

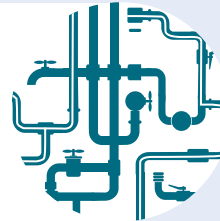
Financial Stability

The Reserve Bank helps maintain a healthy and stable financial system. This is fundamental to the economic prosperity and welfare of the Australian people.



In a healthy financial system, money is channelled between savers and borrowers so that different activities, like spending by households or investment by businesses, can be undertaken.

A healthy financial system is resilient so that money keeps flowing even when the economy slows or there are disruptive events.



The Reserve Bank ensures that there are adequate funds in Australia's financial system. During the global financial crisis, the Reserve Bank provided temporary extra funding to the system.

In normal times, the Reserve Bank watches for emerging risks in the financial system. Twice a year it publishes a financial 'health check' in the *Financial Stability Review*. Where risks pose a threat to the financial system, the *Review* explains the issue and the policy response.



The Reserve Bank chairs the Council of Financial Regulators, which includes the prudential regulator APRA, the corporate and financial services regulator ASIC, and the Australian Treasury. The Council meets at least four times a year to discuss current issues and policies. In a financial crisis, it coordinates responses across the member agencies.