

Operational Structure

The Reserve Bank has five operational groups – Business Services Group, Corporate Services Group, Economic Group, Financial Markets Group and Financial System Group – and five supporting departments.

The Reserve Bank is managed by the Governor, Philip Lowe*, who is the accountable authority, and the Deputy Governor, Guy Debelle**.

Business Services Group

Assistant Governor: Lindsay Boulton**

Business Services Group comprises Banking Department, Note Issue Department and Payments Settlements Department.

Banking Department

Head: Michelle McPhee

Deputy Heads: Bipan Arora, Stephanie Connors

Banking Department provides a range of banking services to Australian Government departments and agencies as well as a number of overseas central banks and official institutions. The services broadly comprise two activities – management of 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

Head: Michael Andersen

Deputy Heads: Keith Drayton, James Holloway

Note Issue Department is responsible for all aspects of the banknote lifecycle from research into and development of new banknote designs and security features, to the supply of high-quality banknotes to meet the community’s needs. The department works with the Bank’s wholly owned subsidiary, Note Printing Australia Limited (NPA), to design and produce the banknotes. (See below for information about the activities, governance and structure of NPA.) The department manages laboratories to assess new and used banknotes, develop new security features and assess counterfeits detected in circulation. It has an extensive public engagement program with commercial banks, retailers, cash-in-transit companies, law enforcement agencies and banknote equipment manufacturers. Staff actively participate in a number of international groups with the objective of minimising the threat posed by counterfeiters.

Payments Settlements Department

Head: Greg Johnston

Deputy Heads: David Brown, Peter Gallagher

Payments Settlements Department is responsible for the settlement of high-value payments and interbank obligations arising from the conduct of Exchange Settlement Accounts and the Reserve Bank’s own trading activities, as well as operation

of the Reserve Bank Information and Transfer System (RITS), Australia's real-time gross settlement system. Services are also provided for the clearing and settlement of low-value payments, such as those arising from cheque and direct entry transactions.

Corporate Services Group

Assistant Governor: Frank Campbell**

Corporate Services Group comprises three departments that provide support functions for the Reserve Bank.

Facilities Management Department

Head: Bruce Harries (Acting)

Deputy Head: Ed Jacka (Acting)

Facilities Management Department is responsible for the Reserve Bank's properties, security management and a range of facility services.

Finance Department

Chief Financial Officer: Robert Middleton-Jones†

Financial Controller: Colleen Andersen

Finance Department prepares the Reserve Bank's financial and management accounts and is responsible for a range of staff services, including payroll, superannuation and travel. Finance also manages the Bank's Enterprise Portfolio Management Office.

Information Technology Department

Chief Information Officer: Sarv Girn†

Deputy Heads: Gayan Benedict, Peter Speranza

Information Technology Department is responsible for developing and maintaining reliable, resilient and secure information technology functions to support the Reserve Bank's policy, operational and corporate objectives.

Economic Group

Assistant Governor: Luci Ellis*

Economic Group is responsible for analysis of economic trends, both domestic and overseas, forecasting and research relevant to the framing of policy in the Reserve Bank's areas of responsibility. It consists of Economic Analysis Department and Economic Research Department.

Economic Analysis Department

Head: Alexandra Heath

Deputy Heads: Lynne Cockerell, Merylin Coombs, Michael Plumb

Economic Analysis Department monitors and forecasts trends in the domestic and international economies, provides regular advice on these developments and monetary policy to the Governors and the Reserve Bank Board, contributes to various external bodies, maintains contacts with relevant external analysts, undertakes applied research and prepares reports for publication.

The Reserve Bank maintains four State Offices to conduct economic liaison in Queensland, South Australia and the Northern Territory, Victoria and Tasmania, and Western Australia. New South Wales and the Australian Capital Territory are covered by Head Office. These offices analyse economic conditions in regions throughout Australia and conduct liaison with individual firms and agencies in both the private and public sectors. They also provide a vehicle for communicating the operation of monetary policy to the wider community.

The Reserve Bank has an office in Beijing, which is responsible for monitoring Chinese economic and financial developments as well as maintaining relationships with government and private entities in China.

Economic Research Department

Head: John Simon

Deputy Head: Adam Cagliarini

Economic Research Department undertakes longer-term research into issues relevant to the Reserve Bank's responsibilities, including research on the Australian economy, monetary policy, financial stability, the payments system and the operation of financial markets. Results of this research are published in the Research Discussion Paper series. The department organises a major annual conference and an annual Research Workshop. In addition, it organises a program of internal seminars, hosts a number of invited visitors each year and is responsible for administering a comprehensive library service for the Bank.

Financial Markets Group

Assistant Governor: Christopher Kent[†]

Financial Markets Group is responsible for implementing the Reserve Bank's operations in domestic and foreign exchange markets, monitoring developments in financial markets and coordinating the Bank's relationships with international institutions. The group consists of Domestic Markets Department and International Department.

Domestic Markets Department

Head: Marion Kohler

Deputy Head: Ellis Connolly

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

International Department

Head: Chris Ryan

Deputy Heads: Susan Black (Acting),
Matthew Boge

International Department is responsible for the Reserve Bank's foreign exchange operations, the investment of international reserve holdings of gold and foreign exchange, and the provision of regular advice on developments in international financial markets to the Governors and the Reserve Bank Board. The department is also responsible for maintaining the Bank's relations with a number of major international institutions.

The Representative Offices in London and New York come under the umbrella of the Financial Markets Group. The European Representative Office in London maintains liaison 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 of these offices monitor economic and financial developments in their respective local markets, and assist with foreign exchange operations and investment of international reserves.

The Reserve Bank's investment and trading operations are supported by the Business Support Services area.

Financial System Group

Assistant Governor: Michele Bullock^{*}

Financial System Group supports the Reserve Bank's broad responsibilities for financial system stability and its role in payments system oversight and regulation. The group consists of Financial Stability Department and Payments Policy Department and provides regular advice

on policy matters to the Governors and the Reserve Bank and Payments System boards.

Financial Stability Department

Head: Jonathan Kearns

Deputy Heads: Darren Flood, David Orsmond

Financial Stability Department analyses the implications for financial system stability of developments in the macroeconomy, financial markets and the financial sector more generally, including areas such as patterns of financial intermediation, financial products and risk management techniques. The department provides advice on these issues to the Governors and the Reserve Bank Board and supports the Reserve Bank's representation on bodies such as the Council of Financial Regulators, the Financial Stability Board and the Basel Committee on Banking Supervision. It is responsible for producing the Bank's semiannual *Financial Stability Review*.

Payments Policy Department

Head: Tony Richards

Deputy Heads: Sarah Harris, Chris Thompson

Payments Policy Department is responsible for developing and implementing the Reserve Bank's payments system policy. It provides analysis and advice to the Payments System Board on improving the safety and efficiency of the payments system. The department is also responsible for oversight of Australia's high-value payments, clearing and settlement facilities and represents the Bank on the Committee on Payments and Market Infrastructures of the Bank for International Settlements.

Audit Department

Head: Darryl Ross^{††}

Audit Department is responsible for conducting independent appraisals of the Reserve Bank's 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 Chair of the Reserve Bank Board Audit Committee.

Human Resources Department

Head: Melissa Hope^{††}

Deputy Head: Michael Davies

Human Resources Department provides a range of people-related services to support the Reserve Bank in maintaining a productive and engaged workforce. This includes sourcing high-quality staff as well as implementing policies and programs that cover employment conditions, reward, development, diversity and workplace health and safety.

Information Department

Head: Jacqui Dwyer^{††}

Information Department is responsible for the Reserve Bank's records management system, information governance, its archives and facilitating public access to Bank records. It also manages the Reserve Bank of Australia Museum and a program of public education, with particular focus on supporting students and educators.

Risk and Compliance Department

Head: Chris Aylmer^{††}

Risk and Compliance Department supports the consistent and effective application of the Reserve Bank's framework for managing risk, both at the enterprise level and for individual business units. It assists departments to identify, understand and manage their compliance obligations. It also monitors and reports on portfolio risks and compliance with respect to the Bank's operations in financial markets.

The Head of Risk and Compliance Department reports to the Deputy Governor. The department is responsible for secretariat services for the Risk Management Committee.

Secretary's Department

Secretary: Anthony Dickman*

Deputy Secretary: Andrea Brischetto

General Counsel: Catherine Parr†

Deputy General Counsel: Peter Jones

Secretary's Department provides secretariat and coordination services and advice on governance matters for the Governors, the Reserve Bank Board and its Audit and Remuneration committees, the Payments System Board and the Executive Committee. Secretary's Department is responsible for preparing and publishing Reserve Bank information and maintaining the Bank's websites. The department handles enquiries from the public and media. In addition, it provides legal services to the Bank through the General Counsel (who reports directly to the Deputy Governor), coordinates a range of contacts with government, the parliament, other central banks and international organisations, and arranges programs for visitors.

Wholly owned subsidiary: Note Printing Australia Limited (NPA)

NPA is a wholly owned subsidiary of the Reserve Bank that produces banknotes and operated the National Note Processing and Distribution Centre on behalf of the Bank until 16 February 2017, when the Bank resumed responsibility for the processing operations. NPA operates under a charter reviewed and approved annually by the Reserve Bank Board.

NPA's prime function is the efficient and cost-effective production of high-quality and secure Australian banknotes, in accordance

with the specifications and requirements of the Reserve Bank. NPA also undertakes other activities, including developing and producing passports for the Department of Foreign Affairs and Trade, producing banknotes for other issuing authorities and producing some other security products.

NPA is governed by a Board of Directors appointed by the Reserve Bank. As at the date of this report, the Board comprised three Reserve Bank executives, and one current and one former member of the Reserve Bank Board: Chris Aylmer (Head of Risk and Compliance Department) as Chair; Michelle McPhee (Head of Banking Department); Robert Middleton-Jones (Chief Financial Officer); Kathryn Fagg, a member of the Reserve Bank Board; and Heather Ridout AO, a former member of the Reserve Bank Board. The NPA Board has an Audit and Risk Committee, whose membership comprises Michelle McPhee (Chair), Robert Middleton-Jones and an external member, Alan Beckett, a company director and former senior audit partner of a major accounting firm with extensive experience in the corporate sector, including manufacturing.

NPA's Executive Committee, comprising its Chief Executive Officer and the heads of NPA's eight business areas, is responsible for the operational and administrative management of NPA. As at the end of June 2017, NPA employed 250 permanent staff.

The financial accounts of NPA are consolidated with those of the Reserve Bank.

* Member of Executive Committee

† Member of Risk Management Committee

‡ Advisor to Executive Committee

Reserve Bank of Australia Operational Structure

16 August 2017



