

Note Printing Australia

Note Printing Australia Limited (NPA) is based at Craigieburn in Victoria and is, since its corporatisation in July 1998, a wholly owned subsidiary of the Reserve Bank. NPA prints all of Australia's currency notes on Guardian® polymer substrate and is now also printing polymer banknotes for a growing number of other countries. NPA is the world leader in polymer banknote printing and continues to develop its expertise in this technology for the Bank and as the basis for further export growth.

The Board of NPA consists of chairman Graeme Thompson (formerly a Deputy Governor of the Bank and now Chief Executive of the Australian Prudential Regulation Authority), Dick Warburton (a non-executive member of the Reserve Bank Board) and Mark Bethwaite; Les Austin (an Assistant Governor of the Bank) was appointed to the Board on 1 July 1999. John Leckenby was appointed as Chief Executive in August 1998.

Australia introduced polymer notes in 1988, and became the first country to convert its entire note series from traditional paper to polymer following the issue of the \$100 note in 1996. Polymer notes have shown a number of superior characteristics to paper, including enhanced resistance to counterfeiting, longer life, greater cleanliness, improved machine-processing performance and recycling capability. Because of these advantages, a number of countries have decided to adopt the technology. NPA has exported polymer notes in increasing numbers and in the year ahead, NPA will, for the first time, be exporting more than it produces for Australia. New Zealand's 1998 decision to convert its entire note issue to polymer was a significant step in the widening acceptance of polymer technology. Towards the end of the year NPA received a large order to print some currency notes for Indonesia.

As part of its export drive, NPA has established three overseas marketing offices – covering the Americas, Europe/Middle East/Africa and Asia – to liaise more closely with existing and potential customers. The Australia and Pacific region is serviced from Craigieburn.

NPA has also supplied high-level authentication systems to central banks in three overseas countries. NPA's close association with the Reserve Bank also enables it to provide support to overseas central banks adopting polymer technology. This support includes assistance with introducing new notes to the public and training in note-processing techniques, note-handling and storage.

Polymer notes export orders

Year of first issue	Customer	Denomination	Issue
1990	Singapore	50 Dollar	Commemorative
1992	Western Samoa	2 Tala	Circulating
1992	Papua New Guinea	2 Kina	Circulating
1992	Kuwait	1 Dinar	Commemorative
1994	Indonesia	50 000 Rupiah	Commemorative/ circulating
1996	Brunei Darussalam	1, 5, 10 Dollar	Circulating
1996	Thailand	50, 500 Baht	Commemorative
1997	Thailand	50 Baht	Circulating
1998	Sri Lanka	200 Rupee	Circulating
1998	Malaysia	50 Ringgit	Commemorative
1999	New Zealand	5, 10, 20, 50 & 100 Dollar	Circulating
		\$10 Millennium Note	Commemorative
1999	Papua New Guinea	50 Kina	Circulating
1999	Romania	2000 Lei	Commemorative

Australia's unique polymer technology was developed as a result of joint research activity between the Bank, NPA and the CSIRO. This co-operation is continuing, with the current focus being on new security features specific to polymer. Patent protection of new developments is vigorously pursued.

Increased interest from central banks is generating requests for assistance with note design, and NPA's design facilities are being enhanced in response. This includes investment in new equipment and additional artists and graphic designers. The drive to increase efficiency at Craigieburn also continued in 1998/99. Improved quality in all aspects of the operation was achieved through machine upgrades and the creation of shop-floor-based improvement teams. NPA continues to invest in areas such as vision systems, ultraviolet drying and improved ink technology to enhance quality and increase throughput rates, thus reducing costs.

During the year NPA produced 351 million notes, an increase of 14 per cent over 1997/98. This included 189 million notes for the Reserve Bank; export sales totalled 162 million notes, an increase of 32 per cent over the previous year.

The Bank has ordered additional notes as a contingency for possible Year 2000 requirements. This demand, plus export orders, means NPA will be running a 24-hour operation six days a week over much of the coming year. The flexibility and co-operation of all staff in making this step up to higher levels of production is greatly appreciated.

NPA has made a considerable effort to ensure all of its systems are Year 2000 compliant and all critical systems were signed off at the end of July. A Business Continuity Program has also been developed to cover a range of potential risks for the Year 2000 and beyond. Quality systems are subjected periodically to external audit and NPA continues to maintain its ISO 9001 certification.

Securrency

Securrency Pty Ltd is the RBA joint-venture company formed in 1996 with UCB Films PLC, a manufacturer of polypropylene films. Securrency produces polymer substrate, known as Guardian[®], by applying special coatings and security features to polypropylene film purchased from UCB. This film is now produced at UCB's new plant located next to the NPA/Securrency complex at Craigieburn in Victoria.

Up until 1998/99, NPA purchased the film from UCB and applied the coatings to create the substrate which was then marketed by Securrency. In July 1998, Securrency purchased the coating equipment used to do this from NPA and also invested in a new printing press and building extension. The new press enables the incorporation in the polymer substrate of a greater range of patented security features which are unique to polymer.

Securrency markets and supplies Guardian[®] to countries having their own note printing plant but wishing to introduce polymer notes. All polymer notes issued in the world to date have been printed on Guardian[®].

Securrency's marketing efforts over the past year have seen a significant increase in interest from around the world. Orders have been met – or are in the pipeline – from Asia, Europe and the Americas. For example, Guardian[®] has been supplied to Thailand and Taiwan, while Brazil has announced its intention to print a note on Guardian[®] early next year. A large number of other encouraging prospects are being followed up. The success of polymer banknotes has resulted in similar technology being used for other security products, such as land title certificates and share certificates.