Part 3:

Management

3.1 Management of the RBA

We are committed to discharging our policy and operational responsibilities in an efficient manner. To achieve this, we invest in our people, technology, data, facilities and the related capabilities essential for achieving our strategic objectives. 2024/25 marked the second year of a multi-year transformation agenda that has been – and will remain – a prime focus of our leaders.

Key outcomes in 2024/25

- A priority for our management this year has been delivering a multi-year transformation agenda. This has seen us embrace a more open and dynamic culture, bring in new skills to the RBA, strengthen our resourcing in several areas, upgrade our processes and governance, and invest in technology.
- Our technology is being modernised and strengthened to improve its resilience, including to cyber-attacks. We have also made further progress in managing our data and information and in reducing our environmental footprint.
- Our transformation and broader technology change agenda has driven a significant rise in operating costs. We are committed to delivering this agenda in the most efficient way we can.

Management structure

Under the *Reserve Bank Act 1959*, the RBA is managed by the Governor. The Governor is supported by two key management committees: the Executive Committee and the Risk Management Committee.

Executive Committee

The Executive Committee supports the Governor in managing matters of enterprise-wide strategic or operational significance, including delivery of our strategic priorities (see Part 1.1: Our Role). The Executive Committee meets weekly and is chaired by the Governor and comprises the Deputy Governor, the Chief Operating Officer and the assistant governors. Other senior executives attend meetings when required to provide specialist advice.

Risk Management Committee

The Risk Management Committee is responsible for ensuring that operational and financial risks are identified, assessed and properly managed in line with our Risk Management Policy. It is chaired by the Deputy Governor and comprises senior executives, mainly from operational areas. The Risk Management Committee meets six times a year and keeps the Executive Committee and the Audit and Risk Committee of the Governance Board informed of its activities. For details on the risk and compliance management framework, see Part 3.3: Risk Management.

Executive accountability framework

The executive accountability framework supports our high standards of executive accountability.[1] It outlines where accountability lies for our functions and operations. It is currently being updated in line with the structural changes discussed in Part 1.2: Governance and Accountability. The framework complements our broader governance framework, which is set out in legislation, charters of board subcommittees and committees, and RBA policies.

Financial management

We strive to manage our spending and resourcing prudently to achieve our strategic, policy and operational objectives. Our annual planning cycle is a key component of this accountability, covering the resourcing and expenditure budget for the coming and subsequent years. Our budget is approved by the Governance Board, supported by recommendations from the Executive Committee and Governor.

Executive leaders are accountable for managing expenditure within approved budgets, and for approving spending commitments in line with existing financial delegations of authority. The RBA's expenditure and payment approval policy and related processes provide appropriate oversight of expenditure and payments to our suppliers of goods and services.

The Investment Committee oversees our major project investment portfolio and is chaired by the Chief Operating Officer. Its primary role is to support the Governor and the Executive Committee to prioritise investments that deliver outcomes in support of our operational and strategic objectives. We use a project management framework covering the full lifecycle of a project to underpin project delivery from business case through to implementation. Senior executive accountability is established through their sponsorship of, and participation in, project steering committees.

For large procurements, we are required to apply the Commonwealth Procurement Rules (CPRs) because we are a corporate Commonwealth entity 'prescribed' under section 30 of the *Public Governance, Performance and Accountability Rule 2014*. These rules apply when performing duties relating to certain procurements with an expected value exceeding $400,000 for non-construction services and $7.5 million for construction services. We are also required to report certain activities on the Commonwealth's AusTender website. For all other procurements, we follow the principles of the CPRs with the broad objective of procuring goods and services in an efficient manner and ensuring we obtain value for money.

Where appropriate, we seek to recoup operating costs associated with our operational responsibilities through fees and charges. This includes costs directly incurred in the operation of our payment settlement services, and from transactional banking services provided to clients. Operating costs associated with producing, issuing and managing Australia's banknotes are indirectly funded by net interest income; holders of 'banknotes on issue' (other than some amounts held by banks) are not paid interest, but we earn interest on our assets. These activities are discussed further in Part 2.2: Operations in Financial Markets, Part 2.3: Banking and Payment Services and Part 2.4: Banknotes.

Operating costs

Our general operating costs were $750 million in 2024/25 (Table 3.1.1). Excluding the costs associated with the renovation of our head office at 65 Martin Place in Sydney, our general operating costs were around 20 per cent higher than in 2023/24. This increase was primarily driven by:

- investment in our transformation and change agenda, to achieve our strategic priorities and respond to the recommendations of the independent reviews of the RBA and of the Reserve Bank Information and Transfer System (RITS) ecosystem
- an increase in underlying spending on core business-as-usual activities of 7 per cent, reflecting growth in salaries (including impacts of enterprise agreements) and other non-staff contractual costs.

These strategic investments in transformation and change accounted for 80 per cent of the increase in our operating costs. They enabled us to strengthen our monetary policy process, fortify the resilience of RITS and supporting technology, upgrade our systems of risk management and governance, support the embedding of an open and dynamic culture, strengthen our cyber security defences and modernise our core technology infrastructure (including transitioning services to the cloud and automating technology services). The majority of this investment was in the form of increased staffing, as discussed in Part 3.2: Our People.

We have budgeted for expenditure to increase further in 2025/26, primarily driven by further investment in our transformation and change agenda activities. (This agenda is discussed in more detail in the 2025/26 Corporate Plan.[2]) Our expenditure is then forecast to stabilise as our transformation agenda is completed, the changes are embedded and the benefits start to accrue.

Table 3.1.1: General Operating Costs[(a)]

$ million

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Staff costs	241.8	243.2	256.3	299.7	334.5	394.9
Technology costs	41.0	42.4	44.6	52.8	62.3	77.2
Premises costs	26.5	28.8	29.1	30.5	60.1	67.6
Other costs	32.0	35.9	35.5	56.5	97.8	154.7
General operating costs (excl. depreciation)	341.4	350.3	365.5	439.4	554.7	694.5
Depreciation	64.7	62.3	64.3	61.5	52.9	55.2
General operating costs	406.0	412.7	429.8	500.9	607.6	749.7
– of which: Cost of projects	20.1	30.3	37.1	65.5	163.6	274.8
General operating costs by function[(b)]						
– Policy	89.7	89.7	90.2	99.0	108.1	116.2
– Business services	100.9	90.8	87.6	93.4	97.8	112.5
– Executive and corporate support	215.4	232.2	252.0	308.7	401.7	521.0

(a) Excluding Note Printing Australia Limited and banknote management expenses, and costs directly linked with transaction-based revenue. Some prior period costs have been reclassified to align with the current basis of presentation.

(b) Costs by function shown are on a direct basis, with no allocating of executive and corporate support costs across functions.

Source: RBA.

Capital expenditure

Our capital expenditure supports programs that deliver new capabilities and services, preserves the reliability and resilience of our existing technology assets, and maintains our physical properties located across Australia. In 2024/25, this investment focused on building and renovation works relating to 65 Martin Place, and modernising our core technology infrastructure, including progressing the migration of one of our two in-house primary data centres.

Following a review of capital expenditure relating to the 65 Martin Place renovation, some expenses that were previously capitalised have now been reclassified and recognised as general operating expenditure. Table 3.1.2 includes the impacts of this reclassification from capital expenditure to general operating expenditure in 2023/24 ($48.5 million) and 2024/25 ($81.7 million) respectively.

Table 3.1.2: Capital Expenditure[(a)]

$ million

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Capital costs	43.6	62.0	49.3	72.6	12.1	(29.5)
– of which: Cost of major projects	20.3	44.1	29.2	60.9	(3.6)	(62.5)

(a) Excluding Note Printing Australia Limited.

Source: RBA.

Technology

Technology systems are essential to our ongoing operations and account for a significant proportion of our operational and strategic investment. Our technology environment comprises approximately 920 applications, over 3,000 servers, two primary data centres and resilient network infrastructure across multiple sites.

Oversight of the RBA's information technology is provided by the Technology Committee, which operates as a delegate of the Executive Committee. The Technology Committee meets five times per year and is chaired by the Chief Operating Officer, with members drawn from departments in the RBA that rely heavily on technology.

Major projects

In 2024/25, we focused on two major technology projects to ensure our delivery processes reflect best practice as appropriate and that we can continue to provide highly resilient payment and banking services. The projects involve:

- modernising core technology infrastructure and migrating one of our two in-house primary data centres to a co-location third party data centre
- strengthening the operating environment supporting the RITS, as discussed in Part 2.3: Banking and Payment Services.

Major technology-related projects completed in 2024/25 included migration of our transactional banking systems to the cloud and the roll-out of cloud-based workplace collaboration tools. We also completed upgrades to several critical systems and continued to mature our information security capabilities.

Cybersecurity

Cybersecurity remains a focus area, with continued investment to ensure the security of both our systems and information. Our cyber governance aligns to relevant industry standards and our vulnerability management standard is aligned to the Australian Cyber Security Centre's updated 'Essential Eight' framework. Our cybersecurity activities include:

- continually monitoring security vulnerabilities to inform continuous security improvements
- undertaking penetration testing of our systems and processes
- applying strong security governance over new technology solutions as they are introduced into our IT environment.

These activities are supported by programs aimed at building cybersecurity awareness among all staff. We also actively engage in intelligence sharing within the financial services, government and central banking communities.

Technology stability and resilience

We continue to pursue strategies to drive the efficiency, stability and resilience of our IT assets. These strategies include enhancing the operating model (people, process and technology) underpinning the technology services supporting critical systems, and utilising cloud computing and managed services where appropriate.

Data and information

We continue to develop frameworks, practices and tools for managing data and information in support of our functions and strategic aims.

With respect to data, we have made further progress to uplift the maturity of the technology platforms that house our data, the supporting governance processes and the capabilities of those working with data. This has improved the ways in which we collect, find and share data. It has equipped us to use large and non-traditional datasets and enabled wider application of cloud computing, automation and advanced analytical tools and techniques This program of work has facilitated deeper analysis, increased business efficiency, reduced risk and supported more robust compliance.

With respect to information management, our practices were assessed as mature by the National Archives of Australia in its annual Check-up PLUS survey; we remained highly ranked among Australian government agencies. Achieving current levels of maturity in information management practices has been enabled by:

- ongoing improvements to the configuration and integration of our information management platforms
- increased use of collaborative technologies
- digitisation of archival records
- increased public access to these records through our digital platform Unreserved
- a comprehensive program of staff training and engagement.

The ongoing use of advanced data science techniques and the adoption of intelligent technologies has enhanced the analysis of data and information. To support future analytical and operational work, we have continued to build our governance and metadata management capabilities. These form a critical foundation for our AI ambitions. We also launched our inaugural AI Strategy during the year.

Facilities

We own premises in locations where there is a business need to do so. Our facilities include:

- the head office building at 65 Martin Place, Sydney
- the H.C. Coombs Centre for Financial Studies in Kirribilli, Sydney
- a business resumption site in north-west Sydney
- an office building in Canberra, which includes a banking chamber
- facilities for the printing, processing, storage and distribution of banknotes at Craigieburn, north of Melbourne
- residences in London and New York to support our offshore operations in these cities.

We also lease interim office space at 8 Chifley Square, Sydney, to accommodate staff while the 65 Martin Place building is being upgraded, and office space in Adelaide, Brisbane, Melbourne, Perth, Beijing, London and New York for staff based in these locations.

Valuations of our domestic properties are undertaken every second year. The most recent portfolio valuation was estimated at $33 million. This is lower than the previous estimates because of greater-than-previously assessed costs to remove hazardous material from our Martin Place building and a temporary reduction in its value while the upgrade is in progress.

We also lease out space that is not required for our own business purposes to external tenants. In 2024/25, net income from such leases amounted to $5.5 million.

Head Office upgrade

The upgrade of the Head Office building is a substantial project. It involves upgrading base building infrastructure that is end of life, and ensuring the building is a safe and efficient workplace that meets our long-term needs, while preserving heritage features. The project has encountered material latent conditions, including extensive hazardous materials, which have affected both the time and cost of the project. It is now expected to be completed in 2031.

Environment, sustainability and climate change

We are committed to improving the environmental performance of our operations and minimising the impact of our activities on the environment. We have also developed policies and practices that are consistent with the principles of ecologically sustainable development set out in the *Environment Protection and Biodiversity Conservation Act 1999*. These principles are captured in our Environmental Statement.[3] Further information on how we manage climate-related risks can be found in Part 5: 2024/25 Climate-related disclosures.

Energy and waste management initiatives

We have an ongoing program of works to reduce carbon emissions from our operations. In 2024/25, the energy management initiatives to improve the performance of our building infrastructure and reduce carbon emissions included:

- reprogramming the operating hours of heating, ventilation and air-conditioning systems in Craigieburn's main production building, based on a revised occupancy schedule
- installing LED lighting at all our sites and replacing non-LED lighting to improve environmental performance and reduce electricity consumption
- replacing chillers and optimising the performance of heating and air-conditioning controls in our Canberra building to improve energy efficiency
- completing installation of a 1.37 megawatt capacity solar panel at Craigieburn
- increasing the proportion of GreenPower to 100 per cent for all of our owned properties from 1 July 2025.

Future initiatives to reduce emissions from our buildings will be guided by two objectives:

- aligning with the Australian Government's net zero pathway for sustainable leases
- developing a pathway to net zero Scope 1 and 2 emissions by 2030 at the Craigieburn banknote production and storage sites, through initiatives such as ending reliance on gas heating and improving plant controls.

Initiatives to improve waste management during the year included:

- repurposing some furniture and equipment to our other sites – including 8 Chifley Square and our business resumption site – and diverting others from landfill by working with partners to rehome and reuse furniture in the community as part of the head office relocation
- developing organic waste management practices at Craigieburn to divert compostable material from landfill.

Energy and water consumption

Our use of energy declined in 2024/25, driven by improvements in energy efficiency and the temporary relocation of our head office to more efficient premises at 8 Chifley Square. This reduction was achieved despite an increase in the number of sites we occupy and high occupancy at both the business resumption site and the H.C. Coombs Centre. The underlying data now includes additional tenanted areas at 8 Chifley Square and expanded space in third-party facilities supporting data centre co-location, processing, and storage.

Our use of electricity fell by 11½ per cent in 2024/25, primarily as a result of the progressive decommissioning of the head office building at 65 Martin Place and the move to smaller office space at 8 Chifley Square. A substantial increase in on-site electricity generation also reduced the amount of grid electricity consumed. Rooftop solar panels installed on several sites now provide 1.4 per cent of electricity consumption. This proportion increased from May 2025 following the installation of a large-scale rooftop solar panel at the Craigieburn facility.

Gas use dropped by 44 per cent during the year. This was due to the full-year impact of decommissioning boilers at 65 Martin Place, the installation of more efficient boilers at our Canberra site, operational improvements at the H.C. Coombs Centre, and the rectification of utility gas metering equipment at Craigieburn (which had previously recorded gas usage that was considerably higher than the actual usage).

Measured water use at our two main consuming sites continued to decline in 2024/25. Usage at Craigieburn was 10 per cent below the average of the prior seven years, while usage at 65 Martin Place declined by 75 per cent. These improvements reflect operational efficiencies, upgraded plant equipment, a shift from water-cooled to air-cooled chilled water systems and reduced occupancy of 65 Martin Place.

Banknote sustainability

In 2024/25, we maintained our commitment to sustainability in the Australian banknote lifecycle. This has included careful deliberation during banknote design, close collaboration with suppliers, and increasing the sustainability of our production practices through our relationship with Note Printing Australia Limited. Our recycling efforts remained a key focus, with all unfit polymer banknotes recycled at end of life. In 2024/25, a total of 58.7 million unfit banknotes were returned for disposal. The recovered polymer was repurposed into new materials, resulting in the diversion of 55.2 tonnes of polymer waste from landfill.

Climate research and policy agenda

Climate change and the transition to lower emissions will have wide-ranging implications for the economy, the financial system and society more broadly. Climate change affects our responsibilities for price stability, employment and the stability of the financial system, as discussed by then Deputy Governor Bullock in August 2023.[4]

We are building our capacity to understand the implications of climate change for the Australian economy and financial system, through internal analysis and external engagement. In 2024/25, we focused on understanding how climate change might affect the structure and operation of the economy and financial markets, and the implications for monetary policy. We did this through internal analysis including:

- monitoring developments in energy markets
- building frameworks to track the impact of the transition on domestic investment
- examining what the transition implies for investment and demand for commodities globally
- developing associated modelling capacity.

We also analysed how physical and transition risks translate into financial stability risks and vulnerabilities, including by considering the systemic implications of reduced access to insurance because of physical climate risks. We also monitored climate-related trends in financial markets, watching developments in international sustainable finance frameworks and policies, and considering their implications for the domestic financial system – including by exploring the pricing of climate risk in equity markets and the development of domestic sustainable finance markets.[5]

Through the Council of Financial Regulators (CFR), Australian financial system regulators are coordinating on a set of priorities to enhance the ability of financial market participants to manage the financial risks and identify the opportunities associated with climate change and the transition to lower emissions.

In 2024/25, the priorities of the CFR Climate Working Group included:

- improving the transparency and consistency of climate and sustainability-related information by implementing mandatory climate-related financial disclosure reforms and overseeing the governance of the initial development phase of the Australian Sustainable Finance Taxonomy (launched in June)[6]
- enhancing the capability of the financial system to respond to sustainability challenges, including by assessing how climate change may affect the affordability and availability of general insurance across Australia, and providing advice on potential policy options to address sustainability-related data challenges.

We are also involved in external forums to learn from peers and contribute to the development of best practice in assessing the impact of climate change (see Part 2.5: International Financial Cooperation).

Endnotes

1 RBA (2023), 'Executive Accountability Framework', August.

2 See RBA (2025), 'Corporate Plan 2025/26'.

3 See RBA (2019), 'Environmental Statement', December.

4 Bullock M (2023), 'Climate Change and Central Banks', Sir Leslie Melville Lecture, Canberra, 29 August.

5 Alexander K and S Jayawardhana (2025), 'Australia's Sovereign "Green" Labelled Debt', RBA *Bulletin*, January.

6 See Australian Sustainable Finance Institute (2025), 'Australian Sustainable Finance Taxonomy', 25 June.

3.2 Our People

Our staff are specialists in their field who contribute to the economic prosperity and welfare of the Australian people. We promote openness and inclusivity. We seek people who embody our values and culture, and leaders who can inspire and empower them.

Key outcomes in 2024/25

- We have begun to embed our aspiration of having an 'Open & Dynamic' culture and we are helping our people understand the behaviours associated with this. This aspiration has strong support from our people – our most recent engagement survey highlighted strong overall engagement.
- We employed around 2,000 staff at year end. We have achieved our target for females in management positions but have more to do to achieve our targets for promoting culturally and linguistically diverse staff and hiring First Nations people.
- We have enhanced our support of the safety and wellbeing of our staff, by strengthening our focus on psychosocial safety and embedding it as a core element of our people strategy.

Our 'Open & Dynamic' culture

In 2023/24, we initiated a multi-year program of work to foster a more 'Open & Dynamic' workplace culture, building on the recommendations of the 2023 review of the RBA. This program complements our core values, as set out in the Code of Conduct, and reinforces our ongoing commitment to inclusion, diversity and belonging. An open and dynamic culture – where people are encouraged to collaborate, innovate and challenge constructively – is a key enabling pillar of our corporate plan.[1]

Throughout 2024/25, we focused on embedding the key behaviours underpinning this culture into everyday practices and on increasing organisational understanding of what 'open and dynamic' means in practice. Staff participated in culture workshops, generating targeted department and team action plans. Many initiatives developed by individual teams and departments were shared and adopted across the RBA, fostering collaboration and continuous improvement. To complement these practices, open and dynamic behaviours were integrated into core people processes such as talent acquisition, performance management and goal-setting.

Our November 2024 engagement survey continued to show strong overall engagement, with an overall score of 81 per cent. This employee feedback subsequently informed enterprise-wide actions to address key areas of focus. A new culture dashboard was also launched to provide all employees with clear visibility of cultural metrics and progress.

In 2025/26, our focus will shift to leadership development and empowerment and accountability at all levels. New leadership expectations, aligned to our strategic priorities and cultural aspirations, have been developed. These will be supported by refreshed leadership development programs and embedded through updated leadership evaluation and assessment processes.

Across the RBA, a concerted and cohesive focus on empowerment, accountability and safety to speak up will be reinforced by targeted training and enhanced enabling systems and processes. We will also introduce a new listening strategy and tool to enhance our understanding of staff sentiment and track progress against key priorities.

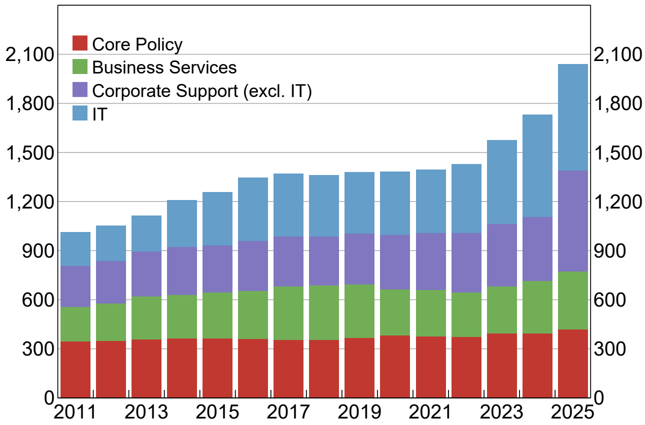
Workforce profile

At 30 June 2025, we had 2,039 employees (excluding Note Printing Australia Limited; Graph 3.2.1 and Table 3.2.1), equating to 2,000 full-time equivalent employees. This represents a 15 per cent increase in our workforce compared with 30 June 2024, reflecting the additional resources required to implement our transformation and change agendas. These additional staff are concentrated in technology and corporate support (see Part 3:1 Management of the RBA for more information). Voluntary turnover remained low in 2024/25 at 7.0 per cent. Employees engaged on a permanent basis make up 70 per cent of our total workforce. The remainder, including all senior leaders, are engaged on maximum-term contracts.

Graph 3.2.1

RBA Employee Numbers*

As at 30 June



* Excludes NPA and contingent workers.

Source: RBA.

Table 3.2.1: RBA Staff Profile by Financial Year[(a)]

	30 June 24										30 June 25									
	Man			Woman			Non-binary			Total	Man			Woman			Non-binary			Total
Location	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total		Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
Head Office, Sydney	903	21	924	616	86	702	2	1	3	1,629	1,026	20	1,046	704	87	791	1	0	1	1,838
H.C. Coombs Centre for Financial Studies, Sydney	1	0	1	0	0	0	0	0	0	1		0	0	0	0	0	0	0	0	0
Business Resumption Site, Sydney	28	0	28	10	2	12	0	0	0	40	61	0	61	27	2	29	0	0	0	90
Note-printing facility and National Banknote Site, Craigieburn	23	0	23	25	6	31	0	0	0	54	24	0	24	25	7	32	0	0	0	56
Canberra Branch, Canberra	6	0	6	8	1	9	0	0	0	15	6	0	6	10	2	12	0	0	0	18
Victorian Office, Melbourne	2	0	2	0	2	2	0	0	0	4	3	0	3	0	2	2	0	0	0	5
Queensland Office, Brisbane	0	0	0	1	2	3	0	0	0	3	0	0	0	3	1	4	0	0	0	4
South Australian Office, Adelaide	2	0	2	1	0	1	0	0	0	3	2	0	2	1	0	1	0	0	0	3
Western Australian Office, Perth	0	0	0	2	0	2	0	0	0	2	0	0	0	3	0	3	0	0	0	3
New York Representative Office, New York	6	0	6	4	1	5	0	0	0	11	5	0	5	4	1	5	1	0	1	11
European Representative Office, London	5	0	5	4	1	5	0	0	0	10	5	0	5	3	1	4	0	0	0	9
China Representative Office, Beijing	2	0	2	0	0	0	0	0	0	2	2	0	2	0	0	0	0	0	0	2
Total	978	21	999	671	101	772	2	1	3	1,774	1,134	20	1,154	780	103	883	2	0	2	2,039

(a) Excludes Note Printing Australia Limited.
Source: RBA.

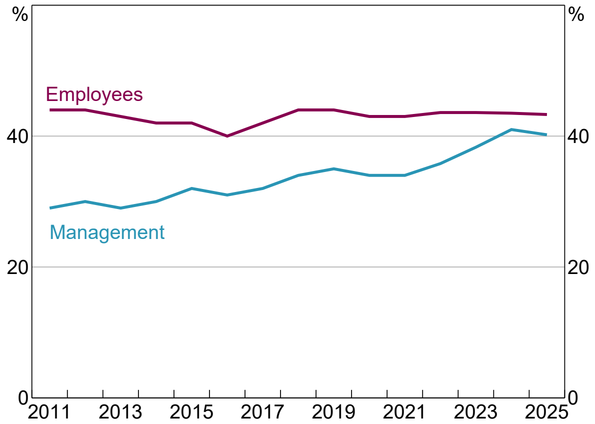
We are committed to achieving gender equity at all levels of the RBA. As at 30 June 2025, women accounted for 43 per cent of our employees and held 40 per cent of management positions (Graph 3.2.2), consistent with our gender representation target of 40 per cent men, 40 per cent women and 20 per cent any gender at management level. Four of the seven positions on the RBA's Executive Committee were held by women. To maintain these representation levels and strengthen the pipeline of female talent, we have developed an action plan that includes optimising talent processes, mitigating bias in decision-making, providing extra support for working parents and carers, and more actively sponsoring talented women for development into leadership roles.

Our average gender pay gap for total remuneration in 2023 was 9.5 per cent, as reported by the Workplace Gender Equality Agency. The factors that contributed to this gender pay gap include the higher ratio of men to women in leadership roles and a larger concentration of men in higher paying specialist jobs. We conduct internal pay equity reviews as part of our annual remuneration review to help identify and address any pay inequities.

Graph 3.2.2

Women at the RBA

Per cent of total, as at 30 June



Source: RBA.

Recruitment, talent management and development

We are committed to attracting and retaining high-quality talent that is aligned with our strategic goals and cultural ambition. We balance external recruitment with internal mobility, support identified succession pipelines and foster diversity of thought. Our recruitment practices are built on transparency, non-discrimination and merit.

Early career talent

Our early career programs remain a key part of our talent strategy, involving students and graduates from diverse academic backgrounds.

The Intern Program provides high-achieving university students with an eight-week placement in our IT and policy departments, combining practical experience with a structured research project.

Our Graduate Development Program offers structured development opportunities through a balance of on-the-job training, rotations between key departments and targeted learning.

Talent management and development

Our Executive Talent Council, chaired by the Deputy Governor, oversees talent management and succession planning for the RBA. In 2024/25, talent reviews were conducted for senior leaders across the organisation to assess our leadership pipeline, identify key talent and inform development priorities. We intend to extend this process deeper into the organisation in 2025/26.

All executive leaders participated in 360-degree feedback, coaching and development planning in 2024/25. This program will be extended to senior managers in late 2025 and repeated for executives in 2026. We also refreshed our formal learning curriculum, focusing on coaching, feedback and performance conversations. More than 350 leaders participated in internal training programs.

Investment in further education supports staff development and career mobility. In 2024/25, 30 employees received study assistance to pursue qualifications aligned with their roles and our future capability needs. This included nine employees undertaking economics-focused Master's programs and two completing PhDs.

Lateral rotations and secondments remain important tools for capability development and retention. In 2024/25, staff undertook secondments to other Australian government agencies, including the Australian Prudential Regulation Authority and the Australian Treasury. Several staff were seconded to international institutions, as discussed in Part 2.5: International Financial Cooperation. These opportunities provide valuable exposure to global best practice and subject matter expertise, develop capability and bring new perspectives to the RBA.

Inclusion, diversity and belonging

In April 2025, we launched our new Inclusion, Diversity and Belonging (IDB) Strategy. This strategy has three key objectives:

1. an inclusive culture that enables our 'Open and Dynamic' aspirations
2. a diverse workforce that represents the Australian people at all levels
3. equitable opportunities to build careers for all our people.

The strategy was developed through enterprise-wide consultation and insights from our most recent engagement survey.

Execution of the strategy is overseen by our IDB Executive Council, which meets quarterly and is chaired by the Governor. The council comprises the Chief People Officer, the sponsors of employee resource groups and other People Department team members responsible for IDB. We support five employee resource groups; these focus on gender, race and culture, accessibility, First Nations, and LGBTQI+. Employee resource groups play a vital role in fostering a sense of belonging, advocating for their affinity groups and supporting corporate inclusion, diversity and belonging initiatives.

Key IDB initiatives implemented in 2024/25 include:

- setting an interim cultural and linguistic diversity target: we are aiming for 15.3 per cent of our senior-manager-and-above roles to be filled by culturally and linguistically diverse employees by June 2027, and this is supported by a multi-year roadmap (as at June 2025, representation stands at 11.9 per cent)
- developing an accessibility action plan: a new three-year plan will better support employees with physical and cognitive accessibility needs
- developing a gender representation action plan: this aims to build a sustainable and balanced leadership pipeline, from graduate recruitment through to senior promotions
- applying a diversity lens across all talent processes: this includes new analytics to monitor gender and cultural diversity in performance, progression, talent reviews and recruitment
- completing accessibility audits: to guide future improvements, audits were completed on inclusive hiring practices, building accessibility and digital accessibility – through these, we identified enhancements to improve staff training and upgrade automated entryways, navigation aids, lift operations and waste disposal design.

First Nations

We continue to implement our First Nations employment plan, with a view to reaching our target of 2 per cent employment of First Nations people. Our key employment-related initiative this year was the participation in the Indigenous Apprenticeship Program. The employment plan is one part of a broader strategic First Nations body of work, involving multiple areas of the RBA.

To gather appropriate cultural and strategic advice on First Nations matters, we host meetings of a First Nations Advisory Panel every quarter. In 2024/25, the panel provided advice to a range of departments and teams across the RBA, including procurement, Knowledge Management, Economic Group, the $5 banknote redesign team and the First Nations employee resource group. The panel comprises:

- Emeritus Professor Cindy Shannon – Deputy Vice-Chancellor (Indigenous), Griffith University (Chair)
- Mark Motlop – Chair of the Larrakia Development Corporation
- Geoff Richardson PSM – founder of First Nations Development Services.

We chaired the Central Bank Network for Indigenous Inclusion in 2024. This network is a collaborative forum for central banks to share knowledge in an effort to advance issues relevant to both First Nations people and our core mandate as a central bank. The theme for this meeting was Indigenous employment. We are also preparing to host the bi-annual Central Bank First Nations Inclusion Symposium in Sydney in November 2025.

Work health and safety, compensation and rehabilitation

We are committed to maintaining and improving the safety, health and wellbeing of our staff. The Governance Board and our executives receive regular reports on work health and safety (WHS) matters to assist them to exercise their duty of care and meet their due diligence obligations.

Safety and wellbeing activities

In 2024/25, our strategic priorities for safety and wellbeing focused on three key areas:

- physical safety – ensuring the physical safety of our workforce across all workplace environments and activities
- psychosocial safety – improving psychosocial safety by delivering training to all people leaders, building their capability in identifying and mitigating psychosocial risks
- wellbeing – providing a comprehensive wellbeing program that includes subsidised fitness options, preventative health initiatives like health checks and seminars, and an enhanced employee assistance program that offers coaching for personal, family, financial and legal matters.

WHS incidents, claims and investigations

In 2024/25, we continued to focus on improved incident reporting and management. A total of 142 WHS incidents were reported – up from 78 in 2023/24 (Table 3.2.2). The majority of these incidents were of low severity. Of these incidents, 88 required internal investigation, with one being deemed serious and referred to Comcare. An investigation was conducted and Comcare was satisfied that it had been appropriately resolved, with no further action required.

Our early intervention and return-to-work programs continued to provide effective support to our employees. Psychosocial hazards remained a key area of focus, with 21 reports addressed through timely and targeted support.

Five workers' compensation claims were lodged in 2024/25, with one being successful, one withdrawn, two being rejected and one still under determination as at the end of August 2025.

Table 3.2.2: Summary of Notifiable Incidents, Investigations and Notices under the *Work Health and Safety Act 2011*

Action	2023/24	2024/25
Death of a person that required notice to Comcare under section 35	0	0
Serious injury or illness of a person that required notice to Comcare under section 35	0	0
Dangerous incident that required notice to Comcare under section 35	1	1
Internal investigations conducted	29	88
Investigations conducted under Part 10	0	0
Notices given to RBA under section 90 (provisional improvement notices)	0	0
Notices given to RBA under section 191 (improvement notices)	0	0
Notices given to RBA under section 195 (prohibition notices)	0	0
Directions given to RBA under section 198 (non-disturbance notices)	0	0

Source: RBA.

Legal responsibilities and compliance

The RBA is a licensed authority under the *Safety, Rehabilitation and Compensation Act 1988*. This licence requires us to provide an annual report to the Safety, Rehabilitation and Compensation Commission on WHS, workers' compensation and rehabilitation matters as they affect the RBA. As part of the RBA's licensing requirements, we underwent a Comcare-initiated audit of compliance with the relevant legislation. Audits of our safety, compensation and rehabilitation arrangements were conducted. The Commission subsequently confirmed that we retained a high rating for prevention, claims management and rehabilitation practices.

In July 2024, we transferred the provision of claims management and rehabilitation services from the Australian Postal Corporation to Comcare. This service also provides reconsideration services and representation in the Administrative Appeals Tribunal or Federal Court, as necessary.

Employment arrangements and remuneration

The positions of Governor and Deputy Governor are designated as principal executive offices in terms of the *Remuneration Tribunal Act 1973*, and their remuneration was determined by the Reserve Bank Board on advice of its Remuneration Committee until 28 February 2025, after which the Remuneration Committee's responsibilities were assumed by the Governance Board (for further details, see Part 1.2: Governance and Accountability).

Employment arrangements that apply to our employees vary according to their occupation and level of seniority. Executive and managerial employees are engaged under individual employment agreements. Non-managerial employees are covered by an enterprise agreement.

Executive, managerial and non-managerial employees are considered for an annual salary increase and a reward increase. The annual salary increase depends on the employment arrangements, including stipulated increases under the enterprise agreement.
The reward increase is open to most employees and is used to recognise increased work experience, enhanced technical and core capabilities and sustained strong performance, with consideration given to an employee's pay relative to the market for their role. Reward increases help aid retention and ensure salaries remain competitive and in line with market benchmarks. We use surveys – such as the Financial Institutions Remuneration Group, Aon Hewitt and Mercer – for remuneration and benefit benchmarking.

Our enterprise agreement stipulated a 3.7 per cent salary increase in September 2024 for non-management employees. Most executive and management employees also received a 3.7 per cent general salary increase.

The distribution of remuneration paid to our executives and other senior employees on an accrual basis is set out in Tables 3.2.3, 3.2.4 and 3.2.5. The provision of this information is consistent with similar information provided by other Commonwealth entities. As these figures are prepared on an accrual basis, they can be influenced from year-to-year by factors such as the amount of leave taken and any revaluation of accrued entitlements. Note 12 in Part 4: Financial Statements provides more information on remuneration of key management personnel.

Table 3.2.3: Remuneration of Key Management Personnel

Received in 2024/25($)[(a)]

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration[5,6]
		Base salary[1]	Bonuses	Other benefits and allowances[2]	Superannuation contributions[3]	Long service leave[4]	Other long-term benefits		
Reserve Bank Executives									
Michele Bullock	Governor	987,132	–	31,457	132,457	44,229	–	–	1,195,275
Andrew Hauser	Deputy Governor	836,746	–	–	30,021	12,946	–	–	879,714
Susan Woods	Chief Operating Officer	716,115	–	12,901	85,162	35,358	–	–	849,536
Michelle McPhee	Assistant Governor, Business Services	568,394	–	41,507	105,152	54,769	–	–	769,821
Sarah Hunter	Assistant Governor, Economic	554,156	–	41,507	89,653	9,055	–	–	694,370
Christopher Kent	Assistant Governor, Financial Markets	589,984	–	41,260	110,869	54,778	–	–	796,890
Brad Jones	Assistant Governor, Financial System	577,080	–	41,507	67,815	31,155	–	–	717,556
Non-Executive Members of the Reserve Bank Board[(b)]									
Alison Watkins	Member – Reserve Bank Board	57,168	–	–	6,574	–	–	–	63,743
	Chair – Reserve Bank Board Audit Committee	16,524	–	–	1,900	–	–	–	18,424
Ian Harper	Member – Reserve Bank Board	57,168	–	–	6,574	–	–	–	63,743
Carolyn Hewson	Member – Reserve Bank Board	57,168	–	–	6,574	–	–	–	63,743
	Member – Reserve Bank Board Audit Committee	8,269	–	–	951	–	–	–	9,220
Steven Kennedy[(c)]	Member – Reserve Bank Board	–	–	–	–	–	–	–	–
Iain Ross	Member – Reserve Bank Board	57,168	–	–	6,574	–	–	–	63,743
Elana Rubin	Member – Reserve Bank Board	63,743	–	–	–	–	–	–	63,743
Carol Schwartz	Member – Reserve Bank Board	57,168	–	–	6,574	–	–	–	63,743

Table 3.2.3: Remuneration of Key Management Personnel *(continued)*

Received in 2024/25($)[(a)]

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration[5,6]
		Base salary[1]	Bonuses	Other benefits and allowances[2]	Superannuation contributions[3]	Long service leave[4]	Other long-term benefits		
Non-Executive Members of the Governance Board[(d)]									
Carol Schwartz	Member – Governance Board	34,280	–	–	3,942	–	–	–	38,223
David Thodey	Member – Governance Board	30,744	–	–	3,536	–	–	–	34,280
	Chair – Governance Board Audit and Risk Committee	7,616	–	–	876	–	–	–	8,492
Swati Dave	Member – Governance Board	30,744	–	–	3,536	–	–	–	34,280
	Member – Governance Board Audit and Risk Committee	3,811	–	–	438	–	–	–	4,249
Danny Gilbert	Member – Governance Board	30,744	–	–	3,536	–	–	–	34,280
	Member – Governance Board Audit and Risk Committee	3,811	–	–	438	–	–	–	4,249
Elana Rubin	Member – Governance Board	34,280	–	–	–	–	–	–	34,280
	Member – Governance Board Audit and Risk Committee	4,249	–	–	–	–	–	–	4,249
Jennifer Westacott	Member – Governance Board	30,744	–	–	3,536	–	–	–	34,280
Non-Executive Members of the Monetary Policy Board[(d)]									
Marnie Baker	Member – Monetary Policy Board	30,744	–	–	3,536	–	–	–	34,280
Renée Fry-McKibbin	Member – Monetary Policy Board	30,744	–	–	3,536	–	–	–	34,280
Ian Harper	Member – Monetary Policy Board	30,744	–	–	3,536	–	–	–	34,280
Carolyn Hewson	Member – Monetary Policy Board	30,744	–	–	3,536	–	–	–	34,280
Steven Kennedy[(c)]	Member – Monetary Policy Board	–	–	–	–	–	–	–	–
Iain Ross	Member – Monetary Policy Board	30,744	–	–	3,536	–	–	–	34,280
Alison Watkins	Member – Monetary Policy Board	30,744	–	–	3,536	–	–	–	34,280
Jenny Wilkinson[(c)]	Member – Monetary Policy Board	–	–	–	–	–	–	–	–

Table 3.2.3: Remuneration of Key Management Personnel *(continued)*

Received in 2024/25($)[(a)]

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration[5,6]
		Base salary[1]	Bonuses	Other benefits and allowances[2]	Superannuation contributions[3]	Long service leave[4]	Other long-term benefits		
Non-Executive Members of the Payments System Board									
Ross Buckley	Member – Payments System Board	67,460	–	–	7,758	–	–	–	75,218
Gina Cass-Gottlieb[(e)]	Member – Payments System Board	–	–	–	–	–	–	–	–
Michelle Deaker	Member – Payments System Board	67,460	–	–	7,758	–	–	–	75,218
Scott Farrell	Member – Payments System Board	67,460	–	–	7,758	–	–	–	75,218
John Lonsdale[(c)]	Member – Payments System Board	–	–	–	–	–	–	–	–
Deborah Ralston	Member – Payments System Board	67,460	–	–	7,758	–	–	–	75,218

(a) Remunerations of Key Management Personnel are in relation to the Reserve Bank of Australia entity only.
(b) All members of the Reserve Bank Board and Reserve Bank Board Audit Committee ceased on 28 February 2025.
(c) The Secretary to the Treasury, as a member of the previous Reserve Bank Board and new Monetary Policy Board, and the Chair of APRA, as a member of the Payments System Board, are not remunerated.
(d) All members of the Governance Board, Monetary Policy Board and Governance Board Audit and Risk Committee commenced 1 March 2025.
(e) Ms Cass-Gottlieb is not remunerated as a member of the Payments System Board following her appointment as Chair of the ACCC.

Notes

1. The 'Base salary' column is prepared on an accrual basis and includes gross fees or salary earned while working plus annual leave accrued and the cost of revaluing accrued leave entitlements in the case of RBA executives.
2. The 'Other benefits and allowances' column includes benefits that form part of an individual's remuneration package. This includes, for eligible members of staff, motor vehicle benefits, car parking and health benefits plus the related fringe benefits tax on these benefits.
3. The 'Superannuation contributions' column is calculated as: contribution amounts for individuals who are eligible for a defined contribution arrangement in a defined contribution scheme; and, for individuals who are in a defined benefit arrangement, an amount equal to 15.4 per cent of superannuable salary plus any employer productivity contributions.
4. The 'Long service leave' column is calculated as long service leave accrued plus the cost of revaluing accrued leave entitlements.
5. 'Total remuneration' does not include non-superannuation post-employment benefits, which are included in the reported total remuneration of Key Management Personnel in the notes to the financial statements.
6. Reported total remuneration for the positions of Governor and Deputy Governor differ from the remuneration determined by the Remuneration Tribunal by the net accrual of leave and the revaluation amount of accrued leave entitlements.

Table 3.2.4: Remuneration of Senior Executives

Received in 2024/25($)[(a)]

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary[1]	Average bonuses	Average other benefits and allowances[2]	Average superannuation contributions[3]	Average long service leave[4]	Average other long-term benefits	Average termination benefits	Average total remuneration
$0 to $220,000	14	39,829	–	8,660	6,639	9,897	–	–	65,024
$270,001 to $295,000	2	240,010	–	23,901	33,783	1,298	–	–	287,041
$295,001 to $320,000	1	242,435	–	20,084	37,430	2,543	–	–	302,493
$345,001 to $370,000	6	258,933	–	39,005	47,162	13,910	–	–	359,009
$370,001 to $395,000	4	297,223	–	39,030	47,640	7,726	–	–	381,861
$395,001 to $420,000	10	292,440	–	38,433	52,235	24,270	–	–	407,378
$420,001 to $445,000	4	319,421	–	39,638	56,476	18,104	–	–	433,640
$445,001 to $470,000	8	344,834	–	40,482	55,534	15,441	–	–	456,291
$470,001 to $495,000	4	371,132	–	39,619	60,084	13,867	–	–	484,702
$495,001 to $520,000	3	367,762	–	39,657	66,695	32,465	–	–	506,580
$520,001 to $545,000	3	402,102	–	41,525	60,281	29,938	–	–	533,846
$545,001 to $570,000	2	415,562	–	39,619	70,120	33,151	–	–	558,453
$570,001 to $595,000	3	314,457	–	29,052	43,550	28,232	–	163,812	579,103
$595,001 to $620,000	2	451,504	–	38,276	61,446	59,692	–	–	610,918
$670,001 to $695,000	2	305,024	–	35,802	49,294	14,514	–	274,796	679,430
$895,001 to $920,000	1	390,353	–	416,984	70,265	26,838	–	–	904,440
$1,470,001 to $1,495,000	1	262,929	–	1,158,803	48,040	11,701	–	–	1,481,473

(a) Each row shows an average figure based on the number of individuals within each remuneration band based on total remuneration earned; a senior executive for the purpose of this table is a member of staff holding a position of Head of Department or Deputy Head of Department (or equivalent).

Notes

1. The 'Average base salary' column is prepared on an accrual basis and includes gross salary earned while working plus annual leave accrued and the cost of revaluing accrued leave entitlements.
2. The 'Average other benefits and allowances' column includes benefits that form part of an individual's remuneration package. This includes, for eligible members of staff, motor vehicle benefits, car parking and health benefits plus the related fringe benefits tax on these benefits. For staff located interstate or overseas, this may also include allowances and accommodation benefits plus the related fringe benefits tax on these benefits.
3. The 'Average superannuation contributions' column is calculated as: contribution amounts for individuals who are eligible for a defined contribution arrangement in a defined contribution scheme; and, for individuals who are in a defined benefit arrangement, an amount equal to 15.4 per cent of superannuable salary plus any employer productivity contributions.
4. The 'Average long service leave' column is calculated as long service leave accrued plus the cost of revaluing accrued leave entitlements.

Table 3.2.5: Remuneration of Other Highly Paid Staff

Received in 2024/25($)[(a)]

Total remuneration bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary[1]	Average bonuses	Average other benefits and allowances[2]	Average superannuation contributions[3]	Average long service leave[4]	Average other long-term benefits	Average termination benefits	Average total remuneration
$260,000 to $270,000	32	204,744	–	14,583	33,737	11,327	–	–	264,391
$270,001 to $295,000	74	207,742	–	23,450	34,816	10,717	–	5,178	281,903
$295,001 to $320,000	37	226,023	–	23,000	37,825	11,774	–	8,463	307,084
$320,001 to $345,000	22	221,667	–	39,078	38,922	12,995	–	18,836	330,642
$345,001 to $370,000	12	244,268	–	21,190	41,802	17,160	–	28,898	353,318
$370,001 to $395,000	4	299,499	–	22,690	45,001	11,483	–	–	378,673
$395,001 to $420,000	2	127,675	–	138,853	21,867	6,203	–	103,336	397,935
$420,001 to $445,000	3	265,102	–	108,327	44,720	8,602	–	–	426,751
$445,001 to $470,000	1	151,970	–	272,833	25,084	5,132	–	–	455,019
$470,001 to $495,000	3	148,776	–	207,385	29,585	8,034	–	88,843	482,624
$545,001 to $570,000	1	249,901	–	236,464	51,839	12,909	–	–	551,113
$620,001 to $645,000	1	175,379	–	423,483	31,387	7,127	–	–	637,376
$645,001 to $670,000	1	188,624	–	426,165	33,738	11,154	–	–	659,680
$770,001 to $795,000	1	130,664	–	622,383	23,740	6,710	–	–	783,498
$870,001 to $895,000	1	186,159	–	638,744	34,965	15,828	–	–	875,697

(a) Each row shows an average figure based on the number of individuals within each remuneration band based on total remuneration earned.

Notes

1. The 'Average base salary' column is prepared on an accrual basis and includes gross salary earned while working plus annual leave accrued and the cost of revaluing accrued leave entitlements.
2. The 'Average other benefits and allowances' column includes benefits that form part of an individual's remuneration package. This includes, for eligible members of staff, motor vehicle benefits and health benefits plus the related fringe benefits tax on these benefits. For staff located interstate or overseas, this may also include allowances and accommodation benefits plus the related fringe benefits tax on these benefits.
3. The 'Average superannuation contributions' column is calculated as: contribution amounts for individuals who are eligible for a defined contribution arrangement in a defined contribution scheme; and, for individuals who are in a defined benefit arrangement, an amount equal to 15.4 per cent of superannuable salary plus any employer productivity contributions.
4. The 'Average long service leave' column is calculated as long service leave accrued plus the cost of revaluing accrued leave entitlements.

Endnotes

1 RBA (2025), 'Corporate Plan 2025/26'.

3.3 Risk Management

Our risk and compliance management framework provides a structured and systematic approach to identifying, assessing, managing, monitoring and reporting risks that could affect the RBA's ability to meet its objectives. The framework is overseen by the Risk Management Committee and the Audit and Risk Committee, and is approved by the Governance Board. The key risks we face at present relate to our large transformation agenda, psychosocial health, technology service resilience, information security, management of suppliers and preserving public trust and confidence in our policymaking.

Key outcomes in 2024/25

- We have taken significant steps to strengthen our risk and compliance management framework. This has included enhancing our 'three lines of accountability', improving governance structures and processes and strengthening the 'voice of risk'.
- We continue to face challenging operational risks, given the amount of change underway and growing threats to information and cyber security. We remain focused on mitigating these risks. Financial risks have declined as our bond holdings have matured (without replacement), in turn reducing interest rate risk.

Risk and compliance management framework

Our risk and compliance management framework sets out the principles for how we manage risks to help us achieve our objectives. The framework is underpinned by a risk management policy, risk appetite statement and supporting standards, which outline how we identify, assess and manage risks within acceptable levels. We embed internal controls in our systems and processes to manage and/or mitigate risks.

We manage risks at both an enterprise (top-down) and departmental (bottom-up) level, commensurate with our risk appetite. We set risk appetite levels across our risk categories and monitor against quantifiable metrics, wherever possible. Processes, data and systems help us to oversee mitigating action plans appropriately, when we deem risk levels to be outside appetite.

We continuously support and promote a proactive risk management culture that balances risk and reward. Our frameworks and policies provide staff with clarity on their responsibilities, as well as guidance for managing and taking appropriate risks.

As part of a multi-year program, we are currently transforming and strengthening our risk and compliance management framework, together with our risk management practices, risk accountabilities and risk culture more broadly.[1] This follows recommendations in the Deloitte review of the Reserve Bank Information and Transfer System (RITS) and the 2023 review of the RBA. In 2024/25, we:

- strengthened our governance structures by establishing the Governance Board and Audit and Risk Committee
- refreshed and reinforced our 'three lines of accountability' framework, to ensure clarity of accountabilities
- reinforced the critical role of the Chief Risk Officer as the 'voice of risk' within the RBA, to support stronger independent oversight and a culture of risk-informed decision-making
- raised our risk and compliance capability and capacity to support the business areas and the Chief Risk Officer's function
- introduced detailed risk standards to support a more structured and consistent approach to identify, assess and manage risks.

Table 3.3.1: Three Lines of Accountability

First line Own & Manage Risk	Second line Review, Challenge & Insight	Third line Independent Assurance
Departments own and manage the risks they originate in pursuit of their business objectives, guided by the guardrails defined by Line 2.	Provides review and challenge of first line risk and compliance management activities, along with thematic insight and specialist advice. Oversees the implementation of the risk and compliance management framework.	Provides independent, risk-based and objective assurance to the Governance Board and senior management that the risk and compliance management framework is operating effectively to support the achievement of business objectives.

In 2025/26, we will continue to implement and embed enhanced risk practices across the RBA, including further investing in training, lifting capability and our risk management system, while progressively improving the quality of information presented to the Audit and Risk Committee.

Three lines of accountability

As part of the risk transformation, we have enhanced our 'three lines of accountability' model to align with global standards and help staff understand their roles in actively managing risks. These three lines are outlined in Table 3.3.1.

Risk governance oversight

The Governance Board oversees our risk and compliance management framework and its operation by management. Following the changes to the RBA's governance structure in 2024/25 (described in Part 1.2: Governance and Accountability), the Governance Board is responsible for setting our risk appetite. It is supported by the Audit and Risk Committee to monitor our risk management and system of internal control. The Audit and Risk Committee oversees the risks we face, other than those taken as part of decisions on monetary policy, financial stability policy and payments policy functions. Responsibility for the latter risks lie with the Monetary Policy Board and the Payments System Board, as discussed in Part 1.2: Governance and Accountability. The Governance Board also oversees risks associated with our ownership of Note Printing Australia Limited (NPA), while the NPA Board and management oversee NPA's operational risks.

The Risk Management Committee oversees the RBA's overall risk management practices. It is chaired by the Deputy Governor, meets at least six times a year, and informs the Executive Committee, the Audit and Risk Committee and the Governance Board of its activities.

The Risk Management Committee is assisted in its responsibilities by Risk and Compliance Department, headed by the Chief Risk Officer. The Risk and Compliance Department works closely with individual business areas to ensure effective management of their risk and compliance environment within a framework that is consistent across the RBA. It monitors our risk profile and supports all business areas by ensuring consistent application of enterprise-wide control frameworks. These controls cover fraud, bribery and corruption, business continuity and compliance-related risks. The Chief Risk Officer reports to the Deputy Governor and the Chair of the Audit and Risk Committee.

The Audit Department undertakes a risk-based audit program to provide independent assurance that risks are being identified and that key controls to mitigate these risks are well designed, implemented and working effectively. The Head of Audit Department reports to the Deputy Governor and the Chair of the Audit and Risk Committee. The Audit Department's work is governed by a charter, which is approved by the Audit and Risk Committee.

Risk appetite

Our risk appetite is defined as the amount of risk we are prepared to accept when pursuing our objectives and strategic priorities. It can be expressed on a scale that ranges from 'high appetite' to 'no appetite'.

The Risk Management Policy, which captures our risk appetite, is designed to ensure we manage risks in a manner that supports the achievement of our objectives. Our risk appetite levels have been set across six categories of risk: operational, strategic, financial markets, compliance, people and culture, and policy. Policy risks are overseen by the Governor, the Monetary Policy Board and the Payments System Board, as noted above.

In 2025/26, we will refresh our risk appetite statement. We intend our new statement to include qualitative and quantitative tolerance levels, where applicable, to better define and monitor our appetite across the risk categories. The revised risk appetite statement will be determined by the Governance Board.

Risk profile

To support a structured and consistent approach to risk management, we classify the RBA's risks into the six broad categories listed above. This classification helps ensure that all material risks are identified, assessed and managed appropriately.

Operational risk

We manage a broad range of operational risks in our day-to-day work:

- *Technology resilience*: our activities are highly dependent on IT systems. Information Technology Department collaborates with relevant business areas to monitor, assess and manage IT-related risks, and to ensure IT-related initiatives are consistent with our risk appetite and support our corporate plan. This work is informed by ongoing evaluation of industry developments, innovation and evolving best practice. This helps keep our systems and procedures robust and in line with current IT standards.
- *Cyber resilience*: protecting against cybersecurity threats is one of our priorities. We continue to strengthen both our preventative and detective controls and the response and recovery capabilities of our critical national infrastructure. We do this by investing in layered security controls and validating our practices through regular assurance activities (as noted in Part 3.1: Management of the Reserve Bank). This includes compliance with security strategies endorsed by the Australian Signals Directorate, and the ISO 27001 global standard for Information Security Management.
- *Business process resilience*: the resilience of our payment and banking services is critical for the Australian economy. In 2024/25, we continued to strengthen operational resilience by working to reduce the risk and impact of disruptions, maintaining stakeholder communication, and supporting staff wellbeing. We monitor business process resilience through key indicators and incident analysis. Relevant risks are tracked as part of our key risks, with designated risk owners accountable for overseeing and reporting regularly to the Risk Management Committee. A key initiative in 2024/25 was the Data Protection Program, which delivered a cyber uplift to our business continuity management process. These efforts support our three-year Operational Resilience Strategy (2023–2025) and are aligned to the broader risk transformation work underway.
- *Information management*: we manage a range of confidential, personal and sensitive information, along with a large archival collection. Loss, damage or unauthorised disclosure of this information could impair our ability to function effectively and meet our compliance and, potentially, our legal, responsibilities. Management of information assets is supported by an information management framework, which includes policies, procedures, tools, controls and a comprehensive program of training and engagement.
- *Third-party risk management*: we depend on third parties for critical and non-critical operations. To strengthen oversight, we have enhanced our supplier and contract management framework, introduced new tools and delivered targeted training. Ongoing support for contract owners will reinforce best practices, helping us manage risk and maximise value across supplier relationships.

Strategic risk

Effective strategic planning and execution are essential to achieving the RBA's strategic objectives. Strategic risk reflects the potential challenges in setting and delivering the RBA's strategic direction, including risks arising from internal execution and external changes in the operating environment. This includes our execution of several large, multi-year initiatives discussed in the 2025/26 Corporate Plan. We manage these risks through structured governance of the enterprise project portfolio, including investment review processes, strategic alignment assessments and ongoing performance monitoring.

Reputational risk is a key dimension of strategic risk. Maintaining public confidence and trust is essential to achieving our strategic objectives. This is supported through proactive communications and public engagement. A failure in this area could result in significant reputational damage, undermining our ability to meet our monetary policy or financial stability objectives.

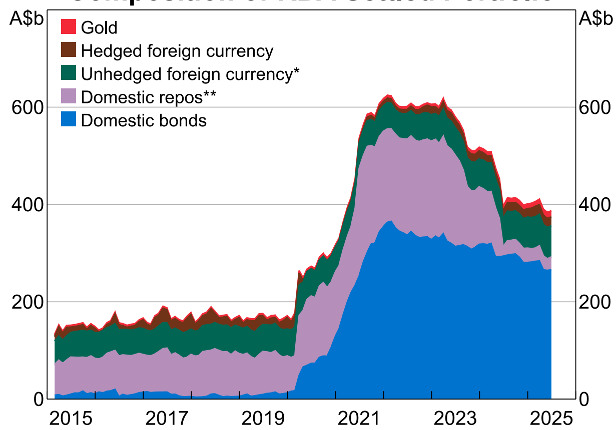
Innovation remains a key enabler of our strategic agenda. We continue to focus on responsibly exploring and applying data analytics and emerging technologies, including the use of artificial intelligence, to support our core functions. This is most notable when developing monetary policy advice and working to shape the future of payments.

Financial markets risks

We hold domestic and foreign currency denominated financial instruments to support operations in financial markets that help achieve our policy objectives (see Part 2.2: Operations in Financial Markets). These instruments account for most of our assets and expose our balance sheet to financial risks (Graph 3.3.1). The primary responsibility for managing these risks rests with Financial Markets Group.

Graph 3.3.1

Composition of RBA Settled Portfolio



* Unhedged foreign currency contains outright foreign exchange, SDRs (Special Drawing Rights), and ABF (Asian Bond Fund) investments.

** Domestic repurchase agreements (repos) are valued based on the amount of cash lent. Other assets are valued at market value.

Source: RBA.

Exchange rate risk

We are exposed to exchange rate risk, as some of our assets are denominated in foreign currency but most of our liabilities are denominated in Australian dollars. Foreign exchange assets are held for policy purposes, with most of these assets held outright. The associated foreign exchange risk is mitigated by diversifying across currencies. The foreign portfolio's currency allocation reflects our risk appetite and desired liquidity (see Part 2.2: Operations in Financial Markets). A small component of our foreign assets is borrowed under swaps against the Australian dollar and are hedged against movements in exchange rates.

The Australian dollar value of our unhedged foreign exchange holdings increased over 2024/25. Based on the size of the unhedged foreign exchange portfolio, as at 30 June 2025, a 10 per cent appreciation of the Australian dollar would result in a mark-to-market loss of $4.9 billion. This is higher than in 2023/24.[2]

Interest rate risk

The value of our financial assets is also sensitive to movements in market interest rates. Interest rate risk on our portfolio remains historically high because of earlier policy decisions to purchase domestic bonds between 2020 and 2022, in response to the COVID-19 pandemic. These assets were funded by creating Exchange Settlement (ES) balances that pay a variable interest rate, set at 10 basis points below the cash rate target (the ES rate).

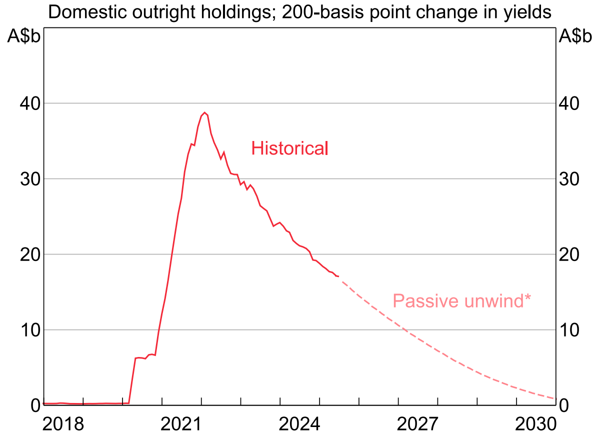
These assets and liabilities have implications for the RBA's balance sheet and earnings:

- Balance sheet: our financial assets are revalued daily to reflect changes in market values and portfolio composition. The sensitivity in the value of bond holdings to changes in interest rates (bond yields) has declined to around half the peak observed in late 2021, as some bonds have matured and the average duration of outstanding bond holdings has declined. This price sensitivity will continue to decline over time as bonds mature (Graph 3.3.2).

Graph 3.3.2

Interest Rate Risk on RBA Portfolio

Domestic outright holdings; 200-basis point change in yields



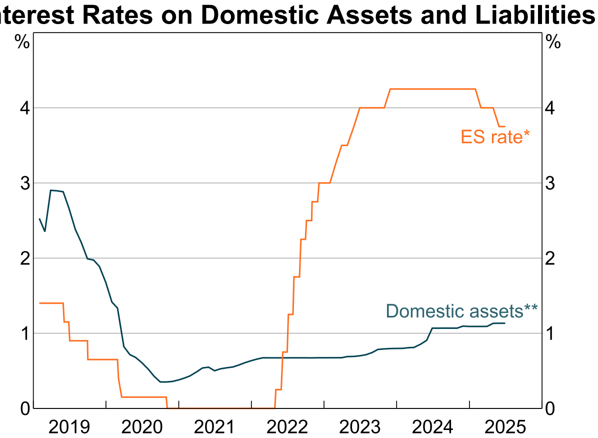
* Passive unwind reflects the natural reduction in interest rate risk as bond holdings mature and roll off without active portfolio rebalancing.

Source: RBA.

- Earnings: bonds that we purchased during the pandemic were acquired at low fixed interest rates. Since 2022, we have made losses on our bond holdings because the rate paid on ES balances has increased in line with the cash rate target, to be well above the rate earned on the bonds (Graph 3.3.3, see Part 3:4 Earnings, Distribution and Capital for additional discussion).

Graph 3.3.3

Interest Rates on Domestic Assets and Liabilities



* Assumes a 10-basis point spread below the cash rate target.

** Weighted-average yield-to-maturity of outstanding domestic government bonds and interest rate on Term Funding Facility (TFF) reverse repos.

Source: RBA.

Our foreign assets are managed relative to a benchmark portfolio in each currency that reflects our long-term appetite for interest rate risk and return. The weighted-average benchmark duration target for our total foreign portfolio has remained low, at 6.75 months.

Banknotes on issue increased to 25 per cent of our liabilities over 2024/25, reflecting declines in ES account balances and the size of the balance sheet. Banknotes on issue (other than those held by banks) incur no interest cost.

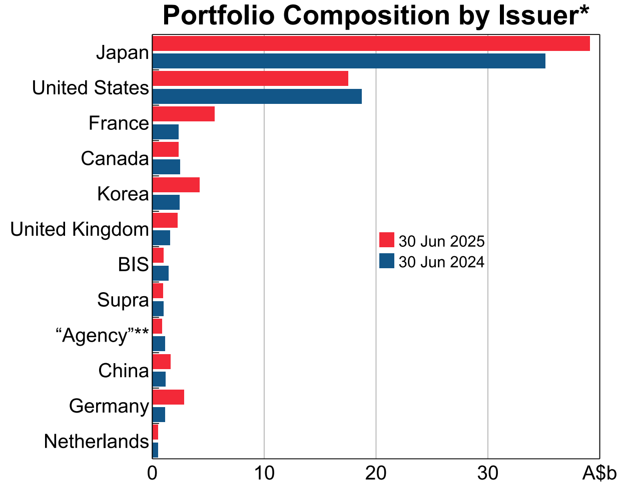
Credit risk

Credit risk is the potential for financial loss arising from the default of a debtor or issuer, or from a decline in asset values following a deterioration in credit quality. We manage our credit exposure by applying a strict set of eligibility criteria to our holdings of financial assets and to the counterparties with which we transact. The scale of our exposure to this risk is discussed in Part 4: Financial Statements, Note 15.

We are exposed to minimal issuer credit risk on our outright holdings of domestic securities because we invest only in securities issued by the Australian Government and state and territory government borrowing authorities. Investments in the foreign currency portfolio are also typically confined to highly rated securities issued by national governments, supranational institutions and government-owned agencies, as well as deposits with foreign central banks. Gross holdings of Japanese yen-denominated assets remained the largest share of foreign currency issuer exposures (Graph 3.3.4). A limit on the size of exposures to individual currencies mitigates concentration risk.

Graph 3.3.4

Portfolio Composition by Issuer*



* Includes assets held outright, funded by foreign exchange swaps and cross currency basis swaps, and held under repurchase agreements.

** "Agency" refers to government-owned agencies

Source: RBA.

We are exposed to a small amount of counterparty credit risk on domestic and foreign repos. To protect against this, we transact repos only under a Global Master Repurchase Agreement with counterparties that meet our eligibility criteria, only purchase securities under repo that meet our eligibility criteria, and apply an appropriate margin that is maintained through daily margining. For the foreign currency portfolio, we impose limits on individual counterparty exposures.

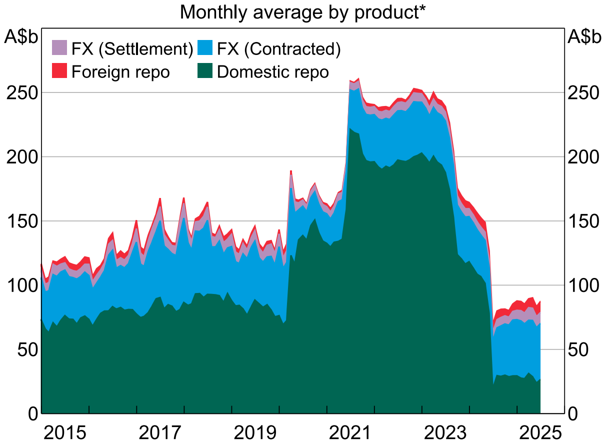
Credit risk on foreign exchange and gold swaps is managed by transacting only with counterparties that meet strict eligibility criteria. Counterparties must have executed with us an International Swaps and Derivatives Association agreement with a credit support annex. Daily two-way margining of market value changes takes place for foreign currency repos in their local currency and foreign exchange and gold swaps in Australian dollars (see Part 4: Financial Statements, Note 15).

The size of our counterparty credit exposures in notional terms has declined significantly over the past two years. This is mostly due to the maturity of domestic repos with 3-year terms that were entered into with authorised deposit-taking institutions during the pandemic under the Term Funding Facility (TFF) (Graph 3.3.5). As most of our credit exposures are collateralised, the associated credit risk is low.

Graph 3.3.5

Total Exposures to Counterparties

Monthly average by product*



* Outright security holdings are excluded.

Source: RBA.

Liquidity risk

As Australia's central bank, we do not have liquidity risk on our domestic portfolio because we can create Australian dollar liquidity on demand. Nevertheless, we minimise the liquidity risk that could be incurred if we were to sell domestic securities in two ways. First, our outright holdings include only very liquid securities issued by the Australian Government or by state and territory government borrowing authorities. Second, liquidity risk from potential sales of securities held under domestic repos – which we could own in the event of a counterparty default – are managed through our collateral eligibility criteria, setting conservative margins and daily margin maintenance.

In our foreign portfolio, we always maintain a high level of liquidity to ensure that we can achieve our policy objectives, including through foreign currency intervention if required. The foreign portfolio liquidity framework incorporates internal assessments of the liquidity characteristics of various assets to ensure that a minimum level of investment is maintained in highly liquid assets. We have also increased our overall policy capacity in recent years by borrowing foreign currency under long-term swaps against the Australian dollar (see Part 2.2: Operations in Financial Markets).

Compliance risk

The effective management of compliance risk is central to our activities. Risk and Compliance Department collaborates with all business areas to ensure compliance risks are managed effectively. Staff complete annual training in areas such as workplace behaviour, fraud and corruption awareness, privacy, and workplace health and safety.

We manage risks related to the handling of confidential and sensitive information to ensure there are no unintended disclosures. While the primary focus is on ensuring sufficient controls are in place to prevent a breach occurring, the risk and compliance management framework also seeks to ensure that we can respond appropriately should a breach occur.

We do not tolerate fraudulent or corrupt behaviour and are committed to deterring and preventing such behaviour. We take actual or suspected cases of fraud and corruption very seriously. All staff involved in financial dealing have well-defined limits to their authority to take risks or otherwise commit the RBA. These arrangements are further enhanced by the separation of front-, back- and middle-office functions, where staff involved in trading, settlement and reconciliation activity remain physically apart and have separate reporting lines. For non-trading activities, several layers of fraud control are in place. We have established a clear decision-making hierarchy, and separation of duties and physical controls over systems and information. These are regularly reviewed. We also have arrangements for staff and members of the public to report any concerns anonymously, including an option, if preferred, to report concerns directly to the National Anti-Corruption Commission. All concerns are fully investigated. In 2024/25, there was one reported instance of fraud and corruption by an employee.

People and culture risk

We are exposed to and must mitigate risks relating to people and culture, such as resourcing, safety and wellbeing (see Part 3.2: Our People for further discussion). We remain committed to maintaining and strengthening a workplace culture in which staff uphold the highest standards of behaviour. Our Code of Conduct is regularly reviewed and sets out requirements for employees and others involved in our activities. We provide avenues for staff to report concerns about breaches of the Code of Conduct, including anonymously.

Policy risk

In addition to the above, there are risks in monetary, financial stability and payments policy decision-making. Over 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 changing global policy on global demand and supply, trade relationships and economic and financial resilience; the potential for growth in the supply capacity of the economy to be subdued; the impact of climate-related and operational risks on the resilience of the economy and financial system
- for payments policy: the success of efforts to strengthen the resilience of financial market infrastructure; the implications of limits to the authority of the RBA's ability to regulate all payment methods; and how smoothly new payments technology and forms of currency displace historical ways of transacting.

These risks are the responsibility of the Monetary Policy Board and the Payments System Board.

Current key operating risks

We face a broad range of risks in our day-to-day operations. These have been amplified by the scale, complexity and interdependency of the work involved in our transformation agenda. A summary of the current key operating risks that are actively being managed at present, and the approach taken to mitigate them, is provided in Table 3.3.2.

Table 3.3.2: Key Operating Risks

Key operating risks	Approach to managing
Change delivery: delivery of our core objectives and strategic priorities, given the high volume of concurrent change being imposed on us in response to independent reviews and the need to replace our core IT infrastructure.	Actively prioritise work based on our strategic priorities, charter objectives and our risk profile; 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.
Psychosocial hazards: the management of our people, including the psychosocial health and wellbeing of our staff and contractors.	Strengthen leaders' 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.
Critical technology services resilience: 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.
Information security management: the 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 to and recover from cyber incidents. Supported by work to progress the strategic priority of delivering highly resilient payment and banking services.
Management of suppliers: the management of our third and fourth-party contractual obligations to support critical and non-critical operations.	Implement frameworks, tools and systems to enhance supplier management, including strengthening the design and assurance of controls and building capability across the RBA.
Trust and confidence: 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 modernised 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.

Endnotes

1 For more information, see RBA (2025), 'Corporate Plan 2025/26'.

2 Based on our total foreign exchange reserves exposure (including unhedged holdings of foreign exchange, Special Drawing Rights, gold and the Asian Bond Fund), as at 30 June 2025, a 10 per cent appreciation of the Australian dollar would result in a mark-to-market loss of $7.0 billion.

3.4 Earnings, Distribution and Capital

In 2024/25, we recorded an accounting profit of $11.0 billion. This was due to valuation gains on domestic bond and foreign exchange holdings more than offsetting negative underlying earnings. In accordance with the *Reserve Bank Act 1959*, unrealised gains totalling $11.7 billion were transferred to the unrealised profits reserve, with the balance added to accumulated losses.

Earnings and distribution

Our earnings come from two sources: underlying earnings – which include net interest and fee income less operating costs – and valuation gains or losses on our holdings of government bonds and foreign exchange.

Underlying earnings arise because we earn interest on most of our assets but historically have not paid interest on a large proportion of our liabilities, namely banknotes on issue. However, the rise in Exchange Settlement (ES) balances over recent years means our net interest earnings were again negative in 2024/25. Negative interest earnings reflect the fact that most of our domestic assets earn fixed rates of return (and at the much lower interest rates that prevailed when those assets were acquired), but our ES balances (currently our main interest-bearing liability) are paid a floating interest rate linked to the official cash rate. We expect net interest earnings to gradually improve as the low-return assets acquired during the COVID-19 pandemic mature.

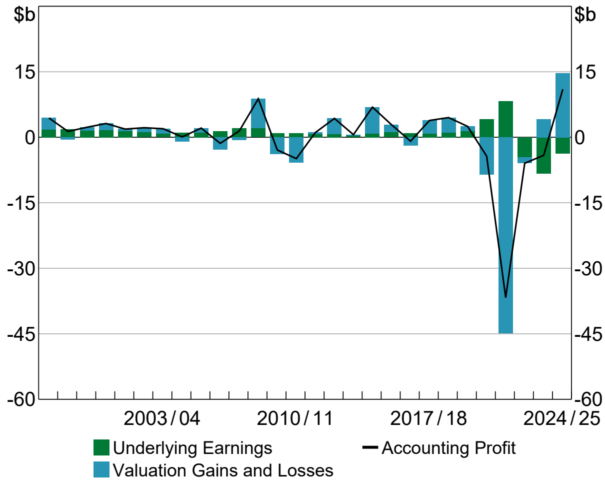
Valuation gains and losses result from movements in exchange rates or changes in the market yields on securities held outright. A depreciation of the Australian dollar or a decline in market yields results in valuation gains, while an appreciation of the Australian dollar or a rise in market yields leads to valuation losses. These gains and losses are realised only when the underlying asset is sold or matures.

In 2024/25, our accounting profit of $11.0 billion (Graph 3.4.1) comprised the following:

- *Underlying earnings of –$3.7 billion, as interest expense exceeded interest income:* Net interest expense was less than preceding years, as funds lent under the Term Funding Facility were repaid by 1 July 2024. As noted above, negative interest earnings reflect the payment of a higher rate on ES balances than we earn on our portfolio of assets.
- *Net valuation gains of $14.7 billion:* These gains largely owe to the fall in domestic government bond yields and depreciation of the Australian dollar.

Graph 3.4.1

Accounting Profit



Source: RBA.

Capital and reserves

The Governance Board has a framework for capital, which aims to hold a sufficient balance in the Reserve Bank Reserve Fund (RBRF). This is essentially the RBA's capital, to absorb losses that might reasonably be anticipated. The target balance is set with reference to market risk arising from our portfolio of foreign and domestic securities. A small amount is also assigned to credit risk arising from the very small exposures to commercial banks that are not collateralised. Given the policy reasons that underpin our holdings of domestic and foreign assets, we have limited discretion to manage market risk on these assets (see Part 3.3: Risk Management). Accordingly, we accept that capital could, at times, be below target or possibly negative, owing to movements in interest and exchange rates. The target is not a minimum level of capital that needs to be maintained at all times. Rather, it is a benchmark for the Governance Board to consider when providing advice to the Treasurer regarding the RBA's capital and distribution.

As at 30 June 2025, the RBRF had a balance of nil, with accumulated losses (unable to be absorbed by the RBRF) of $34.7 billion.

We also maintain several other financial reserves:

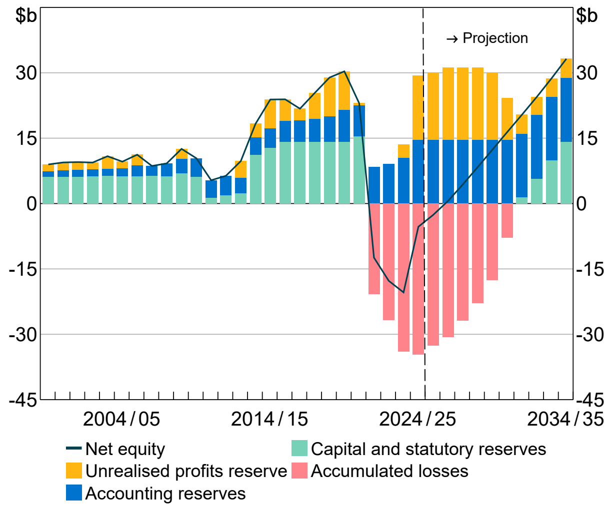
- The balance in the unrealised profits reserve represents unrealised valuation gains accumulated on holdings of securities and foreign exchange.
- Asset revaluation reserves comprise accumulated valuation gains on our non-traded assets, such as gold holdings and property.

As at 30 June 2025, the RBA recorded a negative equity position of $5.3 billion (compared with a negative equity position of $20.4 billion at 30 June 2024), as accumulated losses on the balance sheet exceeded the combined balance of other reserves (Graph 3.4.2). The improvement in the net equity position reflects the accounting profit recorded in 2024/25 and valuation gains on the RBA's gold holdings (which do not form part of accounting profit but are instead transferred directly to the asset revaluation reserve).

The Governance Board's judgement is that negative equity does not affect the RBA's ability to operate effectively or perform its functions, but that it is important that the equity position is restored over time. This can be achieved by retaining future year profits. Should market expectations (as at 30 June 2025) for the cash rate be realised, and other market prices and exchange rates remain unchanged, negative equity is likely to diminish over the next two years. A return to target for the RBRF is not expected for around a decade.

Graph 3.4.2

Equity*



* Projections reflect market interest rate expectations and exchange rates from June 2025 and a passive unwind of the RBA's domestic bond portfolio. Future distributable earnings are assumed to offset accumulated losses, but such transfers are formally determined by the Treasurer each year.

Source: RBA.

The Governance Board has communicated its strong expectation to the Australian Government that future distributable earnings would be applied, in full, to offsetting the accumulated losses and then restoring the balance of the RBRF to target. In response, the Treasurer has endorsed the Governance Board's approach to restoring the equity position over time, while noting any retention of earnings remains at the discretion of the Treasurer in terms of the *Reserve Bank Act 1959*. The Treasurer has also agreed with the Governance Board's judgement that the negative equity position does not affect the RBA's ability to operate effectively or perform its functions.