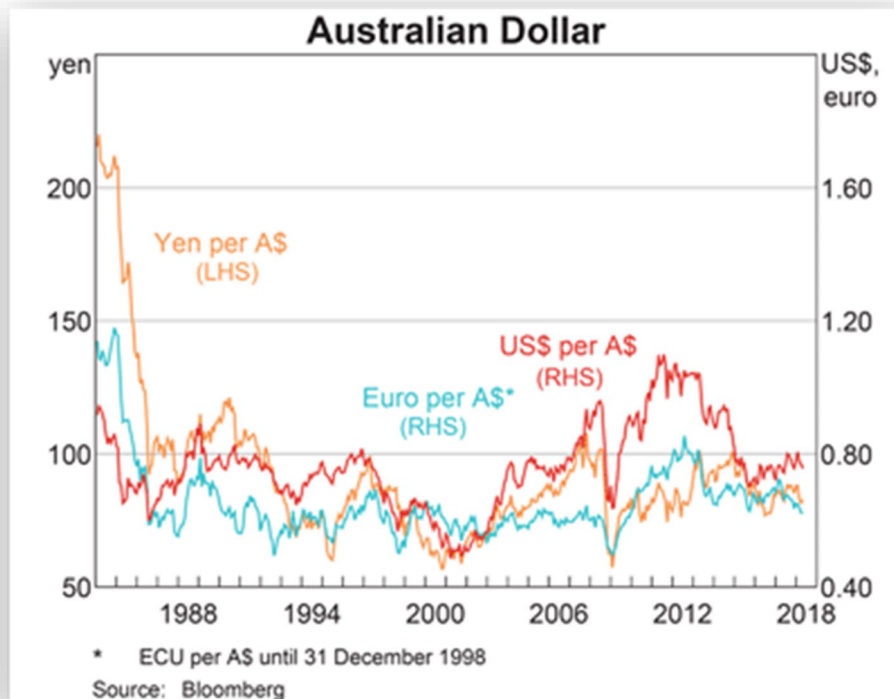


Source: ABS

INDIRECT EFFECT:

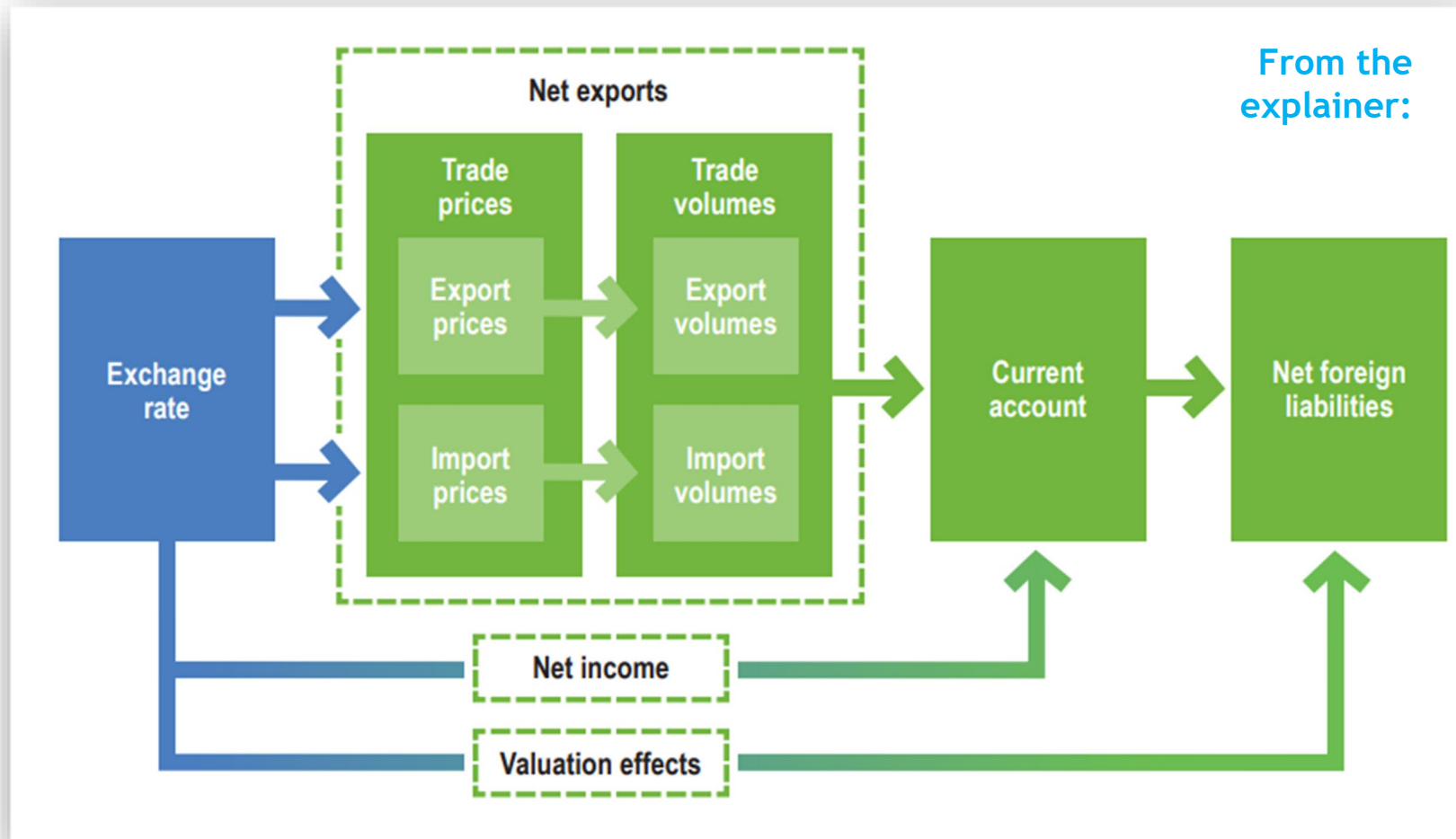
Students to identify the correlation

3. Effects of exchange rate on the domestic economy

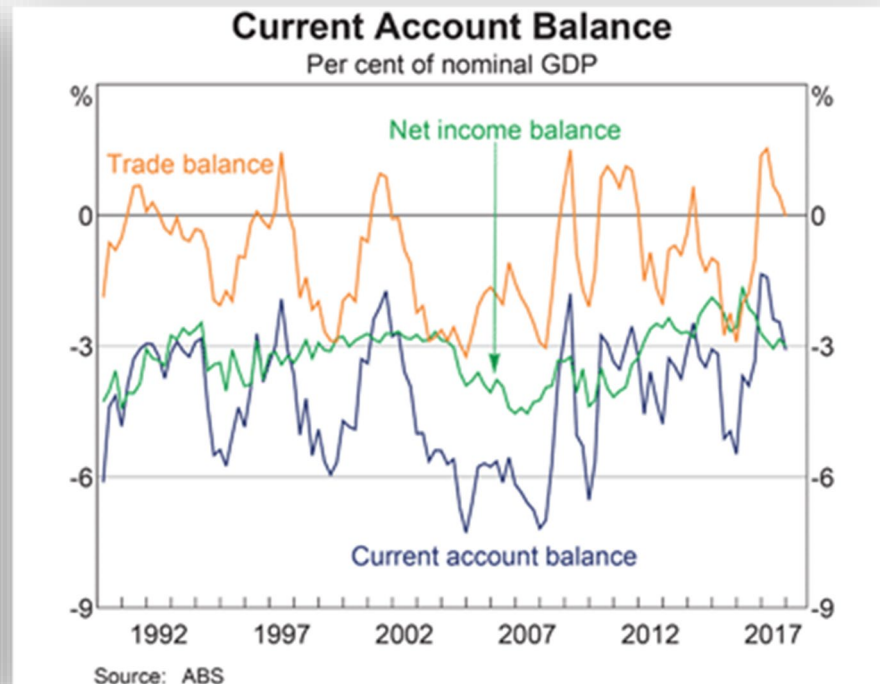
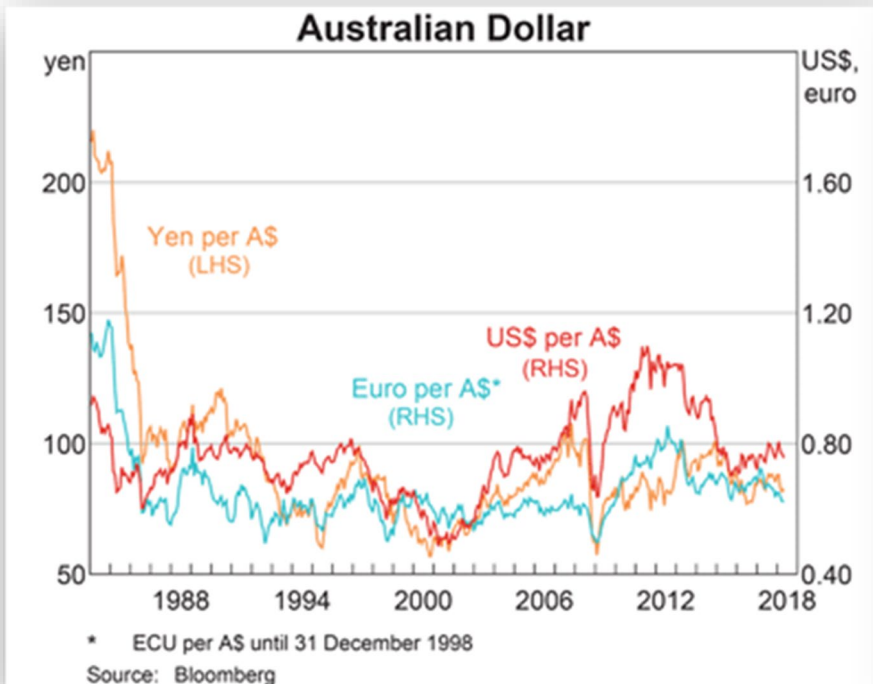


INDIRECT EFFECT: ... on Inflation (*Demand and Imported*)

3. Effects of exchange rate on the domestic economy



3. Effects of exchange rate on the domestic economy



INDIRECT EFFECT:

Compare: similarities and differences

Trade balance and \$A

Why trade surpluses since 2008 and \$A?

4. Policy responses

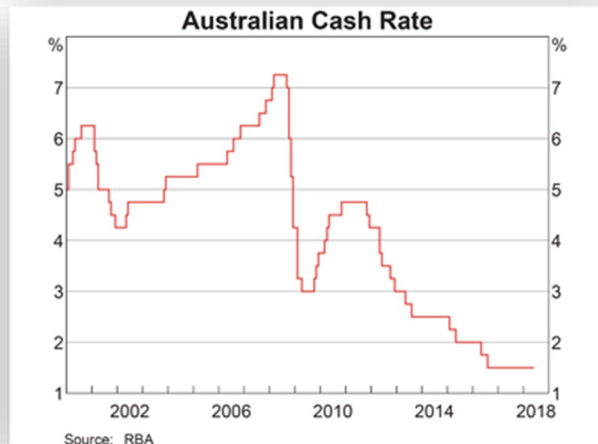
Media Release

Statement by Philip Lowe, Governor: Monetary Policy Decision

Number **2018-14**
Date **5 June 2018**

At its meeting today, the Board decided to leave the cash rate unchanged at 1.50 per cent.

The global economy has strengthened over the past year. A number of advanced economies are growing at an above-trend rate and unemployment rates are low. The Chinese economy continues to grow solidly, with the authorities paying increased attention to the risks in the financial sector and the sustainability of growth. Globally, inflation increased in some economies and further increases are expected. As conditions have improved in the global economy, a number of countries have reduced or ended some monetary stimulus and further steps in this direction are expected.



The Australian dollar remains within the range that it has been in over the past two years. An appreciating exchange rate would be expected to result in a slower pick-up in economic activity and inflation than currently forecast.

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. Taking account of the available information, the Board judged that holding the stance of monetary policy unchanged at this meeting would be consistent with sustainable growth in the economy and achieving the inflation target over time.

So? What else is there?

Terms of Trade - case study

‘Read and Rehash’ + Chart Pack

RESERVE BANK OF AUSTRALIA

Australia and the Global Economy – The Terms of Trade Boom

Australia is a relatively open, trade-exposed economy. This means that changes in other countries' demand for our goods and services can have significant implications for our economy. For example, an increase in global demand for Australia's exports, if not matched by an increase in supply, will result in an increase in the price of those exports.

The ratio of export prices to import prices is called the terms of trade. This explainer outlines the effects of the 2005-11 terms of trade boom on the Australian economy.

What Caused the Terms of Trade Boom?

The terms of trade boom was driven by very large increases in the prices of some of Australia's commodity exports. Australia has plentiful supplies of natural resources, including the second largest accessible reserves of iron ore in the world, the fifth largest reserves of coal and significant gas resources. For a long time, commodities have made up a sizeable share of our exports.

From the mid 2000s, the prices for commodities used to produce steel and generate energy – including iron ore, coal and natural gas – rose sharply. This was because global demand for these commodities increased significantly and supply was unable to keep up. The increase in global demand owed to a large increase in demand for steel and energy, driven by rapid urbanisation and industrialisation in China and some other emerging economies. Urbanisation (the movement of people from rural areas to towns and cities) and

industrialisation (the development of manufacturing industries) requires investment in new housing, factories and transport infrastructure – all of which use steel in their construction.

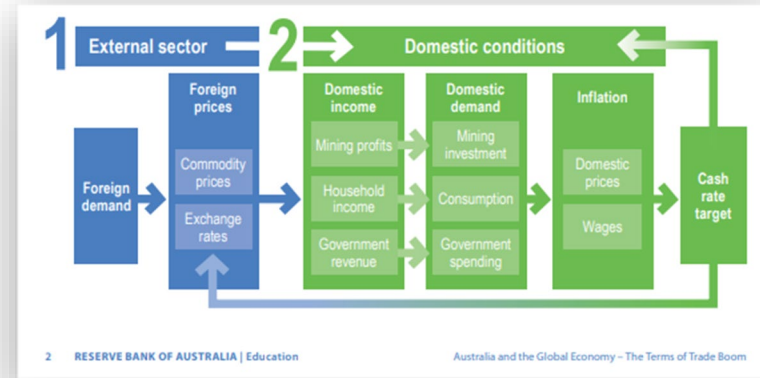
As a result, Australia's terms of trade reached very high levels. In fact, in 2011, the terms of trade were around 75 per cent above the average of the preceding century. This was also a longer terms of trade expansion than in previous episodes.

Australia's Terms of Trade
1900-2000 average = 100

Major Terms of Trade Expansions

| Year | Peak above 1900-2000 average (left axis) | Duration from trough to peak (right axis) |
|-----------|------------------------------------------|-------------------------------------------|
| 1904-1905 | ~20 | ~5 |
| 1922-1925 | ~45 | ~8 |
| 1944-1951 | ~75 | ~12 |
| 1967-1974 | ~20 | ~8 |
| 1994-2011 | ~75 | ~15 |

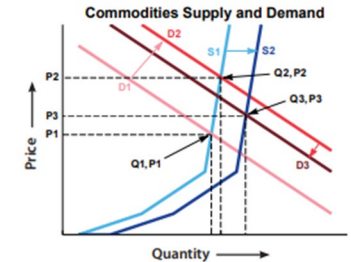
Source: ABS, RBA.



slowed (demand shifted back in from D2 to D3). The combined effect of this increase in supply and fall in demand was a decline in commodity prices and Australia's terms of trade (with prices falling from P2 to P3 and quantities increasing from Q2 to Q3).

This decline in the terms of trade had the opposite effect on the economy of the increase in the terms of trade. Falling commodity prices weighed on growth in GDP, employment, profits, wages and fiscal revenues, as well as on inflation. In response, the Reserve Bank Board cut the cash rate target.

The effects of the falls in commodity demand and prices were felt most in the mining sector and the key mining states of Western Australia and Queensland, but were also evident across the country.



relatively contained as the terms of trade rose. And on the way down – even as commodity prices fell sharply and mining investment declined – growth in GDP, employment and wages was only a little weaker than average.

So? What else is there?

Other Resources



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Education

The Reserve Bank recognises the importance of education and is committed to supporting people who want to learn more about the Bank's activities and the Australian economy. Our public education program provides a range of information, resources and learning experiences. These resources have been designed to support students and educators, as well as being relevant for more general audiences.

- Top
- Resources
- Talks and Events
- About the Program
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Resources

The Reserve Bank's public education program has developed resources for educators, students and the general public. The resources have been developed with education specialists and professionals to support an array of learning experiences.



So?
What else is
there?

RBA Speeches



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In Speeches

- 2011–2018
- 2001–2010
- 1990–2000

Filters

- All Governors' Speeches
- Speeches by Philip Lowe
- All Deputy Governors' Speeches
- Speeches by Guy Debelle
- Testimonies before Parliament

Speeches

[RSS Feed of Speeches](#) [RSS Feed of Speech Webcasts](#)

Senior officers of the Reserve Bank give speeches and participate in panel discussions on a broad range of topics related to its role and functions. These are part of the Bank's efforts to promote understanding of its decision-making and facilitate accountability to accompany its operational independence.

2018

[Some Features of the Australian Fixed Income Market – Tokyo](#)
6 June 2018
Christopher Kent, Assistant Governor (Financial Markets)
[Download PDF](#) 612KB

[What Happened to the Study of Economics? – Sydney](#)
26 May 2018
Jacqui Dwyer, Head of Information Department
[Download PDF](#) 385KB

They provide Graphs and Charts not seen in Chart Pack

Speech


The Outlook for the Australian Economy

Guy Debelle 

Deputy Governor

Opening Keynote at the CFO Forum
Sydney – 15 May 2018



Today I would like to talk about the Bank's outlook for the *Statement on Monetary Policy (SMP)* earlier this month.  from the previous set of forecasts we released three months ago, the outlook for the Australian economy, both domestically and globally, has been evolving generally.

When reading through the Bank's forecasts, I think it is a good question to ask: are these revisions to the Bank's outlook a reflection of changes in the economy? Similarly you can ask, do I think these changes reflect changes in the household or my business? A tenth or two of a percentage point change in GDP or inflation is unlikely to matter that much for any of the forecasts. I think they reflect the new information that has come to hand over the

Speech

Household Indebtedness and Mortgage Stress

Michele Bullock  Assistant Governor (Financial System)

Address to the Responsible Lending and Borrowing Summit Sydney
– 20 February 2018



Thank you for the opportunity to be here today. The title of the summit, 'Responsible Lending and Borrowing – Risk, Responsibility and Reputation', really struck a chord with me because there has been much discussion over the past few years about housing prices and the increasing debt being taken on by the household sector.

The Reserve Bank's interest in this area springs from both its responsibility for monetary policy and its mandate for financial stability. From the perspective of monetary policy, high debt levels will influence the calibration of interest rate changes. The more debt households have, the more sensitive their cash flow, and hence consumption, is likely to be to a rise in interest rates. Households with higher debt levels may also sharply curtail their consumption in response to an adverse shock such as rising unemployment or large falls in house prices, amplifying any economic

Speech

Three Questions About the Outlook

Luci Ellis

Assistant Governor (Economic)

Address to the ABE Conference
Sydney – 13 February 2018




Australian Business Economists for the Year 2018. Last Friday we released our annual report, one of which I can cover today. Instead of covering all the selected themes in that document, I'll focus on a couple with as we consider the outlook for the year ahead.

Let me briefly summarise our current thinking on the outlook. It has been picking up since mid 2017. As we came into the new year, we were optimistic for the global economy.

Speech

Skills for the Modern Workforce

Alexandra Heath 

Head of Economic Analysis Department

Remarks to the Victorian Career Advisors conference
Melbourne – 1 December 2017



It isn't hard to find commentary about the fact that the nature of work is changing, potentially in quite profound ways. This means that the skills young people will need to negotiate the new landscape of work need to change as well. But what does it all mean for students who must decide what subjects to choose in high school or what they should do after school?

It is difficult to answer this question in general, because each young person is different in their skills, preferences and aspirations. The best we can do is to make sure they have good information about the options they have available. Plenty of studies have shown how important parents (and their life experiences) are as sources of information about subject and career choices. Young adults (and their parents) also look to career advisors for information and advice.

Today, I'm going to give you some information about how the skills used in the workforce have been changing over time to help you frame the discussions you have with your students. I'm also going to take a bit of time to advocate for economics as a discipline of study that provides skills that are likely to be valuable in the future workforce.

General Trends

So, let's start with general trends. This graph shows where employment growth has been coming

An aside: - Subject Selection: Promoting Economics

Speech Skills for the Modern Workforce

Alexandra Heath ⁰¹ ¹ ¹
Head of Economic Analysis Department

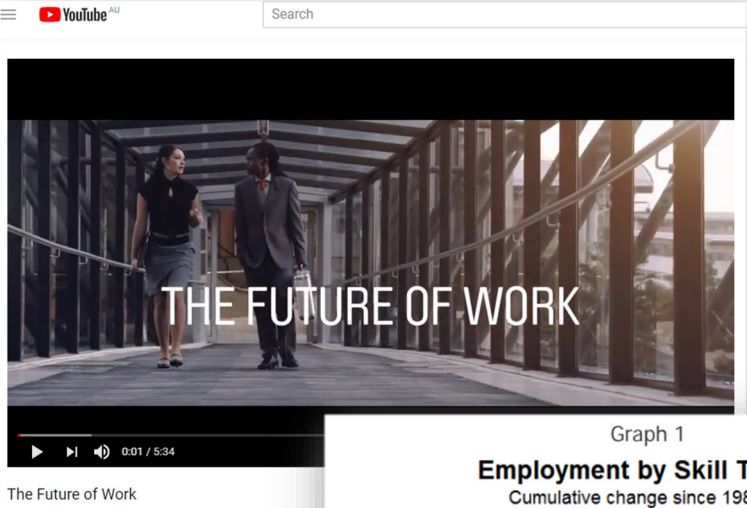


Remarks to the Victorian Career Advisors conference
Melbourne – 1 December 2017

It isn't hard to find commentary about the fact that the nature of work is changing, potentially in quite profound ways. This means that the skills young people will need to negotiate the new landscape of work need to change as well. But what does it all mean for students who must decide what subjects to choose in high school or what they should do after school?

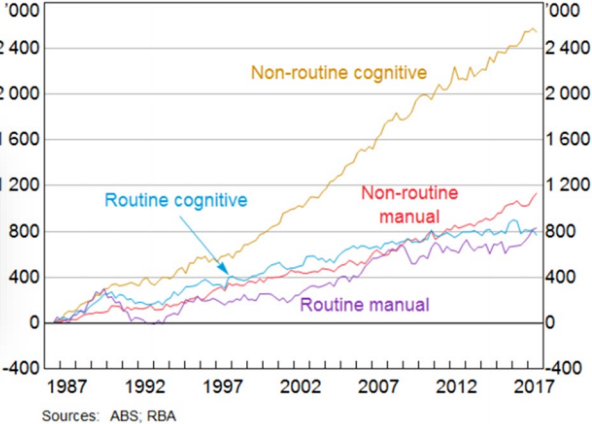
It is difficult to answer this question in general, because each young person is different in their skills, preferences and aspirations. The best we can do is to make sure they have good information about the options they have available. Plenty of studies have shown how important parents (and their life experiences) are as sources of information about subject and career choices. Young adults (and their parents) also look to career advisors for information and advice.

Today, I'm going to give you some information about how the skills used in the workforce have been changing over time to help you frame the discussions you have with your students. I'm also going to take a bit of time to advocate for economics as a discipline of study that provides skills that are likely to be valuable in the future workforce.



Graph 1

Employment by Skill Type Cumulative change since 1986



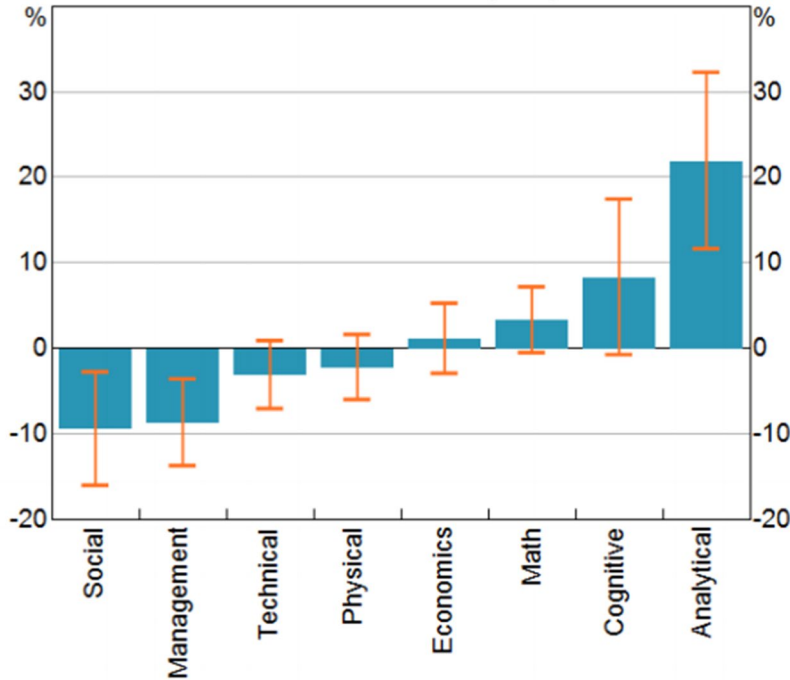
Cognitive skills of Economics

Promoting Economics - “Show me the money!!”

Graph 3

Skill Wage Premium*

Estimated coefficient from wage regression



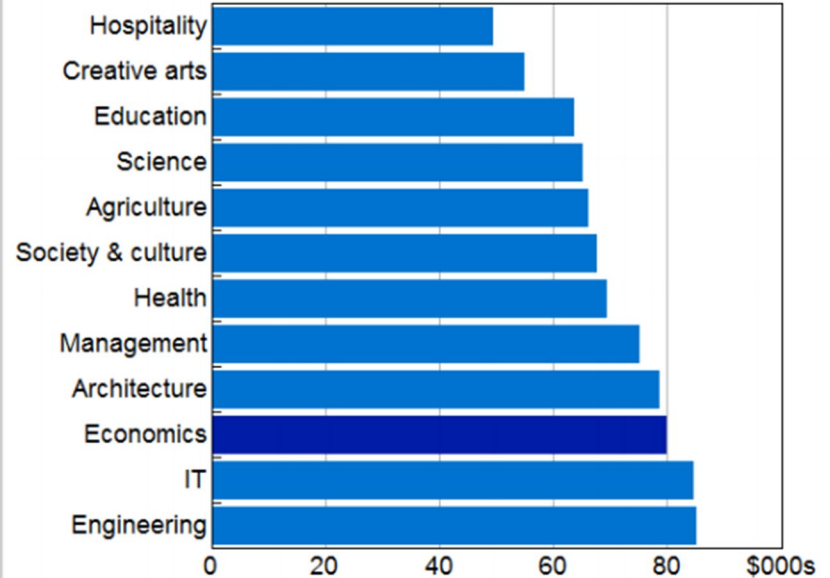
* 95 per cent confidence intervals are shown in orange

Sources: ATO; O*Net; RBA

Graph 4

Earnings by Field of Bachelor Study

Full-time employees, total income from all sources, 2016



Sources: ABS; RBA

Graphs and ‘content’

So? What else is there?

Statistics



The screenshot shows the Reserve Bank of Australia website. At the top, there is a navigation bar with links for Careers, Education, Media, Q&A, Advisory, and Contacts. A search bar is located to the right of the navigation bar. Below the navigation bar, there is a secondary navigation bar with links for Media Releases, Speeches, Publications, Statistics, and Chart Pack. The main content area is divided into a left sidebar and a main content area. The sidebar contains a 'In Statistics' section with a dropdown menu for 'Statistical Releases' and several other links. The main content area features a heading for 'Exchange Rates', a link to an 'RSS Feed of Exchange Rates', and a paragraph explaining that exchange rates are published daily except on public and bank holidays. Below this, there is a section for 'Latest Exchange Rates' with a table showing units of foreign currencies per Australian Dollar for three dates: 04 Jun 2018, 05 Jun 2018, and 06 Jun 2018.

RESERVE BANK OF AUSTRALIA

Careers Education Media Q&A Advisory Contacts

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About Us Monetary Policy Market Operations Financial Stability Payments & Infrastructure Financial Services Banknotes

Home > Statistics > Statistical Releases > Exchange Rates

In Statistics

- Statistical Releases
- Financial Aggregates
- Index of Commodity Prices
- Exchange Rates**
- Weights for the TWI
- Weights for the ICP
- Economic and Financial Statistics
- Statement of Liabilities and Assets
- Cash Rate
- Chart Pack

Exchange Rates

[RSS Feed of Exchange Rates](#)

Exchange rates are published daily except on [public and bank holidays](#) observed in New South Wales.

Latest Exchange Rates

Units of Foreign Currencies per Australian Dollar

| | 04 Jun 2018 | 05 Jun 2018 | 06 Jun 2018 |
|----------------------|-------------|-------------|--------------------|
| United States dollar | 0.7615 | 0.7633 | 0.7664 |
| Chinese renminbi | 4.8888 | 4.8936 | 4.8976 |

On This Page

- > [Latest Exchange Rates](#)
- > [Graphs](#)
- > [Related Information](#)

So?
What else is there?

Publications:

RESERVE BANK OF AUSTRALIA

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Media Releases Speeches **Publications** Statistics Chart Pack

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In Publications

- Minutes
- Statement on Monetary Policy
- Financial Stability Review
- Bulletin
- Annual Reports
- Corporate Plan
- Research Discussion Papers
- Conferences
- Workshops
- Submissions
- Consultations
- Order Form

Publications

Minutes

Minutes of the monetary policy meetings of the Reserve Bank Board are published two weeks after each meeting, and explain the monetary policy decision. The Reserve Bank Board normally meets eleven times each year, on the first Tuesday of each month, except January.

View the latest [Minutes](#) →

Statement on Monetary Policy

The *Statement on Monetary Policy* sets out the Bank's assessment of current economic conditions, both domestic and international, along with the outlook for Australian inflation and output growth. A number of *boxes* on topics of special interest are also published. The *Statement* is issued four times a year.

View the latest [Statement on Monetary Policy](#) →

Financial Stability Review

The *Financial Stability Review* provides the Bank's assessment of the current condition of the financial system and potential risks to financial stability. It contains a number of *boxes* on topics of special interest, along with occasional *articles*. The *Review* is issued half-yearly.

View the latest [Financial Stability Review and snapshot](#) →

Bulletin

The *Bulletin* contains articles that discuss economic and financial developments as well as the Bank's operations. Published monthly until December 2009 and thereafter quarterly.

View the latest [Bulletin](#) →

Publications:

Board minutes

“Read and rehash”
perhaps??

The screenshot shows the Reserve Bank of Australia website. At the top left is the RBA logo and the text 'RESERVE BANK OF AUSTRALIA'. At the top right is a search bar with the text 'Search RBA website' and a magnifying glass icon. Below the search bar is a navigation menu with links for 'Media Releases', 'Speeches', 'Publications', 'Statistics', and 'Chart Pack'. Below the navigation menu is a breadcrumb trail: 'Home > Monetary Policy > Minutes > 2018 > 1 May 2018'. The main content area is divided into two columns. The left column is a sidebar with the heading 'In Monetary Policy' and a list of links: 'About Monetary Policy', 'Agreement on Framework', 'Inflation Target', 'Interest Rate Decisions', 'Minutes', '2011-2018', '2018', '2017', '2016', '2015', '2014', '2013', '2012', '2011', '2006-2010', and 'Statement on Monetary Policy'. The right column is the main content area, which is titled 'Minutes of the Monetary Policy Meeting of the Reserve Bank Board' and 'Adelaide – 1 May 2018'. It contains sections for 'Members Present' and 'Others Present', followed by a section for 'Domestic Economic Conditions'.

RESERVE BANK OF AUSTRALIA

Search RBA website

Media Releases Speeches Publications Statistics Chart Pack

About Us Monetary Policy Market Operations Financial Stability Payments & Infrastructure Financial Services Banknotes

Home > Monetary Policy > Minutes > 2018 > 1 May 2018

In Monetary Policy

About Monetary Policy

Agreement on Framework ▶

Inflation Target

Interest Rate Decisions ▶

Minutes ▼

2011-2018 ▼

2018

2017

2016

2015

2014

2013

2012

2011

2006-2010 ▶

Statement on Monetary Policy

Minutes of the Monetary Policy Meeting of the Reserve Bank Board

Adelaide – 1 May 2018

Members Present

Philip Lowe (Governor and Chair), Guy Debelle (Deputy Governor), Mark Barnaba AM, Kathryn Fagg, John Fraser, Ian Harper, Allan Moss AO, Carol Schwartz AM, Catherine Tanna

Others Present

Luci Ellis (Assistant Governor, Economic), Christopher Kent (Assistant Governor, Financial Markets), Bradley Jones (Head, International Department), Adam Cagliarini (Representative, China)

Anthony Dickman (Secretary), Andrea Brischetto (Deputy Secretary)

Domestic Economic Conditions

Members commenced their discussion of the domestic economy by noting that the outlook for the economy had not changed materially over the preceding three months. Stronger growth was expected over the following couple of years, which would reduce spare capacity in the economy and lead to a further gradual decline in the unemployment rate. This, in turn, was expected to lead to a gradual pick-up in wages growth and inflation.

The inflation data for the March quarter had been in line with the Bank's expectations. Inflation had been ½ per cent in the quarter and close to 2 per cent over the year in both headline and underlying terms. The largest increases in prices over the year had been for tobacco, following excise increases, and utilities, reflecting higher electricity prices. The prices of tradable goods

Publications:

Statement of Monetary Policy

Excellent Charts and 'boxes'

The screenshot shows the Reserve Bank of Australia website. At the top, there is a navigation bar with links for Careers, Education, Media, Q&A, Glossary, and Contacts. A search bar is also present. Below this is a secondary navigation bar with links for Media Releases, Speeches, Publications, Statistics, and Chart Pack. The main navigation bar includes links for About Us, Monetary Policy, Market Operations, Financial Stability, Payments & Infrastructure, Financial Services, and Banknotes. The breadcrumb trail reads: Home > Publications > Statement on Monetary Policy > 2018 > Statement on Monetary Policy – May 2018.

The left sidebar, titled "In Publications", contains a list of links for various documents, with "May" selected under the "2018" year.

The main content area is titled "Statement on Monetary Policy May 2018" and includes an RSS feed link. The text describes the statement's purpose and highlights changes to its structure and format for the May 2018 issue, including a new chapter on the international environment.

A large blue arrow points to the download links for the statement's components. The download links are as follows:

| Component | Download PDF | File Size |
|--------------------------------------------|--------------|-----------|
| Overview | Download PDF | 841KB |
| The International Environment | Download PDF | 2.73MB |
| Box A: Recent Trade Protectionism Measures | Download PDF | 167KB |
| Domestic Economic Conditions | Download PDF | 2.05MB |

Publications:

RBA Bulletin

Excellent 'Stand alone articles

In Publications

- Minutes ▶
- Statement on Monetary Policy ▶
- Financial Stability Review ▶
- Bulletin ▼
- 2018 ▶
- 2017 ▼
- December
- September**
- June
- March
- 2016 ▶
- 2015 ▶
- 2014 ▶
- 2013 ▶
- 2012 ▶
- 2011 ▶
- 2001–2010 ▶

Bulletin September Quarter 2017

The *Bulletin* contains articles that discuss economic and financial developments as well as the Bank's operations.

Download the complete *Bulletin* [PDF](#) 5.2MB



Contents

Articles

- [The Transmission of Monetary Policy: How Does It Work?](#) [Abstract](#) [Download PDF](#) 414KB
- [The Neutral Interest Rate](#) [Abstract](#) [Download PDF](#) 534KB
- [The Rising Share of Part-time Employment](#) [Abstract](#) [Download PDF](#) 619KB
- [The Resources Economy and the Terms of Trade Boom](#) [Abstract](#) [Download PDF](#) 499KB
- [Structural Liquidity and Domestic Market Operations](#) [Abstract](#) [Download PDF](#) 1.8MB
- [Shadow Bank Lending to the Residential Property Market](#) [Abstract](#) [Download PDF](#) 436KB



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E-mail*

List to join/leave

Let's reverse this trend!

Speech

What Happened to the Study of Economics?

Jacqui Dwyer ^[*]

Head of Information Department

Address to the Business Educators Australasia Annual Meeting
Sydney – 26 May 2018

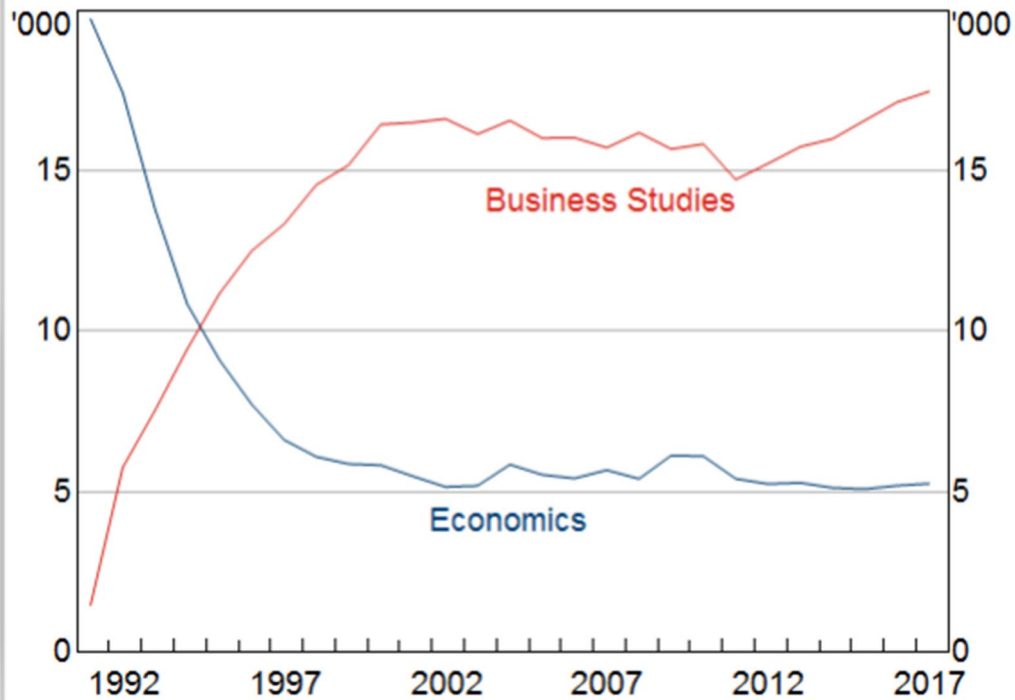
Download [PDF](#) 385KB



Graph 1

Economics and Business Studies Enrolments in NSW

Year 12



Sources: NESA; RBA



Lunch & Networking

(1 hour – Harbour Rm, level 20)

**Resume in the ground floor lecture
room**