

Reserve Bank of Australia Corporate Plan

2015/16

1. Introduction

This corporate plan is prepared for 2015/16 in accordance with section 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*, and also covers the reporting periods from 1 July 2016 to 30 June 2019.

The Reserve Bank is Australia's central bank and it conducts central banking business. The Bank has two Boards, the Reserve Bank Board and the Payments System Board. The Reserve Bank Board is responsible for the Bank's monetary and banking policy and the Bank's policy on all other matters, except for payments system policy, for which the Payments System Board is responsible.

The accountable authority of the Reserve Bank is the Governor.

This corporate plan outlines the key functions and purposes of the Bank and, in relation to each of those functions and purposes, sets out:

- the Bank's assessment of the relevant environment in which those functions and purposes will be carried out
- how the Bank plans to achieve the relevant purposes and how it will measure and assess its performance in the achievement of those purposes
- the key strategies and plans that the Bank proposes to implement with a view to achieving the relevant purposes.

The plan also outlines the purposes and performance measures in relation to the Bank's financial position. The penultimate section of the plan outlines the Bank's approach to managing and overseeing the main risks it faces, including a link to the Bank's published *Risk Appetite Statement*, which also indicates the Bank's attitude towards its key strategic, financial, people and operational risks. A final section highlights the important role that other factors play in the Bank achieving its various functions and purposes, including its high-quality staff, the information technology underpinning its activities as well as a range of support services provided by other areas of the Bank.

2. Monetary Policy

2.1 Purpose

It is the duty of the Reserve Bank Board to ensure that the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia and that the powers of the Bank are exercised in a way that, in the Board's opinion, will best contribute to:

- (a) the stability of the currency of Australia;
- (b) the maintenance of full employment in Australia; and
- (c) the economic prosperity and welfare of the people of Australia.

In support of the above duties, the most recent *Statement on the Conduct of Monetary Policy* between the Treasurer and the Governor, dated 24 October 2013, confirms the Bank's continuing commitment to keeping consumer price inflation between 2 and 3 per cent, on average, over the business cycle, consistent with its duties under the *Reserve Bank Act 1959*. Ensuring low and stable inflation preserves the value of money and facilitates strong and sustainable growth in the economy over the longer term.

2.2 Environment

As usual, there are considerable challenges in the conduct of monetary policy. There is no reason to expect that this will not be the case over the years ahead. The global environment remains uncertain and the nature of the global economy is invariably changing. Global interest rates are extremely low at present and inflation is generally subdued. Both are likely to rise to some extent over the next several years, but the increases could be slower or faster than currently expected. The long-run effects of highly accommodative monetary policies are unknown. The structure of the Australian economy is likely to continue to change and economic shocks – which, by definition, are not forecastable – are likely to occur. Domestically, the ability of monetary policy to support growth in the short term may be more limited than in the past. Movements in asset values and leverage may be more important for the economy than previously and other policies may be more or less able to sustain growth. While domestic cost pressures appear to be well contained and inflation is forecast to remain consistent with the inflation target, unforeseen developments could lead to inflation being higher or lower than expected.

2.3 Performance

The Reserve Bank will seek to ensure that monetary policy is appropriately configured, by means of the level of the overnight cash rate in the domestic money market, to produce inflation outcomes in Australia that are consistent with the Bank's inflation target of 2–3 per cent, on average, over the business cycle, while also fostering sustainable economic growth. Assessing performance on inflation is relatively straightforward – inflation outcomes in 2015/16 and subsequent years will be measured by annual percentage changes in the consumer price index – although, as always, it may be necessary to allow for one-off effects on prices arising from government policies and economic shocks.

It is less straightforward to assess the extent to which the Bank has succeeded in fostering sustainable growth in the economy. Over the short term, growth can be affected by a wide range of developments beyond the Bank's control. Over the long term, the Bank's contribution to sustaining growth will mainly come through

preserving low inflation and financial stability. Assessing the conduct of monetary policy will, as always, involve judging whether the policy decisions taken were prudent and consistent with the objectives of monetary policy, based on the information available at the time.

2.4 Capability

The inflation target as the centrepiece of the monetary policy framework in Australia has been well established over the course of more than two decades and has provided the foundation for the Reserve Bank to achieve its monetary policy objectives. The Bank will remain alert to new developments that may have a bearing on the framework for monetary policy. It will continue to pursue and monitor relevant research, engaging with other relevant public institutions and the academic community, both domestically and internationally. The Bank will also continue carefully to communicate its views on relevant economic developments, the economic outlook and monetary policy decisions.

3. Financial Stability

3.1 Purpose

The Reserve Bank's responsibilities for fostering overall financial stability, while not explicitly established in statute, are similar to those of most other central banks and are also recognised in the *Statement on the Conduct of Monetary Policy*. The Bank works with other official organisations in Australia to foster financial stability. The Governor chairs the Council of Financial Regulators – comprising the Bank, Australian Prudential Regulation Authority (APRA), Australian Securities and Investments Commission (ASIC) and Australian Treasury, collectively the CFR – whose role is to contribute to the efficiency and effectiveness of regulation and the stability of the financial system. The Bank's responsibility to promote financial stability does not, however, equate to a guarantee of solvency for financial institutions, nor is its balance sheet available to support insolvent institutions. Nevertheless, the Bank's central position in the financial system – and its position as the ultimate provider of liquidity to the system – gives it a key role in financial crisis management, in conjunction with the other members of the CFR.

3.2 Environment

Financial system stability in Australia has been assisted by the sustained strong financial performance of the domestic banking system. Australian banks have improved their resilience to future financial and economic shocks by increasing their capital ratios. But some of the factors that have helped increase banks' profits in recent years may not persist and, internationally, there is a trend to higher capital requirements. The global financial environment may change in unpredictable ways over the next four years. The financial system is also facing a period of significant regulatory change, both domestically and abroad. In addition, risks to financial stability will continue to evolve, in ways that may not easily be predicted.

3.3 Performance

The ultimate test of performance in financial stability policy remains the stability of the financial system itself. The Reserve Bank will use its powers and influence to ensure so far as possible that the Australian financial system remains stable. 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. The Bank's liquidity operations would be available as needed, but most of the tools that bear directly on financial stability outcomes are under the control of other agencies. The Bank also contributes to financial stability in Australia through its published assessments, especially the half-yearly *Financial Stability Review*, and through its role in the CFR and in various international regulatory bodies, including the Financial Stability Board (FSB) and Basel Committee on Banking Supervision.

3.4 Capability

The Reserve Bank will continue to devote appropriate resources to the processes of identifying and assessing risks to financial stability and engaging on these matters through international groups such as the FSB, Basel Committee on Banking Supervision and Bank for International Settlements.

As part of the Bank's role in preserving financial stability, in conjunction with the other members of the CFR, in 2015/16 the Bank will assist APRA in developing an analytical framework for implementing the Countercyclical Capital Buffer (CCB), a time-varying capital requirement. Introduced by Basel III,¹ a CCB seeks to strengthen banks' defences against the build-up of systemic vulnerabilities.

The Bank will also work with the other agencies of the CFR on a number of other financial stability related matters. These include the development of a framework for Total Loss Absorbing Capacity in response to new international standards and a recommendation of the Financial System Inquiry, and conducting domestic (2015/16) and trans-Tasman (2016/17) crisis simulation exercises. The Bank expects to continue working with other regulators to assess and contain risks that may arise from the housing market.

¹ Over several years, the Basel Committee on Banking Supervision has released its new set of prudential standards known collectively as 'Basel III'. Basel III represents a major re-think of the existing minimum standards for international banking, which sought to apply the lessons learned from the 2008/09 financial crisis to the way that prudential supervisors regulated banks across the world. Its core is a revised set of standards for capital and liquidity. The Basel III international bank liquidity framework aims to improve banks' resilience to future liquidity shocks, while the Basel III capital framework sets out internationally agreed minimum requirements for higher and better-quality capital for banks globally, as well as enhanced public disclosure requirements of banks' capital positions.

4. Financial Market Operations

4.1 Purpose

The Reserve Bank has a sizeable balance sheet, which is managed in support of the Bank's policy objectives. Part of the balance sheet is used to ensure that there is sufficient liquidity in the domestic money market on a daily basis. This promotes the stable functioning of the financial system, in particular the payments system, and the objectives of monetary policy. The Bank's regular transactions in the foreign exchange market are to manage Australia's foreign currency reserves, which are held on the balance sheet of the Bank, and also to provide foreign exchange services to the Bank's clients, the largest of which is the Australian Government.² On occasion, the Bank may intervene in the foreign exchange market, consistent with the objectives of monetary policy.

4.2 Environment

The general model that the Reserve Bank uses to implement monetary policy is well established and understood by market participants. The present nature of the Bank's financial markets operations continues to be influenced by the regulatory regimes that are imposed on financial markets in which the Bank transacts and/or the counterparties with which it deals, both domestically and internationally. With these regulations undergoing a period of substantial reform, market functioning and structure is evolving significantly and this is likely to continue. The Bank is adapting its processes accordingly. The historically extremely low level of global interest rates has provided challenges for the Bank in managing its holdings of foreign reserves and this is likely to remain the case for some time to come.

4.3 Performance

The Reserve Bank's operations in financial markets support its monetary policy objectives through the specification of an operational target for the overnight cash rate in the domestic money market, which is a decision of the Reserve Bank Board. When supplying liquidity to the domestic money market, the Bank seeks to ensure that the overnight cash rate is maintained at the prevailing cash rate target each day. The Bank collects information on each participant's activity in the money market in order to make this assessment and it publishes the outcome daily.

The Bank manages its foreign reserves portfolio relative to a benchmark. Managers' discretionary positions are limited. A measure of performance in managing the portfolio is provided by the close adherence to the asset and duration benchmarks.

4.4 Capability

The Reserve Bank's ability to manage 'system liquidity' is based on its capacity to lend cash to, or withdraw cash from, the interbank settlement system. It does this by undertaking transactions on behalf of the Bank's customers and/or transacting with other financial institutions. The Bank will continue to adjust its systems for domestic market operations to cater for extended hours and out-of-hours liquidity provision. It is in the process of completing its system for collecting data on asset-backed securities in keeping with the introduction of a new reporting regime in mid 2015, which supports the Committed Liquidity Facility introduced as part of Australia's implementation of Basel III. The Bank will continue to evaluate its domestic market operations framework and make any adjustments necessary to address 24/7 processing of payments through the New Payments Platform.

² Section 8 covers the Bank's financial position and capital, and outlines the effect of the Bank's operations on its profits and capital.

5. Payments

5.1 Purpose

There are several distinct aspects to the Reserve Bank's role in the payments system, involving that of policymaker and that of owner and operator of key national payments infrastructure.

In relation to the policymaking role, it is the duty of the Payments System Board to ensure that the Bank's payments system policy is directed to the greatest advantage of the people of Australia, to ensure that the powers of the Bank under the *Payment Systems (Regulation) Act 1998* and the *Payment Systems and Netting Act 1998* are exercised in a way that, in the Board's opinion, will best contribute to:

- (a) controlling risk in the financial system;
- (b) promoting the efficiency of the payments system; and
- (c) promoting competition in the market for payment services, consistent with the overall stability of the financial system.

In addition, it is the Payments System Board's duty to ensure that the powers and functions of the Bank under Part 7.3 of the *Corporations Act 2001* are exercised in a way that, in the Board's opinion, will best contribute to the overall stability of the financial system.

The Bank's operational role in the payments system is effected through its ownership and management of the Reserve Bank Information and Transfer System (RITS), Australia's high-value payments system, which is used by banks and other approved financial institutions to settle their payment obligations on a real-time, gross settlement basis. Extinguishing settlement obligations in a safe and efficient manner ensures that there is no build-up of settlement obligations associated with high-value transactions and thereby promotes the stability of Australia's financial system.

5.2 Environment

The payments environment is changing rapidly. Usage of cash and cheques is declining, use of electronic payments is increasing and there is significant innovation in customer-facing technology. User and industry expectations concerning the speed of payments, and the capacity to combine information with payments, have been increasing. The Reserve Bank has encouraged a major upgrade of Australia's retail payments infrastructure through its *Strategic Review of Innovation in the Payments System*. It is also contributing to the process of innovation by participating in the New Payments Platform, including by developing the Fast Settlement Service, which will act as the settlements hub for the new industry platform. For card payments, the Financial System Inquiry has broadly endorsed the current regulatory approach, although it called for a review of some aspects involving interchange regulation and surcharging. In the area of financial markets infrastructure, there is a strong international push towards greater use of central counterparties (CCPs) and a corresponding focus on regulatory policies to ensure the resilience of CCPs. Globally, there is also significant interest in digital currencies, including the use of the block-chain technology in payments.

5.3 Performance

As the owner and operator of RITS, the Reserve Bank seeks to ensure that this system operates with extremely high levels of reliability and security, while also adapting to the needs of a 24/7 payments world. The system availability target is 99.95 per cent for RITS during core system hours. The Bank will work to maintain this operational target for each reporting period covered by this plan.

A broad range of operational metrics are also tracked in real time and documented. These include measures of system liquidity, participants' transaction values and volumes, and system throughput and performance. An annual assessment of RITS is undertaken against the Principles for Financial Market Infrastructures and published on the Bank's website.

The Bank's regulatory responsibilities extend to certain aspects of retail payments as well as to oversight of clearing and settlement systems. Reflecting its responsibility to promote competition and efficiency, the Bank has recently commenced a wide-ranging review of card payments regulation in response to a recommendation of the Financial System Inquiry, with completion of this review scheduled for 2016. The Bank's performance of its regulatory responsibilities in the retail payments area in 2015/16 will be assessed by the timely and effective completion of all required consultative processes.

In the area of financial markets infrastructure, the Bank seeks to ensure that domestic regulatory standards are fully adapted as needed in response to international developments.

5.4 Capability

Reflecting the critical importance of RITS to the Australian financial system, the Reserve Bank invests significantly in its technical and business infrastructure and in operational resourcing to ensure that RITS continues to operate to appropriately high standards of availability and resilience, and that it meets the changing needs of the Australian payments system.

The Bank will develop new systems and functionality, including the Fast Settlement Service (FSS). The test system for FSS will be commissioned by mid 2016. FSS will facilitate 24/7 real-time settlement of payments exchanged by households and small businesses across the New Payments Platform from 2017.

6. Banking

6.1 Purpose

Insofar as the Commonwealth requires it to do so, the Reserve Bank must act as banker for the Commonwealth. In common with most other central banks, the Bank also provides banking services to a number of overseas central banks and official institutions. These services include payments and collections as well as general account maintenance and reporting.

6.2 Environment

There are substantial changes under way in transactional banking, particularly in the area of payment services. The broader community is embracing technology and demanding digital services at a rapid pace. This growing pace of customer demand for technology change is occurring during a time of fiscal challenges in Australia. As the largest provider of transactional banking services to the Australian Government, the Bank must be in a position to respond appropriately with convenient, secure, reliable and cost-effective services.

These changes are placing pressure on the Australian Government to respond accordingly and implement more modern electronic payment services when interacting with its customers. It is expected that the Australian Government's banking requirements will continue to evolve in response to broad policy requirements, improvements in payments technology and general changes in the way Government agencies interact with the public. The Bank expects that the Government and its agencies will require banking services that facilitate a range of options for making and receiving payments on digital platforms that are easy and convenient for the public to use.

6.3 Performance

The Reserve Bank competes with other commercial organisations to provide banking services to Australian government agencies. It must cost and price the services separately from other activities as well as meet an externally prescribed minimum rate of return on capital over a business cycle. At present, the return on capital is the Bank's principal measure of financial performance for its transactional banking business.

The Bank will continue to implement several important banking projects over the next few years, including the complete renovation of its banking applications and systems, building the capabilities to participate in the industry's New Payments Platform and refreshing its online payment service, Government EasyPay. Each of these projects is tracked against key milestones. Work on the latter project is scheduled to be completed in early 2015/16.

The renovation of the Bank's banking applications and systems is made up of a number of projects, which will be completed progressively over the next several years. Work on renovating systems to process international payments and to collect payments for the government will be completed during 2015/16. Effort will also commence in 2015/16 to replace the Bank's core account maintenance system.

By the end of 2019, the Bank is seeking to have migrated all of its banking applications and systems to more contemporary technologies, enabling it to continue providing convenient, secure, reliable and cost-effective banking services to the Australian Government and its agencies over the subsequent decade.

6.4 Capability

The Reserve Bank will continue to develop its services with the intention of accommodating the Government's likely banking needs, while at the same time meeting the objectives of security, reliability and cost-effectiveness.

The Bank has several strategic projects either under way or at the planning stage that will enable it to meet its banking purposes, including those projects mentioned in section 6.3 above.

7. Currency

7.1 Purpose

The Reserve Bank is responsible for the issue, reissue and cancellation of Australian banknotes. Its primary purpose in carrying out this role is to maintain public confidence in the supply, security and quality of Australian banknotes. The Bank designs the banknotes, arranges for production (through its wholly owned subsidiary, Note Printing Australia Limited (NPA)), distributes the banknotes to financial institutions, monitors and maintains their quality in circulation and withdraws unfit banknotes from circulation. It also monitors and analyses counterfeiting and carries out research into banknote security technology.

7.2 Environment

While the proportion of payments made using banknotes is declining relative to electronic payments, the number and value of banknotes on issue continues to rise, highlighting their continued importance as a payment mechanism and a store of value. At the same time, it should be acknowledged that the number and value of banknotes on issue in several countries has fallen in absolute terms in recent years. As well, it remains the case that counterfeiting in Australia, while still low by international standards, is rising as advances in technology make it easier and cheaper to produce and distribute counterfeit banknotes, and remains a credible threat in the future.

7.3 Performance

Public confidence in Australian banknotes is measured directly by a Reserve Bank survey on perceptions of Australian banknotes that is conducted every two years, with the next survey to be conducted in late 2016. This survey asks a number of questions about the public's attitude to, and awareness of, banknotes, including the level of concern about counterfeiting.

In addition, for each reporting period covered by this plan the Bank will continue to monitor a number of indicators that could affect the public's confidence in the supply, security and quality of Australian banknotes, as discussed below.

The Bank's objective is to ensure that the public's demand for banknotes is met. Fulfilment of banknote orders by commercial banks provides an indication that this demand is being met, although technical issues can sometimes delay order fulfilment. Fulfilment of 99.5 per cent of banknote orders on the day requested indicates the Bank has been timely in meeting demand. The Bank will work to maintain this operational target for each reporting period covered by this plan.

The Bank's key initiative to enhance banknote security, issuance of the Next Generation Banknote (NGB) series, is scheduled to commence in late 2016. Wide acceptance and distribution of these banknotes over subsequent years will be important to this strategy and the Bank will monitor progress, via the survey conducted every two years. The Bank will also monitor counterfeiting rates of the current and NGB series, as well as overseas trends in counterfeiting, to identify possible threats to public confidence.

It is generally easier for the public to detect counterfeits if the quality of genuine banknotes in circulation is high. There are two ways in which the Bank measures quality. First, it monitors NPA's production of Australian banknotes to ensure they are of high quality and meet the Bank's specifications and requirements. Second,

to ensure banknotes in circulation remain of high quality, the Bank provides the private sector with incentives to sort banknotes to minimum standards. The Bank will continue to collect information on the quality of banknotes in circulation to measure the success of this program.

NPA is required to meet the Bank's Australian banknote order in full and on time, and to the required quality standard. Quality is measured relative to agreed specifications and compliance with those specifications is monitored through reports provided by NPA to the Bank after each production run.

7.4 Capability

The Reserve Bank's key strategy over the next four years is to develop a new series of banknotes (the NGB series), incorporating improved security features. It plans, by end 2018, to issue the first three denominations of the NGB series.

NPA is supporting the Bank's strategy by working with it on the design of the new series, investing in the equipment required to produce the NGB series, and printing the NGB banknotes as required by the Bank. During the period of NGB production, NPA will be required to operate at full capacity, with only limited ability to meet any orders from long-standing export customers.

To facilitate a smooth transition between issuance of the NGB series and withdrawal of the current series, the Bank is negotiating modifications to the distribution agreement with the relevant commercial banks.

In parallel, the Bank is constructing a new banknote storage, processing and distribution facility at Craigieburn, in Victoria, which is designed to meet Australia's estimated needs for the next 25 years. The facility is expected to be commissioned in the second half of 2017. Processing equipment will also be upgraded.

The Bank is also developing a communication strategy to assist with public recognition of the NGB series. This will involve engaging business stakeholders, such as banks, retailers and machine manufacturers, as well as provision of information to the public.

Overseas central banks and organisations provide essential information and intelligence on best practices for banknote functions around the world. As part of its strategy to maintain public confidence in banknotes, the Bank will continue to be involved in organisations such as the Central Bank Counterfeit Deterrence Group and the Reproduction Research Centre, as well as sharing information and participating in joint work on banknote security with the Four Nations Group of central banks.³

³ Members of the Four Nations Group are the Reserve Bank of Australia, Bank of Canada, Bank of England, Bank of Mexico and Federal Reserve Board.

8. Financial Position and Capital

8.1 Purpose

The Reserve Bank is not a profit-maximising institution. Profits are incidental to its policy outcomes. As noted in section 4.1, the Bank holds assets primarily to conduct operations in financial markets to achieve its central banking policy objectives – specifically, to implement monetary policy, to support the Bank’s role in the Australian foreign exchange market and to manage the country’s international reserves. Although carried out largely for policy purposes, these activities have been profitable in most years in the past. The Bank seeks to ensure that its retained profits and other capital reserves are sufficient over time to absorb losses to which the Bank may be exposed.

8.2 Performance

The Reserve Bank’s operations in financial markets earn a profit in most years even though they are carried out predominantly for policy purposes. The Bank seeks to ensure that its internal processes are in place so that transfers to the Bank’s various reserves are generally sufficient to cover financial losses when necessary.

The Reserve Bank Reserve Fund (RBRF) is the Bank’s permanent capital reserve, whose primary purpose is to provide sufficient capacity to absorb losses when it is necessary to do so. The Reserve Bank Board has a policy of holding sufficient capital against the risks that the Bank faces and regards a target for capital of 15 per cent of assets at risk as broadly appropriate for the risks that the Bank currently faces. The distribution of profits – essentially determination of the dividend payable to the Australian Government, the Bank’s owner – is governed by section 30 of the *Reserve Bank Act 1959*. This legislation determines that underlying earnings and realised gains are to be made available for distribution, while unrealised gains are retained and transferred to the Unrealised Profits Reserve. The legislation also determines the process for approving transfers to the RBRF. The decision on these transfers is the Treasurer’s, following consultation with the Reserve Bank Board.

9. Risk Oversight and Management

This section outlines the approach to managing and overseeing the risks faced by the Reserve Bank.

9.1 The Reserve Bank's Risk Appetite

The Reserve Bank faces a broad range of risks reflecting its responsibilities as a central bank. These risks include those resulting from its responsibilities in the areas of monetary, financial stability and payment system policy as well as its day-to-day operational activities.

The risks arising from the Bank's policy and regulatory responsibilities can be significant. These risks are managed through rigorous processes that emphasise the importance of integrity, intelligent inquiry, maintaining high-quality staff and public accountability.

The Bank faces significant financial risks, largely due to it holding Australia's foreign exchange reserves. It accepts that the balance sheet risks are large, and manages these risks carefully but not at the expense of its policy responsibilities. It accepts very little credit risk.

The Bank recognises that it is not possible or necessarily desirable to eliminate all the risks inherent in its activities. Acceptance of some degree of risk is often necessary to foster innovation within business practices. Nonetheless, the Bank has a low appetite for most types of operational risk and makes resources available to control it to acceptable levels.

9.2 The Bank's Risk Management Framework

The Reserve Bank's risk management framework⁴ establishes an effective process to manage risk across the Bank. Managers have a responsibility to evaluate their risk environment, put in place appropriate controls and monitor the effectiveness of those controls. The risk management culture emphasises careful analysis and management of risk in all business processes.

Risks are identified, assessed and managed at both an enterprise level ('top-down') and business level ('bottom-up'). The Bank's Risk Management Committee, which is chaired by the Deputy Governor, has oversight of these processes. This Committee meets at least six times a year and provides a report on its activities to both the Bank's Executive Committee (chaired by the Governor) and the Reserve Bank Board Audit Committee.

The Bank's attitude towards its key strategic, financial, people and operational risks is described in the *Risk Appetite Statement (RAS)*,⁵ which is published on the Bank's website.

All Heads of Department are responsible for the implementation of risk controls consistent with the Bank's RAS, and these are also published in the RAS. The RAS is reviewed annually or whenever there is a significant change to the Bank's operating environment.

⁴ The Bank publishes its *Risk Management Policy* on its website. This policy seeks to ensure the implementation of an effective risk management framework that is consistent with the Bank achieving its policy and operating objectives. In doing so, it follows accepted standards and guidelines for managing risk, particularly those used by public and financial institutions.

⁵ For further details, see <<http://www.rba.gov.au/about-rba/risk-appetite-statement.html>>.

10. Other Influences

To facilitate the achievement of these objectives, the Reserve Bank also relies on its high-quality staff, the information technology underpinning its activities and a range of supporting services provided by other parts of the Bank. These services include:

- carrying out independent appraisals of the Bank's internal control framework
- managing the Bank's properties, security management and facility services
- preparing the Bank's financial and management accounts
- preparing and publishing Bank information using a range of publications, the Bank's website and other media
- supporting across the Bank the consistent and effective application of the Bank's framework for managing risk.

These services are provided by areas in the Bank that each prepare a business plan to facilitate and support the overall corporate plan.