

TREASURY EXECUTIVE MINUTE

Minute No.

20 April 2012

Deputy Prime Minister and Treasurer

RESERVE BANK OF AUSTRALIA DIVIDEND ESTIMATES

Timing: The RBA dividend estimates and projections will be incorporated into the 2012-13 Budget.

Recommendation: Section 22

Noted: Signature: ...../...../2012

KEY POINTS

- Section 22, the RBA is estimating that there will be no dividend payable to the Government over the forward estimates period (2012-13 to 2015-16).
- The RBA is projecting a profit of \$948 million in 2011-12, down from \$2.3 billion at MYEFO, largely reflecting valuation losses from the appreciation of the Australian dollar in the interim (see Additional Information for further details).
- Section 22, the RBA noted that future earnings are assumed to be used to replenish the Reserve Bank Reserve Fund (RBRF) to its desired level following the large accounting losses in 2009-10 and 2010-11.
: You have provided in principle agreement with this approach (see Minute 2011/2803).
- The RBA notes that the estimates and projections remain highly uncertain and are likely to be subject to ongoing revision.
Section 22

Manager
Monetary and Fiscal Policy Unit

Contact Officer:

Ext:

## ADDITIONAL INFORMATION

**Table 1: Estimated RBA earnings 2011-12 (Changes since MYEFO)**

	2010-11	2011-12 Estimate		Change \$m
	Final outcome \$m	2011-12 MYEFO \$m	2012-13 Budget \$m	
Accounting profit/loss (-)	-4,889	2,267	948	-1,319
Transfer to (-)/ from unrealised profit reserve	23	-1,192	0	1,192
Transfer to (-)/ from RBRF*	4,866	-1,075	-948	127
Dividend Payable	0	0	0	0
<b>RBRF Balance</b>	<b>1,317</b>	<b>2,392</b>	<b>2,265</b>	<b>-127</b>

## Section 22