

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:

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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

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Section 22

ADDITIONAL INFORMATION

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

	2010-11	2011-12 Estimate		Change
	Final outcome	2011-12 MYEFO	2012-13 Budget	
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
RBRF Balance	1,317	2,392	2,265	-127

Section 22