

Liaison Activity

Liaison with Industry

Over 2009/10, the Reserve Bank consulted with industry participants on a number of issues. It also continued to liaise closely with the Treasury, the Australian Competition and Consumer Commission (ACCC), APRA and ASIC on matters including the retail payments system, clearing and settlement facilities, and policy issues arising from the global financial crisis.

As mentioned above, the Bank has consulted extensively with the finance industry over the past year on matters related to cross-border infrastructure, improving risk management and transparency in the OTC derivatives market, transparency of securities lending activity and its oversight of the ASX CCPs.

In line with its liaison agreement with APCA, the Reserve Bank met with the APCA management after each APCA Board meeting – a total of eight times in 2009/10 – as well as with the APCA Board on one occasion. The Bank and APCA also reviewed their liaison arrangements to ensure that they continued to be effective. Changes to the arrangements will be made as required once that review is finalised.

Reserve Bank staff have made a number of presentations on payments system issues over 2009/10. The Deputy Chairman of the Board addressed participants at the Cards and Payments Australasia conference in March 2010 on ‘Competition and Regulation in the Card Payments Market’, which was also attended by the Head of Payments Policy. The Head of Payments Policy gave presentations to APCA and the International Swaps and Derivatives Association. Other staff made presentations at or attended industry conferences on card fraud, securities lending and financial regulation.

International Engagement

The Reserve Bank was represented at a number of international groups in 2009/10: the CPSS, the CLS Oversight Committee, the Executives’ Meeting of East Asia-Pacific Central Banks (EMEAP) Working Group on Payment and Settlement Systems, and the OTC Derivatives Regulators’ Forum. In July 2009, the Reserve Bank was invited to join the CPSS, a permanent committee of the Bank for International Settlements (BIS). The CPSS, established in 1990, acts as a forum for central banks to monitor and analyse developments in domestic and multi-currency payment, clearing and settlement systems, with a particular focus on efficiency and stability-related issues. The CPSS also plays a significant role in setting standards for payment, clearing and securities settlement systems.

Until the recent expansion, CPSS membership comprised the central banks of the G-10 countries plus the European Central Bank, the Monetary Authority of Singapore and the Hong Kong Monetary Authority.¹³

¹³ The G-10 comprises 11 industrial countries: Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States.

In addition to Australia, other new members include the central banks of Brazil, China, India, Mexico, Russia, Saudi Arabia, South Africa, South Korea and Turkey. The widened membership of the CPSS reflects the increasing weight attached to cross-border co-operation and information sharing, as well as stronger interdependencies between components of the global financial market infrastructure. It is also consistent with a call from the G-20 leaders for standard-setting bodies to review their memberships.

Over 2009/10, the Reserve Bank provided technical assistance on payments issues to a number of other central banks including Brazil, Indonesia and Iraq.