



RESERVE BANK OF AUSTRALIA

Annual Report

2025



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.

This report is also available electronically on the RBA's website:
www.rba.gov.au/publications/annual-reports/rba/2025

The Reserve Bank welcomes comments on this report.
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Annual Report

2025

Reserve Bank of Australia

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Letter of Transmittal



RESERVE BANK OF AUSTRALIA

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Michele Bullock
GOVERNOR

10 September 2025

The Hon Dr Jim Chalmers MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

RESERVE BANK OF AUSTRALIA ANNUAL REPORT 2025

As Chair of the Reserve Bank's Governance Board and in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013*, I am pleased to submit, for and on behalf of the Reserve Bank's Governance Board as the accountable authority of the Reserve Bank, the Reserve Bank's Annual Report for 2025 for presentation to the Parliament.

Yours sincerely

A handwritten signature in blue ink that reads 'Michele Bullock'.

Foreword

I am pleased to present the Reserve Bank of Australia's 2024/25 annual report, which documents how we have served the Australian people during the year. It has been an honour to lead our people over this time, and I am proud of what we have achieved together.

The past year has seen the largest changes to the governance and decision-making structures of the Reserve Bank since 1998. Following the passage in November 2024 of amendments to the *Reserve Bank Act 1959*, we have established two new boards to replace the Reserve Bank Board (after 65 years in existence). The new Governance Board oversees the operations of the RBA and the functioning of its business services.

The Monetary Policy Board sets the RBA's monetary and financial stability policies. And the Payments System Board remains responsible for payments policy. We are already seeing the benefits that this new board structure brings, and I am confident it will support our mission of promoting the economic prosperity and welfare of the Australian people, now and into the future.

Our work in 2024/25 has also been shaped by a number of other developments that have affected the environment in which we operate.

The global economy has had to adjust to considerable, and often unpredictable, changes in global trade policies. There has been a further rise in geopolitical risk. And domestically, productivity growth has remained disappointingly slow.

In payments, consumers' preferences for how they transact have continued to evolve, facilitated by rapid technological change.

More broadly, technological advances continue to offer both opportunities and challenges. These include the potential of generative artificial intelligence, which is beginning to help us find more effective ways of working, the risks posed by the increasing sophistication of cyber-attacks and the need to modernise our core technology infrastructure.

Against this backdrop, we have continued to advance our ambitious transformation agenda. This agenda covers the way we set monetary and financial stability policies, how we operate our payments settlement service, the culture we strive for, and how we manage governance and risk.

In 2024/25, this has seen us:

- embed the new processes that support the provision of advice to the Monetary Policy Board and formalise its role in contributing to financial stability, agree a new memorandum of understanding with the Australian Prudential Regulation Authority and continue our transition to a new framework for implementing monetary policy
- significantly progress the design of a new operating model for the Reserve Bank Information and Transfer System (RITS) and create a new set of IT controls to mitigate the risk of unplanned outages



Michele Bullock, Governor

- enhance our governance processes to be consistent with the higher standards demanded by the new governance structure, while also creating clearer and more streamlined decision-making
- embed our new ‘open and dynamic’ culture by establishing regular events, workshops and training, adapting our core people development and accountability processes to reinforce desired behaviours, and by our executives providing a consistent and clear focus on the importance of an open and dynamic culture
- clarify accountability for risk management through a ‘three lines of accountability’ framework, supported by a strengthened role for the Risk and Compliance Department in our organisational decision-making and comprehensive new enterprise-wide risk standards.

Alongside this transformation agenda, we have maintained a sharp focus on meeting our core objectives. I am pleased to report that we were able to meet all the targets set for 2024/25.

Inflation remained within the 2–3 per cent target range, after a prolonged period where it was too high. I am very pleased that this was achieved while keeping the economy close to full employment. The progress in bringing inflation down enabled the Monetary Policy Board to lower the cash rate twice during the year (and again in August 2025).

The financial system remained stable and provided effective support to the economy. The RBA worked closely with other agencies of the Council of Financial Regulators to ensure the financial system is well prepared for a range of adverse scenarios.

In payments, RITS achieved its operational availability targets in 2024/25, while processing 13 per cent more transactions (by value) than in the prior year. We achieved this while refreshing elements of RITS to support a broader array of functionality, including those associated with the ISO 20022 messaging format.

The work overseen by the Payments System Board is discussed in more depth in its separate annual report. Of particular note, the Board worked with relevant staff and the Australian Securities and Investments Commission to establish expectations for a significant uplift in governance and risk management at ASX, commensurate with its criticality to the Australian financial system. We also began to build our capacity to serve as the resolution authority for financial market infrastructure, if ever that is needed, following the legislative expansion of our powers in this area. Separately, we made considerable progress on a review of arrangements for merchant card payment costs and surcharging, contributed to industry discussions about the future of account-to-account payments and progressed work on the future of money.

Our banking operations made almost 350 million payments on behalf of Australian government agencies and processed a further 60 million collections. We did this at the same time as we enhanced our banking service offering, migrated the technology underpinning it to the cloud and deployed new functionality to support Confirmation of Payee services via the New Payments Platform.

And we progressed work to ensure that cash remains a viable option for those who want to use it. This included working closely with regulatory agencies and key participants in the cash distribution industry to place the industry on a surer long-term footing. We also selected a theme for the new \$5 banknote that honours the enduring connection of First Nations peoples to Country.

Turning to our financial performance, the RBA recorded an \$11.0 billion accounting profit in 2024/25, as lower bond yields and a depreciation of the Australian dollar contributed to large unrealised valuation gains. Underlying earnings remained negative, as most of our domestic assets continued to earn at lower interest rates than the rate we pay on Exchange Settlement balances, but we expect this to reverse over coming years. Taken together with valuation gains on our gold holdings, our equity position improved by \$15.0 billion during the year. That is very welcome, though we continue to operate with negative equity (of \$5.3 billion at June 2025). This does not affect our operations or ability to perform our policy functions, but the Governance Board considers it important that the RBA's capital should be restored over time. The Treasurer has indicated continued support for this approach, noting that a decision about retention of earnings is made each year.

The ambition we have set for ourselves in transforming the RBA, without sacrificing our operating performance, has required significant effort by our staff. The Governance Board and I are very grateful for the way in which the staff have responded to this challenge and achieved outstanding results. We have a dedicated and highly professional team, committed to serving the Australian people and to making the RBA fit for the future. The Board joins me in thanking them wholeheartedly for their services to Australia over the past year.

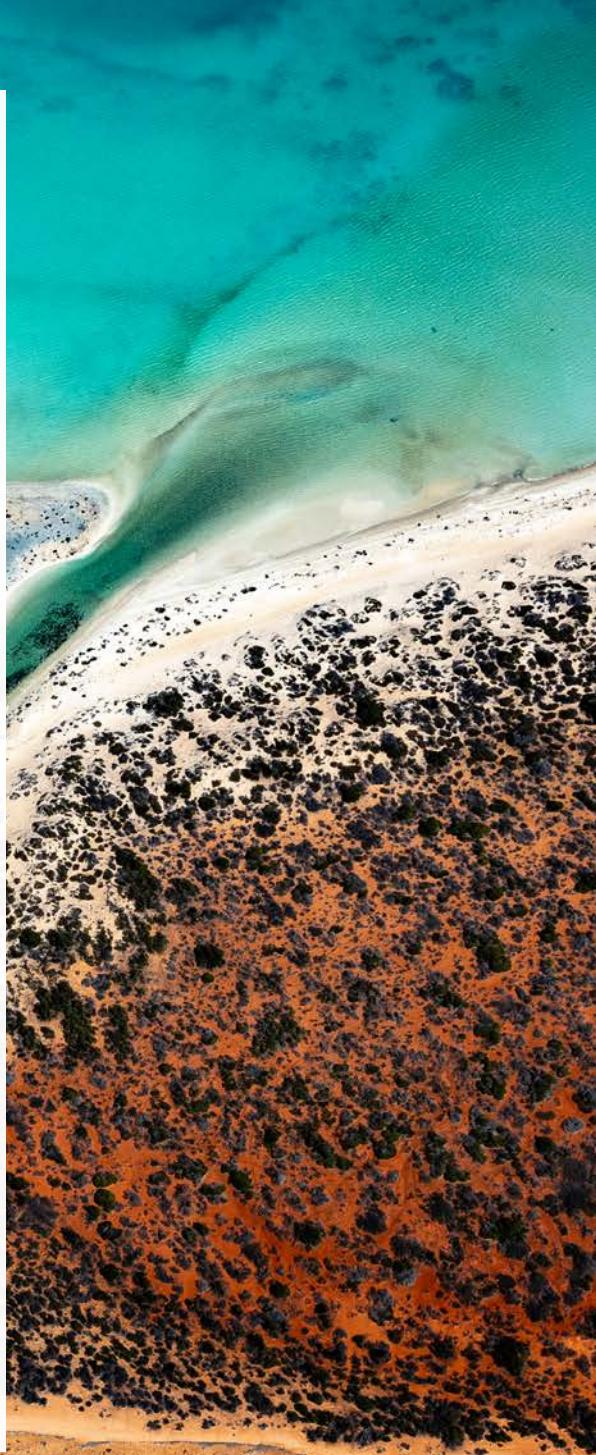


Michele Bullock
Governor and Chair of the Governance Board

10 September 2025

Part 1:

About the Reserve Bank



1.1 Our Role

The Reserve Bank of Australia (RBA) is Australia's central bank, as established under the *Reserve Bank Act 1959*. The RBA has five broad responsibilities:

- determine and implement monetary policy in pursuit of price stability and full employment
- contribute to the stability of the financial system
- support a secure, stable and efficient payments system
- deliver efficient and effective banking services to the Australian Government
- provide secure and reliable Australian banknotes.

Our mission and overarching objective is to promote the economic prosperity and welfare of the Australian people, both now and into the future. To achieve this, we have a vision of being an open and dynamic central bank that is trusted for the quality of our analysis, policy and service delivery.

To best equip us to achieve our objectives over coming years, the RBA has five strategic priorities, as outlined in the 2025/26 Corporate Plan.¹ These are shown in Figure 1.1.1.

Figure 1.1.1: RBA Corporate Plan

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

Price stability and full employment

The RBA's responsibility for monetary policy is set out in section 9B of the Reserve Bank Act, which states that a key function of the Monetary Policy Board is 'to determine the monetary policy of the Bank in a way that, in the Board's opinion, best contributes to:

- (a) price stability in Australia; and
- (b) the maintenance of full employment in Australia.'

The *Statement on the Conduct of Monetary Policy* constitutes the agreement between the Treasurer and the Monetary Policy Board on what this requires of the Board.² It specifies that price stability – which is important to preserve the value of money, reduce uncertainty and support strong and sustainable economic growth over the longer term – is best achieved by keeping consumer price inflation between 2 and 3 per cent. It also specifies that achieving full employment involves setting policy consistent with keeping employment at the current maximum level that is consistent with low and stable inflation.

Monetary policy decisions are implemented through the setting of administered interest rates for our liquidity facilities and our regular operations in domestic financial markets. Operations in financial markets can also be undertaken, when necessary, to ensure the stable functioning of the financial system, including by ensuring there is sufficient liquidity in money markets.

The stability of the 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. Given the serious damage to economic prosperity and welfare that can be caused by financial instability, section 45 of the Reserve Bank Act establishes that the RBA's functions include contributing to the stability of Australia's financial system.

The *Statement on the Conduct of Monetary Policy* elaborates on the ways in which the Monetary Policy Board and the RBA contribute to financial stability, including by:

- setting monetary policy to achieve the RBA's inflation and employment objectives
- publicly communicating our assessment of financial stability risks

- working closely with the Council of Financial Regulators (CFR) to identify and address risks and to coordinate policy that can address these
- providing adequate liquidity to the financial system, including in exceptional circumstances.

The RBA also has specific responsibility to oversee financial market infrastructures that could have implications for financial stability (see below).

The RBA Governor chairs the CFR, which brings together the RBA, the Australian Prudential Regulation Authority (APRA), the Australian Securities and Investments Commission (ASIC) and the Australian Treasury. The CFR is a non-statutory body whose role is to promote the stability of the Australian financial system and support effective and efficient regulation by the financial regulatory agencies. It draws on the expertise of other non-member government agencies where appropriate, and meets jointly with the Australian Competition and Consumer Commission, the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Taxation Office at least annually to discuss broader financial sector policy matters.

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 owner and operator of critical national payments infrastructure.

In relation to our policymaking role, it is the duty of the Payments System Board to ensure the RBA's payments system policy is directed to the greatest advantage of the people of Australia, and that our powers under certain legislation are exercised in a way that best contributes to controlling risk in the financial system and promoting efficiency and competition in the payments system. This is described more fully in Part 1.2: Governance and Accountability. In practice, these responsibilities cover the RBA's:

- supervision of central counterparties and securities settlement facilities, which are key components of the infrastructure that supports financial markets (the RBA also has crisis management powers with respect to domestically incorporated clearing and settlement facilities)

- role in establishing policies for the payments system that promote efficiency, competition and safety.

Our operational role in the payments system is effected through our ownership and management of the Reserve Bank Information and Transfer System (RITS), including the Fast Settlement Service, which is used by banks and other approved financial institutions to settle their payment obligations efficiently on a real-time, gross settlement basis. This ensures there is no build-up of settlement obligations associated with high-value transactions, thereby promoting the stability of Australia's financial system. The Payments System Board, supported by the RBA's payments policy area, acts as overseer of RITS. This includes assessing the RBA's observance of the Principles for Financial Market Infrastructures.

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.

Our government banking services broadly comprise two activities: managing the Australian Government's core accounts and providing transactional banking services to Australian government agencies. In common with other central banks, we also provide banking and custody services to a number of overseas central banks and official institutions. The banking services offered to the Australian Government and to other central banks include payments and collections, as well as general account maintenance and reporting.

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 backup payment method. Ensuring Australians have confidence in banknotes is critical to meeting these needs.

We preserve this confidence by designing, creating and issuing Australian banknotes that are secure and reliable. This is done in partnership with our wholly owned subsidiary, Note Printing Australia Limited (NPA). NPA also produces banknotes for other countries, as well as Australian passports and other security products. The RBA distributes banknotes to financial institutions, monitors and maintains the quality of banknotes in circulation and withdraws unfit banknotes from circulation.

Endnotes

- 1 See RBA (2025), 'Corporate Plan 2025/26'.
- 2 This agreement was renewed in July 2025. See The Treasurer and the Monetary Policy Board (2025), *Statement on the Conduct of Monetary Policy*, July.

1.2 Governance and Accountability

The governance and accountability of the RBA are achieved through the work of its three boards – the Governance Board, the Monetary Policy Board and the Payments System Board. These boards work with the Governor and the executive to fulfil the RBA's responsibilities as an independent central bank. These mechanisms are described in this Part.

Governance

The RBA is a body corporate distinct from the Commonwealth of Australia. This body corporate, established under the *Commonwealth Bank Act 1911* and continued in existence under the *Commonwealth Bank Act 1945*, was preserved with the name 'Reserve Bank of Australia' under the *Reserve Bank Act 1959*. The RBA is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Key governance changes in 2024/25

A significant transformation of our governance structure took place in 2024/25. This was initiated by the 2023 Review of the Reserve Bank of Australia and driven by resulting amendments to the Reserve Bank Act passed in late 2024. From 1 March 2025, the former Reserve Bank Board was replaced with the:

- Governance Board, which replaced the Governor as the accountable authority of the RBA under the PGPA Act, and is responsible for overseeing the organisational affairs of the RBA and its policies that are not within the remit of the Monetary Policy Board or Payments System Board
- Monetary Policy Board, which is responsible for determining monetary policy and the RBA's policy (other than payments system policy) for contributing to the stability of the financial system.

The former Audit Committee and Remuneration Committee, which were subcommittees of the Reserve Bank Board, ceased to exist. The Audit Committee was replaced by an Audit and Risk Committee, which is a subcommittee of the Governance Board. The responsibilities of the Remuneration Committee were assumed by the Governance Board. The Payments System Board, which was outside the scope of the review of the RBA, was unaffected by these changes.

These changes were implemented to update and strengthen the RBA's corporate governance, provide guidance and oversight for our executives in the running of the organisation, and enable members of the Monetary Policy Board to concentrate on monetary and financial stability policies.

Under the Reserve Bank Act, the RBA continues to be managed by the Governor, who also chairs each board (Figure 1.2.1). The Governor is assisted in their management responsibilities by the Executive Committee and the Risk Management Committee (see Part 3.1: Management of the Reserve Bank).

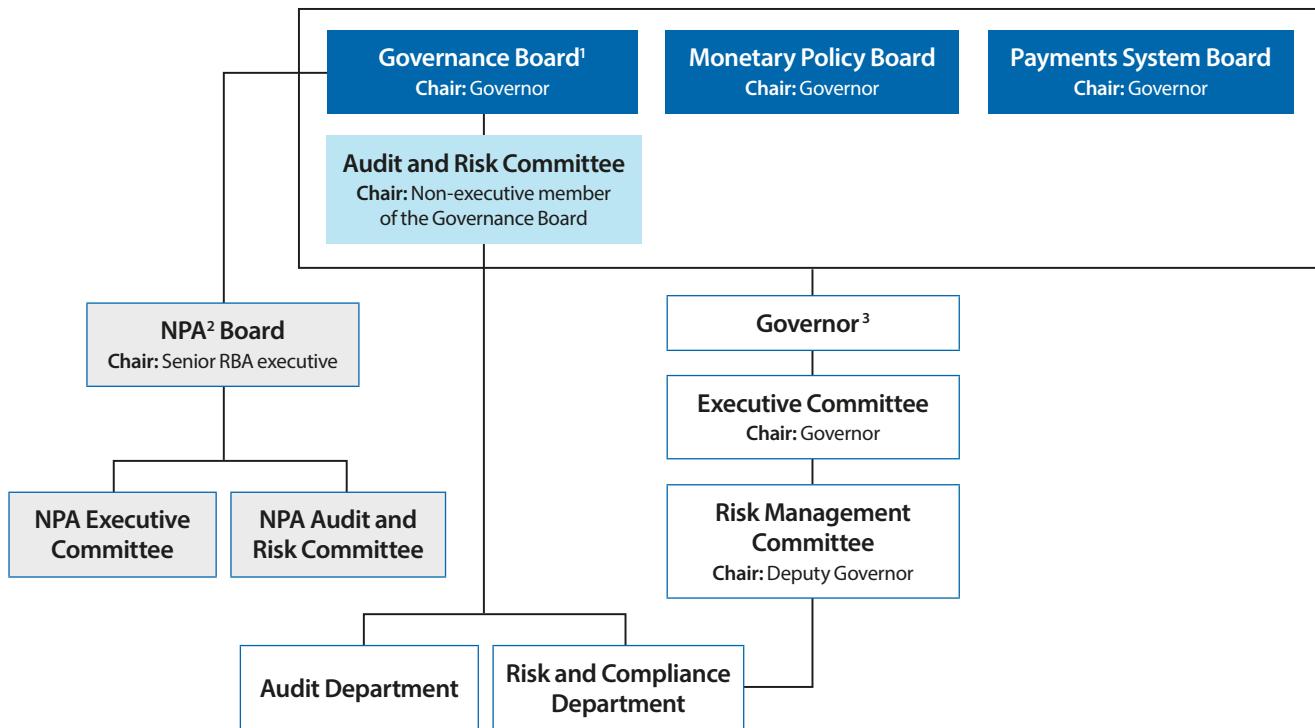
Our three boards have the responsibilities and objectives set out in the Reserve Bank Act, and operational independence to determine the policies that best achieve these. In terms of monetary policy, the *Statement on the Conduct of Monetary Policy*, as updated from time to time, has recorded the common understanding of the RBA and the Australian

Government on key aspects of Australia's monetary and central banking policy framework since 1996. The most recent agreement in July 2025 was the first reached with the Monetary Policy Board.¹ Similarly, both the Payments System Board and the Governance Board are guided in their approach by their respective statement of expectations and statement of intent between the Australian Government and the respective board.²

Note Printing Australia Limited (NPA) is a wholly owned subsidiary of the RBA. NPA is governed by a board of directors and operates under a charter reviewed and approved annually by the Governance Board.

Figure 1.2.1: RBA Governance Structure

September 2025



1. Under section 7A of the *Reserve Bank Act 1959*, the Governance Board is the accountable authority of the RBA for the purposes of the *Public Governance, Performance and Accountability Act 2013*.
2. Note Printing Australia Limited.
3. Under section 12 of the Reserve Bank Act, the Governor is responsible for managing the RBA.

Governance Board

The responsibilities of the Governance Board, as set out in section 10D of the Reserve Bank Act, include:

- overseeing and determining policies for the management and organisational affairs of the RBA
- determining the RBA's policies for delivering banking services to the Commonwealth and issuing, re-issuing and cancelling Australian banknotes
- determining the RBA's policies for any other matter not covered by the functions of the Monetary Policy Board or the Payments System Board.

The Governance Board is the RBA's accountable authority under the PGPA Act. As accountable authority, the Board is responsible for establishing frameworks and policies for, among other things, the proper use and management of our resources, establishing and maintaining appropriate systems of risk oversight and risk management, and governing the RBA to promote the achievement of our purposes. The Governance Board is also responsible for approving the RBA's annual report and corporate plan.

The Governance Board's charter is published on the RBA website.³

Details of the members of the Governance Board are provided in Part 1.3: Governance Board.

Seven members form a quorum for a meeting of the Governance Board. Consistent with the Reserve Bank Act, the Board makes decisions by a majority of the members present, with the Chair having a casting vote, if necessary. Board meetings are held at the RBA's temporary head office in Sydney (as is the case for all our boards). Two meetings were held in 2024/25, with one member participating remotely on each occasion. Attendance by members is shown in Table 1.2.1.

Table 1.2.1: Governance Board Meetings – 2024/25

Attendance by members

Member	Role	Term	No. of meetings attended	No. of meetings eligible to attend
Michele Bullock	Chair; Governor	Governor – Sep 2023 Chair – Mar 2025 – Sep 2030	2	2
Carol Schwartz	Deputy Chair	Mar 2025 – Feb 2027	2	2
Andrew Hauser	Ex officio member; Deputy Governor	Deputy Governor – Feb 2024 Ex officio member – Mar 2025 – Feb 2029	2	2
Susan Woods	Ex officio member; Chief Operating Officer	COO – Mar 2024 Ex officio member – Mar 2025 – Feb 2030	2	2
Swati Dave	Non-executive member	Mar 2025 – Aug 2029	2	2
Danny Gilbert	Non-executive member	Mar 2025 – Feb 2030	2	2
Elana Rubin	Non-executive member	Mar 2025 – Aug 2028	2	2
David Thodey	Non-executive member	Mar 2025 – Aug 2029	2	2
Jennifer Westacott	Non-executive member	Mar 2025 – Feb 2030	2	2

The Governance Board has an Audit and Risk Committee, whose activities are described below.



Governance Board members at their meeting in August 2025.

From left to right: Back row – Danny Gilbert AM, Susan Woods, Deputy Governor Andrew Hauser, Deputy Chair Carol Schwartz AO, Anthony Dickman (Reserve Bank Secretary), David Thodey AO; Front row – Elana Rubin AM, Swati Dave, Governor Michele Bullock, Jennifer Westacott AC. Source: RBA.

Audit and Risk Committee

The Audit and Risk Committee is a subcommittee of the Governance Board. The Committee fulfils certain obligations under the PGPA Act. In particular, it assists the Governance Board (as the RBA's accountable authority) by reviewing the appropriateness of the RBA's:

- financial reporting, including the financial statements in the annual report
- performance reporting, including the annual performance statement in the annual report
- systems of risk oversight and management
- systems of internal control.

The Audit and Risk Committee's charter is published on the RBA website.⁴

Details of the members of the Audit and Risk Committee are provided in Part 1.3: Governance Board.

The Audit and Risk Committee held its first meeting in June 2025, with one member participating remotely. Attendance by members is shown in Table 1.2.2.

Table 1.2.2: Audit and Risk Committee Meetings – 2024/25

Attendance by members

Member	Role	Term	No. of meetings attended	No. of meetings eligible to attend
David Thodey ^(a)	Chair	Mar 2025 – Aug 2029	1	1
Rahoul Chowdry	Non-executive member	Mar 2025 – Sep 2025	1	1
Greg Couttas	Non-executive member	Mar 2025 – Sep 2025	1	1
Swati Dave ^(a)	Non-executive member	Mar 2025 – Aug 2029	1	1
Danny Gilbert ^(a)	Non-executive member	Mar 2025 – Feb 2030	1	1
Elana Rubin ^(a)	Non-executive member	Mar 2025 – Aug 2028	1	1

(a) Member of the Governance Board.

Consistent with best practice governance standards, none of the members of the Audit and Risk Committee is an employee or executive of the RBA. Representatives of the RBA's internal and external auditors participate in meetings as appropriate, at the invitation of the Chair. The Deputy Governor and Chief Operating Officer regularly attend meetings of the Audit and Risk Committee as senior representatives of the RBA's management. Other regular attendees from our executive team include the Chief Financial Officer, Chief Risk Officer, Head of Audit Department and the General Counsel; other executives attend meetings of the Committee as required.

At its August 2025 meeting, the Audit and Risk Committee considered, and agreed to endorse, the RBA's draft consolidated financial statements for the year ended 30 June 2025 for presentation to the Governance Board.

The Audit and Risk Committee will meet at least annually with the external auditors without RBA management present. It will also meet at least annually with the Head of Audit Department and the Chief Risk Officer without other management present.

Monetary Policy Board

The responsibilities of the Monetary Policy Board, as set out in section 9B of the Reserve Bank Act, include:

- determining the monetary policy of the RBA in a way that, in the Board's opinion, best contributes to price stability in Australia and the maintenance of full employment in Australia
- determining the policy of the RBA (other than its payments system policy) for contributing to the stability of Australia's financial system.

The Monetary Policy Board also has a role in promoting the proper, efficient and effective implementation of the policies determined by the Board.

The Monetary Policy Board's charter is published on the RBA website.⁵

Details of the members of the Monetary Policy Board are provided in Part 1.4: Monetary Policy Board.

Five members form a quorum for a meeting of the Monetary Policy Board. Consistent with the Reserve Bank Act, the Board makes decisions by a majority of the members present, with the Chair having a casting vote, if necessary. Two meetings were held in 2024/25, one via hybrid arrangements with one member participating remotely. Attendance by members is shown in Table 1.2.3.

Table 1.2.3: Monetary Policy Board Meetings – 2024/25

Attendance by members

Member	Role	Term	No. of meetings attended	No. of meetings eligible to attend
Michele Bullock	Chair; Governor	Governor – Sep 2023 Chair – Mar 2025 – Sep 2030	2	2
Andrew Hauser	Deputy Chair; Deputy Governor	Deputy Governor – Feb 2024 Deputy Chair – Mar 2025 – Feb 2029	2	2
Steven Kennedy ^(a)	Ex officio member; Secretary to the Australian Treasury	Mar 2025 – Jun 2025	2	2
Jenny Wilkinson ^(b)	Ex officio member; Secretary to the Australian Treasury	Jun 2025 –	0	0
Marnie Baker	Non-executive member	Mar 2025 – Feb 2030	2	2
Renée Fry-McKibbin	Non-executive member	Mar 2025 – Feb 2030	2	2
Ian Harper	Non-executive member	Mar 2025 – Aug 2026	2	2
Carolyn Hewson	Non-executive member	Mar 2025 – Feb 2027	2	2
Iain Ross	Non-executive member	Mar 2025 – Aug 2028	2	2
Alison Watkins	Non-executive member	Mar 2025 – Feb 2026	2	2

(a) Steven Kennedy's term as Secretary to the Australian Treasury ended on 15 June 2025.

(b) Jenny Wilkinson's term as Secretary to the Australian Treasury commenced on 16 June 2025.



Monetary Policy Board members at their meeting in July 2025.

From left to right: Ian Harper AO, Carolyn Hewson AO, Jenny Wilkinson PSM, Deputy Governor Andrew Hauser, Governor Michele Bullock, Marnie Baker AM, Alison Watkins AM, Renée Fry-McKibbin, Anthony Dickman (Reserve Bank Secretary), Iain Ross AO. Source: RBA.

Payments System Board

The responsibilities of the Payments System Board, as set out in section 10B of the Reserve Bank Act, include:

- determining the payments system policy of the RBA in a way that, in the Board's opinion, is directed to the greatest advantage of the people of Australia
- ensuring that the RBA's powers under the *Payment Systems (Regulation) Act 1998* and the *Payment Systems and Netting Act 1998* are performed and exercised in a way that, in the Board's opinion, will best contribute to:
 - (a) controlling risk in the financial system
 - (b) promoting the efficiency of the payments system
 - (c) promoting competition in the market for payment services, consistent with the overall stability of the financial system

- ensuring that the RBA's powers and functions under Parts 7.3 and 7.3B of the *Corporations Act 2001* (dealing with licensing and crisis resolution for clearing and settlement facilities) are performed and exercised in a way that, in the Board's opinion, best contributes to the overall stability of the financial system.

The Payments System Board issues a separate annual report, which, as required under the Reserve Bank Act, informs the Treasurer of the RBA's role and activities in relation to payments system policy. It also covers certain matters relating to the standards that the RBA determines under section 827D of the Corporations Act and developments in the clearing and settlement industry that are relevant to Australia's financial stability.

The Payments System Board also has a role in promoting the proper, efficient and effective implementation of the policies determined by the Board.

The Payments System Board's charter is published on the RBA website.⁶

Details of the members of the Payments System Board are provided in Part 1.5: Payments System Board.

Five members form a quorum for a meeting of the Payments System Board. Consistent with the Reserve Bank Act, the Board makes decisions by a majority of the members present, with the Chair

having a casting vote, if necessary. Four meetings were held in 2024/25, two via hybrid arrangements with one member participating remotely. Attendance by members is shown in Table 1.2.4.

Table 1.2.4: Payments System Board Meetings – 2024/25

Attendance by members

Member	Role	Term	No. of meetings attended	No. of meetings eligible to attend
Michele Bullock	Chair; Governor	Sep 2023 – Sep 2030	4	4
Brad Jones	Deputy Chair, RBA representative	Jan 2024 –	4	4
John Lonsdale	APRA representative	Nov 2022 –	4	4
Ross Buckley	Non-executive member	Aug 2023 – Jul 2028	4	4
Gina Cass-Gottlieb	Non-executive member	Jul 2013 – Jul 2028 ^(a)	4	4
Michelle Deaker	Non-executive member	Aug 2023 – Jul 2028	4	4
Scott Farrell	Non-executive member	Mar 2022 – Mar 2027	4	4
Deborah Ralston	Non-executive member	Dec 2016 – Dec 2026 ^(b)	4	4

(a) Gina Cass-Gottlieb's first term on the Payments System Board ended on 14 July 2018 and her second term ended on 31 July 2023; she was reappointed for a third term on 1 August 2023.

(b) Deborah Ralston's first term on the Payments System Board ended on 14 December 2021; she was reappointed for a second term on 15 December 2021.



Payments System Board members at their meeting in August 2025.

From left to right: Back row – Deborah Ralston, Scott Farrell, Ross Buckley, John Lonsdale, Anthony Dickman (Reserve Bank Secretary); Front row – Assistant Governor (Financial System) Brad Jones, Governor Michele Bullock, Michelle Deaker (absent: Gina Cass-Gottlieb). Source: RBA.

Reserve Bank Board

The Reserve Bank Board, established in 1960, ceased to exist on 28 February 2025. Prior to that date, the Board was responsible for the RBA's monetary and banking policy, as well as its policy on all other matters except payments system policy.

Five members formed a quorum for a meeting of the Reserve Bank Board. Consistent with the Reserve Bank Act, the Board made decisions by a majority of the

members present, with the Chair having a casting vote, if necessary. It met five times in 2024/25, with some members participating remotely for certain meetings. Attendance by members is shown in Table 1.2.5.

Following its cessation on 28 February 2025, each external member of the Reserve Bank Board was appointed to either the Governance Board or Monetary Policy Board. Further details on these members can be found in Part 1.3: Governance Board and Part 1.4: Monetary Policy Board.

Table 1.2.5: Reserve Bank Board Meetings – 2024/25

Attendance by members

Member	Role	Term	No. of meetings attended	No. of meetings eligible to attend
Michele Bullock ^(a)	Chair; Governor	Sep 2023 – Feb 2025	5	5
Andrew Hauser	Deputy Chair; Deputy Governor	Feb 2024 – Feb 2025	5	5
Steven Kennedy	Ex officio member; Secretary to the Australian Treasury	Sep 2019 – Feb 2025	5	5
Ian Harper ^(b)	Non-executive member	Jul 2016 – Feb 2025	4	5
Carolyn Hewson	Non-executive member	Mar 2021 – Feb 2025	5	5
Iain Ross	Non-executive member	May 2023 – Feb 2025	5	5
Elana Rubin	Non-executive member	Aug 2023 – Feb 2025	5	5
Carol Schwartz ^(c)	Non-executive member	Feb 2017 – Feb 2025	4	5
Alison Watkins	Non-executive member	Dec 2020 – Feb 2025	5	5

(a) Michele Bullock's term on the Reserve Bank Board as Deputy Chair (RBA Deputy Governor) commenced on 2 April 2022 and ended on 17 September 2023; she commenced as Chair (RBA Governor) on 18 September 2023.

(b) Ian Harper's first term on the Reserve Bank Board ended on 30 July 2021; he was reappointed for a second term on 31 July 2021.

(c) Carol Schwartz's first term on the Reserve Bank Board ended on 13 February 2022; she was reappointed for a second term on 14 February 2022.

Audit Committee

Until 28 February 2025, in its role as a subcommittee of the Reserve Bank Board, the Audit Committee fulfilled certain obligations under the PGPA Act, namely:

- It assisted the Governor (as the RBA's then accountable authority) and the Reserve Bank Board by reviewing the appropriateness of the RBA's financial reporting, including the financial statements in the annual report.
- It assisted the Governor by reviewing the appropriateness of the RBA's:
 - performance reporting, including the annual performance statement in the annual report
 - systems of risk oversight and management
 - systems of internal control.

Details of the members of the former Audit Committee are provided in Part 1.3: Governance Board.

During 2024/25, the Audit Committee met on three occasions. Attendance by members is shown in Table 1.2.6.

Table 1.2.6: Audit Committee Meetings – 2024/25

Attendance by members

Member	Role	Term	No. of meetings attended	No. of meetings eligible to attend
Alison Watkins ^{(a),(b)}	Chair	Feb 2021 – Feb 2025	3	3
Rahoul Chowdry ^(c)	Non-executive member	Feb 2018 – Feb 2025	3	3
Greg Couttas	Non-executive member	Sep 2023 – Feb 2025	3	3
Carolyn Hewson ^(a)	Non-executive member	Aug 2023 – Feb 2025	3	3

(a) Member of the Reserve Bank Board.

(b) Chair since 31 August 2023.

(c) Rahoul Chowdry's first term on the Committee ended on 13 February 2023; he was reappointed for a second term on 14 February 2023.

As is the case for the new Audit and Risk Committee, none of the members of the Audit Committee was an employee or executive of the RBA. The Deputy Governor, Chief Operating Officer and other senior staff attended meetings regularly as representatives of management. Representatives of the RBA's internal and external auditors participated in meetings as appropriate and the Audit Committee met at least annually with the external auditor without RBA management present. The Committee also met annually with the Head of Audit Department in private.

Remuneration Committee

The Reserve Bank Board had a Remuneration Committee to recommend to the Board terms and conditions relating to the remuneration and allowances for the Governor and Deputy Governor, consistent with section 24A of the Reserve Bank Act. The Remuneration Committee ceased to exist on 28 February 2025, and its responsibilities have been assumed by the Governance Board.

Details of the members of the Remuneration Committee are provided in Part 1.3: Governance Board.

The Remuneration Committee did not hold any formal meetings in 2024/25 and made a recommendation to the Reserve Bank Board in relation to the remuneration of the Governor and Deputy Governor via written resolution in July 2024.

Note Printing Australia Limited

NPA is a wholly owned subsidiary of the RBA, operating under a charter reviewed and approved annually by the Governance Board. NPA's prime function is the efficient and cost-effective production of high-quality and secure Australian banknotes,

in accordance with specifications and requirements set by the RBA. NPA also produces banknotes for other issuing authorities, Australian passport booklets and other security products.

NPA is governed by a board of directors. Previously, appointments were made by the RBA Governor but in future will be made by the Governance Board. As at 30 June 2025, the NPA Board comprised three RBA executives and two external directors:

- Christopher Kent (Assistant Governor, Financial Markets), as Chair
- Emma Costello (RBA Chief Financial Officer)
- Keith Drayton (RBA Chief Risk Officer)
- David Martin, a non-executive external director who is the chief executive officer of Spicers Group Asia Pacific, and has held several directorships in the manufacturing, printing and film sectors
- Ross Pilling, a non-executive external director who has held several senior management roles and directorships in the manufacturing sector.

The NPA Board has an Audit and Risk Committee, whose membership comprises:

- Megan Haas, an external member and former PricewaterhouseCoopers partner with a background in cybersecurity and risk assurance across a broad range of industries, including manufacturing (Chair)
- Keith Drayton
- Emma Costello.

More detail on NPA is provided in Part 1.6: Operational Structure and Part 2.4: Banknotes.

Governance matters

Conduct of Board members

On appointment to one of our boards, each member is required under the Reserve Bank Act to sign a declaration to maintain secrecy in relation to the affairs of the RBA's boards and the RBA.

Members of the RBA's boards must comply with the general duties for officials set out in the PGPA Act. Members' obligations under the PGPA Act include, but are not limited to, obligations to exercise their powers and discharge their duties with care and diligence, honestly, in good faith and for a proper purpose. Members must not use their position, or any information obtained by virtue of their position, to benefit themselves or any other person, or to cause detriment to the RBA or any other person.

Disclosure of material personal interests

In order for members of the Monetary Policy Board to discuss and decide monetary and financial stability policies, notwithstanding any material personal interest in the outcome, the Reserve Bank Act requires them to provide confidential disclosure of material personal interests to the Treasurer. This must be done annually, as well as following a substantial change.

Members of each of our boards must declare to the other members of that board any material personal interest they have in matters relating to the affairs of that board (in the case of the Monetary Policy Board, other than monetary policy and financial stability) or to the affairs of the RBA. Members may give standing notice to other members of their board outlining the nature and extent of a material personal interest.⁷

Codes of conduct

Codes of conduct for members of our boards supplement these statutory requirements and impose obligations on members to ensure the highest possible standards of ethical conduct. The codes of conduct, which are available on our website, provide general principles to guide the conduct of members in fulfilling their duties and responsibilities as board members and address a range of matters, including conflicts of interest. In the case of the Governance Board and the Monetary Policy Board, the codes of conduct cover restrictions on undertaking, or being involved in, financial transactions of certain types at certain times.⁸

Codes of conduct for members of the Governance Board and the Monetary Policy Board were approved by the boards in March and April 2025, respectively. A revised Code of Conduct for Payments System Board members was approved by that board in March; relatively minor changes were made to provide consistency across the codes of conduct for each board.

Memorandum of understanding

The Reserve Bank Act specifies the respective roles and responsibilities of each board. Notwithstanding that these statutory responsibilities are such that only one board is ultimately responsible for a particular decision, a matter being considered by one board may be of interest to, or benefit from the views of, one or more of the other boards. The RBA's three boards have therefore established a memorandum of understanding to support alignment on their key responsibilities and how they will work together to advance the RBA's overarching objective of promoting the economic welfare and prosperity of the Australian people. The memorandum of understanding affirms that the boards will seek to build consensus on matters that may arise among them. As a last resort, the Governor is empowered under the Act to resolve any disagreement between the boards.

The memorandum of understanding is published on the RBA website.⁹

Policy risk management framework and board reviews

Risks inherent in the decisions of the Monetary Policy Board and the Payments System Board are the direct responsibility of those boards. The boards review these risks periodically as part of their decision-making processes. Operational risks, including those related to the provision of information and analysis to the Monetary Policy Board and Payments System Board and the risks to the RBA arising from their decisions, are managed by executives via the RBA's risk management framework and overseen by the Governance Board and Audit and Risk Committee. These risks, and the Governance Board's broader role in overseeing the RBA's risk management framework, are discussed in Part 3.3: Risk Management.

Each of the three boards will assess their performance and the fulfilment of their responsibilities under their charters annually. The Governance Board's review will include an assessment of the Audit and Risk Committee's performance and will be externally facilitated every three years.

Towards the end of 2024, the Payments System Board conducted its annual review of the key risks inherent in the formulation of payments system policy and the payments policy risk register and control framework. The Board assessed that, although appropriate controls were in place, management of payments policy risks would benefit from the addition of a 'Payments Policy Incident Register' that is reviewed by the Board at each meeting. The incident register records incidents that have occurred in the Australian payments system and is designed to facilitate a more systematic understanding of challenges arising in the Australian payments system, including at clearing and settlement facilities supervised by the RBA. Members also suggested that the risk register be reviewed by the Risk and Compliance Department as part of the broader work to improve risk management in the RBA.

In June 2025, the Payments System Board conducted its annual review of its own operation and processes, based on a survey of Board members. It concluded that its processes were functioning effectively. Members again emphasised the importance of taking sufficient time to consider longer term issues relevant to payments system policy.

In view of the impending changes to the RBA's governance arrangements in the middle of 2024/25, the Reserve Bank Board and Audit Committee did not conduct their usual annual review processes prior to their cessation.

Conflicts of interest and payments policy matters

The RBA has several distinct areas of responsibility in the Australian payments system. It:

- owns, operates and participates in Australia's interbank settlement system – the Reserve Bank Information and Transfer System (RITS)
- provides transactional banking services to the Australian Government and its agencies
- is the principal overseer of the payments system through the Payments System Board.

While the various functions are distinct, their existence in the one institution may give rise to concerns about actual or perceived conflicts of interest. The Payments System Board and RBA senior management take seriously the possibility of any perception that the RBA's policy and operational roles may be conflicted, especially as this could undermine public confidence in regulatory and policy processes.

Accordingly, the RBA has policies in place for avoiding conflicts and dealing with them when they do occur. The Payments System Board has adopted such a policy, which is published on the RBA website and was reviewed most recently in June 2025.¹⁰ The policy focuses on interactions between the RBA's Payments Policy and Banking departments. Details of the steps taken to achieve compliance with the policy, including the minutes of informal meetings between departments, are audited regularly, with the results presented to the Payments System Board and the Audit and Risk Committee.

The Payments System Board has a role in assisting the RBA to manage conflicts of interest in relation to the operation and oversight of RITS. In particular, while the RBA's Financial Market Infrastructure Review Committee¹¹ reviews and approves assessments of other financial market infrastructures, the Board oversees the periodic assessments of RITS undertaken by Payments Policy department.¹²

Induction of board and committee members

An induction program assists newly appointed members of our boards to understand their role and responsibilities. It provides them with an overview of the RBA's purpose, including the role of the particular board to which they are appointed. The induction program briefs members on details of relevant developments in preceding years and provides separate briefing sessions tailored to meet members' needs and interests.

Remuneration and allowances

The offices of Governor and Deputy Governor are principal executive offices in terms of the *Remuneration Tribunal Act 1973*, which provides for the Remuneration Tribunal to determine the applicable remuneration reference rate for these offices. The Governance Board will review annually the terms and conditions (including remuneration) applying to the Governor and Deputy Governor; any adjustments that are approved

need to be consistent with the framework for principal executive offices determined by the Remuneration Tribunal. In accordance with section 25NP of the Reserve Bank Act, the Governor, Deputy Governor and Chief Operating Officer do not take part in decisions of the Governance Board relating to the determination or application of any terms or conditions that apply to the office of either the Governor or Deputy Governor.

The Governance Board also has oversight of the general remuneration arrangements for RBA staff.

The following arrangements are in place for remunerating members of the RBA's boards:

- Remuneration and travel allowances for the non-executive members of our boards are set by the Remuneration Tribunal.
- Remuneration of members of our boards is reported in Part 3.2: Our People and Note 12 of the financial statements in this annual report (see Part 4: Financial Statements), as they are key management personnel of the RBA.
- Remuneration of Governance Board members for their membership of the Audit and Risk Committee is determined by the Remuneration Tribunal. With the commencement of the new governance structure from 1 March 2025, remuneration was unchanged from the levels set for members of the former Reserve Bank Board Audit Committee in July 2024, at \$12,420 per annum plus superannuation for members and \$24,820 per annum plus superannuation for the Chair. The RBA's longstanding practice has been to provide the same level of remuneration to members of the Audit Committee who are not also members of the Governance Board (formerly, the Reserve Bank Board).
- Membership of the former Remuneration Committee was not remunerated.

Indemnities for board and committee members and staff

Members of our boards are indemnified to the extent permitted by law against liabilities incurred by reason of their appointment to the relevant board or by virtue of holding and discharging such office. Members of the Audit and Risk Committee who are not members of the Governance Board are indemnified on substantially the same terms as the indemnities given to Governance Board members.

Indemnities given prior to 1 July 2014

Certain other indemnities, all given prior to 1 July 2014, continue. These are:

- an indemnity to senior staff in relation to liabilities they may have incurred in the conduct of their duties at the RBA (this indemnity covers liability in relation to events over a period ending on 31 March 2017)
- indemnities to current and former senior staff and former Reserve Bank Board members who, at the request of the RBA, formerly served on the Board of NPA or the Board of CCL Secure Pty Limited (formerly Innova Security Pty Ltd and, prior to that, Securrency International Pty Ltd).

Terms in indemnities

Section 22B of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) imposes limits on the granting of indemnities by corporate Commonwealth entities in relation to liabilities incurred from 28 February 2020. Indemnities issued by the RBA to new members of the RBA's boards since that date have been consistent with that rule. Indemnities given prior to 1 July 2014 were in accordance with section 27M of the *Commonwealth Authorities and Companies Act 1997* (CAC Act), which specified when indemnity for liability and legal costs was not allowed. Indemnities given after 1 July 2014, when the CAC Act was repealed, but before the commencement of section 22B of the PGPA Rule, contain contractual restrictions reflecting the substance of the previous CAC Act restrictions. As the previous CAC Act restrictions were not materially different from the terms of section 22B of the PGPA Rule, the RBA's approach to indemnification of the members of its boards and their committees has not materially changed over time.

Policy on assistance to staff for legal proceedings

The RBA's policy on assistance to staff for legal proceedings applies in relation to events on or after 1 April 2017. This policy applies to all staff – not only senior staff – and is closely based on the rules that apply to the provision of assistance to staff for legal proceedings in non-corporate Commonwealth entities set out in Appendix E to the *Legal Services Directions 2017*. This policy states that assistance will not be provided when section 22B of the PGPA Rule forbids it. No assistance has been provided under this policy since its introduction in 2017.

Directors' and officers' insurance

As the RBA does not take out directors' and officers' insurance in relation to members of its boards or other officers, no premiums were paid for any such insurance in 2024/25.

Accountability

Section 19 of the PGPA Act requires the Governance Board, as the accountable authority of the RBA, to keep the Treasurer informed of the activities of the RBA and NPA and of its significant decisions. The Monetary Policy Board and the Payments System Board must, from time to time, inform the government about the performance of their functions and the exercise of their powers, including their determination of any policy referred to in subsections 9B(1) and 10B(1) of the Reserve Bank Act, respectively. These obligations are discharged mainly by contact between the Governor and other senior executives and the Treasurer, usually by way of regular telephone discussions. (The Treasurer is the RBA's responsible minister; in the reporting period, this was

the Hon Dr Jim Chalmers MP.) The Governor also meets regularly with the House of Representatives Standing Committee on Economics and the Senate Economics Legislation Committee.

The House of Representatives Standing Committee on Economics has, in its Standing Orders, an obligation to review the RBA annual report and the Payments System Board annual report. The Committee typically holds twice-yearly public hearings, at which the RBA presents its views on the economy and financial markets and other matters pertaining to its operations, and responds to questions from Committee members. Details of the appearances in 2024/25 are in Table 1.2.7.

In 2024/25, the Governor was invited to attend hearings of the Senate Economics Legislation Committee (Senate Estimates) to answer questions about monetary policy and other aspects of the RBA's central banking activities. RBA executives also gave evidence to various parliamentary inquiries. Table 1.2.7 provides details of all public parliamentary appearances.

Table 1.2.7: Parliamentary Appearances by RBA Staff – 2024/25

Date	Committee/Inquiry	Staff attending
2 August 2024	Joint Committee – Parliamentary Standing Committee on Public Works Reserve Bank of Australia – Head Office Storage and Logistics Change	Michelle McPhee, Assistant Governor (Business Services) Bruce Harries, Head, Workplace Department Lynne Cockerell, Head, Note Issue Department (Acting)
7 August 2024	Senate Select Committee on the Cost of Living	Sarah Hunter, Assistant Governor (Economic) Natasha Cassidy, Deputy Head, Economic Analysis Department
16 August 2024	House of Representatives Standing Committee on Economics Inquiry into the Review of the Reserve Bank of Australia Annual Report 2023	Michele Bullock, Governor Andrew Hauser, Deputy Governor Sarah Hunter, Assistant Governor (Economic) Brad Jones, Assistant Governor (Financial System) Christopher Kent, Assistant Governor (Financial Markets)
16 October 2024	Senate Economics References Committee Inquiry into the Financial Regulatory Framework and Home Ownership	Sarah Hunter, Assistant Governor (Economic) Michael Plumb, Head, Economic Analysis Department
7 November 2024	Senate Economics Legislation Committee Supplementary Budget Estimates 2024/25	Michele Bullock, Governor Christopher Kent, Assistant Governor (Financial Markets)
21 February 2025	House of Representatives Standing Committee on Economics Inquiry into the Review of the Reserve Bank of Australia Annual Report 2023	Michele Bullock, Governor Andrew Hauser, Deputy Governor Sarah Hunter, Assistant Governor (Economic) Brad Jones, Assistant Governor (Financial System)
27 February 2025	Senate Economics Legislation Committee Additional Budget Estimates 2024/25	Andrew Hauser, Deputy Governor Brad Jones, Assistant Governor (Financial System) Michelle McPhee, Assistant Governor (Business Services)

In addition to formal hearings and submissions, we seek to ensure a high degree of transparency about our goals, activities and the basis of our policy decisions. We communicate regularly through publications, speeches and monetary policy media conferences, and engage with the community through our regional and industry liaison program and various forms of engagement with the economics profession, financial institutions and financial market and payments industry participants. This promotes understanding of our decisions in the community and in turn the effectiveness of policy. Part 2.6: Community Engagement discusses this further.

Under section 46 of the PGPA Act, the Governance Board is responsible for preparing this annual report and providing it to the Treasurer for presentation to Parliament, following approval of the RBA's annual financial statements. That approval was given by the Governance Board at its meeting on 9 September 2025.

Freedom of Information

The RBA is an Australian government agency subject to the *Freedom of Information Act 1982* (FOI Act). As required by Part II of the FOI Act, we publish information as part of the Information Publication Scheme. Details of our obligations under the FOI Act and the Scheme can be found on the RBA website.¹³

Table 1.2.8 details the number and outcome of FOI requests received and finalised during 2024/25. Three requests remained outstanding at the end of the financial year; one was answered and two were withdrawn in July 2025. Information released in response to FOI access requests was published on the RBA website, as required by the FOI Act; RSS feeds to these releases were also made available.

Table 1.2.8: Freedom of Information Requests – 2024/25

	Number
Requests received	42
<i>Of which:</i>	
– Granted in full	5
– Granted in part	12
– Denied	3
– No relevant documents found	10
– Withdrawn	9
– Transferred	0

Source: RBA.

One application was received for the internal review of an FOI decision made by the RBA in 2024/25. The original decision made was affirmed on review. One application for Information Commissioner Review of a decision was made to the Office of the Australian Information Commissioner (OAIC) but did not proceed (the OAIC decided not to conduct the review owing to non-compliance with requirements of the FOI Act by the applicant seeking the review).

The estimated time and cost of administering the FOI Act are set out in Table 1.2.9.

Table 1.2.9: Freedom of Information Requests (Staff Time and Processing Costs)

	2023/24	2024/25
Time spent (hours)	860	582
Total cost of administering FOI Act (\$)	130,000	88,000

Source: RBA.

External audit

The *Auditor-General Act 1997* establishes the mandate for the Auditor-General to undertake financial statement audits of all Australian government entities, including the RBA, which falls under the category of corporate Commonwealth entity. The PGPA Act requires the Governance Board, as the RBA's accountable authority, to give the consolidated annual financial statements of the RBA and NPA to the Auditor-General as soon as practicable after they are prepared at the end of each financial year.

The Australian National Audit Office (ANAO) contracts private sector audit firms to undertake some of its audit work where additional or specialist resources or skills are required. KPMG has been contracted by the ANAO to provide audit services for the external audit of the RBA and NPA. The RBA is not a decision-maker in the ANAO's selection of audit partner.

Information on fees paid in relation to the external audit of the RBA, along with any non-audit services provided by KPMG, are disclosed in Note 13 of the financial statements in this annual report (see Part 4: Financial Statements).

Other reporting requirements under the PGPA Act

No report on the RBA was issued in 2024/25 by the Commonwealth Ombudsman, the OAIC or the Auditor-General, apart from those dealing with the audit of the RBA's annual financial statements or which covered the RBA together with a range of other entities.

The ANAO published two audits dealing with the RBA's annual financial statements:

- 'Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2024', on 6 February 2025
- 'Interim Report on Key Financial Controls of Major Entities', on 29 May 2025.

No other ANAO reports included the RBA.

The statutory reporting obligations applying to the RBA, including those that are covered elsewhere in this report, are identified in Part 6.1: Statutory Reporting Requirements Index.

Ministerial directions

During 2024/25, the RBA received no directions from the responsible minister (the Treasurer) or from any other minister.

Government policy orders

During 2024/25, no government policy orders under section 22 of the PGPA Act applied to the RBA.

Compliance with finance law

During 2024/25, no issues relating to non-compliance by the RBA with finance law were reported to the responsible minister (the Treasurer) under paragraph 19(1)(e) of the PGPA Act.

Transactions with related entities

In accordance with the PGPA Rule, the RBA is required to disclose certain transactions with related entities. There were no such transactions during 2024/25.

Significant activities or changes affecting the RBA

Significant changes to our structure are discussed at the beginning of this Part and in Part 1.6: Operational Structure.

Judicial decisions or decisions of administrative tribunals

During 2024/25, there were no judicial decisions or decisions of administrative tribunals that have had, or may have, a significant effect on the RBA's operations.

Endnotes

- 1 The Treasurer and the Monetary Policy Board (2025), *Statement on the Conduct of Monetary Policy*, July.
- 2 For the Governance Board, these statements were issued in June (see Chalmers J (2025), 'Treasurer's Statement of Expectation for the RBA Governance Board') and August 2025 (see RBA (2025), 'Statement of Intent by the Governance Board').
- 3 See RBA (2025), 'Governance Board Charter', March.
- 4 See RBA (2025), 'Audit and Risk Committee Charter', March.
- 5 See RBA (2025), 'Monetary Policy Board Charter', April.
- 6 See RBA (2025), 'Payments System Board Charter', March.
- 7 Under the *Reserve Bank Act 1959* and/or the *Public Governance, Performance and Accountability Act 2013*.
- 8 See RBA (2025), 'Code of Conduct for Governance Board Members', March; RBA (2025), 'Code of Conduct for Monetary Policy Board Members', April; RBA (2025), 'Code of Conduct for Payments System Board Members', March.
- 9 See RBA (2025), 'Memorandum of Understanding among the Monetary Policy Board, Payments System Board, Governance Board and Executive', May.
- 10 See RBA (2025), 'Managing Potential Conflicts of Interest Arising from the RBA's Commercial Activities', June.
- 11 The role of the Financial Market Infrastructure Review Committee is to support activities in the oversight and supervision of financial market infrastructures so that these activities are carried out in a manner consistent with policies established by the Payments System Board.
- 12 The memorandum of understanding among the RBA's boards addresses the respective roles of the Governance Board and Payments System Board in relation to oversight of RITS.
- 13 See RBA, 'Freedom of Information (FOI)'.

1.3 Governance Board

The Governance Board is the accountable authority of the RBA under the *Public Governance, Performance and Accountability Act 2013*. It comprises nine members: the Governor; Deputy Governor; Chief Operating Officer; and six other non-executive members appointed by the Treasurer. The Board has an Audit and Risk Committee.

Board members as at September 2025

Michele Bullock

BEc (Hons) (UNE), MSc (LSE)



Chair and RBA Governor

Governor since 18 September 2023

Member and Chair since 1 March 2025

Present term ends 17 September 2030

Michele Bullock commenced as Governor on 18 September 2023. She is Chair of the Governance Board, Monetary Policy Board, Payments System Board and Council of Financial Regulators. She served on the Reserve Bank Board as Deputy Chair from 2 April 2022 and Chair from 18 September 2023 until 28 February 2025.

Prior to her current role, Ms Bullock was the RBA Deputy Governor. She has also held a variety of senior management positions at the RBA. She was Assistant Governor (Financial System), Assistant Governor (Business Services), Assistant Governor (Currency), Adviser for the Currency Group and, before that, Head of Payments Policy Department.

Ms Bullock is a member of Chief Executive Women and a signatory to the Banking and Finance Oath.

Other roles

Chair – Monetary Policy Board

Chair – Payments System Board

Chair – Council of Financial Regulators

Chair – Financial Markets Foundation for Children

Co-chair – Financial Stability Board Regional Consultative Group for Asia

Member – Financial Stability Board

Member – Melbourne Institute Advisory Board

Member – Trans-Tasman Council on Banking Supervision

Director – The Anika Foundation

Carol Schwartz AO

BA, LLB, MBA (Monash)



Deputy Chair and Non-executive member

Member and Deputy Chair since 1 March 2025

Present term ends 28 February 2027

Carol Schwartz has extensive experience in business, property, the arts and community organisations.

Past high-level leadership roles, including a portfolio of diverse board appointments, have spanned the business, government, arts, health and community sectors. Ms Schwartz served on the Reserve Bank Board from 14 February 2017 to 28 February 2025, and as a member of the Reserve Bank Board Remuneration Committee from 31 August 2017 to 6 April 2021 and Chair from 7 April 2021 to 28 February 2025.

Ms Schwartz was awarded a Centenary Medal in 2001 for her outstanding service as a leading business executive and committee participant. In the 2019 Queen's Birthday Honours, she was appointed an Officer of the Order of Australia for her distinguished service to the community as a supporter of women in leadership roles, to social justice advocacy and to business. In 2019, she was awarded the Leading Philanthropist Award by Philanthropy Australia.

Ms Schwartz is a Fellow of the Australian Institute of Company Directors.

Other roles

Founding Chair – Women's Leadership Institute Australia

Chair – Climate Council

Chair – Equity Trustees

Chair – Our Community

Director – Trawalla Group

Andrew Hauser

MA (PPE) (Oxford), MSc Economics (LSE)



Ex officio member and RBA Deputy Governor

Deputy Governor since 12 February 2024

Ex officio member since 1 March 2025

Present term ends 11 February 2029

Andrew Hauser's term as Deputy Governor and Deputy Chair of the Governance Board commenced on 12 February 2024. He served on the Reserve Bank Board until 28 February 2025.

Mr Hauser previously held a variety of senior positions at the Bank of England, most recently as Executive Director for Markets. During his time at the Bank of England, he also held the position of Executive Director for Banking, Payments and Financial Resilience. He also oversaw its quarterly Inflation Report, its regional agency network and its international economic analysis, and he served on the secretariats of the Monetary and Financial Policy committees. He served as Chief of Staff to the Governor in the aftermath of the global financial crisis and was alternate Executive Director at the International Monetary Fund in Washington, DC.

Other roles

Deputy Chair – Monetary Policy Board

Susan Woods

BCom (Western Australia), GradDipBus (Curtin University of Technology)



Ex officio member and RBA Chief Operating Officer

Chief Operating Officer since 4 March 2024

Ex officio member since 1 March 2025

Susan Woods is the Chief Operating Officer of the Reserve Bank. She commenced in this position on 4 March 2024.

Ms Woods joined the RBA in 2018 as the Assistant Governor (Corporate Services) with responsibility for Information Technology and Workplace departments and for the Enterprise Data Office.

Before joining the RBA, Ms Woods held various roles in the private sector for over 30 years. She was General Manager of Business Technology & Transformation at StatePlus, where she was responsible for information technology, the design and implementation of a new operating model for the business, and the enterprise strategic project portfolio. Before that, she was a Partner at Deloitte in strategy and operations consulting and has held senior roles with Capgemini and Ernst & Young. Ms Woods is a member of Chartered Accountants Australia & New Zealand and a Graduate of the Australian Institute of Company Directors.

Swati Dave

BCom (Newcastle)



Non-executive member

Member since 1 March 2025

Present term ends 31 August 2029

Swati Dave is an experienced non-executive director and senior banking executive with more than 30 years' experience in domestic and international financial markets across a number of sectors, including infrastructure, natural resources, energy and utilities, renewable energy and property. Ms Dave has valuable strategic, business leadership and risk management capabilities from her executive and non-executive director roles across the public and private sectors.

Ms Dave most recently served as the Managing Director and Chief Executive Officer of Export Finance Australia from 2017 to 2022. She previously served as Deputy Chair of the Asia Society Australia Board and as an Advisory Board member of the National Foundation for Australia–China Relations, and as a director of State Super, Australian Hearing, Great Western Bancorp, Inc. (USA) and various National Australia Bank boards. Ms Dave is a graduate member of the Australian Institute of Company Directors and a member of Chief Executive Women.

Other roles

Chair – Centre for Australia–India Relations Advisory Board

Non-executive director – Australian Financial Complaints Authority

Non-executive director – Treasury Corporation of Victoria

Independent member – QIC Global Infrastructure Investment Committee

Member – Trade 2040 Taskforce

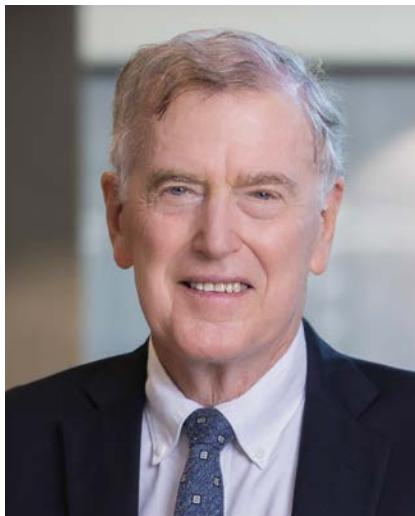
Member – Advisory Council, Asia Society Australia

Multicultural Ambassador – Cricket Australia

Member – RBA Governance Board Audit and Risk Committee

Danny Gilbert AM

LLB (Sydney)



Non-executive member

Member since 1 March 2025

Present term ends 28 February 2030

Danny Gilbert is a business leader, lawyer and philanthropist. He is co-founder and Chair of Gilbert+Tobin, one of Australia's leading corporate law firms. He has extensive board experience across the private and not-for-profit sectors, including at National Australia Bank Limited and the Business Council of Australia, and as Chair of the National Museum of Australia. He is Chair of the Cape York Partnership Group.

In the 2005 Queen's Birthday Honours, Mr Gilbert was appointed a Member of the Order of Australia for his service to the law and to the community, particularly Indigenous Australians. In December 2019 and June 2021, Mr Gilbert was awarded a Doctor of Laws, *honoris causa*, (LLD) by the University of New South Wales and the Western Sydney University respectively.

Other roles

Co-founder and Chair – Gilbert + Tobin

Chair – Cape York Partnership Group Pty Ltd

Director – Business Council of Australia

Director – Impact Investing Australia Limited

Member – Sydney Harbour Federation Trust

Member – Advisory Committee, Gilbert + Tobin Centre of Public Law, University of New South Wales

Member – Global Foundation Advisory Committee

Member – RBA Governance Board Audit and Risk Committee

Elana Rubin AM

BA (Hons) (Melb), MA (Melb)



Non-executive member

Member since 1 March 2025

Present term ends 31 August 2028

Elana Rubin has been a non-executive director for over 20 years and has extensive experience across technology, financial services, property, infrastructure and government sectors. Her non-executive directorships have spanned listed, unlisted, private and government companies.

Previous roles include having served as Chair of Afterpay, Chair of AustralianSuper and Chair of WorkSafe Victoria, and as a Director of Mirvac and ME Bank. Ms Rubin was formerly a member of the Australian Government's Infrastructure Australia Council and the Climate Change Authority, and of the Australian Institute of Company Directors' Victorian Council. Ms Rubin served on the Reserve Bank Board from 31 August 2023 to 28 February 2025.

In the 2021 Queen's Birthday Honours, Ms Rubin was appointed a Member of the Order of Australia for significant service to corporate governance and to the community. Ms Rubin is a Life Fellow of the Australian Institute of Company Directors, a Senior Fellow of the Financial Services Institute of Australasia and a member of Chief Executive Women.

Other roles

Chair – Australian Business Growth Fund

Chair – Victorian Managed Insurance Authority

Chair – Infoxchange

Non-executive director – Dexus Funds Management Ltd

Non-executive director – Slater and Gordon Ltd

Non-executive director – Telstra Corporation Ltd

Non-executive director – WestConnex/Sydney Transport Partners

Member – RBA Governance Board Audit and Risk Committee

David Thodey AO

BA (Victoria, Wellington), PostGradDipGenMan (Northwestern Kellogg School of Management)



Non-executive member

Member since 1 March 2025

Present term ends 31 August 2029

David Thodey has more than 30 years' experience in business leadership including six years as Chief Executive Officer of Telstra and 22 years at IBM Australia. He brings extensive experience in technology and corporate governance to the Governance Board. Mr Thodey is active in public policy and led an independent review of the Australian Public Service in 2019. He also chaired a NSW Government-appointed panel to lead an independent review of federal financial relations. Most recently, Mr Thodey led a user audit of the myGov government services digital portal.

In the 2017 Australia Day Honours, Mr Thodey was appointed an Officer of the Order of Australia for distinguished service to business, notably to the telecommunications and information technology sectors, to the promotion of ethical leadership and workplace diversity, and to basketball. In 2016, he was awarded a Doctor in Science and Technology, *honoris causa*, by Deakin University. In 2018 and 2022, he was awarded a Doctor of Business, *honoris causa*, by the University of Technology Sydney and the University of Sydney, respectively.

Other roles

Chancellor – University of Sydney

Chair – Fitness Passport

Chair – Ramsay Health Care

Chair – Xero

Co-Chair – Great Barrier Reef Foundation

Advisor – Bank of America

Advisor – ServiceNow

Director – Committee for Sydney

Chair – RBA Governance Board Audit and Risk Committee

Jennifer Westacott AC

BA (Hons) (UNSW), GradCertMgt (Monash Mt Eliza Graduate School of Business), Chevening Scholar (LSE)



Non-executive member

Member since 1 March 2025

Present term ends 28 February 2030

Jennifer Westacott AC has more than three decades' experience across the public and private sectors and was the Chief Executive of the Business Council of Australia for over a decade. Professor Westacott has extensive executive and non-executive experience in business operations and corporate governance matters.

She has rejoined KPMG as a Special Advisor to client teams, having worked at KPMG prior to her Business Council of Australia appointment, advising major corporations on climate change and sustainability and governments across Australia on significant reform priorities. She also serves NSW as a global ambassador for business events.

In the 2018 Queen's Birthday Honours, Professor Westacott was appointed an Officer of the Order of Australia for her distinguished service to private and public sector administration through executive roles, to policy development and reform, to cross-sector collaboration, to equity, and to business. In 2017, Professor Westacott was awarded a Doctor of Letters, *honoris causa*, (DLitt) by the University of New South Wales. In the 2025 King's Birthday Honours, Professor Westacott was appointed a Companion of the Order of Australia for eminent service to business, to tertiary education administration, to the mental health sector, and to the community.

Other roles

Chancellor – Western Sydney University

Chair – Bradfield Development Authority

Chair – Future Generation Global

Non-executive director – ATCO Australia Pty Ltd

Non-executive director – ATCO Gas Australia Networks Pty Ltd

Non-executive director – Canadian Utilities

Non-executive director – Wesfarmers

Special Advisor (Contractor) – KPMG Australia

Australia's Business Champion to Indonesia

Governance Board Audit and Risk Committee

Membership of the Audit and Risk Committee comprises four non-executive members of the Governance Board, one of whom chairs the Committee. During 2024/25, the Committee also included two external members with extensive experience in auditing in the finance sector.

David Thodey AO

Chair

Member since 11 March 2025

Present term ends 31 August 2029

See above for Mr Thodey's professional details.

Rahoul Chowdry

BCom (Hons) (Calcutta)



Member

Member since 11 March 2025

Present term ends 9 September 2025

Rahoul Chowdry has extensive experience in the professional services industry and has built a reputation as a leading adviser on governance, regulation and risk to major banks and other large financial institutions in Australia and Canada. Until the end of 2017, Mr Chowdry was the Global Banking and Capital Markets Assurance Leader at PricewaterhouseCoopers and a partner for almost 30 years in the firm's financial services practice. He served on the Reserve Bank Board Audit Committee from 14 February 2018 to 28 February 2025. He is a qualified chartered accountant and a Fellow of Chartered Accountants Australia and New Zealand.

Other roles

Senior Advisor – MinterEllison

Member – Audit and Risk Committee, MinterEllison Board of Partners

Non-executive director, Audit Committee Chair, Nominations Committee

Member and Risk Committee Member – AMP Ltd

Non-executive director, Audit Committee Chair and Risk Committee

Member – AMP Bank Ltd

Greg Couttas

BCom (UNSW)



Member

Member since 11 March 2025

Present term ends 9 September 2025

Greg Couttas has significant finance and risk management expertise, having served as a senior audit partner at Deloitte for 28 years until his retirement in November 2016. He held several senior management roles at Deloitte including Managing Partner for New South Wales from 2005 to 2008. Mr Couttas served as a member of the Deloitte Australia Board from 2005 to 2016 and was Chair of the firm's Audit and Risk Committee for 11 years. He served on the Reserve Bank Board Audit Committee from 9 September 2023 to 28 February 2025. He is a Fellow of Chartered Accountants Australia and New Zealand.

Other roles

Non-executive director, Finance and Audit Committee Chair, Risk and Safety Committee Chair – Hireup Holdings Pty Ltd

Non-executive director, Audit and Risk Committee Chair, Safety, Culture and Remuneration Committee Member, Economic Regulation Committee Member and Nominations Committee Member – Sydney Water Corporation

Board Member, Audit and Risk Committee Chair and Remuneration Committee Member – The Salvation Army Australia Territory

Swati Dave

Member

Member since 11 March 2025

Present term ends 31 August 2029

See above for Ms Dave's professional details.

Danny Gilbert AM

Member

Member since 11 March 2025

Present term ends 28 February 2030

See above for Mr Gilbert's professional details.

Elana Rubin AM

Member

Member since 11 March 2025

Present term ends 31 August 2028

See above for Ms Rubin's professional details.

Membership of Board committees no longer in existence

Membership of the Audit Committee, which was in place until 28 February 2025, included the following people:

Alison Watkins AM

Chair

Member since 3 February 2021

Term ended 28 February 2025

See Part 1.4: Monetary Policy Board for Ms Watkins' professional details.

Rahoul Chowdry

Member

Member since 14 February 2018

Term ended 28 February 2025

See above for Mr Chowdry's professional details.

Greg Couttas

Member

Member since 9 September 2023

Term ended 28 February 2025

See above for Mr Couttas' professional details.

Carolyn Hewson AO

Member

Member since 31 August 2023

Term ended 28 February 2025

See Part 1.4: Monetary Policy Board for Ms Hewson's professional details.

Membership of the Remuneration Committee, which was in place until 28 February 2025, included the following people:

Carol Schwartz AO

Chair

Member since 31 August 2017

Chair since 7 April 2021

Term ended 28 February 2025

See above for Ms Schwartz's professional details.

Ian Harper AO

Member

Member since 2 August 2016

Term ended 28 February 2025

See Part 1.4: Monetary Policy Board for Professor Harper's professional details.

Iain Ross AO

Member

Member since 7 June 2023

Term ended 28 February 2025

See Part 1.4: Monetary Policy Board for Dr Ross's professional details.

1.4 Monetary Policy Board

The Monetary Policy Board comprises nine members: the Governor; Deputy Governor; Secretary to the Australian Treasury (ex officio member); and six other non-executive members appointed by the Treasurer.

Board members as at September 2025

Michele Bullock

BEc (Hons) (UNE), MSc (LSE)



Chair and RBA Governor

Governor since 18 September 2023

Chair since 1 March 2025

Present term ends 17 September 2030

Michele Bullock commenced as Governor on 18 September 2023. She is Chair of the Governance Board, Monetary Policy Board, Payments System Board and Council of Financial Regulators. She served on the Reserve Bank Board as Deputy Chair from 2 April 2022 and Chair from 18 September 2023 until 28 February 2025.

Prior to her current role, Ms Bullock was the RBA Deputy Governor. She has also held a variety of senior management positions at the RBA. She was Assistant Governor (Financial System), Assistant Governor (Business Services), Assistant Governor (Currency), Adviser for the Currency Group and, before that, Head of Payments Policy Department.

Ms Bullock is a member of Chief Executive Women and a signatory to the Banking and Finance Oath.

Other roles

Chair – Governance Board

Chair – Payments System Board

Chair – Council of Financial Regulators

Chair – Financial Markets Foundation for Children

Co-chair – Financial Stability Board Regional Consultative Group for Asia

Member – Financial Stability Board

Member – Melbourne Institute Advisory Board

Member – Trans-Tasman Council on Banking Supervision

Director – The Anika Foundation

Andrew Hauser

MA (PPE) (Oxford), MSc Economics (LSE)



Deputy Chair and RBA Deputy Governor

Deputy Governor since 12 February 2024

Deputy Chair since 1 March 2025

Present term ends 11 February 2029

Andrew Hauser's term as Deputy Governor and Deputy Chair of the Monetary Policy Board commenced on 12 February 2024. He served on the Reserve Bank Board as Deputy Chair until 28 February 2025.

Mr Hauser previously held a variety of senior positions at the Bank of England, most recently as Executive Director for Markets. During his time at the Bank of England, he also held the position of Executive Director for Banking, Payments and Financial Resilience. He also oversaw its quarterly Inflation Report, its regional agency network and its international economic analysis, and he served on the secretariats of the Monetary and Financial Policy committees. He served as Chief of Staff to the Governor in the aftermath of the global financial crisis and was alternate Executive Director at the International Monetary Fund in Washington, DC.

Other roles

Ex officio member – Governance Board

Marnie Baker AM

BBus (Acc) (La Trobe)



Non-executive member

Member since 1 March 2025

Present term ends 28 February 2030

Marnie Baker has 35 years' experience in the financial services sector, with a focus on retail banking and funds management. She recently served as Chief Executive Officer and Managing Director of Bendigo and Adelaide Bank and Deputy Chair of the Australian Banking Association. Ms Baker has a deep understanding of Australia's financial system, including from a regional perspective. Ms Baker has been a member of the Business Council of Australia and has served on several public and private boards, including the Mastercard (Asia Pacific) Advisory Board and the inaugural NPP Australia Board. Ms Baker actively contributes to her local community through roles on various local committees and boards, including La Trobe University's Bendigo Regional Advisory Board, and is a member of Corporate Executive Women. She is a Senior Fellow of the Financial Services Institute of Australia, a Fellow of the Governance Institute of Australia, a member of the Australian Institute of Company Directors and an Associate of CPA Australia. Ms Baker is a signatory to the Banking and Finance Oath. In the 2025 King's Birthday Honours, Ms Baker was appointed a Member of the Order of Australia for significant service to the financial and banking sectors.

Other roles

Chair – La Trobe University Bendigo Regional Advisory Board

Chair – Technology and Transformation Committee,
Australian Retirement Trust

Employer Representative Director – Australian Retirement Trust Pty Ltd

Non-executive director – Regional Australia Institute

Non-executive director – FinTech Australia Limited

Non-executive director – SALT Sport and Life Training

Renée Fry-McKibbin

BEc (Hons), PhD (Melb)



Non-executive member

Member since 1 March 2025

Present term ends 28 February 2030

Renée Fry-McKibbin is a Distinguished Professor of Economics at the Australian National University's Centre for Applied Macroeconomic Analysis in the Crawford School of Public Policy, and a Fellow of the Academy of the Social Sciences in Australia. She has held several leadership positions in the economic and social sciences community including Editor of *Economic Record* and the Board of Directors of the Academy of the Social Sciences in Australia. Professor Fry-McKibbin has two decades of expertise in analysing policy-relevant research questions around international macroeconomic and financial market shocks and their effects, mainly for small, open and resource-rich economies. She was a panellist on the 2023 review of the RBA.

Other roles

Associate Dean (Research) – College of Law, Governance and Policy,
Australian National University

Member – Council of Advisors – Australasian Macroeconomics Society

Member – Australasian Standing Committee of the Econometric Committee
Editorial Board – *Economic Record*

Research Associate – H.O. Stekler Research Program on Forecasting,
George Washington University

Research Associate – Centre for Applied Macroeconomics and Commodity
Prices, BI Norwegian Business School

Ian Harper AO

BEc (Hons) (Queensland), MEC, PhD (ANU)



Non-executive member

Member since 1 March 2025

Present term ends 31 August 2026

Ian Harper has extensive experience in public policy development, academia and economic consulting.

Professor Harper chaired the Competition Policy Review (Harper Review), served as a member of the Financial System Inquiry (Wallis Inquiry) and was the inaugural Chairman of the Australian Fair Pay Commission. He spent two decades as a professor at the University of Melbourne – first as the NAB Professor of Monetary and Financial Economics (1988–1992), then as the Ian Potter Professor of International Finance (1992–2002) and the Sidney Myer Professor of Commerce and Business Administration (2002–2008) at the Melbourne Business School.

Professor Harper spent eight years as an economic consultant – first as a director of Access Economics Pty Ltd (2008–2011), then as a partner of Deloitte Touche Tohmatsu (2011–2016) and as Dean and Director of the Melbourne Business School (March 2018 – December 2023). He was elected a Fellow of the Academy of the Social Sciences in Australia in 2000 and is a Fellow of the Australian Institute of Company Directors. In 2016, he was elected a Distinguished Public Policy Fellow of the Economic Society of Australia and, in 2024, was awarded a Doctorate in Economics, *honoris causa*, by the University of Queensland. Professor Harper served on the Reserve Bank Board from 31 July 2016 to 28 February 2025, and as a member of the Reserve Bank Board Remuneration Committee from 2 August 2016 to 28 February 2025.

In the 2020 Queen's Birthday Honours, Professor Harper was appointed an Officer of the Order of Australia for his distinguished service to education in the field of economics, and to public and monetary policy.

Other roles

Chair – Australian Statistics Advisory Council

Chair – Clergy Remuneration and Working Conditions Committee, Anglican Diocese of Melbourne

Member – Arrow Leadership Australia Board

Member – Kearney (Australia and New Zealand) Advisory Group

Director – Harper Associates Australia

Carolyn Hewson AO

BEc (Hons) (Adelaide), MA (Econ) (Cantab)



Non-executive member

Member since 1 March 2025

Present term ends 28 February 2027

Carolyn Hewson is a former investment banker with over 35 years' experience in the finance sector.

Ms Hewson was previously an executive director of Schroders Australia Ltd and has extensive financial markets, risk management and investment management expertise. She served as a panel member on the Australian Government's Financial System Inquiry in 2014. Ms Hewson is also a former director of BHP Group, Stockland Group, BT Investment Management Ltd, Westpac Banking Corporation, AGL Energy Ltd, the Australian Gas Light Company, CSR Ltd, AMP Ltd, South Australian Water and the Economic Development Board of South Australia. Ms Hewson served on the Reserve Bank Board from 30 March 2021 to 28 February 2025, and as a member of the Reserve Bank Board Audit Committee from 3 August 2023 to 28 February 2025.

Ms Hewson was awarded a Centenary Medal in 2001 for her service to Australian society in business leadership. In the 2009 Queen's Birthday Honours, she was appointed an Officer of the Order of Australia for her service to the community through support for charitable organisations, particularly YWCA, and to business.

Ms Hewson is a Life Fellow of the Australian Institute of Company Directors.

Other roles

Non-executive director – CSL Ltd

Ambassador – Impact 100 South Australia

Member – John Monash Foundation Leadership Academy Advisory Board

Iain Ross AO

BEc (Sydney), LLB (Sydney), LLM (Sydney), MBA (Monash), PhD (Law) (Sydney)



Non-executive member

Member since 1 March 2025

Present term ends 31 August 2028

Iain Ross has served as a President of the Fair Work Commission, and Judge of the Federal Court and the Supreme Court of Victoria. He was admitted as a barrister of the New South Wales Supreme Court in May 1985 and as a barrister and solicitor of the Victorian Supreme Court in December 1988. His career experience includes Vice President of the Australian Industrial Relations Commission, partner in the workplace relations practice group at Corrs Chambers Westgarth and Assistant Secretary of the ACTU. Dr Ross served on the Reserve Bank Board from 7 May 2023 to 28 February 2025, and as a member of the Reserve Bank Board Remuneration Committee from 7 June 2023 to 28 February 2025.

In the 2005 Queen's Birthday Honours, Dr Ross was appointed an Officer of the Order of Australia for his services to industrial relations through contributions to institutional reform, particularly the development of a universal superannuation system and enterprise bargaining, and as a teacher and researcher in the field. In May 2014, Dr Ross was awarded a Doctor of Laws, *honoris causa*, (LLD) by the University of Sydney.

Dr Ross is a Fellow of the Academy of the Social Sciences in Australia.

Other roles

Adjunct Professor – University of Sydney Business School

Chair – Net Zero Economy Authority

Member – International Labour Organisation Committee of Experts on the Application of Conventions and Recommendations

Alison Watkins AM

BCom (Tasmania)



Non-executive member

Member since 1 March 2025

Present term ends 28 February 2026

Alison Watkins is an experienced chief executive officer and non-executive director. She has led two ASX-listed companies – Coca-Cola Amatil Ltd and GrainCorp Ltd.

Previously, Ms Watkins led Berri Ltd and the regional banking business at Australia and New Zealand Banking Group Ltd. Ms Watkins spent 10 years at McKinsey & Company, where she became a partner before moving to ANZ as Group General Manager, Strategy. Ms Watkins has been a non-executive director of ANZ, Woolworths Ltd and Just Group Ltd. Ms Watkins served on the Reserve Bank Board from 17 December 2020 to 28 February 2025, and as a member of the Reserve Bank Board Audit Committee from 3 February 2021 to 30 August 2023 and as Chair from 31 August 2023 to 28 February 2025.

In the 2022 Australia Day Honours, Ms Watkins was appointed a Member of the Order of Australia for her significant service to business through leadership roles with a range of organisations.

Ms Watkins is a Fellow of Chartered Accountants Australia and New Zealand, the Financial Services Institute of Australasia and the Australian Institute of Company Directors.

Other roles

Chancellor – University of Tasmania

Executive Committee Member – University Chancellors Council

Non-executive director – CSL Ltd

Non-executive director – Wesfarmers Ltd

Jenny Wilkinson PSM

BEc (Hons) (ANU), MPA (Princeton)

**Ex officio member**

Secretary to the Australian Treasury

Member since 16 June 2025

Jenny Wilkinson was appointed Secretary to the Australian Treasury with effect from 16 June 2025.

Prior to this role, she was Secretary of the Department of Finance from August 2022. During her career, Ms Wilkinson has held other senior positions in Australian government departments and agencies. These have included the Treasury, Parliamentary Budget Office, Department of Industry, Department of Climate Change, Department of the Prime Minister and Cabinet and Reserve Bank of Australia. In these roles, she has been responsible for providing advice on a wide range of economic policy issues.

Ms Wilkinson was awarded a Public Service Medal in 2021 for outstanding public service in the development of fiscal policy, particularly for the formulation of the Australian Government's economic response to COVID-19 and implementation of JobKeeper.

Other roles

Ex officio member – Board of Taxation

Ex officio member – Council of Financial Regulators

Retirement from the Board

Steven Kennedy retired from the Monetary Policy Board on 15 June 2025.

Steven Kennedy PSM

BEc (Hons) (Sydney), MEc, PhD (ANU)



Ex officio member

Secretary to the Australian Treasury

Member from 1 March 2025 to 15 June 2025

Steven Kennedy was appointed Secretary to the Australian Treasury with effect from 2 September 2019.

Prior to this role, he was Secretary of the Department of Infrastructure, Transport, Cities and Regional Development from September 2017 to August 2019. During his nearly 30 years in the public service, Dr Kennedy has held other senior positions, including Deputy Secretary at the Department of the Prime Minister and Cabinet; Deputy Secretary at the Department of Industry, Innovation and Science; Deputy Secretary at the Department of the Environment; Deputy Secretary at the Department of Climate Change and Energy Efficiency; and the Head of Secretariat of the Garnaut Climate Change Review – Update 2011. Dr Kennedy served on the Reserve Bank Board from 2 September 2019 to 28 February 2025.

Dr Kennedy was awarded a Public Service Medal in 2016 for his outstanding public service in the area of climate change policy.

Other roles

Ex officio member – Board of Taxation

Ex officio member – Council of Financial Regulators

Ex officio member – Sir Roland Wilson Foundation

Member – Centre for Market Design Advisory Board

Member – Trans-Tasman Council on Banking Supervision

Resolution passed by the Monetary Policy Board – 7 July 2025

Members paid tribute to Steven Kennedy, who had served as an ex officio member of the Reserve Bank Board and its successor, the Monetary Policy Board, for five and a half years with great professionalism and distinction. On behalf of all members, the Governor expressed appreciation for Dr Kennedy's contributions to the conduct of monetary policy and the Board's deliberations, drawing on his extensive experience in public policymaking and public sector leadership over more than three decades in the Australian Public Service. The Governor also acknowledged Dr Kennedy's significant contribution to Australia's macroeconomic policy response to the COVID-19 pandemic. Members commended Dr Kennedy's dedication to public policy and his service to the nation.

1.5 Payments System Board

The Payments System Board comprises up to eight members: the RBA Governor; a representative of the RBA; a representative of the Australian Prudential Regulation Authority; and up to five other non-executive members appointed by the Treasurer.

Board members as at September 2025

Michele Bullock

BEC (Hons) (UNE), MSc (LSE)



Chair and RBA Governor

Governor since 18 September 2023

Present term ends 17 September 2030

Michele Bullock commenced as RBA Governor on 18 September 2023. She is Chair of the Governance Board, Monetary Policy Board, Payments System Board and Council of Financial Regulators.

Prior to her current role, Ms Bullock was the RBA Deputy Governor. She has also held a variety of senior management positions at the RBA. She was Assistant Governor (Financial System), Assistant Governor (Business Services), Assistant Governor (Currency), Adviser for the Currency Group and, before that, Head of Payments Policy Department.

Ms Bullock is a member of Chief Executive Women and a signatory to the Banking and Finance Oath.

Other roles

Chair – Governance Board

Chair – Monetary Policy Board

Chair – Council of Financial Regulators

Chair – Financial Markets Foundation for Children

Co-chair – Financial Stability Board Regional Consultative Group for Asia

Member – Financial Stability Board

Member – Melbourne Institute Advisory Board

Member – Trans-Tasman Council on Banking Supervision

Director – The Anika Foundation

Brad Jones

PhD (Macquarie)



Deputy Chair and RBA Assistant Governor (Financial System)

Deputy Chair since 16 January 2024

Brad Jones joined the RBA in 2018 and was appointed RBA Assistant Governor (Financial System) in 2022. He oversees the RBA's work on financial stability and payments policy, including the future of money and geopolitical risk.

Prior to his current role, Dr Jones was the Head of International Department and then the Head of Economic Analysis Department.

Before joining the RBA, Dr Jones held roles at the International Monetary Fund in Washington DC, Deutsche Bank in London and Hong Kong, and the University of Cambridge Judge Business School.

Dr Jones is a graduate member of the Australian Institute of Company Directors and a signatory to the Banking and Finance Oath.

Other roles

Member – Basel Committee on Banking Supervision

Member – Financial Stability Board Regional Consultative Group for Asia

Member – Council of Financial Regulators

Member – Trans-Tasman Council on Banking Supervision

Member – Institute of Global Finance Advisory Board

Chair – RBA Financial Market Infrastructure Review Committee

Ross Buckley

BEc, LLB (Hons) (UQ), PhD (UNSW), LLD (Melbourne)



Non-executive member

Member since 1 August 2023

Present term ends 31 July 2028

Ross Buckley is a Scientia Professor, School of Private and Commercial Law, at the University of New South Wales and an Australian Research Council Laureate Fellow. His key research areas include fintech, regtech, central bank digital currencies and cryptoassets more generally. He has written seven books and over 200 journal articles, book chapters and major reports. He has twice been a Fulbright Scholar, at Yale and Duke universities.

Professor Buckley has consulted to government departments in over a dozen countries and written reports for a range of institutions, including the Alliance for Financial Inclusion, Asian Development Bank, Bank for International Settlements, European Commission and United Nations Capital Development Fund.

Other roles

Chair – Digital Finance Advisory Panel, Australian Securities and Investments Commission

Member – Consultative Panel, Australian Securities and Investments Commission

Member – Public and Private Markets Advisory Group Network, Australian Securities and Investments Commission

Member – Simplification Consultative Group, Australian Securities and Investments Commission

Strategic Research Advisor – Digital Finance Cooperative Research Centre

Fellow and Academic Board Member – European Banking Institute, Frankfurt

Gina Cass-Gottlieb

BEc (Hons), LLB (Hons) (Sydney), LLM (Berkeley)



Non-executive member

Member from 15 July 2013 to 14 July 2018

Reappointed from 1 August 2018

Present term ends 31 July 2028

Gina Cass-Gottlieb has extensive expertise in competition law and economic regulatory advice and in the regulation of payments in Australia. She was appointed Chair of the Australian Competition and Consumer Commission on 21 March 2022.

Prior to this, Ms Cass-Gottlieb was a senior partner in Gilbert + Tobin's competition and regulation practice, advising and representing corporations, industry associations and government and non-government agencies. She has over 25 years' experience, including advising in relation to access arrangements in a range of sectors across the economy.

Ms Cass-Gottlieb attended the University of California, Berkeley, as a Fulbright Scholar.

Michelle Deaker

BSc (Hons) (Sydney), MSc (Sydney), PhD (UC)



Non-executive member

Member since 1 August 2023

Present term ends 31 July 2028

Michelle Deaker is a Founding Partner and the Managing Director of OneVentures, a venture capital firm that focuses on technology and healthcare sectors. Dr Deaker has over 20 years' experience in the development of high-growth technology companies in Australia and the United States. She has served on the boards of large and small listed and unlisted companies and has a background in Australian research and development as well as expertise in global business expansion.

Prior to establishing OneVentures in late 2006, Dr Deaker established IT enterprise business Networks Beyond 2000 and later E Com Industries, a leading prepaid card and electronic voucher provider in several countries.

Dr Deaker is a member of the Australian Institute of Company Directors and of Chief Executive Women.

Other roles

Director – Phocas Group

Director – Buildkite

Director – WinVC Limited

Board Observer – Employment Hero

Scott Farrell

BEc (Sydney), LLB (Hons) (Sydney), PhD (UNSW)



Non-executive member

Member since 23 March 2022

Present term ends 22 March 2027

Scott Farrell has more than 25 years' experience in financial markets and financial systems law. In 2016, he was appointed to the Australian Government's FinTech Advisory Group at its formation and in 2018 was appointed its co-Chair.

Dr Farrell has led a number of reviews for the Australian Government, including the Review into Open Banking in Australia in 2017, the Inquiry into Future Directions for the Consumer Data Right in 2020 and the Review of the Australian Payments System in 2021.

Other roles

Strategic Counsel – King & Wood Mallesons

Adjunct Professor – School of Private and Commercial Law, University of New South Wales

Chair – International Organization for Standardization TC 307 Blockchain and Distributed Ledger Technologies

Member – Data Standards Body Advisory Committee

John Lonsdale



APRA-appointed member

Chair – Australian Prudential Regulation Authority

Member since 1 November 2022

John Lonsdale was appointed as Chair of the Australian Prudential Regulation Authority (APRA) on 31 October 2022 after joining APRA as Deputy Chair on 8 October 2018. In his Deputy Chair role, Mr Lonsdale was responsible for oversight of Australia's banking sector, as well as oversight of APRA's work on culture and remuneration, building APRA's crisis-resolution capability and strengthening APRA's collaboration with peer regulators.

Prior to joining APRA, Mr Lonsdale worked for the Australian Treasury for over 30 years. He was a member of the Treasury's Executive and, in his role as Deputy Secretary for the Markets Group, he had responsibility for financial system, consumer and foreign investment policy. In 2014, he led the Secretariat for the Financial System Inquiry.

Other roles

Member – Council of Financial Regulators

Member – Financial Stability Board Standing Committee on Supervisory and Regulatory Cooperation

Member – Trans-Tasman Council on Banking Supervision

Deborah Ralston

BEc, Dip Fin Mgt, MEc (UNE), PhD (Bond)



Non-executive member

Member since 15 December 2016

Present term ends 14 December 2026

Deborah Ralston has more than 25 years of board-level experience in education, banking, superannuation and fintech sectors. She has held senior leadership and research roles in Australian universities, most recently as the Executive Director of the Australian Centre for Financial Studies.

Dr Ralston's expertise in public policy is reflected in appointments to the Australian Government's Retirement Income Review Panel, the Comprehensive Income Products for Retirement Framework Advisory Committee and as inaugural Chair of the Australian Securities and Investments Commission's Digital Finance Advisory Board.

Dr Ralston is currently a Professorial Fellow at Monash University Business School, with research interests in financial regulation and superannuation. She is a Fellow of both CPA Australia and the Australian Institute of Company Directors.

Other roles

Chair – Advisory Board, Household Capital

Member – Advisory Board, Connexus Institute

Member – Future Fund Board of Guardians

Non-executive Director – Digital Finance Cooperative Research Centre

1.6 Operational Structure

The RBA is managed by the Governor, with the support of the Deputy Governor, the Chief Operating Officer and the Executive Committee. We have five operational groups – Business Services Group, Economic Group, Enterprise Services and Strategy Group, Financial Markets Group and Financial System Group – six other supporting departments, and two temporary project departments established to lead the transformation of the RBA, which is currently underway.

As part of the transformation of the RBA, we made extensive changes to our department structure during 2024/25. These built on the changes introduced in the previous year, which include elevating communications to a standalone department and establishing two project departments – Future Hub and Payments Operation Program – to lead the transformation agenda.

In 2024/25, the changes we made to our structure – and the reasons for doing so – included establishing the following departments:

- Monetary Policy Strategy: to deliver excellent monetary policy strategy advice to the Monetary Policy Board that looks beyond the next decision and improves policy outcomes by integrating perspectives from across the RBA and external thinking and drawing on deep analysis and research. Establishing the department was a recommendation from the 2023 RBA Review.
- Enterprise Strategy and Change: to strengthen and coordinate the design and delivery of the RBA's strategic planning framework, while supporting the allocation of resources consistent with this, and to support enterprise-wide continuous improvement.
- Core Modernisation: to give appropriate priority to the delivery of a multi-year project that will modernise and enhance the RBA's core technology infrastructure, in support of the critical infrastructure underpinning our payments, banking and policy services.
- Knowledge Management: to strengthen the way we manage the data and information that enable us to meet our objectives, while pursuing innovations that can leverage this better. Knowledge Management represents the consolidation of Information Management Department and the Enterprise Data Office.

Business Services Group

Business Services Group provides transactions-based services to our customers and other important stakeholders. In particular, it provides banking services and payments-related advice and assistance to the Australian Government and its agencies, as well as to other central banks. It is responsible for the distribution of Australia's banknotes and provides payment settlement services to financial institutions. The group comprises three departments: Banking, Note Issue and Payments Settlements.

Banking Department

Banking Department provides a range of banking services to Australian government departments and agencies as well as to a number of overseas central banks and official institutions. These government services broadly comprise two activities: managing the

government's core accounts and transactional banking. Sydney-based staff are responsible for the direction, administration and development of the department's work, while the day-to-day interaction with customers is largely managed by staff in the Canberra Branch.

Note Issue Department

Note Issue Department is responsible for the issue, reissue and cancellation of Australian banknotes to provide a safe, secure and reliable means of payment and a store of value. The department works with the RBA's wholly owned subsidiary, Note Printing Australia Limited, which designs and produces banknotes. The department distributes banknotes to financial institutions, monitors and maintains banknote quality in circulation, and withdraws unfit banknotes from circulation. It also monitors and analyses counterfeiting trends and conducts research into banknote security technology.

Payments Settlements Department

Payments Settlements Department operates Australia's interbank settlement system, the Reserve Bank Information and Transfer System (RITS). RITS facilitates final settlement of payment obligations across accounts held with the RBA, often on an individual and real-time basis (reducing the build-up of exposures between institutions and contributing to the stability of the financial system). RITS includes the Fast Settlement Service, which the department operates 24/7 to support Australia's fast payment system (the New Payments Platform), as well as other services that settle low-value payments, such as cheque and direct-entry transactions. The department also manages settlement of the RBA's own transactions and those of its official clients.

Economic Group

Economic Group is responsible for analysing economic trends, both domestic and overseas, forecasting and research relevant to the framing of policy in a number of areas. The group comprises Economic Analysis Department and Economic Research Department.

Economic Analysis Department

Economic Analysis Department monitors and forecasts trends in the domestic and international economies, and provides regular advice on these developments to the Monetary Policy Board. The department also contributes to the work of various external bodies, maintains contacts with relevant external analysts, undertakes applied research and prepares reports for publication, including chapters of the Statement on Monetary Policy.

Our four state offices – in Adelaide, Brisbane, Melbourne and Perth – are managed by Economic Analysis Department. Together with colleagues based in headquarters in Sydney, staff in these offices conduct economic liaison across Australia via regular discussions with individual firms and organisations in the private, public and community sectors; they also assist with communication with the wider community.

Our Representative Office in Beijing also sits under this department and is responsible for monitoring Chinese economic and financial developments, as well as maintaining relationships with government and private sector entities in China.

Economic Research Department

Economic Research Department undertakes longer term research into issues relevant to our responsibilities, including the Australian economy, monetary policy, financial stability, the payments system and the operation of financial markets. Results of this research are published in the Research Discussion Paper series, the RBA *Bulletin* or in national and international journals, and are presented at various conferences and workshops. The department includes the Data Science Hub, which is responsible for developing bespoke data analytic and AI solutions for the whole of the RBA. The department organises a major annual conference and an annual research workshop, as well as a number of smaller joint conferences. In addition, it organises a program of internal seminars, hosts a number of invited visitors each year and is responsible for administering a comprehensive library service for the RBA.

Enterprise Services and Strategy Group

Enterprise Services and Strategy Group is responsible for delivering enabling services to the whole of the RBA in support of our charter objectives and strategic priorities. The group comprises Core Modernisation, Enterprise Strategy and Change, Finance, Information Technology, Knowledge Management, People and Workplace departments.

Core Modernisation Department

Core Modernisation Department is responsible for the multi-year program to modernise and enhance the RBA's core technology infrastructure. This program will mitigate obsolescence risk and improve resilience of critical technology services supporting the nation's payments, banking and policy services, while reducing the complexity of our internal technology structure. This work includes moving to a new third-party owned co-location data centre that is certified to the highest level of security, upgrading the infrastructure across all the RBA's data centres, safely migrating the RBA's application workloads to the new infrastructure and decommissioning the existing Head Office data centre.

Enterprise Strategy and Change Department

Enterprise Strategy and Change Department is responsible for coordinating the design and delivery of the strategic planning framework at the RBA, and supporting the allocation of relevant resources. The department also oversees the RBA's enterprise project portfolio, delivers IT-enabled enterprise change projects and provides an enterprise-wide continuous improvement capability.

Finance Department

Finance Department is responsible for our financial statements and taxation reporting obligations; it prepares the budget and provides a range of support services, including corporate payments, payroll, procurement and travel.

Information Technology Department

Information Technology Department is responsible for developing and maintaining reliable, resilient and secure information technology to support policy, operational and corporate functions. In fulfilling these responsibilities, the department delivers and maintains technology systems and infrastructure, provides ongoing system quality assurance, and maintains information security, including its cybersecurity defensive controls. It also coordinates technology strategy and planning for the RBA to cater for emerging and future technology requirements.

Knowledge Management Department

Knowledge Management Department is responsible for managing data, information and knowledge in support of the RBA's responsibilities and aims. It oversees the governance frameworks, processes, platforms, tools and training for managing the RBA's data and information as an asset. It facilitates public access to the RBA's records and manages an archival repository and museum. Knowledge management activities enable the RBA's data and information assets to be interpreted and shared both internally and externally. This is assisted by an Innovation Lab, which assesses emerging technologies to support delivery of the RBA's charter objectives and strategic priorities.

People Department

People Department provides a range of people-related services to support and maintain a productive and engaged workforce. This includes attracting and

retaining high-quality employees, as well as managing reward and recognition frameworks, the performance management framework, training and development programs and employee relations. The department also leads our work to drive cultural change and diversity, and workplace health and safety.

Workplace Department

Workplace Department is responsible for managing our physical assets, maintaining our properties and building infrastructure, and delivering workplace services to ensure the effective operation of the RBA and the safety, security, amenity and wellbeing of our staff. Key activities include overseeing the provision of building services, asset infrastructure maintenance and upgrades, protective security, and sustainability and environmental risk management.

Financial Markets Group

Financial Markets Group is responsible for implementing operations in domestic and foreign exchange markets, monitoring developments in financial markets and coordinating relationships with international institutions. The group comprises Domestic Markets Department and International Department.

Domestic Markets Department

Domestic Markets Department is responsible for our operations in domestic money and bond markets. The department analyses developments in domestic financial markets, including the cost and availability of finance through financial intermediaries and capital markets, and provides regular advice to executives and the Monetary Policy Board on these issues.

International Department

International Department is responsible for our foreign exchange operations, investment of international reserve holdings of gold and foreign exchange, and for providing regular advice on developments in international financial markets to executives and the Monetary Policy Board. The department is also responsible for maintaining relations with major international financial and policymaking institutions. International Department also houses a team that coordinates climate-related analysis across the Economic, Financial Markets and Financial System groups.

Our representative offices in London and New York come under Financial Markets Group. The European Representative Office in London liaises with central banks and other institutions and authorities in Europe, including the Bank for International Settlements and the Organisation for Economic Co-operation and Development. The New York Representative Office performs similar functions in North America. Both offices monitor economic and financial developments in their respective local markets, and assist with foreign exchange operations and investment of international reserves.

Financial System Group

Financial System Group supports our broad responsibilities for financial system stability and our role in the oversight and regulation of the payments system. The group comprises Financial Stability Department and Payments Policy Department.

Financial Stability Department

Financial Stability Department analyses the implications for financial system stability of developments in the economy, financial markets and the financial sector more generally. The department prepares the RBA's regular assessment of financial stability, which is published in the half-yearly *Financial Stability Review*. It works closely with other agencies of the Council of Financial Regulators (CFR) to identify, monitor and coordinate policies to address risks to financial stability, and to build crisis response readiness. The department provides advice on financial stability risks, including how they might interact with monetary policy, to executives and to the Monetary Policy Board, and supports the RBA's provision of financial stability advice to the CFR and to the Australian Prudential Regulation Authority. It also supports our representation on bodies such as the CFR, the Financial Stability Board and the Basel Committee on Banking Supervision.

Payments Policy Department

Payments Policy Department is responsible for developing and implementing our payments system policy. It provides analysis and advice to the Payments System Board to support the safety, efficiency and competitiveness of the payments system. The department is also responsible for the supervision of clearing and settlement facilities and their crisis management, along with the oversight of critical payment system infrastructures.

The department represents the RBA on the Committee on Payments and Market Infrastructures of the Bank for International Settlements.

Other departments

Audit Department

Audit Department is responsible for conducting independent appraisals of our activities, functions and operations to ensure that an adequate framework of internal control has been established and is operating effectively. The Head of Audit Department reports to the Deputy Governor and the Audit and Risk Committee. The Audit Department's objectives and responsibilities, and its relationships with the Audit and Risk Committee and management, are outlined in the Audit Department charter.

Communications Department

Communications Department is responsible for communicating our decisions and activities to the Australian community. This includes managing media, social media, public enquiries and public appearances. The department works with staff across the RBA to publish a wide scope of information, including regular publications and reports. It maintains our websites and is responsible for keeping staff informed of relevant developments. The department also maintains a program of public education, with particular focus on supporting economics students and educators.

Monetary Policy Strategy Department

Monetary Policy Strategy Department is responsible for developing policy advice and briefing the Monetary Policy Board on monetary policy strategy and policy alternatives, including their costs, benefits and risks. The department identifies priority issues and provides additional information and analysis to Monetary Policy Board members as requested. It collaborates with other departments on in-depth analysis relevant to monetary policy. The department is also responsible for the design and coordination of the internal process to formulate policy materials and advice to the Monetary Policy Board.

Risk and Compliance Department

Risk and Compliance Department supports the consistent and effective application of the framework for managing risk, both at the enterprise level and for individual business units. It assists departments to identify, understand and manage their compliance obligations. It also monitors and reports on portfolio risks and compliance with respect to our operations in financial markets. The department is responsible for providing secretariat and coordination services and advice to the Risk Management Committee. The Chief Risk Officer reports to the Deputy Governor and the Audit and Risk Committee.

Secretary's Department

Secretary's Department provides secretariat and coordination services and advice on governance and related matters to the Governor, the Governance Board and its Audit and Risk Committee, the Monetary Policy Board, the Payments System Board and the Executive Committee. In addition, the department coordinates a range of contacts with government, parliament, other central banks and international organisations, and arranges programs for international visitors.

Legal Section

The RBA's in-house legal team supports departments with their responsibilities to identify, evaluate and address the legal risks that arise in the course of, or are created by, their functions and activities. It also assists with the engagement of external legal advisers. The team is headed by the General Counsel, who reports to the Deputy Governor. The legal section is in the process of being constituted as a distinct department.

Project departments

Future Hub

The Future Hub coordinates and governs our response to the 2023 review of the RBA. It also leads our work to implement the recommendations of the Deloitte review into the October 2022 Reserve Bank Information and Transfer System (RITS) outage that have enterprise application. Its remit covers our transformation agenda in relation to monetary policy, governance, risk management, and culture and leadership.

Payments Operations Program

The Payments Operations Program leads our work to implement the recommendations of the Deloitte review, apart from the recommendations related to organisational culture, the risk management framework and governance arrangements, which are being implemented by the Future Hub. This includes working closely with Payments Settlements and IT departments to upgrade the operating model for RITS, IT system controls, investment prioritisation and knowledge management.

Note Printing Australia Limited

Note Printing Australia Limited (NPA) is a wholly owned subsidiary of the RBA. NPA is governed by a board of directors and operates under a charter reviewed and approved annually by the Governance Board. For further detail on the governance of NPA, see Part 1.2: Governance and Accountability.

NPA's Executive Committee, comprising its Chief Executive Officer and the heads of NPA's five business areas, is responsible for the operational and administrative management of NPA. As at the end of June 2025, NPA employed 304 permanent staff, supplemented with temporary labour from time to time.

The annual financial accounts of NPA are consolidated with those of the RBA.

Senior Executive Leadership

September 2025



Governor
Michele Bullock



Deputy Governor
Andrew Hauser



Chief Operating Officer
Susan Woods



Assistant Governor
Business Services
Michelle McPhee



Assistant Governor
Economic
Sarah Hunter



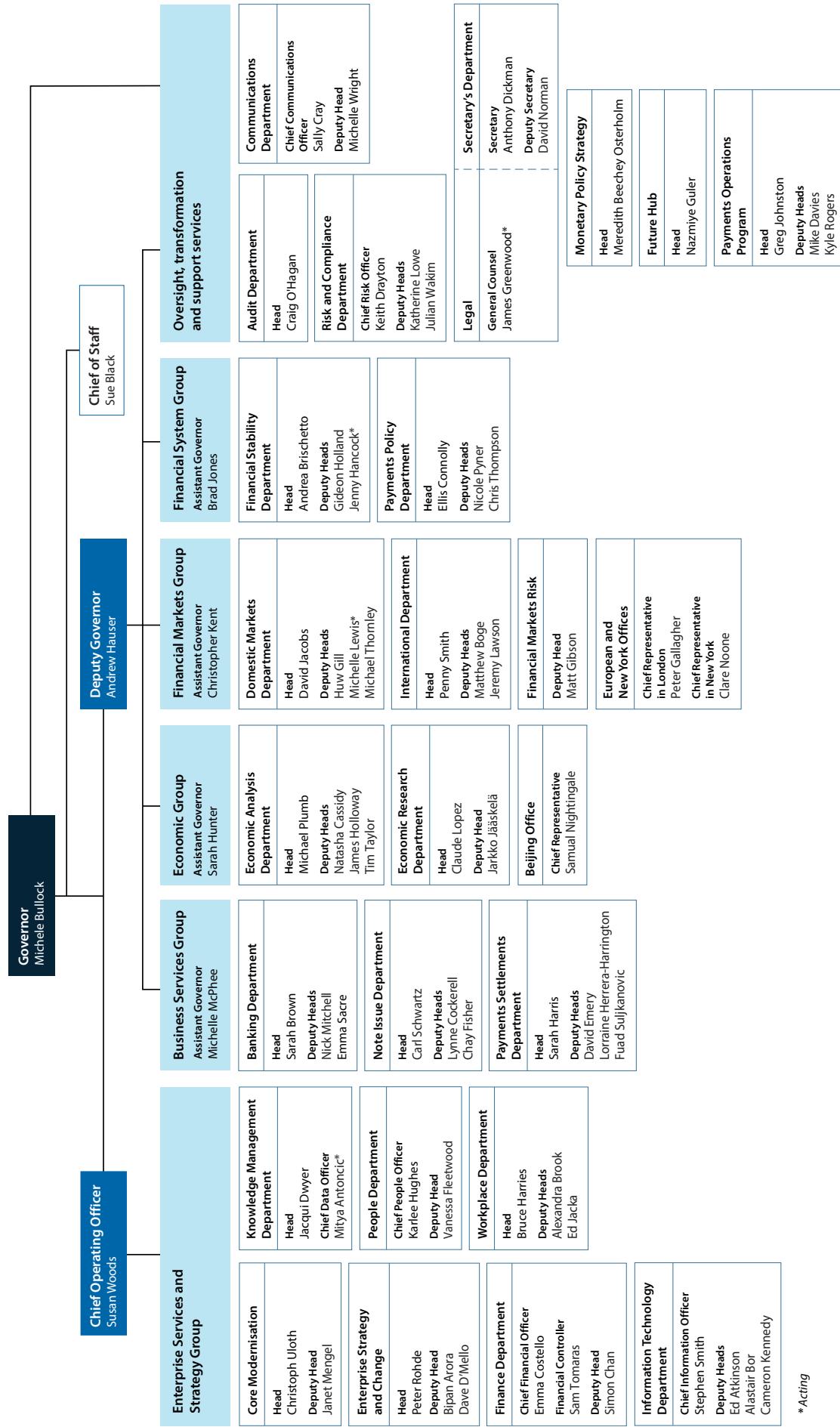
Assistant Governor
Financial Markets
Christopher Kent



Assistant Governor
Financial System
Brad Jones

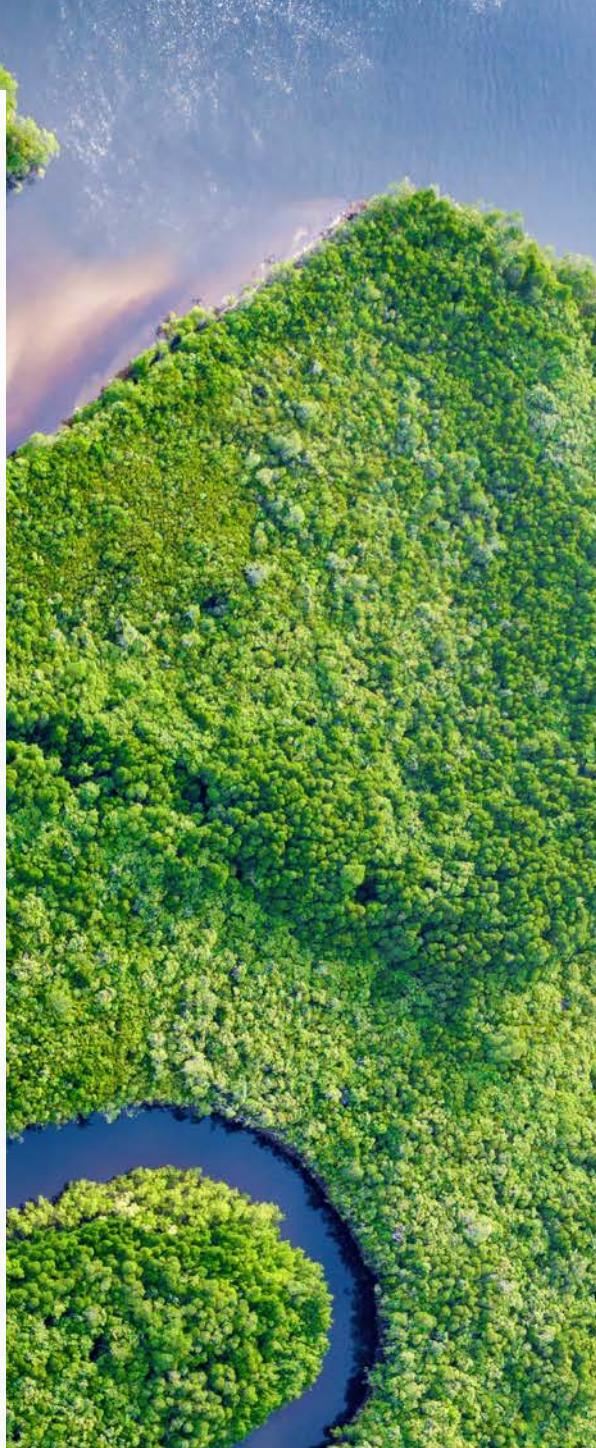
Figure 1.6.1: Operational Structure

September 2025



* *Acting*

Part 2: Performance



2.1 Annual Performance Statement

Annual Performance Statement for 2024/25

We, as the accountable authority of the Reserve Bank of Australia, present the Annual Performance Statement of the Reserve Bank of Australia for the 2024/25 reporting period, prepared under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In our opinion, this statement accurately presents the performance of the Reserve Bank in the reporting period and complies with subsection 39(2) of the PGPA Act.

Reserve Bank of Australia Governance Board
10 September 2025

Introduction

This statement outlines the RBA's key objectives as set out in the 2024/25 Corporate Plan and provides an assessment of the RBA's performance in achieving those objectives. Where necessary, additional context is provided, including an analysis of significant factors that have contributed to the outcomes.

Price stability and full employment

Purpose

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 objectives for both price stability and full employment through monetary 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.

Results

Table 2.1.1: Performance Summary – Price Stability and Full Employment

Key objectives	Key activities	Performance measures and targets	Results
Price stability and full employment	<p>Conduct monetary policy in a way that best contributes to:</p> <ul style="list-style-type: none"> stability of the currency maintenance of full employment economic prosperity and welfare of the people of Australia 	<p>Flexible medium-term inflation target to achieve consumer price inflation of between 2 and 3 per cent.</p> <p>Foster sustainable full employment, which is the maximum level of employment that is consistent with low and stable inflation.</p>	<p>Consumer price inflation was 2.1 per cent over the year to the June 2025 quarter and was within the 2–3 per cent target range throughout the year.</p> <p>The unemployment rate was 4.3 per cent as at June 2025. This is well below rates seen in recent decades. Throughout 2024/25, staff judged the labour market to be tight relative to full employment, though there was considerable uncertainty around this assessment.</p>
Achieve cash rate consistent with the Board's target ¹	Achieve cash rate consistent with the Board's target ¹	The cash rate is within the interest rate corridor around the cash rate target.	The cash rate was close to the cash rate target on each business day of 2024/25.
Provide adequate liquidity to the financial system	Provide adequate liquidity to the financial system	Funding costs and access to liquidity are appropriate to achieve our goals.	Financial institutions have been able to draw on liquidity as required, using the RBA's weekly open market operations and wider standing facilities.
Maintain sufficient foreign reserves and manage portfolio risks	Maintain sufficient foreign reserves and manage portfolio risks	Reserves portfolio managed within permitted deviations around targets for liquid asset holdings and for interest rate and currency risk.	Deviations from portfolio targets were within predefined tolerances.
Intervene in the foreign exchange market as appropriate	Intervene in the foreign exchange market as appropriate	Publish data and explanations for any intervention.	No foreign exchange market intervention was conducted in 2024/25.

Analysis

There was progress over 2024/25 in achieving the RBA's policy objectives of inflation being within the 2–3 per cent target band and the labour market being consistent with full employment.

Consumer price inflation was within the 2–3 per cent target range throughout 2024/25, having eased further from the high rates of the preceding few years. Lower inflation partly reflected temporary government energy subsidies to households. Underlying inflation – which assesses the underlying momentum in inflation and looks through the impact of subsidies – eased more gradually and was below 3 per cent from early 2025.

Throughout the year, the staff assessed that conditions in the labour market remained tight, though there is considerable uncertainty around this assessment. The unemployment rate ranged around 4–4½ per cent throughout 2024/25, which is low by historical standards, and other measures of labour underutilisation were also low and little changed. The participation and employment-to-population rates held steady around historical highs. By contrast, other measures such as employee turnover and firms' hiring intentions gradually softened over the course of the year.

The modest easing in labour market conditions since mid-2023, together with moderating inflation outcomes, contributed to wages growth slowing in 2024/25. Annual growth in the Wage Price Index was 3.4 per cent in the March 2025 quarter, having peaked at 4.3 per cent in the December 2023 quarter. Growth in broader measures of firms' labour costs remained elevated, mostly reflecting ongoing weak productivity outcomes.

These developments afforded the Board sufficient confidence that its policy settings were appropriate to achieve its objectives. To secure the return of inflation to target, at a time when the Board judged there to be upside risks to inflation, the target cash rate was maintained at 4.35 per cent until February 2025. This restrictive stance of monetary policy over recent years contributed to closing the gap between the demand and supply capacity of the economy; GDP grew by just 1.3 per cent over the year to the March 2025 quarter. As growth slowed and underlying inflation eased, the Board became increasingly comfortable that near-term risks to inflation were dissipating – despite adverse developments overseas. The target cash rate was therefore lowered in both February and May 2025, though the policy stance was still assessed to be moderately restrictive.

The RBA met its operational objectives for implementing monetary policy in 2024/25. The cash rate remained close to its target, as discussed in Part 2.2: Operations in Financial Markets. The cash rate was guided by the RBA's Exchange Settlement and open market operation rates. The RBA's holdings of government bonds – purchased as part of the policy response to the COVID-19 pandemic – continued to decline as these bonds matured, but the overall supply of liquidity was still assessed to be surplus to financial institutions' underlying demand for liquidity. The RBA's operational framework for implementing monetary policy – supplying the reserves demanded by commercial banks at a predetermined interest rate set by the RBA – ensured financial institutions had the liquidity they needed.

Foreign exchange reserves were managed to achieve the Board's targets for liquid asset holdings and were within predefined limits for market risk. No foreign exchange interventions were required.

The stability of the financial system

Purpose

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 (CFR) to identify and address risks, overseeing market infrastructures that are central to the effective operation of the financial system and providing adequate liquidity.

Results

Table 2.1.2: Performance Summary – The Stability of the Financial System

Key objectives	Key activities	Performance measures and targets	Results
The stability of the financial system	Support overall financial system stability	A stable financial system that is able to support the economy.	The Australian financial system continued to show signs of being highly resilient throughout the year. Most Australian households and businesses have been able to service their debt and meet essential expenses.
	Work with Council of Financial Regulators agencies and with international bodies to identify and appropriately address evolving systemic risks.		The RBA continued to engage closely with CFR agencies, and with international bodies, to identify and assess vulnerabilities in the financial system. CFR agencies have coordinated to mitigate vulnerabilities and strengthen resilience in the Australian financial system, including crisis preparedness arrangements.
	Assess and communicate risks to financial system stability, including through the half-yearly <i>Financial Stability Review</i> .		Scenario analysis and a wide range of information sources were utilised to assess emerging vulnerabilities in the Australian financial system. RBA assessments of financial stability risks were communicated to the public in the September 2024 and April 2025 editions of the <i>Financial Stability Review</i> , as well as in Bulletin articles and through public appearances by RBA executives.

Analysis

In 2024/25, the RBA continued to analyse vulnerabilities and risks in the financial system, including those relating to financial institutions, markets, households and businesses. We engaged closely with the Australian Prudential Regulation Authority and other CFR agencies to identify, monitor and address evolving systemic vulnerabilities and risks. The CFR's work this year focused on systemic risks and vulnerabilities related to:

- geopolitical risks
- operational vulnerabilities, including challenges associated with cyber threats and managing dependencies on third-party service providers
- liquidity risk
- high household leverage
- climate change.

This work underpinned our assessment of financial stability and informed the Board's policymaking process. Overall, the Australian financial system continued to display a high level of resilience throughout 2024/25. Risks to the Australian financial system from lending to households, businesses and commercial real estate have remained contained.

We continued to monitor closely the financial health of Australian households and businesses. While budget pressures remained pervasive across the community, they eased a little for some. The share of borrowers experiencing severe financial stress remained small, reflecting the continued strength in the labour market and the maintenance of prudent lending standards. Company insolvencies picked up over the past couple of years to be slightly above the range observed in the 2010s, although on a cumulative basis they only returned to around their pre-pandemic trend.

Additionally, broader spillovers to the financial system have been limited, largely due to these firms' small size and limited bank debt. Risks to the financial system are therefore expected to remain contained. Our analysis supporting this assessment was set out in a focus topic in the April 2025 *Financial Stability Review*.

The share of bank loans that are in arrears has increased from low levels, reflecting a small but rising number of borrowers who are encountering financial stress. But this has had a limited impact on the resilience of the banking system, given lending standards have stayed robust and banks have capital and liquidity buffers that are still well above regulatory requirements. While considerable uncertainty surrounds the outlook, banks are well positioned to absorb large loan losses while continuing to lend as needed to households and businesses, even in the event of a significant economic downturn. However, resilience could be undermined in future if lending standards deteriorate and households respond to an actual or anticipated easing in financial conditions by accumulating excessive debt. This is an area the CFR agencies continue to monitor closely.

The risk to financial stability posed by the non-bank financial sector in Australia is contained by its composition, although the growing size of the superannuation sector has seen its importance to financial stability increase. Continued strengthening of superannuation funds' governance and liquidity and operational risk management practices is an area of ongoing focus for regulators.

Some key risks to financial stability originate from overseas and outside the financial system. Heightened geopolitical tensions and policy uncertainty in major economies have the potential to interact with existing vulnerabilities, including those in key sovereign bond markets. Imbalances in China's financial sector and the risk of international spillovers also remain a focus. Operational vulnerabilities arising from the growing complexity and interconnectedness associated with digitalisation is an area of increasing concern in the Australian and international financial systems, as set out in a focus topic in the September 2024 and April 2025 editions of the *Financial Stability Review*. These vulnerabilities have increased the risk of disruptive adjustments in the financial system and economy. Strengthening crisis preparedness arrangements in the Australian financial system, including as they relate to geopolitical and operational risk, is a regulatory priority.

In 2024/25, we continued to engage closely with overseas counterparts during meetings on international financial sector issues coordinated by global bodies. These have included meetings organised by the Financial Stability Board and the Basel Committee on Banking Supervision. We place a high priority on these international forums, which also allow Australian perspectives to be provided when global standards applying to banks and other financial institutions are developed (see Part 2.5: International Financial Cooperation).

A secure, stable and efficient payments system

Purpose

Australians expect payments to be cost-effective, convenient and accessible. Having a reliable payments system is important 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 owner and operator of critical national payments infrastructure.

Results

Table 2.1.3: Performance Summary – A Secure, Stable and Efficient Payments System

Key objectives	Key activities	Performance measures and targets	Results
A secure, stable and efficient payments system	Strengthen the safety and resilience of payments and market infrastructures	Fulfil regulatory obligations under the Security of Critical Infrastructure framework for retail payment systems.	All the relevant payment systems submitted annual reports on their risk management programs to the RBA by September 2024 in compliance with relevant legislative requirements.
		Complete risk assessment on industry's proposed migration from the Bulk Electronic Clearing System (BECS) to more modern payment systems.	We published the risk assessment on the intended decommissioning of BECS in March 2025.
	Advance and implement reforms for payments and market infrastructures	Subject to the passage of relevant legislation, initiate consultation on priorities for payments regulation and on guidance on the conduct of crisis management powers for clearing and settlement facilities.	We published a consultation paper on guidance for the Australian Clearing and Settlement Facility Resolution Regime in June 2025.
	Promote competitive, cost-effective and accessible electronic payments	Reduced payment costs for small business through industry delivering merchant choice of debit card network.	The share of merchants using least-cost routing for card-present debit card transactions increased from 70 per cent in June 2024 to 80 per cent in June 2025.
		Review end-user cost of account-to-account payments.	We reviewed end-user cost of account-to-account payments and presented the findings to the Payments System Board in March 2025.
		Modernise retail payments statistics collection to reflect new technologies and business models, and publish updated statistics.	We implemented and published the improvements to the retail payments statistics collection in December 2024.
	Enhance cross-border payments	Finalise work with central bank partners on research to develop a common technical protocol for automating policy and regulatory compliance requirements in cross-border payments (Project Mandala).	In collaboration with other central banks and the BIS Innovation Hub, we completed Project Mandala and published a final project report in October 2024.

Table 2.1.3: Performance Summary – A Secure, Stable and Efficient Payments System (continued)

Key objectives	Key activities	Performance measures and targets	Results
A secure, stable and efficient payments system (continued)	Align the RBA's regulatory framework for payments and market infrastructures to the Australian Government's principles of regulator best practice	Actively engage with stakeholders and conduct research to understand emerging issues affecting the environment in which regulated entities operate.	We surveyed clearing and settlement facilities and participants in the retail payments system in May 2025 to obtain feedback on our regulatory performance. Respondents indicated that their engagement with the RBA had been constructive. Respondents agreed that we had sought to understand emerging issues affecting the payments industry when developing and enforcing regulatory requirements. However, some respondents thought that it seemed to take a long time for us to respond to emerging issues outside our areas of focus.
		Regulatory requirements are streamlined, proportionate to risks and coordinated with other regulators. Build capability in data analysis to efficiently monitor compliance.	Respondents to our survey of clearing and settlement facilities agreed that we coordinate our regulatory activities with other relevant Australian regulators. Some respondents to our survey of participants in the retail payments system reported that coordination between regulators could be improved, particularly regarding safety and resilience, consumer protection and competition issues. Most respondents reported that our regulatory requirements were streamlined and proportionate to the risks involved. Some respondents suggested that we provide more time for them to respond to regulatory data requests, and that our regulatory and reporting requirements could be more streamlined. During the year, we completed work to streamline regulatory reporting for new clearing and settlement facility licensees. This regulatory reporting supports the RBA's monitoring of compliance.
		Communicate with regulated entities in a timely, clear and consistent way, including on regulatory priorities.	Most respondents to our survey of clearing and settlement facilities and participants in the retail payments system reported that we had communicated our regulatory requirements and priorities clearly, consistently and in a timely manner. Some respondents encouraged us to draft our regulatory standards in plain English and publish a calendar for key compliance activities.
Deliver reliable interbank settlement services	RITS availability at 99.95 per cent during core hours.	RITS availability was 99.99 per cent during core hours.	
	RITS Fast Settlement Service availability at 99.995 per cent on a 24/7 basis, with most transactions processed in less than one second.	RITS Fast Settlement Service availability was 99.995 per cent and most transactions were processed within one second.	

Table 2.1.3: Performance Summary – A Secure, Stable and Efficient Payments System (continued)

Key objectives	Key activities	Performance measures and targets	Results
A secure, stable and efficient payments system (continued)	Ensure RITS and related infrastructure remains secure, well-maintained and operationally efficient	Design and begin implementing improvements to meet the recommendations of the 2023 Deloitte review of the RITS operating environment.	We have completed the design and implementation of a new IT controls library and developed an updated project prioritisation framework. These will be implemented in the September 2025 quarter. The design of a new RITS operating model, including an associated resourcing review, was also completed. This operating model will be implemented in stages from the December 2025 quarter. We have also prepared documents setting out an infrastructure-focused software design lifecycle framework, and testing- and log-management standards.
	Replace technology infrastructure identified as approaching obsolescence to ensure continued operational efficiency and security.	We began or completed several projects to refresh core RITS infrastructure nearing end of support, including a project to replace a key component of the RITS public key infrastructure. As part of our broader core IT infrastructure modernisation, we have begun planning for the migration of critical settlement applications to modern infrastructure in a new co-located data centre.	
	Implement ISO 20022 formats for reporting, credit and liquidity management messages available through the RITS Automated Information Facility.	ISO 20022 messaging is now available for use in the RITS Automated Information Facility. Both Swift MT and ISO 20022 formats will be supported until November 2026.	
	Ongoing investment in cyber resilience, including regular testing and participation in cyber resilience exercises.	We maintained compliance with key cybersecurity standards including the Swift Customer Security Controls Framework and the ISO 27001 information security standard. We continued to uplift cybersecurity controls in line with Australian Government guidelines. We participated in various industry cyber initiatives and are working through priority recommendations of the Cyber Attack Simulation Exercise we hosted in 2023/24.	
	Review and update the fees where necessary for settlement through the RITS Fast Settlement Service, including engagement with service users.	We completed a review and shared the findings with users. A fee increase took effect in 2025/26.	

Analysis

We continued to make progress in 2024/25 on delivering the Payments System Board's strategic priorities for the payments system, which focus on:

- developments in the payments system that could have significant implications for competition, efficiency and safety over the next few years
- issues affecting payments and market infrastructures and their implications for financial stability.

More analysis of this work is published in the *Payments System Board Annual Report 2025*.

We continued to work productively with the Australian Treasury during the year, including on the Australian Government's payments and market infrastructure regulatory reforms. The reforms to provide the RBA with crisis management powers for systemically important clearing and settlement facilities were legislated during the year, and our focus has since turned to implementing these reforms. The proposed legislative reforms to modernise our regulatory powers would significantly enhance our ability to promote a safe, efficient and competitive payments system.

We also delivered reliable interbank settlement services in 2024/25, at the same time as advancing some key strategic priorities for these services. We upgraded related parts of our technology infrastructure, strengthened cyber resilience and supported the rollout of ISO 20022 messaging. We also completed foundational work to address recommendations from the Deloitte review of the October 2022 RITS outage, including enhancing the governance, technology controls and operating model for the RITS ecosystem. And we supported the emerging body of work associated with the industry's plans for the future of account-to-account payments and the associated changes to our settlement services that may be required. These achievements align with our focus on operational reliability, resilience and ability to deliver change in a dynamic and demanding operating environment.

While we met our availability targets in 2024/25, four incidents impacted performance:

- In July 2024, a procedural error delayed the early submission of settlement files from some low-value payment systems by four minutes. However, the scheduled settlement time was unaffected.
- In August 2024, an internal power supply issue disrupted the RITS Fast Settlement Service for nearly 26 minutes, affecting approximately 80,000 payments. We have since implemented several corrective actions to prevent similar incidents in the future.
- In April 2025, a network error delayed the submission of settlement files from some low-value payment systems for eight minutes.
- In May 2025, a procedural error during routine maintenance disrupted settlement for property batch feeder transactions for nine minutes.

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

Purpose

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.

Results

Table 2.1.4: Performance Summary – The Delivery of Efficient and Effective Banking Services to Australian Government Agencies

Key objectives	Key activities	Performance measures and targets	Results
The delivery of efficient and effective banking services to Australian government agencies	Provide banking services that are fit for purpose	Maintain and enhance banking services provided to Australian government agencies.	Our suite of services enabled us to extend service provision to several new customers during 2024/25, while retaining all existing agency customers.
	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.	Our banking services achieved the minimum required return in 2024/25. Pro forma accounts for the transactional banking business can be viewed in Part 2.3: Banking and Payment Services.
	Progress on activities to deliver convenient, secure, reliable and cost-effective banking services to customers	<p>Enhance the banking services we provide, including:</p> <ul style="list-style-type: none"> ongoing development of banking services and systems, including ISO 20022-based messaging standards phased completion of the New Payments Platform-based Confirmation of Payee service supporting agency customers with the transition away from cheques and BECS 	<p>We successfully deployed ISO 20022 capabilities during 2024/25.</p> <p>We successfully deployed a Confirmation of Payee component to allow our customers' account details to be checked using the service.</p> <p>We led agency customers through planning and analysis to prepare for reduced reliance on cheques, industry's proposed decommissioning of BECS, and the need for richer information in payment and reporting messages.</p> <p>We participated in industry workshops and committees on the removal of cheques and industry's proposed decommissioning of BECS.</p> <p>We began a program of work to uplift our account-to-account payment offering.</p>

Table 2.1.4: Performance Summary – The Delivery of Efficient and Effective Banking Services to Australian Government Agencies (continued)

Key objectives	Key activities	Performance measures and targets	Results
The delivery of efficient and effective banking services to Australian government agencies (continued)	Progress on activities to deliver convenient, secure, reliable and cost-effective banking services to customers (continued)	<ul style="list-style-type: none"> supporting agency customer migration to new card acquiring and payments gateway IT systems and infrastructure supporting our banking services and products are secure, resilient, efficient and fit for purpose. 	<p>We migrated several agencies to the new gateway and are working with the remainder to complete migration in the coming year.</p> <p>We completed migration of our core transactional banking systems to a highly secure and available cloud environment. Our systems have been certified to the ISO 27001 information security standard.</p>

Analysis

We continued to provide the Australian Government with convenient, secure, reliable and cost-effective central banking and transactional banking services during 2024/25. This included supporting government agencies as they responded to natural disasters such as flooding on the east coast. We provided rapid delivery of support payments through the New Payments Platform on behalf of Services Australia.

We completed migration of our core transactional banking systems to the cloud in 2024/25. This work improves resilience and supports modern, efficient application management using software containers. We continued to participate in multi-year industry-driven initiatives, including uplifting capability to process payment-related messages using modern standards (ISO 20022). This includes increasing functionality for customers to supply and ingest richer data as part of payment and reporting messages, and to leverage improved security and fraud detection for card payments. We also delivered the capability to allow the public to confirm the details of our customers' accounts prior to payment through the New Payments Platform-based Confirmation of Payee service.

Alongside building new functionality, we continued to inform and support agencies as they transition to more modern payment solutions. In particular, we focused on the future of account-to-account payments and the removal of cheques. This included engaging with customers and policymakers, participating in industry workshops and committees, and formally commencing our own program of work ahead of industry's proposed decommissioning of the current BECS.

The provision of secure and reliable banknotes

Purpose

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 work to preserve this confidence by designing, creating and issuing Australian banknotes that are secure and reliable. This is done in partnership with our wholly owned subsidiary, Note Printing Australia Limited.

Results

Table 2.1.5: Performance Summary – The Provision of Secure and Reliable Banknotes

Key objectives	Key activities	Performance measures and targets	Results
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.	Our survey on perceptions, usage and behaviour related to Australia's banknotes showed that public perceptions of Australian banknotes remained favourable. 73 per cent of respondents perceived the Next Generation Banknote (NGB) series to be sufficiently secure against counterfeiters and 77 per cent noted they liked the NGB banknotes – broadly in line with previous years.
	<ul style="list-style-type: none"> • meet banknote demand 	More than 95 per cent of banknote orders from commercial banks fulfilled by the RBA within three days of request.	We fulfilled all transactions on the day requested.
	<ul style="list-style-type: none"> • maintain the security, durability and cost-effectiveness of Australian banknotes 	Monitor actual and emerging counterfeiting trends.	Counterfeiting is currently estimated at 6 counterfeits detected per million genuine banknotes in circulation, which is low by historical standards and down from a peak of 31 counterfeits per million genuine banknotes 10 years ago. We continue to track emerging counterfeiting trends through engagement with other central banks and law enforcement, both domestically and internationally. In 2024/25, we identified eleven emerging counterfeit sources that could become of concern for Australian currency.
	Evaluate and develop security features that could be deployed on Australian banknotes (including options as part of the redesign of the \$5 banknote) to combat counterfeiting threats, extend circulation life and/or reduce production costs.		Our research and development program included ongoing projects to develop and test security features for future Australian banknotes, including for the forthcoming redesign of the \$5 banknote. The program successfully identified updated security features that will be included on the new \$5 banknote.

Table 2.1.5: Performance Summary – The Provision of Secure and Reliable Banknotes (continued)

Key objectives	Key activities	Performance measures and targets	Results
The provision of secure and reliable banknotes (continued)	<ul style="list-style-type: none"> • maintain high-quality banknotes 	RBA banknote production orders to be supplied by Note Printing Australia Limited to agreed quality standards.	There were no Australian banknotes printed in 2024/25.
		Maintain the quality of banknotes in circulation above the minimum quality standards agreed with industry.	The quality of banknotes on issue was assessed as good, based on quality scores. This assessment is based on a sample of banknotes held at cash depots, using a quality framework published in the Banknote Distribution Terms and Conditions. An update of quality standards to include NGB security features has yet to be implemented due to ongoing challenges in the banknote distribution system.

Analysis

The RBA continued to provide secure and reliable banknotes, supporting the ongoing use of cash as a means of payment and as a store of value. This, in turn, supports the Government's objective to retain cash as a means of payment for those who want to use it.

To support banknote security, we upgrade banknotes as required. In 2024/25, there was further progress on the \$5 banknote project, including the choice of a theme, artist selection and decisions around several enhanced security features to improve durability and increase counterfeit resilience. The new banknote is being developed with the support and expertise of Note Printing Australia. We also monitored and responded to emerging counterfeit threats. Australia's counterfeit rates remain low by international standards.

In addition to producing high quality banknotes, we continued to support the effective wholesale distribution of banknotes to the major banks, under the Banknote Distribution Framework, in 2024/25. (The major banks then distribute banknotes to the broader community.) As discussed in Part 2.4: Banknotes, we have also introduced various measures to support wholesale cash distribution during a period of significant challenges in recent years, including making changes to our operations and relaxing some requirements. A planned update of quality standards under the Note Quality Reward Scheme has been delayed as a measure to support industry. We are considering other measures that would support the sustainability of cash as a means of payment and are working with other members of the Council of Financial Regulators and the ACCC on a proposed regulatory regime for cash distribution.

Endnotes

1 As described in Part 1.2, from 1 March 2025 the former Reserve Bank Board was replaced with the Governance Board and Monetary Policy Board. References to 'the Board' in this part refer collectively to the Reserve Bank Board and the Monetary Policy Board.

2.2 Operations in Financial Markets

We operate in domestic and international financial markets to achieve our policy objectives. These operations include implementing the decisions of the Monetary Policy Board, providing liquidity to facilitate the smooth functioning of the payments system and support financial stability, and managing Australia's foreign exchange reserve assets.

Key outcomes in 2024/25

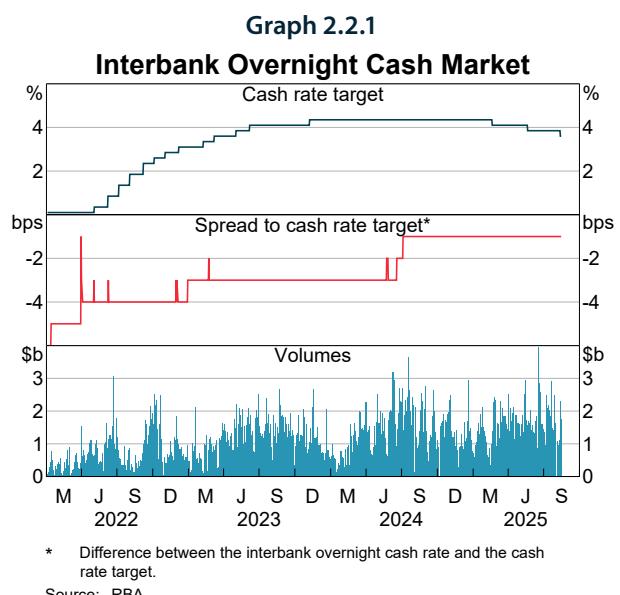
- The Reserve Bank Board and Monetary Policy Board decreased the cash rate target twice, to 3.85 per cent.
- Our balance sheet declined by around \$10 billion as bonds purchased during the pandemic continued to mature. The balance sheet is around 40 per cent smaller than at its peak during the COVID-19 pandemic.
- We are transitioning from a supply-driven to a demand-driven ('ample reserves') system for implementing monetary policy. Demand for liquidity by financial institutions was met at our weekly 'full-allotment' market operations. In preparation for the transition to the ample reserves system, we increased the price of those operations and began offering an additional shorter tenor.
- We did not intervene in the foreign exchange market.

Monetary policy implementation

The Board's¹ primary instrument for adjusting monetary policy is the target for the cash rate. The cash rate is the interest rate at which banks borrow and lend to each other on an overnight, unsecured basis in the cash market. The funds traded in the cash market are held by financial institutions in their Exchange Settlement (ES) accounts at the RBA. Around 100 financial institutions hold such accounts, which are used to settle payment obligations between these institutions.

The Board decreased the cash rate target twice in 2024/25 (at the February and May 2025 Board meetings), taking it from 4.35 per cent to 3.85 per cent (Graph 2.2.1). The rate paid to banks on ES balances was decreased by the same amount, from 4.25 per cent to 3.75 per cent.

Throughout the past year, the cash rate continued to trade slightly below the cash rate target – although this spread narrowed from recent years – and above the interest rate paid on ES balances (the 'ES rate'). The modest spread between the cash rate and the ES rate reflects the net effect of the opportunity costs to lenders of holding ES balances, transaction costs and some credit risk. The spread between the cash rate target and the ES rate was 10 basis points throughout the year, such that the actual cash rate remained close to the cash rate target.



Liquidity in the financial system (in the form of ES balances) declined by around \$11 billion over 2024/25, to a little over \$210 billion. This largely reflected the ongoing maturity of bonds that the RBA purchased during the pandemic, which had been acquired with payments that had added ES balances into the financial system. More generally, the aggregate level of ES balances can change due to transactions between RBA customers (mainly the Australian Government) and the customers of ES account holders. It is also affected by transactions we undertake on

our own behalf, including repurchase agreements (repos) collateralised with eligible securities, buying or selling government securities on an outright basis, or using foreign exchange (FX) swaps involving Australian dollars.

As the level of ES balances declines, we are transitioning to a new system for implementing monetary policy in which the level of ES balances will be determined by banks' underlying demand for reserves. Under this 'ample reserves' system, we will provide as many ES balances to counterparties at open market operations (OMO) as they demand; in contrast, the supply of ES balances was kept intentionally scarce in the system used before the pandemic. ES balances will be supplied at a fixed price to guide the cash rate and other money market rates. The benefits of the ample reserves system are that it is simple to operate, reduces the risk of unnecessary volatility or disruption to conditions in money markets, supports financial stability and is more resilient to any future expansion in the RBA's balance sheet.²

While the level of reserves has declined, it has remained above where we estimate ES balances will be 'ample'; that is, the level where the supply of ES balances roughly matches banks' underlying demand. This ample level could be somewhere between \$100 and \$200 billion, based on model estimates and bank surveys.³ However, these estimates are highly uncertain, and the underlying demand for ES balances will only become clear as supply approaches these levels. Given this, estimates of when ES balances may be ample are imprecise, and the true level could be reached as early as late 2025 or as late as 2028. To identify when this may happen, we continuously monitor conditions in money markets and conduct regular liaison with market participants. We also analyse OMO activity, because participation will increase once reserves are close to ample (discussed further below).

The Board discussed the transition to ample reserves in late-2024, following public consultation. It decided that the design of our liquidity management operations should be informed by three key principles:

1. *Sufficient monetary control:* this is the primary objective and involves the cash rate trading close to the target set by the Board, with other short-term money market rates tethered to the cash rate at levels that are consistent with the desired stance of monetary policy.

2. *Supporting private markets:* allowing modest deviations of the cash rate from its target can support activity in private markets, while still being consistent with monetary control. Well-functioning private markets help banks to better manage their funding needs, both in normal times and in times of stress. To achieve this, our operations will be designed to avoid the RBA having an overly large presence in any one market.

3. *Minimising risk to the RBA's balance sheet:* our operations to supply ES balances expose us to financial and operational risks. The size and nature of these risks depend on how many ES balances are supplied and the types of operations used to supply them. Our operations will be designed in a way to ensure we take on no more risk than is necessary to achieve sufficient monetary control and support private markets.

These principles need to be balanced, as there is some tension between them. The configuration of our OMOs, the level of the ES rate and the mix of other liquidity management operations we will use to supply ES balances carefully considers these trade-offs. We may need to recalibrate these settings as we learn more during the transition to ample reserves and as market conditions evolve, but we do not intend to adjust them frequently.

In April 2025, the RBA announced operational changes in line with these principles to support the transition to ample reserves (see below for further details). This included clarifying that the ES rate will be administered by the RBA and no longer be announced by the Board. The ES rate supports monetary control by setting a lower bound (or 'floor') on the cash rate, because banks face no incentive to lend below the ES rate in the cash market. The ES rate can also help us to support private markets and minimise risks to the RBA by influencing banks' demand for ES balances. The spread between the cash rate target and the ES rate has been maintained at 10 basis points.

Liquidity operations to implement monetary policy

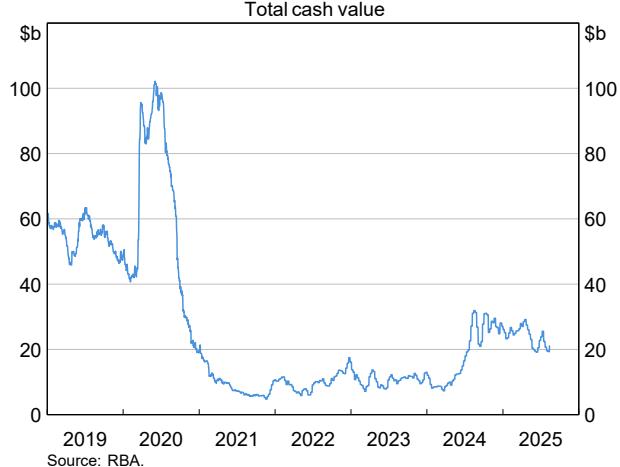
We undertake transactions in domestic financial markets when required to implement the policy settings of the Board, and to facilitate the smooth functioning of the payments system.

In 2024/25, the only type of operation we used to manage liquidity was weekly full allotment repurchase agreement auctions (OMO repos). These involve the temporary exchange of high-quality securities for ES balances. Under full allotment auctions, we offer to provide as many ES balances as counterparties demand at a rate closely linked to the cash rate target (conditional on the counterparty providing sufficient eligible collateral as security). These OMO repos are priced at a floating rate that can change over the term of the repos. In April 2025, this price was increased from a spread of 5 basis points over the average cash rate target prevailing during the repo term, to 10 basis points. We also commenced offering a seven-day tenor, in addition to the existing 28-day tenor.⁴ The value of OMO repos outstanding increased in 2024/25, to an average of \$25 billion (from \$11 billion in 2023/24; Graph 2.2.2). Following introduction of the seven-day tenor, most OMO repos continued to be transacted with a 28-day term (Graph 2.2.3).

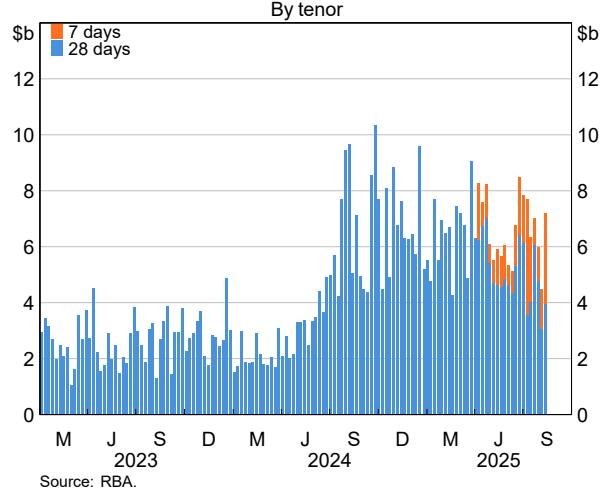
We have historically also used other types of transactions to implement monetary policy decisions, but did not need to use them in 2024/25. This includes FX swaps, in which Australian dollars are swapped for foreign currencies to increase the supply of ES balances in the same way as repo transactions, and outright purchases of near-maturity government securities (which can also smooth the impact of changes in the supply of Australian Government securities (AGS) on system liquidity).

In the coming years, the supply of ES balances will decline further as our remaining holdings of government bonds mature. When this supply falls short of banks' underlying demands, they will need to source additional liquidity via our full allotment OMO repos to meet their needs and our lending in the repo market will get progressively larger. To ensure that our presence in the repo market does not undermine the functioning of private markets, we plan to use FX swaps and purchases of short-term AGS to provide additional liquidity. The use of these operations for monetary policy implementation is expected to be some time away, and we will outline our plans for their use before actively using them.⁵

Graph 2.2.2
OMO Repo Outstanding



Graph 2.2.3
Open Market Operations



Balance sheet

Over 2024/25, our balance sheet declined by \$10 billion to \$404 billion – around 40 per cent smaller than at its peak during the COVID-19 pandemic (Table 2.2.1).

Table 2.2.1: RBA Balance Sheet

\$ billion, 30 June

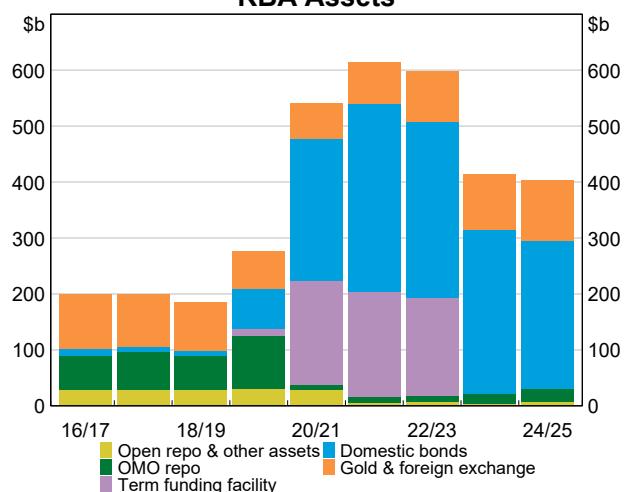
	2024	2025	Change
Assets	414	404	-10
Foreign	99	108	10
Domestic	315	295	-20
– Outright bond holdings	294	266	-28
– OMO repos	17	23	6
– Open repos & others	5	7	2
Liabilities and Equity	414	404	-10
Deposits	318	290	-28
– ES balances	223	212	-11
– Government & other	95	78	-17
Banknotes	101	104	3
Other liabilities	15	15	0
Other reserves and current year earnings	-20	-5	15
Reserve Bank Reserve Fund and capital	0	0	0

Source: RBA.

The decline in assets over 2024/25 was driven by the maturing of \$34 billion of AGS and \$4 billion of semi-government bonds. This was partly offset by an increase in the market value of our residual government bond holdings, reflecting a decline in bond yields, and a rise in outstanding OMO repos. Valuation effects also increased the value of our gold and foreign exchange holdings.

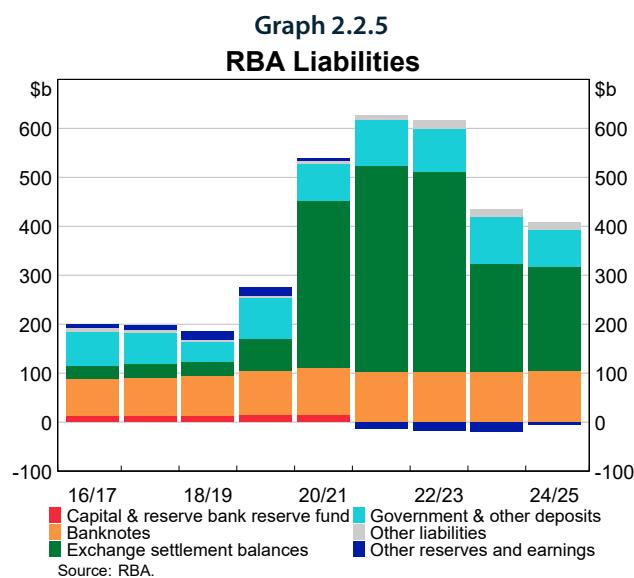
As at 30 June 2025, around three-quarters of our assets were domestic government bonds (Graph 2.2.4). Foreign exchange, OMO repo and gold make up most of the remainder.

Graph 2.2.4
RBA Assets



Source: RBA.

Liabilities declined by \$25 billion over 2024/25, as maturities of our bond holdings led to a reduction in ES balances and Australian Government deposits. As at 30 June 2025, ES balances comprised around half of all liabilities (Graph 2.2.5), with banknotes and Australian Government deposits comprising most of the remainder.



Standing facilities

In addition to liquidity operations used to implement monetary policy, we also offer to provide liquidity via repos through our standing facilities, where eligible counterparties can temporarily exchange high-quality collateral for ES balances. These facilities are designed to support the smooth functioning of the payments system.

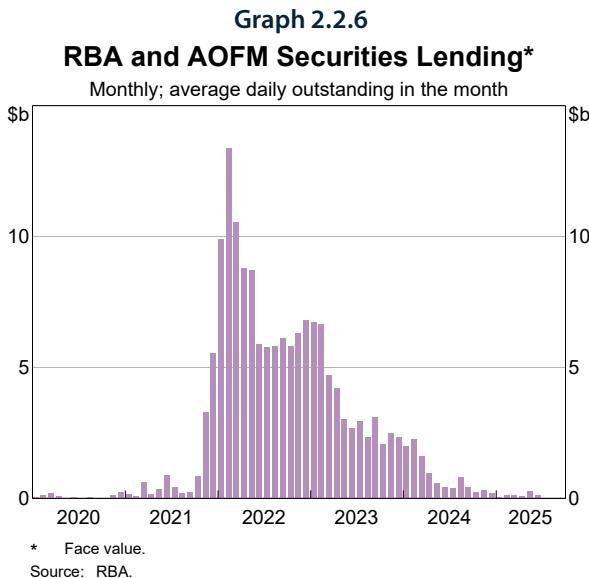
The most frequently used standing facilities are those for the provision of intraday liquidity to ES account holders. These carry no interest charge. There was little change in intraday repo activity in 2024/25 compared to the previous year, with account holders using an average of around \$3½ billion per day.

We also offer an overnight standing facility (OSF), through which ES account holders can exchange collateral for liquidity at an interest rate of 25 basis points above the cash rate target. In April 2025, the RBA and the Australian Prudential Regulation Authority (APRA) released a joint statement emphasising that use of the OSF by banks is consistent with routine liquidity management activities.⁶ Banks are expected and encouraged to use the OSF if they cannot find liquidity on suitable terms in private markets or via OMO. By providing an alternative source of liquidity to private markets, the OSF is designed to limit deviations in money market rates from the cash rate target. While the price is set high enough to avoid displacing private market activity, it provides an incentive for banks to use the facility if other sources are even more expensive. This facility was used six times during 2024/25, with a total of \$50 million borrowed. To support banks' operational readiness, we facilitate OSF repos for testing purposes.

Open repos are used to provide ES account holders with liquidity to facilitate their payments, particularly those made outside of standard business hours. ES account holders with after-hours payment obligations – such as 'direct-entry' payments and transactions through the New Payments Platform (see Part 2.3: Banking and Payment Services) – must hold sufficient ES balances at the close of each business day to settle these payments. Over 2024/25, open repo positions with the RBA rose from \$2 billion to \$4 billion.

Other market operations

To aid market functioning, we lend government securities that we own upon request from eligible counterparties. We also operate a Securities Lending Facility on behalf of the Australian Office of Financial Management (AOFM). Total securities lending activity declined considerably over 2024/25 but remained above pre-pandemic levels, reflecting the high (but declining) share of government bonds on our balance sheet (Graph 2.2.6). The value of outstanding securities lending from this facility averaged \$265 million per day in 2024/25 (compared with around \$2 billion per day in 2023/24). Activity on behalf of the AOFM remained much lower, averaging around \$5 million outstanding per day in 2024/25 (compared with around \$90 million per day in 2023/24).



We also consider proposals from eligible counterparties to sell semi-government bonds (semis) that we hold outright in exchange for offsetting (duration-neutral) purchases of other semis. In 2024/25, we conducted around \$920 million of these transactions, compared with \$2.6 billion in 2023/24.

Eligible collateral

We accept a range of eligible Australian dollar collateral for our market operations, as security in the event a borrowing counterparty does not meet its repurchase obligations. Acceptable collateral is listed in Table 2.2.2 and on the RBA website.⁷ To protect against a decline in the value of these securities, we require the value of the collateral to exceed the cash leg of the repo by a specific margin when a trade is first entered. We also require counterparties to post additional collateral over the term of the repo if the value of the posted collateral falls. These margins, which are also listed on the RBA website, are considerably higher for securities that are not issued by governments.⁸ As at 30 June 2025, around 45 per cent of the value of securities we held under repo were issued by authorised deposit-taking institutions (ADIs), with AGS and semis making up another 35 per cent. Participants in our market operations tend to be the fixed-income trading desks of banks and securities firms, as well as bank treasuries.

In February 2025, the eligible collateral criteria for intraday and overnight standing facility repos – but not for the open repo facility – was expanded and made the same as the criteria for OMO repos. Previously, for these facilities, smaller domestic banks and foreign bank branches could only deliver securities that could fulfil APRA's prudential liquidity requirements.⁹

Table 2.2.2: Australian Dollar Securities Held under Repurchase Agreements^(a)

As at 30 June

	2023		2024		2025	
	\$ billion	% of total	\$ billion	% of total	\$ billion	% of total
AGS	1.5	1	1.9	9	4	14
Semis	6.3	3	3.5	17	6.7	23
Supranational	0.8	0	1.4	7	1.5	5
ADI issued	17.6	7	8.5	41	13.4	46
Corporate issued	0.6	0	0.6	3	1.7	6
Asset backed securities	218.5	89	4.1	20	1.2	4
– of which: for Term Funding Facility	217.2	88	0	0	0	0
Other	0.2	0	0.8	4	0.3	1
Total	245.5	100	20.6	100	28.8	100
– of which: for open repo	2.1	1	2.2	11	3.9	14
– of which: for Term Funding Facility	232.2	95	0.5	2	0	0
– of which: for OMO	11.3	5	18	87	24.8	86

(a) Market value of securities before the application of margins; includes securities held under triparty repos.

Source: RBA.

In 2024/25, our repo collateral holdings increased by around \$8 billion due to an increase in both open repo and OMO outstanding.

The domestic securities we own are held in an account that we maintain in Austraclear, the central securities depository operated by the Australian Securities Exchange (ASX). Securities transactions with our counterparties are settled in the Austraclear system, mostly on a bilateral basis. We also settle repo transactions contracted in our OMO within ASX Collateral, a collateral management service. During 2024/25, around 45 per cent of the value of securities we held under repo in OMO was settled within ASX Collateral, compared with around 40 per cent in 2023/24. The use of this system reduces the manual processing otherwise required to manage this collateral, including marking it to market and maintaining margins.

The cash rate

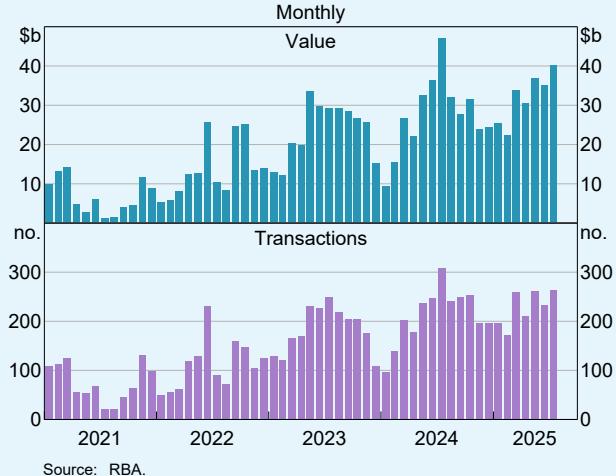
The RBA administers the cash rate, which is a significant financial benchmark referenced in overnight indexed swaps, the ASX's 30-day interbank cash rate futures contracts, and in securities and transactions requiring a (near) risk-free reference rate. The cash rate is also known as AONIA (AUD Overnight Index Average). As the risk-free reference rate for the Australian dollar, under definitions published by the International Swaps and Derivatives Association (ISDA) in 2020, it forms the basis of the fallback to the Bank Bill Swap Rate (BBSW); this fallback is calculated as AONIA plus a spread.¹⁰ The ISDA definitions were developed in the context of global benchmark reforms, which have included identifying alternatives to credit-based rates for use in securities and transactions.

Over the past few years, the high level of ES balances has meant that most banks have been able to settle payments without borrowing funds in the overnight cash market. Nonetheless, as ES balances fell over 2024/25, cash market activity increased from around \$1.2 billion per day in 2023/24 to around \$1.5 billion per day in 2024/25. This is still much less than the \$4 billion transacted per day prior to the COVID-19 pandemic.

Cash rate highlights

- The cash rate remained between the ES rate and the cash rate target throughout 2024/25.
- The cash rate was 1 basis point below the cash rate target for almost all of 2024/25 (other than a few days in July 2024, when it was 2 basis points below the target).
- Activity in the cash market increased during 2024/25 to an average daily volume of \$1.5 billion from \$1.2 billion in 2023/24 (Graph 2.2.7).
- The cash rate was determined by market transaction on 95 per cent of days in 2024/25, up from 87 per cent in 2023/24.
- On all occasions when the cash rate was set using expert judgement, rather than being based on market transactions, it was set as the previously published cash rate based on sufficient transactions.

Graph 2.2.7
Cash Market Activity



Source: RBA.

Foreign exchange operations

We transact in FX markets to provide services to our clients, manage our foreign currency assets and, if necessary, intervene in the FX market.

To provide FX services to our clients (principally, the Australian Government), we transact in the FX market almost every business day. During 2024/25, we bought A\$14 billion of foreign currency in the spot market (selling Australian dollars) to facilitate our client business. We also transact in the spot market to exchange one foreign currency for another, including to rebalance our reserves portfolio.

In addition, we regularly make use of foreign exchange (or 'cross-currency') swaps to manage our foreign currency assets. These swaps involve one currency being exchanged for another, with a commitment to unwind the exchange at a subsequent date and at an agreed (forward) rate. Short-term swaps between foreign currencies can be an efficient way to manage investments within the reserves portfolio. We also execute swaps against Australian dollars for terms of up to five years. The foreign currency obtained via these longer term transactions increases our capacity to conduct policy operations.

In May 2025, the Board approved a policy for intervening in the spot FX market to address any dysfunction that poses a risk to financial stability.¹¹ We also retain the capacity to intervene to address a significant misalignment in the value of the Australian dollar. Holding a stock of liquid foreign currency assets allows us to conduct such operations if needed (see below). However, we have not intervened in the FX market since 2008.¹²

Management of foreign reserves

Australia's official reserve assets include foreign currency assets, gold, Special Drawing Rights (SDRs; an international reserve asset created by the International Monetary Fund (IMF)) and Australia's reserve position in the IMF. Most of these assets are owned and managed by the RBA. The Australian Government owns Australia's reserve position in the IMF and around half of Australia's SDR holdings.

We hold foreign currency assets to facilitate policy operations in the FX market (described above) and to help the Australian Government meet its commitments to the IMF. One measure of our capacity to undertake these policy operations is foreign currency liquidity: the amount of foreign currency assets, net of any commitments due in the coming 12 months – including obligations to deliver foreign currency against Australian dollars on maturing swaps (Table 2.2.3; Graph 2.2.8).

Table 2.2.3: Foreign Assets

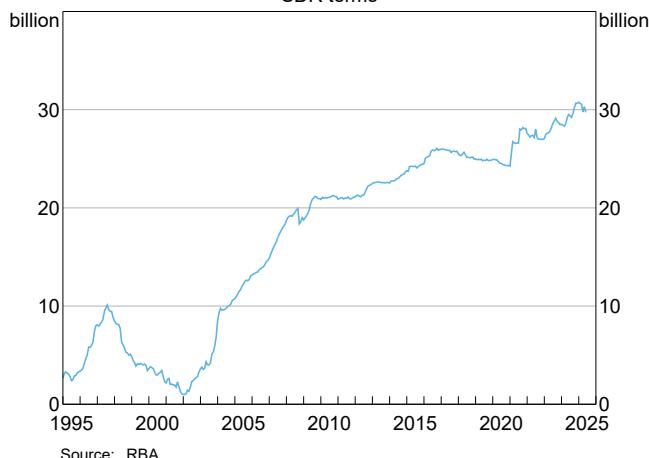
30 June 2025

	A\$ million
Official reserve assets	
– Foreign currency	61,022
– Gold	12,405
– SDRs	20,334
– Reserve position in the IMF	3,583
– Other reserve assets	4,604
Other foreign currency assets	91
Net forward foreign currency commitments: Short term	
– Foreign currency	467
– Gold loans	0
Net forward foreign currency commitments: Long term	-8,374
<i>Memo item:</i>	
<i>Foreign currency liquidity^(a)</i>	62,332

(a) Foreign currency liquidity includes foreign currency holdings and other foreign currency assets, net of short-term foreign currency forward commitments (commitments with less than 12 months to maturity).

Source: RBA.

Graph 2.2.8
Foreign Currency Liquidity (FX)
 SDR terms



The Board periodically reviews the amount of foreign currency assets required to meet our policy objectives for FX intervention, including through a potentially prolonged period of stress. The most recent review in March 2023 concluded that our capacity for intervention should increase gradually each year. Foreign currency liquidity can increase with earnings on our foreign currency assets and with purchases of foreign currency against the Australian dollar in either spot markets or via long-term swaps.

The foreign assets we hold expose us to market, liquidity and credit risk, which we seek to mitigate where possible. This includes holding a diversified portfolio and investing only in assets of high credit quality and appropriate liquidity (see also Part 3.3: Risk Management). Also, our foreign currency assets are managed against an internally constructed benchmark. Subject to our risk tolerances, the benchmark is assessed to be the combination of foreign currency assets that maximises our expected returns over the long run, while still providing sufficient liquidity to meet our policy objectives. The composition of the benchmark is reviewed periodically to account for updated data across a range of currencies.

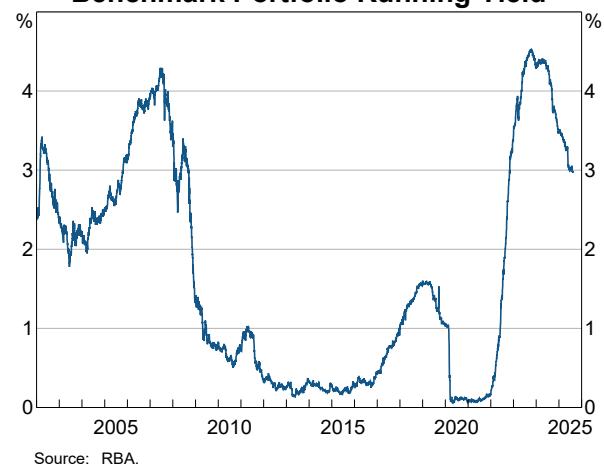
During 2024/25, the portfolio allocation to the US dollar was adjusted to 45 per cent from 55 per cent while the allocation to euro was adjusted from 20 per cent to 30 per cent. Our largest allocation remains the US dollar, reflecting the significant depth in US dollar currency and asset markets (Table 2.2.4). Duration targets remain relatively short for most of the foreign currency portfolios. At the end of June 2025, the running yield on the benchmark portfolio was around 3.0 per cent (Graph 2.2.9).

Table 2.2.4: Benchmark Foreign Currency Portfolio

	US dollar	Euro	Japanese yen	Canadian dollar	Chinese renminbi	UK pound sterling	South Korean won
Currency allocation (per cent of total)	45	30	5	5	5	5	5
Duration (months)	6	6	<3	6	18	3	18

Source: RBA.

Graph 2.2.9
Benchmark Portfolio Running Yield



Investments in the benchmark currencies are limited to deposits at official institutions (such as central banks) and debt instruments issued (or guaranteed) by sovereign entities, central banks and supranational agencies (Table 2.2.5). Debt instruments issued by quasi-sovereign entities can also be accepted as collateral under reverse repos.

Table 2.2.5: Foreign Currency Assets^(a)

A\$ million, 30 June 2025

Currency	Securities held outright	Securities lent under repos	Deposits at official institutions ^(b)	Total (gross)	Forward FX commitments ^(c)			Total (net)
					Against A\$	Against other currencies	Other	
US dollar	7,577	-751	846	7,672	165	9,563	6,437	23,836
Euro	5,631	-1,097	89	4,623	-3	7,702	4,013	16,335
Japanese yen	18,579	-	18,756	37,335	-18,317	-16,404	-	2,613
Canadian dollar	2,345	-	5	2,350	-	303	-	2,653
Chinese renminbi	1,619	-	1,013	2,632	-	-	-	2,632
UK pound sterling	2,271	-	8	2,279	-1	400	-	2,678
South Korean won	4,127	-	3	4,130	-	-1,458	-	2,672
Total	42,149	-1,848	20,720	61,021	-18,156	105	10,450	53,420

(a) Excludes gold, SDRs, the reserve position in the IMF, investments in the Asian Bond Fund, balances with overseas banks, futures margins and non-reserve currency holdings.

(b) Includes deposits at foreign central banks and the Bank for International Settlements.

(c) 'Forward FX commitments' reflect unsettled spot and forward transactions, converted to Australian dollars. Other forward commitments largely reflect cash lent under repos. This excludes forward commitments for non-reserve currencies and gold on loan.

Source: RBA.

As was the case in prior years, yields on yen and won investments generally exceeded those available in the other reserve currencies during 2024/25 after accounting for the cost of hedging the currency risk. Hence, we swapped other currencies in our reserves portfolio against the yen and won to enhance returns. And when long-term swaps against the Australian dollar have been used to increase our foreign currency assets, the yen was the preferred currency to purchase in the swap. Consequently, while our exposure to changes in the value of the yen and won remained small in 2024/25 (allocations in the benchmark to each of these currencies were only around A\$2.6 billion), an additional A\$34.7 billion of yen and A\$1.5 billion of won was held at the end of June 2025 due to swaps against other currencies.

Outside of the benchmark framework, we invest in several Asian debt markets through participation in the Executives' Meeting of East Asia-Pacific Central Banks Asian Bond Fund. This fund was set up in the early 2000s to assist in the development of bond markets in the region. At the end of June 2025, the total allocation of our reserves to these funds was around A\$880 million. In SDR terms, these investments delivered a return of 7.9 per cent over the year, reflecting returns on Asian government bonds and the effect of changes in currency valuations.

Our gold holdings (including gold on loan) have been unchanged since 1997 at 80 tonnes. We hold gold in an allocated account at the Bank of England. All bars meet the London Bullion Market Association's 'Good Delivery' standards. Four gold bars (less than 0.1 per cent of our total holdings) are held in Sydney.

Gold prices increased by 43 per cent in Australian dollar terms over 2024/25, increasing the value of the RBA's holdings of gold by around A\$4 billion to A\$13 billion. We seek to earn income on our holdings by lending gold. This lending was fully collateralised by cash (either Australian dollars or foreign currencies included in our benchmark portfolio). Returns from these activities totalled A\$2.8 million in 2024/25 – higher than in the previous year, due to increased activity and wider spreads. As at 30 June 2025, the RBA had 3 tonnes in gold loans outstanding.

Bilateral currency swaps

We have bilateral local currency swap agreements with four other central banks (Table 2.2.6). The purpose of these agreements is to allow each central bank to support trade settlement in local currencies in times of market stress or to support financial stability.

Table 2.2.6: RBA Bilateral Local Currency Swap Agreements

As at September 2025

	Expiry	Maximum size (A\$ billion)
People's Bank of China	July 2026	41
Bank of Japan	March 2028	20
Bank of Korea	February 2028	12
Bank Indonesia	March 2030	10

Source: RBA.

Endnotes

- 1 As described in Part 1.2, from 1 March 2025 the former Reserve Bank Board was replaced with a Governance Board and a Monetary Policy Board. References to 'the Board' in this part refer collectively to the Reserve Bank Board and the Monetary Policy Board.
- 2 For a more detailed discussion, see Kent C (2024), 'The Future System for Monetary Policy Implementation', Bloomberg Australia briefing, Sydney, 2 April.
- 3 See Bristow L (2024), 'Modelling Reserve Demand with Deposits and the Cost of Collateral', RBA Research Discussion Paper No 2024-08.
- 4 See Kent C (2025), 'The RBA's Monetary Policy Implementation System – Some Important Updates', KangaNews Debt Capital Markets Summit, Sydney, 2 April.
- 5 FX swaps are already used for managing our foreign currency assets.
- 6 See APRA & RBA (2025), 'Joint APRA-RBA Statement on Use of the RBA's Overnight Standing Facility'.
- 7 See RBA (2024), 'Eligible Securities'.
- 8 See RBA (2023), 'Margin Ratios'.
- 9 Larger domestically incorporated banks that are subject to APRA's Liquidity Coverage Ratio were already permitted to deliver any OMO-eligible securities as collateral for all standing facility repos. For the open repo facility, small banks and foreign bank branches can still only deliver securities that fulfil APRA's prudential liquidity requirements.
- 10 See ISDA (2020), 'ISDA 2020 IBOR Fallbacks Protocol'.
- 11 See Monetary Policy Board (2025), 'Policy on Financial Market Intervention to Address Market Dysfunction', May.
- 12 At the time each annual report is published, intervention data for the year under review are published on the RBA website: RBA, 'Statistical Tables: Daily Foreign Exchange Market Intervention Transactions – A5'.

2.3 Banking and Payment Services

We provide banking and payment services to meet the needs of the Australian Government and its agencies, and to support an efficient and stable Australian financial system. These services support the timely and reliable provision of financial assistance to Australian households and businesses.

We also operate national infrastructure that fulfils the settlement obligations created between financial institutions when Australian consumers, businesses and government agencies make payments.

Key outcomes in 2024/25

Banking

- We provided transactional banking services to over 100 Australian government agencies.
- We distributed 348 million domestic payments and 1 million international payments for the Australian Government, totalling \$846 billion and \$20 billion respectively. We also processed 58 million collection-related transactions for the Australian Government, amounting to \$876 billion.
- We completed our migration of core transactional banking systems to the cloud, and deployed functionality to support the New Payments Platform-based Confirmation of Payee initiative and the ongoing industry transition to ISO 20022 message types.

Payment services

- The Reserve Bank Information and Transfer System (RITS) settled an average of 69,000 transactions per day, worth \$288 billion. The Fast Settlement Service (FSS) of RITS settled a daily average of 3.6 million transactions – almost 19 per cent more than in 2023/24 – worth \$4.7 billion per day.
- Since late 2024, nearly all High Value Clearing System (HVCS) payments settled in RITS are using the new ISO 20022 message format. RITS now also supports ISO 20022-formatted reporting and enquiry messages, and members will migrate to this over two years. Our overseas accounts, and most accounts that official institution clients hold with us, have also been migrated to ISO 20022 messaging.
- We actively engaged with the payments industry during 2024/25 on the future of account-to-account payments. This involved contributing to wide-ranging discussions and considering potential changes to the RBA's payment settlement services to support future systems.
- We invested in strengthening the resilience of RITS and services that support it to remediate findings from two independent reviews into the major technology outage in 2022. We have made good progress in addressing these recommendations through enhancements to how we manage risk, changes to our investment framework, a review of resourcing and the creation of more effective controls and standards.
- We achieved our availability targets for RITS and the FSS.

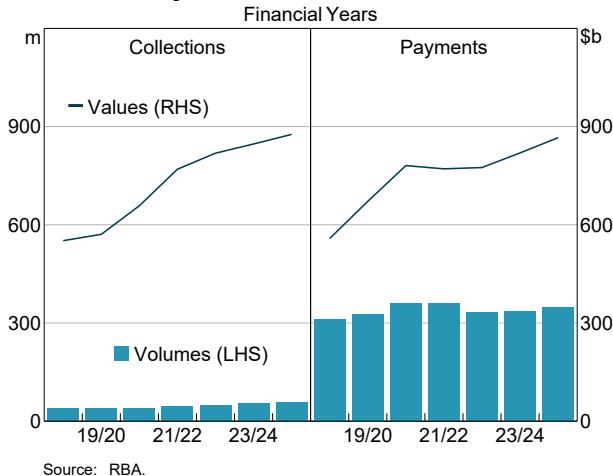
Transactional banking services

We aim to deliver secure, reliable and cost-effective banking and payment services to the Australian Government and its agencies, consistent with our responsibilities under the *Reserve Bank Act 1959*. These services enable the government, through its agencies, to make payments and collect revenue. These activities are critical – the vast majority of payments are welfare and age pension payments that are relied on by many Australians – and we prioritise these accordingly. We also work with industry to increase the resilience of the banking system and minimise outages.

We provide a broad range of payment and collection services to our customers. At present, most payments are delivered using cost-effective direct-entry systems, both domestically and overseas. Other payment methods used by our customers include the New Payments Platform (NPP), the real-time gross settlement system, cheques and BPAY. Government revenue is received by the above methods, by card (at a terminal, over the phone or via an online service) and, to a lesser extent, in cash.

In 2024/25, the number of payments processed for our government agency customers was larger than in 2023/24 but marginally less than in prior years which were boosted by payments related to the COVID-19 pandemic and natural disasters, such as floods in eastern Australia. We continued to see an increase in the number of collections-related transactions for the Australian Government during the year (Graph 2.3.1).

Graph 2.3.1
Payments and Collections



The transactional banking services we offer and the technologies we use are evolving in response to innovations in the industry. During 2024/25, we progressed work around technology, fraud, and the ongoing transformation of the payments landscape, including the following:

- *Completing the migration of our core transactional banking systems to the cloud:* This work improves the resilience of our systems, supports best practice and analytics, and avoids costly and complicated hardware upgrades.
- *Deploying a solution in support of the NPP-based Confirmation of Payee initiative:* The Confirmation of Payee service allows the public to confirm account details prior to making payments, to help reduce the risk of mistaken payments and invoice-related scams.
- *Commencing customer migration of card collections services to a new service provider:* This new solution delivers additional protections to combat fraud. Several of our customers have already migrated to the new solution, with the remainder scheduled to move over in 2025/26.
- *Enhancing several interbank messaging processes* to align with the ISO 20022 messaging standard and to support process automation, efficiency and interoperability. This work forms part of a multi-year domestic and international program as various payment systems and messages are progressively modernised.
- *Helping stakeholders phase out use of cheques:* This work ensures that government agencies are prepared for the anticipated closure of the cheque system in 2029 – the volume of cheque payments by government customers fell by a further 26 per cent in 2024/25.
- *Formally commencing our account-to-account transition program* to plan and build payment and collections solutions ahead of industry's proposed decommissioning of the current Bulk Electronic Clearing System (BECS). Any industry transition of payments away from BECS will involve significant work – over 85 per cent of our customers' payments and receipts (by volume) are processed through BECS. The direct entry payments we make on behalf of our transactional banking customers accounted for around 10 per cent of all direct-entry payments in Australia in 2024/25.

There are significant barriers to migrating direct-entry and cheque payments to alternative systems.

This includes legislation that requires the use and acceptance of cheques, entrenched legacy systems at many stages in the payments process, and the current lack of a suitable alternative for bulk payments (such as regular pension payments). We will continue to work with our agency customers and industry to plan how these payments can be made securely, efficiently and cost-effectively in future.

In the coming year, we intend to further upgrade messages and processes to align with ISO 20022, including preparing for an industry-wide uplift of the NPP ISO 20022 message version.

Pro forma business accounts

Our transactional banking services are subject to the Australian Government's competitive neutrality guidelines. We deliver these services in competition with commercial financial institutions, including by bidding for business at tenders. We must cost and price the services separately from our other activities and meet a prescribed minimum rate of return. In 2024/25, we achieved our competitive neutrality target rate of return.

Pro forma business accounts for our contestable businesses are prepared in accordance with competitive neutrality guidelines. These accounts do not form part of the audited financial statements.

In 2024/25, after-tax earnings from our transactional banking services were \$4.2 million (Table 2.3.1).

Table 2.3.1: Transactional Banking Accounts

\$ million

	2023/24	2024/25
Revenue		
– Service fees	164.3	210.6
– Other revenue	7.7	11.3
Total	172.0	221.9
Expenditure		
Total	158.0	215.3
Net profit/(loss)	14.0	6.6
Net profit/(loss) after taxes ^(a)	10.3	4.2
Assets^(b)		
– Domestic markets investments	7,004.0	6,488.1
– Other assets	20.1	25.6
Total	7,024.0	6,513.7
Liabilities^(b)		
– Capital and reserves	25.0	25.0
– Deposits	6,983.7	6,464.0
– Other liabilities	15.3	24.7
Total	7,024.0	6,513.7

(a) In accordance with the competitive neutrality guidelines, income tax expense has been calculated but no such amount is directly transferred to the Australian Government. Instead, the amount is notionally captured within the RBA's annual profit distribution.

(b) As at 30 June.

Source: RBA.

Central banking services

As part of our central banking services, we manage the overnight consolidation of Australian government agency account balances. This requires the movement of agency account balances that are held with either commercial financial institutions or the RBA into the Official Public Account. We also process daily payment instructions from the Department of Finance to move funds from the Official Public Account to agency bank accounts to meet their payment obligations.

While we manage the consolidation of the government's accounts, the Australian Office of Financial Management (AOFM) is responsible for ensuring that there are sufficient cash balances to meet the government's day-to-day spending commitments and for investing excess funds in approved investments. We offer a cash management account to assist the AOFM in this regard. We also provide a limited short-term overdraft facility to accommodate any unexpected demand for government cash balances. This overdraft facility is used infrequently and was not used during 2024/25.

Settlement services

We own, operate and manage Australia's interbank settlement system, RITS. This system performs final and irrevocable settlement of interbank obligations arising from the wide range of non-cash payments in Australia. This includes card-related transactions, electronic retail payments and high-value transactions. These obligations are settled through the simultaneous debiting and crediting of Exchange Settlement (ES) accounts held at the RBA on behalf of RITS members.

RITS settles many transactions using real-time gross settlement (RTGS). This includes:

- high-value transactions from the HVCS (exchanged via Swift messaging services), Austraclear, and cash transfers (funds transfers between ES accounts entered directly into RITS)
- low-value payments initiated through the NPP (settled through the RITS FSS).

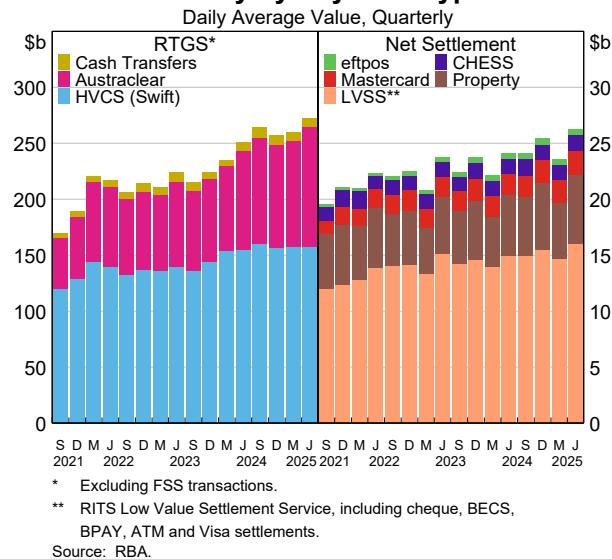
Most low-value payments are, however, still settled on a net basis in batches. The RITS Low Value Settlement Service collates and settles interbank payment obligations arising from some debit and credit cards, BPAY, ATM, cheques and BECS. The latter are known as direct entry or 'pay anyone'; many of these – including salaries and welfare payments – are exchanged in bulk files.

RITS also allows approved parties to submit netted batches for settlement, such as:

- card payments processed by eftpos and Mastercard
- equities transactions processed by the ASX Clearing House Electronic Subregister System (CHESS)
- electronic property transactions processed by Property Exchange Australia and Sympli Australia.

In 2024/25, RITS (excluding the FSS) settled an average of 69,000 transactions worth \$288 billion per business day. Transaction volumes remained at similar levels to the previous financial year, while the average daily value settled grew by around 13 per cent (Graph 2.3.2).

Graph 2.3.2
Interbank Settlement
Activity by Payment Type



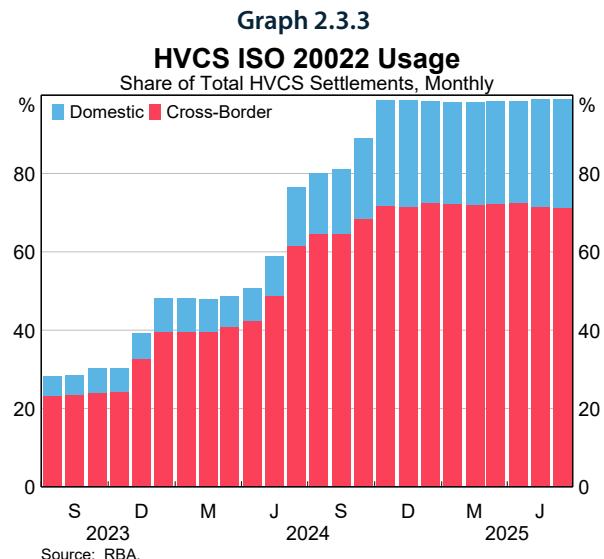
In 2024/25, two organisations became RITS members and three resigned, bringing total membership to 156. Of these, 100 hold ES accounts (most of which are authorised deposit-taking institutions (ADIs)), five administer batches submitted to RITS for settlement, and the rest hold RITS membership to participate in the RBA's open market operations (see Part 2.2: Operations in Financial Markets). Fifteen ES account holders also directly settle NPP transactions through the RITS FSS.

In November 2024, the RBA amended its Exchange Settlement Account Policy to streamline application requirements for ES accounts that are used by ADIs only for depositing funds and not for the settlement of payment obligations. These changes followed the release of guidance by the Australian Prudential Regulation Authority (APRA) to ADIs subject to minimum liquidity holding requirements, in which APRA indicated its expectation that these ADIs take steps to improve the diversification of their liquidity portfolios.¹

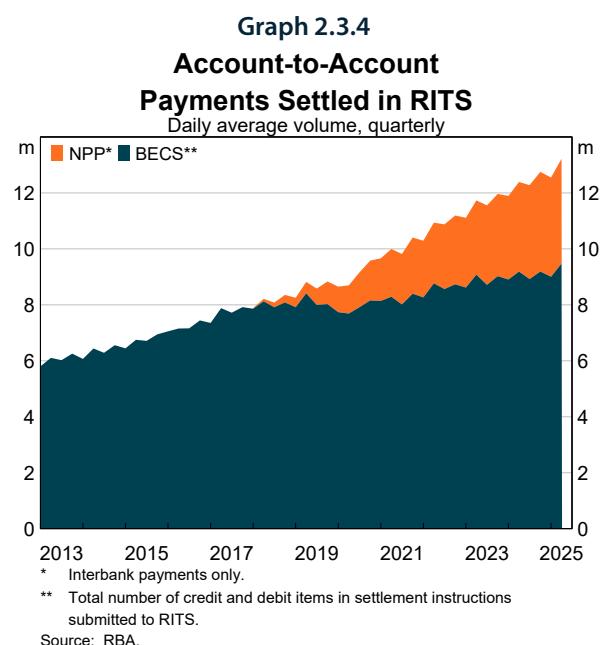
We continue to support the transition to modern, data-rich ISO 20022 messaging standards across Australia's payment systems. In 2024/25, this included the following:

- We worked with RITS members and the Australian Payments Network towards completion of the migration of the HVCS to ISO 20022 (Graph 2.3.3). Around 1 per cent of payments will use legacy formats until the late-2025 deadline set by Swift for the global migration of cross-border payments. Further enhancements to RITS are underway to support the first update of the HVCS ISO 20022 message guidelines since go-live in early 2023.
- We enabled ISO 20022 messaging for the RITS Automated Information Facility used for automated reporting, credit and liquidity management. Members are transitioning from the old format over a two-year period beginning in November 2024.
- We scoped changes to the RITS FSS to support an upgrade of the NPP ISO 20022 messages to a newer version that aligns with international standards.
- We completed the migration to ISO 20022 for the RBA's foreign currency accounts held with overseas central banks. The migration of client accounts that overseas central banks and official institutions maintain with the RBA is ongoing.

In 2025/26, we will start planning for the implementation of ISO 20022 for RITS batch settlement messages.



The Australian payments industry is developing a vision for the future of account-to-account payments, which are currently processed mainly through the BECS and NPP (Graph 2.3.4). As the provider of interbank settlement services for all account-to-account payments in Australia, we are engaging closely in industry discussions to assess what future changes to our services may be needed to support the agreed vision.



We have been progressing priority recommendations from a cyber simulation exercise, held in March 2024. This exercise with RITS members and payment system operators tested responses to a cyber-attack affecting parts of the payments system. Our current focus is on clarifying the roles and responsibilities of key industry and government stakeholders during a cyber event – a key shortcoming identified by the exercise. We are working closely on this with the National Office of Cyber Security, while also contributing to other initiatives to strengthen incident coordination and the overall resilience of the payments system.

Alongside our interbank settlement services, we also manage the settlement of the RBA's own transactions and those of our clients. We provide correspondent banking services to 62 overseas central banks and official institutions for the settlement of their Australian dollar transactions. Many of them also use our safe custody services, with the face value of securities held in custody around \$144 billion at the end of June 2025. Additionally, we provide registry services to eight supranational organisations that issue Australian dollar-denominated securities, as well as settlement services for banknote lodgements and withdrawals by commercial banks.

Strengthening the operating environment supporting RITS

A particular focus for the RBA in 2024/25 has been addressing the recommendations of the Deloitte review into the causes of a major technology outage in October 2022. This outage affected a range of key RBA systems, including aspects of the RITS settlement services (such as the FSS). The review, along with an assessment by Payments Policy Department of the extent to which RITS complies with the Principles for Financial Market Infrastructures, concluded that aspects of our systems and operating processes should be strengthened to achieve the high standards of service availability required when operating critically important national payments infrastructure.² We are committed to implementing these recommendations in full.

The work to address the recommendations spans the RITS operating model and associated resourcing requirements, IT system controls and asset management, knowledge management and investment prioritisation. It is led by the Payments Operations Program. Other recommendations relating to risk management, governance and broader cultural aspects are being addressed through the Future Hub transformation program.

We have made considerable progress in 2024/25, including to design and develop the RBA's enhanced risk management capabilities, practices, processes, and systems (see Part 3.3: Risk Management). The revised risk management operating model brings us into closer alignment with industry practice and strengthens clarity of accountability through the adoption of a 'three lines of accountability' standard. A pilot that began in 2024/25 is testing the practical application of an enhanced risk management framework within Payments Settlements Department, ahead of a planned enterprise-wide rollout. In 2025/26, the focus of the work in this area will be to drive the adoption of these enhanced practices across all departments, including by reinforcing risk ownership and ensuring all staff understand their role in managing risk.

In addition to strengthening risk management and governance, we made progress in 2024/25 across several other areas:

- We completed a new prioritisation framework for use by our Investment Committee. This will be implemented in the September 2025 quarter. The changes to this framework aim to support the resilience of RITS through ongoing investment.
- The new RITS operating model and an associated resourcing review has been substantially completed and will be implemented progressively through late 2025 and early 2026.
- A new industry standard IT controls library has been developed, along with documents setting out software development lifecycle requirements for infrastructure change, test and environment management standards and log management standards. Work has also begun on assessing RITS-related systems and our broader IT approaches against these standards. This will guide the RBA's work to enhance systems and processes to ensure they focus on areas that will have the largest impact on reducing operational risk.

Endnotes

- 1 See APRA (2024), 'APRA Finalises Targeted Changes to Strengthen Banks' Liquidity and Capital Requirements', Media Release, 24 July.
- 2 See RBA (2023), 'Strengthening the RBA's Payments Infrastructure', Media Release No 2023-12, 30 May.

2.4 Banknotes

We are responsible for producing and issuing Australia's banknotes, and for supporting their quality and security so that Australians have confidence in them. While the use of cash for payments has declined over recent decades, it remains an important means of payment for many Australians. Cash also continues to be used as a store of value and a back-up method of payment. It is important that Australians continue to have reasonable access to cash and confidence in banknotes to meet their needs.

Key outcomes in 2024/25

- We worked closely with government agencies and key participants in the cash distribution industry on business continuity arrangements in the event of a disruption to the supply of cash services and on options to support the long-term availability of cash in the community.
- We selected a theme for the redesigned \$5 banknote to honour the enduring connection that First Nations peoples have to Country and commenced work to translate this theme into an artwork and banknote design.

Our response to recent developments in wholesale cash distribution

The decline in the use of cash for transactions over recent decades has contributed to pressures in the cash distribution system in Australia. In mid-2023, the two largest cash-in-transit companies in Australia – Linfox Armaguard and Prosegur Australia – merged. The merger was approved by the Australian Competition and Consumer Commission (ACCC), subject to a three-year undertaking regarding pricing and service levels. Despite the merger having taken place as proposed, Armaguard indicated in late 2023 that it was facing financial difficulties. In June 2024, Armaguard's major banking and retail customers agreed to provide Armaguard funding support in 2024/25, allowing more time for Armaguard to embed efficiency gains arising from the merger and improve its financial sustainability. In July 2025, the parties extended their financial contributions for a further six months to December 2025.

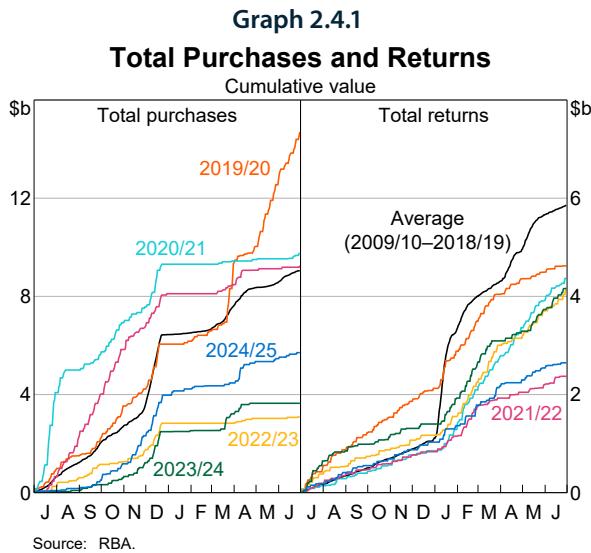
Over the past year, Armaguard and its major customers have worked together to improve the efficiency of cash-in-transit operations and have initiated discussions regarding a pricing mechanism to support sustainability of the industry. The major banks, the broader cash distribution industry, the RBA and other government agencies have been discussing how to evolve the operating model to support the future viability of cash. In July, the Council of Financial Regulators and the ACCC issued a consultation paper regarding potential

regulation to better manage risks in the cash distribution system.¹ In addition, the RBA has continued to work closely with government agencies and key participants in the cash distribution industry on business continuity arrangements in the event of a disruption to the supply of cash services. Maintaining cash as a useable and accessible payment method is in the public interest, and our work in this area supports the government's objective to maintain adequate access to cash for as long as Australians want or need to use it.

Distribution activities

We sell banknotes to the four major commercial banks under the Banknote Distribution Framework.² The banks, in turn, have arrangements in place to distribute banknotes around Australia to meet the demands of their customers.

Banknote distribution activities in 2024/25 picked up from the previous year with around \$5.7 billion of banknotes issued, but remain lower than the average issuance in pre-COVID-19 years. Returns by commercial banks to us decreased, with around \$2.6 billion of banknotes returned in 2024/25, mainly consisting of the previous banknote series (Graph 2.4.1). In net terms, banknote issuance was around the pre-COVID-19 historical annual average (Graph 2.4.2). Around 92 per cent of transactions were carried out from the National Banknote Site in Craigieburn, Victoria, with the remainder carried out from our contingency site in Sydney.



With a greater value of banknotes being purchased from us than was returned by commercial banks, the value of banknotes in circulation increased by 3.0 per cent over 2024/25 (Table 2.4.1). The growth was broadly based across all denominations in circulation, with strongest growth for the \$100 banknote. At the end of June 2025, the value of banknotes in circulation was \$103.8 billion, equivalent to around 4 per cent of GDP (Graph 2.4.3). There are currently around 2 billion banknotes in circulation.

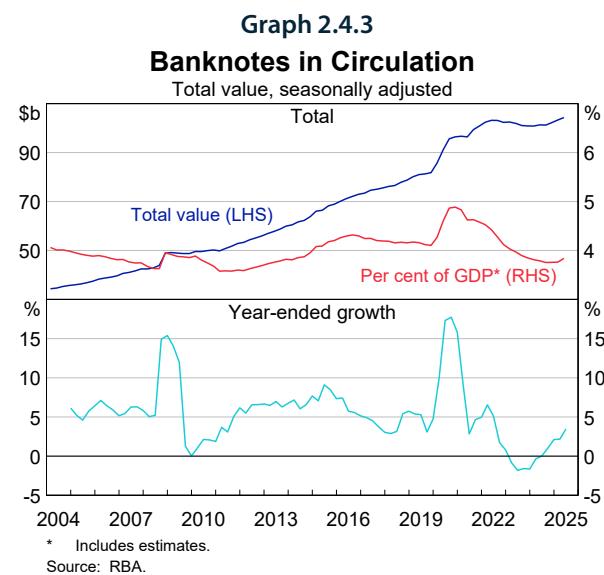
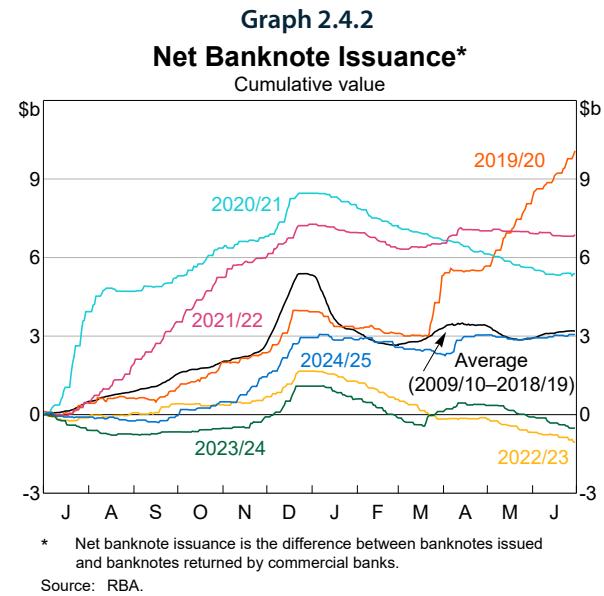


Table 2.4.1: Banknotes in Circulation

End-June 2025; by denomination

	\$5	\$10	\$20	\$50	\$100	Total
Value (\$b)	1.1	1.5	3.8	47.3	50.3	103.8
Year-ended growth ^(a) (%)	2.2	2.5	2.3	1.6	4.5	3.0
10-year annualised growth ^(b) (%)	2.6	2.5	1.7	4.9	5.9	5.2

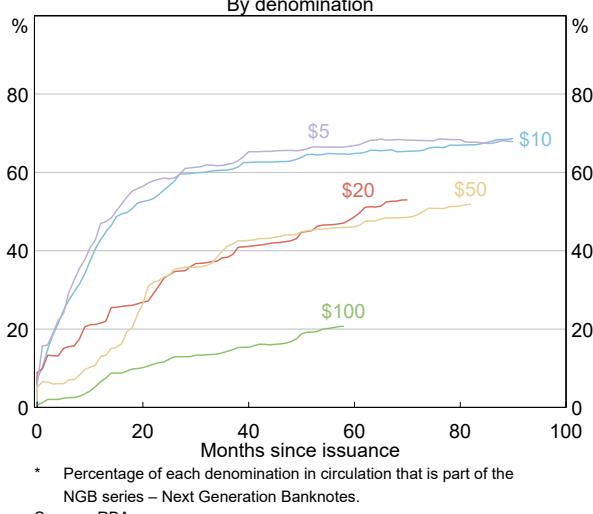
(a) Growth by value since end-June 2024.

(b) Annualised 10-year growth up to end-June 2024.

Source: RBA.

The proportion of all banknotes in circulation that are part of the Next Generation Banknote (NGB) series (the saturation rate) increased over 2024/25. NGB \$20 and \$50 banknote saturation increased by around 6 and 3 percentage points from the previous year, to represent just over half of these banknotes on issue (Graph 2.4.4). The NGB \$100 banknote saturation rate increased to 20 per cent. By contrast, the saturation rate for the two lower denominations was little changed at around 70 per cent. Saturation of NGB \$5 and \$10 banknotes is unlikely to rise substantially from their current rates, since many of the earlier series banknotes are stored, lost or held abroad, and so are unlikely to be returned to us in the near term.

Graph 2.4.4
Saturation Rates of NGB Series*
By denomination



Banknote quality and counterfeits

We aim to have high quality banknotes in circulation. Such notes are more easily handled by machines and reduce the possibility of counterfeits being accepted. Accordingly, there are arrangements in place to encourage the major commercial banks and cash-in-transit companies to sort the banknotes they handle to agreed quality standards. Based on this sorting, banknotes that remain fit for circulation are redistributed, while those that are deemed unfit are returned to the RBA, removed from circulation and destroyed.

In 2024/25, we received \$2.1 billion worth of banknotes deemed unfit for recirculation and paid nearly \$15 million to the commercial banks under our incentives framework to promote quality sorting. A project to commission two new banknote processing machines at the National Banknote Site, which will replace four machines that have reached end of life, will be completed in the last few months of 2025.

We make interest compensation payments on banknotes that the major commercial banks store in approved private cash depots. The interest compensation payments are in line with the interest that would have been paid to the banks were they to instead hold Exchange Settlement balances at the RBA. This arrangement is designed to support cash availability and efficiency in banknote distribution by encouraging banks that participate in the Banknote Distribution Framework to hold their banknotes at cash depots around Australia, in turn supporting trading of banknotes between banks and reducing the incentive to return banknotes to the RBA. These payments also incentivise quality sorting because only banknotes that have been quality sorted are eligible. In 2024/25, we paid \$119 million in interest compensation, which was lower than in 2023/24. Lower interest rates in the second half of the year and lower average holdings of banknotes at cash depots contributed to this reduction.

We also remove banknotes from circulation through our damaged banknotes facility. The facility is offered to holders of Australian banknotes who have come into possession of damaged banknotes unwittingly or whose banknotes have been accidentally damaged. Claims that meet the requirements set out in the Damaged Banknotes Policy are paid based on their assessed value.³ In 2024/25, the damaged banknotes facility processed around 9,600 claims and made \$3.7 million in payments.



Heat-damaged banknotes assessed at the RBA's laboratory. Source: RBA.

Counterfeiting activity has been low compared with the historical average. In 2024/25, almost 8,000 counterfeits, with a nominal value of just under \$600,000, were detected in circulation (Table 2.4.2).

This corresponds to a counterfeiting rate of around four counterfeits detected per million banknotes in circulation, but this is expected to rise to six once all counterfeits detected in 2024/25 have been received by the RBA. This is well below the 20-year average of just over 12 counterfeits detected per million banknotes in circulation (Graph 2.4.5). The subdued

counterfeiting rate can be attributed to two key factors: effective law enforcement and the increasing saturation of the NGB series of banknotes, which is more difficult to counterfeit than older series due to the enhanced security features of NGBs. At the end of 2024/25 there was a modest increase in the counterfeit threat in Australia, which corresponds to increased counterfeiting of polymer banknotes in a number of countries including the UK, Canada and New Zealand. This is likely to continue into 2025/26.

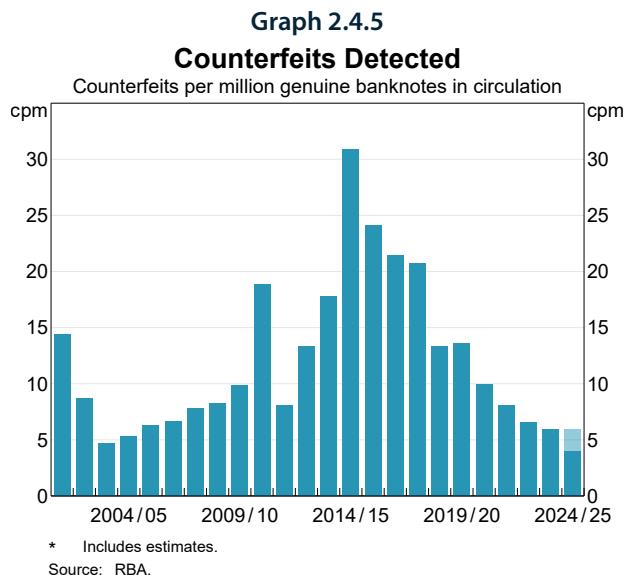
Table 2.4.2: Counterfeit Banknotes in Australia – 2024/25^(a)

	\$5	\$10	\$20	\$50	\$100	Total
Total number	1	6	302	3,338	4,223	7,870
– First polymer series	0	6	299	3,256	4,191	7,752
– NGB series	1	0	3	82	32	118
Total nominal value (\$)	5	60	6,040	166,900	422,300	595,305
Counterfeiting rate ^(b)	0.005	0.04	1.6	3.5	8.6	3.9

(a) Figures are preliminary and subject to upward revision because of lags in counterfeit submissions to the RBA.

(b) Counterfeits per million banknotes in circulation.

Source: RBA.



Counterfeiting rates in Australia continue to be highest for the \$100 denomination, particularly the older polymer series. Since the introduction of the first NGB banknote in 2016, only 854 NGB counterfeits have been detected. In 2024/25, around 0.2 counterfeits for the NGB series were detected per million banknotes in circulation, compared to 11 counterfeits detected per million banknotes in circulation of the previous series. The average quality of the NGB series counterfeits is also lower than counterfeits from the previous series.

Law enforcement plays a key role in managing the threat of counterfeiting through investigations and prosecutions. We support court proceedings around Australia by providing information about counterfeit banknotes and expert witness statements. In 2024/25, we completed 86 statements concerning 12,922 counterfeits. We are aware of five court proceedings that occurred during the year related to the possession of counterfeit currency.

Redesign of the \$5 banknote

In February 2023, we announced the redesign of the current \$5 banknote. Work is underway to redesign the portrait side of the \$5 banknote, which currently features the late monarch, Her Majesty Queen Elizabeth II. The Australian Parliament will continue to feature on the reverse side. The new design will honour the history and culture of First Nations peoples of Australia. In 2024/25, an Imagery Selection Panel, which includes First Nations representatives and representatives from the RBA and Note Printing Australia Limited (NPA), selected the theme for the

redesigned \$5 banknote. The theme honours the enduring connection that First Nations peoples have to Country – including the land, sea and sky. We have engaged with relevant communities throughout this project, and will continue to do so, to ensure the appropriate use and interpretation of cultural heritage (see Part 2.6: Community Engagement).

Research and development

We maintain an active banknote research and development program to develop and assess cost-effective, counterfeit-resistant security features and detection technologies for Australian banknotes. The primary purpose of this program is to ensure that Australia's banknotes remain durable, secure against counterfeiting and easy to authenticate for a wide range of users. This is achieved, in part, through collaboration with domestic and international experts from various external organisations, including universities, public and private companies, research institutes and other central banks.

Continuous assessment of several issues is fundamental to this program. These include:

- the vulnerability of banknotes to different forms of counterfeiting
- the mechanisms by which banknotes wear in circulation
- production capability
- how the public and banknote-processing machines use and authenticate banknotes.

This work is complemented by the design and manufacture of new equipment, and the development of new methods for testing banknote quality and assessing damaged banknotes. There was a strong focus in 2024/25 on the selection of enhanced security features in the project to redesign the \$5 banknote. There was also work to understand the circulation wear properties of the NGB series. This included how the public rates banknote quality and how this rating influences their ability to distinguish genuine banknotes from counterfeits. It also included product and process improvements that might reduce costs and improve circulation life. The program also assisted NPA with the provision of technology and expertise for its export customers.

Note Printing Australia Limited

NPA is a wholly owned subsidiary of the RBA that produces banknotes and passports for Australia. The volume of Australian banknotes printed each year varies depending on the RBA's needs to issue notes or add to its stocks.

More detail on NPA is provided in Part 1.2: Governance and Accountability and Part 1.6: Operational Structure.

NPA also provides printing services to other Australian government agencies and overseas central banks.

In 2024/25, NPA:

- produced around 2.4 million R-series passports for the Australian Department of Foreign Affairs and Trade
- printed 1.5 million births, deaths and marriages certificates for all state governments in Australia
- delivered around 800 million banknotes under contract to Papua New Guinea, the Solomon Islands and the Philippines, dealing directly with the central banks in those countries.

Endnotes

- 1 See CFR (Council of Financial Regulators) (2025), 'Consultation on a Regulatory Framework for Cash Distribution in Australia', Media Release No 2025-04, 16 July.
- 2 RBA, 'BDF Legal Framework'.
- 3 See Burton A and H Winata (2022), 'What Can You Do With Your Damaged Banknotes?', *RBA Bulletin*, June.

2.5 International Financial Cooperation

We participate in international efforts to address challenges facing the global economy and financial system, and to improve the international financial architecture. We do so through membership of global and regional forums and through bilateral relationships with other central banks.

Key outcomes in 2024/25

- We continued to engage in international forums to support better regional and global outcomes and enable Australia's interests to be considered.
- We maintained and built relationships with overseas counterparts – including with other central banks, international organisations and overseas regulators – allowing us to share and gain knowledge, and cooperate in various ways from time to time.
- This year, discussion on the global economic outlook focused on macroeconomic policy settings, the effects of the increase in tariffs and geopolitical risk.
- Work also continued on a range of financial sector issues, including identifying risks emerging because of increased policy uncertainty, considering financial risks arising from areas such as non-bank financial intermediation and climate change, and enhancing cross-border payments.

Bank for International Settlements

Purpose

The Bank for International Settlements (BIS) and its associated committees support collaboration among central banks and other financial regulatory bodies. They bring together officials to exchange information and views about the global economy, vulnerabilities in the global financial system and issues affecting central bank operations.

RBA involvement

The RBA is one of 63 central banks and monetary authorities that hold shares in the BIS. The Governor participates in the bimonthly meetings of governors and in meetings of the Asian Consultative Council. The Assistant Governor (Financial Markets) is a member of the BIS Markets Committee and the Committee on the Global Financial System. Staff also participate in working groups and sub-groups of these committees. Over the past year, this included a joint working group on central bank reserves, the regulation of liquidity and financial stability that involved these committees and the Basel Committee on Banking Supervision (BCBS; see below).

RBA staff also participate in various BIS-organised engagements focusing on topics related to economics, central bank operations and communication. Participants include the Assistant Governor (Economic), the Chief Operations Officer and the Chief Communications Officer.

The bimonthly meetings of governors discuss macroeconomic and financial developments in advanced and emerging market economies, and provide guidance to other BIS committees.

The Committee on the Global Financial System seeks to identify potential sources of stress in the global financial system and promotes the development of well-functioning and stable financial markets. The Markets Committee considers how economic and other developments, including regulatory reform and technological change, affect financial markets, particularly central bank operations. These committees also establish working groups on topical issues.

In 2024/25, these committees and the bimonthly meetings of governors all discussed the implications of increased global uncertainty and tariffs for financial conditions, and closely monitored market movements during the period of increased volatility. Other areas of focus included the use of artificial intelligence in financial institutions and developments in payment systems, including tokenised assets.

Basel Committee on Banking Supervision

Purpose

The Basel Committee on Banking Supervision (BCBS) is hosted by the BIS and is the primary international standard-setting body for the banking sector. It provides a forum for regular cooperation on banking supervisory matters among its 28 member jurisdictions. It enhances understanding of key supervisory issues and improves the quality of banking supervision worldwide.

RBA involvement

The RBA Governor is a member of the Group of Governors and Heads of Supervision, which is the oversight body for the BCBS. The RBA Assistant Governor (Financial System) is a member of the BCBS.

Committee on Payments and Market Infrastructures

Purpose

The Committee on Payments and Market Infrastructures (CPMI) is hosted by the BIS. It serves as a forum for central banks to monitor and analyse developments in payment, clearing and settlement infrastructures, and sets standards for these facilities. The CPMI has 28 member institutions.

Joint working groups of the CPMI and the International Organization of Securities Commissions (IOSCO) bring together members of these two bodies to coordinate policy work on the regulation and oversight of financial market infrastructures.

RBA involvement

RBA staff are members of the CPMI, the CPMI-IOSCO Steering Group, the CPMI-IOSCO Implementation Monitoring Standing Group, the CPMI-IOSCO Policy Standing Group, the CPMI Future of Payments Working Group and the CPMI-IOSCO Operational Resilience Group. A staff member was the Chair of the CPMI messaging workstream contributing to the G20 Roadmap to enhance cross-border payments.

Financial Stability Board

Purpose

The Financial Stability Board (FSB) promotes international financial stability by coordinating national financial sector authorities, finance ministries and international standard-setting bodies as they develop strong regulatory, supervisory and other financial sector policies. It also plays a central role in identifying and assessing evolving global financial sector trends and risks.

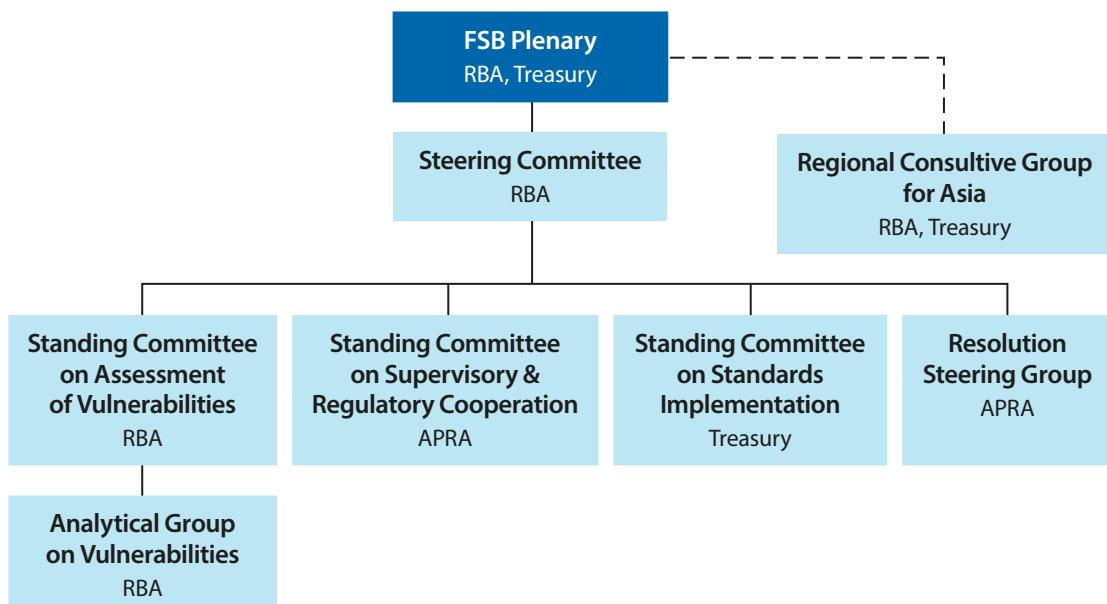
FSB members include representatives from 24 economies and the main international financial institutions – including the BIS and the International Monetary Fund (IMF) – and standard-setting bodies such as the BCBS.

RBA involvement

The decision-making body of the FSB is the Plenary. The RBA Governor is a member of the Plenary, the Steering Committee and the Standing Committee on Assessment of Vulnerabilities. The Governor is also co-Chair of the FSB's Regional Consultative Group for Asia, taking up a two-year appointment in July 2025.

Senior RBA staff participate in meetings of various FSB groups (Figure 2.5.1). This includes the Analytical Group on Vulnerabilities, which supports the work of the Standing Committee on Assessment of Vulnerabilities, and the Financial Innovation Network.

Figure 2.5.1: Australian Involvement in Key FSB Committees



Source: RBA.

The FSB's work over the year included:

- *Ongoing monitoring of global vulnerabilities:* Senior RBA executives participated in meetings assessing the financial stability outlook given increased uncertainty and bouts of market volatility.

- *Assessing and addressing the risks arising from intermediation by non-bank financial institutions (NBFI):* The current focus of this work is on monitoring NBFI activity, including developing policy proposals to enhance the ability of authorities and market participants to monitor vulnerabilities from NBFI. An RBA staff member is on the FSB's Non-bank Monitoring Experts Group.

- *Analysing the financial stability implications of digital innovation, such as tokenisation and artificial intelligence, and monitoring of crypto asset developments:* Much of the FSB's work in this area is undertaken by the Financial Innovation Network, which includes a senior RBA staff member.
- *Addressing climate-related financial risks:* The FSB has developed a framework and toolkit for assessing how climate-related risks can be transmitted and amplified by the global financial system and is continuing to develop metrics to monitor climate-related vulnerabilities. This work was led by the FSB's Climate Vulnerabilities and Data Working Group, which includes an RBA staff member.
- *Enhancing the efficiency of cross-border payments:* The FSB has been monitoring international progress against a program of priority initiatives to help achieve the G20 cross-border payments targets set in October 2020. We have been tracking Australia's performance against the G20 targets and taken several policy actions to promote the adoption by industry of new functionality and messaging capabilities in cross-border payments infrastructure. We also participated with central bank partners in Project Mandala, which developed a common technical protocol to automate policy and regulatory compliance requirements for cross-border payments.

Trans-Tasman Council on Banking Supervision

Purpose

The Trans-Tasman Council on Banking Supervision (TTBC) membership comprises the agencies on Australia's Council of Financial Regulators (CFR), the New Zealand Treasury, the Reserve Bank of New Zealand and the New Zealand Financial Markets Authority.

The TTBC provides a forum for cooperation and information-sharing between the regulators of the banking sectors in Australia and New Zealand. It supports the development of a single economic market in banking services and promotes a joint approach to trans-Tasman banking supervision that delivers a seamless regulatory environment. The TTBC considers issues relating to financial stability, efficiency and integration throughout the financial sector, with a particular focus on the banking system and bank supervision, including crisis preparedness and vulnerability mitigation.

RBA involvement

We are represented on the TTBC by the Governor, Deputy Governor and Assistant Governor (Financial System).

In 2024/25, the TTBC considered trans-Tasman bank supervision and regulation, the 2024 trans-Tasman crisis simulation, operational resilience and the changing nature of risks affecting the stability of the financial sector. The TTBC also updated its terms of reference and Memorandum of Cooperation.

The 2024 trans-Tasman crisis simulation, completed in September 2024, helped TTBC agencies better prepare for managing a bank failure. TTBC members continued to collaborate in relation to cybersecurity events and to improve cyber incident preparedness.

Cooperative oversight arrangements

Purpose

These multilateral and bilateral arrangements support cross-border oversight of financial market infrastructures that play an important role in the Australian financial system and of Australian-based financial market infrastructures that operate in foreign countries.

RBA involvement

In 2024/25, RBA staff participated in forums to oversee or share information relating to CLS Bank International, LCH Ltd, CME Inc, Swift, Clearstream Banking S.A. and Euroclear Bank SA/NV. The RBA also has information-sharing arrangements with the Reserve Bank of New Zealand, the New Zealand Financial Markets Authority, the European Securities and Markets Authority, the US Commodity Futures Trading Commission and the Australian Securities and Investments Commission.

International Monetary Fund

Purpose

The IMF oversees the stability of the international monetary system and provides financial assistance to members experiencing actual or potential balance of payments problems.

The IMF also monitors, analyses and provides advice on the economic and financial policies of its 191 members and the linkages between them. Article IV consultations are a key mechanism for achieving this and are conducted with Australia every year. It plans to launch a Financial Sector Assessment Program review of Australia over the next 12 months.

RBA involvement

Australia holds a 1.38 per cent quota share in the IMF and is part of the Asia and the Pacific Constituency, which is represented by one of the IMF's 25 executive directors. Australia also contributes to the IMF's supplementary borrowed resources, including the Poverty Reduction and Growth Trust and the Resilience and Sustainability Trust. The RBA supports the Constituency Office at the IMF by seconding an expert advisor and working with the Australian Treasury to provide support on matters discussed by the IMF's Executive Board.

Group of Twenty

Purpose

The Group of Twenty (G20) is a forum for the world's largest economies – including Australia – and international organisations to discuss economic, financial and other policy issues, and to explore ways to collectively address global challenges. The G20 was chaired by Brazil from December 2023 to November 2024 and has been chaired by South Africa since December 2024. The United States will take over as chair in late 2025.

RBA involvement

The Governor, Deputy Governor and Assistant Governor (Economic) represent the RBA at high-level meetings of the G20, while other staff participate in G20 working groups and contribute to the G20's work on financial sector issues.

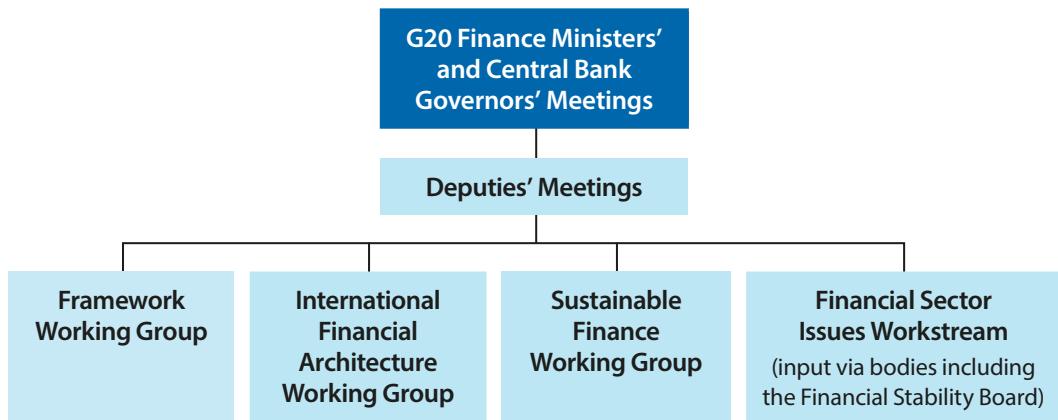
Our staff participated in three G20 working groups during 2024/25 (Figure 2.5.2):

- The *Framework Working Group* focused on identifying and monitoring global economic risks, macroeconomic policies in the context of climate change and the effects of artificial intelligence on productivity.
- The *International Financial Architecture Working Group* focused on the resilience and stability of the international financial system.

- The *Sustainable Finance Working Group* identified institutional barriers to sustainable finance and options to mobilise private capital for sustainable investment.

There is also the G20's work on financial sector issues, which progresses work related to the financial sector in collaboration with the FSB, the BCBS and other international bodies.

Figure 2.5.2: RBA Involvement in the G20



Source: RBA.



Rachel Adeney (Manager, International Policy & Engagement) and Governor Michele Bullock at the G20 Finance Ministers' and Central Bank Governors' Meeting in February 2025, Cape Town. Source: RBA.

Executives' Meeting of East Asia-Pacific Central Banks

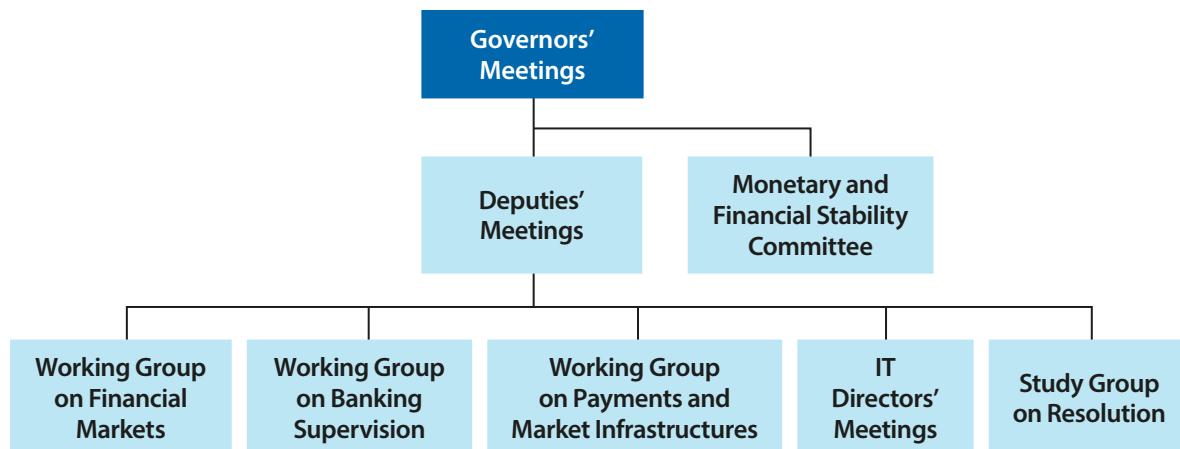
Purpose

The Executives' Meeting of East Asia-Pacific Central Banks (EMEAP) brings together central banks in the east Asia-Pacific region to discuss issues relevant to monetary policy, financial markets, financial stability and payment systems. Its members are Australia, China, Hong Kong SAR, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea and Thailand.

RBA involvement

We participate in EMEAP, including at the Governor and Deputy Governor level (Figure 2.5.3). Our staff also participate in several working groups.

Figure 2.5.3: RBA Involvement in EMEAP



Source: RBA.

EMEAP governors meet annually to discuss key issues in the region. The July 2024 EMEAP governors' meeting covered the impact of global macroeconomic uncertainty, how central banks have responded to external challenges, and regional developments in local currency settlement for trade and investment. Governors also meet annually with the heads of supervisory authorities in the region to discuss issues related to the financial system.

The EMEAP Monetary and Financial Stability Committee discusses current economic and financial market developments and the associated policy challenges for EMEAP members. In 2024/25, the committee met twice and discussed topics including external trade and fragmentation risks, the growing prominence of NBFIs and associated vulnerabilities, and the impact of artificial intelligence developments on regional growth and financial stability. EMEAP has also been reflecting on its achievements over the last 30 years (since its founding in its current form) and discussing some potential reforms to ensure its continued effectiveness in the period ahead.

Technical cooperation and bilateral relations

The RBA shares experiences and best practices with other central banks through our technical cooperation program. While we predominantly focus on capacity building in the areas of monetary policy and financial stability, we engage across all areas of central banking, including payment systems, note issue operations and risk management. In 2024/25, we shared knowledge with the central banks of a number of countries in our

region and participated in the Australian Government's Prospera Program to help build the capacity of government institutions in Indonesia.

Engagement in the South Pacific

We foster close ties with South Pacific countries through participation in high-level meetings and staff exchanges, and by providing technical assistance across a wide range of central banking issues.

In November 2024, we participated in the annual meeting of the South Pacific Central Bank Governors. The governors discussed recent economic and financial developments, improving central bank resilience and the challenges presented by financial institutions de-risking in the region. In 2024/25, we continued our participation in work to address the loss of correspondent banking relationships in the Pacific. This included engaging with the Pacific Islands Forum and the World Bank on their initiatives to strengthen correspondent banking relationships in the region.

International secondments

In 2024/25, we hosted secondees from the Bank of England. In turn, our staff were seconded to a range of other central banks and international organisations, including the BIS, the Bank of England, the IMF, the Federal Reserve Bank of New York and the Swiss Financial Market Supervisory Authority. These arrangements provide a valuable opportunity for the exchange of skills and expertise between the RBA and the broader global economic and financial policymaking community.

Network for Greening the Financial System

Purpose

The Network for Greening the Financial System is a voluntary coalition of central banks and supervisors which shares best practices to contribute to the development of climate and environment-related risk management in the financial sector.

RBA involvement

We joined the Network for Greening the Financial System in July 2018 and contribute to several workstreams.

In 2024/25, we contributed to workstreams on scenario design and analysis and on monetary policy. This resulted in a published set of short-term climate scenarios and several reports that outline the physical and transition impacts of climate change on the

macroeconomy and their implications for monetary policy.¹ We are also members of the workstream on net zero for central banks and the experts' network on legal issues.

Global Foreign Exchange Committee

Purpose

The Global Foreign Exchange Committee brings together central banks and private sector participants in the wholesale foreign exchange market to promote a robust and liquid market. It does this in part through the maintenance of the FX Global Code, which is a set of principles of good practice for market participants.

RBA involvement

We sponsor the Australian Foreign Exchange Committee – one of 20 regional committees that comprise the membership of the Global Foreign Exchange Committee. The RBA Assistant Governor (Financial Markets) is Chair of the Australian Foreign Exchange Committee and is our representative on the Global Foreign Exchange Committee.

In 2024/25, the Global Foreign Exchange Committee completed a review of the FX Global Code, following a consultative process with market participants. The code's guidance on foreign exchange settlement risk

was strengthened while other updates promoted greater transparency for clients around certain types of transactions.

Organisation for Economic Co-operation and Development

Purpose

The Organisation for Economic Co-operation and Development (OECD) is an international organisation of 38 countries that promotes policies to improve the economic and social wellbeing of people worldwide. It provides a forum in which governments can work together to share experiences and seek solutions to the economic, social and governance challenges they face.

RBA involvement

Our Chief Representative in Europe participated in the OECD's Committee on Financial Markets on behalf of the RBA and in the Advisory Task Force on the OECD Codes of Liberalisation on behalf of the Australian Treasury. The RBA has passed responsibility for the Committee and the Task Force to the Australian Securities and Investments Commission.

Endnotes

- 1 Network for Greening the Financial System (2025), 'NGFS Publishes the First Vintage of Short-term Climate Scenarios', Press Release, 7 May; Network for Greening the Financial System (2024), 'Climate Change, the Macroeconomy and Monetary Policy', Technical Document, October.

2.6 Community Engagement

We are committed to being open, transparent and accountable. To do this, we work to understand the economic issues concerning communities across Australia and, in turn, share and explain our policies and decisions in ways that build trust. This happens through a longstanding regional and industry liaison program, consultation programs, public speeches, roundtables, publications, social media and a public education program. We are also accountable to the public through appearances before parliamentary committees and our responses to public enquiries. We support academic research, publish a broad range of statistics and operate an online museum where visitors can discover the history of Australia's banknotes and economic development.

Key outcomes in 2024/25

- We hosted media conferences after each meeting of the Reserve Bank Board and Monetary Policy Board. An average of 2,300 unique people viewed the live stream on the RBA's website per conference, with extensive media coverage significantly amplifying the reach of the Governor's messages beyond that. We also continued to uplift our flagship publications by streamlining and layering our content to reach a broader audience and we expanded our social media following.
- We engaged with around 6,600 students at talks and careers expos across six states. We also supported economics education through ongoing research, refreshed educational resources and held a professional development day, which was attended by around 70 high school economics teachers.
- We held more than 1,000 liaison meetings with business, industry representatives, government agencies, community organisations, banks and financial market participants to better understand conditions in the economy, financial markets and payments industry.
- We provided \$660,000 in sponsorship for research and participated in, or hosted, a wide range of conferences domestically and internationally. A further \$230,000 was donated to charitable activities.
- We digitised and published a growing number of archival records, while expanding the online offering of our museum.

Communication with the public

We deliver transparent, timely and regular communication to continuously engage the Australian public in several different ways. We communicate about our policy decisions, analysis and operations to the public through publications, media releases, social media, and appearances by senior staff, all of which are accessible via our website. Our email and SMS subscriber lists alert our stakeholders to key information in real time. We also hear from the public through their enquiries to us and share key insights from the feedback we receive with senior staff to deepen their understanding of public views.

In 2024/25, we continued to make communication a more central and strategic part of the monetary policy process, as recommended by the 2023 RBA Review. We also continued to provide strategic

communications advice to the RBA's executive leaders and to our two policy boards. By focusing on listening to the public, we are better able to understand their diverse perspectives. One message comes through clearly: Australians want to better understand how the economy works and the role we play in shaping it. We recognise that trust is built and maintained through clear, accessible communication, and we are committed to continuously improving how we explain our decisions and our mandate.

To that end, we continued our focus on being more transparent and making our communication easier to understand.

- We held media conferences following the meetings of the Reserve Bank Board and the Monetary Policy Board. These allow the Governor to explain the decisions of the boards and the economic outlook in plain language, while answering questions from

attending journalists. The Governor answered an average of 23 questions from 16 media outlets at each conference. Media conferences were broadcast live via our website, with the recording published online after the event. Media coverage significantly expands the reach of these conferences beyond the direct audience.

- We held media lock-ups shortly before the release of our policy publications. These include the *Statement on Monetary Policy* (SMP), the *Financial Stability Review* (FSR) and minutes of monetary policy meetings. These lock-ups facilitate timely and accurate reporting of content to the public.
- We engaged proactively with the media in between press conferences.
- We continuously improved our publications and website to make them more accessible and engaging for a broader audience. A notable example is the quarterly Current Economic Conditions video – targeted at high school economics students – which was transformed into a shorter, more dynamic format.

Public appearances and enquiries

Public appearances allow our senior leaders to outline what we do, share our views and talk about our policies with a wide range of people in the community. These engagements also provide an opportunity for our people to hear directly from businesses, households and

government agencies, helping us to gather meaningful perspectives on local economic and financial conditions and on other issues related to our role.

In 2024/25, the Governor, Deputy Governor and other senior leaders participated in 39 public speaking engagements across five states. This included 14 interactive sessions (such as ‘fireside chats’ and panel discussions) and many formal speeches. All public addresses by the Governor and Deputy Governor, including question and answer segments, were live streamed on our website. Transcripts, video and audio recordings were also made available online to ensure transparency and broad accessibility, with an average of around 4,000 page views across all speeches.

The Governor, Deputy Governor and a selection of executive staff collectively attended two hearings of the House of Representatives Standing Committee on Economics, two hearings of the Senate Economics Legislation Committee and several other hearings of parliamentary committees (see Part 1.2: Governance and Accountability).

In 2024/25, we responded to around 3,300 public enquiries. These covered a broad range of topics, including monetary policy, banknotes, financial services and regulation of the payments system. Key themes and messages from public enquiries were shared regularly with senior staff to provide feedback on how our actions and communications are being received.



Governor Michele Bullock delivering the keynote address to the 2024 Anika Foundation Fundraising Lunch in Sydney.
Source: RBA.

Flagship publications

We explain our analysis through key publications such as the quarterly SMP, the biannual FSR and the quarterly *Bulletin*. We saw consistently high engagement across these publications over the year, averaging over 12,000 active readers per release (including 'In Brief' publication summaries). In 2024/25, we continued to work to improve the transparency, clarity and readability of our publications to ensure our messages that relate to our core functions can be easily understood by the Australian community. This work has included the following:

- We further developed the design of the SMP, enhanced its layering of content and adopted a structure that is responsive to current economic events. We also made increasing use of scenario analysis in the SMP to illustrate some of the ways that uncertain global events could affect the Australian economy.
- We communicated our assessment of the current resilience of the financial system and potential risks to financial stability in the FSR, layering content for different audiences, including through focus topics on the opportunities and risks from digitalisation and artificial intelligence, the increase in company insolvencies and how we assess the resilience of the financial system.
- We published 23 articles in the *Bulletin*, spanning a range of topics related to the RBA's mandate. These included articles on mortgages and bank lending, conditions in the labour market and the functioning of financial markets.

Our website and social media presence

We continue to publish new and refreshed content on our website and social media accounts. The number of followers of our social media accounts on X, LinkedIn, Facebook and Instagram increased by around 4 per cent over the year, to almost 270,000. The number of subscribers to the email alert service for publications grew by around 10 per cent to around 22,000. These emails achieved an average click-through rate to our website content that was above industry benchmarks.

We made meaningful improvements to the accessibility of our website in 2024/25, with the overall accessibility score increasing by 17 per cent to now be above the industry benchmark. The website's content quality score – which assesses how quickly and accurately users can comprehend it – also substantially exceeds the industry benchmark.

Research engagement

We publish the findings of research conducted by staff in a number of Research Discussion Papers to stimulate discussion and comment on issues relevant to policy. The views expressed in these papers are those of the authors and do not necessarily represent those of the RBA.

In 2024/25, eight Research Discussion Papers were published. These covered a diverse range of topics central to the RBA's core functions, including the transmission of demand and supply shocks to households and the formation of wage and inflation expectations. Staff also published their research in various external publications, including the *Economic Record* and in the discussion paper series of the Centre for Economic Policy Research.

Research conducted at the RBA is frequently presented at external conferences and seminars, with around 50 presentations in 2024/25. RBA staff presented in Australia and abroad, including at the:

- Asian Innovation and Entrepreneurship Association – National Bureau of Economic Research conference
- Australian Bureau of Statistics and RBA Joint Conference
- Australian Conference of Economists
- Central Bank Business Surveys and Liaison Programs Conference
- Chicago Federal Reserve
- Bank for International Settlement's IFC Workshop on Data Science in Central Banking
- International Monetary Fund (IMF) Monetary and Capital Markets Policy Forum
- Organisation for Economic Co-operation and Development
- Women in Macroeconomics Workshop.

The most recent RBA Annual Conference (on central bank communication) was held in October 2024 and the annual Quantitative Macroeconomic Workshop was held in December 2024. The RBA co-hosted a conference with the Australian Bureau of Statistics in June 2025.

We regularly host policymakers and academics from various domestic and international institutions. During 2024/25, these included staff from the Asian Development Bank, the central banks of Norway and Sweden, the Bank for International Settlements, the Federal Reserve Bank of New York and various Australian and overseas universities.

In 2024/25, we continued a collaborative research project with the Digital Finance Cooperative Research Centre. The project is exploring design options for how money issued by central banks and associated infrastructure could be used to facilitate the settlement of wholesale tokenised asset transactions. This work is part of a broader research agenda on shaping the future of money in Australia, as discussed in our 2025/26 Corporate Plan.¹

We undertook collaborative research with international partners during the year on the development of next-level security features that could be deployed on a future banknote. In addition, we collaborated on research to promote counterfeit deterrence with a number of central banks including the Five Nations group of central banks (Australia, USA, UK, Canada and Mexico). This work supports our mandate to maintain Australian banknotes as a safe and secure means of payment.

Research sponsorship

In 2024/25, we provided \$660,000 in support of external research and debate. This included continued financial support of:

- a monthly survey of inflation expectations, undertaken by the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne
- a quarterly survey of inflation and wage expectations, undertaken by the Australian Council of Trade Unions
- the pilot Wealth and Housing Asset Module collaboratively undertaken by the Australian Bureau of Statistics and a consortium of government agencies
- the *International Journal of Central Banking*
- the Group of 30's program of research into issues of importance to global financial markets
- the Economic Society of Australia's Central Council

- fourteen conferences in economics and closely related fields.

In addition, we continued:

- our associate membership of the South-East Asian Central Banks Research and Training Centre
- to sponsor the Brian Gray Scholarship Program in conjunction with the Australian Prudential Regulation Authority – in 2025 four scholarship were awarded at a cost of \$30,000
- to sponsor a PhD student under the Digital Finance Cooperative Research Centre's industry PhD program, at a cost of \$77,000.

Corporate memberships

We are a corporate member of several policy institutes and similar entities in Australia. Our criteria for such memberships are that the entity is independent and not aligned with a political party or some other institution, is not for profit, regularly produces research reports and makes those research reports publicly available, covers a broad range of economic and financial issues that are relevant to our mandate (rather than specific issues), offers corporate membership that is assessed to provide good value for money, and promotes the public interest. In 2024/25, we renewed our corporate memberships of the:

- Centre for Independent Studies
- Committee for Economic Development of Australia
- Ethics Alliance
- McKell Institute
- Lowy Institute.

Comparable principles also underpinned the decision to renew corporate membership of the South Australian Centre for Economic Studies and the American Australian Association in New York. We also supported the Grattan Institute by seconding a staff member there until January 2025.

The RBA is also a member of various organisations that are aligned to our inclusion, diversity and belonging aims:

- ACON
- Australian Disability Network
- Reconciliation Australia
- Supply Nation
- Women in Banking and Finance.

In June 2025, the RBA also awarded two inaugural scholarships under the RBA First Nation's Scholarship agreement with James Cook University. These scholarships assist our First Nations employment plan by supporting promising First Nations students that are studying disciplines aligned to our workforce requirements.

Our liaison activity

Our extensive program of liaison on economic conditions is conducted by staff based in our offices in Adelaide, Brisbane, Melbourne, Perth and Sydney. In 2024/25, we held around 1,000 liaison meetings with more than 800 different contacts, spanning businesses, industry associations, government agencies and community organisations. We held a number of these meetings during visits to Hobart, Darwin and 15 regional centres across all states.

Timely information from liaison contacts helps us to understand real-time trends in the Australian economy and in specific industries. De-identified high-level and thematic information from liaison contacts is regularly shared with the Monetary Policy Board to better inform board members' understanding of issues affecting businesses and the wider economy, and in turn the Board's policy decisions. We also publish insights from liaison in a dedicated section of the quarterly SMP. Broad messages from liaison also contribute to our public statements, publications and speeches.²

Staff in our state offices play an important role in communicating with members of the public. In 2024/25, state office staff presented at schools, conferences, business roundtables and regional chambers of commerce. In addition, our staff presented summaries of the SMP and the FSR to around 500 participants in the liaison program.



Deputy Governor Andrew Hauser (centre) and Regional and Industry Analysis staff Kate Davis and Tamika Stasiuk in Gladstone to discuss local economic conditions. Source: RBA.

Staff from Financial Markets Group and Financial Stability Department continued to meet regularly with banks, non-bank financial institutions, investors, issuers, dealers and other financial markets participants, including as observers on a number of markets committees of the Australian Financial Markets Association. These meetings covered conditions in fixed income, securitisation, equity and other markets, as well as insights about credit demand and supply

and loan performance. The insights obtained from these meetings enhance our staff's understanding of developments in financial markets, contribute to our assessment of financial conditions, and inform staff advice to the Monetary Policy Board. De-identified high-level messages from these meetings were also reflected in relevant publications such as the SMP and FSR.

In July 2025, we convened our annual Small Business Finance Advisory Panel. The panel, which has met each year for over 30 years, discusses issues relating to the provision of finance and the broader economic environment for small businesses. Membership is drawn from a range of industries across the country. Insights from the panel's discussions and other sources of information on small business finance are shared with the Monetary Policy Board and are published in an annual *Bulletin* article. Staff from the economic liaison program also meet with representatives from the small business sector throughout the year to better understand the conditions they face.

Similarly, staff from Payments Settlements Department conduct regular liaison meetings with members of the Reserve Bank Information and Transfer System and industry groups, such as the Australian Payments Network (AusPayNet). Participating in these groups, and a number of other industry forums, helps us remain well informed about developments in these areas.

Consultations and stakeholder engagement

We engage with a wide variety of groups to inform our policy and operational activities. Senior staff meet regularly with representatives of various domestic and international official agencies, business groups and financial market participants to discuss economic, financial and industry developments. In 2024/25, this included consultations with financial market participants on the design of a new system for monetary policy implementation (see Part 2:2 Operations in Financial Markets).

The Governor, Deputy Governor and other senior staff hold regular panel discussions with market economists and academics to gain insights on monetary policy and the economy. The RBA hosted a panel of academics in June 2025 and panels of market economists in November 2024 and April 2025. Each panel included up to a dozen participants. We also consult regularly, in less formal ways and at multiple levels of seniority, with academics, think tanks, government agencies and various regulators to gather insights on matters relevant to the economy.

During 2024/25, we consulted various stakeholders on policy options to further enhance the competitiveness and efficiency of the card payments system as part of our ongoing Review of Retail Payments Regulation. We also consulted a wide range of industry participants as part of a risk assessment on the payments industry's proposal to decommission the Bulk Electronic Clearing System, which we published in March.

Staff from Payments Settlements and Banking departments also participated in various industry forums during the year, including AusPayNet's High Value Clearing System Management Committee and Bulk Electronic Clearing System Committee, and a senior staff member sits on the Board of AusPayNet. Staff from Payments Settlements and Banking departments also represent the RBA on various New Payments Platform committees (see also Part 2.3: Banking and Payment Services).

We actively engage with banknote stakeholders to inform our work on banknotes. These consultations cover a range of stakeholders and span the entire lifecycle of banknotes, from design and planning through to manufacturing, public usage, functionality testing and counterfeit resistance.

In 2024/25, there were two areas of focus for our engagement with banknote stakeholders, both of which are discussed further in Part 2.4: Banknotes:

- The redesign of the \$5 banknote in line with the theme 'Connection to Country' to honour First Nations culture and history in Australia. We have engaged – and will continue to engage – with relevant communities to ensure the appropriate use and interpretation of cultural heritage.
- Liaison with the cash-handling industry – which includes equipment manufacturers, financial institutions and other high-volume cash handlers. In 2024/25, we continued to support the industry in ongoing research and development and equipment upgrades to maintain confidence against counterfeiting. Our staff also attended industry events and engaged with industry representatives in preparation for testing that will be conducted as the \$5 redesign project progresses. And we engaged extensively with government agencies and key participants in the wholesale cash distribution system to establish business continuity arrangements and on options to support the long-term availability of cash for Australians who want and need to use it.

Our education program

This program seeks to introduce economics to a broader and more diverse student population and, more broadly, improve economic literacy. The program connects with students and educators by delivering school presentations, tailored learning resources and professional development opportunities. Our focus is on senior high school economics, but we also support learners from junior high school through to university.

We collaborate with a range of stakeholders, including other government agencies and economics and education sector representatives. Our Educators

Advisory Panel met twice, providing expert guidance to inform our educational initiatives. In 2024/25, this collaborative approach has allowed us to contribute to the NSW Education Standards Authority's review of the years 11 and 12 economics syllabus.

We continued to add to the body of research on the economics education landscape and to use this research to inform the strategic direction of the program. This included a *Bulletin* article, which used university admissions data to ascertain which subjects students are choosing to study at university – if not economics.



Members of the Educators Advisory Panel at their mid-year meeting at the H.C. Coombs Centre. Source: RBA.

The public education program continued to deliver talks by RBA economists to students. This included engagements with individual classes (in-person and online) and multi-school events. In 2024/25, these talks reached around 4,600 students.

The education program increased its in-person reach in 2024/25, responding to feedback from teachers and students that in-person talks have a greater impact than those conducted online. To broaden the program's

geographic reach, additional student events were organised to coincide with speaking engagements by our senior leaders in locations outside of central Sydney. The Governor visited Armidale Secondary College, the Deputy Governor addressed students in Hobart, and Assistant Governor Sarah Hunter delivered a presentation to students in Brisbane and participated in an International Women's Day Panel with other female RBA economists at Macarthur Girls High School in Western Sydney.



Sarah Hunter addressing economics students at a multi-school talk held at the University of Queensland. Source: RBA.

Major careers fairs continue to provide an opportunity to introduce a diverse group of students to economics. In 2024/25, the team directly engaged with 1,700 individual students about their subject and career choices at events in Sydney and Melbourne. Other events provided an opportunity to engage with high-potential students. For example, national winners of the Australasian Economics Olympiad attended an 'experience day' at the RBA, hearing from Assistant Governor Sarah Hunter and RBA economics graduates about their work as economists.

In 2024/25, we continued to support educators through professional development activities. Foremost was the annual in-person Teacher Immersion Event, which was attended by 66 teachers from across the country, including from regional areas. The Governor, Deputy Governor and other senior staff gave presentations and answered questions on key economics topics, with sessions recorded and posted online to broaden access.

We also launched a new Explore Economics careers hub on our website, providing students with resources illustrating the breadth of applications of economics across society. Explainers continue to be the most popular resource on the education section of the website, averaging 3,000 views each month.

Our Museum

The Reserve Bank of Australia Museum has traditionally displayed a permanent collection of artefacts related to the history of currency in Australia, along with thematic exhibitions about our other collections. Given the decommissioning of the Museum while we renovate our head office building, content has been made available online. The conversion of the interactive touchscreen in the Museum to a website application that is accessible on mobile devices has allowed the public to continue exploring the unique cultural and security features of our current series of banknotes.³ It has been well used. Online exhibitions have been promoted according to their topicality or additional content, such as our exhibition about First Nations representation on Australian banknotes.⁴ The Museum also participated digitally in History Week NSW 2024 'Marking Time'. At this event we promoted our content on the introduction of decimal currency in Australia and the role of the character 'Dollar Bill' as a significant marker of time for this important episode in the nation's economic and financial history.⁵ In addition, we made further progress with our oral history, with selected content being prepared for sharing with online museum audiences.



Australia's \$50 Next Generation Banknote featuring David Unaipon can be explored on the museum's interactive application 'Exploring the Next Generation of Banknotes'. Source: RBA.

Following the decommissioning of our physical Museum, work commenced on plans for its redevelopment and ultimate restitution in a reconstructed head office building. This has entailed significant research and interpretation of our collections in relation to the RBA's role in the economic life of the nation. It has also involved conceptual redesign of the physical space so that the public can interact more effectively with Museum content and services over the decades ahead. This will support our aims for communication, education and public trust.

Our Archives

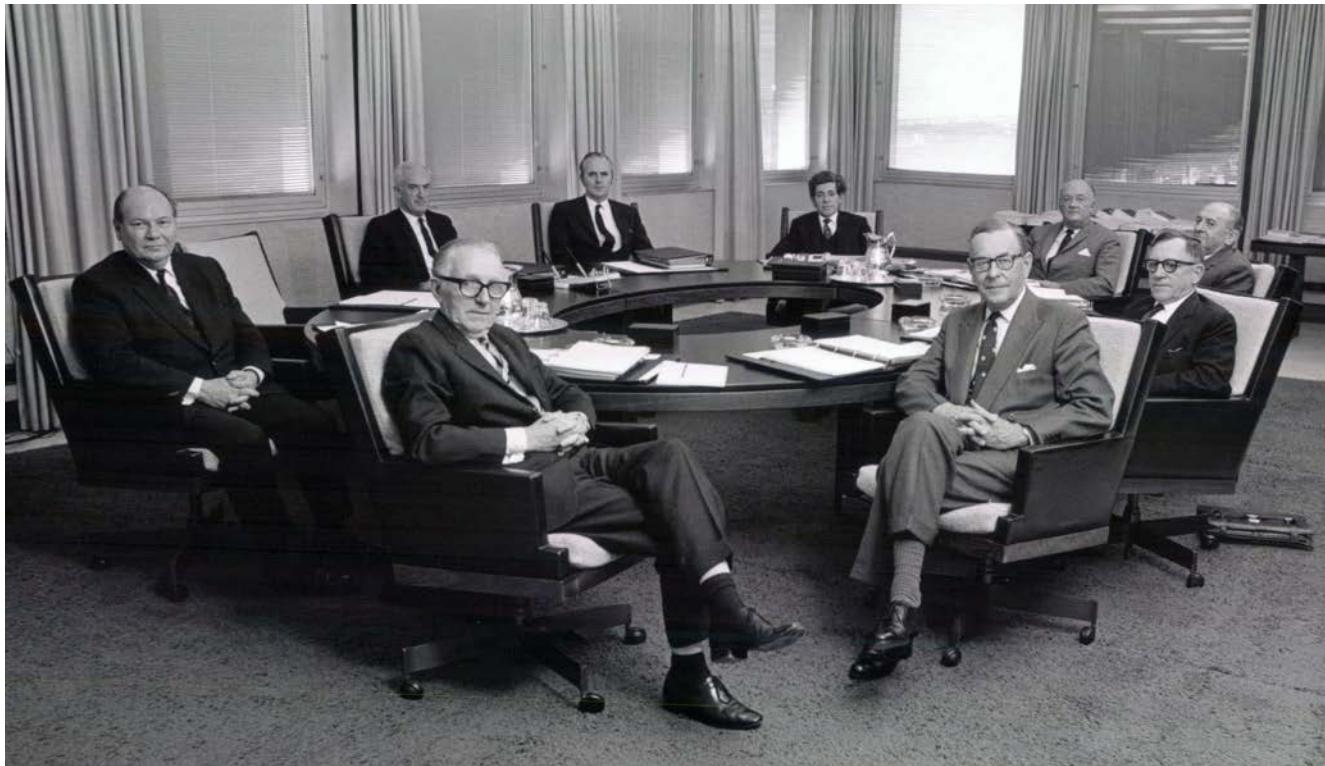
We have a unique and rich archives collection. In addition to records about the RBA's own operations, our archives contain records about Australia's economic, financial and social history over the past 200 years. The records predate the RBA as it is known today because we stem from the original government-owned Commonwealth Bank of Australia, which had a central banking function and had absorbed other banks with a colonial history.

In 2024/25, there were 126,000 views of volumes, individual records and collection items in our digital archive, Unreserved. This was a significant increase from the previous year. Digitisation of archival records is ongoing. In 2024/25, two major tranches were publicly released through Unreserved, along with selective additions that complemented previous releases.

Digitised records released during the past year included:

- *Board papers*: of the Reserve Bank Board from 1960 to 1991.
- *Foreign exchange*: records on the development of Australia's foreign exchange arrangements, which evolved from our assumption of exchange rate powers in the 1930s, to the Bretton Woods system of fixed exchange rates after the Second World War, through to the international economic crisis of 1968 and the breaking of the historic link between British and Australian currencies in December 1971.
- *International organisations*: records on Australia's involvement with international organisations, particularly the establishment of the IMF and the International Bank for Reconstruction and Development (World Bank) and Australia's membership.

In 2024/25, we also published research guides to help users of Unreserved understand the legislation that created and developed the original Commonwealth Bank of Australia and to assist them to conduct independent research into international organisations, such as the IMF, World Bank and Bank for International Settlements, and the history of our interactions with these entities.



From the Reserve Bank's archival photographic collection, Reserve Bank Board meeting at Head Office, July 1971.
Source: RBA Archives PN-013825.

The RBA Archives continued to provide public access to RBA records in the open access period (20 years from the closure of a record) despite disruption to the archives repositories from the renovation of our head office. Public access has been supported by the growing expectation from researchers to receive digitised records, and by the active use of our secure external collaboration tool, RBA Box. This tool allows records to be sent to researchers quickly and efficiently. We also hosted researchers on our premises who required supervised access to original materials.

Our archivists continued to respond to requests for information by the public on a range of topics. In 2024/25, nearly 120 requests were received and acted upon, entailing around 300 hours of research by the archivists. Topics of interest included the RBA's role as banker to the Commonwealth, the bank failures of the 1890s, the RBA's gold holdings and movements of gold during the 1960s, the unissued banknote designs of TS Harrison, and the release of the first polymer banknotes along with the innovative technology used to create them.

Given the refurbishment of our head office building at 65 Martin Place, we began a program to prepare the large archival collection for offsite storage for the duration of these building works. This has included records and collection items being audited, repaired, crated and secured ahead of relocation to offsite storage in 2026. The equivalent of over 4.6 kilometres of records will have been relocated by the end of this project. Some items requiring specific conditions have already been relocated, including photographs and glass plate negatives. All facilities meet the standards set by the National Archives of Australia for storage and management of the RBA's archival collection.

The archivists continued to support the RBA's Historian, Associate Professor Selwyn Cornish of the Australian National University, who is completing the 1975–2000 period of the RBA's official history.

Our charitable activities

In 2024/25, we contributed \$231,628 to charitable activities.

This included our 23rd annual contribution of \$50,000 to the Financial Markets Foundation for Children, which is managed by a Board of Directors chaired by the Governor. The RBA has made an annual donation of \$50,000 to the Foundation since 2002/03. The decision to continue making this donation is subject to confirmation that the Financial Markets Foundation for Children is operating as intended. The Governor addressed the Anika Foundation's annual fundraising event in July 2025 to support research into adolescent depression and suicide.

We also contribute to charitable activities through staff-led initiatives. Key among these is dollar-matching staff payroll deductions organised by the Reserve Bank Benevolent Fund. The fund supports 14 recognised charities, which are chosen based on the preferences of staff, the effectiveness and transparency of the charities themselves, and a desire to support a diverse range of activities. The charities currently supported operate in the areas of welfare, education, mental health, illness, disability, international medical aid and animal protection. We also facilitate staff salary sacrificing under a workplace giving program.

In 2024/25, dollar-matching of staff payroll deductions totalled \$171,348.

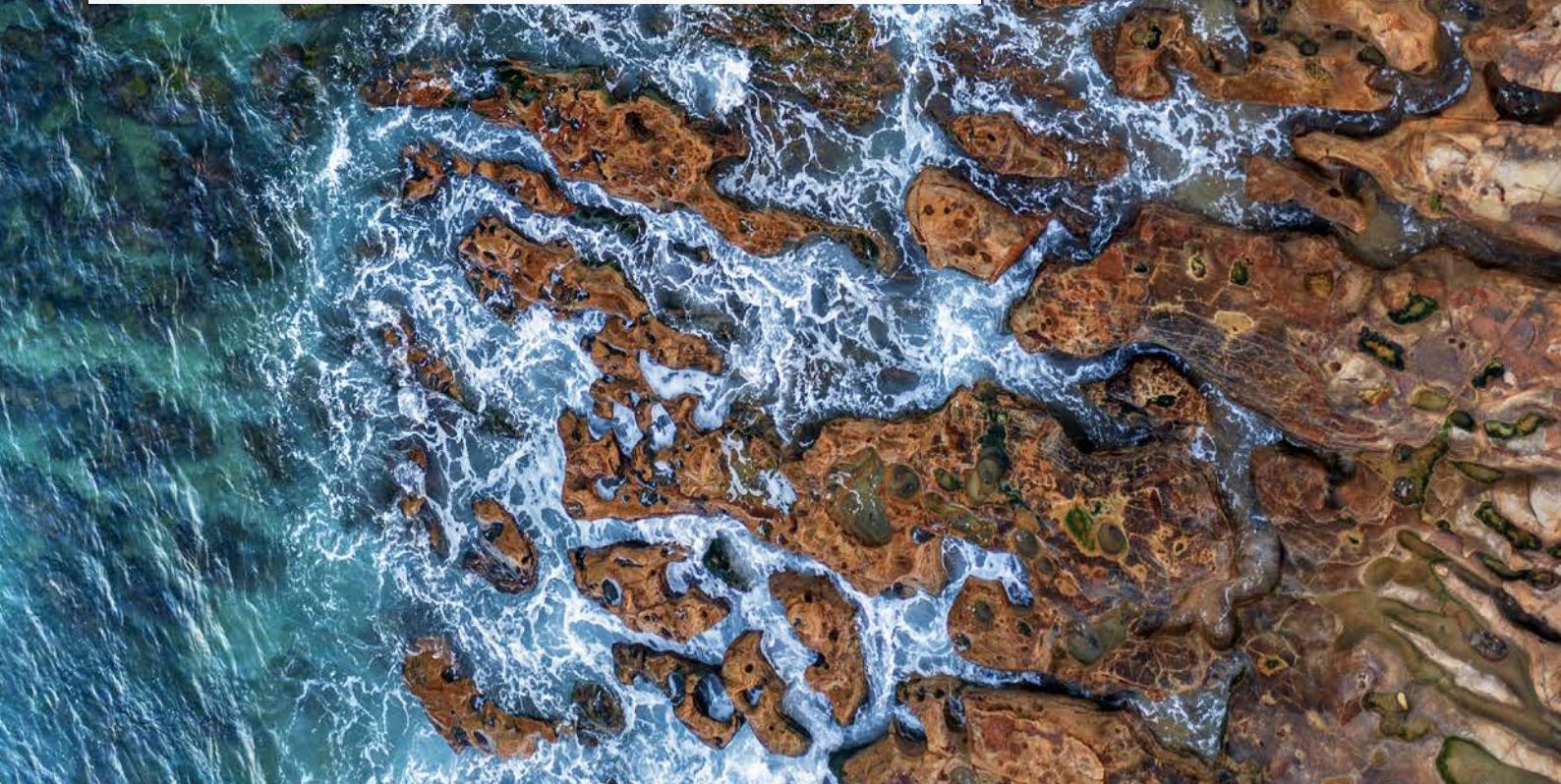
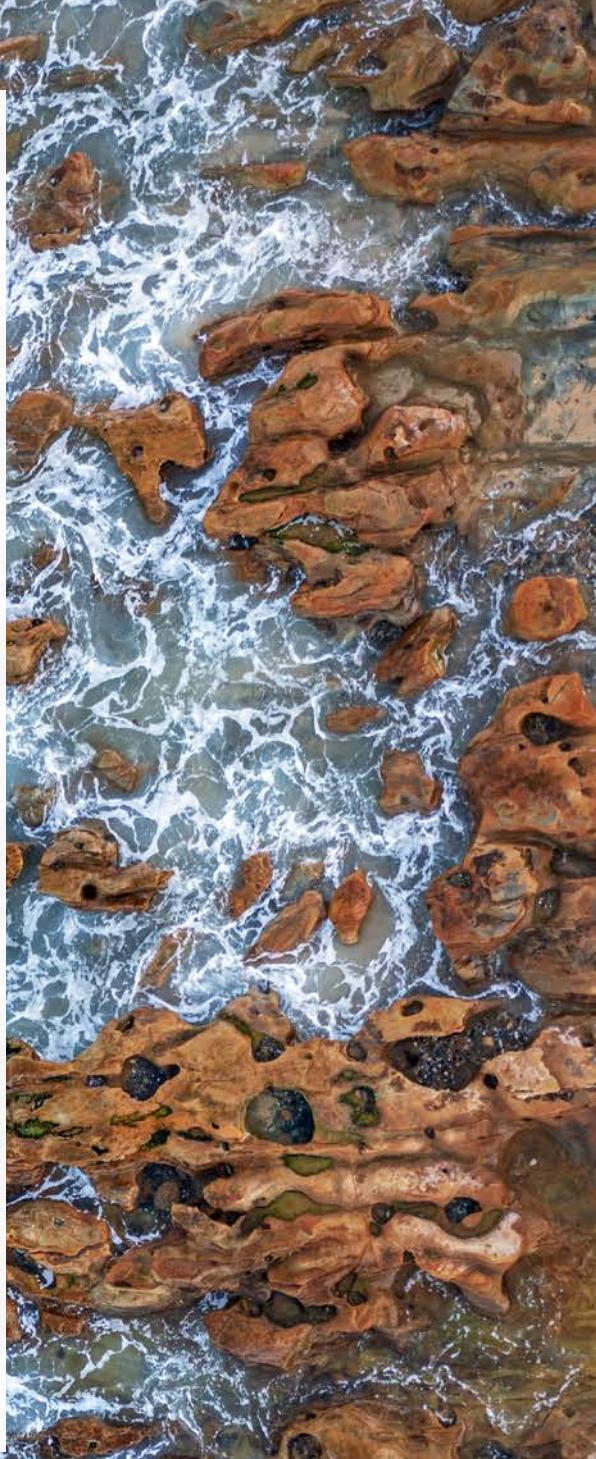
Other staff-led initiatives over the past year included matching staff donations for the Benevolent Fund's Christmas appeal for Foodbank Australia, Barnardos Australia and Women's and Girls' Emergency Centre. In December 2024, we matched staff donations to Barnardos Gifts for Kids Christmas Gift Appeal. In March 2025, we matched staff donations to support relief and recovery for the 2025 North and Far North Queensland Floods Appeal. We also allow volunteer leave for teams that engage in particular charitable activities.

Endnotes

- 1 See RBA (2025), 'Corporate Plan 2025/26'.
- 2 See, for example, Johal A, J Kemp, K McLoughlin and M Zang (2024), 'What Do Firms Tell Us About the Inflation Outlook?', *RBA Bulletin*, January; RBA (2025), 'Box C: Insights from Liaison', *Statement on Monetary Policy*, May.
- 3 See Exploring the Next Generation of Banknotes.
- 4 See First Nations Peoples and Australian Banknotes.
- 5 See The Decimal Revolution.

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-previous 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.

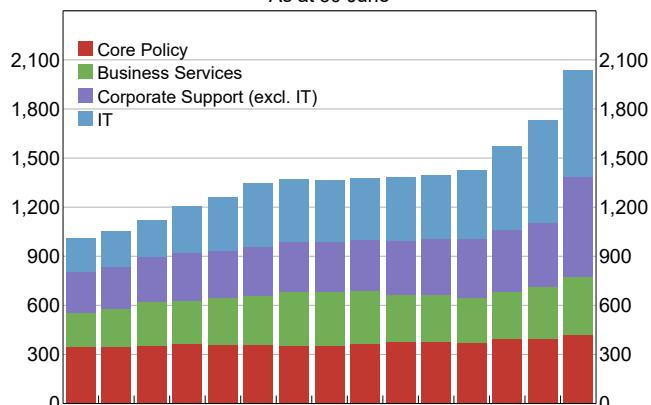
Across the RBA, a concerted and cohesive focus on empowerment, accountability and safety to speak up will be reinforced by targeted training and enhanced enabling systems and processes. We will also introduce a new listening strategy and tool to enhance our understanding of staff sentiment and track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

Location	30 June 24						30 June 25					
	Man			Woman			Non-binary			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
H.C. Coombs Centre for Financial Studies, Sydney	1	0	1	0	0	0	0	0	1	0	0	0
Business Resumption Site, Sydney	28	0	28	10	2	12	0	0	40	61	0	61
Note-printing facility and National Banknote Site, Craigieburn	23	0	23	25	6	31	0	0	0	54	24	0
Canberra Branch, Canberra	6	0	6	8	1	9	0	0	15	6	0	6
Victorian Office, Melbourne	2	0	2	0	2	2	0	0	0	4	3	0
Queensland Office, Brisbane	0	0	0	1	2	3	0	0	3	0	3	0
South Australian Office, Adelaide	2	0	2	1	0	1	0	0	3	2	0	2
Western Australian Office, Perth	0	0	0	2	0	2	0	0	2	0	0	0
New York Representative Office, New York	6	0	6	4	1	5	0	0	11	5	0	5
European Representative Office, London	5	0	5	4	1	5	0	0	10	5	0	5
China Representative Office, Beijing	2	0	2	0	0	0	0	0	0	2	0	2
Total	978	21	999	671	101	772	2	1	3	1,774	1,134	20
										883	2	883
										103	0	103
										2,039	2	2,039

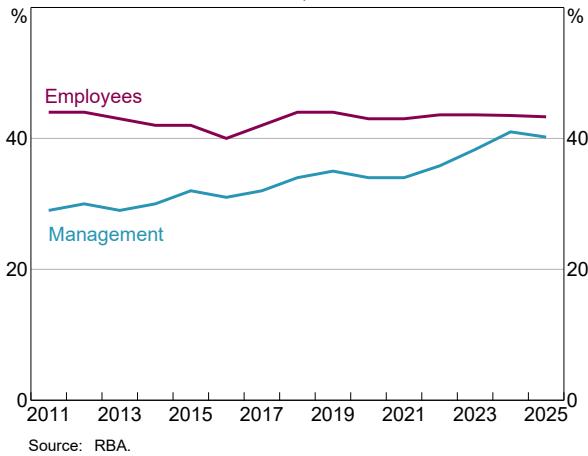
(a) Excludes Note Printing Australia Limited.
Source: RBA.

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



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							
Michelle Bullock	Governor	987,132	–	31,457	132,457	44,229	–
Andrew Hauser	Deputy Governor	836,746	–	–	30,021	12,946	–
Susan Woods	Chief Operating Officer	716,115	–	12,901	85,162	35,358	–
Michelle McPhee	Assistant Governor, Business Services	568,394	–	41,507	105,152	54,769	–
Sarah Hunter	Assistant Governor, Economic	554,156	–	41,507	89,653	9,055	–
Christopher Kent	Assistant Governor, Financial Markets	589,984	–	41,260	110,869	54,778	–
Brad Jones	Assistant Governor, Financial System	577,080	–	41,507	67,815	31,155	–
Non-Executive Members of the Reserve Bank Board^(b)							
Alison Watkins	Member – Reserve Bank Board	57,168	–	–	6,574	–	–
	Chair – Reserve Bank Board Audit Committee	16,524	–	–	1,900	–	–
Ian Harper	Member – Reserve Bank Board	57,168	–	–	6,574	–	–
Carolyn Hewson	Member – Reserve Bank Board	57,168	–	–	6,574	–	–
	Member – Reserve Bank Board Audit Committee	8,269	–	–	951	–	–
Steven Kennedy ^(c)	Member – Reserve Bank Board	–	–	–	–	–	–
Iain Ross	Member – Reserve Bank Board	57,168	–	–	6,574	–	–
Elana Rubin	Member – Reserve Bank Board	63,743	–	–	–	–	–
Carol Schwartz	Member – Reserve Bank Board	57,168	–	–	6,574	–	–

Table 3.2.3: Remuneration of Key Management Personnel (continued)
Received in 2024/25 (\$)^(a)

Name	Position title	Short-term benefits		Post-employment benefits	Superannuation contributions ³	Other long-term benefits	Long service leave ⁴	Other long-term benefits	Termination benefits	Total remuneration ^{5,6}
		Base salary ¹	Bonuses			Other benefits and allowances ²				
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	7,616	–	–	876	–	–	–	–	8,492
	Audit and Risk Committee									
Swati Dave	Member – Governance Board	30,744	–	–	3,536	–	–	–	–	34,280
	Member – Governance Board	30,744	–	–	3,536	–	–	–	–	34,280
	Audit and Risk Committee	3,811	–	–	438	–	–	–	–	4,249
Danny Gilbert	Member – Governance Board	30,744	–	–	3,536	–	–	–	–	34,280
	Member – Governance Board	30,744	–	–	438	–	–	–	–	4,249
Elana Rubin	Member – Governance Board	34,280	–	–	–	–	–	–	–	34,280
	Member – Governance Board	34,280	–	–	–	–	–	–	–	34,280
	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	Superannuation contributions ³	Long-service leave ⁴	Other long-term benefits	Termination benefits	Total remuneration ^{5,6}
		Base salary ¹	Bonuses	Other benefits and allowances ²					
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 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		
\$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	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 arrangement in a defined contribution 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	Second line	Third line
Own & Manage Risk	Review, Challenge & Insight	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.

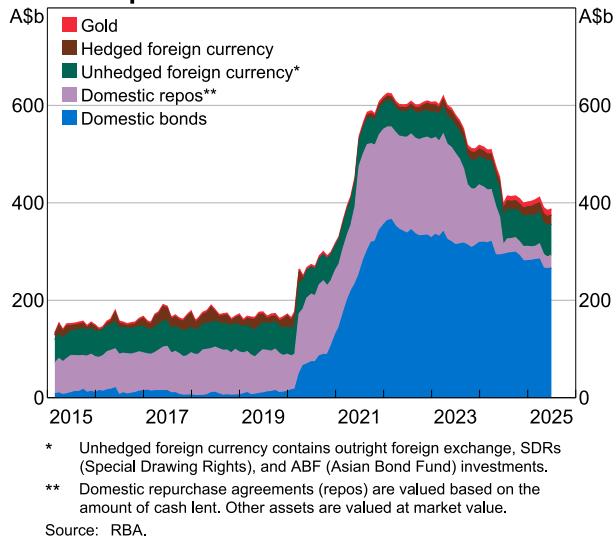
Reputational risk is a key dimension of strategic risk. Maintaining public confidence and trust is essential to achieving our strategic objectives. This is supported through proactive communications and public engagement. A failure in this area could result in significant reputational damage, undermining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

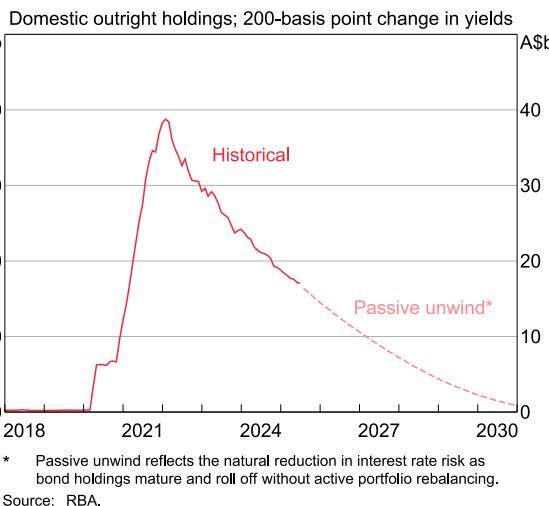
The value of our financial assets is also sensitive to movements in market interest rates. Interest rate risk on our portfolio remains historically high because of earlier policy decisions to purchase domestic bonds between 2020 and 2022, in response to the COVID-19 pandemic. These assets were funded 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

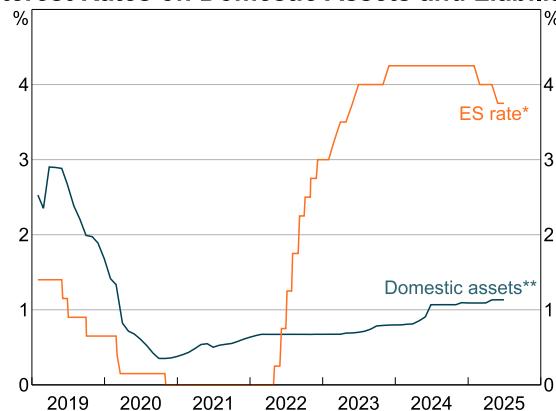


* Passive unwind reflects the natural reduction in interest rate risk as bond holdings mature and roll off without active portfolio rebalancing.

- 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



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.

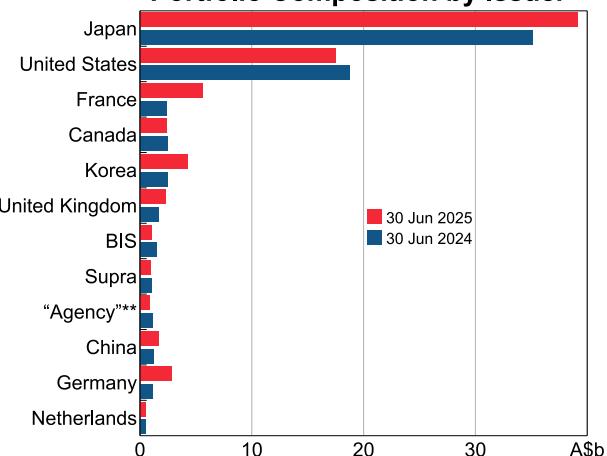
Credit risk

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.

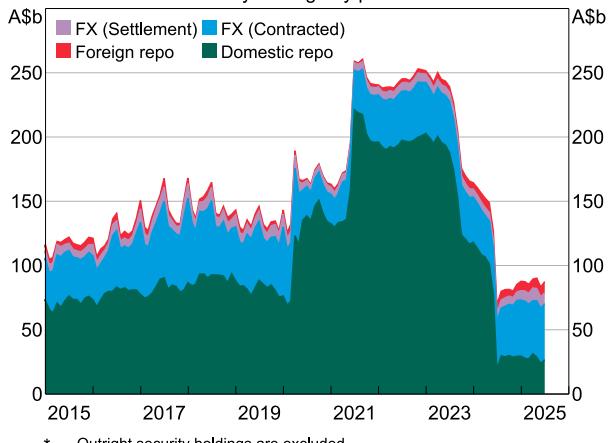
Credit risk on foreign exchange and gold swaps is managed by transacting only with counterparties that meet strict eligibility criteria. Counterparties must have executed with us an International Swaps and Derivatives Association agreement with a credit support annex. Daily two-way margining of market 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.

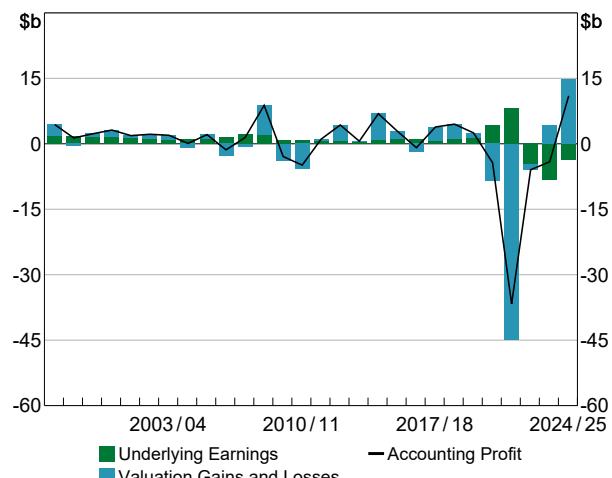
Underlying earnings arise because we earn interest on most of our assets but historically have not paid interest on a large proportion of our liabilities, namely banknotes on issue. However, the rise in Exchange Settlement (ES) balances over recent years means our net interest earnings were again negative 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.

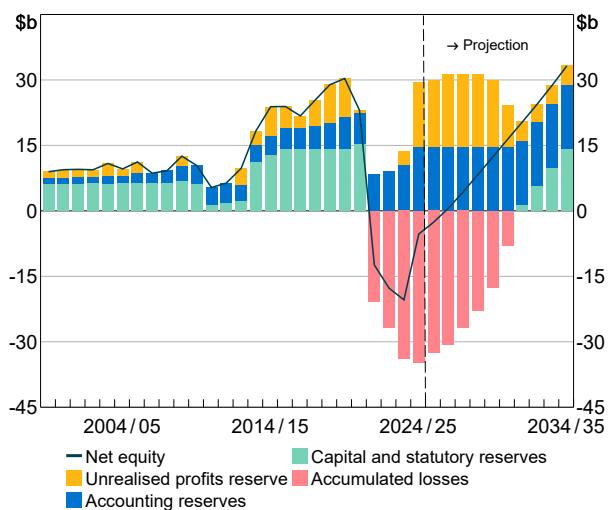
As at 30 June 2025, the RBA recorded a negative equity position of \$5.3 billion (compared with a negative equity position of \$20.4 billion at 30 June 2024), as accumulated losses on the balance sheet exceeded the combined balance of other reserves (Graph 3.4.2).

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.

Part 4:

Financial Statements

Reserve Bank of Australia Financial Statements

For the year ended 30 June 2025

Statement of Assurance

In the opinion of the Governance Board, as the accountable authority of the Reserve Bank of Australia (RBA), and the Chief Financial Officer, the financial statements for the year ended 30 June 2025 present fairly the Reserve Bank's financial position, financial performance and cash flows, comply with the accounting standards and any other requirements prescribed by the rules made under section 42 of the *Public Governance, Performance and Accountability Act 2013* and have been prepared from properly maintained financial records. These financial statements were approved by a resolution of the Governance Board on 9 September 2025.



Michele Bullock
Governor and Chair, Governance Board



Emma Costello
Chief Financial Officer

10 September 2025

Statement of Financial Position

as at 30 June 2025

Reserve Bank of Australia and Controlled Entity

	Note	2025 \$M	2024 \$M
Assets			
Cash and cash equivalents	6	542	439
Australian dollar investments	1(b), 15	292,488	312,813
Foreign currency investments	1(b), 15	95,538	89,536
Gold	1(d), 15	12,887	9,035
Property, plant and equipment	1(e), 8	541	597
Other assets	7	1,597	1,320
Total assets		403,593	413,740
Liabilities			
Deposits	1(b), 9	289,980	318,229
Distribution payable to the Commonwealth	1(h), 3	–	–
Australian banknotes on issue	1(b)	103,813	100,765
Other liabilities	10	15,118	15,139
Total liabilities		408,911	434,133
Net (liabilities)/assets		(5,318)	(20,393)
Equity			
Reserves:			
– Unrealised profits reserve	1(g)	14,735	3,015
– Asset revaluation reserves	1(g), 5	13,606	9,648
– Superannuation reserve	1(g)	990	860
– Reserve Bank Reserve Fund	1(g)	–	–
Accumulated Losses	1(g)	(34,689)	(33,956)
Capital	1(g)	40	40
Total equity		(5,318)	(20,393)

The above statement should be read in conjunction with the accompanying Notes.

Statement of Comprehensive Income

for the year ended 30 June 2025

Reserve Bank of Australia and Controlled Entity

	Note	2025 \$M	2024 \$M
Net interest income	2	(3,019)	(7,772)
Fees and commission income	2	266	213
Other income	2	198	162
Net gains/(losses) on securities and foreign exchange	2	14,678	4,166
General administrative expenses	2	(699)	(584)
Other expenses	2	(437)	(338)
Net profit/(loss)		10,987	(4,153)
<i>Gains/(losses) on items that may be reclassified to profit or loss:</i>			
– Gold		3,852	1,629
		3,852	1,629
<i>Gains/(losses) on items that will not be reclassified to profit or loss:</i>			
– Property		(6)	(50)
– Superannuation		130	(115)
– Shares in international and other institutions		112	24
		236	(141)
Other comprehensive income		4,088	1,488
Total comprehensive income		15,075	(2,665)

The above statement should be read in conjunction with the accompanying Notes.

Statement of Distribution

for the year ended 30 June 2025

Reserve Bank of Australia and Controlled Entity

	Note	2025 \$M	2024 \$M
Net profit/(loss)		10,987	(4,153)
Transfer (to)/from unrealised profits reserve		(11,720)	(3,015)
Transfer from asset revaluation reserves		–	0
Earnings available for distribution		(733)	(7,168)
<i>Distributed as follows:</i>			
– Transfer to Reserve Bank Reserve Fund		–	–
– Transfer to accumulated losses		(733)	(7,168)
– Payable to the Commonwealth	3	–	–

The above statement should be read in conjunction with the accompanying Notes.

Statement of Changes in Equity

for the year ended 30 June 2025

Reserve Bank of Australia and Controlled Entity

	Note	Earnings available for distribution \$M	Unrealised profits reserve \$M	Asset revaluation reserves \$M	Superannuation reserve \$M	Reserve Bank Reserve Fund \$M	Accumulated losses \$M	Capital \$M	Total equity \$M
Balance as at 30 June 2023		–	–	8,045	975	–	(26,788)	40	(17,728)
Net profit/(loss)	1(h)	(7,168)	3,015						(4,153)
Gains/(losses) on:									
– Gold	1(d), 5					1,629			1,629
– Shares in international and other institutions	1(b), 5					24			24
– Property	1(e), 5				(50)				(50)
– Superannuation	1(j)					(115)			(115)
Other comprehensive income						1,603	(115)		1,488
Total comprehensive income for 2023/24								(2,665)	
Transfer from asset revaluation reserves	1(g)	0			(0)			–	–
Transfer from Reserve Bank Reserve Fund						–		–	–
Transfer to accumulated losses					7,168			(7,168)	–
Transfer to distribution payable to the Commonwealth	1(h), 3	–						–	–
Balance as at 30 June 2024		–	3,015	9,648	860	–	(33,956)	40	(20,393)
Net profit/(loss)	1(h)	(733)	11,720						10,987

Statement of Changes in Equity (continued)

for the year ended 30 June 2025

Reserve Bank of Australia and Controlled Entity

	Note	Earnings available for distribution \$M	Unrealised profits reserve \$M	Asset reserves \$M	Superannuation reserve \$M	Reserve Bank Reserve Fund \$M	Accumulated losses \$M	Capital \$M	Total equity \$M
Gains/(losses) on:									
– Gold	1(d), 5				3,852				3,852
– Shares in international and other institutions	1(b), 5				112				112
– Property	1(e), 5			(6)					(6)
– Superannuation	1(j)				130				130
Other comprehensive income									
Total comprehensive income for 2024/25									
Transfer from asset revaluation reserves	1(g)	–	–	–	–				–
Transfer from Reserve Bank Reserve Fund		–	–	–	–				–
Transfer to accumulated losses		733				(733)			–
Transfer to distribution payable to the Commonwealth	1(h), 3	–	–	–	–	–			–
Balance as at 30 June 2025									
		– 14,735	13,606	990	–	(34,689)	40	(5,318)	

The above statement should be read in conjunction with the accompanying Notes.

Cash Flow Statement

for the year ended 30 June 2025

For the purposes of this statement, cash includes overnight settlement balances due from other banks.

Reserve Bank of Australia and Controlled Entity

	Note	2025 Inflow/(outflow) \$M	2024 Inflow/(outflow) \$M
Cash flows from operating activities			
Interest received		10,516	11,246
Interest paid		(13,726)	(18,629)
Net fee income received		73	68
Net receipts from investments		32,067	185,190
Net movement in cash collateral		(2,962)	2,636
Net movement in deposit liabilities		(28,249)	(179,561)
Net movement in banknotes on issue		3,048	(520)
Other		(618)	(611)
Net cash from operating activities	6	149	(181)
Cash flows from investment activities			
Net payments for property, plant and equipment		(25)	(16)
Net payments for computer software		(2)	(9)
Other		0	0
Net cash from investment activities		(27)	(25)
Cash flows from financing activities			
Distribution to the Commonwealth	3	–	–
Other		(19)	(19)
Net cash from financing activities		(19)	(19)
Net movement in cash		103	(225)
Cash at beginning of financial year		439	664
Cash at end of financial year	6	542	439

The above statement should be read in conjunction with the accompanying Notes.

Notes to and Forming Part of the Financial Statements

Reserve Bank of Australia and Controlled Entity

Note 1 – Accounting Policies

The RBA reports its consolidated financial statements in accordance with the *Reserve Bank Act 1959* and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). These financial statements for the year ended 30 June 2025 are a general purpose financial report prepared under Australian Accounting Standards (AAS) and accounting interpretations issued by the Australian Accounting Standards Board (AASB), in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*, which is issued pursuant to the PGPA Act. The RBA is classified as a for-profit public sector entity for the purposes of financial disclosure. These financial statements comply with International Financial Reporting Standards. Unless otherwise stated in Note 1(o), the RBA has not 'early adopted' any new accounting standards or amendments to current standards that apply from 1 July 2025 in preparing these financial statements.

All amounts in these financial statements are expressed in Australian dollars, the functional and presentational currency of the RBA. All revenues and expenses are brought to account on an accruals basis.

Management has used judgement and assumptions in the application of the RBA's accounting policies and in determining accounting estimates. Information on key assumptions is provided in the relevant notes to these financial statements, including provisions for employee benefits (Note 1(i)), the defined benefit superannuation obligation (Note 14), valuation of the RBA's property (Note 8), and its assessment of expected credit losses on its financial instruments (Note 15). Management does not consider that the current uncertainty around these estimates and assumptions has had a material impact on the RBA's overall financial position and performance at 30 June 2025.

Going concern

These financial statements are prepared on a going concern basis.

As at 30 June 2025, the RBA's liabilities exceeded its assets by \$5.3 billion (\$20.4 billion at 30 June 2024). The net liability position mainly reflects accumulated losses from the RBA's policy response to the COVID-19 pandemic.

The Governance Board is of the view that the RBA will continue to operate effectively, and in accordance with its functions and objectives set out in the Reserve Bank Act.

The RBA's liabilities are guaranteed by the Australian Government under section 77 of the Reserve Bank Act. As a central bank, the RBA also has the ability to create liquidity to meet its liabilities as and when they fall due and has substantial liabilities (in the form of banknotes on issue) that have a zero funding cost.

Additional information on the RBA's capital is provided in Part 3.4: Earnings, Distribution and Capital.

(a) Consolidation

The financial statements show the consolidated results for the parent entity, the RBA, and its wholly owned subsidiary, Note Printing Australia Limited (NPA). The results of the RBA alone do not differ materially from the consolidated results and have therefore not been separately disclosed.

The assets, liabilities and results of NPA have been consolidated with the accounts of the parent entity in accordance with AASB 10 – *Consolidated Financial Statements*. All internal transactions and balances have been eliminated on consolidation. These transactions include items relating to the purchase of Australian banknotes, lease of premises and the provision of premises and security services.

(b) Financial instruments

A financial instrument is defined as any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The RBA accounts for its financial instruments in accordance with AASB 9 – *Financial Instruments* and reports these instruments under AASB 7 – *Financial Instruments: Disclosures* and AASB 13 – *Fair Value Measurement*.

The RBA brings its securities, foreign exchange and derivative transactions to account on a trade date basis. Deposits, repurchase agreements and gold swaps are brought to account on settlement date.

Financial assets

Australian dollar securities

Australian dollar securities, except those held under reverse repurchase agreements, are measured at fair value through profit or loss, as they are held to implement monetary policy and may be sold or lent, typically for short terms, under repurchase agreements. The securities are valued at market bid prices on balance date; valuation gains or losses are recognised in profit or loss. Interest earned on securities is accrued as revenue.

Reverse repurchase agreements

In carrying out operations to manage domestic liquidity and foreign reserves, the RBA enters into reverse repurchase agreements in Australian dollar and foreign currency securities.

A reverse repurchase agreement involves the purchase of securities with an undertaking to reverse this transaction at an agreed price on an agreed future date. As a reverse repurchase agreement provides the RBA's counterparties with cash for the term of the agreement, the RBA treats it as an asset by recording a cash receivable. Reverse repurchase agreements are measured at amortised cost. Interest earned is accrued over the term of the agreement at either a fixed or floating rate and recognised as revenue.

RBA open repurchase agreements are available to assist eligible financial institutions to manage their liquidity after normal business hours. An RBA open repurchase agreement is an Australian dollar reverse repurchase agreement without an agreed maturity date. Interest on open repurchase agreements is accrued daily and paid monthly.

Gold borrowed under gold swaps

Gold swaps are available to assist with domestic liquidity management and to enhance the return on the RBA's gold holdings.

Gold swaps involving the purchase of gold include an undertaking to reverse this transaction at an agreed price on an agreed future date. As these gold swaps provide the RBA's counterparty with cash for the term of the agreement, the RBA treats it as an asset by recording a cash receivable. Gold swaps are measured at amortised cost. The difference in agreed gold prices for the first and second legs is accrued over the term of the swap and recognised as interest income. Gold borrowed under a swap agreement is not recognised on the RBA's balance sheet, as the predominant risk and reward of ownership, including exposure to any movement in the market price of gold, remains with the counterparty.

Foreign government securities

Foreign government securities, except those held under reverse repurchase agreements, are measured at fair value through profit or loss, as they are available to be traded in managing the portfolio of foreign reserves. These securities are valued at market bid prices on balance date, and valuation gains or losses are recognised in profit or loss. Interest earned on securities is accrued as revenue.

Foreign deposits

Some foreign currency reserves are invested in deposits with central banks and the Bank for International Settlements (BIS), while small working balances are also maintained with a small number of commercial banks. Deposits are measured at amortised cost. Interest is accrued over the term of deposits.

Foreign currency swaps

The RBA uses foreign exchange swaps and cross-currency basis swaps in managing foreign reserve assets and Australia's foreign currency commitments as a member of the International Monetary Fund (IMF). These may also be used to assist with domestic liquidity management. Foreign currency swaps are reported within 'Foreign currency investments'.

A foreign exchange swap is the simultaneous purchase and sale of one currency against another currency for a specified maturity. The cash flows are the same as borrowing one currency for a certain period and lending another currency for the same period. The pricing of the swap therefore reflects the interest rates applicable to these transactions. Interest rates are implicit in the swap contract but interest itself is not paid or received. Foreign exchange swaps are measured at fair value through profit or loss and any gains or losses recognised in profit or loss.

A cross-currency basis swap involves the exchange of principal amounts in two different currencies for an agreed term with the payment of interest in one currency and the receipt of interest in another during the term of the swap. Interest rates payable and receivable in the swap are variable, with reference rates agreed at the contract's inception. Cross-currency basis swaps are measured at fair value through profit or loss, with interest accrued daily.

Special Drawing Rights

The Special Drawing Right (SDR) is an international reserve asset created by the IMF to supplement the official foreign reserves of its member countries. It is a potential claim on the freely usable currencies of IMF members. The SDR is not a currency, but its value is based on a basket of five currencies – the US dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling. The RBA's SDR holdings are translated into Australian dollar equivalents at the rate prevailing on balance date. Valuation gains or losses are recognised in net profit or loss. SDR holdings are reported within 'Foreign currency investments'.

Asian Bond Fund 2

Through its participation in the Executives' Meeting of East Asia-Pacific Central Banks (EMEAP) Asian Bond Fund, the RBA invests in a number of non-Japan Asian debt markets. This investment comprises units in Asian Bond Fund 2 (ABF2), which invests in local currency-denominated bonds issued by sovereign and quasi-sovereign issuers in EMEAP markets. ABF2 is measured at fair value through profit or loss and is valued on balance date at the relevant unit price of the fund, with valuation gains or losses recognised in profit or loss. ABF2 is reported within 'Foreign currency investments'.

Shareholding in the Bank for International Settlements

Shares in the BIS are owned exclusively by the central banks and monetary authorities that are its members, including the RBA. The RBA has made an election to designate its shareholding in the BIS at fair value through other comprehensive income, as permitted under AASB 9. The shareholding is measured at fair value and valuation gains or losses are transferred directly to the revaluation reserve for 'Shares in international and other institutions' (Note 5). An uncalled portion of this shareholding is disclosed as a contingent liability in Note 11. Dividends are recognised as revenue in net profit, when declared.

Financial liabilities

Deposit liabilities

Deposits held with the RBA include Exchange Settlement balances, Australian and state government deposits and deposits from foreign official institutions and international organisations (Note 9). Deposit liabilities are measured at amortised cost. Interest is accrued over the term of deposits and is paid periodically or at maturity. Interest accrued on deposits not yet paid is included in Note 10.

Australian banknotes on issue

Banknotes on issue are recorded at face value.

The RBA pays interest on working balances of banknotes held by banks under cash distribution arrangements (see Note 4). Costs related to materials used in the production of banknotes are included in 'Other expenses' in Note 2.

Repurchase agreements

A repurchase agreement involves the sale of securities with an undertaking to repurchase them on an agreed future date at an agreed price. Securities sold and contracted for repurchase under repurchase agreements are retained on the balance sheet and reported within the relevant investment portfolio (see 'Australian dollar securities' and 'Foreign government securities', above). The counterpart obligation to repurchase the securities is reported in 'Other liabilities' (Note 10) and measured at amortised cost. The difference between the sale and purchase price is accrued over the term of the agreement and recognised as interest expense.

Gold loaned under gold swaps

Gold swaps involving the sale of gold include an undertaking to reverse this transaction at an agreed price on an agreed future date. Gold sold under gold swaps is retained on the balance sheet and reported within 'Gold holdings' (Note 1(d)). The counterpart obligation to repurchase the gold is reported in 'Other liabilities' (Note 10) and measured at amortised cost. The difference in agreed gold prices for each leg is accrued over the term of the swap and recognised as interest expense.

(c) Foreign exchange translation

Assets and liabilities denominated in foreign currency are converted to Australian dollar equivalents at the relevant market exchange rate on balance date in accordance with AASB 121 – *The Effects of Changes in Foreign Exchange Rates*. Valuation gains or losses on foreign currency are recognised in net profit or loss. Interest revenue and expenses and revaluation gains and losses on foreign currency investments are converted to Australian dollars using exchange rates on the date they are accrued or recognised.

(d) Gold

Gold holdings (including gold sold under gold swaps or on loan to other institutions) are valued at the Australian dollar equivalent of the 3:00 pm fix in the London gold market on balance date. Valuation gains or losses on gold are transferred to the asset revaluation reserve for gold.

In addition to gold swaps (Note 1(b)), the RBA also lends gold to institutions that participate in the gold market under gold loan agreements. Similar to gold swaps, gold provided under a loan is retained on the balance sheet. Interest is accrued over the term of the loan and is paid at maturity. The interest receivable on gold loans is accounted for in accordance with AASB 9.

(e) Property, plant and equipment

The RBA accounts for property, plant and equipment it owns in accordance with AASB 116 – *Property, Plant and Equipment* and AASB 13. Property, plant and equipment held under lease arrangements, including the RBA Head Office, overseas and interstate representative offices and certain computer hardware, are accounted for under AASB 16 – *Leases*.

Expenditure, revaluation adjustments and depreciation of property, plant and equipment, including leased assets, are included in Note 8.

Property

The RBA measures its property at fair value. The RBA's Australian properties are formally valued biennially by an independent valuer, with the most recent valuation conducted in 2024/25; overseas properties are independently valued on a triennial basis, with the most recent valuation conducted in 2024/25. Between obtaining independent valuations, management reviews carrying values to ensure they remain appropriate. Reflecting their specialised nature,

fair value for the RBA's Business Resumption Site and National Banknote Site is based on depreciated replacement cost. Valuation gains (losses) are generally transferred to (absorbed by) the asset revaluation reserve of each respective property. Any part of a valuation loss that exceeds the balance in the relevant asset revaluation reserve is expensed. Subsequent valuation gains that offset losses that were previously treated as an expense are recognised as income in net profit.

Annual depreciation is calculated on a straight-line basis using assessments of the remaining useful life of the relevant building.

Plant and equipment

Plant and equipment is valued at cost less accumulated depreciation. Annual depreciation is calculated on a straight-line basis using the RBA's assessment of the remaining useful life of individual assets.

Standard Useful Life for Each Class of Depreciable Asset

	Years
Buildings	15–50
Fit-out	5–10
Computer hardware	4
Motor vehicles	5
Plant and other equipment	4–20

Leased assets

Leased assets are measured at cost, which is equivalent to the lease liability (see Note 1(k)) adjusted by any initial direct costs, less accumulated depreciation. Annual depreciation is calculated on a straight-line basis using the length of the lease term.

(f) Computer software

Computer software is reported in accordance with AASB 138 – *Intangible Assets*. Computer software is recognised at cost less accumulated amortisation and impairment adjustments, if any (see Note 7). Amortisation of computer software is calculated on a straight-line basis over the estimated useful life of the relevant asset, usually for a period of between four and six years (see Note 7). The useful life of payments systems and core banking software may be for a period of between 10 and 15 years, reflecting the period over which future economic benefits are expected to be realised from these assets.

(g) Capital and reserves

The capital of the Reserve Bank is established by the Reserve Bank Act.

The Reserve Bank Reserve Fund (RBRF) is also established by the Reserve Bank Act and is regarded essentially as capital. The RBRF is a reserve maintained to provide for events that are contingent and not foreseeable, including to cover losses from falls in the market value of the RBA's holdings of Australian dollar and foreign currency investments that cannot be absorbed by its other resources. The RBRF also provides for other risks such as operational risk. In accordance with the Reserve Bank Act, this reserve is funded only by transfers from net profits, as determined by the Treasurer, after consulting the Governance Board (see Note 1(h)). The Board assesses the adequacy of the balance of the RBRF each year (see Part 3.4: Earnings, Distribution and Capital).

The RBA's equity also includes several other reserves:

- Unrealised gains and losses on foreign exchange, foreign securities and Australian dollar securities are recognised in net profit. Such gains or losses are not available for distribution and are transferred to the unrealised profits reserve, where they remain available to absorb future unrealised losses or become available for distribution if gains are realised when assets are sold or mature.
- The balance of the superannuation reserve represents accumulated remeasurement gains or losses on the RBA's defined benefit superannuation obligations (Note 1(j)).
- Balances of asset revaluation reserves reflect differences between the fair value of non-traded assets and their cost. These assets are: gold; property held outright; and shares in international and other institutions. Valuation gains on these assets are not distributable unless an asset is sold and these gains are realised.

Accumulated losses represent losses, as calculated under section 30 of the Reserve Bank Act (see Note 1(h)), that could not be absorbed by the RBRF.

(h) Net profits

Net profits of the RBA are dealt with in the following terms by section 30 of the Reserve Bank Act:

1. Subject to subsection (2), the net profits of the Bank in each year shall be dealt with as follows:
 - (aa) such amount as the Treasurer, after consultation with the Governance Board, determines is to be set aside for contingencies; and
 - (a) such amount as the Treasurer, after consultation with the Governance Board, determines shall be placed to the credit of the Reserve Bank Reserve Fund; and
 - (b) the remainder shall be paid to the Commonwealth.
2. If the net profit of the Bank for a year is calculated on a basis that requires the inclusion of unrealised gains on assets during the year, the amount to which subsection (1) applies is to be worked out as follows:
 - (a) deduct from the net profit an amount equal to the total of all amounts of unrealised gains included in the net profit; and
 - (b) if an asset in respect of which unrealised gains were included in the net profit for a previous year or years is realised during the year – add to the amount remaining after applying paragraph (a) the total amount of those unrealised gains.

Where the application of subsection (2) above results in an accumulated loss position within the unrealised profits reserve, such losses are first absorbed by other components of net profit and then by the RBRF, to the extent possible; remaining losses are reflected in accumulated losses (Note 1(g)).

(i) Provisions for employee benefit entitlements

In accordance with AASB 119 – *Employee Benefits*, the RBA records provisions for certain employee benefit entitlements, including accrued annual and long service leave and post-employment health insurance benefits. These provisions reflect the present value of the estimated future cost of meeting those entitlements, including any applicable fringe benefit or payroll taxes and, in the case of leave entitlements, future leave accrual and superannuation contributions to the extent that any leave is assumed to be taken during service.

The estimated future cost of these entitlements is discounted to its present value using yields on highly rated Australian dollar-denominated corporate bonds. Leave provisions are calculated using assumptions about length of employee service, leave utilisation and future salary. The provision for post-employment health insurance benefits is estimated using assumptions about the length of employee service, longevity of retired employees and future movements in health insurance costs. This post-employment benefit ceased to be available for new employees appointed after 30 June 2013.

Further details on employee benefit provisions are included in Note 10.

(j) Superannuation fund

The RBA includes in its Statement of Financial Position an asset or liability representing the position of its defined benefit superannuation fund measured in accordance with AASB 119. Movements in the superannuation asset or liability are reflected in the Statement of Comprehensive Income. Remeasurement gains and losses are transferred to the superannuation reserve.

Details of the superannuation fund and superannuation expenses are included in Note 14.

(k) Lease liabilities

Lease liabilities are measured at the present value of the remaining lease payments (see Note 10). The lease liability is subsequently remeasured where there is a change in the lease term or future lease payments. Lease payments in relation to new leases with a lease term of 12 months or less and leases for low-value assets are expensed on a straight-line basis over the lease term.

(l) Revenue from contracts with customers

In the course of its operations, the RBA enters into contracts for the provision of goods and services. These include contracts for the provision of banking and payment services to the Australian Government, overseas central banks and official institutions, and, in the case of the RBA's subsidiary, banknote and security products to overseas central banks.

Revenue is recognised on a gross basis at the point the contracted performance obligation is satisfied, as required by AASB 15 – *Revenue from Contracts with Customers*. In the case of banking and payment services, revenue is recognised upon the completion of the provision of service. Revenue from the sale of banknote and security products is recognised at the point at which the product is accepted.

Where the right to consideration for the completion of the performance obligation under the contract becomes unconditional, a receivable is recognised in the Statement of Financial Position; a contract asset is recorded when this right remains conditional (see Note 7). Where a performance obligation under a contract remains unsatisfied, but consideration has been received, the RBA reports this as an unearned contract liability (see Note 10).

(m) Rounding

Amounts in the financial statements are rounded to the nearest million dollars unless otherwise stated.

(n) Comparative information

Certain comparative information may be reclassified where required for consistency with the current year presentation.

(o) Application of new or revised Australian Accounting Standards

New Australian Accounting Standards and amendments made to existing standards that apply to the RBA's financial statements in the current and future financial years are not expected to have a material impact on the RBA. However, management is still in the process of assessing the impact of AASB 18 – *Presentation and Disclosure in Financial Statements*, which was issued in June 2024 and replaces AASB 101 – *Presentation of Financial Statements* (applicable to the RBA's financial statements from the 2027/28 reporting period).

Note 2 – Net Profit

Net Profit

	Note	2025 \$M	2024 \$M
Net interest income			
Interest income	1(b), 4	10,385	10,653
Interest expense	1(b), 4	(13,404)	(18,425)
		(3,019)	(7,772)
Fees and commissions income			
Banking services	1(l)	211	164
Payment services	1(l)	55	49
		266	213
Other income			
	1(b), 1(l)	198	162
Net gains/(losses) on securities and foreign exchange			
Foreign investments	1(b)	287	128
Australian dollar securities	1(b)	10,210	3,198
Foreign currency	1(b)	4,181	840
		14,678	4,166
General administrative expenses			
Salaries, wages and on-costs		(409)	(348)
Net gains/(losses) on employee provisions		(4)	4
Superannuation costs	1(j)	(39)	(19)
Depreciation of property, plant and equipment	1(e), 8	(50)	(46)
Amortisation of computer software	1(f), 7	(16)	(19)
Premises and equipment		(153)	(130)
Other		(28)	(26)
		(699)	(584)
Other expenses			
Banking service fees		(192)	(145)
Materials used in banknote and security products		(84)	(88)
Other		(161)	(105)
		(437)	(338)
Net profit/(loss)		10,987	(4,153)

Note 3 – Distribution Payable to the Commonwealth

Section 30 of the Reserve Bank Act requires that the net profits of the RBA, less amounts transferred to the RBRF as determined by the Treasurer, shall be paid to the Commonwealth (see Note 1(h)). Also under section 30, unrealised profits are not available for distribution. Instead, they are transferred to the unrealised profits reserve, where they remain available to absorb future valuation losses or are realised when relevant assets are sold or mature. Unrealised losses are, in the first instance, absorbed within the unrealised profits reserve, where they are offset against unrealised profits accumulated from previous years. If such losses exceed the balance of the unrealised profits

reserve, the amount by which they do so is initially charged against other components of net profit and then the RBRF, to the extent of the available balance in this reserve. Any remaining loss is transferred to accumulated losses.

In 2024/25, the RBA recorded an accounting profit of \$10,987 million. Of this, unrealised gains of \$11,720 million were transferred to the unrealised profits reserve. The balance – a loss of \$733 million – was transferred to accumulated losses, given the RBRF remained fully depleted. No dividend was payable to the Commonwealth.

Distribution Payable to the Commonwealth

	2025 \$M	2024 \$M
Opening balance	–	–
Distribution to the Commonwealth	–	–
Transfer from Statement of Distribution	–	–
As at 30 June	–	–

Note 4 – Interest Income and Interest Expense

Interest Income and Interest Expense

Analysis for the year ended 30 June 2025

	Average balance \$M	Interest \$M	Average annual interest rate Per cent
Interest-earning assets			
Foreign currency investments	81,134	1,669	2.1
Australian dollar investments	310,536	8,399	2.7
Cross-currency basis swaps ^(a)	4,671	224	4.8
Overnight settlements	505	21	4.1
Cash collateral provided	274	12	4.3
Gold borrowed under gold swaps	1,303	58	4.5
Loans, advances and other	47	2	4.9
	398,470	10,385	2.6
Interest-bearing liabilities			
Exchange Settlement balances	233,674	9,674	4.1
Deposits from governments	80,413	3,433	4.3
Deposits from overseas institutions	1,104	38	3.5
Banknote holdings of banks	2,889	119	4.1
Foreign currency repurchase agreements	1,864	68	3.6
Australian dollar repurchase agreements	262	10	4.0
Gold loaned under gold swaps	596	(1)	(0.2)
Cash collateral received	1,001	44	4.4
Cross-currency basis swaps ^(a)	4,671	19	0.4
	326,474	13,404	4.1
Net interest margin			(0.8)
Analysis for the year ended 30 June 2024			
Interest-earning assets	507,258	10,653	2.1
Interest-bearing liabilities	440,817	18,425	4.2
Net interest margin			(1.5)

(a) Average balances for cross-currency basis swaps reflect the principal amounts payable or receivable.

Interest income for 2024/25 includes \$1,793 million calculated using the effective interest method for financial assets not at fair value through profit or loss (\$1,342 million in 2023/24). Interest expense for 2024/25 includes \$13,385 million calculated using the effective interest method for financial liabilities not at fair value through profit or loss (\$18,425 million in 2023/24).

Note 5 – Asset Revaluation Reserves

The composition of the RBA's asset revaluation reserves is shown below.

Asset Revaluation Reserves

	Note	2025 \$M	2024 \$M
Gold	1(d)	12,759	8,907
Shares in international and other institutions	1(b), 7	654	542
Property	1(e), 8	193	199
As at 30 June		13,606	9,648

Note 6 – Cash and Cash Equivalents

Cash and Cash Equivalents

	2025 \$M	2024 \$M
Cash	41	32
Overnight settlements	501	407
As at 30 June	542	439

Cash and cash equivalents include net amounts of \$501 million owed to the RBA for overnight clearances of financial transactions through the payments system (\$407 million at 30 June 2024). Other cash and cash equivalents include NPA's bank deposits.

Cash and cash equivalents exclude Australian and foreign short-term investments held to implement monetary policy or as part of Australia's foreign reserve assets. These investments are disclosed as Australian dollar investments and foreign currency investments, respectively; further detail is disclosed in Note 15.

Reconciliation of Net Cash Used in Operating Activities to Net Profit

	Note	2025 \$M	2024 \$M
Net profit/(loss)		10,987	(4,153)
Net (gain)/loss on overseas investments	2	(287)	(128)
Net (gain)/loss on Australian dollar securities	2	(10,210)	(3,198)
Net (gain)/loss on foreign currency	2	(4,181)	(840)
Depreciation of property, plant and equipment	2	50	46
Amortisation of computer software	2	16	19
Net receipts from investments		32,067	185,190
Net movement in interest receivable		150	770
Net movement in interest payable		(341)	(380)
Net movement in deposit liabilities		(28,249)	(179,562)
Net movement in banknotes on issue		3,048	(520)
Net movement in cash collateral		(2,962)	2,636
Other		61	(61)
Net cash used in operating activities		149	(181)

Note 7 – Other Assets

Other Assets

	Note	2025 \$M	2024 \$M
Shareholding in Bank for International Settlements	1(b)	697	585
Superannuation asset	1(j), 14	623	496
Computer software	1(f)	48	63
Other		229	176
As at 30 June		1,597	1,320

At 30 June 2025, the gross book value of the RBA's computer software amounted to \$212.3 million and the accumulated amortisation on these assets was \$164.1 million (\$210.6 million and \$147.8 million, respectively, at 30 June 2024). During 2024/25, there were \$1.7 million in net additions to computer software (\$9.1 million in 2023/24) and \$16.4 million in amortisation expense (\$18.9 million in 2023/24). The RBA had no material contractual commitments for the acquisition of computer software at 30 June 2025 or 30 June 2024.

Other assets include receivables of \$54.7 million at 30 June 2025 (\$46.7 million at 30 June 2024).

There were no contract assets at 30 June 2025 or 30 June 2024 (Note 1(l)).

Note 8 – Property, Plant and Equipment

Property, Plant and Equipment

	Land and buildings \$M	Plant and equipment \$M	Leased assets \$M	Total \$M
Gross book value as at 30 June 2024	425	357	85	867
Accumulated depreciation	(4)	(237)	(29)	(270)
Net book value	421	120	56	597
Additions	–	23	48	71
Disposals	–	(1)	0	(1)
Reclassifications	(2)	2	–	0
Depreciation expense	(4)	(25)	(21)	(50)
Other transfers to net profit/(loss)	(64)	(6)	–	(70)
Net gain/(loss) recognised in net profit/(loss)	–	0	0	0
Net gain/(loss) recognised in other comprehensive income	(6)	–	–	(6)
Net movement in net book value	(76)	(7)	27	(56)
Gross book value as at 30 June 2025	345	382	121	848
Accumulated depreciation	–	(269)	(38)	(307)
Net book value	345	113	83	541

The net book value of the RBA's property, plant and equipment includes \$31.6 million of work in progress (\$86.7 million at 30 June 2024). Other transfers to net profit/(loss) relate to capital expenditure from prior periods that was transferred from work in progress to net profit/(loss) owing to a change in scope and approach for the RBA's Head Office renovation project.

As at 30 June 2025, the RBA had contractual commitments of \$23.0 million for acquisitions relating to its property, plant and equipment (\$15.1 million at 30 June 2024), of which \$8.4 million are due within one year (\$14.5 million at 30 June 2024).

The net book value of leased assets at 30 June 2025 includes \$33.3 million in property and \$50.0 million in plant and equipment (\$24.6 million and \$31.4 million, respectively, at 30 June 2024).

Note 9 – Deposits

Deposits

	2025 \$M	2024 \$M
Exchange Settlement balances	212,424	223,491
Australian and state governments	75,618	93,307
Foreign official institutions and international organisations	1,937	1,419
Other depositors	1	12
As at 30 June	289,980	318,229

Note 10 – Other Liabilities

Other Liabilities

	Note	2025 \$M	2024 \$M
Provisions			
Provision for annual and other leave	1(i)	34	31
Provision for long service leave	1(i)	67	60
Provision for post-employment benefits	1(i)	72	72
Other	8	4	
	181	167	
Other			
Securities sold under agreements to repurchase	1(b)	2,169	1,695
Payable for unsettled purchases of securities	1(b)	10,154	8,502
Gold loaned under gold swaps	1(b)	473	–
Foreign currency swap liabilities	1(b)	1,043	3,392
Interest accrued on deposits	1(b)	897	1,234
Other	201	149	
	14,937	14,972	
Total other liabilities as at 30 June	15,118	15,139	

Other provisions include amounts for make good obligations on leased premises, workers compensation, legal matters and redundancies.

Other liabilities include contract liabilities of \$81.9 million relating to leased premises and equipment

(\$52.3 million at 30 June 2024). Interest on lease liabilities was \$3.6 million in 2024/25 (\$1.0 million in 2023/24). In addition, the RBA had \$46.2 million of leases that had been committed to but not yet commenced at 30 June 2025 (\$49.5 million at 30 June 2024).

Note 11 – Contingent Assets and Liabilities

Bank for International Settlements

The RBA had a contingent liability for the uncalled portion of its shares held in the BIS amounting to \$75.5 million at 30 June 2025 (\$71.4 million at 30 June 2024).

Insurance

The RBA carries its own insurance risks except when external insurance cover is considered to be more cost effective or is required by legislation.

Performance guarantees

In the course of providing services to its customers, the RBA provides performance guarantees to third parties in relation to customer activities. Such exposure is not material and has not given rise to losses in the past.

The RBA has also provided a performance guarantee for pension payments to former defined benefit members of the Reserve Bank of Australia UK Pension Scheme in relation to a UK insurer. This scheme was wound up in September 2022. This exposure is not material.

Note 12 – Key Management Personnel

The key management personnel of the RBA include all persons that had authority and responsibilities for planning, directing and controlling its activities either prior to or after the amendments to the governance arrangements under the Reserve Bank Act, which came into effect on 1 March 2025.

- Prior to 1 March 2025, the key management personnel were the Governor, Deputy Governor and Chief Operating Officer, non-executive members of the Reserve Bank Board, non-executive members of the Payments System Board and the Assistant Governors, who are senior leaders responsible for planning, directing and controlling the activities of the RBA as members of the Executive Committee.
- Since 1 March 2025, the key management personnel are the Governor, Deputy Governor and Chief Operating Officer, non-executive members of the Governance Board, Monetary Policy Board and the Payments System Board, and the Assistant Governors as members of the Executive Committee.

There were 33 of these positions in 2024/25 (22 in 2023/24). A total of 27 individuals occupied these positions for all or part of the financial year (25 in 2023/24).

The positions of Governor and Deputy Governor are designated as Principal Executive Offices in terms of the *Remuneration Tribunal Act 1973*, which provides for the Remuneration Tribunal to determine the applicable remuneration for these positions. Consistent with the terms of the instrument determined by the Remuneration Tribunal, the Governance Board, as the 'employing body' for these positions, approves their remuneration. In accordance with provisions of the Reserve Bank Act, none of the Governor, Deputy Governor or Chief Operating Officer takes part in decisions of the Governance Board relating to the determination or application of any terms or conditions on which the Governor or Deputy Governor holds office. Prior to 1 March 2025, the Reserve Bank Board Remuneration Committee, comprising three non-executive members of the Reserve Bank Board, made recommendations on remuneration for these positions, consistent with the terms of the instrument determined by the Remuneration Tribunal, for the approval of the Reserve Bank Board.

In June 2024, the Remuneration Tribunal determined that, effective 1 July 2024, an adjustment of 3.5 per cent would be made to the remuneration of offices in its jurisdiction, including those of the Governor and Deputy Governor. Consistent with this, the Reserve Bank Board resolved on 5 August 2024 to

set the remuneration rate for the position of Governor at \$1,173,720 and that for the Deputy Governor at \$880,290. No performance payments were made to any individual while occupying these positions in 2024/25.

Fees for non-executive members of the Boards are determined by the Remuneration Tribunal. The Governor determines the rates of remuneration of the Chief Operating Officer and Assistant Governors. Remuneration levels for employees are externally

benchmarked, with remuneration aimed to be market competitive and designed to attract and retain appropriately skilled people.

The disclosure of key management personnel remuneration is based on AASB 124 – *Related Party Disclosures*, as shown below. The figures are disclosed on an accruals basis and show the full cost to the consolidated entity; they include all leave and fringe benefits tax charges.

Key Management Personnel Remuneration

	2025 \$	2024 \$
Short-term employee benefits	6,136,904	5,420,420
Post-employment benefits	431,766	608,540
Other long-term employee benefits	184,835	361,546
Termination benefits	–	–
Total compensation^(a)	6,753,505	6,390,506

(a) Within the group of key management personnel, 23 individuals (22 in 2023/24) were remunerated and included in this table; the four key management personnel not remunerated are the individuals who held the position of Secretary to the Treasury, as a member of the previous Reserve Bank Board and new Monetary Policy Board, and the Chair of the Australian Prudential Regulation Authority and the Chair of the Australian Competition and Consumer Commission, who are members of the Payments System Board.

Short-term benefits include salary and, for relevant executives, motor vehicle, car parking and health benefits (including any fringe benefits tax on these benefits).

Post-employment benefits include superannuation and, in the case of relevant executives, an estimate of the cost to provide health benefits in retirement. Other long-term employee benefits include long service leave and annual leave, as well as the effect of revaluing accrued leave entitlements in accordance with AASB 119 (see Note 10).

There were no loans to Board members or other key management personnel during 2024/25 and 2023/24. Transactions with entities related to or affiliated with key management personnel that occurred in the normal course of the RBA's operations were incidental and conducted on terms no more favourable than similar transactions with other employees or customers, and at arms-length; any vendor relationships with such entities complied with the RBA's procurement policy.

Note 13 – Auditor's Remuneration

Auditor's Remuneration

	2025 \$	2024 \$
Fees paid or payable to the statutory auditor (Australian National Audit Office) for audit services	550,000	586,000

KPMG has been contracted by the Australian National Audit Office to provide audit services for the external audit of the RBA and the RBA's subsidiary, NPA. During 2024/25, KPMG earned additional fees of

\$62,907 for non-audit services that were separately contracted by the RBA (\$110,012 in 2023/24). These fees included professional services provided to the RBA.

Note 14 – Superannuation Funds

The RBA sponsors RB Super, which is a hybrid plan, with a mix of defined benefit members, defined contribution members and pensioners. Current and future benefits are funded by member and RBA contributions and the existing assets of the scheme. Defined benefit members receive a defined benefit in accordance with RB Super's plan rules. Most members have unitised accumulation balances, which comprise employer contributions and members' personal contributions plus earnings on these contributions. Defined benefit membership was closed to new RBA employees from 1 August 2014. The RBA does not have a role in directly operating or governing RB Super and has no involvement in the appointment of the RB Super Trustees.

Defined benefit funding valuation

An independent actuarial valuation of the RB Super defined benefit plan is conducted every three years. The most recent review was completed for the financial position as at 30 June 2023 using the Attained Age Funding method. Accrued benefits were determined as the value of the future benefits payable to members (allowing for future salary increases), discounted by the expected rate of return on assets held to fund these benefits. At the time of this review, the surplus was \$659 million. On the same valuation basis, the RB Super defined benefit surplus as at 30 June 2025 amounted to \$857 million. Reflecting the Fund's surplus and consistent with the actuary's recommendation, the RBA is not currently making any contributions to fund defined benefit obligations.

Defined benefit accounting valuation

Actuarial assumptions

Principal Actuarial Assumptions for the AASB 119 Valuation of RB Super

	2025 Per cent	2024 Per cent
Discount rate (gross of tax) ^(a)	5.8	5.7
Future salary growth	3.5	3.5
Future pension growth	3.5	3.5

(a) Based on highly rated Australian dollar-denominated corporate bond yields.

Maturity analysis

The weighted average duration of the defined benefit obligation for RB Super is 17 years (18 years at 30 June 2024).

Expected Maturity Profile for Defined Benefit Obligations of RB Super

	2025 Per cent	2024 Per cent
Less than 5 years	18	17
Between 5 and 10 years	17	17
Between 10 and 20 years	29	29
Between 20 and 30 years	20	20
Over 30 years	16	17
Total	100	100

Risk exposures

Key risks from the RBA's sponsorship of the RB Super defined benefit plan include investment, interest rate, longevity, salary and pension risks.

Investment risk is the risk that the actual future return on plan assets will be lower than the assumed rate.

Interest rate risk is the exposure of the defined benefit obligations to adverse movements in interest rates. A decrease in interest rates will increase the present value of these obligations.

Longevity risk is the risk that RB Super members live longer, on average, than actuarial estimates of life expectancy.

Salary risk is the risk that higher-than-assumed salary growth will increase the cost of providing a salary-related pension.

Pension risk is the risk that pensions increase at a faster rate than assumed, thereby increasing the cost of providing them.

The table below shows the estimated change in the defined benefit obligation resulting from movements in key actuarial assumptions. These estimates change each assumption individually, holding other factors constant; they do not incorporate any correlations among these factors.

Change in Defined Benefit Obligation

	2025 \$M	2024 \$M
Change in defined benefit obligation from an increase of 0.25 percentage points in:		
– Discount rate (gross of tax)	(67)	(66)
– Future salary growth	17	14
– Future pension growth	54	53
Change in defined benefit obligation from a decrease of 0.25 percentage points in:		
– Discount rate (gross of tax)	71	71
– Future salary growth	(16)	(13)
– Future pension growth	(52)	(51)
Change in defined benefit obligation from an increase in life expectancy of one year	38	37

Asset Distribution

Distribution of RB Super's assets used to fund members' defined benefits at 30 June

	Per cent of fund assets	
	2025	2024
Cash and short-term securities	1	1
Fixed interest and indexed securities	12.5	13
Australian equities	28	28
International equities	26	26
Property	8	10
Private equity	10	10
Infrastructure	12	10
Private credit	2.5	2
Total	100	100

AASB 119 Reconciliation of Defined Benefit Obligations

The table below contains a reconciliation of the AASB 119 valuation of the RB Super defined benefit component only, as the RBA faces no actuarial risk on defined contribution balances.

AASB 119 Reconciliation

	2025 \$M	2024 \$M
<i>Opening balances:</i>		
Net market value of assets	1,829	1,702
Accrued benefits	(1,333)	(1,110)
Opening superannuation asset/(liability)	496	592
Change in net market value of assets	148	127
Change in accrued benefits	(21)	(223)
Change in superannuation asset/(liability)	128	(97)
<i>Closing balances:</i>		
Net market value of assets	1,977	1,829
Accrued benefits	(1,353)	(1,333)
Closing superannuation asset/(liability)	623	496
Interest income	103	97
Benefit payments	(57)	(51)
Return on plan assets	102	71
Contributions from RBA to defined benefit schemes	–	9
Change in net market value of assets	148	127
Current service cost	(25)	(19)
Interest cost	(80)	(69)
Benefit payments	57	51
Gains/(losses) from change in demographic assumptions	–	(26)
Gains/(losses) from change in financial assumptions	28	(146)
Gains/(losses) from change in other assumptions	0	(14)
Change in accrued benefits	(21)	(223)
Current service cost	(25)	(19)
Net interest (expense)/income	23	28
Superannuation (expense)/income included in profit or loss	(2)	9
Actuarial remeasurement gain/(loss)	130	(115)
Superannuation (expense)/income included in Statement of Comprehensive Income	128	(106)

The components of this table may not add due to rounding.

Note 15 – Financial Instruments and Risk

As the central bank of Australia, the RBA is responsible for implementing monetary policy, facilitating the smooth functioning of the payments system and managing Australia's foreign reserve assets. Consequently, the RBA holds a range of financial assets, including government securities, repurchase agreements and foreign currency swaps. With regard to financial liabilities, the RBA issues Australia's banknotes and takes deposits from its customers, mainly the Australian Government and eligible financial institutions. The RBA also provides banking services and operates Australia's high-value payments and interbank settlement systems.

Financial risk

The RBA is exposed to a range of financial risks that reflect its policy and operational responsibilities. These risks include market risk, liquidity risk and credit risk. See Part 2.2: Operations in Financial Markets and Part 3.3: Risk Management for information on the RBA's management of these financial risks. The RBA's approach to managing financial risk is set out in the Risk Management Policy available on the RBA website.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. In the RBA's case, market risk comprises foreign exchange risk and interest rate risk.

Concentration of Foreign Exchange

	Per cent of foreign exchange	
	2025	2024
US dollar	45	55
Euro	30	20
Japanese yen	5	5
Canadian dollar	5	5
Chinese renminbi	5	5
UK pound sterling	5	5
South Korean won	5	5
Total foreign exchange	100	100

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or cash flows of the RBA's foreign currency assets and liabilities will fluctuate because of movements in exchange rates. The RBA's net foreign currency exposure as at 30 June 2025 was \$64.4 billion (\$58.1 billion as at 30 June 2024). An appreciation in the Australian dollar would result in valuation losses, while a depreciation would lead to valuation gains. The overall level of foreign currency exposure is determined by policy considerations. Foreign currency risk can be mitigated to a limited extent by holding assets across a diversified portfolio of currencies. The RBA holds foreign reserves in seven currencies – the US dollar, euro, Japanese yen, Canadian dollar, Chinese renminbi, UK pound sterling and South Korean won.

The RBA also undertakes foreign currency swaps in managing foreign reserve assets and Australia's foreign currency commitments as a member of the IMF. These instruments carry no foreign exchange risk.

Concentration of foreign exchange

The RBA's net holdings of foreign exchange (excluding SDRs and ABF2) were distributed as follows as at 30 June.

Sensitivity to foreign exchange risk

The sensitivity of the RBA's profit and equity to a movement of $+/-10$ per cent in the value of the Australian dollar exchange rate as at 30 June is shown below. These figures are generally reflective of the RBA's exposure over the financial year.

Sensitivity to Foreign Exchange Risk

	2025 \$M	2024 \$M
Change in profit/equity due to a 10 per cent:		
– appreciation in the reserves-weighted value of the A\$	(5,856)	(5,353)
– depreciation in the reserves-weighted value of the A\$	7,157	6,542

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of financial instruments will fluctuate because of movements in market interest rates. The RBA faces interest rate risk because most of its assets are financial assets that have a fixed income stream, such as Australian dollar and foreign currency securities. The price of such securities falls when market interest rates rise, and it rises if interest rates fall. Interest rate risk increases with the maturity of a security. Interest rate risk on foreign assets is controlled through limits on the duration of these portfolios.

Sensitivity to interest rate risk

The figures below show the effect on the RBA's profit and equity of a movement of $+/-1$ percentage point in interest rates, given the level, composition and modified duration of the RBA's foreign currency and Australian dollar securities as at 30 June. The decrease in interest rate risk on Australian dollar securities is primarily due to the decline in the duration of the RBA's holdings of bonds issued by the Australian Government and the state and territory borrowing authorities. These bonds were largely acquired in prior years under the bond purchase program and are now one year closer to their maturity.

Sensitivity to Interest Rate Risk

	2025 \$M	2024 \$M
Change in profit/equity due to movements of $+/-1$ percentage point across yield curves:		
– Foreign currency securities	–/+330	–/+344
– Australian dollar securities	–/+8,441	–/+10,566

Liquidity risk

Liquidity risk is the risk that the RBA will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. As the ultimate source of liquidity in Australian dollars, the RBA can create liquidity in unlimited amounts in Australian dollars at any time. A small component of the RBA's liabilities is in foreign currencies, namely foreign repurchase agreements and, at times, obligations to repurchase gold sold under gold swap agreements.

Liquidity risk may also be associated with the RBA, in extraordinary circumstances, being forced to sell a financial asset at a price less than its fair value.

The RBA manages this risk by holding a diversified portfolio of highly liquid Australian dollar and foreign currency assets.

The analysis of portfolio maturity in the table that follows is based on the RBA's contracted portfolio as reported in the RBA's Statement of Financial Position. All financial instruments are shown at their remaining term to maturity. Other liabilities include amounts outstanding under repurchase agreements and obligations to repurchase gold sold under gold swap agreements. Foreign currency swaps reflect the gross contracted amount of the RBA's outstanding foreign exchange swap and cross-currency swap positions.

Maturity Analysis – as at 30 June 2025

	Balance sheet total \$M	Contracted maturity \$M				No specified maturity \$M	Weighted average effective rate Per cent
		0–3 months	3–12 months	1–5 years	5+ years		
Assets							
Cash and cash equivalents	542	541	–	–	–	1	3.73
Australian dollar investments							
Securities held outright	264,476	4,299	42,166	152,810	65,201	–	3.48
Securities purchased under repurchase agreements	26,780	22,918	–	–	–	3,862	3.92
Accrued interest	1,232	454	778	–	–	–	n/a
	292,488						
Foreign currency investments							
Balance with central banks	19,892	19,892	–	–	–	–	0.60
Securities held outright	63,967	24,819	19,355	8,578	253	10,962	2.27
Securities purchased under repurchase agreements	10,370	10,370	–	–	–	–	3.47
Deposits and cash collateral provided	1,116	1,116	–	–	–	–	1.76
Gold borrowed under gold swaps	–	–	–	–	–	–	n/a
Accrued interest	193	144	49	–	–	–	n/a
	95,538						
Gold holdings	12,887	–	–	–	–	12,887	n/a
Property, plant and equipment	541	–	–	–	–	541	n/a
Other assets	1,597	65	38	23	–	1,471	n/a
Total assets	403,593	84,618	62,386	161,411	65,454	29,724	3.03
Liabilities							
Deposits	289,980	289,980	–	–	–	–	3.79
Australian banknotes on issue	103,813	–	–	–	–	103,813	0.10
Cash collateral received and other liabilities	15,118	14,424	92	405	22	175	0.58
Total liabilities	408,911	304,404	92	405	22	103,988	2.73
Equity	(5,318)						
Total balance sheet	403,593						
Swaps							
Australian dollars							
– Contractual outflow	(47)	(47)	–	–	–	–	n/a
– Contractual inflow	18,224	2,986	7,138	8,100	–	–	n/a
	18,177	2,939	7,138	8,100	–	–	

Maturity Analysis – as at 30 June 2025 (continued)

	Balance sheet total \$M	Contracted maturity \$M				No specified maturity \$M	Weighted average effective rate Per cent
		0–3 months	3–12 months	1–5 years	5+ years		
Foreign currency							
– Contractual outflow	(40,811)	(25,573)	(7,138)	(8,100)	–	–	n/a
– Contractual inflow	22,634	22,634	–	–	–	–	n/a
	(18,177)	(2,939)	(7,138)	(8,100)	–	–	

Maturity Analysis – as at 30 June 2024

	Balance sheet total \$M	Contracted maturity \$M				No specified maturity \$M	Weighted average effective rate Per cent
		0–3 months	3–12 months	1–5 years	5+ years		
Assets							
Cash and cash equivalents	439	438	–	–	–	1	4.19
Australian dollar investments							
Securities held outright	292,201	2,542	34,789	155,850	99,020	–	4.25
Securities purchased under repurchase agreements	19,200	17,088	–	–	–	2,112	4.30
Accrued interest	1,412	499	913	–	–	–	n/a
	312,813						
Foreign currency investments							
Balance with central banks	8,778	8,778	–	–	–	–	0.50
Securities held outright	70,684	21,330	22,288	16,558	219	10,289	2.49
Securities purchased under repurchase agreements	6,904	6,904	–	–	–	–	4.82
Deposits and cash collateral provided	1,209	1,209	–	–	–	–	2.91
Gold borrowed under gold swaps	1,799	1,799	–	–	–	–	5.01
Accrued interest	162	123	39	–	–	–	n/a
	89,536						
Gold holdings on loan	–	–	–	–	–	–	n/a
Gold holdings	9,035	–	–	–	–	9,035	n/a
Property, plant & equipment	597	–	–	–	–	597	n/a
Other assets	1,320	52	26	12	1	1,229	n/a
Total assets	413,740	60,762	58,055	172,420	99,240	23,263	3.75

Maturity Analysis – as at 30 June 2024 (continued)

	Balance sheet total \$M	Contracted maturity \$M				No specified maturity \$M	Weighted average effective rate Per cent
		0–3 months	3–12 months	1–5 years	5+ years		
Liabilities							
Deposits	318,229	318,229	–	–	–	–	4.28
Australian banknotes on issue	100,765	–	–	–	–	100,765	0.13
Cash collateral received and other liabilities	15,139	14,924	13	36	1	165	1.38
Total liabilities	434,133	333,153	13	36	1	100,930	3.22
Equity	(20,393)						
Total balance sheet	413,740						
Swaps							
Australian dollars							
– Contractual outflow	(85)	(85)	–	–	–	–	n/a
– Contractual inflow	21,572	2,706	8,871	9,995	–	–	n/a
	21,487	2,621	8,871	9,995	–	–	
Foreign currency							
– Contractual outflow	(38,639)	(19,139)	(9,505)	(9,995)	–	–	n/a
– Contractual inflow	17,152	16,518	634	–	–	–	n/a
	(21,487)	(2,621)	(8,871)	(9,995)	–	–	

Credit risk

Credit risk is the potential for financial loss arising from an issuer or counterparty defaulting on its obligations to repay principal, make interest payments due on an asset, or settle a transaction. The RBA's credit exposure is managed under a framework designed to contain credit risk within its very low appetite for such risk. Credit risk is controlled by holding securities issued by a limited number of highly rated governments, government-guaranteed agencies and supranational organisations, and holding high-quality collateral under reverse repurchase agreements.

The RBA held no impaired assets at 30 June 2025 or 30 June 2024.

The RBA's maximum exposure to credit risk for each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet.

The RBA's maximum credit risk exposure to derivative financial instruments is:

1. *Foreign currency swaps* – As at 30 June 2025, the RBA was under contract to purchase \$22.6 billion of foreign currency (\$17.2 billion at 30 June 2024) and sell \$40.8 billion of foreign currency (\$38.6 billion at 30 June 2024). As of that date, there was a net unrealised gain of \$0.3 billion on these swap positions included in net profit (\$3.6 billion unrealised gain at 30 June 2024). In addition, the RBA has accrued interest of less than \$0.1 billion to be paid and \$0.1 billion to be received in relation to cross-currency basis swaps at 30 June 2025 (nil at 30 June 2024).

The RBA has a credit exposure from foreign currency swaps because of the risk that a counterparty might fail to deliver future interest flows or the unsettled leg of a swap, a sum that would then have to be replaced in the market, potentially at a loss. To manage credit risk on both foreign currency and gold swaps (see 'Gold exchanged under gold swap agreements' below), the RBA has credit support annexes (CSAs) that provide for the exchange

of collateral with counterparties under specified terms, which cover the potential cost of replacing the swap position in the market if a counterparty fails to deliver. The RBA's CSAs specify that only Australian dollar cash is eligible as collateral. Under CSAs, either party to the agreement may be obliged to deliver collateral with interest paid or received on a monthly basis. At 30 June 2025, the RBA held \$0.5 billion of collateral (\$3.4 billion of collateral was held at 30 June 2024) and provided \$0.1 billion in collateral (nil provided at 30 June 2024).

2. *Bond futures* – As at 30 June 2025, credit risk on margin accounts associated with bond futures contracts was immaterial.

Assessment of expected credit loss under AASB 9

The RBA assesses its financial assets carried at amortised cost, mainly its reverse repurchase agreements, gold swaps and foreign currency-denominated balances held with other central banks, for any deterioration in credit quality that could result in losses being recorded. The RBA's assessment is done on an individual exposure basis and takes account of the counterparties with which balances are held; the collateral, if any, held against exposures and the terms upon which collateral is margined; and the remaining terms to maturity of such exposures.

Based on the assessment at 30 June 2025, the provision for expected credit losses was immaterial (immaterial at 30 June 2024).

Collateral held under reverse repurchase agreements

Cash invested under reverse repurchase agreements in overseas markets is secured against government securities or securities issued by US agencies; the RBA takes and maintains collateral to the value of 102 per cent of the cash invested.

Cash invested under Australian dollar reverse repurchase agreements is secured by securities issued by Australian governments, supranational organisations, banks, and various corporate and asset-backed securities. The RBA holds collateral equivalent to the amount invested plus a margin according to the risk profile of the collateral held. If the current value of collateral falls by more than a predetermined amount, the counterparty is required to provide additional collateral to restore this margin; the thresholds are specified in the legal agreement that governs these transactions. The management of

collateral and cash associated with tri-party repurchase agreements is conducted through a third party, in this case the Australian Securities Exchange. The terms and requirements of tri-party repurchase agreements are broadly consistent with bilateral agreements and the RBA manages the risk in a similar way. The RBA does not sell or re-pledge securities held as collateral under reverse repurchase agreements.

Collateral provided under repurchase agreements

At 30 June 2025, the carrying amount of securities sold and contracted for purchase under repurchase agreements was \$2.2 billion (\$1.7 billion at 30 June 2024). Terms and conditions of repurchase agreements are consistent with those for reverse repurchase agreements disclosed above.

Gold exchanged under gold swap agreements

Credit exposure from gold swaps is managed under CSAs the RBA has established with its swap counterparties, which cover both gold swaps and foreign currency swaps. Australian dollar cash collateral is exchanged to cover the potential cost of replacing swap positions in the market if a counterparty fails to meet their obligations. The potential cost is assessed as the net cost of replacing all outstanding swap positions covered by the CSA.

As at 30 June 2025, there was \$0.5 billion in gold sold and contracted for purchase under gold swap agreements (none at 30 June 2024). There was no gold purchased and contracted for sale under gold swap agreements at 30 June 2025 (\$1.8 billion at 30 June 2024).

Concentration of credit risk

As noted, the RBA operates to minimise its credit risk exposure through comprehensive risk management policy guidelines. The following table indicates the concentration of credit risk in the RBA's investment portfolio at 30 June.

Concentration of Credit Risk

	Risk rating of security/issuer ^(a)	Risk rating of counterparties ^(a)	Per cent of investments ^(b)	
			2025	2024
Australian dollar investments				
Holdings of Australian Government Securities	Aaa	n/a	51.3	56.3
Holdings of semi-government securities	Aaa	n/a	4.8	4.9
	Aa	n/a	9.6	9.7
Securities purchased under reverse repurchase agreements	Aaa	Aa	0.6	0.7
	Aaa	A	1.4	1.6
	Aaa	Baa	0.0	0.1
	Aa	Aaa	0.5	0.5
	Aa	Aa	1.2	0.3
	Aa	A	1.7	0.8
	Aa	Baa	0.1	0.1
	A	Aaa	0.1	0.0
	A	Aa	0.3	0.1
	A	A	0.3	0.4
	A	Baa	0.1	0.1
	Baa	Aa	0.1	–
	Baa	A	0.1	0.0
	Baa	Baa	0.1	–
Securities sold under repurchase agreements	Aaa	Aa	0.1	0.0
Foreign investments				
Holdings of securities	Aaa	n/a	1.5	1.3
	Aa	n/a	7.1	6.7
	A	n/a	5.7	7.2
Securities purchased under reverse repurchase agreements	Aaa	Aa	–	0.1
	Aaa	A	0.4	0.1
	Aa	Aa	0.7	1.0
	Aa	A	1.4	0.4
Securities sold under repurchase agreements	Aaa	Aa	–	0.1
	Aaa	A	0.3	0.2
	Aa	Aa	0.2	–
Deposits	n/a	Aaa	0.0	0.1
	n/a	Aa	0.3	0.2
	n/a	A	4.7	1.8
	n/a	Other ^(c)	0.3	0.3

Concentration of Credit Risk (continued)

	Risk rating of security/issuer ^(a)	Risk rating of counterparties ^(a)	Per cent of investments ^(b)	
			2025	2024
Other	Aaa	Other ^(c)	0.1	–
	Aa	Aa	0.1	0.3
	Aa	A	0.5	0.5
	Aa	Baa	0.3	–
	n/a	Aa	0.2	0.7
	n/a	A	0.0	0.1
Other assets			3.8	3.3
			100.0	100.0

(a) Average of the credit ratings of the three major rating agencies, where available.

(b) Exposures below 0.1 per cent are not shown.

(c) This category includes counterparties that are not rated.

Note 16 – Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. This is the quoted market price if one is available. The RBA's financial assets measured at fair value include its holdings of Australian dollar securities, foreign government securities, bond futures, foreign currency swaps and its shareholding in the BIS. Non-financial assets carried on the balance sheet at fair value include the RBA's property and gold holdings. Other than derivatives, there are no financial liabilities measured at fair value.

AASB 13 requires financial and non-financial assets and liabilities measured at fair value to be disclosed according to their position in the fair value hierarchy: for Level 1, valuation is based on quoted prices in active markets for identical assets; for Level 2, valuation is based on quoted prices or other observable market data not included in Level 1; Level 3 includes inputs to valuation other than observable market data.

The following table presents the RBA's assets and liabilities measured and recognised at fair value and their classification within the fair value hierarchy at 30 June 2025.

Fair Value Hierarchy – as at 30 June 2025

	Fair value			Amortised cost \$M	Total \$M		
	Level 1 \$M	Level 2 \$M	Level 3 \$M				
As at 30 June 2025							
Financial assets							
At fair value through profit or loss							
– Australian dollar securities	262,966	2,695	–	n/a	265,661		
– Foreign government securities	48,927	10,796	–	n/a	59,723		
– Foreign currency swaps	237	597	–	n/a	834		
At fair value through other comprehensive income							
– Shares in international and other institutions	–	–	697	n/a	697		
At amortised cost	n/a	n/a	n/a	62,404	62,404		
	312,130	14,088	697	62,404	389,319		
Non-financial assets							
– Land and buildings	–	–	345	33	378		
– Gold holdings	12,887	–	–	n/a	12,887		
– Other	–	–	–	1,009	1,009		
	12,887	–	345	1,042	14,274		
Total assets	325,017	14,088	1,042	63,446	403,593		
Financial liabilities							
At fair value through profit or loss							
– Foreign currency swaps	0	519	–	n/a	519		
Not at fair value through profit or loss	n/a	n/a	n/a	408,100	408,100		
	0	519	–	408,100	408,619		
Non-financial liabilities	n/a	n/a	n/a	292	292		
Total liabilities	–	519	–	408,392	408,911		

Fair Value Hierarchy – as at 30 June 2024

	Fair value			Amortised cost \$M	Total \$M		
	Level 1 \$M	Level 2 \$M	Level 3 \$M				
As at 30 June 2024							
Financial assets							
At fair value through profit or loss							
– Australian dollar securities	290,480	3,095	–	n/a	293,575		
– Foreign government securities	56,180	8,013	–	n/a	64,193		
– Foreign currency swaps	93	3,494	–	n/a	3,587		

Fair Value Hierarchy – as at 30 June 2024 (continued)

	Fair value			Amortised cost \$M	Total \$M
	Level 1 \$M	Level 2 \$M	Level 3 \$M		
At fair value through other comprehensive income					
– Shares in international and other institutions	–	–	585	n/a	585
At amortised cost	n/a	n/a	n/a	41,479	41,479
	346,753	14,602	585	41,479	403,419
Non-financial assets					
– Land and buildings	–	–	421	24	445
– Gold holdings	9,035	–	–	n/a	9,035
– Other	–	–	–	841	841
	9,035	–	421	865	10,321
Total assets	355,788	14,602	1,006	42,344	413,740
Financial liabilities					
At fair value through profit or loss					
– Foreign currency swaps	0	1	–	n/a	1
Not at fair value through profit or loss	n/a	n/a	n/a	433,906	433,906
	0	1	–	433,906	433,907
Non-financial liabilities	n/a	n/a	n/a	226	226
Total liabilities	–	1	–	434,132	434,133

The RBA's Level 2 financial instruments include foreign exchange swaps priced with reference to an active market yield or rate, but which have been interpolated to reflect maturity dates, while fair value for cross-currency basis swaps is determined using inputs (other than a quoted price) from an active market. Prices for some Australian dollar and foreign currency denominated securities are derived from markets that are not considered active and categorised within Level 2.

Level 3 assets include the RBA's shareholding in the BIS and its property (excluding leased property, which is recorded at amortised cost). The shareholding in the BIS is valued using the net asset value, as published in annual financial statements of the BIS, less a discount of 30 per cent. The discount applied is based on a Hague Arbitral Tribunal decision on compensation paid to

former private shareholders in 2002, which remains the latest repurchase conducted by the BIS. Fair values of the RBA's property incorporate factors such as net market income and capitalisation rates, for property valued using an income capitalisation or a discounted cash flow approach, and depreciation rates for property valued using a depreciable replacement cost methodology.

There were no transfers between levels within the fair value hierarchy during the financial year. Movements in the fair value of the RBA's property during the financial year are detailed in Note 8. Fair value changes in the RBA's shareholdings in international and other institutions reflect valuation movements recognised in other comprehensive income.

Note 17 – Subsequent Events

Unless otherwise disclosed in these financial statements, there are no events subsequent to 30 June 2025 to be disclosed.

Independent Auditor's Report



Auditor-General for Australia



INDEPENDENT AUDITOR'S REPORT

To the Treasurer

Opinion

In my opinion, the financial statements of the Reserve Bank of Australia and its subsidiary (together the Consolidated Entity) for the year ended 30 June 2025:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Consolidated Entity as at 30 June 2025 and its financial performance and cash flows for the year then ended.

The financial statements of the Consolidated Entity, which I have audited, comprise the following as at 30 June 2025 and for the year then ended:

- Statement of Assurance;
- Statement of Financial Position;
- Statement of Comprehensive Income;
- Statement of Distribution;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements comprising a summary of material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Consolidated Entity in accordance with the relevant ethical requirements for financial statement audits conducted by me. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How the audit addressed the matter
Valuation of Australian dollar and foreign currency investments	<p>To audit the valuation of Australian dollar and foreign currency investments, I performed the following audit procedures:</p> <ul style="list-style-type: none"> • tested the design, implementation and operating effectiveness of key controls over the accurate recording of the purchase and sale of investments, including Information Technology General Controls (ITGCs) on the Reserve Bank of Australia's investment trading system; • tested the design, implementation and operating effectiveness of key controls over valuation of investments, including ITGCs on the Reserve Bank of Australia's securities valuation system; • tested the design, implementation and operating effectiveness of key controls relevant to the ongoing monitoring of the collateralisation of repurchase agreements; and • tested year end valuations of Australian dollar and foreign currency securities, repurchase agreements, deposits with other central banks, foreign currency swaps and cross-currency basis swaps using the following procedures: <ul style="list-style-type: none"> • checked all year end valuations of Australian dollar and foreign government securities, foreign currency swaps and cross-currency basis swaps against independent pricing resources; • tested the year-end valuations of all foreign currency swaps and cross-currency basis swaps using independent publicly available information; • checked whether all reverse repurchase agreements were collateralised in line with the Reserve Bank of Australia's policy. As part of this, for a sample of securities held as collateral I agreed valuations to independent pricing resources; and • requested and obtained independent confirmation from other central banks regarding the value of deposits held with them.

Other information

The Accountable Authority is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025 but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Consolidated Entity, the Governance Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under the Act. The Governance Board is also responsible for such internal control as the Governance Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governance Board is responsible for assessing the ability of the Consolidated Entity to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Governance Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion.

My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Consolidated Entity audit. I remain solely responsible for my audit opinion.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Dr Caralee McLiesh PSM
Auditor-General

Canberra
10 September 2025

Part 5:

Climate-Related Disclosures



Reserve Bank of Australia 2024/25 Climate-Related Disclosures

For the year ended 30 June 2025

Disclaimer

These climate-related disclosures contain statements that are, or may be deemed to be, forward looking statements, including the RBA's Net Zero Target. Forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the RBA. This may cause actual results or developments to differ materially from those expressed or implied in such statements. There are uncertainties, assumptions and judgements underlying climate-related information that limit the extent to which climate-related information is useful for decision-making, and you are cautioned not to place undue reliance on the information in these disclosures. Forward looking statements in these disclosures reflect the RBA's best estimates, assumptions and judgements as at the date of these disclosures; however, the uncertainty in climate-related information may lead to the RBA changing its views in the future.



Michele Bullock, Governor

Foreword

I am delighted to present our first climate-related disclosures prepared under the Commonwealth Climate Disclosure (CCD) policy. A changing climate, and actions taken in response to this, will have wide-ranging implications for the RBA, across both our policy functions and our physical and internal operations. These climate-related disclosures set out the arrangements that are being put in place to understand and manage the impact on our physical and internal operations. They will expand in coming years, in line with the proposed CCD implementation schedule and as our approach to managing climate risks and opportunities matures.

In line with the Australian Government's own commitments, the RBA has set a Net Zero Target (the Net Zero Target)¹ and is committed to undertaking activities and investment in support of reducing our operational emissions in line with the target.

The RBA's key climate-related developments in 2024/25 include:

- the creation of the Climate and Sustainability Committee, which is drawing the strategies of individual functional areas into a single enterprise-wide climate strategy
- embedding climate-related risks into the RBA's revised risk framework
- undertaking a program of works to reduce carbon emissions from our physical and internal operations
- continuing to identify and analyse climate-related risks and impacts in line with the RBA's core policy objectives.

This initial disclosure has been a collaborative effort among staff from many parts of the RBA and reflects the importance we place on playing our part in the transition to net zero.

Michele Bullock

Governor, and Chair of the Governance Board
Reserve Bank of Australia

10 September 2025

Introduction

Our core objectives are set out in Part 1.1: Our Role. As at 30 June 2025, we had 2,039 staff, 99 per cent of whom work in Australia, across several sites including our temporary head office and business resumption site in Sydney, the National Banknote site in outer Melbourne, a banking branch in Canberra and representative offices in four other state capitals (see Part 3:1: Management of the RBA).²

In accordance with the CCD's progressive implementation schedule,³ this disclosure reports on climate-related risks and opportunities associated with our internal operations and people, physical assets or other infrastructure relied on to maintain business continuity (referred to as 'operational climate-related risks and opportunities' in these disclosures). Disclosures relating to climate-related risks and opportunities relevant to our policy functions (including monetary and financial stability policies) are intended to be captured in next year's disclosures.

These disclosures cover the 2024/25 financial year and relate to the RBA alone. The RBA's wholly owned subsidiary, Note Printing Australia Limited (NPA), will produce a separate climate-related disclosure in future, in line with the *Corporations Act 2001* and *Australian Sustainability Reporting Standard AASB S2, Climate-related Disclosures*.

The remainder of this Part sets out our governance of climate-related risks and opportunities, our qualitative assessment, and the strategies we have developed to manage these. It also discloses quantitative metrics on emissions arising from our physical and internal operations.

Governance

From 1 March 2025, oversight of our operational climate-related risks and opportunities (as defined above) has transitioned to the Governance Board, as the RBA's accountable authority.⁴ Prior to 1 March 2025, this was the RBA Governor (see below).

Consistent with the *Reserve Bank Act 1959* and the Governance Board charter, the Governance Board's remit does not include considering the implications of climate change or environmental factors for the Australian economy or financial system, which falls within the mandate of the Monetary Policy Board.⁵

Oversight of climate-related risks and opportunities

The newly appointed Governance Board is responsible for setting the RBA's strategic objectives and risk appetite, and for endorsing plans and budgets in support of this. In relation to risk management, the Governance Board is responsible for overseeing the RBA's risk and compliance management framework (see Part 3.3: Risk Management), including the assessment and management of environmental risks created by, or affecting, the RBA's functions and activities.⁶ In addition, the Governance Board approves the RBA's climate-related disclosures in the annual report (including APS Net Zero emissions reporting and information provided under the *Environment Protection and Biodiversity Conservation Act 1999*).⁷ The Governance Board must meet at least four times a year and will be informed of climate-related risks and opportunities through the governance framework outlined below.

The Governance Board is supported by the Audit and Risk Committee (a subcommittee of the Governance Board) in overseeing the effectiveness of the RBA's Risk and Compliance Management Framework, and reviewing the appropriateness of the RBA's systems of risk oversight and management and internal controls, including in relation to environmental risks and the RBA's climate-related disclosures. The Audit and Risk Committee meets at least four times a year.

Changes in governance arrangements during 2024/25

Prior to 1 March 2025, the Governor was the RBA's accountable authority and had most of the duties now performed by the Governance Board. The Executive Committee, chaired by the Governor, supported the Governor in setting the RBA's Net Zero Target, reviewing the RBA's key sustainability frameworks and policies, and monitoring progress towards these targets and the climate and sustainability initiatives, activities and future work plans to achieve them.

Some of the mechanisms for oversight by the Governance Board of climate-related risks and opportunities relating to the RBA's operational functions and activities will need to be embedded over time.

Management of climate-related risks and opportunities

The Governor is responsible for the day-to-day management of the RBA.⁸ This includes, among other things, implementing the strategic, business and financial plans approved by the Governance Board,

and the policies, processes and systems to effectively deliver the strategy and manage our operations and risk profile. The oversight of operational processes relating to climate-related risks and opportunities, including their identification and mitigation is the responsibility of several committees and executives, as outlined in Table 5.1.1.

Table 5.1.1: Key Roles for Climate-related Risks and Opportunities

Role	Reports to / Supports	Risk and Opportunity Responsibility
Governor (supported by Executive Committee)	Governance Board	The Governor is responsible for implementing the RBA's policies on climate-related matters and, where relevant, escalating matters to the Governance Board. The Executive Committee supports the Governor in this respect, including by reviewing sustainability frameworks and policies (and, where relevant, endorsing them for approval by the Governance Board), and recommending the annual budget for approval by the Governance Board.
Risk Management Committee <i>Chair: Deputy Governor</i>	Governor	Supports the Governor with risk oversight and monitoring of the RBA's risk management and internal control frameworks, including processes used in identifying and assessing climate-related risks and opportunities. This includes, where relevant, reviewing matters to be escalated to the Audit and Risk Committee.
Climate and Sustainability Committee <i>Chair: Deputy Governor</i>	Executive Committee	Established in December 2024 to guide the strategic direction of the RBA's climate and sustainability initiatives, including developing an enterprise-wide climate and sustainability strategy from existing strategic statements (see Strategy below). The Climate and Sustainability Committee will support overseeing the implementation of the strategy, and will also inform the Executive Committee (and Governor) on climate and sustainability initiatives, and provide recommendations to prioritise and resource these initiatives. Membership of the Climate and Sustainability Committee includes the Deputy Governor, Assistant Governor (Economic), Executive Policy Lead for Climate Change, Head of Workplace Department, and the Chief Financial Officer.
Policy Area Climate Steering Group <i>Chair: Executive Policy Lead for Climate Change</i>	Assistant Governors overseeing policy groups	Oversees the Climate Analysis and Policy Team, which coordinates work on climate and sustainability topics in support of the RBA's policy objectives. This steering group also approves the Climate Work Plan to align research priorities using a 'hub and spoke' approach across the RBA's Economic, Financial Markets and Financial Stability policy groups.

Table 5.1.1: Key Roles for Climate-related Risks and Opportunities (continued)

Role	Reports to / Supports	Risk and Opportunity Responsibility
Head of Workplace Department	Chief Operating Officer	Responsible for managing climate-related risks and opportunities relating to physical assets and supporting infrastructure. This includes implementing the RBA's sustainability principles and managing key projects and internal operational initiatives in support of the RBA's Net Zero Target.
Chief Financial Officer (CFO)	Chief Operating Officer	The Chief Financial Officer is responsible for developing the RBA's climate-related disclosures, and is the owner of the RBA's environmental risk class (see Risk Management below); this includes responsibility for assessing the residual risk rating against the RBA's risk appetite. The Chief Financial Officer is also a member of the Department of Finance's Chief Sustainability Officer Network.

Risk management

The Climate Risk and Opportunity Management Program (CROMP)⁹ is the Australian Government's tool for climate-related risk and opportunity assessment. While the use of CROMP by government entities is encouraged, we have recently reviewed and strengthened our risk management and compliance framework, aligned with our desire to implement standardised processes to identify, assess and manage risks across the RBA, to support consistent risk outcomes and effective operational governance.

The RBA's risk management approach

Climate-related risks are assessed and monitored in line with our Risk Management Policy,¹⁰ which establishes processes for undertaking risk management activities and the roles and responsibilities of relevant risk owners and risk managers.

Under our risk management approach, risk owners are ultimately accountable for identifying, assessing and monitoring relevant risks and opportunities, and for ensuring appropriate controls are in place to mitigate or manage those within our risk appetite. These risks are assessed in line with our risk matrix, to determine the likelihood and consequences of the risk materialising and the appropriate level of response. A target residual risk rating is then proposed with reference to our risk appetite. The risk and associated controls are assessed at least annually to determine a residual risk rating, and to compare this to tolerance. Management of identified risks and opportunities undertaken by frontline staff is supported by risk managers within operational teams, the Risk and Compliance Department and Risk Management Committee (for oversight of the risk management and internal control frameworks) and is administered via an enterprise risk management system.

As part of the RBA's commitment to uplifting its approach to risk management, the Risk and Compliance Management Framework is being updated, focusing on the identification of relevant risk classes that provide an enterprise-wide view of how risk is being governed and managed. This is discussed further in Part 3.3: Risk Management of the Annual Report. The updated framework is expected to be reviewed and approved by the Governance Board in the next financial year. From this, an environmental risk class will be defined within operational risk – specifically focusing on enhancing the RBA's strategy and operations by proactively addressing environmental issues, including physical and transition climate-related risks, and other environmental responsibilities. The CFO is the risk class owner. As the new framework is developed and embedded across the RBA, the assessment processes for climate-related risks and opportunities are expected to mature.

Climate-related risk assessment

Our risk management processes are considered sufficiently robust and comprehensive for a climate-related risk and opportunities assessment, as the process follows a similar, structured approach to the CROMP. These risk management processes were applied during the year to identify our operational climate-related risks (see Strategy below). Oversight of processes and controls used to manage and monitor climate-related risks and opportunities has also been embedded throughout our governance structure (see Governance above).

The RBA's assessment of physical climate risks has largely been informed by the analysis of past experiences with climate-related events impacting physical assets and internal operations, and consideration of potential future exposure. This includes inputs from the review of incident registers, as well as the location, design and construction of current and future physical infrastructure that may be impacted by climate-related events like flooding or bushfires.

Transition risks have been informed by an analysis of our emissions reporting data, review of climate-related government policies and learnings from other similar entities both domestically and internationally. In particular, the RBA is a member of the Department of Finance's Climate Action in Government Operations group, which supports our understanding of climate-related policy and regulation in Australia. The RBA is also represented across various workstreams of the Network for Greening the Financial System with central banking peers (see Part 2.5: International Financial Cooperation), supporting best practice in climate-related risk management.

We have also engaged an external provider to assist with providing scenario analysis to further assess climate risks across multiple time horizons, and to support future resilience assessments. Uncertainties remain in assessing climate-related risks over the long term, particularly those relating to the frequency and severity of physical risks.

After considering controls in place to manage and mitigate operational climate-related risks (see Strategy below), our residual risk is considered very low. In our assessment, our existing approach to infrastructure management is considered sufficiently resilient to avoid significant impact from physical climate risk events when considered over infrastructure lifecycle timeframes. Business recovery facilities are specifically selected and designed to withstand certain natural disasters and to provide alternative sites to ensure that critical operations can continue if other locations suffer disruption (including, but not limited to, climate-related events). Physical risk adaptation has also been a focus for projects involving critical physical assets. The determination of new sites includes undertaking climate risk assessments of the proposed location's resilience to environmental factors like bushfires, flooding and risks around electricity supply where relevant (including selection of our leased data centre).

As this is the first year we have undertaken a climate risk assessment, our risk management processes have not changed from the previous reporting year. However, climate-related risks and opportunities have been considered as part of the risk transformation process currently underway (see discussion in RBA's risk management approach above).

Strategy

The RBA has climate and sustainability strategies for its internal operations, including physical infrastructure, which focus on improving the environmental performance of our operations and minimising the impact of our activities on the environment (as per Part 3.1: Management of the RBA). These strategies together with works completed by the policy functions are being drawn together into an enterprise-wide strategy by the Climate and Sustainability Committee.

While both risks and opportunities have been considered as part of our climate risk assessment process, we have primarily included, based on materiality, operational climate-related risks in these disclosures. Climate-related opportunities have largely stemmed out of our work to mitigate these risks, and act as controls to minimise the potentially adverse effects of climate change on our people, critical operations and physical assets (see RBA's climate-related initiatives below).

Identification of climate-related risks

As per the CCD's progressive implementation schedule, we have identified and assessed climate-related risks that may impact our operational effectiveness, physical assets, infrastructure and people (Table 5.1.2).¹¹ This will also be reflected in the updates to the Risk and Compliance Management Framework by developing an environmental risk class, as a subset of operational risk that captures climate-related risks relating to physical and internal operations (see Risk management above).

Climate-related events are expected to increase in frequency and severity over time, but the assessed exposure for our physical assets is very low due to the strategic location and design of critical assets and buildings informed by our experience with climate-related events in recent years.

Table 5.1.2: The RBA's Operational Climate-related Risks

Risk Statement	Risk Description	Risk Type
Failure to identify, manage or mitigate the physical impacts from climate change, including from both acute (e.g. severe weather events) and chronic physical risks (e.g. sea level rise and increasing temperatures).	Damage to the RBA's physical infrastructure, or unavailability of external infrastructure systems and services, may compromise the operations of our critical services due to the physical impacts of climate change. Environmental changes may also impact staff productivity and their ability to work.	Physical
Failure to identify, manage or mitigate the impacts from the global and national transition towards a low carbon economy, including changes in government or stakeholder expectations, regulation, technology, social trends and behaviours.	Failure to keep pace and comply with evolving national climate-related policies, regulations or expectations. Lack of adaptation leading to reputational damage and loss of public trust and potential associated financial costs. Infrastructure or building design or operations are misaligned with national climate targets.	Transition

Current and anticipated operational effects

Climate-related risks have the potential to affect our physical and internal operations in several ways:

- Severe weather-related events could compromise energy supply or damage physical infrastructure, including assets, IT equipment, archived materials and banknotes. These disruptions may impact our ability to continue providing critical services supporting the payments system, our operations in financial markets and wholesale banknote distribution. It may also create additional costs to restore physical assets or result in the potential loss of critical data or archival information.
- Failure to align with applicable climate policies, undertake climate-related actions that are required through legislation or regulation, or meet our targets may harm our reputation and impair trust in the organisation.
- Severe weather events or higher temperatures could impair staff productivity due to limited access to premises or systems for critical operations. Workplace health and safety could also be impacted if we fail to address safety hazards promptly. We could also fail to provide staff with adequate resources and capability to collect, analyse and report on climate-related data accurately.

To fulfil our core functions, we operate over several sites. However, operational climate-related risks are largely concentrated in greater Sydney where most of our staff and critical physical assets and infrastructure are located. Certain key business functions depend on critical assets located in specific regions, such as our banknote manufacturing plant in outer Melbourne and our business recovery site and leased data centre in greater Sydney. As a result, physical climate-related risks are primarily relevant to these regions.

RBA's climate-related initiatives

We have put in place specific climate and sustainability initiatives to help manage and monitor the effects of climate-related risks and opportunities, including:

- reviewing electricity and gas contracts to apply cost-effective ways to reduce emissions (under our latest agreement, from 1 July 2025 all our owned sites use 100 per cent GreenPower)
- training and increased awareness of staff about climate-related risks, for example in relation to updating and documenting business continuity plans in our operational resilience guidelines to manage the response to disruption that may impact critical infrastructure, physical assets and internal operations (including natural disaster events and power outages)
- developing sustainability principles – aligned with the RBA's Environmental Statement – to guide the approach to climate and sustainability as part of our physical and internal operations and processes, in an effort to reduce our impact on the environment

- planned climate and sustainability initiatives to minimise the emissions impact of our physical and internal operations and supply chains on the environment, and in line with the RBA's Net Zero Target including the major refurbishment of our head office building in Sydney and the transition to a new data centre in outer Sydney (see Part 3.1: Management of the RBA for further details of initiatives relating to energy and waste management)
- engaging with various domestic and international bodies to remain up to date with the regulatory and institutional impacts on central banking operations, understand the impact of climate change on the economy and financial system, and obtain insights from other entities on their approach to climate and sustainability initiatives

- annual monitoring of emissions reporting to review progress against our Net Zero Target and publication of emissions under the APS Net Zero Emissions Reporting Framework (see Metrics and Targets below).

Metrics and targets

Climate-related target

We are committed to improving the performance of our physical and internal operations and minimising the impact of our activities on the environment, as demonstrated by our Net Zero Target for Scope 1 and 2 emissions by 2030.¹² Achievement of the Net Zero Target is contingent on several projects which include climate and sustainability initiatives. Table 5.1.3 provides further detail on our Net Zero Target.

Table 5.1.3: RBA Climate-related Targets

CCD Criterion	Criterion summary	Climate-related target
M1c	Targets set by the entity including metrics used to measure progress towards these targets	Our climate-related target is net zero Scope 1 and 2 emissions by 2030 (also referred to in these disclosures as our Net Zero Target).
M5a	The metric used to set the target	The metric used to set our climate-related target is carbon dioxide equivalent (CO ₂ -e) emissions in tonnes (t).
M5b	The objective of the target	The objective of the target is to reduce greenhouse gas emissions and minimise the impacts of our internal operations on the environment.
M5c	The part of the entity to which the target applies e.g. entity in its entirety or only a part of the entity, such as a specific divisional unit or geographical region	The target applies to our Australian-based operations and locations (including owned and leased sites). Our international offices and our wholly owned corporate subsidiary, NPA, are excluded from the target.
M5d	The period over which the target applies	The timeframe for achieving the target is from 2018 to 2030.
M5e	The base period from which progress is measured	The initial baseline is the 2018/19 financial year.
M5f	Any milestones and interim targets	There are currently no milestones or interim targets.
M5g	If the target is quantitative, whether it is an absolute target or an intensity target	The target is an absolute target.
M5h	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	The target is in line with the APS Net Zero by 2030 target, included under Australia's <i>Nationally Determined Contribution Communication</i> 2022 under the Paris Agreement.
M6a	Whether the target and the methodology for setting the target has been validated by a third party	The target and methodology were recommended by a third-party external consultant, who developed a comprehensive carbon inventory for the RBA and a comparison benchmark against other central banks.

Table 5.1.3: RBA Climate-related Targets (continued)

CCD Criterion	Criterion summary	Climate-related target
M6b	The entity's processes for reviewing the target	The Executive Committee has supported the Governor in setting and monitoring our Net Zero Target to date. Following its establishment in March 2025, the Governance Board will oversee operational climate-related risks and opportunities relating to our functions and activities moving forward (see Governance above). The mechanisms to support this oversight will be progressively developed and embedded.
M6c	The metrics used to monitor progress towards reaching the target	<p>An external consultant conducts an annual emissions inventory (in line with the greenhouse gas (GHG) protocol methodology) across all three emissions source types for our Australian operations (Scope 1, Scope 2 and Scope 3).</p> <p>From 2022/23, our greenhouse gas emissions inventory has been reported under the APS Net Zero Emissions Reporting Framework in our annual report. This information has also been reported to the Executive Committee.</p> <p>The key differences between the two emissions reporting frameworks are that the GHG protocol approach includes a broader range of Scope 3 emissions.</p>
M6d	Any revisions to the target and an explanation for those revisions	During the 2024/25 reporting period, there were no changes to our target.
M8a	Which greenhouse gases are covered by the target	<p>The following GHG are included in the APS Net Zero Emissions Reporting Framework: carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF₆); and nitrogen trifluoride (N₃).</p> <p>The Net Zero Target includes greenhouse gases relevant to Scope 1 and 2 emissions, predominately carbon dioxide.</p>
M8b	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target	The target includes Scope 1 and 2 emissions only.
M8c	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target	The target is a net greenhouse gas emissions target.
M8d	Whether the target was derived using a sectoral decarbonisation approach	The target was not derived using a sectoral decarbonisation approach.
M9a	Disclose information on the APS Net Zero by 2030 target (set out in the <i>Net Zero in Government Operations Strategy</i>), as well as any other obligatory or voluntary targets set out in the entity's emissions reduction plan	Not applicable – the RBA has not formally signed up to the APS Net Zero by 2030 target, nor aligned with the Net Zero in Government Operations Strategy (which is optional for corporate Commonwealth entities).

Climate-related metrics

Consistent with the CCD requirements, our GHG have been calculated in line with the APS Net Zero Emissions Reporting Framework,¹³ and the whole-of-Australian-Government approach as part of the APS Net Zero by 2030 policy.¹⁴ The framework sets out the approach, assumptions and methodologies used to measure greenhouse gas emissions, including the Scope 3 emissions categories included with the measurement.¹⁵

The greenhouse gas emissions inventory in Table 5.1.4 shows our carbon-dioxide equivalent (CO2-e) greenhouse gas emissions over the 2024/25 reporting period.¹⁶ Details of the data inputs used to calculate the emissions are outlined in the footnote. Not all data sources or reliable usage data were available at the time of finalising the report. Amendments, where material, may be required in future years.

Table 5.1.4: Greenhouse Gas Emissions Inventory – Location-based Accounting Method

2024/25; t CO₂-e^(a)

Emission source	Scope 1	Scope 2	Scope 3	Total
Electricity (location-based approach) ^{(b),(c)}	n/a	15,713.31	1,475.05	17,188.36
Natural gas ^{(c),(d)}	620.73	n/a	57.36	678.09
Solid waste ^{(e),(f)}	–	n/a	63.31	63.31
Refrigerants ^{(e),(g)}	152.41	n/a	n/a	152.41
Fleet and other vehicles ^{(e),(h)}	3.22	n/a	0.83	4.04
Domestic commercial flights ⁽ⁱ⁾	n/a	n/a	143.45	143.45
Domestic hire car ^{(e),(j)}	n/a	n/a	0.40	0.40
Domestic travel accommodation ^{(e),(j)}	n/a	n/a	38.67	38.67
Other energy ^(k)	32.61	n/a	8.04	40.65
Total t CO₂-e	808.98	15,713.31	1,787.11	18,309.39

(a) CO2-e = carbon dioxide equivalent.

(b) Electricity emissions reported contain some energy consumption for IT equipment, which is currently out of scope of the Emissions Reporting Framework. Where billing cycles did not align with the end of the financial year and was not available during the collection process in July–August 2025, a daily average was used to determine the emissions for the reporting period. Amendments to estimated data used this year and in prior years' reporting may be required in future reports once more reliable usage data is available.

(c) Electricity and natural gas include emissions output from RBA-owned buildings and leased premises where available. While care has been taken to report on RBA-specific emissions where possible, some of the reporting may include usage from tenants that also use the same premises (including Note Printing Australia Limited and other government agencies).

(d) For the 2024/25 financial year, natural gas emissions are based on direct meter readings. Where billing cycles did not align with the end of the financial year and was not available during the collection process in July–August 2025, a daily average was used to determine the emissions for the reporting period. Amendments to estimated data used this year and in prior years' reporting may be required in future reports once more reliable usage data is available.

(e) Emission sources may be incomplete due to a lack of robust data from third-party sources or not available at the time of the report. The quality of data is expected to improve over time as emissions reporting matures. Amendments to the current year reporting may be required in future reports once more reliable usage data is available.

(f) Solid waste data from some leased premises could not be sourced for inclusion in the emissions reporting. As per the APS Net Zero Emissions Reporting Framework, solid waste emissions include waste disposed of via landfill only and not any landfill gas capture.

(g) Reporting on refrigerants is optional for the 2024/25 reporting year and will be phased in over time as emissions reporting matures.

(h) Emissions from electricity consumed by plug-in hybrid vehicles has only been reported for electricity directly purchased by the RBA. Emissions associated with electricity consumption from public charging stations has not been reported for 2024/25.

(i) Emissions data have been provided by Corporate Travel Management (CTM; under the whole-of-Australian Government travel contract). As per the APS Net Zero Emissions Reporting Framework, only emissions from domestic flights have been captured (which includes the domestic leg of connecting international flights), but not international flights.

(j) Emissions data have been provided by CTM and other sources (including invoices from suppliers). As per the APS Net Zero Emissions Reporting Framework, certain data have been excluded if they did not contain adequate information for emissions reporting purposes.

(k) Other energy includes emissions from diesel fuel use.

Source: Australian Government Department of Finance calculations under the APS Net Zero Emissions Reporting Framework, based on data provided by RBA from multiple sources.

The electricity emissions reported in Table 5.1.4 are calculated using the location-based approach (where emissions are based on the local area in which the energy is consumed). When applying the market-based method – which accounts for electricity

purchased through contractual instruments (net of offsets and site-generated renewables) and assigns the associated emissions to the purchasing entity – the total emissions for electricity are lower (Table 5.1.5).

Table 5.1.5: Electricity Greenhouse Gas Emissions^(a)

2024/25

	Emissions (t CO2-e ^(b))			Electricity usage (kWh ^(b))
	Scope 2	Scope 3	Total	
Location-based electricity emissions ^(c)	15,713.31	1,475.05	17,188.36	21,819,131.88
Market-based electricity emissions ^(c)	6,924.70	940.39	7,865.09	8,549,011.55
Total renewable electricity consumed	n/a	n/a	n/a	13,567,580.36
– Renewable power percentage ^(d)	n/a	n/a	n/a	3,969,991.05
– Jurisdictional renewable power percentage ^{(e),(f)}	n/a	n/a	n/a	400,055.90
– Greenpower ^(e)	n/a	n/a	n/a	8,900,073.39
– Large-scale generation certificates ^(e)	n/a	n/a	n/a	–
– Behind the meter solar ^(g)	n/a	n/a	n/a	297,460.02
Total renewable electricity produced	n/a	n/a	n/a	297,460.02
– Large-scale generation certificates ^(e)	n/a	n/a	n/a	–
– Behind the meter solar ^(g)	n/a	n/a	n/a	297,460.02

(a) This table presents emissions related to electricity usage using both the location-based and the market-based accounting methods. As per the Department of Finance, total market-based electricity equals the total electricity consumed from the grid (total electricity under the location-based approach) minus the renewable electricity consumed from the grid (i.e. Renewable power percentage, Jurisdictional renewable power percentage and GreenPower).

(b) CO2-e = carbon dioxide equivalent, and electricity usage is measured in kilowatt hours (kWh).

(c) Electricity includes emissions output from RBA-owned buildings and leased premises where available. While care has been taken to report on RBA-specific emissions where possible, some of the reporting may include usage from tenants that also use the same premises (including Note Printing Australia Limited and other government agencies). Electricity emissions reported contain some energy consumption for IT equipment, which is currently out of scope of the Emissions Reporting Framework.

(d) Listed as Mandatory renewables in 2023/24 Annual Reports. The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

(e) Listed as Voluntary renewables in 2023/24 Annual Reports.

(f) The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

(g) Reporting behind the meter solar consumption and/or production is optional. The quality of data is expected to improve over time as emissions reporting matures.

Source: Australian Government Department of Finance calculations under the APS Net Zero Emissions Reporting Framework, based on data provided by RBA from multiple sources.

Glossary¹⁷

Absolute target: target expressed as total amount of greenhouse gas emissions or a change in the total amount of greenhouse gas emissions.

Australian Public Service (APS) Net Zero by 2030

target: the Australian Government's commitment to achieve net zero in government operations by 2030.

Climate-related physical risks: risks resulting from climate change that can be event-driven (acute physical risks) or from longer-term shifts in climatic patterns (chronic physical risks). Acute physical risks arise from weather-related events such as storms, floods, droughts or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns including changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity.

Climate-related transition risks: risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks.

GHG protocol: a Corporate Accounting and Reporting Standard (2004) and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Greenhouse gas emissions (GHG): Emissions of the seven greenhouse gases listed in the Kyoto Protocol—carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); nitrogen trifluoride (NF₃); perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

GreenPower: a government-accredited renewable energy product offered by most electricity retailers to households and businesses in Australia. It requires GreenPower providers to voluntarily surrender large-scale generation certificates equivalent to GreenPower purchases made by customers.

Net Zero Target or RBA Net Zero Target: the RBA's target of net zero Scope 1 and 2 emissions by 2030, which applies to the RBA's Australian-based operations and locations (including owned and leased sites), but not the RBA's international offices nor the RBA's wholly owned corporate subsidiary, NPA. See Metrics and Targets above.

Scope 1 emissions: greenhouse gas emissions released to the atmosphere as a direct result of an activity, or series of activities, at a facility level.

Scope 2 emissions: greenhouse gas emissions released to the atmosphere from the indirect consumption of an energy commodity.

Scope 3 emissions: indirect greenhouse gas emissions other than Scope 2 emissions that are generated in the wider economy. They occur as a consequence of the activities of a facility, but from sources not owned or controlled by that facility's business.

Whole of Australian Government:

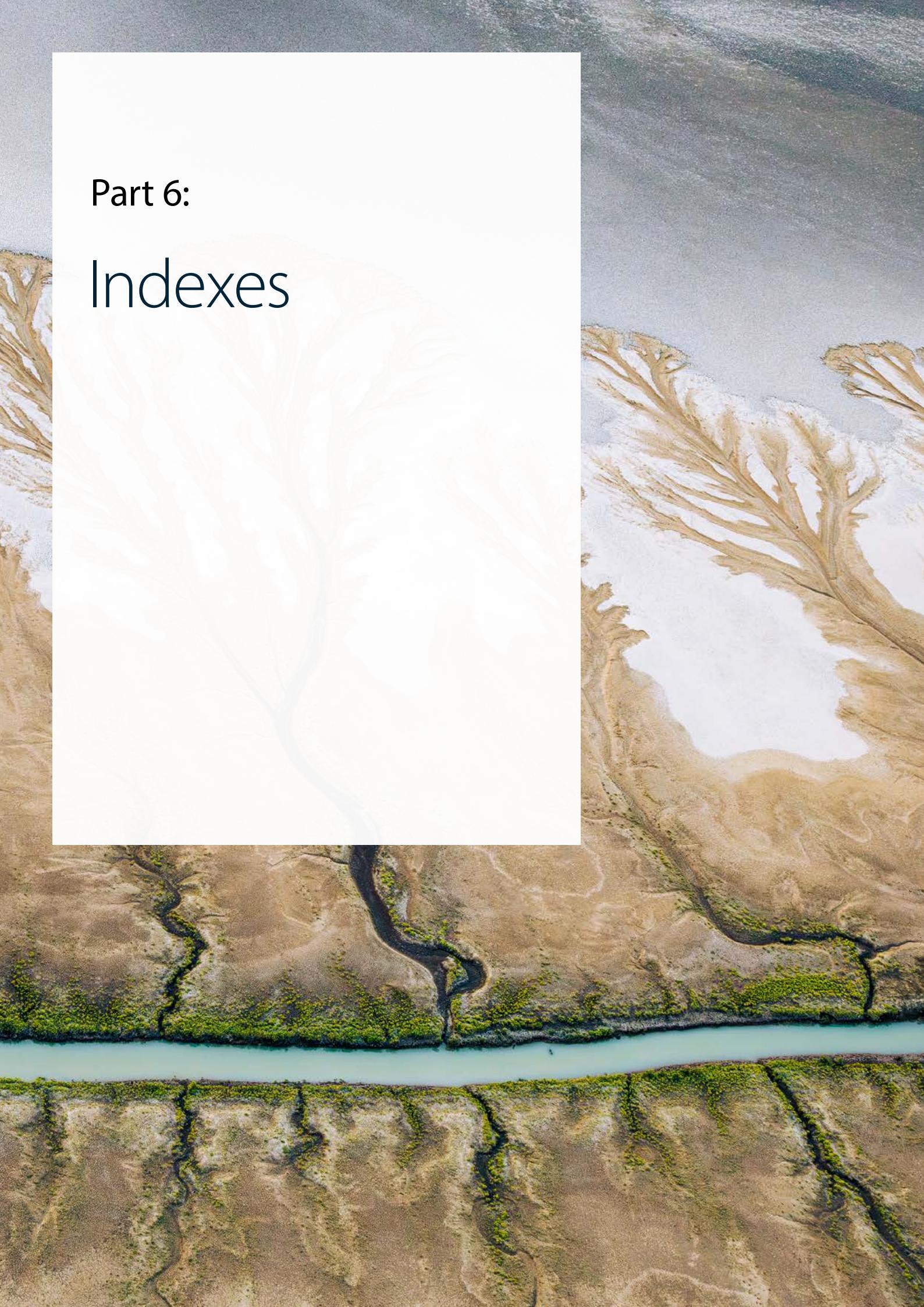
refers to the consolidating reporting of Australian Commonwealth entities under the Whole of Australian Government arrangement.

Endnotes

- 1 This and other terms are defined in the Glossary.
- 2 A small number of staff are located at the RBA's New York, London and Beijing Representative Offices.
- 3 Department of Finance, 'Commonwealth Climate Disclosure Requirements – Year 1 Reporting Provisions', p 13.
- 4 Consistent with section 7A of the *Reserve Bank Act 1959*.
- 5 For detailed information on the governance structure, see RBA (2025), 'Governance Structure'; RBA (2025), 'Governance Board Charter', March.
- 6 See RBA (2025), 'Governance Board Charter', March.
- 7 See RBA (2025), 'Governance Board Charter', March.
- 8 Consistent with section 12(2) of the *Reserve Bank Act 1959*.
- 9 As per the Australian Government's *Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026*.
- 10 RBA (2025), 'Risk Management Policy'.
- 11 The climate-related risks identified have been assessed against the defined time horizons as per the Australian Government's *Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026* – short-term: 2030 (in line with the RBA's Net Zero target), medium-term: 2050 and long-term: 2090.
- 12 While our Net Zero Target aligns with the APS Net Zero by 2030 target, the RBA has not formally signed up to the APS Net Zero 2030 target (which is optional for corporate Commonwealth entities).
- 13 Department of Finance (2025), 'Emissions Reporting Framework – 2024-25 Reporting Period'.
- 14 Department of Finance (2025), 'APS Net Zero Emissions by 2030'.
- 15 See Appendix A of the Department of Finance's Net Zero in Government Operations Strategy.
- 16 As per Department of Finance, 'Commonwealth Climate Disclosure Requirements – Year 1 Reporting Provisions', comparative reporting or performance against target are not required. This is specified in the Indicative Year 2 and Year 3 Requirements. Information relating to the RBA's energy and water consumption over the financial year is included in Part 3.1: Management of the RBA.
- 17 Definitions are provided as per Department of Finance (2025), 'Commonwealth Climate Disclosure Requirements – Year 1 Reporting Provisions' and Department of Finance (2024), 'Commonwealth Climate Disclosure Pilot Guidance – FY2023-24 Annual Reporting Climate Disclosure Provisions'.

Part 6:

Indexes



6.1 Statutory Reporting Requirements Index

The Reserve Bank of Australia Annual Report 2024/25 complies with the reporting requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), rules made under the PGPA Act and other applicable legislation.

To assist readers locate this information, the index of statutory reporting requirements identifies where relevant information can be found in this annual report.

PGPA Rule reference	Part of report, page number	Description	Requirement
17BB	Approval of annual report by accountable authority		
17BB(b)	Governor's Foreword, 11	Signed by the accountable authority	Mandatory
17BB(c)	Governance and Accountability, 32	Include details of how and when approval of the annual report was given	Mandatory
17BB(d)	Governance and Accountability, 32	State that the accountable authority of the entity is responsible for preparing and giving the annual report to the entity's responsible Minister in accordance with section 46 of the Act	Mandatory
17BE	Contents of annual report		
17BE(a)	Governance and Accountability, 19	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Our Role, 15–18	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	Annual Performance Statement for 2024/25, 73–85	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Governance and Accountability, 31	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	Governance and Accountability, 33	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	Governance and Accountability, 33	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	Not applicable	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(g)	Annual Performance Statement for 2024/25, 73–85	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	Governance and Accountability, 33	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory

PGPA Rule reference	Part of report, page number	Description	Requirement
17BE(j)	Governance and Accountability, 19	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	Operational Structure, 63–69	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Our People, 145	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location	Mandatory
17BE(l)	Management of the RBA, 145	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Governance and Accountability, 19–33	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Governance and Accountability, 33	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
17BE(p)	Governance and Accountability, 33	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Governance and Accountability, 33	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	Governance and Accountability, 33	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or the Office of the Australian Information Commissioner	If applicable, mandatory
17BE(s)	Not applicable	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	Governance and Accountability, 30–31	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory

PGPA Rule reference	Part of report, page number	Description	Requirement
17BE(taa)	Governance and Accountability, 21–22, Governance Board, 38–41 and Our People, 150–152	<p>The following information about the audit committee for the entity:</p> <ul style="list-style-type: none"> (a) a direct electronic address of the charter determining the functions of the audit committee (b) the name of each member of the audit committee (c) the qualifications, knowledge, skills or experience of each member of the audit committee (d) information about each member's attendance at meetings of the audit committee (e) the remuneration of each member of the audit committee 	Mandatory
17BE(ta)	Our People, 150–152	Information about executive remuneration	Mandatory
17BF Disclosure requirements for government business enterprises			
17BF(1)(a)(i)	Not applicable	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	Not applicable	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory
17BF(1)(b)	Not applicable	Information on dividends paid or recommended	If applicable, mandatory
17BF(1)(c)	Not applicable	<p>Details of any community service obligations the government business enterprise has including:</p> <ul style="list-style-type: none"> (a) an outline of actions taken to fulfil those obligations (b) an assessment of the cost of fulfilling those obligations 	If applicable, mandatory
17BF(2)	Not applicable	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory

Legislative Reference	Part of report, page number	Description	Requirement
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516A(6)(c)	Management of the RBA, 139–141	Effect of the RBA's activities on the environment	Mandatory
516A(6)(d)	Management of the RBA, 139–141	Measures to minimise the impact of the RBA's activities	Mandatory
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9	Our People, 147	Report on development and implementation of the RBA's equal employment opportunity program	Mandatory

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6.5 Abbreviations

A glossary of relevant terms is available on the RBA website.¹

24/7	24 hours per day, 7 days per week
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABF	Asian Bond Fund
ABF2	Asian Bond Fund 2
ABN	Australian Business Number
ABS	asset-backed securities
ACCC	Australian Competition and Consumer Commission
ACT	Australian Capital Territory
ADI	authorised deposit-taking institution
AFXC	Australian Foreign Exchange Committee
AGS	Australian Government Securities
AI	artificial intelligence
AIF	Automated Information Facility
AM	Member of the Order of Australia
ANAO	Australian National Audit Office
ANU	Australian National University
AO	Officer of the Order of Australia
AOFM	Australian Office of Financial Management
AONIA	AUD Overnight Index Average
APC	Australian Payments Council
APEC	Asia-Pacific Economic Cooperation
API	Application Programming Interface
APRA	Australian Prudential Regulation Authority
APS	Australian Public Service
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATM	automated teller machine
ATO	Australian Taxation Office
AusPayNet	Australian Payments Network
AUSTRAC	Australian Transaction Reports and Analysis Centre
BA	Bachelor of Arts
BBSW	Bank Bill Swap Rate
BCBS	BIS Basel Committee on Banking Supervision
BDF	Banknote Distribution Framework
BDTCs	Banknote Distribution Terms and Conditions
BECS	Bulk Electronic Clearing System
BIS	Bank for International Settlements
BPAY	A payments clearing organisation owned by a group of retail banks
CAC Act	<i>Commonwealth Authorities and Companies Act 1997 (repealed)</i>

CALD	culturally and linguistically diverse
CBDC	central bank digital currency
CCD	Commonwealth Climate Disclosure
CCPs	central counterparties
CEDA	Committee for Economic Development of Australia
CFR	Council of Financial Regulators
CGFS	Committee on the Global Financial System
CHESS	Clearing House Electronic Subregister System
CIT	cash-in-transit
CLF	Committed Liquidity Facility
CME	Chicago Mercantile Exchange Inc.
COVID-19	Coronavirus disease
CPI	Consumer Price Index
CPMI	BIS Committee on Payments and Market Infrastructures
CPR	Commonwealth Procurement Rule
CPS	Consumer Payments Survey
CRC	Cooperative Research Centre
CRE	commercial real estate
CROMP	Climate Risk and Opportunity Management Program
CS	clearing and settlement
CSA	credit support annex
CSCF	Customer Security Controls Framework
CSIRO	Commonwealth Scientific and Industrial Research Organisation
EAF	Executive Accountability Framework
eftpos	electronic funds transfer at point of sale
eKYC	electronic know-your-customer
EMEAP	Executives' Meeting of East Asia-Pacific Central Banks
ERG	Employee Resource Group
ES	Exchange Settlement
ESA	Exchange Settlement Account
ESD	ecologically sustainable development
ESG	environmental, social and governance (corporate reporting)
FINMA	Swiss Financial Market Supervisory Authority
FIRN	Financial Research Network
FMI	financial market infrastructure
FNAP	First Nations Advisory Panel
FOI	Freedom of Information
FOI Act	<i>Freedom of Information Act 1982</i>
FSB	Financial Stability Board
FSR	Financial Stability Review
FSS	RITS Fast Settlement Service
FTE	full-time equivalent
FX	foreign exchange

G20	Group of Twenty
GDP	gross domestic product
GFC	global financial crisis
GFXC	Global Foreign Exchange Committee
GHG	greenhouse gas
GST	Goods and Services Tax
HQLA	high-quality liquid assets
HVCS	High Value Clearing System
IDB	inclusion, diversity and belonging
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
IPS	Information Publication Scheme
ISDA	International Swaps and Derivatives Association
ISO	International Organization for Standardisation
IT	information technology
KRW	Korean won
LBMA	London Bullion Market Association
LCR	least-cost routing
LCR	Liquidity Coverage Ratio
LED	light emitting diode
LGBTQI+	lesbian, gay, bisexual, transgender, queer or questioning, intersex and other sexual identities
LIBOR	London Inter-Bank Offered Rate
LLB	Bachelor of Laws
LVCS	Low Value Clearing System
LVSS	Low Value Settlement Service
MBA	Master of Business Administration
MC	BIS Markets Committee
MIT	Massachusetts Institute of Technology
MP	Member of Parliament
NAB	National Australia Bank
NACC	National Anti-Corruption Commission
NBB	National Bank of Belgium
NBFI	non-bank financial institution
NBS	National Banknote Site
NGB	Next Generation Banknote
NGFS	Network for Greening the Financial System
NPA	Note Printing Australia Limited
NPP	New Payments Platform
NPPA	NPP Australia Limited
NSW	New South Wales
OAIC	Office of the Australian Information Commissioner
OECD	Organisation for Economic Co-operation and Development
OMO	open market operations

OPA	Official Public Account
OSF	overnight standing facility
PEXA	Property Exchange Australia Limited
PFMI	<i>Principles for Financial Market Infrastructures</i>
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PhD	Doctor of Philosophy
POP	Payments Operations Program
Prospera	Australia Indonesia Partnership for Economic Development
PSM	Public Service Medal
R&D	research and development
RAP	Reconciliation Action Plan
RBA	Reserve Bank of Australia
RBRF	Reserve Bank Reserve Fund
RDP	Research Discussion Paper
repo	repurchase agreement
RFR	risk-free reference rate
RITS	Reserve Bank Information and Transfer System
RMBS	Residential Mortgage-backed Securities
RMC	Risk Management Committee
RST	Resilience and Sustainability Trust
RTGS	real-time gross settlement
SAR	Special Administrative Region (of China)
SCAV	FSB Standing Committee on Assessment of Vulnerabilities
SDR	Special Drawing Right
semis	semi-government securities (Australian state and territory government securities)
SME	small and medium-sized enterprises
SMP	Statement on Monetary Policy
SVF	stored-value facility
Swift	Society for Worldwide Interbank Financial Telecommunication
TFF	Term Funding Facility
TTBC	Trans-Tasman Council on Banking Supervision
TWI	trade-weighted index
UK	United Kingdom
UNSW	University of New South Wales
UPR	unrealised profits reserve
US	United States
WHS	work health and safety
WHS Act	<i>Work Health and Safety Act 2011</i>
WPI	Wage Price Index

Endnotes

1 See RBA, 'Glossary'.

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Endnotes

1 Freecall – Calls from mobile phones may be charged at the applicable rate.

