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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 objectives. We aim to do this in a cost-effective and environmentally sustainable manner.

Key outcomes in 2025/26

- A priority for our management has continued to be 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. All this has occurred in an environment that poses considerable risk. We are intent on delivering this necessary change while mitigating the associated risks, but recognise that our operational risk profile will remain elevated over the next two years.
- Our technology is being upgraded to improve its resilience, including to cyber-attacks. We have also accelerated our adoption of artificial intelligence (AI) to achieve productivity gains, greater operational resilience and deeper analytical insights.
- We have progressed the complex, multi-year program of work to create a safe, compliant and modern workplace, free of hazardous material, at our permanent head office at Martin Place, Sydney.
- Our transformation agenda has driven a significant rise in operating costs. This is, in turn, delivering new capabilities across a range of areas. 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 and Compliance 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 as part of a strengthening of our internal governance arrangements, consistent with observations from the 2023 Review of the Reserve Bank. 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 are committed to managing our expenditure and workforce resources responsibly to support our policy and operational priorities. The annual planning process underpins this, by establishing the resourcing and expenditure budgets needed to deliver our priorities over the next four years. The budget is approved by the Governance Board, on the recommendation of the Governor.

Executive leaders are responsible for managing expenditure within their approved budgets and for authorising commitments in accordance with established financial delegations. Our expenditure and payment approval framework, together with supporting processes, ensures appropriate oversight and control of payments and spending with suppliers of goods and services.

The Investment Committee oversees our project investment portfolio. It 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 to underpin project delivery covering the full project lifecycle. Senior executive accountability is established through their sponsorship of projects and participation in project steering committees.

For significant procurements, we apply the Commonwealth Procurement Rules (CPRs) that apply to corporate Commonwealth entities such as the RBA. The CPRs apply to procurements above \$400,000 for non-construction services and \$7.5 million for construction services. They require reporting of relevant activities on the Commonwealth's AusTender website.

We review our compliance with CPRs on an annual basis to ensure established governance arrangements, including delegated authorities, documented processes and reporting and assurance mechanisms, are working effectively. No material breaches or systemic issues were identified in 2025/26.

For procurements below the relevant thresholds, we proportionately apply the principles of the CPRs to ensure our procurements are efficient and ethical and deliver value for money. We continue to monitor our procurement practices and are strengthening our capability, systems and reporting to support ongoing compliance and performance.

Where appropriate, we recover operating costs associated with our functions by imposing fees and charges. This includes costs directly incurred in delivering our payment settlement services, as well as transactional banking services provided to clients (see Part 2.3: Banking and Payment Services). Operating costs related to the production, issuance and management of Australia's banknotes are funded indirectly through net interest income; holders of 'banknotes on issue' (with the exception of certain balances held by banks)² do not receive interest, while we earn interest on our assets.

Operating costs

Our general operating costs were \$865.8 million in 2025/26 (Table 3.1.1). Project investment spending was primarily focused on rebuilding 65 Martin Place, modernising our core technology infrastructure (including migrating one of the Bank's two primary in-house data centres) and implementing recommendations arising from the independent reviews of the RBA.

Excluding project investment spend, our general operating costs were around 12 per cent higher than in 2024/25:

- Two-thirds came from a rise in underlying spend on core business-as-usual activities, driven by increased technology expenditure, the impact of inflationary pressures on contractual operating commitments and salary growth (including under our enterprise agreement).
- The remaining one-third was associated with deliberate efforts to strengthen certain capabilities, such as our:
 - monetary policy frameworks, analytical capability and preparedness for economic and financial system shocks
 - technology resilience and cybersecurity, including via the use of cloud computing to reduce obsolescence risk and through strengthened technology controls
 - risk management (including a stronger three lines of accountability), governance and open and dynamic culture.

Our expenditure is expected to increase further in 2026/27 as we continue to invest in our transformation agenda.

Table 3.1.1: General Operating Costs^(a)

\$ million

	2021/22	2022/23	2023/24	2024/25	2025/26
Staff costs	256.6	300.0	335.4	397.1	472.2
Technology costs	44.6	52.8	62.3	77.2	96.6
Premises costs	29.1	30.5	60.1	67.6	140.0
Other costs	35.5	56.5	97.8	154.7	97.9
Depreciation	64.3	61.5	52.9	55.2	59.1
General operating costs	430.1	501.3	608.4	751.9	865.8
– of which: Cost of projects	37.1	65.5	163.6	274.8	329.3
General operating costs by function ^(b)					
– Policy	90.2	98.9	108.1	116.2	139.0
– Business services	87.6	93.4	97.8	112.5	118.7
– Executive and corporate support	252.3	309.0	402.6	523.2	608.2

(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 across functions.

Source: RBA.

Capital expenditure

Our capital expenditure delivers new capabilities and services, preserves the reliability and resilience of our existing technology assets, and supports the ongoing maintenance and upgrade of our property assets. In 2025/26, our investment focused on the rebuild of our head office at 65 Martin Place and upgrading the equipment to support cash processing operations (Table 3.1.2).

Table 3.1.2: Capital Expenditure^(a)

\$ million

	2021/22	2022/23	2023/24	2024/25	2025/26
Capital costs	49.3	72.6	12.1	(29.5)	31.6
– of which: cost of major projects	29.2	60.9	(3.6)	(62.5)	21.5

(a) Excluding Note Printing Australia Limited. Includes the impacts of a reclassification from capital expenditure to general operating expenditure in 2023/24 (\$48.5 million) and 2024/25 (\$81.7 million).

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. It is chaired by the Chief Operating Officer, with members drawn from departments in the RBA that rely heavily on technology.

Major projects

In 2025/26, our technology investment focused on two major projects aimed at ensuring that we provide highly resilient payments and banking services.

The projects involve:

- modernising our core technology infrastructure and migrating one of our two in-house primary data centres to a co-location third-party data centre, in line with commonly accepted good practice
- strengthening the operating environment supporting the Reserve Bank Information and Transfer System (RITS) and related technology controls, as discussed in Part 2.3: Banking and Payment Services.

These technology projects are large and interdependent. They are also critical to our ambition of delivering banking and payment services that are highly resilient. The risks that these projects aim to address will therefore remain high until at least 2027/28, when both projects are scheduled to be completed.

Other technology-related projects ongoing in 2025/26 included a continued rollout of cloud-based workplace collaboration and AI tools. We also completed upgrades to several critical systems and continued to mature our information security capabilities.

Cybersecurity

Cybersecurity remained a key focus area. In recognition of that, we have invested significantly to protect our systems and information. During the year, we continued to strengthen our cybersecurity posture in response to a threat environment that is evolving quickly because of geopolitical developments, increasingly sophisticated cyber threats and rapid technological change, including the emergence of frontier AI models. Our work during the year involved significantly enhancing cybersecurity monitoring of our servers and maintaining compliance with key cybersecurity standards. These include the SWIFT Customer Security Controls Framework, ISO 27001 and the Australian Cyber Security Centre's Essential Eight controls (against which the proportion of controls we assessed as 'effective' increased during the year; see Part 2.1: Annual Performance Statement). We also responded to the heightened threat posed by frontier AI models by further hardening our perimeter and strengthening our vulnerability management processes. We will continue this work in 2026/27, recognising that the threat environment in which we operate continues to escalate.

Technology stability and resilience

We continue to pursue strategies to drive the efficiency, stability and resilience of our IT assets. These strategies include enhancing our cyber defences, upgrading technology infrastructure, strengthening the operating model (people, process and technology) underpinning RITS, and utilising cloud computing and managed services where appropriate. As noted in our 2026/27 Corporate Plan, this is a strategic priority over coming years.³

Data and information

We continue to refine our governance frameworks, practices and toolsets for managing data and information in support of our functions and strategic aims.

With respect to data, we facilitated broader adoption of the technology platforms housing our data in 2025/26, while ensuring appropriate data governance and management. This has involved providing additional self-service databases for analysts, onboarding new datasets to our centrally managed enterprise platform and enabling more staff to publish interactive data

dashboards. The community of analysts across the RBA embraced the use of additional analytical and coding tools, increasing their ability to work with data in new ways to facilitate deeper insights and analysis. We also continued to implement new standards for managing business-coded artefacts, complementing the broader risk management uplift across the RBA.

We made further progress in applying advanced data science techniques to our work, with AI adoption strengthening our capabilities in this field. As a result, we gained more insights from data and information, exploring opportunities that were not previously feasible.

Relatedly, with additional analytical and operational needs emerging in a fast-changing external environment, we commenced work on our next data strategy so that we are well equipped to meet these needs.

With respect to information, our core information management practices were assessed as mature by the National Archives of Australia in its Check-up PLUS survey. We continued to rank highly among peer agencies on this measure. This has been achieved through:

- improving the design of controls to make information secure and prevent information loss
- improving integration of our information management platforms
- applying classification labelling to more types of information
- enhancing the governance of collaborative technologies
- continued digitisation of archival records
- a comprehensive program of staff training and engagement in information management.

Building on the foundations of data and information management, we established our inaugural enterprise knowledge management strategy. This aims to better manage knowledge as an asset, in support of the effective delivery of our core functions and strategic aims.

Artificial intelligence

We made good progress in 2025/26 in implementing our inaugural AI strategy. The strategy aims to make us an AI-enabled central bank that uses AI in support of decision-making, productivity and operational resilience.

Key outcomes include:

1. establishing governance and risk management: to help ensure that AI is used within guardrails
2. delivery of bespoke AI systems: to solve problems that are unique to our organisation or central banking
3. rollout of enterprise productivity tools: that can increase productivity and drive innovation using 'off the shelf' AI systems
4. developing organisational capability and adoption: to build enterprise-wide skills in AI use, application development and AI literacy.

Our AI governance bodies began operating in 2025/26. We put in place an AI governance framework, policy and supporting guidelines to set expectations for safe and responsible use of AI at the RBA. As part of this framework, we considered over 100 use cases, which we are at varying stages of implementing. They range from sophisticated tools for knowledge retrieval, economic analysis and central bank operations through to tools that support common business processes. We also published an AI Transparency Statement to align with the Australian Government's policy for the responsible use of AI.⁴

We established a secure, enterprise-grade platform to facilitate experimentation, the building of custom AI applications, access to an agreed suite of large language models and the conduct of computationally intensive activities. A small on-premise version of this platform was made available for secure experimentation with open-weight AI models and data that cannot be put in the cloud.

We also made general-purpose AI productivity tools available to all staff across the RBA. Over 85 per cent of staff are now actively using them. We made other productivity tools available for staff in specialist roles, with a large community of developers and business coders benefiting from an AI coding assistant.

To build enterprise-wide skills in AI use and make the most effective use of available tools, we established an education program. Our training offerings ranged from prompt engineering for effective use of available tools to more advanced training in AI fluency and technical training in AI application development. About 80 per cent of staff participated in some form of AI training during 2025/26.

Facilities

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

- our head office building at 65 Martin Place, Sydney
- the HC 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.

Information on the value of our property portfolio is available in Part 4: Financial Statements (see note 8).

We also lease interim office space at 8 Chifley Square and 39 Hunter Street, both in Sydney, to accommodate staff, as well as a storage facility in western Sydney; these leases support our operations while 65 Martin Place is being rebuilt. We also lease office space in Adelaide, Brisbane, Melbourne, Perth, Beijing, London and New York.

We also lease out space that is not required for our own business purposes to external tenants. In 2025/26, net income from such leases amounted to \$5.6 million.

Asset management

Our physical assets are managed across their full life cycle, for long-term performance, sustainability and efficiency, in support of the RBA's business functions and legislative obligations. Asset improvement initiatives are informed by an asset management plan. This plan identifies and prioritises assets for replacement or upgrades, based on condition assessments, compliance and operational requirements.

Head office upgrade

The most substantial current asset management project is the redevelopment of our head office building at 65 Martin Place. It was originally intended as a major renovation of the ageing base building infrastructure to meet modern building and workplace standards. However, the project encountered material latent conditions, including extensive hazardous materials. The revised project involves demolishing the existing building, including removing the hazardous material, and then rebuilding. This expanded scope required development approvals and has extended the project's duration and cost. The project is 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 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.⁵ Further information on how we manage climate-related risks – including as it relates to our policy analysis – can be found in Part 5: 2025/26 Climate-related Disclosures.

Energy and waste management initiatives

We have an ongoing program of works to reduce carbon emissions from our operations. In 2025/26, the energy management initiatives to improve the performance of our building infrastructure and reduce carbon emissions included:

- reviewing and optimising the operation of heating, ventilation and air conditioning (HVAC) systems across our buildings and minimising unnecessary energy use during unoccupied periods
- continuing the replacement of non-LED lighting with LED lighting to reduce electricity consumption and improve environmental performance
- replacing chillers and electrical switchboards associated with HVAC systems at multiple sites to improve energy efficiency and enable enhanced energy consumption monitoring

- optimising our grid electricity consumption at our Craigieburn site by installing rooftop solar panels; in 2025/26 (the first full year of operation) this generated 1,650 MWh of solar power
- increasing the proportion of GreenPower to 100 per cent across all 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.

Waste management initiatives undertaken in 2025/26 included:

- repurposing redundant furniture and equipment for use in our other sites and diverting waste from landfill through community reuse and rehoming programs
- diverting construction waste byproduct from our building projects from landfill, including 90 per cent of waste associated with the demolition of the Martin Place building
- implementing waste segregation at 8 Chifley Square, including organic waste management practices to divert compostable material from landfill and repurpose ground coffee beans.

Energy and water consumption

Our total energy usage continued to decline in 2025/26.

Reduced electricity consumption was mainly driven by lower usage at our Craigieburn sites. One contributor to this was the installation of large-scale rooftop solar, which has significantly increased on-site renewable energy generation and reduced our reliance on grid electricity. The reductions in usage at Craigieburn offset increased consumption at our business resumption site, where electricity use rose because of higher occupancy.

Gas consumption also continued to decline across our portfolio of properties. We continue to monitor usage and implement initiatives to reduce gas consumption where practical. We are similarly monitoring water usage across all sites. Operational efficiencies allowed us to reduce water usage at our HC Coombs Centre and business resumption site during the year.

Banknote sustainability

Sustainability remains an important commitment across the Australian banknote lifecycle. This includes factoring durability into the design of new banknotes, while also undertaking research to identify opportunities to enhance the sustainability of future banknotes (including through collaboration with raw material suppliers). Our recycling efforts remain a key focus, with all unfit polymer banknotes recycled at end of life. In 2025/26, a total of 58 million unfit banknotes were returned for disposal. The recovered polymer was repurposed into new materials, keeping 46 tonnes of polymer waste from being sent to landfill.

Endnotes

- 1 RBA (2024), 'Executive Accountability Framework', October.
- 2 To support cash availability and efficiency in banknote distribution across the country, under the Banknote Distribution Framework, we make interest compensation payments on banknotes that participating commercial banks store in approved private cash depots. See Part 2.4: Banknotes, for further discussion.
- 3 RBA (2026), '2026/27 Corporate Plan', August.
- 4 See RBA (2026), 'AI Transparency Statement'.
- 5 See RBA (2019), 'Environmental Statement', December.

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 2025/26

- We continued to embed an open and dynamic culture. This was supported by strong commitment from our people, an expanded approach to employee listening and culture-focused development initiatives. Our surveys of employees show we have made progress in routinely considering diverse perspectives and working more openly. We strengthened our leadership capability and succession readiness through the introduction of a refreshed leadership framework, participation in leadership development programs and various other initiatives.
- We have maintained a diverse and inclusive workforce. Women comprise 43.5 per cent of employees and 40.6 per cent of management positions, in line with our gender representation target. We employed more First Nations people. We advanced our Inclusion, Diversity and Belonging Strategy by embedding our ambitions in people's goals and better supporting accessibility and our employee resource groups.
- We expanded support for employees and their wellbeing. This included launching an online platform to support families, continued investment in health and wellbeing programs, a greater focus on psychosocial safety and effective early intervention and return-to-work support.
- We expanded the capacity of our workforce to deliver our objectives and strategic priorities. Employee numbers increased to just over 2,200 and voluntary turnover remained low.

Our 'Open & Dynamic' culture

We commenced a multi-year program in 2023/24 to build a more open and dynamic culture at the RBA. In 2025/26, we continued to embed this culture and strengthen our leadership capability.

One way we have worked to embed this culture is through training. Employees participated in a series of culture workshops in 2025/26. These focused on empowering people, encouraging constructive challenge and fostering an open culture where diverse perspectives are incorporated to promote better decision-making.

Our leaders are integral to sustaining this culture. In recognition of that, we launched a refreshed leadership framework in 2025/26. This refreshed framework establishes clear, consistent and action-oriented expectations for our leaders. It has been included in our core people processes – including recruitment and talent management – to help reinforce the behaviours and leadership practices that support our desired culture.

We continued to prioritise leadership capability. All senior managers participated in 360-degree feedback and coaching during the year, we launched a 'Leadership Fundamentals Program' for new people leaders, and we delivered targeted culture influencer programs to accelerate the embedding of an open and dynamic culture. Together, these initiatives support more consistent leadership practices and improve collaboration and accountability across the RBA.

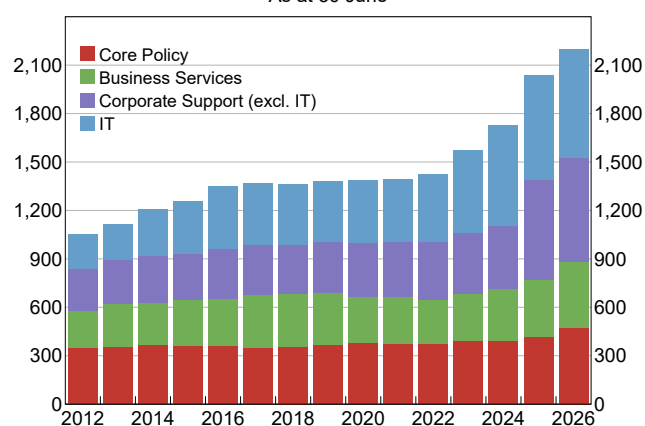
We expanded our employee listening approach. This included introducing a culture pulse survey in October 2025 to complement the full employee engagement survey conducted in March 2026. The full engagement survey demonstrated that our staff engagement remains strong, and we continue to make good progress towards our open and dynamic culture aspiration. The results indicate that we are getting better at adopting diverse perspectives in our day-to-day work. In addition, they highlighted areas where we can remove obstacles to working more dynamically.

Workforce profile

At 30 June 2026, we had 2,201 employees (excluding Note Printing Australia Limited; Graph 3.2.1 and Table 3.2.1), equating to 2,082 full-time equivalent employees. This represents an 8 per cent increase in our workforce compared with 30 June 2025, reflecting the additional resources required to implement our transformation and change agendas. These additional staff are concentrated in technology and corporate support functions (see Part 3:1 Management of the RBA for more information).

Voluntary turnover remained low in 2025/26 at 7.5 per cent. Employees engaged on a permanent basis make up 73 per cent of our total workforce. The remainder, including all senior leaders, are engaged on maximum-term contracts.

Graph 3.2.1
RBA Employee Numbers*
As at 30 June



* Excludes NPA and contingent workers.
Source: RBA.

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

30 June 25											30 June 26											
Location	Man			Woman			Non-binary Prefers not to answer ^(b)				Total	Man			Woman			Non-binary Prefers not to answer ^(b)				Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time		Part time	Total	Full time	Part time	Total	Full time	Part time	Total			
Head Office, Sydney	1026	20	1046	704	87	791	0	0	0	1,837	1103	18	1121	767	92	859	0	0	0	1,980		
Business Resumption Site, Sydney	61	0	61	27	2	29	0	0	0	90	73	0	73	36	1	37	0	0	0	110		
Note-printing facility and National Banknote Site, Craigieburn	24	0	24	25	7	32	0	0	0	56	26	0	26	28	5	33	0	0	0	59		
Canberra Branch, Canberra	6	0	6	10	2	12	0	0	0	18	5	0	5	10	1	11	0	0	0	16		
Victorian Office, Melbourne	3	0	3	0	2	2	0	0	0	5	2	0	2	0	2	2	0	0	0	4		
Queensland Office, Brisbane	0	0	0	3	1	4	0	0	0	4	1	0	1	3	0	3	0	0	0	4		
South Australian Office, Adelaide	2	0	2	1	0	1	0	0	0	3	1	0	1	2	0	2	0	0	0	3		
Western Australian Office, Perth	0	0	0	3	0	3	0	0	0	3	0	0	0	3	0	3	0	0	0	3		
New York Representative Office, New York	5	0	5	5	0	5	0	0	0	10	4	0	4	5	0	5	0	0	0	9		
European Representative Office, London	5	0	5	4	0	4	0	0	0	9	5	0	5	3	0	3	0	0	0	8		
China Representative Office, Beijing	2	0	2	0	0	0	0	0	0	2	2	0	2	0	0	0	0	0	0	2		
Total	1134	20	1154	782	101	883	2	0	2	2,039	1222	18	1240	857	101	958	3	0	3	2,201		

(a) Excludes Note Printing Australia Limited.

(b) Employees who have elected non-binary or did not disclose have been included in aggregate and in grand totals only due to the population size (to maintain privacy).

Source: RBA.

Gender equality

We are committed to achieving gender equality at all levels of the RBA. As at 30 June 2026, women accounted for 43.5 per cent of our employees and held 40.6 per cent of management positions (Graph 3.2.2); these outcomes are consistent with our gender representation target of 40 per cent men, 40 per cent women and 20 per cent any gender at management level.¹ Four of the seven positions on the RBA's Executive Committee were held by women. To maintain our female representation and strengthen the pipeline of female talent, our action plan focuses on optimising talent processes, mitigating bias in decision-making, and providing extra coaching and supporting resources for working parents and carers.²

Our average gender pay gap for total remuneration in 2024 (the latest available), as reported by the Workplace Gender Equality Agency (WGEA), was 8.5 per cent – down from 9.5 per cent in 2023. This gap reflects a higher ratio of men-to-women in leadership roles and a larger concentration of men in high-paying specialist roles. We continue to undertake internal pay equity reviews as part of our annual remuneration review to help identify and address any pay inequities.

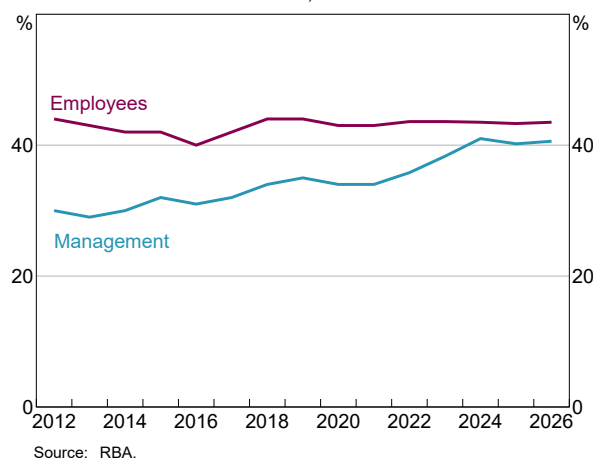
We adopted three targets in 2026 from the WGEA gender equality targets menu. Progress against these targets will be measured against a 2024 baseline. The targets are:

1. increase representation of women in senior manager/deputy head roles by three percentage points, to 40 per cent
2. increase representation of women at graduate level by 2 percentage points, to 50 per cent
3. strengthen the management of flexible work through training and evaluation and regular reporting to the Executive Committee and Governance Board.

Graph 3.2.2

Women at the RBA

Per cent of total, as at 30 June



We actively support employees with caring responsibilities, using a range of inclusive benefits – including gender neutral parental leave entitlements. In 2025/26, 56 per cent of employees who took parental leave were men and 44 per cent were women.

To further support working parents and carers, we introduced the RBA Families Hub – an online platform that provides access to expert guidance, group coaching and community support across all stages of the family and caregiving journey. This includes preparing for parental leave, returning to work, and caring for family members and loved ones.

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 and inclusivity, helping us attract and select people with the right expertise, values and behaviours.

Early career talent

Our early career programs continue to play a central role in our talent strategy, attracting students and graduates from a range of academic disciplines. Our Intern Program provides high-achieving university students with an eight-week summer placement within Audit and our policy departments, offering valuable practical experience. In parallel, the Information Technology Department supports students through academic scholarships, work placements and traineeships, enabling the development of critical skills and career pathways. Our Graduate Development Program complements these initiatives by offering 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 2025/26, talent reviews were conducted for employees at manager level and above, using a consistent framework to assess leadership capability, performance and potential. This enabled a clear view of the strength of our leadership pipeline and its diversity, helped us identify key roles and succession risks, and informed targeted development priorities.

Investment in further education supports staff development and career mobility. In 2025/26, 13 employees received assistance to pursue qualifications aligned with their roles and our future capability needs. All recipients are undertaking economics-focused courses, including one in public policy. Four are receiving support to complete a PhD in economics.

Lateral rotations and secondments remain important tools for capability development and retention. In 2025/26, 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 described 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

We have continued to implement the Inclusion, Diversity and Belonging (IDB) Strategy we launched in April 2025. The strategy is centred on three key objectives:

1. fostering an inclusive culture that enables our open and dynamic aspirations
2. building a diverse workforce that represents the Australian people at all levels
3. ensuring equitable opportunities to build careers for all our people.

The 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 executive sponsors of our five employee resource groups and other staff responsible for IDB. The five employee resource groups we support 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 IDB initiatives.

The following key IDB initiatives were implemented in 2025/26:

- We launched enterprise-wide IDB goals for people leaders and employees, embedding the IDB strategy and targets into individual performance objectives and strengthening organisation-wide accountability.
- We refreshed our accessibility action plan by introducing a new three-year strategy designed to better support employees with physical and cognitive accessibility needs. Initiatives in the strategy include implementing an accessibility portal, providing a central source of information and guidance, and efforts to build awareness and capability through education on neurodiversity and by launching an inclusive hiring guide.
- We introduced new analytics to monitor gender and cultural diversity across performance, progression and talent reviews.
- We delivered enterprise-wide learning on inclusive behaviours, which was attended by 96 per cent of our staff. This was complemented by a research-led presentation from Dr Grace Lordan (of the London School of Economics), who highlighted the value of inclusion and its impact on organisational performance.

First Nations

We continued to implement our First Nations employment plan, with a view to reaching our target of 2 per cent of our staff being First Nations people. In 2025/26, we continued to participate in the Indigenous Apprenticeship program. We worked to broaden our early career employment pathways for First Nations people through initiatives such as dedicated graduate program places and university sponsorships for First Nations students that provide access to internship experiences. The employment plan is one part of a broader program of work to strengthen First Nations engagement and inclusion.

To gather appropriate cultural and strategic advice on First Nations matters, we continue to host meetings of a First Nations Advisory Panel every quarter. In 2025/26, the panel provided advice to a range of departments and teams across the RBA. The panel's advice extended beyond people matters, to matters relating to our procurement, knowledge management, economic analysis and the \$5 banknote redesign. 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 also broadened our thinking about First Nations issues through the Central Bank Network for Indigenous Inclusion Symposium, which we hosted in Sydney on 14–15 November 2025. It brought together representatives from the Reserve Bank of New Zealand, Bank of Canada and the US Federal Reserve, alongside First Nations leaders, community organisations and government agencies. The symposium explored Indigenous economic empowerment, Closing the Gap, and how central banks can embed Indigenous perspectives in their operations and governance. It concluded with the formal handover of hosting duties for the 2027 symposium to the US Federal Reserve.

Work health and safety, compensation and rehabilitation

We are committed to maintaining and improving the health, safety 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 2025/26, our strategic priorities for safety and wellbeing focused on three areas:

- physical safety – across all workplace environments and activities
- psychosocial safety – by training all people leaders to build their capability in identifying and mitigating psychosocial risks
- wellbeing – providing a comprehensive wellbeing program that includes preventative health initiatives, and an employee assistance program that offers coaching for personal, family, financial and legal matters.

WHS incidents, claims and investigations

In 2025/26, we continued to improve our incident reporting and management. A total of 117 WHS incidents were reported for the year, compared with 142 in the previous year (Table 3.2.2). Most of these incidents were of low severity. While overall incident numbers decreased, the number of contractor incidents grew due to an increase in construction activity associated with the rebuild of 65 Martin Place. This highlights the importance of contractor safety management and oversight during that project, including regular site inspections, independent safety audits and monitoring of safety performance against industry benchmarks.

Of the 117 WHS incidents during the year, 86 had an internal investigation completed. Of these, three were deemed to be dangerous incidents that require notice to Comcare; Comcare was satisfied that these incidents were appropriately investigated and resolved and required no further action. The remaining 31 incidents related to hazards and illnesses that did not require an investigation. Our early intervention and return-to-work programs continued to provide effective support to our staff. There were 22 cases supported through our early intervention program; 64 per cent of these were psychological in nature.

Twelve workers' compensation claims were lodged in 2025/26. Of these, two were accepted, one was withdrawn, four were rejected and five remain under determination as at 1 July 2026.

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

Action	2024/25	2025/26
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	3
Internal investigations conducted	88	86
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 self-insurance licensing requirements, we initiated independent audits of our safety, workers' compensation and rehabilitation management systems.

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*, which provides for the Remuneration Tribunal to determine the applicable remuneration of these positions. Within the parameters set by the Remuneration Tribunal, the Governance Board, as the 'employing body' for these positions, approves their remuneration.

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 and Mercer – for remuneration benchmarking.

Our 2023 Enterprise Agreement expired on 30 June 2026. The new draft 2026 Enterprise Agreement proposed a 3.5 per cent salary increase in September 2026 but was not approved by a majority of employees when put to a vote. As a result, any agreed salary increase for non-management employees will be deferred until the 2026 Enterprise Agreement is approved by a majority of employees. Most executive and management employees are expected to receive a 3.5 per cent general salary increase in September 2026.

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 2025/26 (\$)^(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		Long service leave ⁴	Other long-term benefits		
Reserve Bank Executives									
Michele Bullock	Governor	1,015,012	–	31,346	135,636	41,471	–	–	1,223,465
Andrew Hauser	Deputy Governor	903,217	–	–	30,071	21,744	–	–	955,033
Susan Woods	Chief Operating Officer	772,332	–	10,078	91,935	31,198	–	–	905,543
Michelle McPhee	Assistant Governor, Business Services	565,332	–	42,154	109,275	52,962	–	–	769,722
Sarah Hunter	Assistant Governor, Economic	589,690	–	42,154	95,186	16,813	–	–	743,842
Christopher Kent	Assistant Governor, Financial Markets	644,607	–	41,744	114,804	67,628	–	–	868,784
Brad Jones	Assistant Governor, Financial System	623,847	–	42,154	74,741	26,766	–	–	767,508
Non-Executive Members of the Governance Board									
Carol Schwartz	Deputy Chair – Governance Board	105,030	–	–	12,604	–	–	–	117,634
David Thodey	Member – Governance Board	102,644	–	–	2,849	–	–	–	105,493
Swati Dave	Chair – Governance Board Audit and Risk Committee	27,702	–	–	769	–	–	–	28,470
	Member – Governance Board	94,190	–	–	11,303	–	–	–	105,493
Danny Gilbert	Member – Governance Board Audit and Risk Committee	12,720	–	–	1,526	–	–	–	14,246
	Member – Governance Board	94,190	–	–	11,303	–	–	–	105,493
Elana Rubin	Member – Governance Board Audit and Risk Committee	12,720	–	–	1,526	–	–	–	14,246
	Member – Governance Board	105,493	–	–	–	–	–	–	105,493
Jennifer Westacott	Member – Governance Board Audit and Risk Committee	14,246	–	–	–	–	–	–	14,246
	Member – Governance Board	94,190	–	–	11,303	–	–	–	105,493

Table 3.2.3: Remuneration of Key Management Personnel *(continued)*
 Received in 2025/26(\$)^(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		Long service leave ⁴	Other long-term benefits		
Non-Executive Members of the Monetary Policy Board									
Marnie Baker	Member – Monetary Policy Board	94,190	–	–	11,303	–	–	–	105,493
Renée Fry-McKibbin	Member – Monetary Policy Board	97,008	–	–	8,485	–	–	–	105,493
Ian Harper	Member – Monetary Policy Board	94,190	–	–	11,303	–	–	–	105,493
Carolyn Hewson	Member – Monetary Policy Board	94,190	–	–	11,303	–	–	–	105,493
Jenny Wilkinson ^(b)	Member – Monetary Policy Board	–	–	–	–	–	–	–	–
Iain Ross	Member – Monetary Policy Board	94,190	–	–	11,303	–	–	–	105,493
Alison Watkins ^(c)	Member – Monetary Policy Board	62,707	–	–	7,525	–	–	–	70,232
Bruce Preston ^(d)	Member – Monetary Policy Board	31,483	–	–	3,778	–	–	–	35,261
Non-Executive Members of the Payments System Board									
Ross Buckley	Member – Payments System Board	69,080	–	–	8,290	–	–	–	77,370
Gina Cass-Gottlieb ^(e)	Member – Payments System Board	–	–	–	–	–	–	–	–
Michelle Deaker	Member – Payments System Board	69,080	–	–	8,290	–	–	–	77,370
Scott Farrell ^(f)	Member – Payments System Board	30,660	–	–	3,679	–	–	–	34,339
John Lonsdale ^(b)	Member – Payments System Board	–	–	–	–	–	–	–	–
Deborah Ralston	Member – Payments System Board	69,080	–	–	8,290	–	–	–	77,370

(a) Remuneration of key management personnel are in relation to the Reserve Bank of Australia entity only.

(b) The Secretary to the Treasury, as a member of the Monetary Policy Board, and the Chair of APRA, as a member of the Payments System Board, are not remunerated.

(c) Retired from the Monetary Policy Board on 28 February 2026.

(d) Commenced 1 March 2026.

(e) Ms Gina Cass-Gottlieb is not remunerated as a member of the Payments System Board following her appointment as Chair of the ACCC.

(f) Dr Scott Farrell has not been remunerated as a member of the Payments System Board following his appointment as Chair of the Data Standards Body on 10 December 2025.

Table 3.2.3: Remuneration of Key Management Personnel *(continued)*
 Received in 2025/26 (\$) ^(a)

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 Reserve Bank 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 differs 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 2025/26 (\$) ^(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 long service leave ⁴	Average other long-term benefits		
Less than \$220,000	6	56,125	–	7,645	9,442	3,301	–	–	76,513
\$220,001 to \$245,000	3	169,866	–	20,392	26,502	9,163	–	–	225,923
\$245,001 to \$270,000	2	189,084	–	27,141	29,875	8,421	–	–	254,522
\$295,001 to \$320,000	2	238,622	–	18,337	42,455	1,023	–	–	300,437
\$320,001 to \$345,000	4	255,661	–	34,411	40,518	7,430	–	–	338,020
\$370,001 to \$395,000	6	286,340	–	39,463	49,198	11,239	–	–	386,240
\$395,001 to \$420,000	14	309,746	–	36,334	50,877	9,666	–	–	406,623
\$420,001 to \$445,000	8	323,945	–	40,297	58,110	11,914	–	–	434,265
\$445,001 to \$470,000	3	341,700	–	40,724	58,415	12,518	–	–	453,358
\$470,001 to \$495,000	4	353,889	–	63,510	55,139	11,460	–	–	483,998
\$495,001 to \$520,000	9	386,962	–	40,786	67,644	17,120	–	–	512,512
\$520,001 to \$545,000	6	410,223	–	40,300	66,250	15,149	–	–	531,922
\$545,001 to \$570,000	2	443,876	–	40,286	67,288	12,955	–	–	564,405
\$570,001 to \$595,000	3	458,856	–	40,242	72,026	15,356	–	–	586,479
\$645,001 to \$670,000	1	537,354	–	40,242	66,445	9,198	–	–	653,239
\$795,001 to \$820,000	1	209,220	–	18,883	20,190	(5,949)	–	575,768	818,113
\$895,001 to \$920,000	1	284,955	–	545,499	62,191	21,834	–	–	914,479
\$1,120,001 to \$1,145,000	1	295,385	–	759,927	52,624	15,664	–	–	1,123,600

(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 'Base salary' column is prepared on an accrual basis and includes gross salary earned while working plus annual leave accrued.
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. 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 '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. These figures are calculated under accounting standards, and the methodology can result in negative values depending on an individual's circumstances.

Table 3.2.5: Remuneration of Other Highly Paid Staff

Received in 2025/26 (\$) ^(a)

Total remuneration bands	Number of other highly paid staff	Short-term benefits		Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
		Average base salary ¹	Average bonuses	Average other benefits and allowances ²	Average superannuation contributions ³	Average long service leave ⁴	Average other long-term benefits		
\$265,000 to \$270,000	21	194,069	–	15,816	32,306	7,013	–	18,131	267,335
\$270,001 to \$295,000	89	211,224	–	28,162	33,588	7,127	–	1,906	282,007
\$295,001 to \$320,000	58	232,557	–	26,287	39,684	8,067	–	–	306,595
\$320,001 to \$345,000	19	245,216	–	34,255	40,333	10,077	–	–	329,881
\$345,001 to \$370,000	14	261,079	–	37,112	44,146	12,719	–	–	355,057
\$370,001 to \$395,000	8	222,358	–	112,150	37,807	9,337	–	–	381,651
\$395,001 to \$420,000	3	325,286	–	24,356	46,107	9,329	–	–	405,078
\$420,001 to \$445,000	2	279,209	–	90,762	48,334	9,140	–	–	427,444
\$520,001 to \$545,000	1	145,545	–	352,190	25,135	5,426	–	–	528,296
\$570,001 to \$595,000	1	135,539	–	428,945	21,689	4,120	–	–	590,293
\$620,001 to \$645,000	2	119,078	–	231,082	22,040	(604)	–	260,999	632,595
\$645,001 to \$670,000	1	202,001	–	400,400	35,644	8,295	–	–	646,340
\$720,001 to \$745,000	1	136,242	–	563,054	24,581	3,950	–	–	727,826
\$745,001 to \$770,000	1	241,713	–	465,236	53,306	9,281	–	–	769,536
\$895,001 to \$920,000	1	208,843	–	643,515	37,782	17,527	–	–	907,667

(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 'Base salary' column is prepared on an accrual basis and includes gross salary earned while working plus annual leave accrued.
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 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 '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. These figures are calculated under accounting standards, and the methodology can result in negative values depending on an individual's circumstances.

Endnotes

- 1 In line with the Australian Government's 'Working for Women: A Strategy for Gender Equality' focus area of Leadership, representation and decision-making.
- 2 In line with the Australian Government's 'Working for Women: A Strategy for Gender Equality' focus area of Paid and unpaid care.

3.3 Risk and Compliance Management

Our risk and compliance management framework sets out how we identify, assess, manage and report on risk and compliance across the RBA. It provides a consistent approach to supporting our objectives and strategic priorities, while helping us respond to change in a disciplined way. The framework is overseen by the Risk Management Committee and the Audit and Risk Committee, and is approved by the Governance Board.

Key outcomes in 2025/26

- Our risk and compliance capability has continued to improve, as part of the RBA's broader transformation. We have strengthened how we identify, assess and manage risks, clarified accountability for managing risks, applied controls more consistently and improved visibility of our risk profile. Nonetheless, the complex and high-risk environment in which we are operating demands our management of risks to be further strengthened. Even with this focus on stronger risk management, our operational risk profile is expected to remain above appetite for some time.
- Our strengthened approach to risk and compliance is underpinned by a clearer three lines of accountability model, a refreshed risk appetite statement with clearer thresholds and more consistent second line review and challenge. These changes are aimed at improving the quality and consistency of our risk-informed decision-making.
- The risks that are of heightened focus at present relate to technology, cyber security, management of suppliers, strategic implementation, integrity and compliance and public policy development.

Risk and compliance management framework

Our risk and compliance management framework sets out how we identify, assess, manage and report on risks and obligations across the RBA. The framework supports us to achieve our objectives and strategic priorities. It does this by promoting a consistent and disciplined approach to risk management, particularly in an environment of ongoing change. This is supported by our ongoing efforts to strengthen risk culture, including by reinforcing the importance of risk awareness, sound judgement and clear accountability in day-to-day decision-making. We embed risk considerations, including emerging risks and our risk appetite, in strategy development, prioritisation and other decision-making across the RBA.

The Governance Board has overall responsibility for the framework, including setting our risk appetite. The Audit and Risk Committee supports the Board by overseeing the effectiveness of risk management and internal control. The Risk Management Committee supported executive oversight of the RBA's risk profile

and risk management practices during 2025/26; from 2026/27, the Executive Committee will provide oversight of our strategic management of risk and compliance, supported by two subordinate risk committees. These arrangements are discussed more in Part 1.2: Governance and Accountability.

The framework is underpinned by clear roles and responsibilities and supported by policies, standards, systems and reporting. It is based on the three lines of accountability model (Table 3.3.1):

- Management is responsible for identifying and managing risks in day-to-day operations.
- The Risk and Compliance Department provides independent review, challenge and insight.
- The Audit Department provides independent assurance to the Governance Board on the effectiveness of the framework and controls.

This model supports clear accountability while helping avoid gaps or duplication.

Table 3.3.1: Three Lines of Accountability

First line	Second line	Third line
Own & Manage Risk	Review, Challenge & Insight	Independent Assurance
Management owns and manages the risks and obligations they originate in pursuit of their departmental objectives in accordance with the guardrails defined by the second line.	The Risk and Compliance Department provides review and challenge of first line risk and compliance management activities, thematic insight, and specialist advice and oversight on the implementation of the risk and compliance management framework.	The Audit Department provides independent, risk-based and objective assurance to the Governance Board, Audit and Risk Committee and senior management that the risk and compliance management framework is operating effectively to support the achievement of departmental objectives.

The framework is subject to ongoing review and improvement to ensure it remains effective and aligned with our activities and the external environment. In 2025/26, we strengthened our risk appetite statement, improved the consistency of risk assessment and reporting, and enhanced second line review and challenge. In 2026/27, our focus will be on embedding these improvements consistently across the RBA, including strengthening our approach to obligations management and continuing to develop a more integrated view of risk at an enterprise level.

Risk appetite

Our risk appetite is defined as the amount and type of risk we are willing to accept when pursuing our objectives and strategic priorities.

The risk appetite statement captures our risk appetite across six categories of risk: operational, strategic, financial markets, compliance, people and culture, and public policy development. It reflects our commitment to sound risk management and supports informed decision-making across all levels of the RBA. It is designed to ensure we manage risks in a manner that helps us to achieve our objectives. It does this by setting out expected behaviours and qualitative appetite statements, supported by metrics and risk thresholds.

The risk appetite statement is formally approved by the Governance Board and is monitored regularly to ensure risks remain within appetite, actively monitored and well managed.

Risk profile

We are exposed to a range of risks arising from our policy, operational and financial activities. These risks are managed within a structured framework that supports a consistent approach.

Our risk profile continues to be influenced by the scale of transformation underway – including the strengthening of the Reserve Bank Information and Transfer System (RITS) operating model, modernisation of our technology infrastructure and maturing of our cyber posture, while also rebuilding our head office – and the critical services we provide. To support a structured and consistent approach to risk management, we classify our 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 face a range of operational risks arising from the delivery of critical services, including payments, banking and policy operations. These risks are managed through an enterprise-wide approach. In doing so, we focus on maintaining resilience, protecting our assets and information, and ensuring our services continue to support the Australian financial system and economy. Our operational risks – which are currently heightened and will remain so for two years – include the following:

- **Business operations resilience:** This is a key priority, given the importance of our payment and banking services to the Australian economy. It includes risks to our essential services, business continuity and recovery arrangements, as well as the resilience of supporting technology and processes.

- **Technology risk:** Given our reliance on complex highly integrated IT systems and third-party providers, managing this is important to maintain operational resilience. We continue to develop and embed a more integrated approach across the RBA, informed by industry developments and evolving best practice.
- **Cybersecurity:** We manage the risk of disruption, data compromise or loss due to cyber-attack through ongoing investment in preventative, detective, response and recovery capabilities. These controls are implemented using a layered defence approach, aligned with global industry frameworks and subject to regular assurance. This includes alignment with cyber security guidance issued by the Australian Signals Directorate and the ISO 27001 global standard for information security management.
- **Physical security:** We manage these risks through robust measures to protect our people, premises and assets. They are managed using a proportionate framework that incorporates protective security standards, layered controls, access and monitoring measures, as well as incident management processes that are designed to minimise the likelihood and impact of security threats. Controls are regularly reviewed and tested to ensure they remain effective and aligned with our limited appetite for residual security risk.
- **Supplier management risk:** These arise from our reliance on third-party providers to deliver products and services that are critical to us achieving our objectives and strategic priorities. To strengthen oversight of this risk, we are enhancing our approach to supplier assessment, governance and monitoring, with a particular focus on critical services and material service providers. These enhancements – including clearer accountabilities across the supplier lifecycle, stronger due diligence processes and improved performance monitoring – are designed to embed a consistent, risk-based approach to supplier management and keep supplier risk within our risk appetite. The RBA's significant investment in rebuilding 65 Martin Place, which relies extensively on external suppliers and contractors, is a key driver of current supplier management risk.
- **Model risk:** This arises from the use of quantitative models to inform policy and operational advice and decisions. It can occur if models are not appropriately designed, implemented, maintained and applied. We manage this risk through controls and review processes at key stages of a model's life cycle. We are currently working to formalise more consistent requirements for model life-cycle management.
- **Information and data risk:** We manage this through established governance and life-cycle controls, to support the integrity, availability and appropriate use of information and data. This extends to managing the potential risks from emerging technologies (such as advanced analytics and artificial intelligence) and ensuring secure handling of sensitive information.
- **Climate-related risk:** The risk this poses to our operations is managed in line with the RBA's broader environmental and sustainability frameworks, with physical and transition risks assessed and mitigated as part of our operational planning (see Part 5: Climate-related Disclosures). Assessment of physical climate and transition risks that are relevant to our monetary and financial stability policy decision-making occurs as part of a broader assessment of the risks associated with the framework for policy decision-making (see Part 1.2: Governance and Accountability).

Strategic risk

Strategic risk is the risk that we do not deliver our strategy effectively. This risk is particularly elevated as we undertake a significant transformation program. Large-scale, simultaneous change across the organisation means that competing priorities and finite capacity can put pressure on delivery and cause us to not meet our strategic objectives, do so only with delay and/or only achieve these via changes in scope or higher costs.

To manage this, we have introduced a more disciplined approach to strategic planning and execution. We are carefully prioritising key initiatives, improving sequencing, strengthening oversight and increasing visibility of dependencies across programs. We are also improving how we assess and monitor project-related risks so that potential issues are identified and addressed earlier.

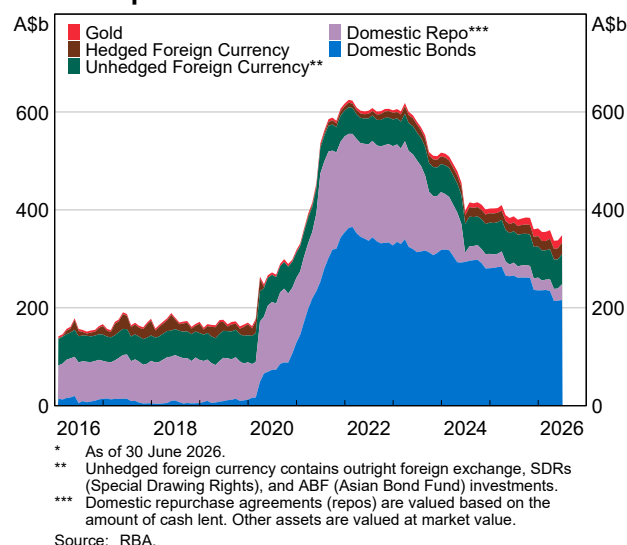
Maintaining public trust is central to our role and underpins our ability to fulfil our mandate. We seek to sustain that trust through clear communication about our decisions and actions, transparency about our performance and accountability for the outcomes we deliver. Our engagement with the community helps us better understand its perspectives (see Part 2.6: Community Engagement). Effective execution of our strategy, coupled with open communication, helps sustain public confidence in our capability and effectiveness.

Innovation remains a key enabler of our strategic agenda. We continue to explore and apply data analytics and emerging technologies responsibly, including the use of AI where appropriate, to enhance our core functions. This work is at an early stage, with current efforts focused on building organisational capability and understanding of potential applications. We actively support innovation by enabling responsible experimentation in line with our risk appetite. In research and policy-related areas, our people have flexibility to explore new tools and approaches in environments separated from core services and operational systems. Governance and oversight are applied proportionately, with stronger controls focused on initiatives that may affect resilience, security or decision-making processes.

Financial markets risk

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 Financial Markets Group manages these risks on a daily basis, in line with the RBA's broader risk and compliance management framework and while keeping exposures within established risk tolerances. Financial risk management is subject to ongoing review and challenge, as is the assessment of financial risks that inform policy settings.

Graph 3.3.1
Composition of RBA Settled Portfolio*



The financial risks that we are exposed to arise from potential changes in exchange rates and interest rates, from our exposure to the creditworthiness of counterparties, and from our need for liquidity.

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 tolerance and the amount of liquid assets required to fulfil our policy objectives (see Part 2.2: Operations in Financial Markets). A small component of our foreign assets is borrowed under swaps against the Australian dollar and is hedged against movements in exchange rates.

The Australian dollar value of our unhedged foreign currency holdings decreased over 2025/26, due to an appreciation of the Australian dollar, reducing exchange rate risk. Based on the size of the unhedged foreign exchange portfolio, as at 30 June 2026, a 10 per cent appreciation of the Australian dollar would result in a mark-to-market loss of \$4.7 billion.¹

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 (fixed rate) domestic bonds between 2020 and 2022, in response to the COVID-19 pandemic. These assets were funded by Exchange Settlement (ES) balances that pay a variable interest rate, set at 10 basis points below the cash rate target (the ES rate).

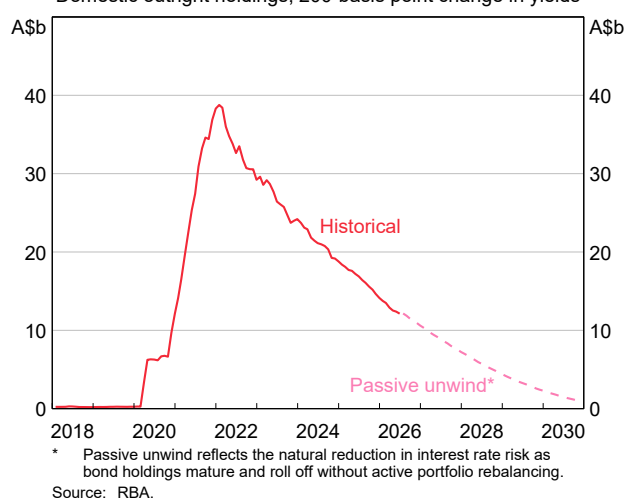
These assets and liabilities have implications for the RBA's balance sheet and earnings:

- **Balance sheet:** our financial assets are revalued daily to reflect changes in market values and portfolio composition. The sensitivity in the value of our bond holdings to changes in interest rates remains historically high but has fallen significantly from its peak in late 2021 (and is expected to continue diminishing as the remaining bond holdings approach maturity; Graph 3.3.2).

Graph 3.3.2

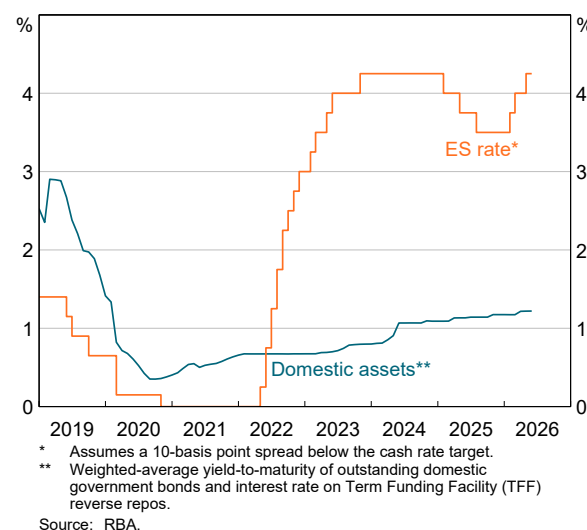
Interest Rate Risk on RBA Portfolio

Domestic outright holdings; 200-basis point change in yields



- **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, and is now well above the rate earned on the bonds (Graph 3.3.3). Earnings in 2025/26 were also weighed down by net valuation losses on our bond holdings arising from an increase in bond yields (see Part 3:4 Earnings, Distribution and Capital).

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 remains low, at 6.75 months.

Banknotes on issue increased to 29 per cent of our liabilities over 2025/26. This mainly reflected a decline in ES account balances and a smaller balance sheet overall. Banknotes on issue (other than those held by banks) incur no interest cost.

Credit risk

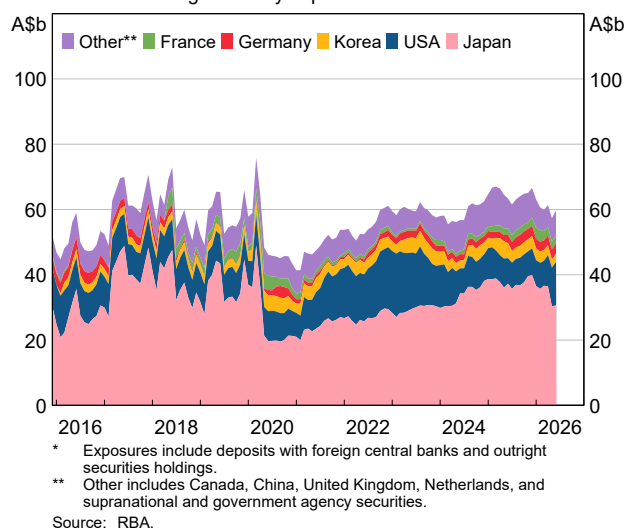
Credit risk is the potential for financial loss arising from the default of a debtor or issuer, or from a decline in asset values following a deterioration in credit quality. We manage our credit exposure by applying a strict set of eligibility criteria to our holdings of financial assets and to the counterparties with whom 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 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

Total Issuer Exposures*

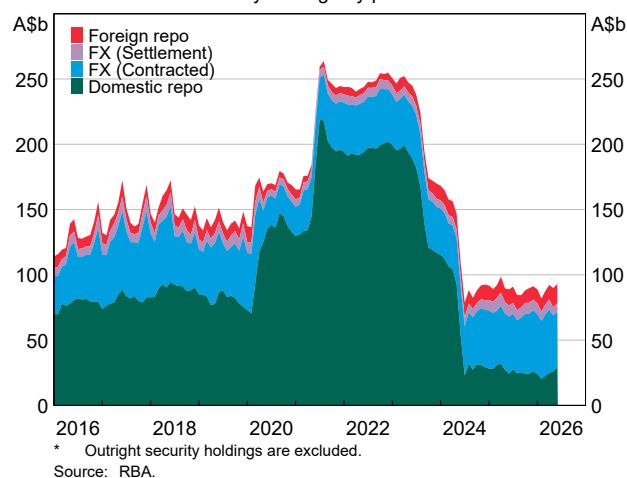
Average monthly exposure to each issuer



Graph 3.3.5

Total Exposures to Counterparties

Monthly average by product*



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 daily. 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 remained largely stable at around \$90 billion since the end of the term funding facility in June 2024 (Graph 3.3.5). As most of our credit exposures are collateralised, the associated credit risk is low.

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 – is 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

Effective management of compliance risk is central to our activities. We manage compliance risk through our control environment and by defining accountabilities across the organisation. Staff complete mandatory annual training in key areas, including workplace behaviour, fraud and corruption awareness, privacy and workplace health and safety.

Obligation management is an area of current focus. We are planning to strengthen how we identify, document and monitor our legal and regulatory obligations, to support clearer accountability across our business areas. Effective obligations management is critical to maintain compliance with applicable legal and regulatory requirements, support consistent decision-making, and provide greater transparency over emerging risks in an increasingly complex regulatory environment.

We maintain a strong focus on safeguarding confidential and sensitive information, with controls in place to prevent unauthorised access or disclosure and to support an effective response if a breach occurs.

We have zero tolerance for fraud and corruption and are committed to preventing and detecting such behaviour. Clear limits govern staff authority in financial dealings. This is supported by segregation of front-, middle- and back-office functions, with separate reporting lines. For non-trading activities, we have multiple layers of controls in place, including defined decision-making hierarchies, segregation of duties, and physical and system controls. These arrangements are subject to regular review.

We also provide mechanisms for staff and members of the public to report concerns, including anonymously and directly to the National Anti-Corruption Commission. We take all reports seriously and investigate them thoroughly. In 2025/26, no instances of fraud or corruption involving our staff were reported to the National Anti-Corruption Commission.

People and culture risk

We adopt a strategic and forward-looking approach to managing people and culture risk, recognising its impact on organisational effectiveness, trust and resilience. The key risks in this category include staff conduct, organisational capability, resourcing, and safety and wellbeing. We manage these through a focus on leadership accountability, workforce capability and culture, all of which is supported by a clear code of conduct that sets expectations for our employees and others involved in our activities. We also maintain accessible and trusted channels for staff to report concerns – including anonymously – so issues can be identified and addressed early.

We are strengthening how people and culture considerations are integrated into our decision-making, performance and risk frameworks, and continue to build leadership capability across the organisation (see Part 3.2: Our People). These efforts support a ‘speak-up’ culture and help us maintain the capability and resources needed to meet our mandate. Together, they contribute to a resilient, inclusive and accountable organisation where risks are actively managed, staff wellbeing is prioritised and organisational performance is strengthened.

Public policy development risk

We actively manage the risks associated with our framework for preparing policy advice and implementing policy decisions. This covers the design of the underlying process, its execution and the internal communication of information (such as decisions from our policy boards). These risks are separate from the risks associated with policy decision-making – namely the specific risks to the outlook for inflation, employment and financial stability that prevail at any point in time – which are managed by the Monetary Policy and Payments System boards.

We continue to improve the management of these policy development risks to ensure we can deliver high-quality analysis and advice. This work includes established quality processes for producing a comprehensive, well-structured, medium-term analytical agenda, the processes to ensure any advice to the Monetary Policy Board is well targeted and thoroughly tested, and systematically exploring how to improve execution against this process under elevated workload pressures.

Endnotes

- 1 This risk is higher – at \$7.0 billion – when we include our holdings of Special Drawing Rights, gold and the Asian Bond Fund.

3.4 Earnings, Distribution and Capital

We recorded an accounting loss of \$8.5 billion in 2025/26 (following an accounting profit of \$11.0 billion in 2024/25). This was mainly due to valuation losses on our domestic bond and foreign exchange holdings, arising from a rise in bond yields, and the appreciation in the Australian dollar.

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 do not pay interest on a proportion of our liabilities, namely banknotes on issue. In recent years, our net interest earnings have been negative. This reflects that most of our domestic assets – which were acquired as part of the RBA's policy measures in response to the COVID-19 pandemic – currently earn fixed rates of return (set during the pandemic) that are much lower than the floating interest rates we pay on our Exchange Settlement (ES) balances (which are linked to the official cash rate target).

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 generally only realised when the underlying asset is sold or matures.

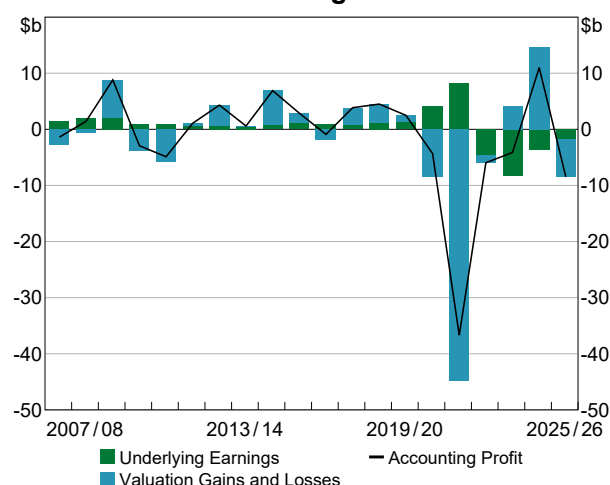
In 2025/26, our accounting loss of \$8.5 billion (Graph 3.4.1) comprised the following:

- **Negative underlying earnings** of \$1.7 billion, as interest expenses and our operating costs exceeded interest income. As noted above, negative net interest earnings reflect the payment of a higher rate on ES balances than we earn on our portfolio of assets. The size of our net interest expense improved compared with the previous year, as the assets acquired during the COVID-19 pandemic continued to mature.
- **Unrealised valuation losses** of \$9.9 billion, because of a rise in domestic government bond yields and an appreciation of the Australian dollar.

- **Realised valuation gains** of \$3.1 billion, including from our foreign exchange swaps and the maturity of domestic government bonds (the cost base of which had been reset lower by the recognition of valuation losses in earlier years).

In accordance with the *Reserve Bank Act 1959*, unrealised valuation losses were absorbed by the unrealised profits reserve. The balance of \$1.4 billion, comprising underlying earnings and realised valuation gains, was available for distribution. Consistent with the Board's proposal, the Treasurer determined that these earnings be applied to reducing accumulated losses on the balance sheet (see Capital and reserves section below).

Graph 3.4.1
Accounting Profit



Source: RBA.

Capital and reserves

The Governance Board has a framework for capital, which aims to ensure there is a sufficient balance in the Reserve Bank Reserve Fund (RBRF) 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 assets. 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 and Compliance 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 2026, the RBRF had a balance of nil, with accumulated losses (unable to be absorbed by the RBRF) of \$33.3 billion.

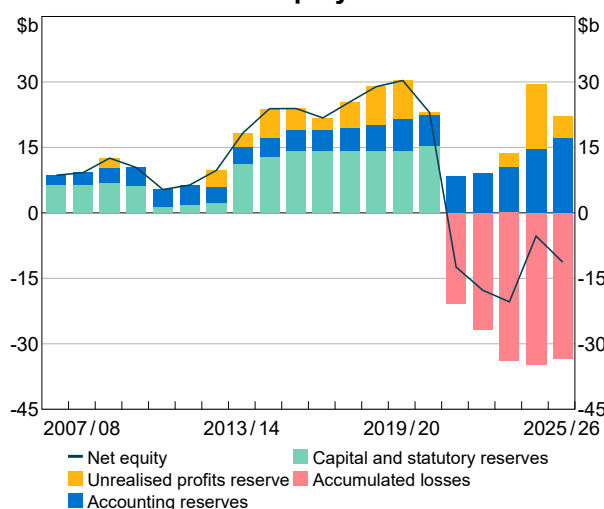
We also maintain several other financial reserves:

- 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 other assets, such as gold and property.

As at 30 June 2026, the RBA had a negative equity position of \$11.3 billion (compared with a negative equity position of \$5.3 billion at 30 June 2025; Graph 3.4.2). The deterioration in our net equity position reflects the accounting loss recorded in 2025/26, partially offset by valuation gains on our 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. Based on market expectations for the cash rate as at 30 June 2026 and market prices and exchange rates at this time, negative equity is expected to diminish over the next few years. However, a return to target for the RBRF probably remains more than a decade away.

Graph 3.4.2
Equity



Source: RBA.

The Governance Board has communicated its expectation to the Australian Government that future distributable earnings would continue to be applied, in full, to offsetting the accumulated losses and then to restoring the balance of the RBRF to target. In response, the Treasurer 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. The Treasurer 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.