

BN 08/30 01:44 \*RBA:FLEXIBLE CPI TARGET REMAINS CENTERPIECE OF POLICY FRAMEWORK  
BN 08/30 01:40 \*RBA: H/HOLD DEBT IMPACT COULD COMPLICATE FUTURE RATE DECISIONS  
BN 08/30 01:39 \*RBA COMMENTS IN 2019/20 CORPORATE PLAN RELEASED ON WEBSITE  
BN 08/30 01:39 \*RBA: H/HOLD DEBT COULD MAKE ECONOMY LESS RESILIENT TO SHOCKS

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RBA Says Household Debt Could Complicate Future Rate Decisions  
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By Chris Bourke

(Bloomberg) -- Reserve Bank of Australia comments in 2019/20 corporate plan released on website Friday.

\* "Over 2019/20 to 2022/23, the structure of the Australian economy will continue to evolve and economic shocks -- which, by definition, are not forecastable -- will occur. Movements in asset values and leverage may be more important for economic developments than in the past given the already high levels of debt on household balance sheets"

\* "Especially in the context of weak growth in household income, high debt levels could complicate future monetary policy decisions by making the economy less resilient to shocks"

\* "The flexible medium-term inflation target is the centerpiece of the monetary policy framework in Australia and has been well established for more than two decades. Since the early 1990s, it has provided the foundation for the bank to achieve its monetary policy objectives by providing an anchor for inflation expectations. The bank will remain alert to new developments that may have a bearing on the framework for monetary policy"

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