



THE HON JOSH FRYDENBERG MP
Treasurer

MEDIA RELEASE

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STATEMENT ON THE CONDUCT OF MONETARY POLICY

In the months following the election I have given careful consideration to the current Statement on the Conduct of Monetary Policy. The Statement records the common understanding of the Government and the Governor of the Reserve Bank on the key aspects of Australia's monetary policy framework.

The Statement has been issued seven times since 1996 and was last issued in September 2016 with the commencement of Philip Lowe as RBA Governor. During that time, changes to the Statement have typically coincided with either a change of Government or the appointment of a new RBA Governor.

Following careful consideration and consultation between Treasury and the RBA I have concluded that the existing statement is consistent with the Government's and the RBA's shared understanding of our monetary policy framework. Not changing the statement provides continuity and consistency at this time of global economic uncertainty. Domestic and global markets can be reassured that Australia remains a stable and predictable place to invest and do business with a proven and effective monetary policy framework.

As I have said on a number of occasions, the current inflation targeting approach has served Australia well, helping underpin our record 28 consecutive years of economic growth.

While inflation has been below the 2-3 per cent band for some time, I recognise that Australia is not alone in experiencing an extended period of low inflation, low unemployment and low interest rates. Over the medium term, inflation is expected to return to the band, consistent with the Statement.

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