Panel Remarks – Evolving Role and Limits of Monetary Policy

Philip Lowe
Deputy Governor
Outline

1. General global challenges
   - A weak transmission mechanism to real investment
   - Financial stability concerns

2. The challenges from an Australian perspective
Cash Rate
Daily

Source: RBA
Australian Dollar
Month average

Source: Bloomberg
Private Business Investment
Share of nominal GDP

* Excluding cultivated biological resources

Sources: ABS; RBA
Australian Bonds*
Share of outstandings

Commonwealth | State | Non-government

% 0 20 40 60 80 100
2004 2014

* Held by foreigners
Sources: ABS; RBA
Dwelling Prices to Income

Sources: ABS; APM; RBA; REIA; RP Data-Rismark
Value of Investor Loan Approvals*

* Net of refinancing

Sources: ABS; RBA
Housing Credit Growth
Six-month-ended annualised

Sources: APRA; RBA
Private Dwelling Approvals

Monthly

'000


0 3 6 9 12 15

Total*

Detached

Higher-density*

* Smoothed line is ABS trend measure

Source: ABS
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Title heading

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