

Reserve Bank of Australia Corporate Plan 2015/16

Monetary Policy

The Bank will use its powers to contribute to:

- the stability of the currency of Australia;
- the maintenance of full employment in Australia; and
- the economic prosperity and welfare of the people of Australia.

It will do so by continuing its commitment to keeping consumer price inflation between 2 and 3 per cent, on average, over the business cycle. The Bank will also aim to foster sustainable economic growth.



Financial Stability

The Bank will use its power and influence to foster the stability of the Australian financial system. This entails the accurate assessment and successful management of domestic sources of systemic risk, as well as assisting the financial system to maintain its resilience to any shocks that might come from abroad.



Financial Market Operations

The Bank's operations in financial markets support its monetary policy objectives through the specification of an operational target for the overnight cash rate. Regular transactions in the foreign exchange market help to manage Australia's foreign currency reserves.



Payments

There are several distinct aspects of the Bank's role, including policymaker and that of owner and operator of key national payments infrastructure. In relation to policymaking the Bank will use its powers to contribute to:

- controlling risk in the financial system;
- promoting the efficiency of the payments system; and
- promoting competition in the market for payment services.



RESERVE BANK
OF AUSTRALIA

The Reserve Bank has published its Corporate Plan for 2015/16. It has been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013*. This is the first Plan prepared by the Bank under the Act.

Banking

The Bank acts as banker for the Commonwealth. The Bank also provides banking services to a number of overseas central banks and official institutions.



Currency

The Bank designs banknotes, arranges for production, distributes the banknotes to financial institutions, monitors and maintains their quality and withdraws unfit banknotes from circulation. It also monitors and analyses counterfeiting and researches banknote security.



Financial Position and Capital

The Bank is not a profit-maximising institution. The Bank's operations in financial markets earn a profit in most years even though they are carried out predominantly for policy purposes.



Risk Oversight and Management

The Bank faces a broad range of risks resulting from its responsibilities in the areas of monetary, financial stability and payments system policy as well as its day-to-day operational activities. The Bank's risk management framework establishes an effective process to manage risk across the Bank.

