



RESERVE BANK OF AUSTRALIA

# Corporate Plan

2025/26

**Malgana Country**  
Francois Peron National Park  
Western Australia



In the spirit of reconciliation, the Reserve Bank of Australia acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community.

We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

The Reserve Bank of Australia's 2025/26 Corporate Plan covers the period from 2025/26 to 2028/29. It has been prepared in accordance with section 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*. The accountable authority of the Reserve Bank of Australia is its Governance Board.

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# 2025/26 Corporate Plan

## Contents

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<b>Foreword</b>	1
<b>About the Reserve Bank of Australia</b>	4
Our mission	4
Our objectives	4
<b>Our operating environment</b>	6
External	6
Internal	7
<b>Our strategic priorities</b>	8
Monetary policy that is fit for the future	8
Highly resilient payment and banking services	9
Shaping the future of money in Australia	9
High-quality leadership and an open and dynamic culture	10
Smarter, simpler and faster ways of working	10
<b>Measuring our performance</b>	12
<b>Risk oversight and management</b>	16
Our risk and compliance management framework	16
Governance	17
Key risks	18



# Foreword

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We are now in the third year of a four-year transformation plan to support our vision of being an open and dynamic central bank that is trusted for the quality of our analysis, policy and service delivery. Achieving this transformation within the four-year period is both demanding and complex. But we are committed to successfully completing it, knowing that this is an essential part of how we can fulfil our mission of promoting the economic prosperity and welfare of all Australians, both now and into the future.

Our transformation is being guided by five strategic priorities that are founded on the recommendations from two independent reviews of our operations in 2023 and are consistent with the Government's Statement of Expectations for the newly established Governance Board. The strategic priorities are:



- establish a framework for monetary policy that supports the high quality of advice, decision-making, policy implementation and communication that is necessary for the future
- ensure our payment and banking systems are highly reliable, consistent with their critical importance to the operation of the Australian economy
- shape the future of money in Australia, in light of rapidly changing payments technology and consumer preferences
- embed high-quality leadership and an open and dynamic culture, to enable our people to thrive and deliver their best
- create smarter, simpler and faster ways of working that enable us to be efficient, effective and agile enough for the complex, fast-paced and data-rich world we operate in.

These priorities continue to evolve in response to changes in our external and internal environment, including:

- The passage of amendments to the *Reserve Bank Act 1959*, which established a new structure for our boards that enables us to pursue our objectives and strategic priorities more effectively. These changes have helped us to consider broader perspectives, and pushed us to enhance and streamline our approach to decision-making and the advice that we prepare. Other legislative amendments have led us to develop expertise in new areas of responsibilities for financial market infrastructure, and we have made other adjustments to our work while awaiting a proposed legislative expansion of our authority in retail payments regulation.
- Changes in the global and domestic economic environment have increased the urgency to provide strategic advice to our Monetary Policy Board, incorporating external views and making good use of scenario analysis. These developments have also led us to accelerate work to strengthen our crisis preparedness, including by stepping up engagement with industry and other agencies on the Council of Financial Regulators.

- Rapid change in technology and an increasingly complex and challenging cyber threat environment have shaped our priorities across a range of areas. In our payment and banking operations, this has underscored the necessity of highly resilient systems. In the broader payments system, it has created both challenges and opportunities that are relevant to the near-term and long-term future of money and payments.
- The greater need to prioritise and coordinate our work more effectively to balance operational and strategic priorities against our risk appetite and funding envelope, while concurrently building an open and dynamic culture.

The environment in which we operate continues to be challenging and the work involved in achieving this transformation is both demanding and complex. The risks we are currently managing are considerable and often driven by factors outside of our control. It will also take some time before we can harness fully the benefits that our new governance structure offers in meeting these challenges. Despite this, I have confidence that we have the right people, processes and systems in place to meet our objectives in 2025/26 and to deliver on our strategic priorities over the coming years.

**Michele Bullock**

Governor and Chair of the Governance Board  
Reserve Bank of Australia

29 August 2025

## OUR MISSION



To promote the economic prosperity and welfare of the Australian people, now and into the future

## OUR OBJECTIVES



Price stability  
and full employment



The stability of  
the financial system



A secure, stable and  
efficient payments system



The delivery of efficient and  
effective banking services to  
Australian government agencies



The provision of secure  
and reliable banknotes

## OUR VISION



To be an open and dynamic central bank trusted for the quality of our analysis, policy and service delivery

## ACHIEVED THROUGH A FOCUS ON THE FOLLOWING STRATEGIC PRIORITIES

**Serving Australia  
through:**



Monetary policy  
that is fit for the future



Shaping the future  
of money in Australia



Highly resilient banking  
and payment services

**Enabled by:**



High-quality leadership and  
an open and dynamic culture



Smarter, simpler and  
faster ways of working

## UNDERPINNED BY OUR VALUES



Promotion of the public interest



Integrity



Excellence



Intelligent inquiry



Respect

## AND OUR CULTURE

**Open &  
Dynamic**

Inspire trust  
Open minds  
Work dynamically

In an inclusive and diverse RBA where everyone belongs

# About the Reserve Bank of Australia

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## Our mission



*To promote the economic prosperity and welfare of the Australian people, now and into the future.*

## Our objectives

To deliver on our purpose, we have five key objectives:

### Price stability and full employment

Low and stable inflation – or price stability – preserves the value of money, reduces uncertainty and supports strong and sustainable economic growth over the longer term. It helps businesses and households make sound spending and investment decisions. Likewise, full employment supports people financially and provides them with a sense of purpose. It helps to foster mental and physical wellbeing, and increases the prospect of diverse thinking and innovation.

We achieve our statutory objectives for both price stability and full employment through monetary policy settings aimed at keeping inflation between 2 and 3 per cent and employment at the maximum level that is consistent with low and stable inflation.



### The stability of the Australian financial system

A stable financial system is a precondition to maintaining price stability and full employment. It facilitates the smooth flow of funds between savers and investors, and supports innovation and growth.

We contribute to financial stability by working closely with the Council of Financial Regulators to identify, communicate and address risks, overseeing market infrastructures that are central to the effective operation of the financial system and by providing adequate liquidity.





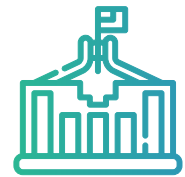
## A secure, stable and efficient payments system

Australians expect payments to be cost effective, convenient and accessible. Having a reliable payments system is also critical for the smooth functioning of the economy and financial system. We promote these objectives as both supervisor and regulator of the payments system and as the operator of critical payment settlement infrastructure.



## The delivery of efficient and effective banking services to Australian government agencies

The RBA must, insofar as the Commonwealth of Australia requires it to do so, act as banker for the Commonwealth. We provide the Australian Government and its agencies with access to high-quality, cost-effective and secure systems to collect, pay and manage government funds. This, in turn, supports the Commonwealth to serve the Australian people.



## The provision of secure and reliable banknotes

While Australians have reduced their use of cash for everyday transactions, it remains an important means of payment for many. In addition, cash continues to be used as a store of value and as a back-up payment method. Ensuring Australians have confidence in their banknotes is critical to meeting these needs. We preserve this confidence by designing, printing and issuing Australian banknotes that are secure and reliable. This is done in partnership with our wholly owned subsidiary, Note Printing Australia Limited.





# Our operating environment

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The operating environment we face over the coming years will be shaped by a variety of external and internal challenges and opportunities. This section outlines those that we expect to be most material.

## External

- A range of global factors – most notably **trade policy settings and geopolitical tensions** – could be important in shaping growth and inflation outcomes both globally and domestically. These factors create uncertainty and may dampen sentiment among businesses and households, incentivise a reorientation of trade patterns and supply chains, and heighten the risk of fragmentation in the global economy and/or financial system. In the extreme, they have potential consequences for financial stability.
- There is uncertainty regarding the **supply potential of the economy**, including the maximum level of employment consistent with low and stable inflation. This stems partly from changes in the economy since the onset of the COVID-19 pandemic that have affected industry, technology and how the economy operates. **Productivity growth** has also been persistently weak and the extent to which policy is restricting the economy is harder to determine as we approach our inflation and full employment objectives. These and related developments increase uncertainty around the policy settings necessary to achieve our objectives.
- Changes in **the nature of financial intermediation internationally**, where more financing is occurring outside of prudentially regulated entities, is limiting the ability of authorities to monitor and address potential financial stability risks.
- **Climate change** and responses to it (both in Australia and abroad) introduce challenges and opportunities for Australia's economy and financial system. These developments pose potential risks to financial stability and are also likely to increase the variability of inflation and output.
- **Technological change** is creating a range of risks and opportunities. There has been an increase in the frequency, reach and sophistication of cyber-attacks, which could be very disruptive if the defences of either the RBA or an important financial institution were to be breached. Increasing adoption of new technology such as artificial intelligence (AI), along with increasing use of cloud technology and third-party service providers, also present both opportunities for increased productivity and the potential to create or amplify risks that must be managed.
- **Rapid innovation and changes in the way that consumers choose to pay** are reshaping payment systems. These developments have seen the emergence of new payments technology, services and competitors. They have also prompted a transition away from cheques and consideration of the future of account-to-account payments. Changes in payments are also putting pressure on the cash distribution system, in turn requiring new approaches to ensure that Australians have continued access to cash. Collectively, these changes require ongoing adaptation of RBA policies, processes and systems, reflecting our roles as policymaker, producer and issuer of Australian banknotes, banker to Australian government agencies and operator of payments settlement infrastructure.
- **Recent and prospective legislative changes** have major implications for how the RBA operates. Amendments to the *Reserve Bank Act 1959* created a new board structure from March 2025, including the Governance Board which is responsible for the governance of the RBA (and is its accountable authority under the *Public Governance, Performance and Accountability Act 2013*). Amendments to the *Corporations Act 2001* expanded the scope of the RBA's responsibilities over domestic clearing and settlement facilities to include crisis management powers. And proposed amendments to legislation governing the payments system aim to broaden the definition of payment systems and the participants within the scope of the RBA's powers.

# Internal

- We face multiple competing priorities as we work to implement a **substantial change agenda**. This includes advancing the recommendations of the 2023 independent reviews of the RBA and the Reserve Bank Information and Transfer System (RITS) operating environment, undertaking a major renovation of our permanent head office in the Sydney CBD, modernising our core technology infrastructure (including migrating one of our two in-house primary data centres to a third-party-owned co-location site) and maturing our information security arrangements. These programs of work run over multiple years, affect all areas of the RBA and require increased resources to implement and embed the changes. We continue to hone our organisational abilities to plan, prioritise and carefully manage the sequence and pace of these changes to maximise the benefits and manage the risks within a defined funding envelope, without disrupting business-as-usual operations.
- We are **renovating our permanent head office** to replace end-of-life building infrastructure, comply with current building standards, and create a safe workplace. This also involves relocating our significant archives and establishing an interim banknote storage centre in Sydney for the duration of the project.
- We have adopted a **new 'ample reserves' system for implementing monetary policy**. The changes facilitate the transition from the very high liquidity environment arising from the use of unconventional monetary policies in response to the COVID-19 pandemic.
- We need ongoing **investment to keep our IT systems current, secure and resilient**. This technology is essential to our operations, including those running critical national infrastructure such as the real time gross settlement system, government banking services and the banknote issuance and wholesale distribution systems. Our investment must address technology obsolescence and continual strengthening of our cybersecurity protections and our approach to operational resilience. All of this must be done while delivering other technology support, maintenance and change activities efficiently and effectively.
- We are developing our capacity to become an **AI-enabled central bank** where safe and responsible use of AI is embedded across the enterprise. We are aiming for AI to be used to enhance our general productivity, build our operational resilience and to make better use of information when making decisions.
- Our **workforce is changing** as we seek to transform and enable a more open and dynamic culture. This involves bringing in more staff from outside the RBA, including at very senior levels, who can offer different experience and perspectives. We also intend that our workforce reflects the diversity of the community in which we operate; while our gender balance is good, we have more work to do to achieve cultural and linguistic diversity.



# Our strategic priorities

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Our strategic priorities are still those set out in our 2024/25 Corporate Plan, reflecting that we are entering the third year of a four-year strategic plan. We have made good progress in all areas but we have more to do to realise our aims fully, as outlined in this section.

## Monetary policy that is fit for the future

Strong monetary policy relies on robust frameworks that deliver timely insights, foster healthy deliberation and debate, and promote transparency and accountability. We are strengthening the foundations of our frameworks by enhancing analytical capabilities, deepening deliberation and modernising implementation tools. We are also improving our capability to explain decisions to diverse audiences.



To achieve this, we are:

### Enabling deeper and more strategic deliberation

- by enriching the Monetary Policy Board's decision-making via greater focus on more rigorous analysis and policy options that support debate and strategic thinking, while providing opportunities for Board members and staff to engage more deeply on policy.

### Investing in data-driven insights and expertise

- by sharpening our analysis to be more tightly focused on the economic and financial issues that are most relevant, while investing in our tools, infrastructure and staff to support provision of high-quality research and policy advice.

### Modernising our monetary policy implementation framework

- by embedding a new approach to monetary policy implementation that is robust to future challenges and bolstering our readiness for future crises – ensuring this is all supported by appropriate risk management and governance practices.

### Enhancing our communication capabilities

- by embedding communication considerations throughout the policy-making process to deliver clearer, more effective messaging that is tailored to our various audiences.



# Highly resilient payment and banking services

The payments settlement system and banking services we provide are critical to the Australian economy and financial system and must be continuously available. To reach this level of resilience, we will enhance the operating model, cybersecurity defences and technology infrastructure that support them.

To achieve this, we are:

## **Uplifting the operating model**

- by optimising the capability and capacity of resources supporting our critical services and the knowledge management systems that underpin them, while streamlining the underlying controls and processes and embedding them in business processes.

## **Enhancing cybersecurity controls**

- by implementing the Australian Cyber Security Centre's (ACSC) 'essential eight' (E8) cyber strategies to the highest level of maturity and improving data protections.

## **Modernising core technology infrastructure**

- by replacing end-of-life core network infrastructure across our data centres and establishing a new data centre.



# Shaping the future of money in Australia

Technological innovation and changing preferences mean that the landscape for retail payments and financial market infrastructure is evolving rapidly. We are helping to shape the future of money by exploring the case for new digital forms of money, and by ensuring cash remains a viable means of payment for those who need or want it.

To achieve this, we are:

## **Determining whether a policy case for a central bank digital currency exists**

- by assessing the potential benefits and risks associated with issuing a central bank digital currency in Australia, taking account of different design features.

## **Supporting innovation and resilience in wholesale digital payments**

- by examining how innovations in digital money and supporting infrastructure – public or private – could enhance wholesale payments and settlements capabilities in Australia. This includes analysis of new tokenised asset markets and options for enhanced cross-border payment functionality.

## **Supporting access to physical cash**

- by working with the government and industry to develop policy options and contingency plans to ensure those who need or want cash have reasonable access to it.



# High-quality leadership and an open and dynamic culture

To deliver on our mandate, we need a culture where people are encouraged to collaborate, innovate, seek external perspectives and challenge constructively. Such an environment requires leadership that promotes diversity of opinion, active debate and continuous learning. It also requires our people to be clear about their roles and responsibilities, and to feel confident to perform them.



To achieve this, we are:

## **Embedding our target organisational culture**

- by bringing our open and dynamic cultural ambition to life through the use of stories, symbols, systems and training, and tracking our progress towards embedding it.

## **Investing in leadership capability and development**

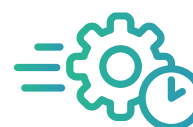
- by refreshing our leadership framework to align with the cultural attributes we are seeking, establishing clear expectations of leaders, equipping them to meet these expectations and then holding them accountable.

## **Creating an environment that promotes the development and fulfilment of our people**

- by strengthening our talent management approach and creating opportunities for diverse groups, so that our people are supported to develop and achieve their career aspirations and enjoy a fulfilling work experience.

# Smarter, simpler and faster ways of working

In a world that is complex, fast-paced and data-rich, our internal ways of working need to be efficient, effective and agile enough to respond quickly to emerging opportunities and risks. We are streamlining our processes, enhancing our governance arrangements and providing appropriate access to relevant data and technology. Collectively, these changes will enable timely decision-making and create additional capacity.



To achieve this, we are:

## **Enhancing our governance to improve organisational decision-making**

- by clarifying and streamlining our governance arrangements based on best practice.

## **Maturing knowledge management capabilities and harnessing the power of AI**

- by establishing an enterprise-wide knowledge management framework, underpinned by best practice for the management and analysis of information and data, and by embedding AI for both general productivity improvements and specific central banking use cases.

## **Embedding risk management into organisation processes and thinking**

- by increasing staff understanding of our risk appetite and management framework, and aligning decision-making to this with the use of appropriate incentives, accountabilities and processes.

## **Building organisational capabilities to improve workload management**

- by creating capacity and completing work faster through maturing our approach to planning and prioritising workloads, streamlining our processes by eliminating non-value-added tasks, and leveraging automation.





# Measuring our performance

This section outlines the key activities we will undertake to deliver on our objectives, and how we will measure and assess our performance.

## Reserve Bank of Australia – Summary Measures of Performance – 2025/26–2028/29

Key objectives	Key activities	Performance measures and targets 2025/26	Performance measures and targets 2026/27–2028/29
Price stability and full employment	Conduct monetary policy in a way that best contributes to:	Consumer price inflation is between 2 and 3 per cent, as part of a flexible medium-term inflation target.	As for 2025/26.
	– price stability	Labour market is close to sustainable full employment, which is the maximum level of employment that is consistent with low and stable inflation.	
	– the maintenance of full employment		
	Operate in money markets to achieve the Monetary Policy Board's desired monetary policy stance	Cash rate trades close to the target set by the Monetary Policy Board, and other short-term interest rates trade at levels that are broadly consistent with the cash rate.  Achieve this while enabling and encouraging private financial markets and keeping associated risks to the RBA no larger than necessary.	As for 2025/26.
	Formalise a suite of additional monetary policy tools	Progress a framework for the use of additional monetary policy tools.	Maintain and adapt the framework.
Contribute to the stability of Australia's financial system	Assess and communicate risks to financial stability	Publish financial stability assessments on a regular basis, including in Monetary Policy Board communications and the half-yearly <i>Financial Stability Review</i> .	As for 2025/26.
	Work with domestic agencies, the Australian Government, and international bodies to identify, monitor and coordinate policies to address risks to financial stability	Cooperate with agencies comprising the Council of Financial Regulators (CFR) to identify, monitor and coordinate policies to address risks to financial stability, and how those risks might interact with monetary policy.  Provide advice to the CFR on financial stability and to the Australian Prudential Regulation Authority on macroprudential policy.  Coordinate across CFR agencies to build crisis response readiness.	As for 2025/26.

Key objectives	Key activities	Performance measures and targets 2025/26	Performance measures and targets 2026/27–2028/29
		Engage with international fora (including the Financial Stability Board, Basel Committee on Banking Supervision and G20) to support regional and global financial stability and promote effective standards and cooperation.	As for 2025/26.
	Be ready to intervene in the financial system if necessary to mitigate the risk of financial instability	Ensure clear and well-documented arrangements exist for when and how to provide liquidity to financial institutions, as is necessary to support the effective flow of credit and smooth functioning of financial markets.	As for 2025/26.
		Ensure clear and well-documented arrangements exist for when and how to address dysfunction in key financial markets if that is deemed necessary to preserve financial stability.	As for 2025/26.
		Foreign reserves portfolio matches the size and liquidity target set by the Monetary Policy Board.	
A secure, stable and efficient payments system	Strengthen the resilience of the payments system	Complete consultation on guidance on the conduct of crisis management powers for clearing and settlement facilities.	Achieve foundational readiness for the use of crisis management powers for clearing and settlement facilities.
	Promote a competitive, accessible and innovative payments system	Complete the review of merchant card payments costs and surcharging.	Subject to the passage of the reforms to the <i>Payment Systems (Regulation) Act 1998</i> , complete a broader review of competition and efficiency issues in the retail payments system.
	Shape the future of money so it meets the evolving needs of the economy, financial system and community	Complete Project Acacia and publish a report on its findings.	Publish an assessment, with Treasury, of the case for a retail central bank digital currency in Australia, drawing on public engagement work as well as research and experiences of other jurisdictions.

Key objectives	Key activities	Performance measures and targets 2025/26	Performance measures and targets 2026/27–2028/29
	Align the RBA's regulatory framework for payments and market infrastructures to the Australian Government's principles of regulator best practice	<p>Conduct research and engagement with stakeholders to understand emerging issues affecting the environment in which regulated entities operate.</p> <p>Regulatory requirements are streamlined, proportionate to risks and coordinated with other regulators.</p> <p>Communicate with regulated entities in a timely, clear and consistent way, including on regulatory priorities.</p>	As for 2025/26.
	Deliver reliable interbank settlement services	<p>RITS availability is 99.95 per cent during core hours.</p> <p>RITS Fast Settlement Service availability is 99.995 per cent on a 24/7 basis, with most transactions processed in less than one second.</p>	As for 2025/26.
	Ensure RITS and related infrastructure are secure, well-maintained and operationally efficient	<p>Design and begin to implement improvements to meet the recommendations of the 2023 external review of the RITS operating environment.</p> <p>Migrate critical settlement infrastructure to a third-party-owned co-location data centre occurs without business disruption.</p>	<p>Implement improvements to meet the recommendations of the 2023 external review of the RITS operating environment.</p> <p>As for 2025/26.</p>
		<p>Invest in cyber resilience, including by implementing the ACSC's E8 cyber strategies.</p> <p>Progress priority recommendations from the Cyber Attack Simulation Exercise (CASE2024).</p>	As for 2025/26.
	Ensure interbank settlement services meet the needs of the payments system and promote the public interest	<p>Deepen engagement with industry and overseas peers to inform the strategic development of our interbank settlement services, with account-to-account payments a near-term focus.</p> <p>Support the payment industry's migration to ISO 20022 message formats, including by upgrading relevant functionality in RITS and embedding a framework for ongoing changes to the standard.</p>	<p>Engage with overseas peers and industry to inform the strategic development of our interbank settlement services.</p> <p>Begin to implement changes required to settlement services to support the future of account-to-account payments.</p> <p>As for 2025/26.</p>



Key objectives	Key activities	Performance measures and targets 2025/26	Performance measures and targets 2026/27–2028/29	
The delivery of efficient and effective banking services to Australian government agencies	Provide banking services that are fit for purpose	Implement banking strategy focused on efficient technology development, enhanced customer connectivity and development of best practice banking services.	As for 2025/26.	
	Satisfy financial performance benchmarks	Minimum return on capital for transactional banking business equivalent to the yield on 10-year Australian Government Securities plus a margin for risk.	As for 2025/26.	
	Progress activities to deliver convenient, secure, reliable and cost-effective banking services to customers	Ensure banking strategy incorporates enhancements to future banking services, including:		
		– ongoing development of banking services and systems, including ISO 20022-based messaging standards.	As for 2025/26.	
		– phased development of the New Payments Platform-based Confirmation of Payee service.	As for 2025/26.	
		– reduced customer usage of legacy payment channels (e.g. cheques), in line with industry timeframe.	As for 2025/26.	
	– IT systems and supporting infrastructure that ensure our banking services and products are current, secure, resilient, efficient and fit for purpose.	As for 2025/26.		
The provision of secure and reliable banknotes	Ensure Australian banknotes provide a safe, secure and reliable means of payment and store of value, as follows:	Maintain public confidence in Australian banknotes, as measured in the Reserve Bank Online Banknotes Survey.	As for 2025/26.	
	– meet banknote demand	Fulfill 100 per cent of banknote orders from commercial banks within three business days of request.	As for 2025/26.	
	– maintain the security of Australian banknotes	Issue secure banknotes, as evidenced by a counterfeiting rate below 25 counterfeits per million genuine banknotes. Implement effective responses to a realised counterfeit threat.	As for 2025/26.	
	– maintain high-quality banknotes	Quality of banknotes in circulation exceeds the minimum quality standards agreed with industry.	Quality standards will be further reviewed during this period.	

# Risk oversight and management

We cannot achieve our objectives without clear and effective management of risk. This section outlines how we do this.

## Our risk and compliance management framework

Our risk and compliance management framework is the primary way we ensure operating risk and compliance activities are appropriately managed to support our objectives. Key elements of the framework include:



Risks inherent in the decisions of our two policy boards – the Monetary Policy Board and the Payments Policy Board – are the direct responsibility of those boards and are managed separate to the risk and compliance management framework. These risks are managed both in the ordinary course of decision-making, and through periodic review of the risks to the framework for policy decision-making.

# Governance

## Board-level oversight:

- the Governance Board oversees and determines policies for the management and organisation of the RBA. This includes establishing the risk and compliance management framework with a clear three lines of accountability governance structure, overseeing its operation by management and setting the RBA's risk appetite
- the Audit and Risk Committee assists the Governance Board in overseeing the effectiveness of the risk and compliance management framework and system of internal control.

## Risk Management Committee:

- a management committee that oversees our approach to risk management, including the effectiveness of the internal control environment
- monitors risks relative to our risk appetite and approves mitigation strategies to return them to appetite
- meets at least six times per year and provides reports to the RBA's Executive Committee, the Governance Board and its Audit and Risk Committee.

## Three Lines of Accountability

Line 1	Line 2	Line 3
<b>First line Management (risk owners):</b> <ul style="list-style-type: none"><li>• identifies, owns and manages the risks they originate in pursuit of their business objectives</li><li>• reports incidents when something goes wrong and impacts our operations or regulatory requirements</li><li>• escalates risks outside of appetite to the Risk Management Committee.</li></ul>	<b>Risk and Compliance Department:</b> <ul style="list-style-type: none"><li>• reviews and challenges first line risk and compliance management activities and reports on the effectiveness of controls and the implications for our risk profile</li><li>• offers thematic insight and specialist advice</li><li>• develops, communicates and supports the application of the risk and compliance management framework.</li></ul>	<b>Audit Department:</b> <ul style="list-style-type: none"><li>• provides independent, risk-based and objective assurance</li><li>• reviews the risk and compliance management framework to assure that it is operating effectively</li><li>• reports directly to the Audit and Risk Committee.</li></ul>

We are currently transforming our risk and compliance management framework by uplifting risk practices, accountabilities and risk culture. This includes enhancing our risk taxonomy to provide a more comprehensive categorisation of the risks that we face in pursuing our objectives and strategic priorities, and uplifting our risk management capability and capacity across the enterprise. The risk transformation follows recommendations from the 2023 independent review of the RITS environment.

# Key risks

We face a broad range of risks, reflecting our responsibilities as a central bank in the areas of monetary, financial stability and payments system policy, as well as in our day-to-day operational activities. These risks can be split into those inherent to policy decisions and those that arise from our everyday operations.

## Operating risks

Our operating risks are currently being amplified by the scale, complexity and interdependency of the work involved in our transformation and change agenda. A summary of the key operating risks that we are giving priority attention to at present, and the approach we take to mitigate them, is provided below. Our prioritisation of these risks reflects that they are currently the most significant risks to us achieving our strategic priorities.

Key operating risks	Approach to managing
<b>Change delivery:</b> delivery of our core objectives and strategic priorities, given the high volume of concurrent change we are experiencing in response to independent reviews, major renovations to our permanent head office, a complex and challenging cyber threat environment, and the need to replace our core technology infrastructure.	Actively prioritise work based on our strategic priorities, charter objectives, risk profile and funding envelope; continue to enhance our delivery capability; and suitably resource our programs of work to effectively manage change.  Supported by work to progress the strategic priority of smarter, simpler and faster ways of working.
<b>Psychosocial hazards:</b> the management of our people, including the psychosocial health and wellbeing of our staff and contractors.	Strengthen leader's ability to manage psychosocial hazards through training and education, identify areas for improving psychosocial hazard management and implement targeted strategies.  Supported by work to progress the strategic priorities of building high-quality leadership and an open and dynamic culture and working smarter, simpler and faster.
<b>Critical technology services resilience:</b> the availability and resilience of our critical technology services and operational systems.	Build and embed high reliability organisation practices, ensure an effective operating model and implement improved controls management and assurance.  Supported by work to progress the strategic priority of delivering highly resilient payment and banking services.
<b>Information security management:</b> management of security threats to our information systems and technologies.	Enhance our cyber defences and controls to ensure the confidentiality, integrity and availability of information, while strengthening our ability to respond and recover from cyber incidents.  Supported by work to progress the strategic priority of delivering highly resilient payment and banking services.
<b>Management of suppliers:</b> the effective management of our third- and fourth-party service providers – particularly arrangements that are strategic and high value – to ensure continuity, resilience, and compliance in support of the RBA's critical and non-critical operations.	Implement frameworks, tools and systems to enhance supplier management, including strengthening the design and assurance of controls across the vendor lifecycle and building capability across the RBA.



Key operating risks	Approach to managing
<b>Trust and confidence:</b> the management of our external and internal communications to build and preserve trust in our ability to deliver on our objectives.	Strengthen our expertise through proactive engagement and modern approaches, and continue to communicate regularly to the public and media.  Supported by work to progress the strategic priority of developing monetary policy that is fit for the future.

We also manage a range of other operating risks that are currently within our appetite, including:

- financial risks arising from changes in market conditions (largely because we manage Australia's foreign reserves and hold domestic financial assets in the pursuit of monetary policy objectives)
- the risk of fraud and corruption
- physical work health and safety.

These risks are managed within our risk and compliance management framework.

## Policy risks

In addition, there are risks in monetary, financial stability and payments policy decision-making. These risks affect the broader economy and we help manage them on behalf of the nation. Over the coming years, the following risks are expected to be most relevant for achieving our policy objectives:

- **For monetary and financial stability policy:** the impact of structural changes, including those arising from changing global policies, on global demand and supply, trade relationships and economic and financial resilience; the potential for growth in the supply capacity of the domestic economy to be more variable and slower than in the past; the impact of climate-related and operational risks on the resilience of the economy and financial system.
- **For payments policy:** the resilience of payments and market infrastructure to a more challenging environment for geopolitical and operational risk; the emergence of new payment instruments that could give rise to financial stability concerns; and limitations on the RBA's ability to regulate new payments technologies to promote efficiency, competitiveness and safety in the payments system.

These risks are the responsibility of the Monetary Policy and Payments System boards. As outlined in earlier sections, we are working to enhance the support we give to our boards to manage these risks.