Roles and Functions of the Reserve Bank of Australia
Roles and Functions

What?

Why?

Where?

How?

Who?
What Is the Reserve Bank of Australia?

The Reserve Bank of Australia is the nation’s central bank.
Why Does Australia Have a Central Bank?

Australia has a central bank to support economic and financial stability.
Governance

Reserve Bank Act 1959

- Reserve Bank Board
- Payments System Board
What Is the Role of the Reserve Bank Board?

Economic prosperity and welfare

Stability of the currency

Full employment
What Is the Role of the Payments System Board?
How Does the Reserve Bank Achieve Its Objectives?

- Monetary policy
- Market operations
- Payment system oversight
- Financial stability
- Government banking
- Banknotes
Monetary Policy – Inflation Target

To achieve an inflation rate of 2–3% on average, over time.
Monetary Policy – Decision Process

1. Current economic and financial conditions (Monthly)
2. Outlook for the economy (Quarterly)
3. Financial stability risks (Half yearly)

Policy recommendation → Board meeting → Public communication

Cash rate decision
Monetary Policy – Transmission Mechanism

- Cash rate
- Interest rates
- Economic activity
- Inflation
Domestic Market Operations

The Australian Cash Market

1. Price
   RBA lending rate
   Cash Rate Target
   RBA deposit rate

2. Quantity

3. Demand

4. Supply

5. Policy interest rate corridor
International Market Operations
Financial Stability

- Promote stability
- Analyse risks
- Communicate risks
- Manage crises
- Inform policy
Payment System
Payments System – Policies

- ATM fees
- Mobile payments
- Merchant fees
- Fast payments
Banknotes

Design

Production

Distribution

Counterfeit analysis
Government Banking
Who Are the Reserve Bank of Australia?

Philip Lowe
Governor

Guy Debelle
Deputy Governor

Assistant Governors (from Left) Luci Ellis, Christopher Kent, Michele Bullock, Lindsay Boulton, Susan Wood

Employee numbers 1347

Women currently hold 32% of management positions
Where Is the Reserve Bank of Australia?
Where Is the Reserve Bank of Australia?
Contact Us

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