

Note Printing Australia

Note Printing Australia (NPA) Limited is a wholly owned subsidiary of the Reserve Bank based at Craigieburn in Victoria. It prints currency notes for Australia and a growing number of other countries, and is the world leader in polymer currency-note printing.

NPA is overseen by a Board, the Chairman of which is Graeme Thompson. The other members are Mark Bethwaite and Dick Warburton, a non-executive member of the Reserve Bank Board. In line with Commonwealth Government competitive neutrality principles, NPA became a corporatised entity on 1 July 1998, having previously operated as an autonomous division of the Reserve Bank.

Following the retirement of Managing Director Bob Larkin on 1 May, Mr Bethwaite became acting Chief Executive of NPA until a permanent successor was appointed. John Leckenby, formerly Group General Manager of the Building Products Group of Email Limited, has now been appointed as Chief Executive, effective 17 August.

In conjunction with the Reserve Bank's Note Issue Department, NPA pioneered the use of polymer notes, as an alternative to traditional paper currency. When Australia's new note series was completed with the issue of the \$100 note in 1996, it became the first country in the world to have all its currency notes printed on polymer.

Polymer notes have demonstrated significant advantages over paper in both security and durability. As an example, Australia's paper \$10 note had an average life in circulation of eight months; by contrast, its polymer successor, first issued in 1993, is lasting at least 2½ years. One result of this greater durability has been a steady decline in the required annual production of Australian notes. This has, in turn, freed capacity at NPA for other opportunities. As a result, NPA has been developing export markets for polymer notes and has made major progress in recent years. In addition to printing 180 million Australian notes in 1997/98, NPA produced a total of 127 million notes for five other countries – Brunei Darussalam, Malaysia, Papua New Guinea, Sri Lanka and Thailand.

In March 1998, NPA was successful in winning the tender for New Zealand's entire note issue requirements over the next three years. This order is for approximately 120 million notes of five denominations to be issued from 1999.

The table on the following page lists export orders for polymer notes that NPA has filled, or is in the process of filling, since its first export success in 1990.

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
	New Zealand	5, 10, 20, 50, 100 Dollar	Circulating

NPA also markets a number of related technologies which are generating export income. These include a High Level Authentication System for banknotes and a range of Optically Variable Devices for banknotes, ID cards and other security applications.

After winning the Export category in the Prime Minister's Inaugural Awards for Innovation in the Public Sector in 1996/97 in recognition of its overseas success, NPA was awarded a Gold Medal and Star for the print quality of the 50 baht Thai notes at the Australian National Print Awards in March 1998.

Initiatives to reduce costs and increase the international competitiveness of NPA continued in 1997/98. These included the incorporation of modern technologies such as a Gross Error Detection System on the main-line printing equipment to detect print faults. An order has also been placed for a modern high-speed sorting machine with "machine vision" to replace manual examination of banknotes. This system will reduce dependence on labour-intensive processes, and ensure more consistent product quality.

In 1996/97, NPA achieved ISO 9001 certification, and a number of initiatives were put in place in 1997/98 to maintain that certification. These included external audits of the quality-management system in December 1997 and July 1998. In support of this system, a comprehensive calibration program was implemented for all critical quality-control apparatus. Detailed training and internal audit programs have also continued.

Early in 1996 the Reserve Bank, through NPA, formed a joint-venture company with UCB Films PLC, a Belgian-owned manufacturer of polypropylene films, to market and supply specialised polymer substrate to countries which have their own printing plants. The joint-venture company, Securency Pty Limited, is now well established and has made its first sales of substrate to export markets. Recent negotiations between the Reserve Bank and UCB have identified scope for a significant expansion of Securency's activities. UCB has erected a plant for the manufacture of specialised polymer film on land it purchased from the Reserve Bank adjacent to NPA.

NPA and UCB are also working, together with the Note Issue Department, on an extensive program of research and development with the aim of further improving the security and handling properties of polymer notes. Significant progress has been made on some highly innovative security features, particularly those based on the self-authenticating banknote concept, where the polymer note window is used to carry the means of verifying security features located elsewhere on the note. Over the past year, ten provisional patents have been lodged aimed at protecting new banknote security concepts.