



RESERVE BANK OF AUSTRALIA

Annual Report

2026

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:
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The Reserve Bank welcomes comments on this report.
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Annual Report

2026

Reserve Bank of Australia Annual Report 2026

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Letter of Transmittal



RESERVE BANK OF AUSTRALIA

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Michele Bullock
GOVERNOR

10 September 2026

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

Dear Treasurer

RESERVE BANK OF AUSTRALIA ANNUAL REPORT 2026

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 2026 for presentation to the Parliament.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michele Bullock'.

Foreword

I am pleased to present the Reserve Bank of Australia's 2025/26 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 been one of continued change and transformation for the RBA.

It was the first full year of operation for our Governance and Monetary Policy boards, following amendments to the *Reserve Bank Act 1959* that took effect in March 2025. This change in governance structure positions us well to achieve our vision of being an open and dynamic central bank that is trusted for the quality of our analysis, policy and service delivery.

This year we delivered on our commitment to implement the recommendations of the independent review of the RBA, as discussed in our progress report published in December 2025.¹ Together with the Government, we have addressed all recommendations, either as discrete actions or by establishing processes to deliver continuous improvement. Among other benefits, this work has materially strengthened the quality of advice to the Monetary Policy Board. We will continue to build on this work into the future.

This year has also seen us develop and strengthen the crisis management capabilities required to fulfil the new responsibilities bestowed on us by the Parliament over the past two years. These powers cover both financial market infrastructure and, more recently, cash distribution.

Our approach to governance and risk management continues to be transformed. During 2025/26, we began to embed a stronger three lines of accountability risk management structure. We revamped our risk appetite statement and changed many other aspects of how we manage risk. Fully embedding a stronger approach to risk management will remain a priority in the coming year. The Governance Board has strongly encouraged these changes, recognising our need for excellent risk management to navigate safely the complex, demanding and high-risk environment in which we operate.

Resilience of our processes and systems has been an area of particular focus over the past year, reflecting the criticality of the Reserve Bank Information and Transfer System (RITS) and our banking systems for the payments system and broader economy. The Payments System Board's latest assessment of RITS – which highlighted shortcomings in governance, the comprehensive management of risk and operational risk – further strengthened our resolve to address these challenges. Our multi-year program to bolster the resilience of RITS moved into the delivery phase this year. We implemented a new internal operating model with stronger IT controls and testing. We continued to modernise our technology infrastructure. And we have sought to strengthen our cyber resilience, given the damage a successful cyber-attack on the RBA could have on the economy and the elevated threat posed by the release of frontier artificial intelligence (AI) models.



Michele Bullock, Governor

In addition to resilience, we have also been engaged in the redevelopment of our head office at 65 Martin Place, Sydney. The initial plan to create a safe, compliant and modern workplace was disrupted due to the discovery of extensive hazardous material, which has necessitated demolishing the building. This has elevated the complexity and risk of the project.

The scale and complexity of the concurrent work involved in both strengthening our resilience and redeveloping our head office means our operational risk profile is now elevated. We have increased resourcing and implemented appropriate governance mechanisms to ensure these changes are delivered to plan. Nonetheless, we expect our operational risk profile will remain high over the medium term as we implement these changes.

A foundational element of our transformation agenda is the investment in our people and leadership, including by embedding our 'open & dynamic' cultural ambition. We have made significant progress towards our cultural ambition and are committed to ongoing investment in our people to enable them to deliver their best. We made progress in equipping our people with the tools and facilities they will need to thrive into the future. This included providing them with more of the AI tools and training they will need to improve productivity, strengthen resilience and use information effectively when making decisions. All our people now have access to general-purpose AI tools and over 85 per cent of staff use these regularly. Our more advanced AI users also have access to a powerful platform that enables them to experiment and build customised applications.

All this work has been done to achieve the high expectations Australians rightly have for how we will fulfil our responsibilities. Meeting these expectations, while safely navigating the myriad complex risks we currently face and developing expertise in our new crisis management responsibilities, is challenging. But we are committed to achieving these aims as efficiently and effectively as possible.

Throughout our transformation, we have remained focused on fulfilling our core responsibilities. Most notably this year:

- **Monetary policy:** Inflation picked up again in 2025/26, reflecting tighter-than-expected capacity constraints as demand growth lifted through the second half of 2025 and productivity growth remained persistently weak. Rising international cost pressures (from the Middle East conflict and the global AI investment boom) also contributed to the rise in inflation this year. Labour market conditions eased somewhat but are judged to remain a little tighter than is consistent with the Monetary Policy Board's full employment objective. In response, the Board increased the cash rate target three times in the first half of 2026.
- **Financial stability:** The financial system operated effectively throughout the year and is likely to remain resilient in the face of plausible future shocks. We are grateful for the close cooperation and collaboration with other members of the Council of Financial Regulators in supporting the maintenance of financial stability.

- **Payments policy:** The Payments System Board's 2025/26 Annual Report covers developments relating to payments system policy.² It highlights what the RBA has done to strengthen the resilience of the payments system, promote a competitive, accessible and innovative payment system, and advance initiatives related to the future of money.
- **RITS settlement services:** RITS operated highly effectively for most of the year, processing more than \$300 billion of settlements per day on average. However, it fell short of its full-year operating availability target because of an outage on 26 January. We are resolved to mitigate the risk of something like this recurring and are working to address the root causes of the incident.
- **Banking services:** We continued to provide high-quality banking services to the Australian Government and over 100 of its agencies. We processed more than 500 million payments and collections worth over \$1.7 trillion on their behalf. And we progressed work to modernise and strengthen the resilience of those services. This included enhancing payments reporting processes to meet modern, efficient messaging standards and progressing work to facilitate the delivery of Confirmation of Payee services in 2026/27.
- **Note issuance:** We worked closely with government agencies and industry participants to support the long-term sustainability, resilience and accessibility of cash distribution throughout Australia. This work will be supported by the recent passage of legislation that provides us with powers to help resolve a crisis in the cash distribution system. We also progressed work on the redesign of the \$5 banknote and responded to an increase in the incidence of banknote counterfeiting.

In all our work, we remain committed to being transparent, accountable and engaged with the Australian community. This annual report is one part of that commitment. Another is our continued efforts to expand how we listen to the public and communicate with them in accessible and engaging ways.

Turning to our financial performance, the RBA recorded an accounting loss of \$8.5 billion in 2025/26, following an \$11.0 billion profit the year prior. This outcome primarily reflected unrealised valuation losses arising from higher bond yields and an appreciation of the Australian dollar. Underlying earnings remained negative, as most of our domestic assets continued to earn at lower interest rates than what we pay on Exchange Settlement balances, but we expect this to reverse over coming years. The accounting loss reduced our equity position to –\$11.3 billion as at 30 June 2026. This negative position does not affect our operations, nor our ability to perform our policy functions, but the Governance Board considers it important that the RBA's capital be restored over time. The Treasurer has indicated his continued support for this approach, while noting that a determination about retention of earnings is made each year.

The achievements described throughout this report required a substantial effort from our staff. The Governance Board and I are deeply grateful for their professionalism, dedication and commitment to public service. Their work has enabled us to keep serving the Australian people while simultaneously strengthening our capacity to meet our objectives into the future. The Board joins me in thanking them wholeheartedly for their contribution during the year.



Michele Bullock

Governor and Chair of the Governance Board

10 September 2026

Endnotes

- 1 See RBA (2025), 'RBA Review Progress Report', December.
- 2 PSB (2026), 'Payments System Board Annual Report 2026', September.

The background of the slide is an abstract composition. On the left, there is a large, vertical white rectangle. To its right, the background is filled with a complex, layered texture. This texture consists of various shades of brown, tan, and grey, with some areas appearing more solid and others more fragmented or peeling, creating a sense of depth and organic growth. The overall effect is reminiscent of a cross-section of a tree trunk or a geological strata.

Part 1:

About the Reserve Bank

1.1 Our Role

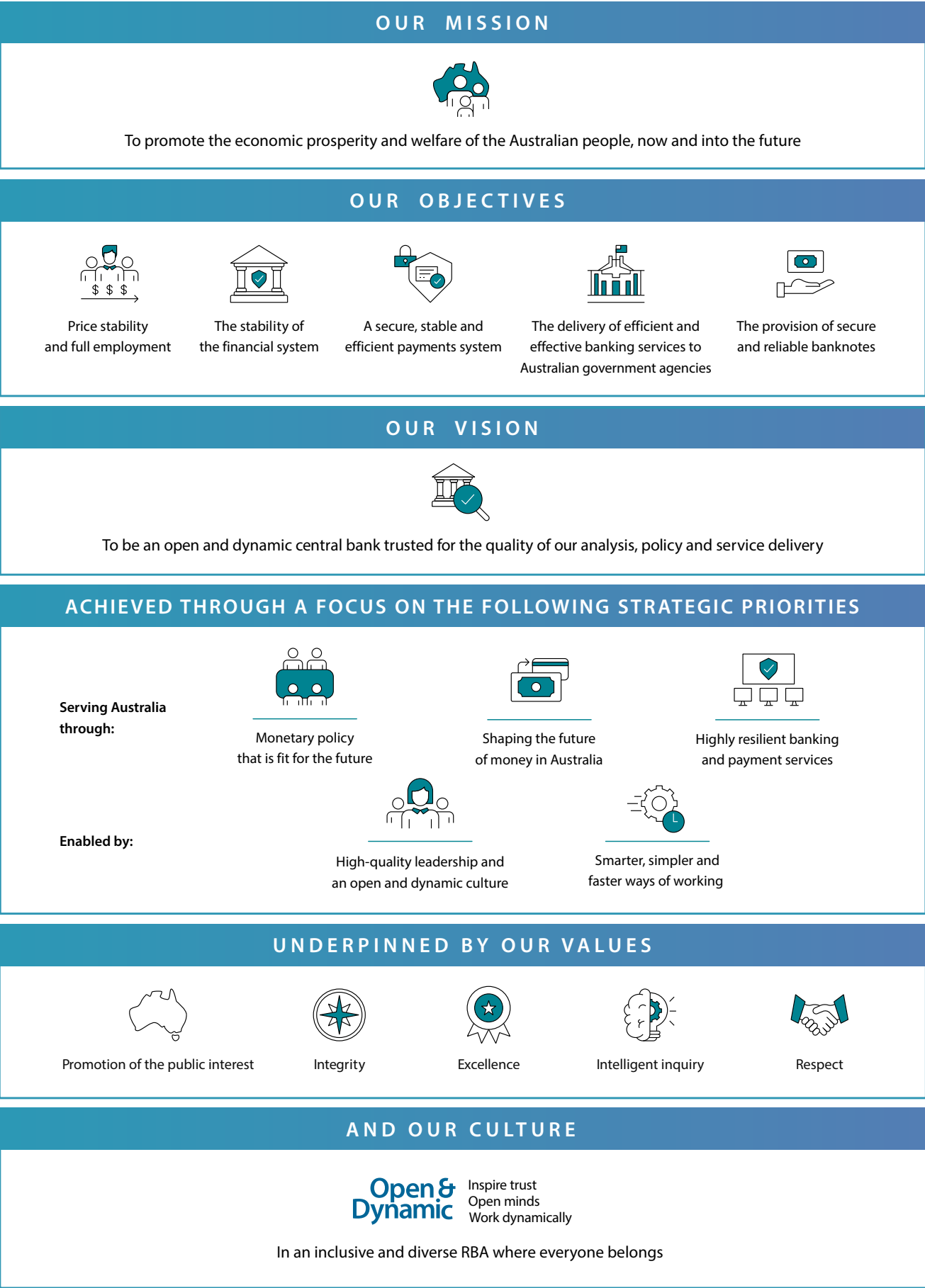
The Reserve Bank of Australia (RBA) is Australia's central bank, as established under the *Reserve Bank Act 1959*. The RBA has five broad responsibilities:

- 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 2026/27 Corporate Plan.¹ These are shown in Figure 1.1.1.

Figure 1.1.1: RBA Corporate Plan



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 financial markets. Operations in financial markets can also be undertaken, when necessary, to ensure the stable functioning of the financial system.

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 growth and innovation. 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 them
- 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 (ACCC), the Australian Financial Security Authority, the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Taxation Office (ATO) 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

- crisis management powers in support of the cash distribution system.

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. This is used by banks and other approved financial institutions to settle their payment obligations efficiently on a real-time, gross settlement basis. Settling in real time 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 RITS against 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 (2026), 'Corporate Plan 2026/27', August.
- 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, Monetary Policy Board and 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

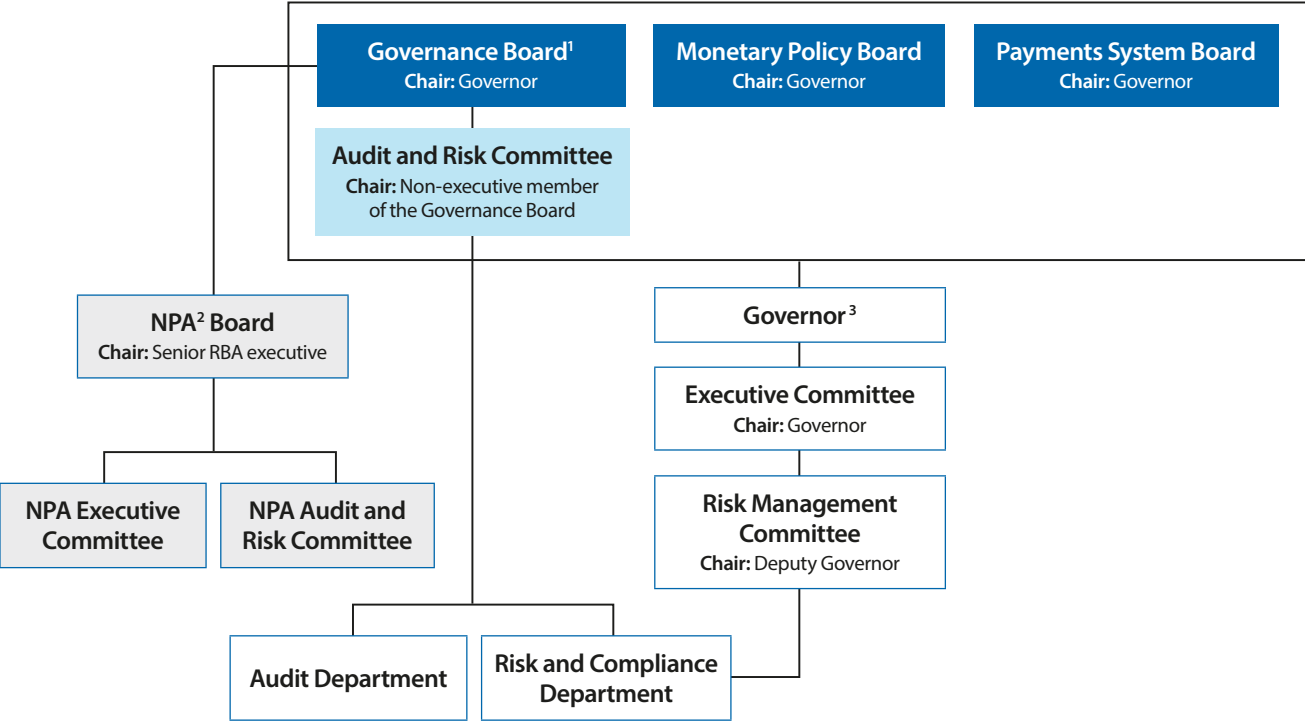
The RBA is a body corporate distinct from the Commonwealth of Australia. This body corporate, established under the *Commonwealth Bank Act 1911* and continued in existence under the *Commonwealth Bank Act 1945*, was preserved with the name 'Reserve Bank of Australia' under the *Reserve Bank Act 1959*.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

Under the Reserve Bank Act, the RBA is managed by the Governor, who also currently 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 the 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 appointed by the Governance Board and operates under a charter reviewed and approved by the Governance Board.

Figure 1.2.1: RBA Governance Structure
August 2026



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 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 generally held at the RBA’s temporary head office in Sydney (as is the case for all our boards). Six meetings were held in 2025/26, one of which was an *ad hoc* meeting in October 2025. Attendance by members is shown in Table 1.2.1.

Table 1.2.1: Governance Board Meetings – 2025/26

Attendance by members

Member	Role	Term	Meetings attended	Eligible meetings ^(a)
Michele Bullock	Chair; Governor	Governor – Sep 2023 Chair – Mar 2025 – Sep 2030	6	6
Carol Schwartz	Deputy Chair	Mar 2025 – Feb 2027	5	6
Andrew Hauser	Ex officio; Deputy Governor	Deputy Governor – Feb 2024 Ex officio – Mar 2025 – Feb 2029	5	6
Susan Woods	Ex officio; Chief Operating Officer	COO – Mar 2024 Ex officio – Mar 2025 – Feb 2030	6	6
Swati Dave	Non-executive	Mar 2025 – Aug 2029	6	6
Danny Gilbert	Non-executive	Mar 2025 – Feb 2030	6	6
Elana Rubin	Non-executive	Mar 2025 – Aug 2028	5	6
David Thodey	Non-executive	Mar 2025 – Aug 2029	6	6
Jennifer Westacott	Non-executive	Mar 2025 – Feb 2030	5	6

(a) Eligible meetings during the year include one ad hoc meeting.

Source: RBA.



Governance Board members at their meeting in June 2026.

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

Absent – Deputy Chair Carol Schwartz AO. Source: RBA.

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

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 four meetings in 2025/26, with some members participating remotely on some occasions. Attendance by members is shown in Table 1.2.2.

Table 1.2.2: Audit and Risk Committee Meetings – 2025/26

Attendance by members

Member	Role	Term	Meetings attended	Eligible meetings
David Thodey ^(a)	Chair	Mar 2025 – Aug 2029	4	4
Rahoul Chowdry ^(b)	Non-executive	Mar 2025 – Sep 2025	1	1
Greg Couttas ^(b)	Non-executive	Mar 2025 – Sep 2025	1	1
Swati Dave ^(a)	Non-executive	Mar 2025 – Aug 2029	4	4
Danny Gilbert ^(a)	Non-executive	Mar 2025 – Feb 2030	3	4
Elana Rubin ^(a)	Non-executive	Mar 2025 – Aug 2028	3	4

(a) Member of the Governance Board.

(b) The appointments of Rahoul Chowdry and Greg Couttas as non-executive members of the Audit and Risk Committee concluded on 9 September 2025.
Source: RBA.

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. The Governor attends some meetings of the Audit and Risk Committee.

At its meeting on 1 September 2026, the Audit and Risk Committee considered, and agreed to endorse, the RBA's draft consolidated financial statements for the year ended 30 June 2026 for presentation to the Governance Board.

The Audit and Risk Committee meets at least annually with just the external auditors, without RBA management present. It also meets at least annually with the Head of Audit Department, and with the Chief Risk Officer, in both cases 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. Nine meetings were held in 2025/26. Attendance by members is shown in Table 1.2.3.

Table 1.2.3: Monetary Policy Board Meetings – 2025/26

Attendance by members

Member	Role	Term	Meetings attended	Eligible meetings
Michele Bullock	Chair; Governor	Governor – Sep 2023 Chair – Mar 2025 – Sep 2030	9	9
Andrew Hauser	Deputy Chair; Deputy Governor; Ex officio	Deputy Governor – Feb 2024 Ex officio – Mar 2025 – Feb 2029	9	9
Marnie Baker	Non-executive member	Mar 2025 – Feb 2030	9	9
Renée Fry-McKibbin	Non-executive member	Mar 2025 – Feb 2030	9	9
Ian Harper	Non-executive member	Mar 2025 – Aug 2026	9	9
Carolyn Hewson	Non-executive member	Mar 2025 – Feb 2027	9	9
Bruce Preston ^(a)	Non-executive member	Mar 2026 – Feb 2031	3	3
Iain Ross	Non-executive member	Mar 2025 – Aug 2028	9	9
Alison Watkins ^(a)	Non-executive member	Mar 2025 – Feb 2026	6	6
Jenny Wilkinson ^(b)	Ex-officio member	Jun 2025 –	9	9

(a) Alison Watkins' term as an external member of the Monetary Policy Board concluded on 28 February 2026. She was replaced by Bruce Preston, who commenced his appointment on 1 March 2026.

(b) Jenny Wilkinson serves as a member of the Monetary Policy Board while she holds office as Secretary to the Australian Treasury.

Source: RBA.



Monetary Policy Board members at their meeting in June 2026.

From left to right: Back row – Anthony Dickman (Reserve Bank Secretary), Jenny Wilkinson PSM, Ian Harper AO, Marnie Baker AM, Renée Fry-McKibbin, Iain Ross AO. Front row – Carolyn Hewson AO, Bruce Preston, Governor Michele Bullock, Deputy Governor Andrew Hauser. 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:
 - controlling risk in the financial system
 - promoting the efficiency of the payments system
 - 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
- ensuring the RBA's functions and powers under the cash distribution framework (dealing with events that may threaten the continuity of critical cash distribution services) are performed and exercised in a way that, in the Board's opinion, best contributes to the availability of cash in Australia.

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. Five meetings were held in 2025/26, one of which was an *ad hoc* meeting in January 2026. Attendance by members is shown in Table 1.2.4.

Table 1.2.4: Payments System Board Meetings – 2025/26

Attendance by members

Member	Role	Term	Meetings attended	Eligible meetings ^(a)
Michele Bullock	Chair; Governor	Sep 2023 – Sep 2030	5	5
Brad Jones	Deputy Chair; RBA representative	Jan 2024 –	5	5
John Lonsdale	APRA representative	Nov 2022 –	5	5
Ross Buckley	Non-executive member	Aug 2023 – Jul 2028	5	5
Gina Cass-Gottlieb ^(b)	Non-executive member	Jul 2013 – Jul 2028	3	5
Michelle Deaker	Non-executive member	Aug 2023 – Jul 2028	5	5
Scott Farrell	Non-executive member	Mar 2022 – Mar 2027	5	5
Deborah Ralston ^(c)	Non-executive member	Dec 2016 – Dec 2026	5	5

(a) Eligible meetings during the year include one *ad hoc* meeting.

(b) Gina Cass-Gottlieb was reappointed for a second term on 1 August 2018 and for a third term on 1 August 2023.

(c) Deborah Ralston was reappointed for a second term on 15 December 2021.

Source: RBA.



Payments System Board members at their meeting in August 2026.

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

Source: RBA.

Note Printing Australia Limited

NPA is a wholly owned subsidiary of the RBA, operating under a charter approved 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. Following the establishment of the Governance Board in March 2025, appointments are now made by the Governance Board. As at 30 June 2026, 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), as Deputy Chair

- David Martin, a non-executive 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 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, a non-executive 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, under the Reserve Bank Act each member is required 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 significant 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,⁸ 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.

The current codes of conduct for members of the RBA's three boards were approved by the respective boards in the first half of 2025. They will next be reviewed in mid-2027.

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. During 2025/26, these reviews took place in November 2025 (for the Payments System Board) and June 2026 (for the Monetary Policy Board). In both cases, the boards concluded that appropriate controls were largely in place but, in some specific cases, should be strengthened. The key risks considered by each board, and how the policy boards' reviews interact with the Governance Board's broader role in overseeing the RBA's risk management framework, are discussed in Part 3.3: Risk and Compliance Management.

Each of the three boards assesses their performance and the fulfilment of their responsibilities under their charters annually. The Governance Board's review includes an assessment of the Audit and Risk Committee's performance and will be externally facilitated every three years. Over the past year, the following reviews occurred:

- The Governance Board and the Audit and Risk Committee undertook their first annual formal charter fulfilment reviews in June and May respectively. The reviews concluded that in their initial year of operation both the Board and the Audit and Risk Committee discharged their charter obligations or established appropriate arrangements where obligations are not annual. No material concerns were identified.
- The Governance Board conducted its first annual review of its own operation and processes in September 2026 and that of the Audit and Risk Committee, based on a survey of Board members in mid-2026. It concluded that Board and Committee processes were functioning effectively and considered areas for improvement.
- The Monetary Policy Board conducted its first annual review of its own operation and processes in August 2026, based on a survey of Board members in mid-2026. It concluded that board processes were functioning effectively. Members indicated their openness to more extensive discussion of broader long-term issues, alternative views and scenarios.
- The Payments System Board conducted its regular annual review of its own operation and processes in August 2026, based on a survey of Board members in mid-2026. It concluded that its processes were functioning effectively.

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.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 most recent audit was conducted in June 2025.

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 This occurred most recently in June 2026.¹³

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 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.

In addition to the induction program for Governance Board members, information sessions are held several times a year to help members develop their understanding of key aspects of the RBA's operations and management frameworks.

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 reviews 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.

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.

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 Innovia 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 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 the *Legal Services Directions 2025*. 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 2025/26.

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 also, 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 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 and senior executives also meet regularly with the House of Representatives Standing Committee on Economics.

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 2025/26 are shown in Table 1.2.5.

In 2025/26, 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 1.2.5 provides details of all public parliamentary appearances.

Table 1.2.5: Parliamentary Appearances by RBA Staff – 2025/26

Date	Committee/Inquiry	Staff attending
22 September 2025	House of Representatives Standing Committee on Economics Inquiry into the Review of the Reserve Bank of Australia Annual Report 2024	Michele Bullock, Governor Sarah Hunter, Assistant Governor (Economic) Brad Jones, Assistant Governor (Financial System) Christopher Kent, Assistant Governor (Financial Markets)
10 October 2025	Senate Economics Legislation Committee Supplementary Budget Estimates 2025/26	Michele Bullock, Governor Christopher Kent, Assistant Governor (Financial Markets)
3 December 2025	Senate Economics Legislation Committee Supplementary Budget Estimates 2025/26	Michele Bullock, Governor Christopher Kent, Assistant Governor (Financial Markets)
6 February 2026	House of Representatives Standing Committee on Economics Inquiry into the Review of the Reserve Bank of Australia Annual Report 2025	Michele Bullock, Governor Andrew Hauser, Deputy Governor Sarah Hunter, Assistant Governor (Economic) Brad Jones, Assistant Governor (Financial System) Christopher Kent, Assistant Governor (Financial Markets)
12 February 2026	Senate Economics Legislation Committee Additional Budget Estimates 2025/26	Michele Bullock, Governor Christopher Kent, Assistant Governor (Financial Markets)
24 February 2026	House of Representatives Standing Committee on Economics Inquiry into Schemes, Digital Wallets and Innovation in the Payments Sector	Ellis Connolly, Head of Payments Policy Department Rhonda Luo, Senior Manager, Payments Policy Department
22 April 2026	Senate Select Committee on Productivity in Australia	Sarah Hunter, Assistant Governor (Economic) Michael Plumb, Head of Economic Analysis Department
4 June 2026	Senate Economics Legislation Committee Budget Estimates 2026/27	Michele Bullock, Governor Sarah Hunter, Assistant Governor (Economic) Christopher Kent, Assistant Governor (Financial Markets)

Source: RBA.

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. We also engage with the community through our regional and industry liaison program and with the economics profession, financial institutions and financial market and payments industry participants through various other means. 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 2026.

Review of the Reserve Bank

We continued our work to implement the recommendations of the 2023 Review of the RBA during 2025/26. The Review made 51 recommendations aimed at strengthening the RBA's monetary policy framework, governance arrangements, transparency, accountability and culture.¹⁴ In response, we have undertaken a broad program of reform to modernise our governance, decision-making and operational practices, while continuing to deliver on our policy and operational responsibilities. These reforms have been a key component of our broader transformation agenda.

In December 2025, we published a progress report outlining implementation of the Review's recommendations and efforts to embed lasting organisational change.¹⁵ This documented that we have completed or substantially progressed all recommendations, and that our focus has shifted to embedding the reforms and realising their benefits over the longer term.

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 our website.¹⁶

Table 1.2.6 details the number and outcome of FOI requests received and finalised during 2025/26. Nine requests remained outstanding at the end of the financial year; of these, eight were answered in July and August 2026. One request remains outstanding. 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. There was a substantial increase in requests received this year (112, compared with 42 requests in 2024/25 and no more than 66 in any prior year).

Table 1.2.6: Freedom of Information Requests – 2025/26

	Number
Requests received	112
<i>Of which:</i>	
– Granted in full	5
– Granted in part	38
– Denied	4
– No relevant documents found	19
– Withdrawn	37
– Transferred	0

Source: RBA.

Seven applications were received for the internal review of an FOI decision made by the RBA in 2025/26. The original decision made was affirmed on review in relation to three requests, while increased access to documents was provided in relation to three requests and one request remained outstanding at the end of the reporting period. Twelve applications for Information Commissioner Review of a decision were made to the Office of the Australian Information Commissioner (OAIC). One application was commenced but discontinued by the OAIC owing to the applicant's non-compliance with the requirements of the FOI Act. The remaining 11 reviews were being processed by the OAIC at the end of the financial year.

The estimated time and cost of administering the FOI Act are set out in Table 1.2.7.

Table 1.2.7: Freedom of Information Requests (Staff Time and Processing Costs)

	2024/25	2025/26
Time spent (hours)	582	1,568
Total cost of administering FOI Act (\$)	88,000	597,225

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 2025/26 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 2025’, on 18 December 2025
- ‘Interim Report on Key Financial Controls of Major Entities’, on 25 June 2026.

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 2025/26, the RBA received no directions from the responsible minister (the Treasurer) or from any other minister.

Government policy orders

During 2025/26, no government policy orders under section 22 of the PGPA Act applied to the RBA.

Compliance with finance law

During 2026/26, 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 2025/26.

Significant activities or changes affecting the RBA

Significant changes to our structure are discussed in Part 1.6: Operational Structure.

Judicial decisions or decisions of administrative tribunals

During 2025/26, 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 These statements of expectations can be found at 'Statement of Expectations – Governance Board of the Reserve Bank' and 'Statement of Expectations – Payments System Board'. The corresponding statements of intent can be found at 'Statement of Intent of the Governance Board' and 'Statement of Intent of the Payments System 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 (2026), 'Assessment of Reserve Bank Information and Transfer System', June.
- 14 Australian Government (2023), 'An RBA Fit for the Future', Final Report, April.
- 15 RBA (2025), 'An RBA Fit for the Future: Progress Report on the Review of the Reserve Bank of Australia', December.
- 16 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 non-executive members appointed by the Treasurer. The Board has an Audit and Risk Committee.

Board members as at August 2026

Michele Bullock

BEC (Hons) (UNE), MSc Economics (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;
Financial Stability Board Cross-border Payments Coordination Group

Chair – BIS Irving Fisher Committee on Central Bank Statistics

Chair – BIS Asian Consultative Council

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 – Grattan Institute

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 commenced as Deputy Governor on 12 February 2024. He served as Deputy Chair of 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 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 member 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

Deputy Chair – 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 – 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 – Advisory Board, monō ai

Member – Global Foundation Advisory Committee

Member – 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 Telstra, 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 CISI (previously Financial Services Institute of Australasia) and a member of Chief Executive Women.

Other roles

Chair – Airwallex Australia

Chair – Australian Business Growth Fund

Chair – Infoxchange

Non-executive director – Dexu Funds Management Ltd

Non-executive director – WestConnex/Sydney Transport Partners

Member – 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

Director – Committee for Sydney

Chair – 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

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 the early months of 2025/26, 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

Term ended 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

Term ended 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 Australian 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.

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 non-executive members appointed by the Treasurer.

Board members as at August 2026¹

Michele Bullock

BEC (Hons) (UNE), MSc Economics (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;
Financial Stability Board Cross-border Payments Coordination Group

Chair – BIS Irving Fisher Committee on Central Bank Statistics

Chair – BIS Asian Consultative Council

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 commenced on 12 February 2024. He commenced as Deputy Chair of the Monetary Policy Board on 1 March 2025. He previously served on the Reserve Bank Board as Deputy Chair from 12 February 2024 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 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 Chief 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 Pty Ltd

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 and Director of 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 a director 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

Distinguished Professor – Crawford School of Public Policy – College of Law, Governance and Policy, Australian National University

Director, Centre for Applied Macroeconomic Analysis, 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 from 1 March 2025 to 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 Chair 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) and then as a partner of Deloitte Touche Tohmatsu (2011–2016). He served as Dean and Director of the Melbourne Business School from March 2018 to December 2023. In 2000, he was elected a Fellow of the Academy of the Social Sciences in Australia and, in 2009, 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

Director – Arrow Leadership Australia Limited

Director – Melbourne Anglican Foundation Limited

Member – Kearney (Australia and New Zealand) Advisory Group

Member – Contemplative Studies Centre Advisory Board, University of Melbourne

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

Bruce Preston

BEC (Hons) (ANU), MA (Princeton), PhD (Princeton)



Non-executive member

Member since 1 March 2026

Present term ends 28 February 2031

Bruce Preston is a Professor of Economics at the University of New South Wales (UNSW) and a Fellow of the Econometric Society and of the Academy of Social Sciences in Australia. His research focuses on macroeconomic theory and policy, particularly the design and evaluation of monetary and fiscal frameworks under uncertainty. He has published in journals such as the *American Economic Review*, *Journal of Political Economy*, *American Economic Journal: Macroeconomics* and *Journal of Monetary Economics*. Before joining UNSW, Dr Preston held academic positions at the University of Melbourne, Monash University and Columbia University in New York.

Other roles

Professor of Economics – University of New South Wales Business School

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 (ILO) Committee of Experts on the Application of Conventions and Recommendations

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

Retirements from the Board

Alison Watkins retired from the Monetary Policy Board on 28 February 2026.

Ian Harper retired from the Monetary Policy Board on 31 August 2026.

Alison Watkins AM

BCom (Tasmania)



Non-executive member

Member from 1 March 2025 to 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 – Qantas Airways Ltd

Non-executive director – Wesfarmers Ltd

Resolution passed by the Monetary Policy Board – 2 February 2026

On the occasion of her final meeting, members acknowledged Alison Watkins' distinguished public service on the Reserve Bank Board and its successor, the Monetary Policy Board, over the preceding five years. On behalf of all members, the Governor expressed appreciation for Ms Watkins' contributions to the Board's deliberations, noting the insights she brought through her extensive experience in finance and in business in a range of sectors. The Governor thanked Ms Watkins for her constructive approach to the conduct of monetary policy and for her thoughtful engagement in the Board's deliberations. The Governor also acknowledged the strong support of Ms Watkins for the Bank's internal audit and risk

functions through her contribution as Chair of the former Reserve Bank Board Audit Committee (for 18 months until the end of February 2025) and a member since February 2021. Members thanked Ms Watkins for her dedicated service to the Bank and the nation and wished her well in the future.

Ian Harper AO

Professor Harper was a member until 31 August 2026, when his term on the Monetary Policy Board ended. See above for Professor Harper's professional details.

Resolution passed by the Monetary Policy Board – 10 August 2026

On the occasion of his final meeting, members paid tribute to Ian Harper AO's distinguished public service on the Reserve Bank Board and, subsequently, the Monetary Policy Board over the preceding decade. On behalf of all members, the Governor expressed appreciation for Professor Harper's intellectual rigour and incisive contributions to the boards' deliberations, noting the valuable insights he brought through his extensive experience in academia, public policy development and economic consulting. The Governor thanked Professor Harper for his constructive and probing approach to monetary policy, as well as for his broader support of the Bank. The Governor also acknowledged his contribution as a member of the former Reserve Bank Board Remuneration Committee from August 2016 to February 2025. Members thanked Professor Harper for his dedicated service to the Bank and the nation and wished him well for the future.

Endnotes

- 1 On 14 August 2026, the Treasurer announced the appointment by the Australian Government of Melinda Cilento as a non-executive member of the Monetary Policy Board for a five-year term from 1 September 2026. Ms Cilento replaces Ian Harper AO, whose term ended on 31 August 2026. Ms Cilento is Chief Executive Officer of the Committee for Economic Development of Australia.

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 non-executive members appointed by the Treasurer.

Board members as at August 2026

Michele Bullock

BEd (Hons) (UNE), MSc Economics (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;
Financial Stability Board Cross-border Payments Coordination Group

Chair – BIS Irving Fisher Committee on Central Bank Statistics

Chair – BIS Asian Consultative Council

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

Member – Financial Stability Board Standing Committee on Assessment of Vulnerabilities

Chair – RBA Financial Market Infrastructure Review Committee

Ross Buckley

BEcon, 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 the regulation of fintech and tokenised currencies and assets. 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 and regulators in many nations and advised and written reports for some 40 international institutions, including the Alliance for Financial Inclusion, Asian Development Bank, Bank for International Settlements, European Commission and United Nations Capital Development Fund.

Other roles

Strategic Research Advisor – Digital Finance Cooperative Research Centre
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

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 current Managing Partner of OneVentures, a venture capital firm with over \$1 billion in funds under management that specialises in technology and healthcare investment. 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

Managing Partner – 1V Partnership

Director – Buildkite

Director – Vaxxas Pty Ltd

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 – Mallesons

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

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

Data Standards Chair – Consumer Data Right and Digital ID

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

BEd, Dip Fin Mgt, MEd (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. Her current appointments include Guardian of the Future Fund, non-executive director of the Digital Finance Cooperative Research Centre, and Chair of the Household Capital Advisory Board.

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 has been 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

Professorial Fellow – Monash University

Chair – Advisory Board, Household Capital

Non-executive director – Digital Finance Cooperative Research Centre

Member – Advisory Board, Connexus Institute

Member – Future Fund Board of Guardians

Member – Expert Panel – Mortgage Stress Victoria

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 supporting departments and another department established temporarily to lead key elements of the transformation of the RBA that is currently underway.

In 2025/26, we closed one temporary department and created another:

- The Future Hub – a temporary department established to coordinate and govern our response to the 2023 Review of the RBA and the enterprise-wide response to recommendations of the independent review of the October 2022 Reserve Bank Information and Transfer System (RITS) outage – largely completed its work by 30 June 2026.
- Another temporary department – 65MP – was created in April 2026. This was in recognition of the strategic importance, scale and complexity of the work involved in renovating our head office.

Business Services Group

Business Services Group provides transaction-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 domestic and overseas economic trends, producing forecasts of the economic outlook, and conducting and supporting research on a range of topics and areas relevant to the RBA's functions, particularly monetary policy. The group comprises Economic Analysis Department and Economic Research Department.

Economic Analysis Department

Economic Analysis Department monitors and analyses conditions and produces forecasts for the domestic and international economies, providing 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 produces external reports and speeches, 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, various other RBA publications, and in national and international journals. They are also presented at various conferences and workshops. The department organises a major annual conference, an annual research workshop, smaller joint conferences, a program of internal seminars and the hosting of several invited visitors each year. It is responsible for

administering a comprehensive library service for the RBA. And it includes the Data Science Hub, which is responsible for developing bespoke data analytic and AI solutions for the whole of 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 eight departments: Core Modernisation, Enterprise Strategy and Change, Finance, Information Technology, Knowledge Management, People, Workplace and 65MP.

Core Modernisation Department

Core Modernisation Department is a temporary department 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, 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 administering the strategic planning framework at the RBA and coordinating and overseeing its development and delivery. The department also oversees the RBA's enterprise project portfolio, delivers IT-enabled enterprise change projects and coordinates enterprise workload prioritisation activities.

Finance Department

Finance Department is responsible for our financial statements and taxation reporting obligations. It prepares the annual financial plan and oversees performance against it. It also provides a range of support services, including corporate payments, payroll, procurement and vendor management, 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 develops and oversees the implementation of the enterprise technology strategy, 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. This includes designing and implementing our approach to the adoption of artificial intelligence. 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.

65MP Department

The 65MP Department is a temporary department established to oversee the redevelopment of the RBA's head office at 65 Martin Place in the Sydney CBD. The department's role is to manage the end-to-end delivery of the work, including planning, design, construction and fit-out activities. The department also manages third-party service providers, stakeholders, risks and commercial activities, to ensure the successful delivery of an enduring asset that will support the RBA's needs into the future.

Financial Markets Group

Financial Markets Group is responsible for implementing operations in domestic and foreign exchange markets, monitoring developments in financial markets, advising the Monetary Policy Board on these issues 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, including to implement monetary policy. The department also 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 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, the oversight of critical payment system infrastructures, and for resolving threats to the cash distribution system. 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 internal and external 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 collaborates with other policy departments to identify priority issues and provide 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 owns and supports the consistent and effective application of the risk and compliance management framework, enabling effective management of risk and compliance across the RBA. Led by the Chief Risk Officer, who reports to the Deputy Governor and the Audit and Risk Committee, the department provides support and guidance to departments to help them identify, understand and manage their risks and compliance obligations. It also ensures the RBA maintains a clear and reliable view of its overall risk profile. The department provides secretariat and coordination services, as well as advice, to the Risk Management 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, arranges RBA-hosted international conferences and coordinates responses to Freedom of Information requests.

Legal Department

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.

Payments Operations Program

The Payments Operations Program is a temporary department that leads our work to implement the recommendations of the Deloitte review of the October 2022 RITS outage, apart from the recommendations related to organisational culture, the risk management framework and governance arrangements, which were 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 processes and knowledge management processes and artefacts.

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 2026, NPA employed 306 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

August 2026



Governor
Michele Bullock



Deputy Governor
Andrew Hauser



Chief Operating Officer
Susan Woods



Assistant Governor
Business Services
Michelle McPhee



Assistant Governor
Economic
Sarah Hunter

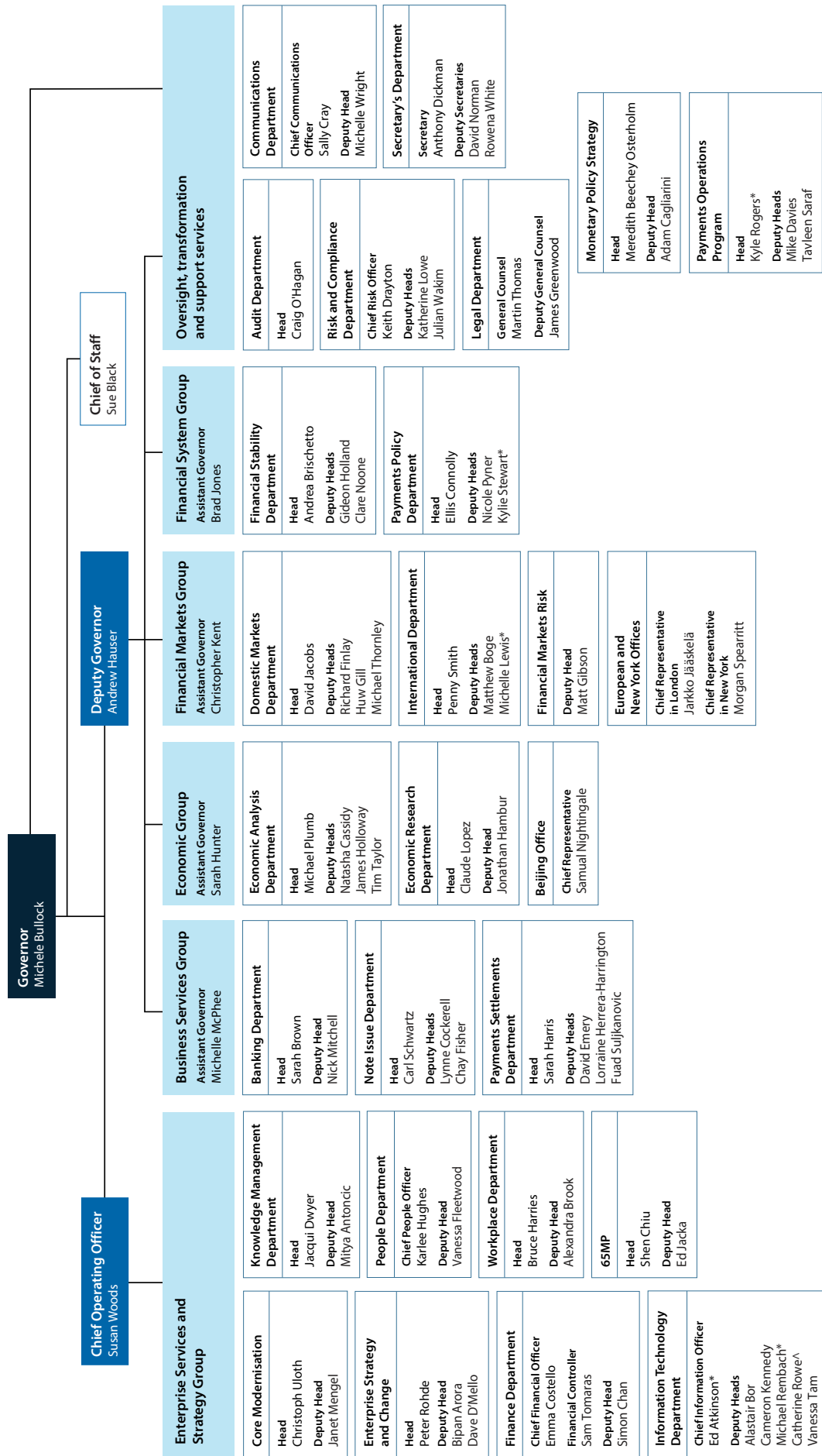


Assistant Governor
Financial Markets
Christopher Kent



Assistant Governor
Financial System
Brad Jones

Figure 1.6.1: Operational Structure
August 2026



* Acting

^ Chief Information Security Officer

Part 2:

Performance



2.1 Annual Performance Statement

Annual Performance Statement for 2025/26

We, as the accountable authority of the Reserve Bank of Australia, present the Annual Performance Statement of the Reserve Bank for the 2025/26 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
9 September 2026

Introduction

This statement outlines the key objectives of the Reserve Bank as set out in the 2025/26 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 statutory objectives for both price stability and full employment through monetary policy settings aimed at keeping inflation between 2 and 3 per cent and employment at the maximum level that is consistent with low and stable inflation.

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	Conduct monetary policy in a way that best contributes to: - price stability - the maintenance of full employment	Consumer price inflation is between 2 and 3 per cent, as part of a flexible medium-term inflation target.	Consumer price inflation was 3.8 per cent over the year to June 2026, above the 2–3 per cent target range. This partly reflected international conditions, in particular the conflict in the Middle East earlier in the year. Inflation is expected to fall back inside the target range in the first half of 2027.
		Labour market is close to sustainable full employment, which is the maximum level of employment that is consistent with low and stable inflation.	The unemployment rate was 4.4 per cent in June 2026. This is below the average rate seen in recent decades. Throughout 2025/26, the staff judged there to be some tightness in labour market conditions relative to full employment, though there was uncertainty around this assessment.
	Operate in money markets to achieve the Monetary Policy Board's desired monetary policy stance	Cash rate trades close to the target set by the Monetary Policy Board, and other short-term interest rates trade at levels that are broadly consistent with the cash rate. Achieve this while enabling and encouraging private financial markets and keeping associated risks to the RBA no larger than necessary.	The cash rate was within a few basis points of the cash rate target on each business day throughout 2025/26. Overnight repo rates were consistent with the cash rate target, and transaction volumes in the private repo market were steady at a high level. The RBA's financial risk exposure was high but declined as bonds purchased during the COVID-19 pandemic gradually matured, while credit risk management – including collateral requirements and daily margining of positions – kept credit risk low.
	Formalise a suite of additional monetary policy tools	Progress a framework for the use of additional monetary policy tools.	We developed and published, in June 2026, a framework for the use of additional monetary policy tools. This framework was approved by the Monetary Policy Board.

Analysis

Consumer price inflation was above the Reserve Bank's 2–3 per cent target range throughout 2025/26. This follows a year when inflation was within the 2–3 per cent target range. Inflation initially picked up over the second half of 2025 as stronger domestic demand added to capacity pressures and tightness in the labour market, and as some government energy subsidies granted to households in the prior year expired. The conflict in the Middle East then led to a sharp increase in oil and other key commodity prices from March 2026, which added further to headline inflation. Trimmed mean inflation – which looks through some of the direct impacts of more temporary price movements (such as subsidies and oil prices) and therefore provides an indication of the underlying momentum in inflation – also increased to be above the 2–3 per cent range, consistent with capacity pressures in the economy being broad based.

The labour market was assessed to be tighter than estimates of full employment throughout the year, though there was some uncertainty around this assessment. The unemployment rate increased a little in 2025/26 to average around 4¼ per cent. Other measures of labour underutilisation remained at low levels. The employment-to-population ratio declined from its historical high in 2024/25, consistent with an easing in labour market conditions over that period, though the participation rate remained near its historical high.

Wages growth moderated a little over 2025/26. Annual growth in the Wage Price Index was 3.3 per cent in the March quarter 2026, having peaked at 4.3 per cent over 2023. Both private and public sector wages growth moderated over the year. Growth in broader measures of firms' labour costs also moderated, although it remained above the level consistent with sustainably maintaining inflation at target.

These developments led the Monetary Policy Board to increase the cash rate target by 75 basis points in the first half of 2026, having lowered the target by 25 basis points in August 2025. The increases were considered necessary to tighten financial conditions and slow growth in the economy to reduce domestic inflationary pressure. The May 2026 staff forecasts were for higher interest rates to contribute to slower GDP growth over the next couple of years, a gradual increase in the unemployment rate (albeit only to rates that would be below those seen before the pandemic) and for inflation to move back within the target range. The Monetary Policy Board will continue to assess whether its policy settings are appropriate to achieve this within a reasonable timeframe.

The RBA met its operational objectives for implementing monetary policy over 2025/26. The cash rate remained close to its target at all times. The cash rate was guided by the rates on the RBA's Exchange Settlement balances and open market operations. 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 above financial institutions' underlying demand. The RBA's open market liquidity operations continued to offer reserves to counterparties at a predetermined interest rate set by the RBA, although demand remained modest given high system liquidity.

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

Results

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

Key objectives	Key activities	Performance measures and targets	Results
Contribute to the stability of Australia's financial system	Assess and communicate risks to financial stability	Publish financial stability assessments on a regular basis, including in Monetary Policy Board communications and the half-yearly <i>Financial Stability Review</i> .	We published regular assessments of financial stability during 2025/26. These assessments used a wide set of data and information sources, as well as scenario analysis, to identify and assess evolving vulnerabilities in the Australian financial system and potential cross-border channels of risk. The RBA's semi-annual assessment of these and other risks were: - considered by the Monetary Policy Board at its September 2025 and March 2026 meetings (with this reflected in the meeting minutes) - communicated to the public in the October 2025 and March 2026 <i>Financial Stability Reviews</i>. The RBA also published <i>Bulletin</i> articles and gave speeches on financial stability issues.
	Work with domestic agencies, the Australian Government and international bodies to identify, monitor and coordinate policies to address risks to financial stability	Cooperate with agencies comprising the CFR to identify, monitor and coordinate policies to address risks to financial stability, and how those risks might interact with monetary policy.	The RBA continued to work closely with CFR agencies to identify and monitor systemic vulnerabilities and coordinate actions to mitigate them, supporting better regulation and maintaining crisis management readiness. In December 2025, the CFR published its annual update on cross-CFR agency initiatives to address risks and vulnerabilities in the Australian financial system, and key focus areas for the coming year.
		Provide advice to the CFR on financial stability and to the Australian Prudential Regulation Authority (APRA) on macroprudential policy.	The RBA provided regular advice to the CFR on financial stability risks and vulnerabilities, including to support APRA's considerations on macroprudential policy. This is in line with the approach set out in the CFR Charter and the memorandum of understanding between APRA and the RBA, both of which were updated in July 2025.

Table 2.1.2: Performance Summary – The Stability of the Financial System *(continued)*

Key objectives	Key activities	Performance measures and targets	Results
Contribute to the stability of Australia's financial system <i>(continued)</i>	Work with domestic agencies, the Australian Government and international bodies to identify, monitor and coordinate policies to address risks to financial stability <i>(continued)</i>	Coordinate across CFR agencies to build crisis response readiness.	The RBA continues to work with other CFR agencies to strengthen crisis readiness. This includes developing, maintaining and regularly testing inter-agency coordination arrangements to respond in a crisis if needed.
			The CFR updated its Memorandum of Understanding on Crisis Management in July 2025. The memorandum sets out a framework for coordination across agencies during periods of potential or actual financial instability.
		Engage with international forums (including the Financial Stability Board (FSB), Basel Committee on Banking Supervision and G20) to support regional and global financial stability and promote effective standards and cooperation.	The RBA has regularly attended meetings of the FSB, the Basel Committee on Banking Supervision, the Executives' Meeting of East Asia-Pacific Central Banks, the Bank of International Settlements and the G20, all of which discussed regional and global financial stability issues.
	Be ready to intervene in the financial system if necessary to mitigate the risk of financial instability	Ensure clear and well-documented arrangements exist for when and how to provide liquidity to financial institutions, as is necessary to support the effective flow of credit and smooth functioning of financial markets.	Financial institutions were able to draw on liquidity as required during the year, using the RBA's weekly open market operations and wider standing facilities. The RBA also strengthened elements of its framework for providing Exceptional Liquidity Assistance to eligible financial institutions that are experiencing acute liquidity difficulties but remain solvent, if that is ever needed to contribute to financial stability.
		Ensure clear and well-documented arrangements exist for when and how to address dysfunction in key financial markets if that is deemed necessary to preserve financial stability.	The RBA had clear and well-documented procedures in place to address financial market dysfunction, if necessary. The RBA successfully addressed a past episode of market dysfunction in early 2020.
		Foreign reserves portfolio matches the size and liquidity target set by the Monetary Policy Board.	Foreign exchange reserves were equivalent to the Monetary Policy Board's target size and were managed to achieve its targets for liquid asset holdings. This was done within predefined limits for market risk. No foreign exchange interventions were required.

Analysis

The RBA continued to conduct extensive analysis of resilience, vulnerabilities and emerging risks in the financial system, covering financial institutions, markets, households and businesses. This work underpinned our assessment of financial stability and informed the Monetary Policy Board's policymaking process. Much of this analysis was published in the half-yearly *Financial Stability Review* and quarterly *Bulletin* articles or was communicated through public speeches.

We closely engaged with APRA and other CFR agencies during 2025/26 to identify, monitor and appropriately address evolving systemic vulnerabilities and risks. In July 2025, the CFR charter was updated, including to articulate more clearly the outcomes it aims to achieve and the respective roles in financial stability of its member agencies. The RBA also updated its memorandum of understanding with APRA around that time to strengthen cooperation commitments in promoting financial stability. This includes APRA's commitment to consult the CFR on macroprudential policy, supported by advice on financial stability from the RBA. During the year the RBA also continued to contribute to the analysis of international financial sector issues with overseas counterparts during meetings held by global bodies (see Part 2.5: International Financial Cooperation).

Global financial stability risks were heightened in 2025/26 due to geopolitical tensions and several other sources of uncertainty. The Australian financial system has established a good degree of resilience to navigate through a high-risk international environment, but a financial or operational shock – if severe enough – could create financial stability challenges in Australia.

The escalation of the conflict in the Middle East sparked a sharp increase in volatility in global financial markets in 2025/26. Leverage and concentration risk in key global asset markets has also risen materially over recent years, amid a period of low risk premia; this has increased the potential for a disorderly repricing of assets in response to further adverse developments. These could arise from several sources, including from shifts in sentiment regarding the outlook for AI investment returns or sovereign debt sustainability. The risk of significant operational, cyber and security incidents also increased further, against a backdrop of heightened geopolitical tensions. Growing operational complexity and interconnectedness across the financial system is increasing the potential for operational incidents to have systemic financial consequences. In addition, the development of 'frontier AI' models – with greatly advanced capabilities to identify and exploit cybersecurity vulnerabilities – represents a material step-change in the cyber threat landscape. The RBA has worked with the CFR, security agencies and key industry participants to understand and respond to these developments in the financial system.

Domestically, the Australian financial system remained well positioned to continue providing services to Australian households and businesses under a range of adverse scenarios. Banks have maintained strong levels of capital and liquidity, alongside prudent lending standards and provisioning. The strong financial positions of most Australian households and businesses mean they are unlikely to be a source of instability and are generally well placed to weather higher interest payments and cost pressures. Even so, the heightened global risk environment requires financial institutions to maintain focus on their resilience. The CFR agencies, including the RBA, have been engaging closely with industry to ensure that Australian financial institutions continue to build resilience and readiness to respond to extreme – but plausible – liquidity, operational and geopolitical shocks. Prudent lending standards and regulatory settings that continue to limit the build-up of systemic risk can also foster confidence and resilience in the financial system.

A secure, stable and efficient payments system

Purpose

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 both as supervisor and regulator of the payments system and operator of critical payments settlement 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 resilience of the payments system	Complete consultation on guidance on the conduct of crisis management powers for clearing and settlement facilities.	Guidance on the Australian Clearing and Settlement Facility Resolution Regime was published in February 2026 following consultation with industry.
	Promote a competitive, accessible and innovative payments system	Complete the review of merchant card payment costs and surcharging.	The Conclusions Paper for the Review of Merchant Card Payment Costs and Surcharging was published in March 2026, following an extensive public consultation process.
	Shape the future of money so it meets the evolving needs of the economy, financial system and community	Complete Project Acacia and publish a report on its findings.	The Final Report for Project Acacia, developed with the Digital Finance Cooperative Research Centre, was published in May 2026 following collaboration with a broad range of industry participants. It set out a roadmap for future initiatives to assist with industry planning efforts.
	Align the RBA's regulatory framework for payments and market infrastructures to the Australian Government's principles of regulator best practice	Conduct research and engagement with stakeholders 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 2026 to obtain feedback on our regulatory performance. Overall, respondents continued to view the RBA's regulatory approach positively, particularly in regard to understanding emerging issues and communicating expectations. They also highlighted opportunities to strengthen coordination with other regulators and to make engagement more timely, practical and transparent for regulated entities.
		Regulatory requirements are streamlined, proportionate to risks and coordinated with other regulators.	Respondents to our survey of clearing and settlement facilities indicated that our engagement was constructive, that we sought to understand emerging issues, and that our regulatory requirements were streamlined and proportionate to risks. Communication of regulatory requirements and priorities was also assessed as clear, consistent and timely. Most respondents agreed that we coordinate our regulatory activities effectively with other Australian regulators, although some noted there is scope to further improve coordination, including agreeing regulatory activities sufficiently in advance to support stakeholders' planning.

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 <i>(continued)</i>	Align the RBA's regulatory framework for payments and market infrastructures to the Australian Government's principles of regulator best practice <i>(continued)</i>	Communicate with regulated entities in a timely, clear and consistent way, including on regulatory priorities.	Feedback from participants in the retail payments system was also broadly positive, with responses providing constructive feedback on some aspects of our operational engagement. While respondents generally agreed that we listen to views on emerging issues and communicate clearly, some reported that engagement could be more practical and timely when issues become more operational in nature. Some respondents also suggested further streamlining of reporting and compliance requirements to reduce duplication and burden.
	Deliver reliable interbank settlement services	RITS availability is 99.95 per cent during core hours.	RITS availability was 99.869 per cent in 2025/26, below the performance target, because of an operational incident on 27 January 2026.
		RITS Fast Settlement Service availability is 99.995 per cent on a 24/7 basis, with most transactions processed in less than one second.	RITS Fast Settlement Service availability was 100 per cent in 2025/26, and most transactions were processed within one second.
	Ensure RITS and related infrastructure are secure, well-maintained and operationally efficient	Design and begin to implement improvements to meet the recommendations of the 2023 external review of the RITS operating environment.	Design of the new RITS operating model is complete, with implementation well underway across several areas. The uplift of the project prioritisation framework was completed. IT control gap remediation is underway. Design of the new release management arrangements, an infrastructure-focused software design lifecycle framework, and testing and log-management standards have also been completed and are being tested before full rollout.
		Migrate critical settlement infrastructure to a third-party-owned co-location data centre without business disruption.	We completed detailed planning and design activities and commenced the build work. A comprehensive risk assessment was undertaken to inform the approach for the planned migration in 2027/28. This will support a controlled transition that minimises the risk of business disruption.
		Invest in cyber resilience, including by implementing the Australian Cyber Security Centre's Essential Eight (E8) cyber strategies.	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, including lifting the share of E8 controls that are assessed as effective and significantly improving our server monitoring capability.
		Progress priority recommendations from the Cyber Attack Simulation Exercise (CASE2024).	In collaboration with the National Office of Cyber Security and other government and industry partners, we developed new resources to enhance our response to major cyber incidents affecting the Australian payments system (addressing a priority recommendation from the CASE2024).

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 (<i>continued</i>)	Ensure interbank settlement services meet the needs of the payments system and promote the public interest	Deepen engagement with industry and overseas peers to inform the strategic development of our interbank settlement services, with account-to-account payments a near-term focus.	We participated as a member of the Account-to-Account (A2A) Roundtable (which includes AusPayNet, AP+, the RBA and the Australian Treasury). The A2A Roundtable published a Vision for A2A Payments in July 2026, drawing on input from industry and end users, and established governance arrangements for developing an associated roadmap over 2026 and 2027.
		Support the payment industry's migration to ISO 20022 message formats, including by upgrading relevant functionality in RITS and embedding a framework for ongoing changes to the standard.	We retired old message formats for High Value Clearing System (HVCS) payments settled in RITS following final migration to the new ISO 20022 messaging in late 2025. Member migration to the upgraded ISO 20022-based reporting and enquiry service continued over 2025/26 and will be complete by the end of 2026. The final official institution client accounts were also migrated to ISO 20022 messaging.

Analysis

We continued to make progress in 2025/26 on delivering the RBA's payments policy strategy, which focuses on:

- strengthening the resilience of the payments system
- promoting a competitive, accessible and innovative payments system
- shaping the future of money so it meets the evolving needs of the community, economy and financial system.

Analysis of this work is published in the *Payments System Board Annual Report 2026*.

We continued to work productively with the Australian Treasury and the other financial regulators during the year, including on the government's payments and market infrastructure regulatory reforms. The RBA made progress implementing the crisis management powers for systemically important clearing and settlement facilities that were legislated in 2024/25. Legislative reforms to modernise our regulatory powers for the payments system were passed in 2025/26, and the RBA commenced a Review of Payments System Regulation under these broader powers to promote a safe, efficient and competitive payments system. We also contributed to the development of the cash distribution regulatory framework, which provides the RBA with crisis management powers to support the continuity of cash distribution services.

The RBA advanced key strategic priorities for interbank settlement services in 2025/26, focusing on operational reliability, resilience and ensuring that these services continue to meet the needs of the evolving payments system. We made progress in addressing the recommendations from the independent review of the October 2022 outage of RITS, by strengthening governance, risk management and operational arrangements (for further detail, see Part 2.3: Banking and Payments Services). Despite this, we continue to operate in a complex, demanding and high-risk environment, which will require significant further operational and risk management responses over the coming year (as discussed in Part 3.3: Risk and Compliance Management).

We also worked with industry partners and government agencies to enhance our coordinated response to major incidents affecting the Australian payments system. We continued to support the payments industry's migration to ISO 20022 message formats. As a member of the A2A Roundtable we contributed to the Vision for A2A Payments published in July 2026.¹ The next step is to develop a roadmap for the future of account-to-account payments to help shape future changes to our services.

We met the Fast Settlement Service availability target in 2025/26, with no incidents causing service downtime. However, we did not meet the RITS availability target due to two incidents:

- In July 2025, an internal system issue delayed the submission and response of settlement instructions for the RITS Low Value Settlement Service (LVSS) for 3 hours and 15 minutes.
- In January 2026, a technology incident disrupted the Low Value Clearing System (LVCS) and LVSS for 6 hours and 49 minutes, and delayed property settlement in RITS for 10 hours and 20 minutes. In addition, there were 25 minutes of deliberately initiated downtime of system-wide RITS settlement processing as part of service restoration activities. The disruption was caused by the expiry of an intermediate certificate on the database platform supporting several RITS applications, and an internal system failure to handle the submission of duplicate property settlement files under peak load. (Further discussion of this incident can be found in Part 2.3: Banking and Payments Services.)

Both incidents highlight the scale, complexity and interdependence of the challenges associated with managing the technology supporting RITS to the standards required of our high-reliability ambition. These incidents have strengthened our resolve to complete the work set out in our 2026/27 Corporate Plan,² under the priority of achieving highly reliable payment and banking services.

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	Implement banking strategy focused on efficient technology development, enhanced customer connectivity and development of best practice banking services.	In 2025/26, we commenced customer satisfaction surveys to gauge sentiment regarding our transactional banking services. Our overall customer satisfaction score for 2025/26 was 4.9 out of 5.
	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.	The financial performance of our banking services was above the minimum required return in 2025/26. 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	Ensure banking strategy incorporates enhancements to future banking services, including: ongoing development of banking services and systems, including ISO 20022-based messaging standards	We enhanced several payments and reporting processes using the ISO 20022 messaging standard, supporting greater automation, efficiency and interoperability across payment systems. These enhancements form part of a multi-year domestic and international modernisation program as various payment systems and messages continue to evolve.
		advancing our New Payments Platform-based Confirmation of Payee service	We commenced the next phase of development of a solution leveraging the New Payments Platform-based Confirmation of Payee service to enable our government customers to verify account details before making payments. This service is expected to reduce the risk of mistaken payments and invoice-related scams.

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 <i>(continued)</i>	Progress on activities to deliver convenient, secure, reliable and cost-effective banking services to customers <i>(continued)</i>	reducing customer usage of legacy payment channels (e.g. cheques), in line with industry timeframe	We worked closely with government agencies to support the transition away from cheques and ensure they are prepared for the anticipated closure of the cheque system in 2029. The volume of cheque payments from our government customers declined by a further 19 per cent in 2025/26.
		IT systems and supporting infrastructure that ensure our banking services and products are current, secure, resilient, efficient and fit for purpose.	Our overall system availability remained close to our target. Availability of our Tier 0 services was 99.995 per cent, in line with our target of 99.995 per cent. Availability of our Tier 1 systems was 99.970 per cent, above our target of 99.95 per cent.

Analysis

We continued to provide the Australian Government with convenient, secure, reliable and cost-effective central banking and transactional banking services in 2025/26. At the same time, we progressed a range of strategic improvement initiatives, as discussed in Part 2.3: Banking and Payment Services. These initiatives included:

- enhancing several payment and reporting processes to align with the ISO 20022 messaging standard
- advancing our solution to enable our government customers to access the Confirmation of Payee capability
- completing migration to a new card collections provider that offers improved digital and security capabilities
- preparing for regulatory changes to designated card schemes that will take effect later in 2026.

We maintained active collaboration with government agencies and industry partners to support the continued evolution of Australia's payments system. We continued to support agencies transitioning to modern payment methods, including preparing for the phase-out of cheques ahead of their planned closure in 2029; cheque usage declined further during the year. And we contributed to industry discussions about the future of account-to-account payments and how to strengthen payments resilience, while also progressing our internal work in these areas.

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

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. The majority (68 per cent) of respondents perceived the Next Generation Banknote (NGB) series to be sufficiently secure against counterfeiters, and 79 per cent noted they liked the NGB banknotes – broadly in line with previous years.
	• meet banknote demand	Fulfil 100 per cent of banknote orders from commercial banks within three business days of request.	We fulfilled all transactions on the day requested.
	• maintain the security of Australian banknotes	Issue secure banknotes, as evidenced by a counterfeiting rate below 25 counterfeits per million genuine banknotes. Implement effective responses to a realised counterfeit threat.	Counterfeiting rates have increased and are projected to slightly exceed 25 counterfeits per million genuine banknotes in 2025/26. We have increased public education around authenticating banknotes and have close engagement with law enforcement authorities in Australia and abroad. New security features have been trialled and selected as options for future Australian banknotes, if required, to combat counterfeiting.
	• maintain high-quality banknotes.	Quality of banknotes in circulation exceeds the minimum quality standards agreed with industry.	The quality of banknotes in circulation was assessed as good. This assessment is based on sampling of banknotes held at cash depots across Australia, using a quality framework published in the Banknote Distribution Terms and Conditions. The RBA is currently reviewing the arrangements in place to manage the quality of banknotes in circulation.

Analysis

The value of banknotes in circulation increased over 2025/26 to be around historical highs (see Part 2.4: Banknotes). However, nominal growth for most denominations was below historical averages. We have continued to meet demand for banknotes by ensuring orders are fulfilled. The banknotes in circulation continue to be in good condition and reliable for use by people and in machines. The effectiveness of the security features of the NGB series of banknotes has supported public confidence in banknotes. Australia's rate of counterfeiting remains consistent with comparable countries.

Endnotes

- 1 A2A Payments Roundtable (2026), 'The Vision for Account-to-account Payments in Australia', July.
- 2 RBA (2026), '2026/27 Corporate Plan', August.

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 2025/26

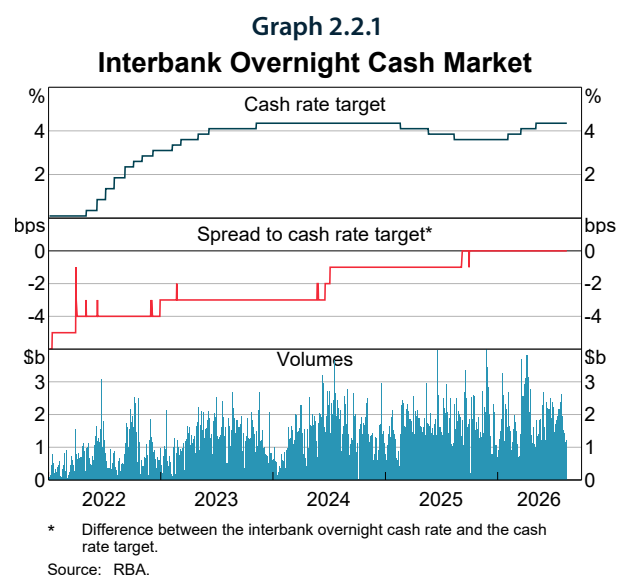
- The Monetary Policy Board decreased the cash rate target once, before increasing it three times, taking it from 3.85 per cent to 4.35 per cent.
- The size of our balance sheet declined by around \$40 billion and the market risk we face fell as bonds purchased during the COVID-19 pandemic continued to mature. The balance sheet is around 45 per cent smaller than at its peak during the pandemic.
- We are transitioning from a supply-driven to a demand-driven ('ample reserves') system for implementing monetary policy as pandemic-era bond purchases mature. Demand for liquidity by financial institutions was met at our weekly 'full-allotment' market operations.
- We did not intervene in the foreign exchange market.

Monetary policy implementation

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

The Monetary Policy Board decreased the cash rate target once (in August 2025), before increasing it three times (in February, March and May 2026), taking it from 3.85 per cent to 4.35 per cent in net terms (Graph 2.2.1). The rate paid to banks on ES balances was increased by the same amount, from 3.75 per cent to 4.25 per cent.

Throughout the past year, the cash rate was above the interest rate paid on ES balances (the 'ES rate'). The cash rate was 1 basis point below the cash rate target from June to early September, and equalled the cash rate target thereafter. The modest spread between the cash rate and the ES rate reflects the net effect of the opportunity costs to lenders of lending 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.



Liquidity in the financial system (in the form of ES balances) declined by around \$30 billion over 2025/26, to \$185 billion. This largely reflected the ongoing maturity of bonds we purchased during the pandemic, which had been acquired with payments that added to banks' ES balances. The aggregate level of ES balances can also change due to transactions between our customers (mainly the Australian Government) and the customers of ES account holders, transactions between the RBA and its counterparties that are undertaken to implement policy (including repurchase agreements, or 'repos'), the purchase or

sale of government securities on an outright basis, or the use of 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. Under this new 'ample reserves' system, the level of ES balances will be determined by banks' underlying demand for reserves, since 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 created at OMO are being supplied at a fixed price to guide the cash rate and other money market rates into line with the Monetary Policy Board's objectives.¹

While the level of reserves has declined, it has remained above what we estimate will be 'ample', that is, the level where the supply of ES balances roughly matches banks' underlying demand. Estimates for this ample level remain imprecise, with a recent survey of banks pointing to a range of between \$70 billion and \$105 billion. The underlying demand for ES balances will become clear only as supply approaches whatever the true level of 'ample' is. Based on current forecasts for ES balances, the estimated ample level could be reached between mid-2028 and mid-2029. To identify when this may happen, we monitor conditions in money markets, conduct regular liaison with market participants and analyse OMO activity. We would expect to see some upward pressure on money market rates and increased participation at OMO once reserves are close to ample (discussed further below).

Liquidity operations to implement monetary policy

We undertake transactions in domestic financial markets as needed to implement the policy settings of the Monetary Policy Board and to facilitate the smooth functioning of the payments system.

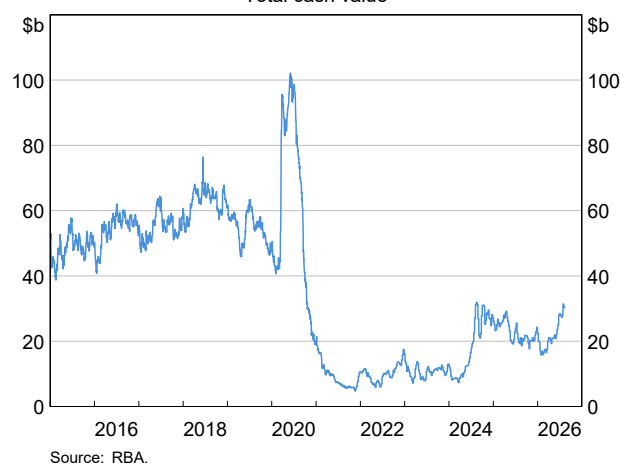
In 2025/26, the main type of operation used to supply reserves to implement monetary policy was weekly full-allotment repurchase agreement auctions (OMO repos). These involve the temporary exchange of high-quality securities for ES balances. Under these full-allotment auctions, we offer to provide as many ES balances as counterparties demand at a given 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 equal to 10 basis points over the average cash rate target prevailing during the term of the repo. The value of OMO repos outstanding decreased in 2025/26 to an average of \$21 billion (from \$25 billion in 2024/25; Graph 2.2.2). Most OMO repos continue to be transacted with a 28-day term (Graph 2.2.3).

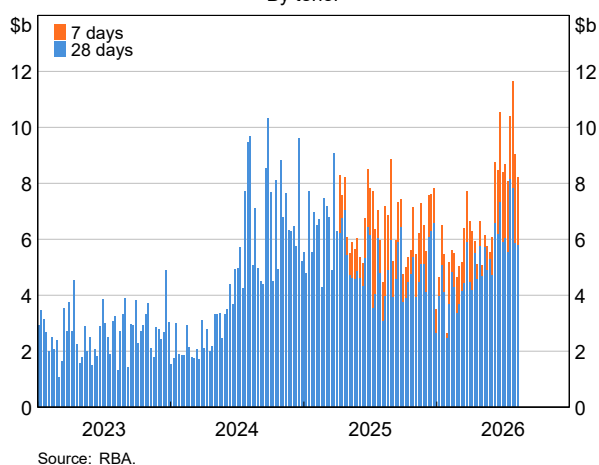
We have historically also used other types of transactions to implement monetary policy decisions, but did not need to use them in 2025/26 for these purposes. This includes FX swaps, in which Australian dollars are swapped for foreign currencies to increase the supply of ES balances in the same way as 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 approaches banks' underlying demand, and bonds continue to mature, banks will need to source additional liquidity via our full-allotment OMO repos to meet their needs. Hence, our lending in the repo market will get progressively larger. In time, we will also use FX swaps, cross-currency basis swaps and purchases of short-term AGS if necessary to provide additional liquidity so as to ensure that our presence in the repo market does not undermine the recycling of reserves or market function. The need to use these operations for monetary policy implementation is expected to be some time away, and we will outline our plans for their use before beginning to actively use them.²

Graph 2.2.2
OMO Repo Outstanding
Total cash value



Graph 2.2.3
Open Market Operations
By tenor



Balance sheet

Our balance sheet declined by \$39 billion over 2025/26, to \$365 billion – around 45 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

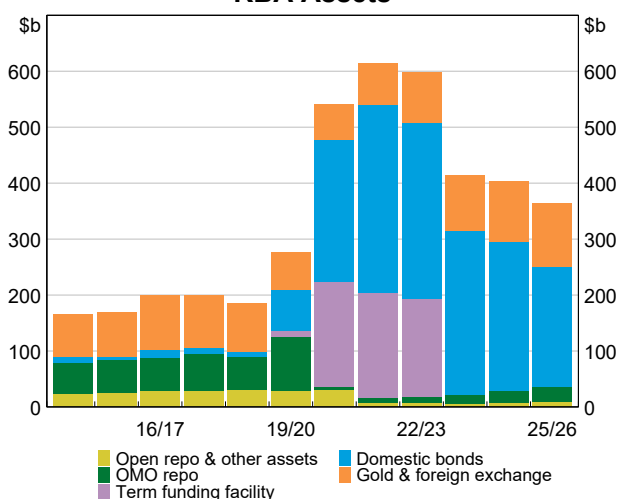
	2025	2026	Change
Assets	404	365	-39
Foreign	108	113	5
Domestic	295	252	-43
– Outright bond holdings	266	216	-50
– OMO repos	23	28	5
– Open repos & others	7	8	1
Liabilities and Equity	404	365	-39
Deposits	290	253	-37
– ES balances	212	183	-29
– Government & other	78	70	-8
Banknotes	104	107	3
Other liabilities	-35	-33	2
Other reserves and current year earnings	44	37	-7
Reserve Bank Reserve Fund and capital	0	0	0

Source: RBA.

The decline in assets over 2025/26 was largely driven by the maturing of \$39 billion of AGS and \$8 billion of semi-government bonds. The effects of changes in the valuation of the RBA's bond holdings were small and largely offsetting.

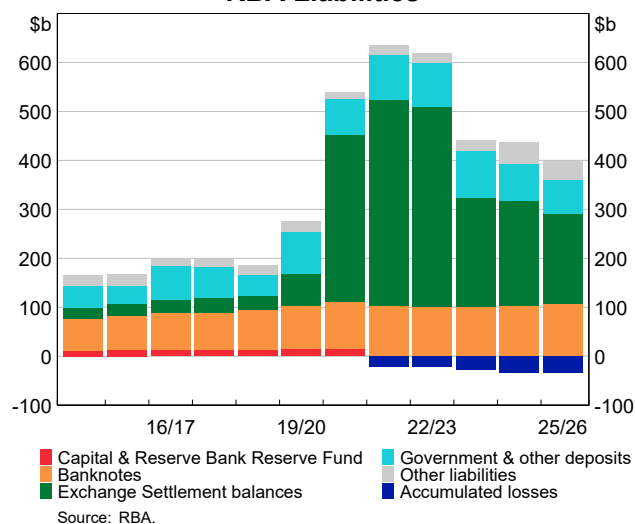
As at 30 June 2026, around 60 per cent of our assets were domestic government bonds (Graph 2.2.4). Foreign exchange, OMO repos and gold make up most of the remainder.

Graph 2.2.4
RBA Assets



The corresponding decline in liabilities over 2025/26 arose from a reduction in ES balances as our bond holdings matured. As at 30 June 2026, ES balances comprised around half of all liabilities (Graph 2.2.5), with banknotes and Australian Government deposits comprising most of the remainder.

Graph 2.2.5
RBA Liabilities



Standing facilities

In addition to liquidity operations used to implement monetary policy, we also offer standing facilities to provide liquidity via repos as needed. These allow eligible counterparties to exchange high-quality collateral temporarily 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. Intraday repo activity in 2025/26 was slightly lower than in the previous year, with account holders using an average of just under \$3 billion per day.

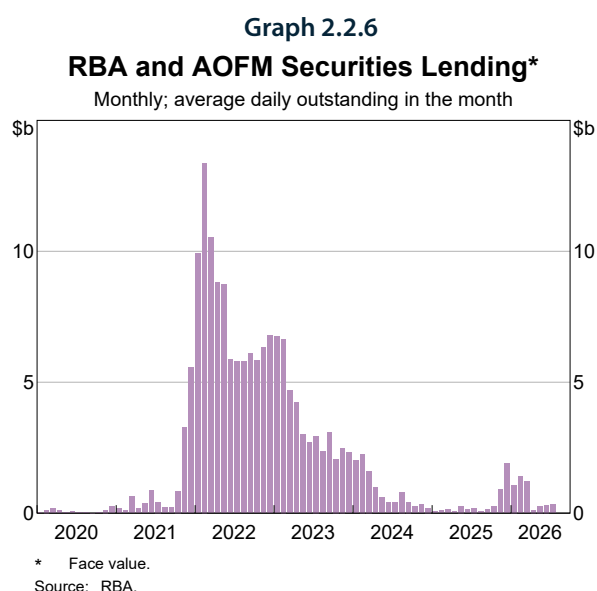
We also offer an overnight standing facility (OSF) through which ES account holders can exchange collateral for liquidity at an interest rate of 25 basis points above the cash rate target. This facility was used 18 times during 2025/26, with a total of \$2 billion borrowed. To support banks' operational readiness, we facilitate OSF repos for testing purposes, which accounted for some use of this facility over the past year. The RBA and APRA see use of the OSF by banks as consistent with routine liquidity management activities. Both agencies are comfortable with banks using the OSF as needed.

Our third standing facility is open repos. These were introduced in 2013 to provide ES account holders with sufficient liquidity to facilitate payments made outside of standard business hours. At that time we operated a scarce reserves system with only around \$1 billion of aggregate liquidity available to banks, which was insufficient to smoothly facilitate such after-hours payments. In our new ample reserves system, where reserves are no longer scarce, open repos are no longer required. Reflecting this, open repo positions have fallen from around \$27 billion in 2018/2019, to around \$4 billion currently. Given this, we will discontinue open repos during 2026/27.³

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 increased in 2025/26, but remained well below the levels seen in the post-pandemic period

as the share of government bonds on our balance sheet continued to decline (Graph 2.2.6). The value of outstanding securities lending from this facility averaged \$600 million per day in 2025/26 (compared with \$265 million per day in 2024/25). Our activity on behalf of the AOFM also increased, averaging around \$60 million outstanding per day in 2025/26 (compared with around \$5 million per day in 2024/25).



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 2025/26, we conducted around \$860 million of these transactions, compared with around \$920 million in 2024/25.

Eligible collateral

We accept a range of eligible Australian dollar collateral for our market operations as security in the event that a borrowing counterparty does not meet its repurchase obligations. Acceptable collateral is listed in Table 2.2.2 and on the RBA website.⁴ 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.⁵ As at 30 June 2026, around 50 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 25 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.

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

As at 30 June

	2024		2025		2026	
	\$ billion	% of total	\$ billion	% of total	\$ billion	% of total
AGS	1.9	9	4.0	14	3.7	10
Semis	3.5	17	6.7	23	4.8	14
Supranational	1.4	7	1.5	5	3.1	9
ADI issued	8.5	41	13.4	46	18.3	52
Corporate issued	0.6	3	1.7	6	2.2	6
Asset-backed securities	4.1	20	1.2	4	2.7	8
Other	0.8	4	0.3	1	0.4	1
Total	20.6	100	28.8	100	35.2	100
– of which: for open repo	2.2	11	3.9	14	4.2	12
– of which: for Term Funding Facility	0.5	2	0	0	0	0
– of which: for OMO	18.0	87	24.8	86	31.0	88

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

Source: RBA.

In 2025/26, our repo collateral holdings increased by around \$3 billion, largely due to an increase in OMO outstanding.

The domestic securities we own are held in an account 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, either on a bilateral basis or within ASX Collateral, a collateral management service. At 30 June 2026, around 50 per cent of the value of securities we held under repo through OMO was settled within ASX Collateral, compared with around 45 per cent a year earlier. The use of this system reduces the manual processing otherwise required to manage this collateral, including marking it to market and maintaining margins.

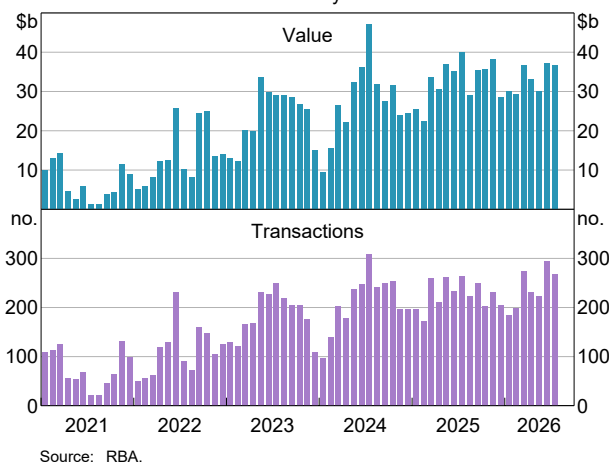
The cash rate

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 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.⁶ 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 continued to fall over 2025/26, cash market activity increased from around \$1.5 billion per day in 2024/25 to around \$1.6 billion per day in 2025/26 (Graph 2.2.7). This continues a gradual trend rise in activity since the low point reached during 2021.

The cash rate was determined by market transactions on 97 per cent of days in 2025/26, compared with 95 per cent in 2024/25. 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
Monthly



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 for Australian dollars.

The RBA has not intervened in the FX market since 2008.⁷ Nevertheless, the Monetary Policy Board is prepared to address dysfunction in the spot FX market if it is judged to pose a risk to financial stability.⁸ We also retain the capacity to address a significant misalignment in the value of the Australian dollar if such intervention was thought to be necessary to meet the Board's objectives. Holding a stock of foreign reserve assets allows us to conduct operations for these purposes if needed (see below).

To provide FX services to our clients (principally the Australian Government), we transact in the FX market almost every business day. During 2025/26, we bought A\$18 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 swaps increases our capacity to conduct policy operations.⁹

Management of foreign reserves

Most of Australia's official reserve assets are owned and managed by the RBA. The Australian Government owns Australia's reserve position in the International Monetary Fund (IMF) and around half of Australia's Special Drawing Rights (SDRs, an international reserve asset created by the IMF) (Table 2.2.3).

Table 2.2.3: Official Reserve Assets

30 June 2026

	A\$ million
Official reserve assets	
– Foreign currency	59,563
– Gold	15,049
– SDRs	20,778
– Reserve position in the IMF	3,579
– Other reserve assets ^(a)	3,552
Other foreign currency assets	822
Net forward foreign currency commitments:	
– Short term	15,500
– Long term	–27,470
<i>Memo item:</i>	
Foreign currency liquidity (FX + Gold) ^(b)	93,222

(a) Includes the market value of derivatives with non-resident entities, holdings in the Asian Bond Fund and loans to the IMF's Poverty Reduction and Growth Trust (PRGT), and holdings in the deposit and loan accounts of the IMF's Resilience and Sustainability Trust (RST).

(b) Foreign currency liquidity (FX + Gold) is the sum of official reserve assets, other foreign currency assets and net short-term forward foreign currency commitments (commitments with less than 12 months to maturity) less SDRs, the Reserve position in the IMF, loans to the PRGT and the deposit and loan accounts of the RST.

Source: RBA.

The RBA's reserve assets – including foreign currency, gold and SDRs – are held to facilitate policy operations in the FX market (described above) and to help the Australian Government meet its commitments to the IMF. The Monetary Policy Board periodically reviews our reserve holdings, considering what amounts might be required to meet our policy objectives, including through potentially prolonged periods of stress. The most recent review in December 2025 reaffirmed that our capacity for FX policy operations should continue to increase gradually each year to keep pace with expected growth in the size of financial markets and the economy. Foreign reserves can increase with earnings on our existing assets and with purchases of foreign currency against the Australian dollar in either spot markets or via long-term swaps. As in preceding years, when long-term swaps

were used to increase our foreign currency assets, the Japanese yen was the preferred currency to purchase in the swap during 2025/26. This was because, when hedged for exchange rate risk, the Japanese yen offered the highest return of any reserve currency. Consequently, all our outstanding long-term foreign currency commitments are to deliver yen.

The foreign assets we hold expose us to market, liquidity and credit risks, which we seek to mitigate where possible. We mitigate these risks by holding a diversified portfolio and investing only in assets of high credit quality and appropriate liquidity (see also Part 3.3: Risk and Compliance Management). Our foreign currency assets are also managed against an internally constructed benchmark. Subject to our risk tolerances, the benchmark is set as 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.

Within the portfolio, the largest allocation is to 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 2026, the running yield on the benchmark portfolio was around 3.0 per cent (Graph 2.2.8).

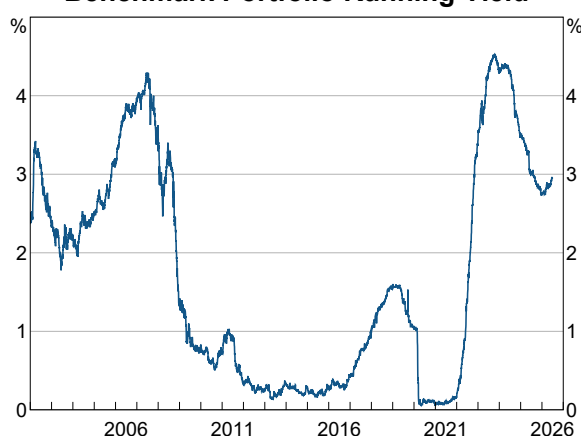
Table 2.2.4: Benchmark Foreign Currency Portfolio

30 June 2026

	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 2.2.8
Benchmark Portfolio Running Yield**



Source: RBA.

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. Debt instruments issued by quasi-sovereign entities can also be accepted as collateral under reverse repos.

While gold holdings also contribute to our FX policy capacity, they are managed outside of the benchmark framework. Our gold holdings (including gold on loan) have been unchanged since 1997 at 80 tonnes. We hold almost all of our 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 17 per cent in Australian dollar terms over 2025/26, increasing the value of our holdings by around A\$2 billion, to A\$15 billion. We seek to earn income on our holdings by lending gold; this lending is fully collateralised by foreign currency cash. During 2025/26, returns from these activities totalled A\$0.5 million – lower than in the previous year, due to reduced activity and narrower spreads. As at 30 June 2026, the RBA had no gold loans outstanding.

We also 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 2026, the total allocation of our reserves to these funds was around A\$815 million. In SDR terms, these investments recorded a return of –1.0 per cent over the year, with performance influenced by returns on Asian government bonds and changes in currency valuations.

Bilateral currency swaps

We have bilateral local currency swap agreements with four other central banks (Table 2.2.5). 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 2.2.5: RBA Bilateral Local Currency Swap Agreements

As at September 2026

	Expiry	Maximum size (A\$ billion)
People's Bank of China	July 2031	46
Bank of Japan	March 2028	20
Bank of Korea	February 2028	12
Bank Indonesia	February 2030	10

Source: RBA.

Endnotes

- 1 For a more detailed discussion of the ample reserves framework, see Kent C (2024), 'The Future System for Monetary Policy Implementation', Bloomberg Australia Briefing, Sydney, 2 April.
- 2 FX swaps are already used for managing our foreign currency assets and cross-currency basis swaps are already used for reserves adequacy.
- 3 For a more detailed discussion of the decision to discontinue open repos, see Jacobs D (2026), 'The Road to Ample – Towards a Demand-driven Liquidity Regime', Speech at the RBA Head Office, Sydney, 25 August.
- 4 See RBA (2024), 'Eligible Securities'.
- 5 See RBA (2023), 'Margin Ratios'.
- 6 See ISDA (2020), 'ISDA 2020 IBOR Fallbacks Protocol'.
- 7 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'.
- 8 See Monetary Policy Board (2025), 'Policy on Financial Market Intervention to Address Market Dysfunction', May.
- 9 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 2025/26

Banking

- We provided transactional banking services to over 100 Australian government agencies.
- We distributed 352 million domestic payments and 1 million international payments for the Australian Government, totalling \$907 billion and \$21 billion respectively. We also processed 60 million collection-related transactions for the Australian Government, amounting to \$911 billion.
- We progressed a number of initiatives to improve our service offering and continued to support efforts to modernise and strengthen the resilience of payments.

Payment services

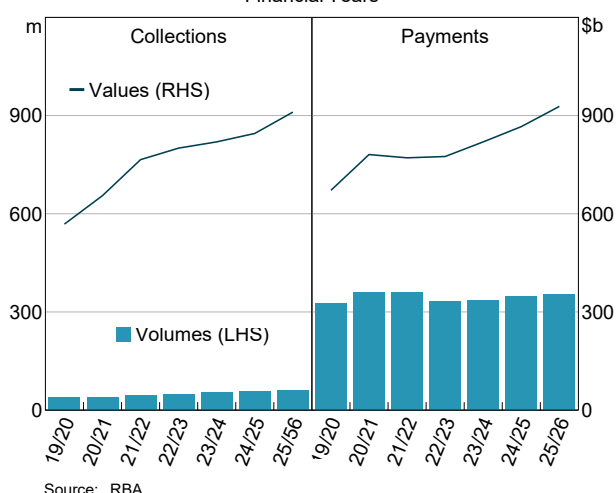
- The Reserve Bank Information and Transfer System (RITS) settled an average of 69,000 transactions per day worth \$314 billion. The Fast Settlement Service (FSS) of RITS settled an average of 4 million transactions per day worth \$5.9 billion. We achieved our availability target for the FSS this year but, due to a technology outage in January 2026, did not meet the availability target for RITS.
- Since November 2025, all High Value Clearing System payments settled in RITS have used the new ISO 20022 message format. RITS also supports ISO 20022-formatted reporting and enquiry messages, with member migration to this standard to be finalised by the end of 2026.
- We continued to invest to strengthen the resilience of RITS and the services that support it. We began implementing a new internal operating model for RITS and developed new technology processes and controls to address findings from the independent review of the October 2022 outage of RITS. We also actively engaged in initiatives to strengthen the operational and cyber resilience of the payments system and its participants, and progressed work to migrate critical settlement infrastructure to a new data centre.
- We continued to engage with the payments industry on the future of account-to-account payments. We also enhanced the technology supporting the FSS and commenced work required to support updated New Payments Platform message formats that align with international guidance. More broadly, we commenced early planning on how to modernise RITS, to ensure it will support Australia's future payment needs and preserve the role of central bank money.

Transactional banking services

Consistent with our responsibilities under the *Reserve Bank Act 1959*, we deliver secure, reliable and cost-effective central banking and transactional banking services to the Australian Government. These services enable the government and its agencies to make payments and collect revenue. Most payments are processed through the cost-effective, direct-entry Bulk Electronic Clearing System (BECS), particularly the critical welfare and aged pension payments that are relied on by many Australians. Real-time payments are also made by government customers using the New Payments Platform (NPP) and the High-Value Clearing System (HVCS), while other payments by our customers use BPAY or cheques. Government revenue is received by the same methods, by card (at a terminal, over the phone or via an online service) and, to a lesser extent, in cash. We worked with the industry to maximise payment availability and to increase the resilience of the payments industry.

In 2025/26, we processed more payments for government agency customers than in 2024/25. Volumes were marginally below historic highs reached during periods of elevated government disbursements associated with the COVID-19 pandemic and natural disasters. During 2025/26, we continued to see an increase in the number of collections-related transactions for government agency customers (Graph 2.3.1).

Graph 2.3.1
Payments and Collections
Financial Years



In 2025/26, we progressed a range of initiatives to respond to the continuing evolution of the payments industry and strengthen payments resilience, including:

- **Enhancing several payments and reporting processes** to align with the ISO 20022 messaging standard, supporting greater automation, efficiency and interoperability across payment systems. These enhancements form part of a multi-year domestic and international modernisation program, ensuring our services remain aligned with evolving industry standards and messaging framework.
- **Advancing our NPP-based Confirmation of Payee services**, enabling government customers to verify account details before making payments. Development will be completed in 2026/27, and it is expected to reduce the risk of mistaken payments, misdirected funds and invoice-related scams.
- **Completing the customer migration of card collection services to a new service provider**, delivering enhanced digital capabilities and strengthened security capabilities to support a more modern, secure and resilient customer payment experience.
- **Continuing to support government agencies in transitioning from cheques to modern payment methods**, ahead of the planned closure of the cheque system in 2029. Cheque payment volumes declined by a further 19 per cent in 2025/26, reflecting ongoing progress towards digital payment alternatives. However, significant barriers remain, including legislative requirements that mandate the use and acceptance of cheques in some circumstances.
- **Progressing work on the future of account-to-account payments and strengthening payments resilience**, including extensive engagement across the payments industry level, with customers and internal stakeholders to support the development of future payment solutions and resilience strategies.

An industry-wide transition of payments away from the BECS payment rails to more modern systems will involve significant cost and effort across the industry, because there are entrenched legacy systems at many stages in the payments process. There are also challenges associated with migrating large volume bulk payments (such as pension payments) to

alternative payment channels. This is an important issue for the RBA as over 85 per cent of our customers' payments and receipts (by volume) were processed through BECS in 2025/26 – equivalent to around 10 per cent of all BECS payments in Australia. We will continue to work with government agency customers and industry to plan how these payments can be made securely, efficiently and cost-effectively in future.

As part of the Industry Resilience Initiative, we made solid progress on strengthening payments resilience. We expect to begin implementing specific initiatives in the coming year, consistent with our critical role as a participant in the payments system.

Pro forma business accounts

Our transactional banking services are subject to the Australian Government's competitive neutrality guidelines, since we deliver these services in competition with commercial financial institutions (including by bidding for business at tenders). These guidelines require us to cost and price the services separately from our other activities and meet a prescribed minimum rate of return. In 2025/26, 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 2025/26, after-tax earnings from our transactional banking services were \$9.0 million (Table 2.3.1).

Table 2.3.1: Transactional Banking Accounts

\$ million

	2024/25	2025/26
Revenue		
– Service fees	210.6	239.3
– Other revenue	11.3	11.3
Total	221.9	250.6
Expenditure		
Total	215.3	237.7
Net profit/(loss)	6.6	12.9
Net profit/(loss) after taxes ^(a)	4.2	9.0
Assets^(b)		
– Domestic markets investments	6,488.1	6,192.7
– Other assets	25.6	37.0
Total	6,513.7	6,229.6
Liabilities^(b)		
– Deposits	6,464.0	6,177.8
– Other liabilities	24.7	26.9
Total	6,488.7	6,204.6
Equity		
– Capital and reserves	25.0	25.0
Total	25.0	25.0

(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 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 2025/26.

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).

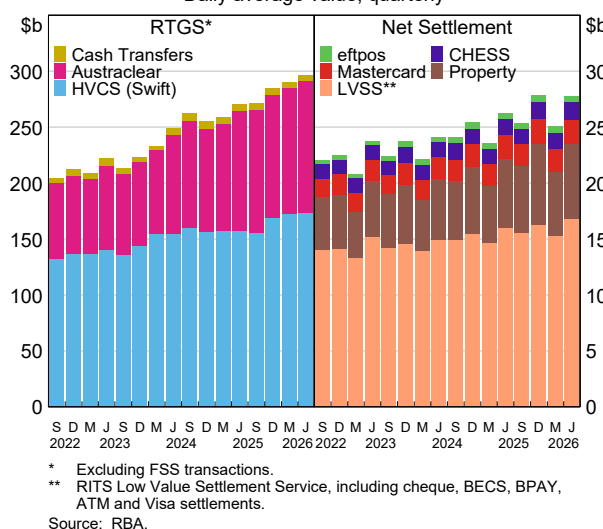
Most low-value payments are, however, still settled on a net basis in batches. The RITS Low Value Settlement Service (LVSS) collates and settles interbank payment obligations arising from some debit and credit cards, BPAY, ATMs, cheques and BECS. The latter are known as direct entry or 'pay anyone' payments; 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 Sub-register System (CHES)
- electronic property transactions processed by Property Exchange Australia and Sympli Australia.

In 2025/26, RITS (excluding the FSS) settled an average of 69,000 transactions worth \$314 billion per business day. Transaction volumes remained at similar levels to 2024/25, while the average daily value settled grew by around 9 per cent (Graph 2.3.2). FSS transaction volumes increased by 13 per cent to over 4 million worth \$5.9 billion per day.

Graph 2.3.2
Interbank Settlement Activity by Payment Type
Daily average value, quarterly



In 2025/26, two organisations became RITS members and eight resigned, bringing total membership to 150 at the end of June. Of these, 97 hold ES accounts (most of these are authorised deposit-taking institutions), five administer batches submitted to RITS for settlement, and the remainder 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.

Alongside our interbank settlement services, we provided correspondent banking services to 64 overseas central banks and official institutions for the settlement of their Australian dollar transactions; this service averaged \$6 billion per day in 2025/26. Many of them use our safe custody services, with the face value of securities held in custody being around \$148 billion at the end of June 2026. In addition, we provided registry services to eight supranational organisations that issue Australian dollar-denominated securities, and settlement services for banknote lodgements and withdrawals by commercial banks.

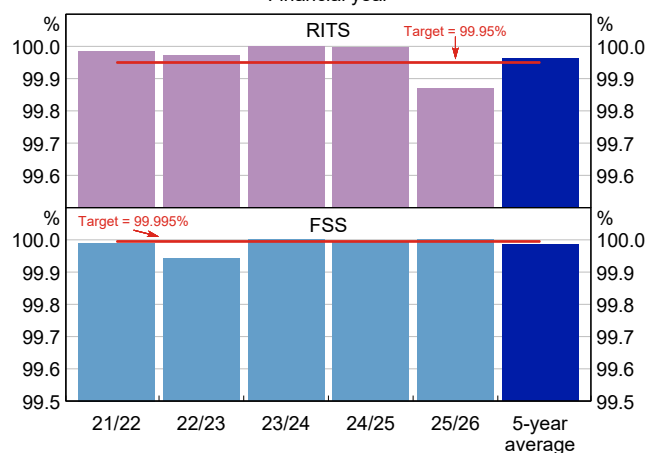
January 2026 technology incident

On 27 January 2026, the RBA experienced an issue that affected the Low Value Clearing System (LVCS), LVSS and property settlements.¹ The initial disruption was caused by the expiry of an intermediate certificate on a database platform. A second separate disruption occurred later that day when RITS received duplicate property settlement batches. The system was under heavy load, and the duplicate checking mechanism failed to handle duplicate submissions smoothly. The incident led to 6 hours 49 minutes of downtime for the LVCS and LVSS, and 10 hours and 20 minutes of downtime for property settlement. There was also 25 minutes of deliberately initiated downtime of system-wide RITS settlement processing undertaken as part of service restoration activities.

In response to the incident, we committed to undertake a comprehensive set of actions. These include a review of the governance and control arrangements related to the certificate renewal and lifecycle processes for RITS, and a review of the duplicate checking mechanisms for property settlement under peak load. We are currently progressing these commitments and will update RITS stakeholders on the outcomes.

Our availability targets are 99.95 per cent for RITS and 99.995 per cent for FSS. The January 2026 incident means we did not achieve the RITS availability target for 2025/26 (with availability of 99.869 per cent). FSS availability was above the target at 100 per cent over the same period (Graph 2.3.3; see also Part 2.1: Annual Performance Statement).

Graph 2.3.3
RITS and FSS Availability
Financial year



Strengthening the operating environment supporting RITS

We have continued to address the recommendations of the Deloitte review of the October 2022 outage of RITS. We have invested heavily in 2025/26 to progress the recommendations to strengthen governance, risk management and operational arrangements for RITS. This includes ongoing implementation of a new internal RITS operating model, uplifted IT controls and associated testing, and reviewing and updating the RBA's management committees and their charters. We intend to complete the remaining program of work by December 2027. In the interim, we expect to be operating with an elevated operational risk profile.

We also made progress on several other initiatives to strengthen the resilience of RITS and the broader payments ecosystem. This included completing detailed planning and design activities and commencing the build work to migrate critical settlement infrastructure to a third party-owned co-location data centre. We also successfully completed a technological refresh of RITS infrastructure nearing obsolescence and application enhancements to improve resilience and simplify system architecture. At the same time, we began improving the RITS FSS technology that settles payments made across Australia's 24/7 fast payment system (the New Payments Platform), including replacing end-of-life technology and upgrading capacity for testing environments.

In collaboration with the National Office of Cyber Security and other government agencies, we made progress on clarifying the roles and responsibilities of key industry and government stakeholders during a cyber event – a key shortcoming identified in the 2024 Cyber Attack Simulation Exercise (CASE2024). We also participated in the ongoing Industry Resilience Initiative, working with the major banks and industry bodies to enhance capabilities to ensure essential payment services can continue to operate in the event of a significant disruption to the payments system.

Supporting the future of the payments system

We have continued to prioritise work to ensure that interbank settlement services evolve to support the future of the Australian payments system. As a member of the Account-to-Account Payments Roundtable, along with the Australian Treasury, Australian Payments Network and Australian Payments Plus, we are developing a common vision for the future of account-to-account payments. 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 started early planning for the development of a vision for the longer term strategic modernisation of the RBA's interbank settlement services. The vision planning phase, which is expected to take until mid-2028, aims to determine the future capabilities that will be required for RITS to remain resilient and secure while also enabling innovation to meet the evolving needs of users over the longer term. This phase of the work will be exploratory (with no decisions to be made yet on solutions) and will involve discovery activities, stakeholder engagement and the development of high-level delivery options. It will help inform the potential scope, priorities and foundations of any future modernisation program, while supporting informed decision-making.

In November 2025, we completed the multi-year program to migrate HVCS payments settled in RITS to the modern, data-rich ISO 20022 message standard, including the migration of payment messages for overseas central banks and official institutions. Migration to the upgraded message standard for the Automated Information Facility – an enquiry and reporting service for ES account credit and liquidity management – will be finished in late 2026. We also began to plan and scope what is required to implement ISO 20022 messaging for RITS batch settlement. Further upgrades to NPP ISO 20022 messages to align with the latest international standards are expected to be completed in October 2026.

Endnotes

- 1 See RBA (2026), 'Technology Outage', Statement No 2026-02, 29 January; RBA (2026), '27 January 2026 Payments Settlements Outage', Report, March.

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. The use of cash for consumer payments has stabilised in recent years and it continues to be an important means of payment for many Australians. Cash also continues to be used as a store of value and is a valuable back-up for electronic payment methods. It is important that Australians continue to have reasonable access to cash and confidence in banknotes to meet their needs.

Key outcomes in 2025/26

- We worked closely with government agencies and key participants in the cash distribution industry to develop policies and initiatives to support the long-term availability of cash in the community. One outcome of this was the RBA received new crisis readiness and resolution powers to safeguard the continuity of critical cash distribution services.
- We progressed work on the design and security features for the redesigned \$5 banknote to honour the enduring connection that First Nations Peoples have to Country.

Supporting wholesale cash distribution

We support the government's priority of maintaining access to cash for Australians who want or need to use it. Cash continues to play an important role in society and remains widely valued by Australians. The use of cash for transactions has stabilised in recent years, at around 15 per cent of consumer payments.¹ Convenient access to cash for consumers and businesses is underpinned by the wholesale cash distribution system, which moves banknotes and coins to where they are needed around the country.

The cash distribution system in Australia has faced pressures, as the use of cash for transactions has declined over recent decades and the high fixed costs of cash distribution have challenged the economics of providing cash services. In mid-2023, the two largest cash-in-transit (CIT) companies in Australia – Linfox Armaguard and Prosegur Australia – merged. Following the merger, Linfox Armaguard indicated in late 2023 that it was facing financial difficulties. Armaguard's major banking and retail customers agreed to provide Armaguard funding support to allow more time for Armaguard to embed efficiency gains arising from the merger and improve its financial sustainability. Over the past year, Armaguard and its major customers have continued discussions regarding a pricing mechanism to support financial sustainability of the cash distribution industry. The RBA has also

continued to work closely with government agencies and participants in the cash distribution industry on business continuity arrangements in the event of a disruption to the supply of cash services.

The *Cash Distribution Framework Act 2026* came into force in August 2026. It gives the RBA and the Australian Competition and Consumer Commission (ACCC) new powers to help support a cash distribution system that is accessible, sustainable, resilient and efficient. The framework empowers the RBA to designate entities that play a significant role in cash distribution and gives it new crisis preparedness and resolution powers in relation to those designated entities. These powers enable the RBA to take actions to support the continuity of critical cash distribution services in Australia and to respond to a crisis if needed. Under the new framework, the ACCC is responsible for overseeing pricing and other terms in agreements covering critical cash distribution services. It has the ability to set service-level standards to support reliable, fair and transparent access to cash.

The regulatory framework was informed by recommendations from the Council of Financial Regulators (CFR) and the ACCC on appropriate safeguards for critical cash distribution services.² The CFR and the ACCC consulted a broad range of stakeholders, including banks, retailers, CIT companies, ATM providers, payments and banking industry associations, consumer advocacy and retailer groups, and individuals.

Industry participants have also continued to work on initiatives to support the viability of wholesale cash distribution and access to cash in the community. In April 2026, the Australian Banking Association applied to the ACCC for authorisation to conduct a multibank ATM trial in regional Australia. The proposed trial would allow fee-free banknote withdrawals from ATMs installed or converted in regional and remote locations. We are an observer on the Regional ATM Trial Steering Committee.

In May 2026, the major banks applied to the ACCC to form a joint venture to manage a new, jointly owned cash pool. Under the proposed arrangements, the new joint venture would supply banknotes and coins from the joint cash pool to CIT providers, which would continue to provide commercial cash services to their business customers (including other banks, retailers and Australia Post). The major banks would also use the joint cash pool for banknotes and coins for their own branches and ATMs. The proposed arrangements would replace the major banks' existing separate cash pools and Westpac's commercial cash facility, which is currently used by CIT providers to supply commercial cash.

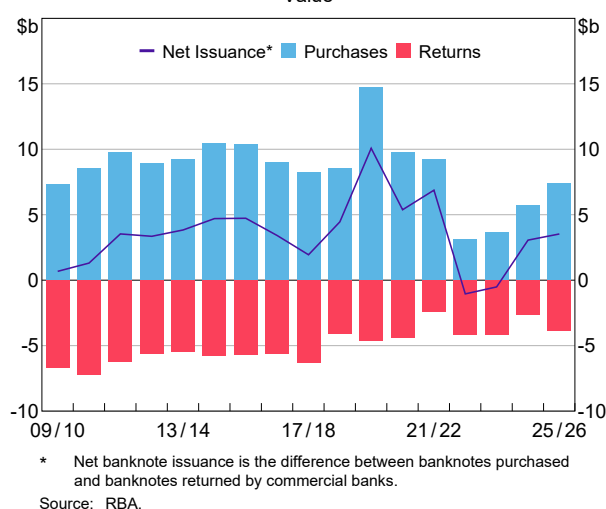
The proposed joint venture could help move the cash distribution system towards a more sustainable footing. However, the public benefits will depend on the details of how it is implemented. The arrangements would also require amendments to our Banknote Distribution Framework (BDF), which is the legal framework that underpins banknote transactions between the RBA and the four major banks.³ If the proposal is authorised by the ACCC, we will work with the major banks to support implementation of new arrangements for wholesale banknote distribution.

Distribution activities

We sell banknotes to the four major banks under the BDF. The banks, in turn, have arrangements in place to distribute banknotes around Australia to meet the demands of their customers and the community.

Banknote distribution activity in 2025/26 was at its highest level in about four years, but remains around the average prior to the COVID-19 pandemic (Graph 2.4.1). This activity included commercial bank purchases of around \$7.4 billion of banknotes and returns of around \$3.9 billion. 82 per cent of transactions were supplied from the National Banknote Site in Craigieburn, Victoria, with the remainder supplied from our contingency site in Sydney.

Graph 2.4.1
Banknote Issuance
Value



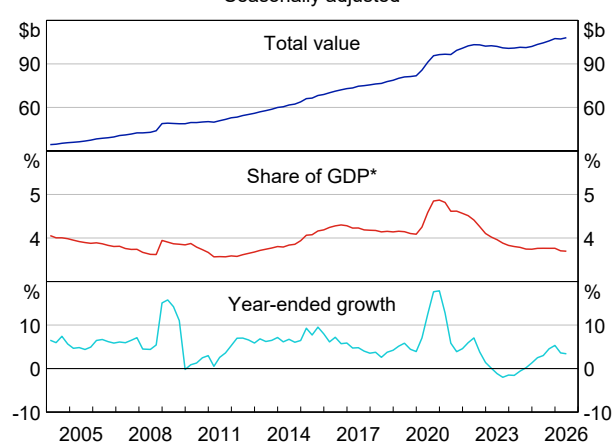
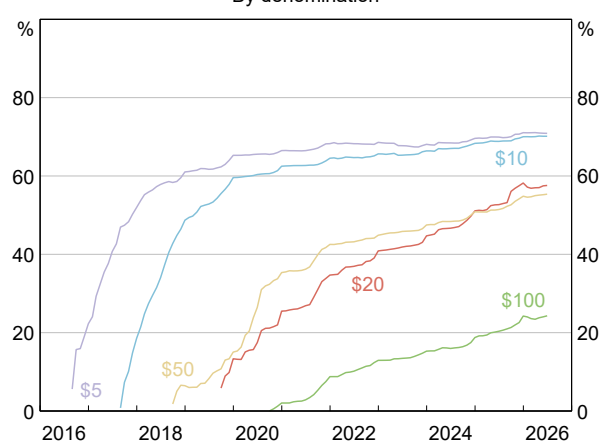
With a greater value of banknotes being purchased from us than was returned by commercial banks, the value of banknotes in circulation increased by 3.4 per cent over 2025/26 (Table 2.4.1). The growth was broadly based across all denominations in circulation, with growth strongest for the \$100 banknote. At the end of June 2026, the value of banknotes in circulation was \$107.3 billion, equivalent to around 3½ per cent of GDP (Graph 2.4.2). The number of banknotes in circulation is currently around 2 billion.

Table 2.4.1: Banknotes in Circulation

End-June 2026; by denomination

	\$5	\$10	\$20	\$50	\$100	Total
Value (\$b)	1.1	1.5	3.8	48.8	52.1	107.3
Year-ended growth (%)	1.5	1.4	2.1	3.2	3.8	3.4
10-year annualised growth ending June 2025 (%)	2.5	2.4	1.8	4.5	5.3	4.7

Source: RBA.

**Graph 2.4.2
Banknotes in Circulation**
Seasonally adjusted* Includes estimates.
Source: RBA.**Graph 2.4.3
Saturation Rates of NGB Series***
By denomination* Percentage of each denomination in circulation that is part of the NGB series – Next Generation Banknotes.
Source: RBA.

The proportion of all banknotes in circulation that are part of the Next Generation Banknote (NGB) series (the 'saturation rate') has continued to increase.⁴ This has been driven by increasing saturation of NGB banknotes at higher denominations. Saturation rates are close to 60 per cent for both NGB \$20 and NGB \$50, and 24 per cent for the NGB \$100 banknote (Graph 2.4.3). By contrast, the saturation rates for the two lower denominations were little changed, at around 70 per cent, and are expected to increase only gradually from here. Saturation rates are measured relative to all banknotes on issue for that specific denomination and are therefore not expected to reach 100 per cent. Many of the earlier series banknotes have been stored, lost or held abroad and so are unlikely to be returned to us in the near term.

Banknote distribution is supported by interest compensation payments on banknotes that the major commercial banks store in approved private cash depots. These 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 BDF to hold their banknotes at cash depots around Australia. These payments also incentivise quality sorting, because only banknotes that have been quality sorted are eligible. In 2025/26, we paid \$126 million in interest compensation, which was higher than in 2024/25 mainly because of increased average holdings of banknotes at cash depots.

Banknote quality

We aim to have high-quality banknotes in circulation. Such banknotes are more easily accepted in machine transactions, reduce the possibility of counterfeits being accepted, and in turn support trust in Australian banknotes as a means of payment. Accordingly, we have arrangements in place to encourage the major commercial banks and CIT 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 2025/26, around \$13.5 million was paid to commercial banks under our banknote quality scheme to promote quality sorting, and \$2.2 million was paid to the major commercial banks to offset the cost of transporting unfit banknotes to the National Banknote Site for processing and destruction. Under these programs, commercial banks and CIT companies returned 58 million banknotes from circulation that either did not meet quality standards or were from a previous series. These banknotes were worth \$2.3 billion and represented about 3 per cent of the

number of banknotes in circulation. We are currently reviewing our arrangements to manage the quality of banknotes in circulation. Our goal is to maintain Australian banknotes in circulation to a high quality and support broader efforts to promote a sustainable cash distribution system. A project to commission two new banknote processing machines at the National Banknote Site, which will replace two machines that have reached end of support, was completed in December 2025.

We also remove banknotes from circulation through our damaged banknotes facility. The facility is offered to holders of Australian banknotes whose banknotes have been accidentally damaged or who have come into possession of damaged banknotes unwittingly. Claims that meet the requirements set out in the Damaged Banknotes Policy are paid based on their assessed value.⁵ In 2025/26, the damaged banknotes facility processed around 7,300 claims and made \$4 million in payments. This included some large claims related to severe weather events, particularly floods in eastern Australia and a number of claims arising from building fires.



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

Counterfeits

Counterfeiting activity has increased from previously very low levels. For the year to March 2026 (the latest data available), the counterfeiting rate was 18 counterfeits per million banknotes in circulation, which is slightly above the 20-year average; approximately 37,000 counterfeits were detected in circulation, with a face value of nearly

\$2.6 million (Table 2.4.2; Graph 2.4.4). Counterfeit Australian banknotes brought into the country from overseas accounted for most of the recent rise in the counterfeiting rate. Importing counterfeit banknotes is illegal, and we are continuing to support domestic and international law enforcement initiatives (further details below).

Table 2.4.2: Counterfeit Banknotes in Australia – Year to March 2026^(a)

	\$5	\$10	\$20	\$50	\$100	Total
Total number ('000)	<0.1	<0.1	1.8	19.7	15.5	37.0
Total nominal value (\$m)	–	–	–	1.0	1.5	2.6
Counterfeiting rate ^(b)	0.03	0.2	9.0	20.4	30.3	18.2

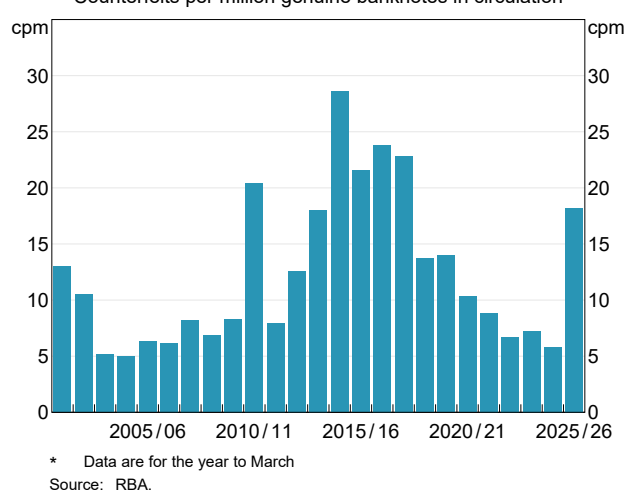
(a) Figures are subject to upward revision because of lags in counterfeit submissions to the RBA.

(b) Counterfeits per million banknotes in circulation.

Source: RBA.

Graph 2.4.4
Counterfeits Detected*

Counterfeits per million genuine banknotes in circulation



The NGB series accounted for just under a third of all counterfeits detected in the year to March 2026. The NGB counterfeiting rate was around 12 counterfeits per million NGB banknotes, compared with around 24 counterfeits per million banknotes for the first polymer series.

The security of Australian banknotes remains strong. Compared with many comparable countries, Australian banknotes incorporate a greater range of security features that provide the public with more ways to authenticate them. We have strengthened our communication with the public and the cash-handling industry to raise awareness of these features.

Law enforcement plays a critical role in managing counterfeiting threats, through investigations and prosecutions – supported by the RBA's provision of technical information and expert witness statements. The possession, procurement and creation of counterfeits are offences under the *Crimes (Currency) Act 1981* and carry significant penalties. In 2025/26, we supported Australian state and federal law enforcement agencies, as well as international counterparts, such as by providing expert advice on investigations into the manufacture, importation, use and possession of counterfeit banknotes. We completed expert witness statements for 250 court cases, concerning 6,581 counterfeits. Nearly 62,000 counterfeits were also seized by law enforcement before entering circulation, with around 70 per cent of seizures occurring at the border, reflecting ongoing efforts to prevent counterfeit banknotes reaching the public.

We also increased counterfeit education and engagement in 2025/26. We engaged over 20 times with major banks, CIT companies, businesses and community groups. Information on how to identify genuine Australian banknotes continues to be provided through our website, social media and traditional media channels.

Redesign of the \$5 banknote

In February 2023, we announced the redesign of the current \$5 banknote. The portrait side of the \$5 banknote, which currently features the late monarch, Her Majesty Queen Elizabeth II, is being redesigned to honour First Nations culture and history in Australia. In 2025/26, we progressed work on the design and security features for the redesigned \$5 banknote. An Imagery Selection Panel continued to provide input on key elements of the design process. 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. We began early engagement with vision-impaired advocacy bodies to ensure that the redesigned banknote is suitable for those with a visual impairment. We also engaged with machine-processing industry representatives in preparation for testing as the \$5 redesign project progresses.

Research and development

We continued our banknote research and development program to develop and assess cost-effective, counterfeit-resistant security features and detection technologies for Australian banknotes. The primary aims of this program are for Australia's banknotes to remain secure against counterfeiting and be durable and easy to authenticate for a wide range of users. These aims are pursued, 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, for example:

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

There has been a focus in recent years on developing and testing enhanced security features for the redesign of the \$5 banknote, as well as for any future Australian banknotes. Other recent activities include:

- the development of new methods for testing banknote quality and assessing damaged banknotes
- work to understand the circulation wear properties of the NGB series, including the tactile feature for the vision impaired
- a study on how the public rates banknote quality and how this rating influences their ability to distinguish genuine banknotes from counterfeits
- product and process improvements that might reduce costs, enhance circulation life and improve sustainability
- assistance to Note Printing Australia (NPA) regarding the provision of technology and expertise for its export customers.

Note Printing Australia Limited

Australian banknotes are produced by NPA, our wholly owned subsidiary. The volume of Australian banknotes printed each year varies depending on our need to issue notes or add to our stocks.

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

NPA also provides design and printing services to other Australian government agencies and to overseas central banks and passport-issuing authorities.

In 2025/26, NPA:

- produced around 2.2 million R-series passports for the Australian Department of Foreign Affairs and Trade and 45,000 passports for the Federated States of Micronesia
- printed around 1.2 million birth, death and marriage certificates for all state governments in Australia
- delivered around 770 million banknotes under contract to the Philippines, Papua New Guinea and Vanuatu. NPA deals directly with the central banks in these countries when fulfilling these orders.

Endnotes

- 1 See MacGibbon K, M Royters and F Wang (2026), 'Cash Use in Australia: What the 2025 Consumer Payments Survey Tells Us', *RBA Bulletin*, April.
- 2 See CFR (2026), 'Regulating Cash Distribution in Australia: Conclusions Paper', Media Release No 2026-03, 22 April.
- 3 RBA (n.d.), 'BDF Legal Framework'.
- 4 The NGB series was first issued between 2016 and 2020.
- 5 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 help ensure Australia's interests are represented. We do so through membership of global and regional forums and through bilateral relationships with other central banks.

Key outcomes in 2025/26

- We engaged in several international forums to support better regional and global outcomes and ensure Australia's interests are considered.
- The RBA Governor chairs the BIS Irving Fisher Committee on Central Bank Statistics and the BIS Asian Consultative Council, and is co-Chair of the FSB Regional Consultative Group for Asia and the FSB Cross-border Payments Coordination Group.
- This year, discussion in global economic and financial stability forums focused on the risk to the outlook from the conflict in the Middle East, the potential benefits and risks of artificial intelligence (AI), and regulatory and supervisory modernisation. These forums also served to progress work on enhancing cross-border payments. We also supported the Australian Treasury in its capacity as co-Chair of the G20 Study Group on Imbalances.

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. It brings 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 RBA Governor participates in the bimonthly meetings of governors. The Governor continued in her role as Chair of the BIS Irving Fisher Committee on Central Bank Statistics and was appointed as the Chair of the Asian Consultative Council in May 2026. The Assistant Governor (Financial Markets) is a member of the BIS Markets Committee and the Committee on the Global Financial System (which he chaired in May 2026 in the absence of a permanent Chair at that time).

Staff also participate in the various subgroups of these committees, as well as in BIS-organised engagements focusing on topics related to economics, central bank operations and central bank communication. Participants include the Assistant Governor (Economic), the Chief Operations Officer and the Chief Communications Officer.

Central bank governors meet every two months at the BIS to discuss important macroeconomic and financial developments, consider special topics related to developments in monetary policy and provide guidance to 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 and central bank operations.

Each of these committees establishes working groups on topical issues. In 2025/26, this included the implications of geopolitical events on financial conditions, monetary policy strategy, the functioning of repo and government bond markets, and foreign currency funding and liquidity risk. Other areas of focus included the use of AI in the banking sector and developments in payment systems, including for stablecoins and digital 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.

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 vulnerabilities.

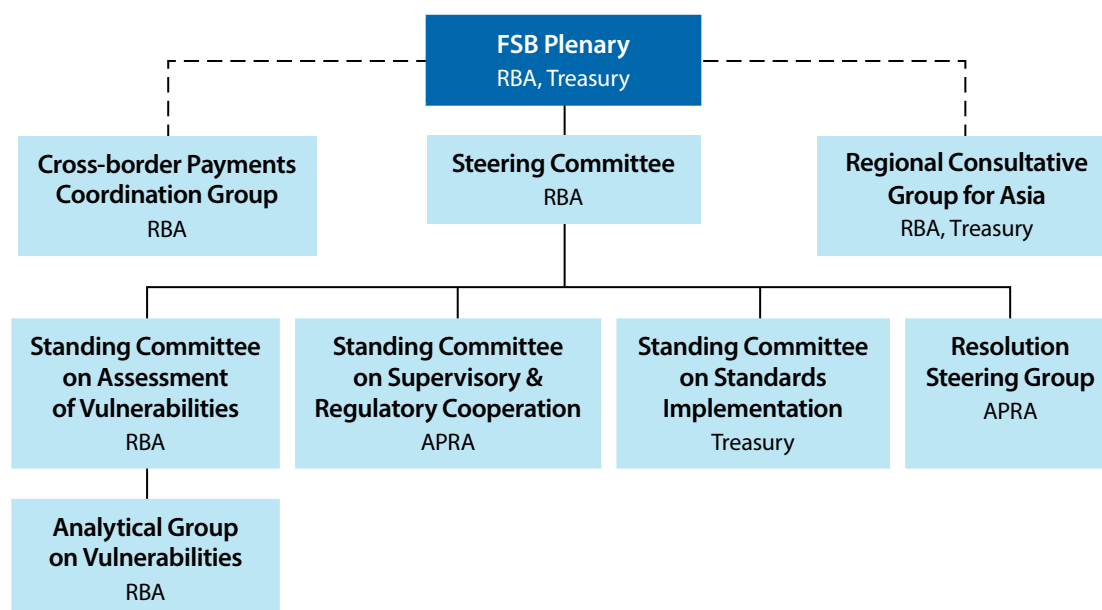
FSB members include representatives from 24 economies and the main international financial institutions – including the BIS and the International Monetary Fund (IMF) – and standard-setting bodies such as the BCBS.

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 continued her role as co-Chair of the FSB's Regional Consultative Group for Asia and was appointed co-Chair of the FSB's Cross-border Payments Coordination Group in February 2026.

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 staff participated in meetings assessing the outlook for financial stability. The FSB has noted that although the global financial system has remained resilient, key vulnerabilities are elevated. Members expressed concern that a combination of shocks could concurrently trigger multiple vulnerabilities, threatening financial stability.
- Assessing and addressing the risks arising from intermediation by non-bank financial institutions (NBFI):** A current focus of this work is on addressing data gaps in the NBFI sector and, in particular, progressing efforts to monitor risks involving leveraged strategies in sovereign bond markets. One way the FSB monitors global NBFI developments is through its Non-bank Monitoring Experts Group; an RBA staff member participates in this group.

- **Analysing the financial stability implications of digital innovation:** Much of the FSB's work in this area is undertaken by the Financial Innovation Network, which includes a senior RBA staff member. Examples of innovation analysed are stablecoins, tokenised deposits, AI and quantum computing, and the associated risks for cybersecurity.
- **Regulatory and supervisory modernisation:** The RBA, along with other Australian regulatory agencies, contributed to the FSB's ongoing work in this area, including to a stocktake of FSB members' regulatory modernisation initiatives.
- **Addressing climate-related financial risks:** Building on the FSB framework for assessing climate-related vulnerabilities, which was published in January 2025, the FSB has further developed a set of metrics to enable monitoring of these vulnerabilities. This work was led by the FSB's Climate Vulnerabilities and Data Working Group, which included an RBA staff member.
- **Enhancing 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. This work is led by the FSB's Cross-border Payments Coordination Group, which the RBA Governor has co-chaired since February 2026. 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. RBA staff published in February 2026 a summary of Australia's progress towards the targets and some key initiatives underway in Australia.

Trans-Tasman Council on Banking Supervision

Purpose

The Trans-Tasman Council on Banking Supervision (TTBC) comprises the four agencies on Australia's Council of Financial Regulators (CFR) (the Reserve Bank, the Australian Prudential Regulation Authority (APRA), the Australian Securities and Investments Commission and the Australian Treasury) plus 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 to deliver 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

The RBA is represented on the TTBC by the Governor, Deputy Governor and Assistant Governor (Financial System).

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 2025/26, 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. During 2025/26, IMF experts visited Australia on multiple missions as part of its Financial Sector Assessment Program review of Australia.

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 IMF lending facilities and participates in voluntary Special Drawing Right transactions. The RBA either plays a coordinating role for the transactions that result from these facilities or participates directly (in the case of Special Drawing Right transactions). The RBA also supports the Constituency Office at the IMF by seconding an expert adviser and working with the Australian Treasury to provide support on matters discussed by the IMF's Executive Board and ensure Australian interests are represented.

The RBA and other agencies on the CFR worked closely with the IMF during 2025/26 as part of the IMF's Financial Sector Assessment Program (FSAP) review of Australian financial system and associated regulatory frameworks. The FSAP is conducted roughly every five years in jurisdictions with systemically important financial sectors. The IMF is focusing on assessing financial sector vulnerabilities and the overall framework for systemic risk oversight. Areas under review with particular relevance for the RBA relate to central bank financial stability tools, cybersecurity, crisis management, systemic risks and Australia's macroprudential framework (including the provision of advice by the RBA to the CFR and APRA to inform macroprudential policy and the coordinating role of the CFR in this area). A report with the key findings and recommendations of the FSAP review is expected to be published by the IMF in late 2026.

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 South Africa from December 2024 to November 2025 and by the United States since late 2025. The United Kingdom will take over as chair from December 2026.

RBA involvement

The RBA Governor, Deputy Governor, Assistant Governor (Economic) and the Head of International Department represent the RBA at high-level meetings of the G20. The RBA seconded one staff member to Treasury to assist with Australia co-chairing the G20 Study Group on Imbalances (with previous G20 working groups discontinued). Other RBA staff have also participated in the Study Group and contributed to the G20's work on financial sector issues.



From left to right: Morgan Spearritt (Chief Representative, New York Representative Office), Sarah Hunter (Assistant Governor, Economic), Andrew Hauser (Deputy Governor) and Rachel Adeney (Manager, International Policy & Engagement) at the IMF Spring Meetings in Washington, DC, April 2026. Source: RBA.

Executives' Meeting of East Asia-Pacific Central Banks

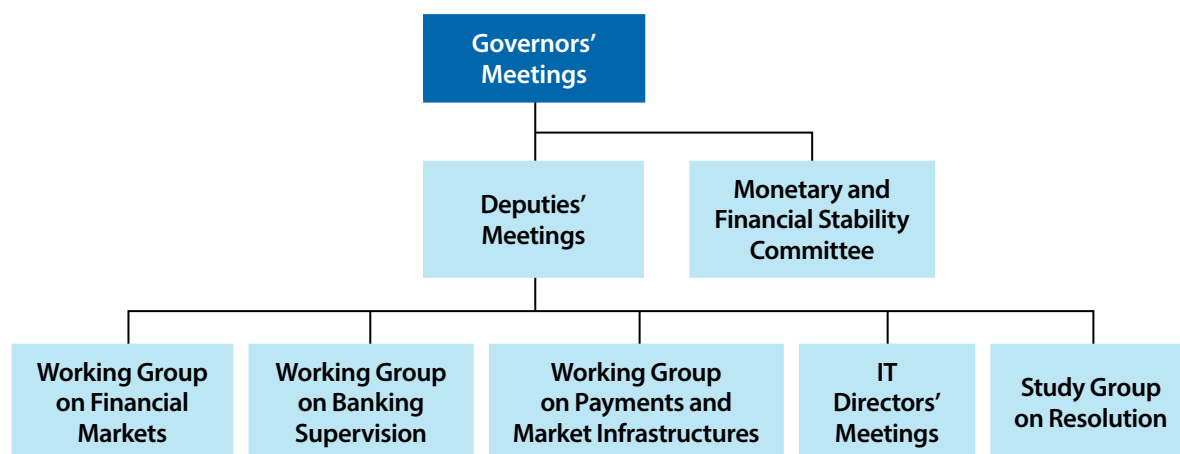
Purpose

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 2.5.2). Our staff also participate in several working groups.

Figure 2.5.2: RBA Involvement in EMEAP



Source: RBA.

EMEAP governors meet annually to discuss key issues in the region. The July 2025 EMEAP governors' meeting covered discussions on geoeconomic fragmentation and changing inflation dynamics, and participants explored avenues for deeper regional cooperation. The governors identified EMEAP's priority themes over the next three years, including geopolitical tensions, evolving inflation dynamics, rapid digitalisation and AI adoption, and escalating climate and environmental threats. Governors also meet annually with the heads of supervisory authorities in the region to discuss issues related to the financial system.

EMEAP deputies meet twice per year to discuss current economic and financial market developments and the associated policy challenges for EMEAP members. In 2025/26, discussions included the impact of energy shocks on the economic outlook, the impact of AI on economies, and priorities in the forward workplan.

Technical cooperation and bilateral relations

We share 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, banknote issuance and risk management. In 2025/26, we facilitated knowledge exchanges with the central banks of a number of countries, including hosting delegations from the Indo-Pacific region.

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 October 2025, we participated in the annual meeting of the South Pacific Central Bank Governors. The governors discussed recent economic and financial developments, payments system developments and the opportunity and challenges of innovation in the region. In 2025/26, 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 2025/26, we hosted secondees from the Bank of England and Banque de France. In turn, our staff were seconded to a range of other central banks and international organisations, including the Bank of England, the Federal Reserve Bank of New York, the BIS and the IMF. 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 (NGFS) is a voluntary coalition of central banks and financial supervisors that promotes the sharing of best practices to support the management of climate- and environment-related risks within the financial system.

RBA involvement

We joined the NGFS in July 2018 and contribute to several of its workstreams. In 2026, the Assistant Governor (Economic) represented Australia on the NGFS Steering Committee.

In 2025/26, the RBA contributed to the workstream on scenario design and analysis, supporting the development and refinement of NGFS climate scenarios, which are widely used by central banks and financial institutions to assess climate-related risks. We also contributed to the monetary policy workstream, including input to reports examining the implications of climate change and the transition to net zero for monetary policy strategy. In addition, the RBA participated in the NGFS 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 the RBA's representative on the Global Foreign Exchange Committee.

2.6 Community Engagement

We are committed to being open, transparent and accountable. To support this, we seek to understand the economic issues and concerns of communities across Australia and explain our policies and decisions in ways that build trust and public understanding. We do this through a longstanding program of regional and industry liaison, consultations with stakeholders, public speeches, roundtables, publications, social media and education initiatives.

We are also accountable to Australians through our appearances before parliamentary committees and our responses to public enquiries. We contribute to public understanding by supporting academic research, publishing a broad range of statistics and maintaining an online museum where visitors can explore the history of Australia's banknotes and economic development.

Key outcomes in 2025/26

- We maintained our commitment to explain monetary policy decisions to the public. This included holding media conferences after all nine Monetary Policy Board meetings and creating a public information campaign about inflation for our social media channels. Non-executive members of the Monetary Policy Board began to represent the Board publicly, providing further public insights into monetary policy decision-making and creating an opportunity for two-way engagement.
- We conducted two more waves of our community research survey, gathering insights from around 6,000 Australians to better understand community perspectives and information needs.
- Our senior leaders participated in 43 public speaking engagements and attended multiple parliamentary hearings. We continued to grow our digital presence across our website, social media and email channels, increasing the reach and accessibility of information about our decisions, analysis and operations. And we reached around 9,800 students and approximately 600 teachers through our education outreach activities.
- We held 950 regional and industry liaison meetings, with over 750 different contacts across the country.
- Our new research engagement strategy commenced around the end of 2025/26, with the aims of communicating key topics of interest and expanding our collaboration with the economics community. We continued to sponsor a range of research and presented our work around 50 times at numerous conferences.
- We continued to expand the online presence of the RBA Museum, while our head office building is being renovated, and safely relocated our large and significant national archival collection to a new location.

Communication with the public

The RBA explains its policy decisions, research and operations to Australians through media conferences, media releases, publications, social media and public appearances. This information is also made available through our website and timely email and SMS updates. Feedback received from the public is shared with senior staff, supporting a deeper understanding of the issues that matter to the community.

Communication remained an integral part of the monetary policy process during 2025/26. This reflects the RBA's view that effective policy depends both on the decisions that are made and on the public's understanding of them.

The Governor held a media conference after each of the nine Monetary Policy Board meetings in 2025/26 to explain the Board's decisions. Across the year, the Governor answered a total of 200 questions from 57 individual journalists at these media conferences. The RBA also held media lock-ups to help journalists report accurately and promptly on key material. And we maintained active ongoing engagement with media organisations.

This year marked the start of public appearances by non-executive members of the Monetary Policy Board, as representatives of the Board. These appearances extend our ongoing commitment to transparency, accountability and broader public engagement. The two appearances in 2025/26 took different forms, but both included audience question and answer sessions. Additional public appearances by non-executive members are scheduled for the second half of 2026.

We continued to build our understanding of community perspectives through two further waves of the community research survey. In 2025/26, the survey gathered insights from a representative sample of around 6,000 Australians across the country. The survey provides information about how Australians experience the economy, assesses their understanding and perceptions of the RBA's role, and gathers feedback on our communications. We published key insights from the survey in the *Bulletin* in July 2026.¹



Governor Michele Bullock addresses question at a media conference in June 2026. Source: RBA.

Public appearances and enquiries

Speaking engagements allow senior leaders to explain our responsibilities, set out our perspectives and answer questions from the public. They also allow our people to hear firsthand from the community.

In 2025/26, the Governor, Deputy Governor and senior leaders participated in 43 public speaking engagements across five states. This included 18 interactive sessions. All public addresses were made available online to create transparency and

broad accessibility, with an average of around 2,700 page views across all public appearances. The Governor, Deputy Governor and senior leaders also attended various parliamentary forums (see Part 1.2: Governance and Accountability).

In 2025/26, we responded to around 3,300 public enquiries, covering a broad range of topics. Key themes from these enquiries were shared with senior staff to provide feedback on how our actions and communications are being received.



Governor Michele Bullock speaks at the Australian Financial Review Business Summit in March 2026.

Source: Dominic Lorrimer, Australian Financial Review.

Flagship publications

We explain our analysis through publications such as the quarterly *Statement on Monetary Policy* (SMP), the biannual *Financial Stability Review* (FSR) and the quarterly *Bulletin*. We had consistently high engagement across these publications in 2025/26, averaging over 8,000 active readers per release. During the year, we continued to improve the transparency, clarity and readability of our publications to ensure our messages can be easily understood.

This work included the following:

- We created more than 20 new digital communication assets across our website and social media channels, enhancing how we present and share insights. For some publications, we introduced dynamic graphs and videos to present data in a more easily understood way.

- We published 19 articles in the *Bulletin*, spanning a range of topics. These included articles on mortgages and bank lending, the labour market and the functioning of financial markets.
- We launched *Insights: An RBA Staff Series*, and published the first four notes in this series. The series aims to contribute to the broader economic conversation and provide greater transparency about the breadth and depth of the analysis undertaken by staff. *Insights* notes do not represent the official views of the RBA, and the content could align with, extend or even directly challenge the findings of other work undertaken at the RBA.

Our website and social media presence

We have strengthened our social media presence to improve the accessibility and reach of our content, including by posting short publication summaries, video animations and explainers. These efforts contributed to an 8 per cent increase in the number of followers of our social media accounts over the year. As at 30 June 2026, the RBA had over 300,000 followers across our X, LinkedIn, Facebook, YouTube and Instagram accounts.

The number of subscribers to the email alert service for publications grew by approximately 11 per cent to around 24,450. These emails achieved an average click-through rate to our website content that was above industry benchmarks.

We continued to enhance the accessibility and overall performance of our website. Our accessibility score increased by approximately 7 per cent in 2025/26 and our content quality score continues substantially to exceed the industry benchmark. We refreshed key policy webpages, including those covering payments policy, central bank digital currency and research, to better explain significant policy decisions and support greater public understanding of the RBA's work.

Research engagement

At the end of 2025/26, we launched our new research engagement program. This included publishing our monetary policy research agenda, to promote external collaboration by providing the economics community with a clear sense of our priorities. This was accompanied by promotion of a range of new opportunities for how external researchers can collaborate with us.

We publish the findings of research conducted by staff in Research Discussion Papers to stimulate discussion and debate. The views expressed in these papers are those of the authors and do not necessarily represent those of the RBA.

In 2025/26, we published eight Research Discussion Papers. These covered a variety of topics central to our core functions, including inflation dynamics, financial market function and AI tools for creating new economic indicators. Staff also published their research in various external publications, including the *Economic Record*, *Quantitative Economics*, *Applied Economics* and the *Journal of Applied Econometrics*.

Research conducted at the RBA is frequently presented at external conferences and seminars, with around 50 presentations given in 2025/26. RBA staff presented in Australia and abroad, including at the:

- American Economic Association annual meeting
- Australian Bureau of Statistics and RBA joint conference
- Australian Conference of Economists
- Bank of England Centre for Central Banking Studies annual conference on 'Transformative Artificial Intelligence (AI): Implications for Structural Change and Monetary Policy'
- Bank for International Settlements' Irving Fisher Committee workshop on 'Data Science in Central Banking'
- Central Bank Business Surveys and Liaison Programs Conference
- E61 Micro for Macro Workshop
- Federal Reserve Bank of Atlanta
- NBER Summer Institute
- Women in Macroeconomics Workshop
- Workshop of the Australasian Macroeconomics Society
- World Congress of the Econometric Society.

The RBA also hosted several conferences and workshops. These include:

- the most recent RBA annual conference (on monetary and fiscal policy interactions), which was organised jointly with the Australian Treasury and held in September 2025
- the Central Bank Business Surveys and Liaison Programs Conference, held in November 2025
- the most recent RBA annual Quantitative Macroeconomic Workshop, held in December 2025
- the biannual Norway, Australia, New Zealand Central Bank (NANZ) workshop, which we hosted in April 2026
- the fifth RBA–ABS conference, held in June 2026.

We regularly host policymakers and academics from domestic and international institutions. During 2025/26, we hosted over 40 seminars including staff from the Federal Reserve banks of New York, San Francisco and Atlanta, the central banks of Norway, Germany and New Zealand, international institutions such as the Bank for International Settlements and International Monetary Fund, the Australian and New Zealand Treasury departments and various Australian and overseas universities.

In 2025/26 we collaborated in various ways with external partners to further our research across diverse topics, including the following:

- We continued engaging with industry participants through Project Acacia, a collaborative research project with the Digital Finance Cooperative Research Centre. This project explored the role of digital money in supporting the settlement of wholesale tokenised asset transactions, as one component of our work to shape the future of money in Australia.²
- We conducted public focus group research to better understand the public's needs, preferences and concerns in retail payments. Insights from this work are informing the RBA's assessment of whether there are unmet payment needs that could be addressed by a retail central bank digital currency.
- We collaborated with domestic and international project partners, including other central banks and third-party institutions, on the development of next-level security features that could be deployed on a future banknote.

- We worked with various partners, including other central banks and law enforcement agencies, on initiatives to reduce the impact of counterfeiting. This work supports our mandate to maintain Australian banknotes as a safe and secure means of payment.

Research sponsorship

In 2025/26, we provided \$586,838 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
- twelve 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
- sponsorship of the Brian Gray Scholarship Program in conjunction with the Australian Prudential Regulation Authority (though no scholarships were awarded during 2025/26)
- sponsorship of a PhD student under the Digital Finance Cooperative Research Centre's industry PhD program, at a cost of \$77,000
- to provide in-kind support to economics institutions such as the Grattan Institute and NSW Economics Society of Australia, through provision of our conference centre
- to provide a NSW Premier's Teacher Scholarship, at a cost of \$15,000.

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 2025/26, we continued 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.

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

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

We continued our support of two places under the RBA First Nation's Scholarship agreement with James Cook University and are now broadening the program to include the University of Newcastle. These scholarships assist our First Nations employment plan by supporting promising First Nations students who are undertaking study in 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 2025/26, we held 950 liaison meetings with more than 750 different contacts, spanning businesses, industry associations, government agencies and community organisations. We held a number of these meetings during visits to Hobart, Darwin and 14 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 members' understanding of issues affecting businesses and the wider economy, and in turn the Board's policy decisions. We publish insights from liaison in a dedicated section of the quarterly SMP.

Staff in our state offices play an important role in communicating with members of the public. In 2025/26, 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.



Monetary Policy Board member Iain Ross (second from left) with RBA's Victorian Senior Representative Mark Chambers and Victorian Office economist Joel Fernando and a member of the Latrobe City Business Chamber. 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. The discussion at 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 August 2026, 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.

In June 2026, members of the Monetary Policy Board (and some senior staff) met with the first panel of external economists and academics convened under the Board's Expert Advisory Group. The Group was established to give Board members access to a broad range of external perspectives on current economic conditions, the economic outlook and associated risks, and on matters with strategic and longer-term relevance for monetary policy.

Our liaison also covers various parts of the payments industry. 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. Staff from Payments Settlements and Banking departments also participated in various industry forums in 2025/26, 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 Australian Payments Plus committees (see also Part 2.3: Banking and Payment Services).

Consultations and stakeholder engagement

To complement our broad liaison efforts, we engaged with a wide variety of groups to inform our policy and operational activities in areas related to payments and banknotes.

During 2025/26, we engaged with stakeholders across the payments industry on major policy issues and market developments. This included consultation on the Review of Merchant Card Payment Costs and Surcharging and engagement with industry participants on the future of account-to-account payments.

We engaged with other government agencies, banks, cash-in-transit companies, industry bodies and other interested parties on topics related to wholesale cash distribution (see Part 2.4: Banknotes). The RBA, together with other Council of Financial Regulators agencies and the Australian Competition and Consumer Commission, consulted on proposed cash distribution regulation. We also engaged with key participants in the cash distribution system regarding business continuity arrangements.

We actively consulted with stakeholders across the entire lifecycle of banknotes, including design, manufacturing, distribution, public usage, functionality testing and counterfeit resistance. In 2025/26, our engagement focused on the redesign of the \$5 banknote, including ongoing consultation with relevant First Nations communities and early discussions with some key industry stakeholders (see Part 2.4: Banknotes). We also consulted on arrangements to support banknote quality with both the cash-in-transit companies and the banks we deal with in wholesale cash.

Our education program

Our education program continued to support the teaching and learning of economics across Australia, with a focus on strengthening student engagement, enhancing teachers' capabilities, and promoting greater awareness of economics as a field of study and career pathway. The Educators Advisory Panel met twice in 2025/26 and provided guidance on improving teaching resources, increasing student participation and addressing gaps in interest in economics, particularly among under-represented groups.

New research published in 2025/26 further highlighted the importance of early exposure to economics. Findings from a 2024 survey showed that engagement with economics concepts through years 7–10 commerce electives was associated with higher levels of student interest, confidence and understanding, particularly following the introduction of a core economics topic into the 2019 syllabus. The largest gains were observed among students from lower socio-economic backgrounds, who are typically under-represented in economics.

Our program reached an estimated 9,800 students in 2025/26, more than its historical average. High school students accounted for around 90 per cent of total engagement, with approximately 9,100 students reached across more than 350 schools through a combination of in-person and online activities.

After shifting primarily to online delivery for the pandemic and post-pandemic period, the program continued to revert towards in-person engagements. A renewed focus on multi-school in-person presentations with senior leaders has supported strong, high-quality engagement across the states, complemented by live-stream delivery that extends the reach of these sessions to geographically dispersed audiences. We held five of these events, reaching more than 2,200 students across the country while maintaining a high level of participant engagement. We have also expanded our regional outreach to directly engage more communities across the country.

And we participated in national initiatives such as the Australasian Economics Olympiad, which strengthen relationships with schools outside metropolitan areas.

Careers-focused outreach activities provide opportunities to broaden awareness of economics pathways, including among younger cohorts. We reached around 2,000 high school students in 2025/26 through large-scale expos, including students in Year 9 and below. We also commenced a pilot to deliver introductory economics sessions for First Nations students.

The program also aims to enhance educators' capabilities. In 2025/26, we supported an estimated 600 teachers. The highlights were the annual RBA-hosted Teacher Immersion Event professional development day and participation in externally hosted professional development forums and conferences. Teacher feedback indicates that these activities strengthened confidence in delivering economics content and provided practical resources for classroom use.

The RBA expanded its suite of education resources for students and teachers. These included new explainers on the dual mandate of monetary policy and full employment, alongside classroom-ready worksheets and continued quarterly video updates linking current economic conditions to core concepts in high school economics curricula.



Emma Chow (Lead Analyst) and Governor Michele Bullock with students at an event at The Geelong College, Victoria in February 2026. Source: RBA.

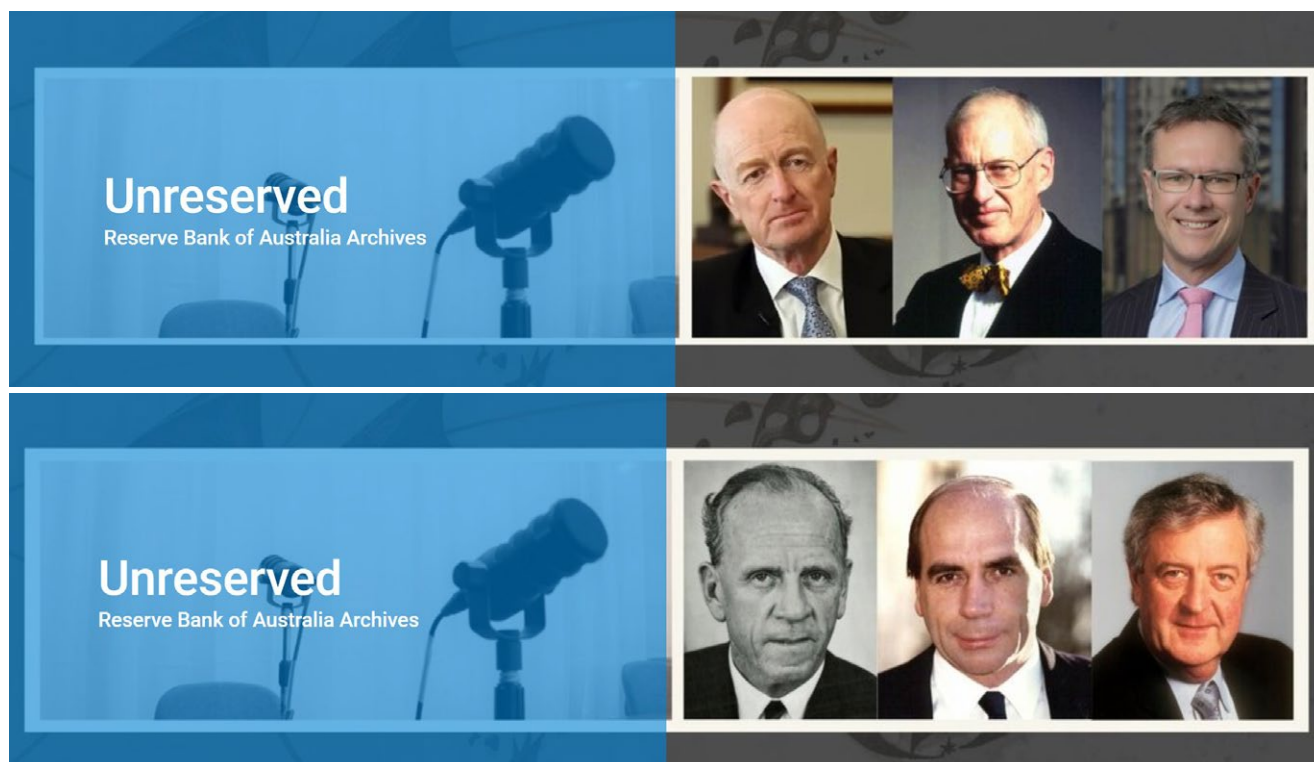
Our museum

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 that draw on our archival collections. With the decommissioning of the Museum while we renovate our head office building, additional content has been made available on the Museum website. One initiative in 2025/26 was to develop an interactive online timeline that expands on information available in the Museum's former physical timeline. It includes key moments in the history of central banking in Australia, along with past governors, legislation, monetary policy frameworks, banknote series, and roles and functions. The tool provides summary information about milestones in each of these topics, along with access to primary source archival information about them.

The Official Oral History interviews with former governors and deputy governors were published on our Unreserved website, along with transcripts, a master subject index and a Series Guide. In addition to being an important archival record that gives the public insights into key economic events and the considerations of our leaders, extracts from these interviews will form audio content for the new museum.



Image of new interactive timeline on the RBA Museum website.
Source: RBA.



Interview subjects in the Official Oral History.

From top left: Governor Glenn Stevens, Deputy Governor Stephen Grenville and Deputy Governor Guy Debelle.
From bottom left: Governor HC Coombs, Governor Bernie Fraser and Governor Ian Macfarlane. Source: RBA.

Building on the Official Oral History, we commenced a public interview program. This included interviews with selected members of the public who lived through episodes of economic history that will be presented in the Museum. We also engaged with the First Nations Advisory Panel to receive advice on public interviews with First Nations' peoples connected with the RBA's history and our banknotes.

A conceptual redesign of the physical space of the new museum was finalised with the intention of enabling the public to interact more effectively with its 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 that contains records about Australia's economic, financial and social history over the past 200 years, along with records about our operations as a central bank. The records predate the RBA as it is known today because we descend from the original government-owned Commonwealth Bank of Australia, which had a central banking function and had absorbed other banks with a colonial history.

Activities in 2025/26 focused on the safe relocation of this large and significant national collection from the RBA's 65 Martin Place building while it is being refurbished (see Part 3.1: Management of the RBA). The collection – which comprises nearly five kilometres of physical archival records, objects and historic audiovisual materials – was moved from the basement of this building to four specialist storage facilities, with each facility meeting specific preservation, environmental and security requirements. This complex project required detailed planning and execution to ensure the ongoing security and preservation of the collection, in compliance with National Archives of Australia standards.



Contractors moving crates of archival materials from 65 Martin Place. Source: Lightwell.

In addition to this major relocation project, core archival services were maintained. We continued to digitise our records, with priority given to records of the Secretary's Department, which include documents relating to both central bank and government committees.

Public access to the RBA's archival records remained supported by our digital archive, Unreserved. Historically significant files were released on Unreserved from the Secretary's Department series, together with a Series Guide about the sinking of the RMS *Niagara* in 1940 – a ship carrying nearly eight tons of gold intended as payment from Britain to the United States for vital munitions. As Australia's central bank was acting as the agent for this payment, the *Niagara* files record the Deputy Governor's role in coordinating a remarkable salvage operation so that the payment could be made in support of the war effort.



Gold bars on the Claymore, recovered from RMS Niagara in 1941. Source: RBA Archives PN-003936.

In 2025/26, 11,300 unique users from Australia and overseas accessed Unreserved and viewed over 66,700 pages of records. In addition to this self-service channel, we continued to facilitate public access to RBA records in the open access period (20 years from the closure of a record). Digital records were supplied through our secure external collaboration tool, RBA Box, while researchers seeking original materials were given supervised access on our premises.

Our archivists continued to respond to requests for information by the public on a range of topics. In 2025/26, around 130 requests were received and acted upon, entailing around 350 hours of research by the archivists. Topics included the design of the first polymer banknotes, early 20th century stamp printing, the 1890s Depression, Australia's administration of Papua New Guinea following the Second World War, War Savings certificates and illustrations by Vernon Lorimer (the central bank's acclaimed graphic artist).

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

Our charitable activities

In 2025/26, we contributed \$262,529 to charitable activities.

This included our 24th annual contribution of \$50,000 to the Financial Markets Foundation for Children, which is managed by a Board of Directors chaired by the Governor. We have 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 2026 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 2025/26, dollar-matching of staff payroll deductions totalled \$207,029.

Other staff-led initiatives in 2025/26 included matching staff donations for the Benevolent Fund's Christmas appeal for Foodbank Australia, Lifeline Australia and the Women's and Girls' Emergency Centre. We allow volunteer leave for teams that engage in specific charitable activities.

Endnotes

- 1 Harden J, P Rickards and M Wright (2026), 'Listening to Australians: A New RBA Survey of the Community', *RBA Bulletin*, July.
- 2 See RBA (2026), 'Corporate Plan 2026/27', August, for additional discussion of this priority.

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.

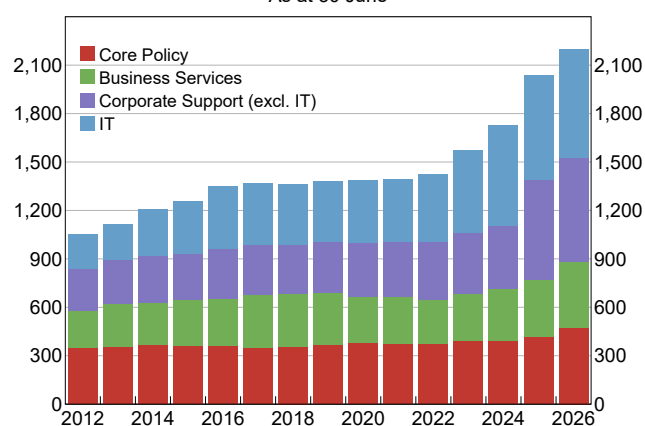
We expanded our employee listening approach. This included introducing a culture pulse survey in October 2025 to complement the full employee engagement survey conducted in March 2026. The full engagement survey demonstrated that our staff engagement remains strong, and we continue to make good progress 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.

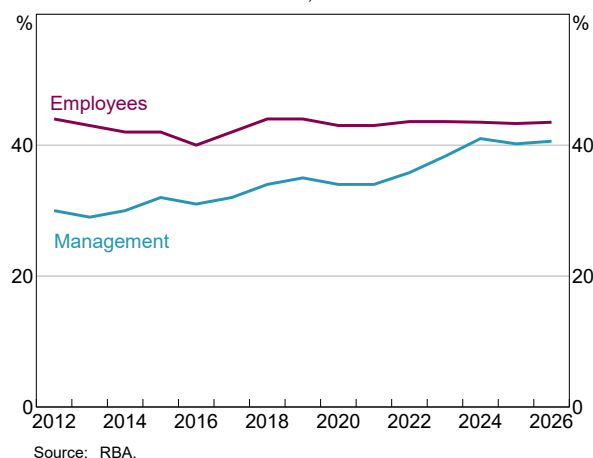
We adopted three targets in 2026 from the WGEA gender equality targets menu. Progress against these targets will be measured against a 2024 baseline. The targets are:

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 superannuation contributions ³	Average other long-term benefits	Average long service leave ⁴	Average other long-term benefits	Average termination benefits	Average total remuneration	
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.

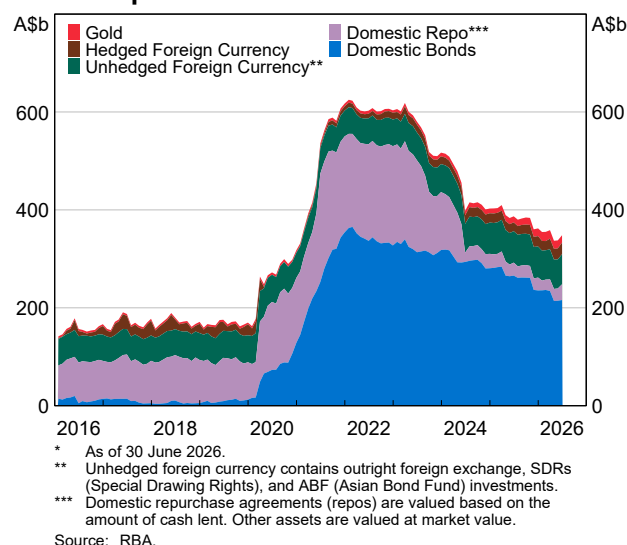
Maintaining public trust is central to our role and underpins our ability to fulfil our mandate. We seek to sustain that trust through clear communication about our decisions and actions, transparency about our performance and accountability for the outcomes we deliver. Our engagement with the community 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).

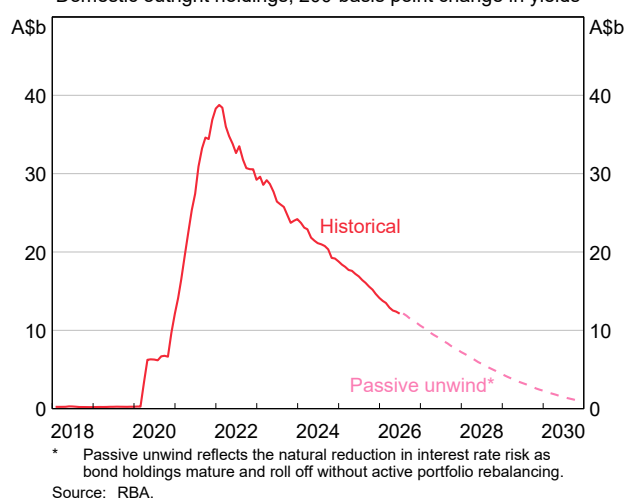
These assets and liabilities have implications for the RBA's balance sheet and earnings:

- **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

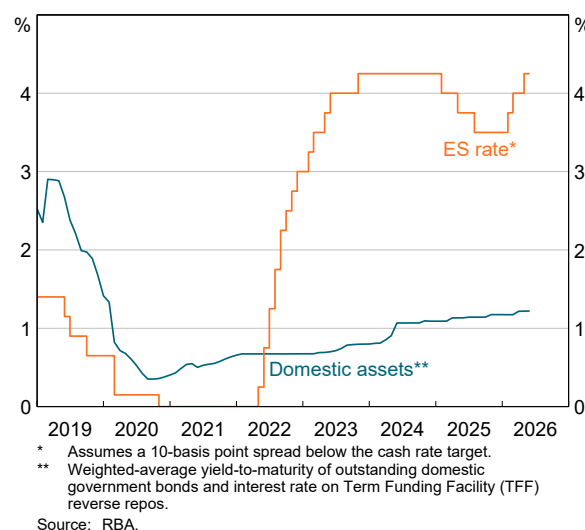
Interest Rate Risk on RBA Portfolio

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

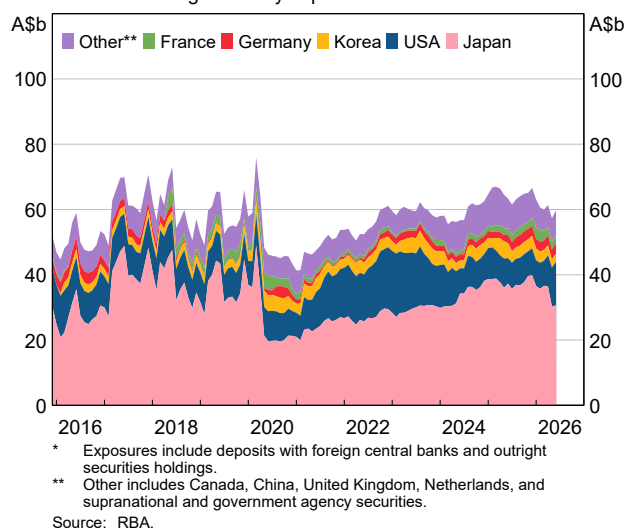
Credit risk is the potential for financial loss arising from the default of a debtor or issuer, or from a decline in asset values following a deterioration in credit quality. We manage our credit exposure by applying a strict set of eligibility criteria to our holdings of financial assets and to the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

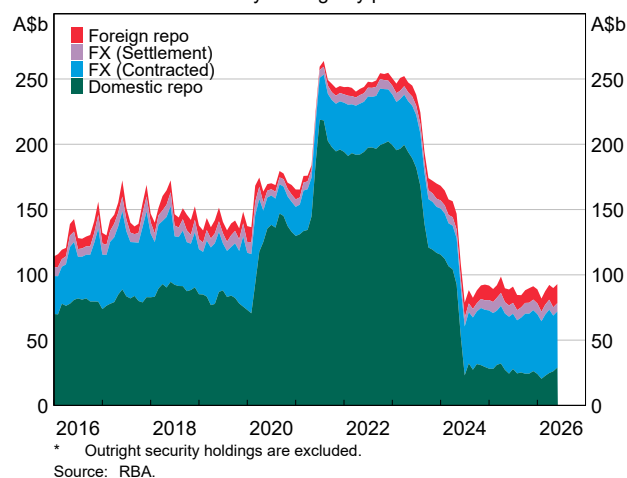
Average monthly exposure to each issuer



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.

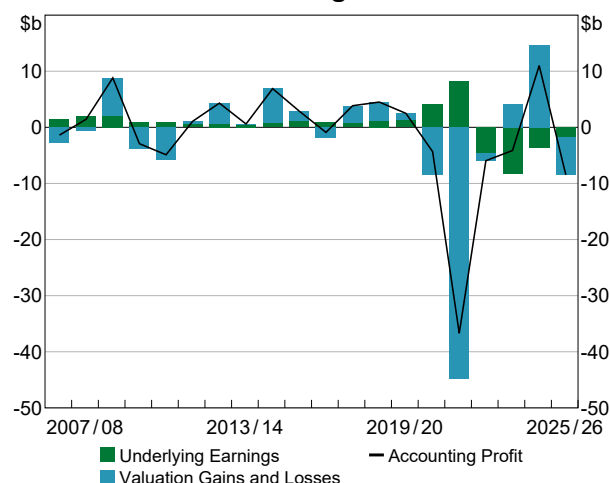
In 2025/26, our accounting loss of \$8.5 billion (Graph 3.4.1) comprised the following:

- **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.

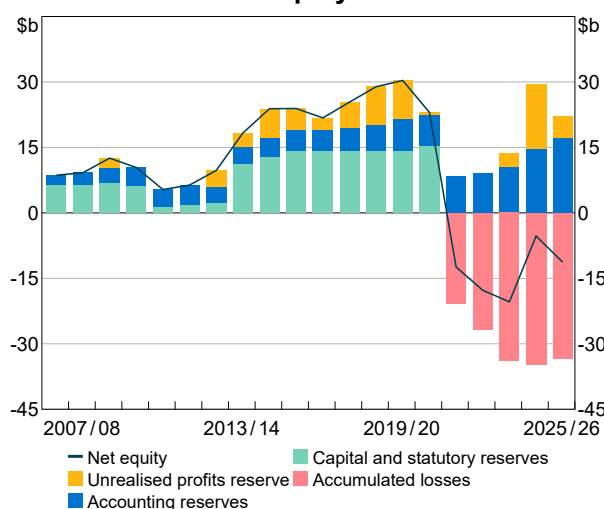
We also maintain several other financial reserves:

- 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.

Part 4:

Financial Statements

Reserve Bank of Australia Financial Statements

For the year ended 30 June 2026

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 2026 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 2026.



Michele Bullock

Governor and Chair, Governance Board



Emma Costello

Chief Financial Officer

10 September 2026

Statement of Financial Position

as at 30 June

Reserve Bank of Australia and Controlled Entity

	Note	2026 \$M	2025 \$M
Assets			
Cash and cash equivalents	6	551	542
Australian dollar investments	1(b), 15	248,378	292,488
Foreign currency investments	1(b), 15	98,105	95,538
Gold	1(d), 15	15,049	12,887
Property, plant and equipment	1(e), 8	749	541
Other assets	7	1,831	1,597
Total assets		364,663	403,593
Liabilities			
Deposits	1(b), 9	253,403	289,980
Distribution payable to the Commonwealth	1(h), 3	–	–
Australian banknotes on issue	1(b)	107,334	103,813
Other liabilities	10	15,214	15,118
Total liabilities		375,951	408,911
Net (liabilities)/assets		(11,288)	(5,318)
Equity			
Reserves:			
– Unrealised profits reserve	1(g)	4,875	14,735
– Asset revaluation reserves	1(g), 5	15,968	13,606
– Superannuation reserve	1(g)	1,123	990
– Reserve Bank Reserve Fund	1(g)	–	–
Accumulated Losses	1(g)	(33,294)	(34,689)
Capital	1(g)	40	40
Total equity		(11,288)	(5,318)

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

Statement of Comprehensive Income

for the year ended 30 June

Reserve Bank of Australia and Controlled Entity

	Note	2026 \$M	2025 \$M
Net interest income	2	(940)	(3,019)
Fees and commission income	2	303	266
Other income	2	217	198
Net gains/(losses) on securities and foreign exchange	2	(6,773)	14,678
General administrative expenses	2	(873)	(699)
Other expenses	2	(399)	(437)
Net profit/(loss)		(8,465)	10,987
<i>Gains/(losses) on items that may be reclassified to profit or loss:</i>			
– Gold		2,162	3,852
		2,162	3,852
<i>Gains/(losses) on items that will not be reclassified to profit or loss:</i>			
– Property		136	(6)
– Superannuation		133	130
– Shares in international and other institutions		64	112
		333	236
Other comprehensive income		2,495	4,088
Total comprehensive income		(5,970)	15,075

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

Statement of Distribution

for the year ended 30 June

Reserve Bank of Australia and Controlled Entity

	Note	2026 \$M	2025 \$M
Net profit/(loss)		(8,465)	10,987
Transfer (to)/from unrealised profits reserve		9,860	(11,720)
Transfer from asset revaluation reserves		–	–
Earnings available for distribution		1,395	(733)
<i>Distributed as follows:</i>			
– Transfer to Reserve Bank Reserve Fund		–	–
– Transfer to accumulated losses		1,395	(733)
– 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

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 2024	–	3,015	9,648	860	–	(33,956)	40	(20,393)
Net profit/(loss)	1(h)	(733)	11,720					10,987
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(i)			130				130
Other comprehensive income			3,958	130				4,088
Total comprehensive income for 2024/25								15,075
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	990	–	(34,689)	40	(5,318)
Net profit/(loss)	1(h)	1,395	(9,860)					(8,465)
Gains/(losses) on:								
– Gold	1(d), 5		2,162					2,162
– Shares in international and other institutions	1(b), 5		64					64

Statement of Changes in Equity (continued)

for the year ended 30 June

Reserve Bank of Australia and Controlled Entity

	Note	Earnings available for distribution	Unrealised profits reserve	Asset revaluation reserves	Superannuation reserve	Reserve Bank Reserve Fund	Accumulated losses	Capital	Total equity
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
– Property	1(e), 5			136					136
– Superannuation	1(i)				133				133
Other comprehensive income				2,362	133				2,495
Total comprehensive income for 2025/26									(5,970)
Transfer from asset revaluation reserves	1(g)	–		–					–
Transfer from Reserve Bank Reserve Fund		–				–			–
Transfer to accumulated losses		(1,395)					1,395		–
Transfer to distribution payable to the Commonwealth	1(h), 3	–							–
Balance as at 30 June 2026		–	4,875	15,968	1,123	–	(33,294)	40	(11,288)

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

Cash Flow Statement

for the year ended 30 June

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

Reserve Bank of Australia and Controlled Entity

	Note	2026 Inflow/(outflow) \$M	2025 Inflow/(outflow) \$M
Cash flows from operating activities			
Interest received		9,635	10,516
Interest paid		(10,441)	(13,726)
Net fee income received		88	73
Net receipts from investments		32,245	32,067
Net movement in cash collateral		2,400	(2,962)
Net movement in deposit liabilities		(36,578)	(28,249)
Net movement in banknotes on issue		3,521	3,048
Other		(796)	(618)
Net cash from operating activities	6	74	149
Cash flows from investment activities			
Net payments for property, plant and equipment		(38)	(25)
Net payments for computer software		(1)	(2)
Other		(0)	0
Net cash from investment activities		(39)	(27)
Cash flows from financing activities			
Distribution to the Commonwealth	3	–	–
Other		(26)	(19)
Net cash from financing activities		(26)	(19)
Net movement in cash		9	103
Cash at beginning of financial year		542	439
Cash at end of financial year	6	551	542

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 2026 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.

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 1(e)), 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 2026.

Going concern

These financial statements are prepared on a going concern basis.

As at 30 June 2026, the RBA's liabilities exceeded its assets by \$11.3 billion (\$5.3 billion at 30 June 2025). 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 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 net 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 net 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 net 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 net 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 or loss, 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 but 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 may also lend 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 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 or loss.

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 RBA 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 or 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. 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 or loss. 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 relevant assets and their cost, including 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 accruals 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. 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.

Applicable from the RBA's 2027/28 financial statements (with retrospective application), AASB 18 – *Presentation and Disclosure in Financial Statements* will replace AASB 101 – *Presentation of Financial Statements*. The new standard introduces a revised structure for the statement of profit or loss, new disclosure requirements for management-defined performance measures, and enhanced requirements for aggregation and disaggregation of information.

Note 2 – Net Profit

Net Profit – for the year ended 30 June

	Note	2026 \$M	2025 \$M
Net interest income			
Interest income	1(b), 4	9,512	10,385
Interest expense	1(b), 4	(10,452)	(13,404)
		(940)	(3,019)
Fees and commissions income			
Banking services	1(l)	240	211
Payment services	1(l)	63	55
		303	266
Other income			
	1(b), 1(l)	217	198
Net gains/(losses) on securities and foreign exchange			
Foreign investments	1(b)	(95)	287
Australian dollar securities	1(b)	(3,074)	10,210
Foreign currency	1(b)	(3,604)	4,181
		(6,773)	14,678
General administrative expenses			
Salaries, wages and on-costs		(484)	(409)
Net gains/(losses) on employee provisions		(4)	(4)
Superannuation costs	1(j)	(37)	(39)
Depreciation of property, plant and equipment	1(e), 8	(55)	(50)
Amortisation of computer software	1(f), 7	(14)	(16)
Premises and equipment		(245)	(153)
Other		(34)	(28)
		(873)	(699)
Other expenses			
Banking service fees		(212)	(192)
Materials used in banknote and security products		(91)	(84)
Other		(96)	(161)
		(399)	(437)
Net profit/(loss)		(8,465)	10,987

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 (or used to offset accumulated losses) 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 2025/26, the RBA recorded an accounting loss of \$8,465 million. Of this, unrealised losses of \$9,860 million were transferred to the unrealised profits reserve. The remaining balance of \$1,395 million was available for distribution. Consistent with the Governance Board's proposal, the Treasurer determined that these earnings available for distribution be applied to reducing accumulated losses on the balance sheet. Accordingly, no dividend was payable to the Commonwealth.

Distribution Payable to the Commonwealth – as at 30 June

	2026 \$M	2025 \$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 – for the year ended 30 June

	Average balance	Interest	Average annual interest rate
	\$M	\$M	Per cent
Interest-earning assets			
Foreign currency investments	80,732	1,520	1.9
Australian dollar investments	265,088	7,174	2.7
Cross-currency basis swaps ^(a)	16,512	724	4.4
Overnight settlements	569	21	3.8
Cash collateral provided	72	3	4.3
Gold borrowed under gold swaps	2,478	69	2.8
Loans, advances and other	39	1	3.2
	365,490	9,512	2.6
Interest-bearing liabilities			
Exchange Settlement balances	195,634	7,284	3.7
Deposits from governments	70,795	2,766	3.9
Deposits from overseas institutions	1,286	40	3.1
Banknote holdings of banks	3,370	126	3.7
Foreign currency repurchase agreements	1,660	44	2.7
Australian dollar repurchase agreements	557	19	3.5
Gold loaned under gold swaps	336	1	0.3
Cash collateral received	1,821	72	4.0
Cross-currency basis swaps ^(a)	16,512	100	0.6
	291,971	10,452	3.6
Net interest margin			(0.3)
Analysis for the year ended 30 June 2025			
Interest-earning assets	398,470	10,385	2.6
Interest-bearing liabilities	326,474	13,404	4.1
Net interest margin			(0.8)

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

Interest income for 2025/26 includes \$1,524 million calculated using the effective interest method for financial assets not at fair value through profit or loss (\$1,793 million in 2024/25). Interest expense for 2025/26 includes \$10,352 million calculated using the effective interest method for financial liabilities not at fair value through profit or loss (\$13,385 million in 2024/25).

Note 5 – Asset Revaluation Reserves

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

Asset Revaluation Reserves – as at 30 June

	Note	2026 \$M	2025 \$M
Gold	1(d)	14,921	12,759
Shares in international and other institutions	1(b), 7	718	654
Property	1(e), 8	329	193
As at 30 June		15,968	13,606

Note 6 – Cash and Cash Equivalents

Cash and Cash Equivalents – as at 30 June

	2026 \$M	2025 \$M
Cash	32	41
Overnight settlements	519	501
As at 30 June	551	542

Cash and cash equivalents include net amounts of \$519 million owed to the RBA for overnight clearances of financial transactions through the payments system (\$501 million at 30 June 2025). 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	2026 \$M	2025 \$M
Net profit/(loss)		(8,465)	10,987
Net (gain)/loss on overseas investments	2	95	(287)
Net (gain)/loss on Australian dollar securities	2	3,074	(10,210)
Net (gain)/loss on foreign currency	2	3,604	(4,181)
Depreciation of property, plant and equipment	2	55	50
Amortisation of computer software	2	14	16
Net receipts from investments		32,245	32,067
Net movement in interest receivable		123	150
Net movement in interest payable		11	(341)
Net movement in deposit liabilities		(36,577)	(28,249)
Net movement in banknotes on issue		3,521	3,048
Net movement in cash collateral		2,400	(2,962)
Other		(26)	61
Net cash used in operating activities		74	149

Note 7 – Other Assets

Other Assets – as at 30 June

	Note	2026 \$M	2025 \$M
Shareholding in Bank for International Settlements	1(b)	761	697
Superannuation asset	1(j), 14	765	623
Computer software	1(f)	35	48
Other		270	229
As at 30 June		1,831	1,597

At 30 June 2026, the gross book value of the RBA's computer software amounted to \$213.5 million and the accumulated amortisation on these assets was \$178.4 million (\$212.3 million and \$164.1 million, respectively, at 30 June 2025).

Note 8 – Property, Plant and Equipment

	Land and buildings \$M	Plant and equipment \$M	Leased assets \$M	Total \$M
Gross book value as at 30 June 2025	345	382	121	848
Accumulated depreciation	–	(269)	(38)	(307)
Net book value	345	113	83	541
Additions	1	36	91	128
Disposals	–	(1)	0	(1)
Depreciation expense	(4)	(23)	(28)	(55)
Net gain/(loss) recognised in net profit/(loss)	–	0	0	0
Net gain/(loss) recognised in other comprehensive income	136	–	–	136
Net movement in net book value	133	12	63	208
Gross book value as at 30 June 2026	482	416	200	1,098
Accumulated depreciation	(4)	(291)	(54)	(349)
Net book value	478	125	146	749

The net book value of the RBA's property, plant and equipment includes \$41.7 million of work in progress (\$31.6 million at 30 June 2025).

As at 30 June 2026, the RBA had contractual commitments of \$67.2 million for acquisitions relating to its property, plant and equipment (\$23.0 million at 30 June 2025), of which \$51.6 million is due within one year (\$8.4 million at 30 June 2025).

The net book value of leased assets at 30 June 2026 includes \$101.6 million in property and \$44.2 million in plant and equipment (\$33.3 million and \$50.0 million, respectively, at 30 June 2025).

Note 9 – Deposits

Deposits – as at 30 June

	2026 \$M	2025 \$M
Exchange Settlement balances	183,300	212,424
Australian and state governments	68,684	75,618
Foreign official institutions and international organisations	1,418	1,937
Other depositors	1	1
As at 30 June	253,403	289,980

Note 10 – Other Liabilities

Other Liabilities – as at 30 June

	Note	2026 \$M	2025 \$M
Provisions			
Provision for annual and other leave	1(i)	40	34
Provision for long service leave	1(i)	75	67
Provision for post-employment benefits	1(i)	74	72
Other		12	8
		201	181
Other			
Securities sold under agreements to repurchase	1(b)	3,785	2,169
Payable for unsettled purchases of securities	1(b)	7,155	10,154
Gold loaned under gold swaps	1(b)	0	473
Foreign currency swap liabilities	1(b)	2,925	1,043
Interest accrued on deposits	1(b)	879	897
Other		269	201
		15,013	14,937
Total other liabilities as at 30 June		15,214	15,118

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

Other liabilities include lease liabilities of \$147.1 million relating to leased premises and equipment (\$81.9 million at 30 June 2025). Interest on lease liabilities was \$4.7 million in 2025/26 (\$3.6 million in 2024/25). In addition, the RBA had \$0.2 million of leases that had been committed to but not yet commenced at 30 June 2026 (\$46.2 million at 30 June 2025).

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 \$71.1 million at 30 June 2026 (\$75.5 million at 30 June 2025).

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.

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, namely 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 26 of these positions in 2025/26 (33 in 2024/25, which, prior to 1 March 2025 comprised non-executive members of the Reserve Bank Board, non-executive members of the Payments System Board and the Assistant Governors). A total of 27 individuals occupied these positions for all or part of the financial year (27 in 2024/25).

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.

In June 2025, the Remuneration Tribunal determined that, effective 1 July 2025, an adjustment of 2.4 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 18 August 2025 to set the remuneration rate for the position of Governor at \$1,201,890 and that for the Deputy Governor at \$901,420. No performance payments were made to any individual while occupying these positions in 2025/26.

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 entity; they include all leave and fringe benefits tax charges.

Key Management Personnel Remuneration – for the year ended 30 June

	2026 \$	2025 \$
Short-term employee benefits	6,749,598	6,136,904
Post-employment benefits	492,012	431,766
Other long-term employee benefits	301,632	184,835
Termination benefits	–	–
Total compensation^(a)	7,543,242	6,753,505

(a) Within the group of key management personnel, 23 individuals (23 in 2024/25) were remunerated and included in this table. Three 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. In addition, on 10 December 2025, a member of the Payments System Board was appointed as Chair of the Data Standards Body, and since then has not been remunerated for being a member of the Payments Systems 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 2025/26 and 2024/25. 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 – for the year ended 30 June

	2026 \$	2025 \$
Fees paid or payable to the statutory auditor (Australian National Audit Office) for audit services	550,000	550,000

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 2025/26, KPMG earned additional fees of \$71,397 for non-audit services that were separately contracted by the RBA (\$62,907 in 2024/25). 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 (the valuation for the financial position as at 30 June 2026 will be completed shortly). 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 2026 amounted to \$917 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

	2026 Per cent	2025 Per cent
Discount rate (gross of tax) ^(a)	6.1	5.8
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 (17 years at 30 June 2025).

Expected Maturity Profile for Defined Benefit Obligations of RB Super

	2026 Per cent	2025 Per cent
Less than 5 years	19	18
Between 5 and 10 years	18	17
Between 10 and 20 years	29	29
Between 20 and 30 years	19	20
Over 30 years	15	16
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 – as at 30 June

	2026 \$M	2025 \$M
Change in defined benefit obligation from an increase of 0.25 percentage points in:		
– Discount rate (gross of tax)	(63)	(67)
– Future salary growth	15	17
– Future pension growth	52	54
Change in defined benefit obligation from a decrease of 0.25 percentage points in:		
– Discount rate (gross of tax)	67	71
– Future salary growth	(15)	(16)
– Future pension growth	(50)	(52)
Change in defined benefit obligation from an increase in life expectancy of one year	37	38

Asset Distribution – as at 30 June

Distribution of RB Super's assets used to fund members' defined benefits

	Per cent of fund assets	
	2026	2025
Cash and short-term securities	2	1
Fixed interest and indexed securities	12.5	12.5
Australian equities	26.3	28
International equities	28.2	26
Property	7	8
Private equity	6.7	10
Infrastructure	13.5	12
Private credit	3.8	2.5
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 there is no actuarial risk on defined contribution balances.

AASB 119 Reconciliation

	2026 \$M	2025 \$M
<i>Opening balances:</i>		
Net market value of assets	1,977	1,829
Accrued benefits	(1,353)	(1,333)
Opening superannuation asset/(liability)	623	496
Change in net market value of assets	109	148
Change in accrued benefits	32	(21)
Change in superannuation asset/(liability)	141	128
<i>Closing balances:</i>		
Net market value of assets	2,086	1,977
Accrued benefits	(1,321)	(1,353)
Closing superannuation asset/(liability)	765	623
Interest income	113	103
Benefit payments	(56)	(57)
Return on plan assets	51	102
Contributions from RBA to defined benefit schemes	–	–
Change in net market value of assets	109	148
Current service cost	(22)	(25)
Interest cost	(84)	(80)
Benefit payments	56	57
Gains/(losses) from change in demographic assumptions	–	–
Gains/(losses) from change in financial assumptions	82	28
Gains/(losses) from change in other assumptions	0	0
Change in accrued benefits	32	(21)
Current service cost	(22)	(25)
Net interest (expense)/income	29	23
Superannuation (expense)/income included in profit or loss	8	(2)
Actuarial remeasurement gain/(loss)	133	130
Superannuation (expense)/income included in Statement of Comprehensive Income	141	128

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, including market risk, liquidity risk and credit risk. See Part 2.2: Operations in Financial Markets and Part 3.3: Risk and Compliance 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.

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. An appreciation in the Australian dollar would result in valuation losses, while a depreciation would lead to valuation gains. The RBA's net foreign currency exposure as at 30 June 2026 was \$61.7 billion (\$64.4 billion as at 30 June 2025). 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 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

Net holdings of foreign exchange (excluding SDRs and ABF2) were distributed as follows at 30 June.

Concentration of Foreign Exchange – as at 30 June

	Per cent of foreign exchange	
	2026	2025
US dollar	45	45
Euro	30	30
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

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 foreign exchange exposure over the financial year.

Sensitivity to Foreign Exchange Risk – as at 30 June

	2026 \$M	2025 \$M
Change in net profit or loss due to a 10 per cent:		
– appreciation in the value of the A\$	(5,592)	(5,856)
– depreciation in the value of the A\$	6,835	7,157

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. Interest rate risk arises because most of the RBA's financial assets 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 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 – as at 30 June

	2026 \$M	2025 \$M
Change in net profit or loss/equity due to movements of ± 1 percentage point across yield curves:		
– Foreign currency securities	–/+339	–/+330
– Australian dollar securities	–/+6,066	–/+8,441

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 – through Exchange Settlement balances – 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 maturity analysis 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 2026

	Balance sheet total	Contracted maturity \$M				No specified maturity	Weighted average effective rate
		\$M	0–3 months	3–12 months	1–5 years		
Assets							
Cash and cash equivalents	551	550	–	–	–	1	4.16
Australian dollar investments							
Securities held outright	214,888	15,082	20,726	151,849	27,231	-	4.47
Securities purchased under repurchase agreements	32,506	28,355	–	–	–	4,151	4.42
Accrued interest	984	377	607	–	–	–	n/a
	248,378						
Foreign currency investments							
Balance with central banks	27,326	27,326	–	–	–	–	1.02
Securities held outright	53,851	16,065	17,558	10,080	113	10,035	2.76
Securities purchased under repurchase agreements	10,410	10,410	–	–	–	–	3.14
Deposits and cash collateral provided	1,134	1,134	–	–	–	–	1.21
Gold borrowed under gold swaps	5,066	5,066	–	–	–	–	2.94
Accrued interest	318	282	36	–	–	–	n/a
	98,105						
Gold holdings	15,049	–	–	–	–	15,049	n/a
Property, plant & equipment	749	–	–	–	–	749	n/a
Other assets	1,831	91	48	27	0	1,665	n/a
Total assets	364,663	104,738	38,975	161,956	27,344	31,650	3.61
Liabilities							
Deposits	253,403	253,403	–	–	–	–	4.29
Australian banknotes on issue	107,334	–	–	–	–	107,334	0.12
Cash collateral received and other liabilities	15,214	14,814	27	156	26	191	1.52
Total liabilities	375,951	268,217	27	156	26	107,525	2.99
Equity	(11,288)						
Total balance sheet	364,663						

Maturity Analysis – as at 30 June 2026 *(continued)*

	Balance sheet total	Contracted maturity \$M				No specified maturity	Weighted average effective rate
		0–3 months	3–12 months	1–5 years	5+ years		
	\$M					\$M	Per cent
Swaps							
Australian dollars							
– Contractual outflow	(209)	(209)	–	–	–	–	
– Contractual inflow	25,814	34	–	25,580	200	–	
	25,605	(175)	–	25,580	200	–	
Foreign currency							
– Contractual outflow	(32,471)	(6,691)	–	(25,580)	(200)	–	
– Contractual inflow	6,866	6,866	–	–	–	–	
	(25,605)	175	–	(25,580)	(200)	–	

Maturity Analysis – as at 30 June 2025

	Balance sheet total	Contracted maturity				No specified maturity	Weighted average effective rate
		\$M					
	\$M	0–3 months	3–12 months	1–5 years	5+ years	\$M	Per cent
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 & equipment	541	–	–	–	–	541	n/a
Other assets	1,597	65	38	23	0	1,471	n/a
Total assets	403,593	84,618	62,386	161,411	65,454	29,724	3.03

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		
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)	–	–	–	–	
– Contractual inflow	18,224	2,986	7,138	8,100	–	–	
	18,177	2,939	7,138	8,100	–	–	
Foreign currency							
– Contractual outflow	(40,811)	(25,573)	(7,138)	(8,100)	–	–	
– Contractual inflow	22,634	22,634	–	–	–	–	
	(18,177)	(2,939)	(7,138)	(8,100)	–	–	

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 limited 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 2026 or 30 June 2025.

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 2026, the RBA was under contract to purchase \$6.9 billion of foreign currency (\$22.6 billion at 30 June 2025) and sell \$32.4 billion of foreign currency (\$40.8 billion at 30 June 2025). As of that date, there was a net unrealised gain of \$2.1 billion on these swap positions included in net profit (\$0.3 billion unrealised gain at 30 June 2025). In addition, the RBA has accrued interest of less than \$0.1 billion to be paid (less than \$0.1 billion at 30 June 2025) and \$0.2 billion to be received (\$0.1 billion at 30 June 2025) in relation to cross-currency basis swaps at 30 June 2026.

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 2026, the RBA held \$2.8 billion of collateral (\$0.5 billion of collateral was held at 30 June 2025) and provided no collateral (\$0.1 billion provided at 30 June 2025).

2. **Bond futures** – As at 30 June 2026, 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 2026, the provision for expected credit losses was immaterial (immaterial at 30 June 2025).

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 or European 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 2026, the carrying amount of securities sold and contracted for purchase under repurchase agreements was \$3.8 billion (\$2.2 billion at 30 June 2025). 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 2026, there was no gold sold and contracted for purchase under gold swap agreements (\$0.5 billion at 30 June 2025). There was \$4.5 billion in gold purchased and contracted for sale under gold swap agreements at 30 June 2026 (none at 30 June 2025).

Concentration of credit risk

Credit risk arising from financial assets held on the RBA's balance sheet is concentrated in holdings of securities issued by the Australian government and state and territory borrowing authorities, and claims on highly rated foreign governments, government guaranteed agencies and supranational organisations, and central banks. As at 30 June 2026, these exposures made up 80 per cent of the RBA's balance sheet (86 per cent at 30 June 2025). Credit risk arising from other financial assets is concentrated in collateralised exposures to investment grade counterparties.

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 a 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 table below presents the RBA's assets and liabilities measured and recognised at fair value and their classification within the fair value hierarchy at 30 June 2026.

Fair Value Hierarchy – as at 30 June 2026

	Fair value			Amortised cost	Total
	Level 1 \$M	Level 2 \$M	Level 3 \$M	\$M	\$M
As at 30 June 2026					
Financial assets					
At fair value through profit or loss					
– Australian dollar securities	213,721	2,084	–	n/a	215,805
– Foreign government securities	40,679	7,153	–	n/a	47,832
– Foreign currency swaps	0	2,369	–	n/a	2,369
At fair value through other comprehensive income					
– Shares in international and other institutions	–	–	761	n/a	761
At amortised cost	n/a	n/a	n/a	81,108	81,108
	254,400	11,606	761	81,108	347,875
Non-financial assets					
– Land and buildings	–	–	478	101	579
– Gold holdings	15,049	–	–	n/a	15,049
– Other	–	–	–	1,160	1,160
	15,049	–	478	1,261	16,788
Total assets	269,449	11,606	1,239	82,369	364,663
Financial liabilities					
At fair value through profit or loss					
– Foreign currency swaps	0	95	–	–	95
Not at fair value through profit or loss	n/a	n/a	n/a	375,487	375,487
	0	95	–	375,487	375,582
Non-financial liabilities	n/a	n/a	n/a	369	369
Total liabilities	0	95	–	375,856	375,951

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	0	519	–	408,392	408,911

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 depreciated 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 2026 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 2026:

- (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 2026 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 2026 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.

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.

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Key audit matter

Valuation of Australian dollar and foreign currency investments

Refer to Note 1 'Accounting Policies', and Note 15 'Financial Instruments and Risk'

Valuation of Australian dollar and foreign currency investments is a key audit matter due to their significant size relative to the Reserve Bank of Australia's statement of financial position (\$346,483m as at 30 June 2026) and the complexity inherent in auditing a wide range of investments which use different valuation methodologies.

The portfolio of investments comprises Australian dollar securities, foreign government securities, repurchase agreements, deposits, foreign currency swaps and cross-currency basis swaps. All investments are measured at fair value except for reverse repurchase agreements and deposits which are measured at amortised cost.

How the audit addressed the matter

To audit the valuation of Australian dollar and foreign currency investments, I performed the following audit procedures:

- 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 relevant to the ongoing monitoring of the collateralisation of repurchase agreement; and
- tested year-end valuation of Australian dollar and foreign government securities, repurchase agreements, deposits with other central banks, foreign currency swaps and cross-currency basis swaps using the following procedures:
 - checked all year-end valuations of Australian dollar and foreign government securities, foreign currency swaps and a sample of cross-currency basis swaps against independent pricing sources;
 - tested the year-end valuations of all foreign currency swaps and a sample of 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 at the year-end. 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 at the year-end.

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 2026 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 2026

Part 5:

Climate-related Disclosures



2025/26 Climate-related Disclosures Reserve Bank of Australia

For the year ended 30 June 2026

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 readers 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, but the uncertainty in climate-related information may lead the RBA to change its views in the future.

Introduction

In accordance with the Australian Government’s Commonwealth Climate Disclosure (CCD) policy,¹ this disclosure outlines our governance arrangements and approach to managing climate-related risks and opportunities, and sets out the qualitative assessments, strategies and initiatives we have developed in response.² It also discloses quantitative metrics on emissions arising from our physical and internal operations during 2025/26 and progress towards the RBA’s Net Zero Target.³

Governance

Oversight of climate-related risks and opportunities by the RBA’s boards

The Governance Board, as the RBA’s accountable authority, is responsible for, among other things:

- setting our strategic objectives and risk appetite
- approving our strategic plan and budgets
- overseeing our risk management framework.

Climate and sustainability matters form part of each of these activities. In addition, the Governance Board approves the required climate-related disclosures set out in this document.

The Governance Board and its Audit and Risk Committee regularly consider the effectiveness of the RBA’s systems of risk oversight and management and internal controls, including as they relate to climate risks.

Separately, climate-related risks and opportunities are also relevant to the work of the RBA’s two other boards:

- The Monetary Policy Board’s functions require it to consider the implications of climate change and other environmental factors for the Australian economy and financial system, where these are relevant to monetary policy and financial stability.
- The Payments System Board’s functions require it to consider how supervised clearing and settlement facilities are managing risks, which includes climate-related risks.

For further detail on these bodies and our governance structure, see Part 1.2: Governance and Accountability.

Management of climate-related risks and opportunities

The Governor is responsible for the day-to-day management of the RBA. This includes, among other things, implementing the strategic, business and financial plans approved by the Governance Board, and the policies, processes and systems needed to effectively deliver on these and manage our operations and risk profile. The Governor’s responsibility for day-to-day management of the RBA also includes implementing the policies of the Monetary Policy Board and Payments System Board.

Executive oversight of climate-related risks and opportunities, including their identification and mitigation, is the responsibility of several management committees and executives, as outlined in Table 5.1.

Table 5.1: Key Roles for Climate-related Risks and Opportunities

Role	Reports to / Supports	Risk and Opportunity Responsibility
Governor (supported by Executive Committee)	Governance Board, Monetary Policy Board and Payments System Board	The Governor is responsible for implementing the RBA’s policies on climate-related matters and, where relevant, escalating matters to the RBA’s boards. 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 financial plan for approval by the Governance Board. The Governor, supported by the Executive Committee, approves the RBA’s climate and sustainability strategy.
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.

Table 5.1: Key Roles for Climate-related Risks and Opportunities (*continued*)

Role	Reports to / Supports	Risk and Opportunity Responsibility
Climate and Sustainability Committee <i>Chair: Deputy Governor</i>	Executive Committee	Guides the strategic direction of the RBA's climate and sustainability initiatives, oversees the implementation of the climate and sustainability strategy, and provides advice to the Executive Committee (and Governor) on prioritisation and resourcing of climate and sustainability initiatives. Membership includes the Deputy Governor, Assistant Governor (Economic), Executive Policy Lead for Climate Change, Head of Workplace Department, and Chief Financial Officer.
Policy Area Climate Steering Group <i>Chair: Executive Policy Lead for Climate Change</i>	Assistant Governors overseeing policy groups	This steering group, comprising heads of relevant policy departments, oversees the Climate Analysis and Policy Team. The team coordinates work on climate and sustainability topics in support of the RBA's monetary policy and financial stability objectives. This steering group also approves the climate work plan to align research priorities across the RBA's Economic, Financial Markets and Financial Stability policy groups.
Head of Workplace Department	Chief Operating Officer	Responsible for managing climate-related risks and opportunities relating to RBA-owned 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	Responsible for developing the RBA's climate-related disclosures and owner of the RBA's environmental risk class (see Risk Management section below); this includes responsibility for assessing the residual risk rating against the RBA's risk appetite. The CFO is also a member of the Department of Finance's Chief Sustainability Officer Network.
Assistant Governors, Economic, Financial System and Financial Markets	Governor	As owners of the public policy development and financial risk classes (see Risk management section below), they are responsible for developing advice to the Governor and the RBA's boards which may pertain to climate-related risks.

Source: RBA.

Risk management

The Climate Risk and Opportunity Management Program (CROMP)⁴ is the Australian Government's tool for climate-related risk and opportunity assessment. While the use of CROMP is encouraged, we manage climate-related risks using our enterprise risk management arrangements. This supports a consistent approach to risk management and effective operational governance.

The RBA's risk management approach

We assess, monitor and manage climate-related risks using our enterprise-wide risk and compliance management framework (the framework), which is discussed in more detail in Part 3.3: Risk and Compliance Management. Governance and oversight of risk are enabled through structured committees, clearly defined roles and responsibilities and

established escalation pathways. The framework is subject to ongoing review and enhancement to ensure it remains effective and aligned with our activities and external environment. During 2025/26, and as discussed in Part 3.3, this included strengthening the risk appetite statement, improving consistency of risk assessment and reporting, and enhancing second line review and challenge.

The framework assigns accountability for managing climate-related risks. Risk owners are responsible for identifying, assessing and managing climate-related risks within their departments and for ensuring appropriate controls are in place to manage these within our risk appetite. Risk class owners provide aggregate oversight of a risk class at an enterprise level, including monitoring performance against risk appetite and escalating material issues to executive committees or our boards where required. This process is applied consistently across all risks. The level of oversight, monitoring and

escalation is determined by the assessed materiality of each risk and its potential impact on our operations and charter objectives, considering our risk appetite.

In addition to the Environment risk class, climate-related risks are also assessed within other risk classes, including those affecting our operations and those relevant to the delivery of our policy mandates.

Departments are responsible for the day-to-day management of identified climate-related risks with support and challenge from the Risk and Compliance Department and oversight from the Risk Management Committee. Our Audit Department considers climate-related risks within a broader risk-based approach to determining its audit and assurance activities.

Climate-related risk assessment

The approach to assessing climate-related risks is supplemented by additional climate-specific analysis where relevant, including consideration of longer time horizons. Further analytical processes and approaches specific to climate risk assessment may be developed over time to support application within the framework.

Our assessment of physical climate risks to our internal operations, physical assets, infrastructure and people has been informed by the analysis of past climate-related events. This includes the review of incident registers, and consideration of potential future exposures arising from the location, design and construction of our physical infrastructure that may be impacted by climate-related events like flooding or bushfires.

Transition risks to our operations, physical assets, infrastructure and people 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. To support learnings from other entities and our understanding of climate-related policy and regulation in Australia, we are a member of the Department of Finance's Climate Action in Government Operations group.

The Monetary Policy Board regularly reviews the risks associated with the framework for monetary policy and financial stability decision-making. These risks include having inadequate frameworks for, or giving inadequate attention to, changes in the structure or supply potential of the economy and/or financial markets, including those arising from climate change

or transition, in Board decision-making relevant to these policy objectives (which is discussed in Part 1.2: Governance and Accountability).

That assessment of risks is driven by the Monetary Policy Board's judgement, informed by advice about the status of efforts to understand possible material changes to the structure or supply potential of the economy and/or the structure of financial markets.

To support our assessment of the risks posed to monetary policy and financial stability, we are represented across various workstreams of the Network for Greening the Financial System (which brings together central banks to discuss and advance best practice in climate-related risk management). Analysis of the financial system impacts of climate change also informs the RBA's assessment of climate-related financial risk to our portfolios.

Strategy

We undertake a range of climate and sustainability initiatives across our internal operations, including our physical infrastructure, to improve environmental performance and minimise the environmental impact of our activities (see Part 3.1: Management of the RBA). We have also developed a work program to understand and manage the implications of climate change and the energy transition for monetary and financial stability policies and operations. During 2025/26, the Climate and Sustainability Committee commenced development of a climate and sustainability strategy to provide direction and support effective prioritisation of climate and sustainability activities. The strategy, which was approved by the Executive Committee in July 2026, will be overseen by the Climate and Sustainability Committee.

While both risks and opportunities are considered as part of our climate risk assessment process, we have prioritised the assessed risks given their assessed materiality and potentially adverse effects on our critical operations and policy mandates. Climate-related opportunities largely stem from 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. These initiatives are being embedded within normal work processes and are managed and assessed accordingly – for example, as part of our property management and related projects, or policy development (see initiatives outlined below).

Identification of climate-related risks⁵

Internal operations, infrastructure, physical assets and people

The climate-related risks to our internal and physical operations are listed in Table 5.2.

Table 5.2: The RBA's Climate-related Operational 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

Source: RBA.

Policy mandates and operations

Climate-related risks to our policy setting and regulatory functions arise from the impact of climate change and the transition to the economy and financial system. They include having an inadequate framework to consider, or giving insufficient attention to, developments in the structure or supply potential of the economy and/or structure of financial markets, including those arising from climate impacts. This could, in turn, lead to monetary policy errors, a less resilient financial system and/or inadequate financial policy responses. Incorrect policy decisions or advice could also lead to reputational damage and erosion of public trust.

Climate change and the transition to a low emissions economy may also amplify financial risks across the Australian financial system, potentially affecting our domestic and international portfolio of financial assets.

Current and anticipated effects

Internal operations, infrastructure, physical assets and people

We operate in locations across Australia, with most of our staff located at our head office in the Sydney CBD. Our physical assets and infrastructure are located across the Sydney CBD, at our business recovery site and leased data centre located in greater Sydney, and in outer Melbourne in the case of our banknote sites (including our banknote storage and distribution facility, and our premises leased to Note Printing Australia Ltd (NPA) and others involved in banknote manufacturing)⁶. Our physical climate risks are therefore largely concentrated in Sydney and Melbourne.

Climate-related risks have the potential to affect our internal operations, infrastructure, physical assets and people 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 that support the payments system, our operations in financial markets and wholesale banknote distribution. They 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 the RBA's Net Zero Target 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.

While climate-related events are expected to increase in frequency and severity over time, the assessed residual climate risk rating for our physical assets, taking into account controls in place, infrastructure lifecycle timeframes, the strategic location and design of the assets, is very low. This assessment, including the nature, likelihood and magnitude, is informed by our experience with climate-related events in recent years and their impacts on our infrastructure (i.e. risk incidents), as well as consideration of future climate trends using data from Australian Government climate websites, including the Australian Climate Service and Climate Change in Australia.

Business recovery facilities are specifically selected and designed to withstand certain natural disasters and to provide alternative sites so 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. For newly identified sites, we have incorporated climate risk assessments to evaluate the resilience of proposed locations to environmental factors such as bushfires, flooding and, where relevant, risks related to electricity supply (including selection of our leased data centre).

Policy mandates and operations

Climate change and the transition to lower emissions may impact how we discharge our monetary policy and financial stability responsibilities over time.

We operate monetary policy using a flexible inflation target of between 2 and 3 per cent. Inflation through the short run economic cycle and its key determinants can be influenced by the physical effects of a changing climate, as well as the transition to a lower-emissions economy. Climate change and the transition may also have an impact on longer run concepts like potential

output and the neutral real interest rate, which inform assessments on the appropriate stance of monetary policy. Failing to recognise, understand or incorporate these effects into our monitoring and forecasting framework could result in policy errors.

We are also responsible for contributing to the stability of the financial system. More frequent and severe weather events, along with higher average temperatures, would reduce the value of some physical assets and certain income streams. This could result in unexpected credit losses for banks, increased claims on insurers and writedowns to the value of financial investments. If these risks are not adequately managed by the institutions involved, there could be implications for the stability of the financial system. A failure to identify, understand or integrate these risks into the RBA's monitoring frameworks for systemic risk could undermine our ability to fulfil our financial stability responsibilities, including to work with the government and other agencies to coordinate policies that address financial stability risks.

Climate-related risks to the Australian financial system may also affect our domestic and international portfolios of financial assets through increased risks of valuation losses on securities held outright and credit risks from counterparties and collateral.

The risk that monetary or financial stability frameworks give insufficient attention to climate-related changes in the structure or supply potential of the economy and/or financial markets over a policy-relevant horizon of around three years is currently judged to be medium. That risk rating is anticipated to reduce over time via the initiatives discussed in the Strategy and decision-making effects section (below). The residual risk to our financial asset portfolio is currently assessed as very low in the near term; this assessment will be revisited periodically to ensure that risks remain within appetite (including over longer horizons).

Strategy and decision-making effects

We recognise that climate-related risks have implications for our physical and internal operations and our policy functions. To address the effects of climate-related risks and opportunities on our strategies and public policy delivery, we continue to embed climate considerations in our governance arrangements, operating models and through ongoing climate-related initiatives. These initiatives support our response to climate-related risks, contribute to achieving our Net Zero Target and assist in monitoring and reducing exposures to climate-related impacts.

Internal operations, infrastructure, physical assets and people

We have undertaken several initiatives to help manage and monitor the effects of climate-related risks to our internal operations, infrastructure and physical assets, and in support of the RBA's Net Zero Target (see Metrics and targets section below):

- From 1 July 2025, all our owned sites use 100 per cent GreenPower (see the Glossary).
- We regularly review and maintain business continuity plans for our physical assets to manage the response to disruption that may impact critical infrastructure, physical assets and internal operations (including natural disaster events and power outages).
- We have embedded sustainability principles – aligned with the RBA's Environmental Statement and climate and sustainability strategies – to guide our 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.
- Approved and funded investments are in place to minimise the emissions impact of our operations on the environment, and in line with our target. These include the redevelopment of our head office building in Sydney, transition to a new third party-owned data centre in outer Sydney and the commencement of a major program to upgrade our banknote production facility in outer Melbourne (see Part 3.1: Management of the RBA for further details of initiatives relating to energy and waste management).

Policy mandates and operations

To support effective management of current and emerging climate-related risks and opportunities, we are building our understanding of the implications of climate change for the economy and financial system by investing in dedicated staffing and a structured program of work.

- In 2025/26, we worked on assessing the implications for the macroeconomy and monetary policy of climate change and the transition to lower emissions. This included developing our capacity to model the macroeconomic implications of climate change and the transition. We are also building capacity to monitor the macroeconomic impacts of the transition, with a focus on investment and demand for commodities.

- We assessed financial stability risks from physical and transition risks. This included examining the systemic implications of reduced access to property insurance due to the materialisation of physical climate risks and computing climate risk metrics to consider their usefulness for monitoring and identifying data gaps.

To further build our capability, we have created new climate and energy specialist positions to enhance our modelling and analytical work – a small team coordinates and supports work on climate and energy transition topics across policy areas. We have also deepened our ties with the expert community through external presentations and engagement.

Climate-related scenario analysis

Internal operations, infrastructure, physical assets and people

Scenario analysis was undertaken in the prior financial year to assess operational and financial climate risks across multiple time horizons, and to support future resilience assessments. This work focused on three types of events:

1. flood-related damage to buildings, equipment and inventory (acute physical risk)
2. bushfire-related damage to buildings, equipment and inventory (acute physical risk)
3. increased cooling energy usage due to more frequent and intense heatwaves (chronic physical risk).

The analysis used two Network for Greening the Financial System (NGFS) scenarios – Current Policies and Net Zero 2050 – across three time horizons (2030, 2050, 2100) to determine how physical risks may escalate over time, including changes in the likelihood or severity of weather-related events. This was supplemented by other Australia-specific data sources and internal operational data to inform the assumptions, including:

- local and state government floodplain management reports and historical events which informed site-specific flood risk based on annual exceedance probabilities
- CSIRO's fireline intensity potential and data on the fraction of land annually exposed to bushfires, to estimate the likelihood and consequences of bushfire damage

- the Bureau of Meteorology climate data for heatwave projections, combined with the Australian Energy Market Operator's state-based cooling day thresholds and internal electricity data to estimate changes in expected cooling days and energy consumption.

Discretionary overlays were applied to refine the final consequence estimates, incorporating considerations such as the resilience features of existing buildings and infrastructure, contingencies built into operational sites, and any relevant projects underway that were expected to reduce grid reliance and energy costs in future.

The scope covered the RBA's Australian owned assets and activities only, with international assets excluded.

Our scenario analysis informed our assessment of operational climate-related risks. Final consequence ratings from the analysis were considered along with other mitigating factors, as discussed above, to derive the final risk assessment (see 'Current and anticipated effects' section).

Policy mandates and operations

In recent years, scenario analysis has been used to explore a range of potential macroeconomic and financial system effects of climate change and the transition to lower emissions, for example:

- Climate risks to the banking sector:** Our macro-financial model was used to consider how adverse macroeconomic conditions could affect bank capital ratios in two scenarios, one with severe physical risks and another with significant transition risks. Climate hazard data was used to measure the expected increase in insurance costs due to climate-related damage – such as more frequent flooding and more damaging cyclones – which were translated into housing price falls. This showed that around 7.5 per cent of properties are in postcodes that could see prices decline by 5 per cent or more due to climate change by 2050.⁷
- Climate impacts on GDP forecasts:** Country-level energy demand profiles from NGFS Net Zero and Current Policies scenarios were used to consider the impact of the global energy transition on demand for Australian exports, and hence GDP. This showed that annual GDP growth could be on average 0.1 percentage points lower during the period to 2050 in the Net Zero scenario, with flow-on impacts to associated activity.⁸

- Physical climate risks to Australian residential mortgage-backed securities (RMBS):**

Forward-looking climate risk metrics were calculated for RMBS, which can be used as collateral in our market operations. Projections to 2050 were based on the Intergovernmental Panel on Climate Change's Representative Concentration Pathway 8.5 scenario. This showed that expected increases in physical risks by 2050 would reduce average housing prices by no more than 2 per cent in all repo-eligible RMBS. The share of high loan-to-value ratio (LVR) loans would increase, but by a small amount, and almost all high LVR loans have some level of lenders mortgage insurance.⁹

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 the RBA's Net Zero Target for Scope 1 and 2 emissions by 2030.¹⁰ Achieving our target is contingent on several projects that include climate and sustainability initiatives. Table 5.3 provides further detail on our Net Zero Target.

Table 5.3: The RBA's Climate-related Target for Physical and Internal Operations

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 (referred to in these disclosures as the RBA's Net Zero Target).
M5a	The metric used to set the target	The metric used to set our target is carbon dioxide equivalent (CO ₂ -e) emissions in tonnes (t).
M5b	The objective of the target	The objective of our target is to reduce greenhouse gas (GHG) 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	Our target applies to our Australian-based operations and locations (including owned and leased sites). Our international offices and our wholly owned subsidiary, NPA, are excluded from the target.
M5d	The period over which the target applies	The timeframe for achieving our 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	Our 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	Our target is in line with the Australian Public Service (APS) Net Zero 2030 Target, included under Australia's <i>Nationally Determined Contribution Communication 2022</i> under the Paris Agreement.
M6a	Whether the target and the methodology for setting the target have 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.
M6b	The entity's processes for reviewing the target	The Climate and Sustainability Committee will track progress against targets and escalate issues requiring decisions to the Executive Committee.
M6c	The metrics used to monitor progress towards reaching the target	An external consultant conducts an annual emissions inventory (in line with the Greenhouse Gas (GHG) Protocol methodology) across all three emission source types for our Australian operations (Scope 1, 2 and 3). From 2022/23, our GHG emissions inventory has been reported under the APS Net Zero Emissions Reporting Framework in our annual report. The Climate and Sustainability Committee is responsible for tracking progress against the targets and escalating issues and decisions to the Executive Committee as required. The Governance Board reviews progress against our target annually, and as required. The key differences between the two emissions reporting frameworks are that the GHG Protocol approach includes a broader range of Scope 3 emissions.

Table 5.3: The RBA's Climate-related Target for Physical and Internal Operations (*continued*)

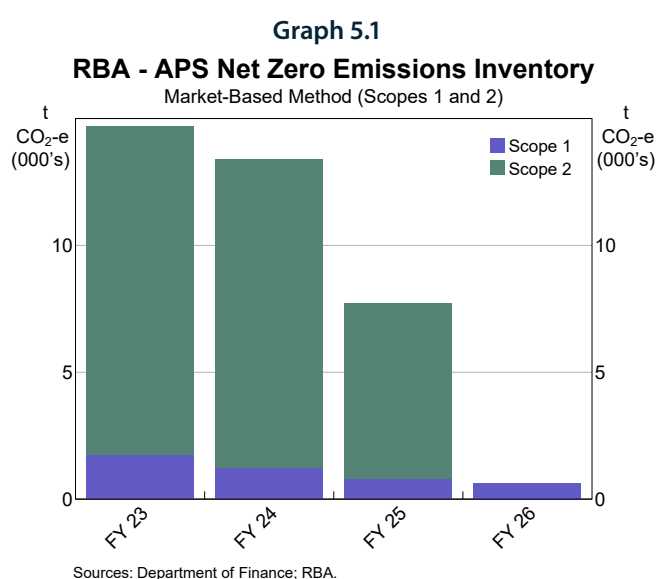
CCD Criterion	Criterion summary	Climate-related target
M6d	Any revisions to the target and an explanation for those revisions	During the 2025/26 reporting period, there were no changes to our target.
M8a	Which greenhouse gases are covered by the target	The following GHGs are included in the APS Net Zero Emissions Reporting Framework: carbon dioxide (CO ₂); methane (CH ₄); nitrous oxide (N ₂ O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF ₆); and nitrogen trifluoride (NF ₃). The RBA's Net Zero Target includes GHGs relevant to Scope 1 and 2 emissions, predominately carbon dioxide.
M8b	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target	Our 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	Our target is a net GHG emissions target.
M8d	Whether the target was derived using a sectoral decarbonisation approach	Our 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).

Source: RBA.

Performance against the climate-related target

We remain on track to achieve the RBA's Net Zero Target for Scope 1 and 2 emissions by 2030. Our Scope 1 and 2 emissions under the market-based approach (see Glossary) decreased by 91.7 per cent over 2025/26 compared with 2024/25 (Graph 5.1). This was primarily driven by the transition to 100 per cent GreenPower from 1 July 2025 for all our domestic locations, except our four small interstate representative offices in Adelaide, Brisbane, Melbourne and Perth.

Our path to net zero includes initiatives to improve the energy efficiency of our operations, such as the major redevelopment of our head office in Sydney and major infrastructure upgrades at our Craigieburn site in outer Melbourne. We may also need to consider other offsets to manage minor residual emissions (e.g. from our diesel and gas-powered equipment).



Climate-related metrics

Our GHG emissions have been calculated in line with the APS Net Zero Emissions Reporting Framework,¹¹ and the whole-of-Australian-Government approach as part of the APS Net Zero by 2030 Target policy.¹² These set out the approach, assumptions and methodologies used to measure GHG emissions, including the Scope 3 emission categories included with the measurement.¹³

The GHG emissions inventory in Table 5.4 shows our carbon-dioxide equivalent (CO₂-e) GHG emissions over the 2025/26 reporting period.¹⁴ Details of the data inputs used to compose the emissions sources are outlined in the footnotes to Table 5.4. 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 5.4: Greenhouse Gas Emissions Inventory – Location-based Accounting Method

2025/26; t CO₂-e^(a)

Emission source	Scope 1	Scope 2	Scope 3	Total	Total
	2025/26				2024/25 ^(l)
Electricity (location-based method) ^{(b),(c)}	n/a	16,309.75	1,341.21	17,650.96	17,188.52
Natural gas ^{(c),(d)}	352.73	n/a	38.10	390.83	684.27
Solid waste ^{(e),(f)}	0.05	n/a	62.21	62.26	63.32
Refrigerants ^{(e),(g)}	256.39	n/a	n/a	256.39	152.42
Fleet and other vehicles ^{(e),(h)}	5.07	n/a	1.29	6.36	4.05
Domestic commercial flights ⁽ⁱ⁾	n/a	n/a	115.52	115.52	143.45
Domestic hire car ^{(e),(j)}	n/a	n/a	1.41	1.41	0.41
Domestic travel accommodation ^{(e),(j)}	n/a	n/a	31.03	31.03	38.68
Other energy ^(k)	27.52	n/a	6.79	34.31	40.66
Total t CO ₂ -e	641.76	16,309.75	1,597.56	18,549.07	18,315.78

(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 data were not available during the collection process in July–August 2026, 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 are 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 NPA and other government agencies).

(d) For the 2025/26 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 data were not available during the collection process in July–August 2026, 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 data 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 are 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 do not consider any landfill gas capture.

(g) Reporting on refrigerants is optional for the 2025/26 reporting year and will be phased in over time as emissions reporting matures.

(h) Emissions from electricity consumed by plug-in hybrid vehicles have only been reported for electricity directly purchased by the RBA. Emissions associated with electricity consumption from public charging stations have not been reported for 2025/26.

(i) Emissions data have been provided by Corporate Travel Management (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 from international flights themselves.

(j) Emissions data have been provided by Corporate Travel Management 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.

(l) Figures have been restated where material to include data that was not available for 2024/25 reporting (see footnotes (a) and (d)).

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 5.4 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 5.5).

Table 5.5 excludes behind-the-meter solar from total renewable electricity. In 2025/26, behind-the-meter solar produced and consumed (which excludes those used to create large-scale generation certificates) totalled 1,875,638.00 kWh (compared to 297,460.02 kWh in 2024/25).

Table 5.5: Electricity Greenhouse Gas Emissions^(a)

Emissions Source	Scope 2 t CO ₂ -e ^(b)	Scope 3 t CO ₂ -e ^(b)	Total t CO ₂ -e ^(b)	Electricity kWh ^(b)	Total t CO ₂ -e ^(b)	Electricity kWh ^(b)
2025/26					2024/25 ^(h)	
Location-based electricity emissions ^(c)	16,309.75	1,341.21	17,650.96	23,144,760.19	17,188.52	21,819,397.89
Market-based electricity emissions ^{(c),(d)}	–	–	–	–	7,865.30	8,549,229.15
Total renewable electricity^(e)	n/a	n/a	n/a	27,302,126.95	n/a	13,270,168.74
– Renewable power percentage ^(f)	n/a	n/a	n/a	4,001,729.04	n/a	3,970,039.45
– Jurisdictional renewable power percentage ^(g)	n/a	n/a	n/a	222,687.72	n/a	400,055.90
– GreenPower	n/a	n/a	n/a	23,077,710.19	n/a	8,900,073.39
– Large-scale generation certificates	n/a	n/a	n/a	–	n/a	–

(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 NPA 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) The market-based method only applies emissions factors to electricity consumption that remains after renewable electricity claims have been taken into account. Our Total Renewable Electricity is equal to or greater than total electricity consumption so both market-based electricity consumption and emissions have been reduced to zero for 2025/26 (see footnote (e)).

(e) The Total Renewable Electricity figure is calculated by combining all applicable renewable sources and may exceed total electricity consumption where multiple renewable claims apply to the same underlying electricity use. Excludes behind-the-meter solar other than generation used to create large-scale generation certificates.

(f) The renewable power percentage accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target.

(g) The Australian Capital Territory is currently the only state or territory with a jurisdictional renewable power percentage.

(h) Figures have been restated to include data that were not available at the time of our 2024/25 reporting (see Table 5.4, footnotes (a) and (d)).

Source: Australian Government Department of Finance calculations under the APS Net Zero Emissions Reporting Framework, based on data provided to the RBA from multiple sources.

Glossary¹⁵

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: Globally recognised framework for measuring, accounting for, and reporting greenhouse gas emissions that includes Corporate Accounting and Reporting Standard (2004) and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Greenhouse gas emissions: 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 – tradeable certificates issued for eligible renewable electricity generation – equivalent to GreenPower purchases made by customers.

Location-based emissions: Greenhouse gas emissions from the grid location where the electricity is consumed. It does not distinguish between different energy sources (like renewable energy or fossil fuels) but instead uses overall emissions figures from the local grid's energy mix to estimate emissions from electricity use.

Market-based emissions: Greenhouse gas emissions associated with electricity consumption calculated on an entity's specific electricity purchases and contractual arrangements. This includes renewable electricity acquired through voluntary mechanisms, such as renewable energy certificates and power purchase agreements, and mandatory schemes such as the Large-scale Renewable Energy Target. Under the market-based method, renewable electricity purchases are assigned an emissions factor of zero, while emissions from remaining electricity consumption are calculated using a Residual Mix Factor.

RBA's 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 subsidiary, NPA. See Metrics and targets section above. Also referred to as 'our target' in these disclosures.

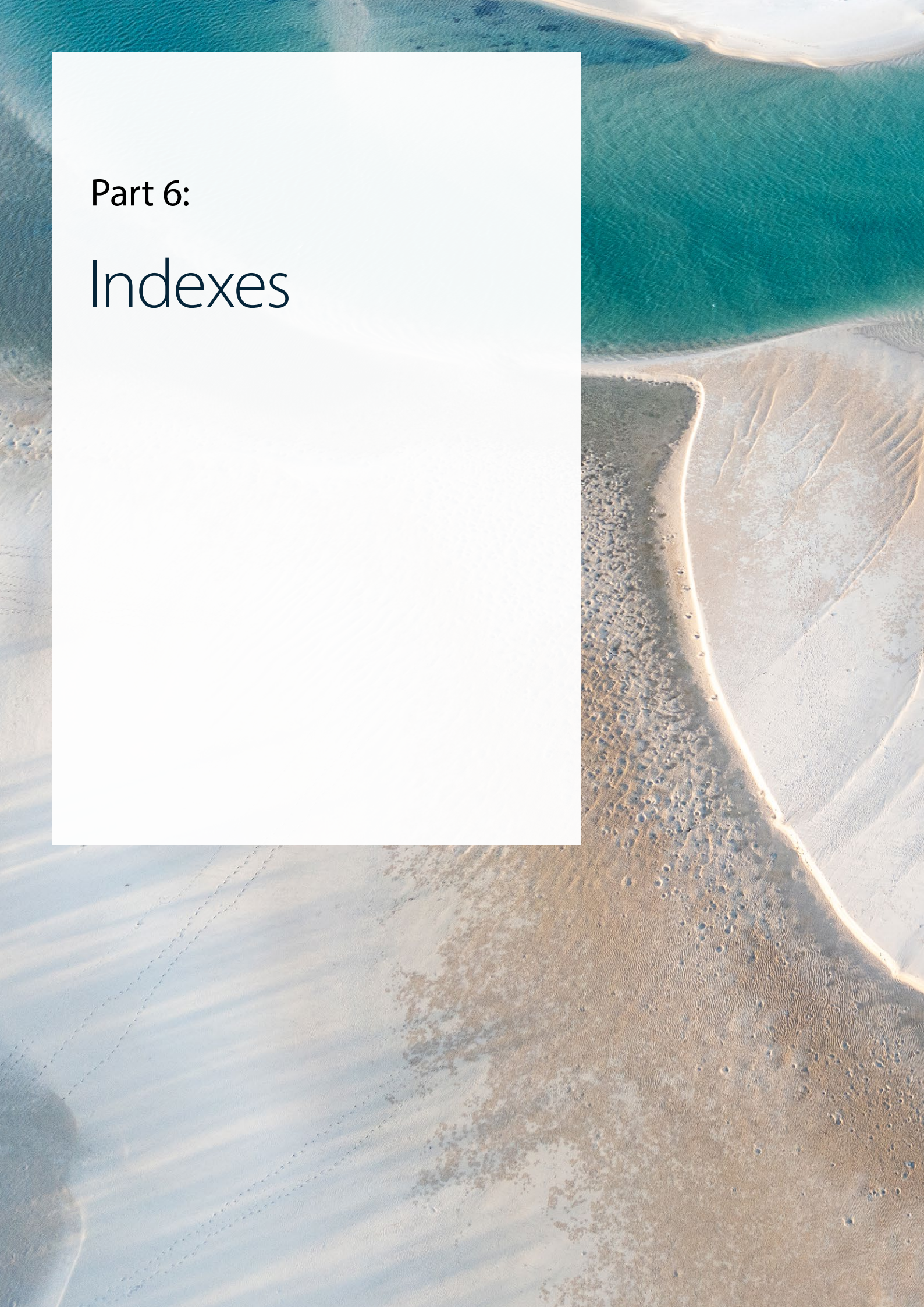
Scope 1 emissions: Greenhouse gas emissions released to the atmosphere as a direct result of an activity, or series of activities, at a facility level.

Scope 2 emissions: Greenhouse gas emissions released to the atmosphere, indirectly, as a result of the 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.

Endnotes

- 1 Commonwealth Climate Disclosure (CCD) is the Australian Government's policy requiring Commonwealth entities to publicly report on their climate-related risks and opportunities, and actions they are taking to manage them. Under the CCD's three-year phased approach, the RBA is classified as a Tranche 1, Stream 2 entity and is reporting against the Year 2 Requirements in 2025/26.
- 2 The RBA's wholly owned subsidiary, Note Printing Australia Limited (NPA), is not captured in this disclosure. NPA will produce a separate climate-related disclosure in line with the Corporations Act and Australian Sustainability Reporting Standards.
- 3 In accordance with the CCD Year 2 Requirements, we have utilised all reasonable and supportable information available without undue cost or effort to assess our climate-related risks and opportunities.
- 4 As per Department of Climate Change, Energy, the Environment and Water (2024), 'Climate Risk Management: The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026'.
- 5 The climate-related risks identified have been assessed against the defined time horizons as per Department of Climate Change, Energy, the Environment and Water (2024), 'Climate Risk Management: 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'.
- 6 Climate-related risks and opportunities arising from the banknote manufacturing operations of NPA and other lessees are not included in this report. However, those arising from our ownership and management of the site are included.
- 7 For more details, see Kurian S, G Reid and M Sutton (2023), 'Climate Change and Financial Risk', *RBA Bulletin*, June.
- 8 For more details, see Kemp J, M McCowage and F Wang (2021), 'Towards Net Zero: Implications for Australia of Energy Policies in East Asia', *RBA Bulletin*, September.
- 9 For more details, see McCarthy R and G Reid (2024), 'Assessing Physical Climate Risk in Repo-eligible Residential Mortgage-backed Securities', *RBA Bulletin*, April.
- 10 While the RBA's 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).
- 11 Department of Finance (2026), 'Emissions Reporting Framework – 2025–26 Reporting Period'.
- 12 Department of Finance (2025), 'APS Net Zero Emissions by 2030'.
- 13 See Appendix A of the Department of Finance (2023), 'Net Zero in Government Operations Strategy'.
- 14 As per Department of Finance (2024), 'Commonwealth Climate Disclosure Requirements – Year 2 Reporting Provisions', comparative reporting is required if it helps users better understand the climate disclosures. Information relating to the RBA's energy and water consumption over the financial year is included in Part 3.1 Management of the RBA.
- 15 As per Department of Finance (2025), 'Commonwealth Climate Disclosure Requirements – Year 2 Reporting Provisions', Department of Finance (2024), 'Commonwealth Climate Disclosure Pilot Guidance – FY2023–24 Annual Reporting Climate Disclosure Provisions' and Department of Finance (2026), 'Emissions Reporting Framework – 2025–26 Reporting Period'.

An aerial photograph of a beach and ocean. The top right shows a small patch of white sand beach meeting a vibrant turquoise ocean. Below this, a wide expanse of wet sand is visible, showing intricate patterns of sand ripples and small pools of water. The sand transitions from a light tan color to a darker, more textured brownish-grey as it extends towards the bottom of the frame. The overall scene is captured from a high angle, looking down at the coastline.

Part 6:

Indexes

6.1 Statutory Reporting Requirements Index

The Reserve Bank of Australia Annual Report 2025/26 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, 9	Signed by the accountable authority	Mandatory
17BB(c)	Governance and Accountability, 31	Include details of how and when approval of the annual report was given	Mandatory
17BB(d)	Governance and Accountability, 31	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 2025/26, 73–86	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Governance and Accountability, 29–30	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, 32	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, 32	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 2025/26, 73–86	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory

PGPA Rule Reference	Part of Report, page number	Description	Requirement
17BE(h), 17BE(i)	Governance and Accountability, 32	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
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, 63–70	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Our People, 141	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, 131–137	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, 32	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, 32	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, 32	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, 32	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

PGPA Rule Reference	Part of Report, page number	Description	Requirement
17BE(t)	Governance and Accountability, 29	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
17BE(taa)	Governance and Accountability, 19–20, Governance Board, 35–44, Our People, 147–149	The following information about the audit committee for the entity: (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, 147–149	Information about executive remuneration	Mandatory
17BF	<i>Disclosure requirements for government business enterprises</i>		17BF
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	Details of any community service obligations the government business enterprise has including: (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
<i>Public Governance, Performance and Accountability Act 2013</i>			
43(4)	Financial Statements, 165–201	Annual Financial Statements and Auditor-General's report	Mandatory
<i>Work Health and Safety Act 2011 Schedule 2 Part 4</i>			
4(2)(a)	Our People, 144–145	Health, safety and welfare initiatives	Mandatory
4(2)(b)	Our People, 144–145	Health and safety outcomes	Mandatory
4(2)(c)	Our People, 145	Statistics of notifiable incidents	Mandatory
4(2)(d)	Our People, 144–145	Investigations conducted	Mandatory

PGPA Rule Reference	Part of Report, page number	Description	Requirement
<i>Environment Protection and Biodiversity Conservation Act 1999</i>			
516A(6)(a)	Management of the RBA, 136–137, Climate-related Disclosures, 205–218	Report on implementation of ecologically sustainable development principles	Mandatory
516A(6)(b)	Not applicable	Identify how any outcomes specified for the RBA in an Appropriations Act contribute to ecologically sustainable development	Mandatory
516A(6)(c)	Management of the RBA, 136–137, Climate-related Disclosures, 205–218	Effect of the RBA's activities on the environment	Mandatory
516A(6)(d)	Management of the RBA, 136–137, Climate-related Disclosures, 205–218	Measures to minimise the impact of the RBA's activities	Mandatory
516A(6)(e)	Management of the RBA, 136–137, Climate-related Disclosures, 205–218	Mechanisms for reviewing/increasing effectiveness of measures	Mandatory
<i>Equal Employment Opportunity (Commonwealth Authorities) Act 1987</i>			
9	Our People, 143–144	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
A2A	account to account
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABF	Asian Bond Fund
ABF2	Asian Bond Fund 2
ACCC	Australian Competition and Consumer Commission
ADI	authorised deposit-taking institution
AGS	Australian Government securities
AI	artificial intelligence
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
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
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</i> (repealed)
CCD	Commonwealth Climate Disclosure
CCPs	central counterparties
CFO	Chief Financial Officer
CFR	Council of Financial Regulators
CHESS	ASX Clearing House Electronic Subregister System
CIT	cash-in-transit

CPMI	BIS Committee on Payments and Market Infrastructures
CPR	Commonwealth Procurement Rule
CROMP	Climate Risk and Opportunity Management Program
CS	clearing and settlement
eftpos	electronic funds transfer at point of sale
EMEAP	Executives' Meeting of East Asia-Pacific Central Banks
ES	Exchange Settlement
FOI	Freedom of Information
FOI Act	<i>Freedom of Information Act 1982</i>
FSAP	IMF Financial Sector Assessment Program
FSB	Financial Stability Board
FSR	Financial Stability Review
FSS	RITS Fast Settlement Service
FX	foreign exchange
G20	Group of Twenty
GDP	gross domestic product
GHG	greenhouse gas
HVAC	heating, ventilation and airconditioning
HVCS	High Value Clearing System
IDB	inclusion, diversity and belonging
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
ISDA	International Swaps and Derivatives Association
ISO	International Organization for Standardisation
IT	information technology
LGBTQI+	lesbian, gay, bisexual, transgender, queer or questioning, intersex and other sexual identities
LLB	Bachelor of Laws
LVCS	Low Value Clearing System
LVSS	Low Value Settlement Service
MBA	Master of Business Administration
MP	Member of Parliament
NBFI	non-bank financial institution
NGB	Next Generation Banknote
NGFS	Network for Greening the Financial System
NPA	Note Printing Australia Limited
NPP	New Payments Platform
OAIC	Office of the Australian Information Commissioner
OECD	Organisation for Economic Co-operation and Development
OMO	open market operations
OSF	overnight standing facility
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
PRGT	IMF Poverty Reduction and Growth Trust
RBA	Reserve Bank of Australia
RBRF	Reserve Bank Reserve Fund
repo	repurchase agreement
RITS	Reserve Bank Information and Transfer System
RMBS	residential mortgage-backed securities
RST	Resilience and Sustainability Trust
RTGS	real-time gross settlement
SAR	Special Administrative Region (of China)
SDR	Special Drawing Right
semis	semi-government securities (Australian state and territory government securities)
SMP	Statement on Monetary Policy
Swift	Society for Worldwide Interbank Financial Telecommunication
TFF	Term Funding Facility
TTBC	Trans-Tasman Council on Banking Supervision
WGEA	Workplace Gender Equality Agency
WHS	work health and safety

Endnotes

1 See RBA, 'Glossary'.

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Endnotes

¹ Freecall – Calls from mobile phones may be charged at the applicable rate.

