

The Reserve Bank in the Community

Activities of the State Offices

In addition to its Head Office located in Sydney, the Reserve Bank has offices in Melbourne, Brisbane, Adelaide and Perth. These offices play an important role in the Bank's business liaison program and form a key component of the Bank's communication with members of the public, business, government and academia in their respective states.

Since 2001, the Reserve Bank has devoted significant resources to building relationships across the business community, with a view to gaining first-hand insights into conditions in different industries and regions within the national economy. The staff involved in the business liaison program conducted almost 1000 interviews around the country over the past year, with information from these meetings reported to Head Office and incorporated in the material prepared for the monthly Board meetings and in the quarterly *Statement on Monetary Policy*. In this way, information obtained from liaison is used to complement standard sources, such as data from the Australian Bureau of Statistics and business surveys, in forming the Bank's assessments of the economy.



1. Marileze van Zyl (Economist) (left) and Karen Hooper (Senior Representative, Queensland) at Ensham open-cut coal mine, north of Emerald in Central Queensland, where the largest dragline in the southern hemisphere is used **2.** Marileze van Zyl and Karen Hooper in front of a dragline bucket **3.** Ships at Rio Tinto's Parker Point terminal in Western Australia

Staff in the State Offices also play a role in the Reserve Bank's efforts to keep the public informed of its evolving views on the economy. They interact with a broad cross-section of the community, regularly giving presentations on economic developments to business groups, community organisations and educational institutions, in both state capitals and regional centres. They also facilitate regular visits by senior staff from Head Office's Economic Group to meet with liaison contacts and provide briefings on the economy. Staff from the State Offices also visit Tasmania and the Northern Territory to gather information on economic conditions in those regions.

Liaison with Small Businesses

The Reserve Bank continues to convene its Small Business Advisory Panel. This Panel was established in 1993 and meets annually to discuss issues relating to the provision of finance and the broader economic environment for small businesses. Membership of the Panel is drawn from a range of industries across the country. The Panel represents a valuable source of information on the financial and economic conditions faced by small businesses.

The Bank's business liaison program also involves Bank staff meeting with a number of small businesses and small business groups.

Museum of Australian Currency Notes

The Reserve Bank's Museum contains a permanent collection and also hosts periodic exhibitions. The permanent collection exhibits the story of Australia's banknotes against the backdrop of the nation's broader social and economic history. It displays the types of money used before Federation – from an early colonial rum bottle through to Australia's first gold coins. Visitors can then view various banknotes produced since the first Australian note series in 1913–1915. Finally, the Museum focuses on Australia's polymer banknotes, describing their design, security features and potential for recycling. When viewing the collection, visitors can observe the evolution of Australian identity as expressed through the nation's currency, learn about the influential men and women depicted on the banknotes and the artwork used in banknote design.

Some temporary exhibitions held during the second half of the financial year were a legacy of the Reserve Bank's 50th anniversary celebrations. One exhibition, 'Hidden History of Banking', displayed convict banking records and was used to show the progress of convicts to citizens whose contribution to society resulted in them being represented on the nation's banknotes. Another exhibition, 'Reflections of Martin Place', included historic photographs from the Bank's collection of landmark financial events in Martin Place, with these photographs displayed on the façade of the Head Office building. And there was a display of the early artworks and interior design commissioned by the Bank's first Governor, HC ('Nugget') Coombs, who was committed to modernism and progress.

Around 13 500 people visited the Museum in 2010/11, including over 1 300 visitors on Australia Day 2011. Attendance was also boosted by the Reserve Bank's participation in History Week and its collaboration with other museums in the city precinct through 'The History Trail' schools program. A wide cross-section of the public visit the Museum, including school groups. Many school groups receive a short presentation on the role of the Reserve Bank or, in the case of senior economics students, a talk on the Australian economy. Increasingly, the Museum is hosting primary school groups, with these students receiving presentations on the role of money and the features of Australian banknotes. During the year, the Museum was also visited by groups of new migrants learning about the nation's currency. Most of the information in the Museum is on the Bank's website. There were around 750 000 page views/downloads of information from the Museum site in the past year, up significantly from levels of recent years; the site is visited in roughly equal numbers by domestic and overseas users, with the level of overseas interest increasing in recent years.



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1. Over 1 300 people came through the Reserve Bank's Museum on Australia Day 2. Students from Castle Cove Primary School in Sydney were the first to come into the Bank via the History Trail 3. Terence Turton (Note Issue Department) conducting a school presentation on banknotes

Assistance for Research and Education

The Reserve Bank sponsors Australian and international economic research in areas that are closely aligned with its primary responsibilities. This sponsorship includes financial support for conferences, workshops, data gathering, journals and special research projects, and encompasses areas of study such as macroeconomics, econometrics and finance. In addition, the Bank provides financial support for the research activities of the Sydney Institute and the Centre for Independent Studies.

In 2010/11, the Reserve Bank continued its longstanding contribution towards the cost of a monthly survey of inflation expectations undertaken by the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne, and a quarterly survey of union inflation and wage expectations undertaken by the Workplace Research Centre at the University of Sydney.

The Reserve Bank continued to provide financial support for the *International Journal of Central Banking*, the primary objectives of which are to disseminate first-class policy-relevant and applied research on central banking and to promote communication among researchers both inside and outside central banks. The Bank continued its support of the International Accounting Standards Committee Foundation, and also its longstanding practice of contributing to the Group of Thirty's program of research and publications in the area of international finance.

Financial assistance to Australian universities each year includes contributions towards the costs of their organising conferences in economics and closely related fields. In 2010/11, these conferences included the 23rd Conference for PhD Students in Economics and Business, held at the Australian National University; the Economic Society of Australia's 39th Conference of Economists, held in Sydney; the 16th Melbourne Money and Finance Conference; the Australasian Meeting of the Econometric Society, held at the University of Adelaide; the University of New South Wales 23rd Australasian Finance and Banking Conference; the Financial Integrity Research Network PhD Tutorial and the Paul Woolley Conference, both held at the University of Technology, Sydney; the National Honours Colloquium at the University of New South Wales; the 6th Annual Workshop on Macroeconomic Dynamics at the University of Queensland; the Australian Bureau of Statistics National Statistics 2010 Conference in Sydney; and the 16th Australasian Macroeconomic Workshop at the University of Tasmania. The Reserve Bank is also continuing to support a research project on real-time forecasting, convened by Professor Shaun Vahey of the Australian National University.

The total value of support offered for research and education in 2010/11 was \$256 000.

The Reserve Bank sponsors an annual essay competition across Australia designed to engage and support undergraduate students of economics. The competition is organised jointly with the University of New South Wales Economics Society. In 2010, students were required to address issues surrounding trends in Australia's real exchange rate over the past decade. Ganesh Viswanath Natraj (University of Western Australia) wrote the winning essay, the runner-up was George Cunningham (University of Queensland) and the best essay from a first-year student was by Ashvini Ravimohan (University of New South Wales). These students were presented with their prizes by the Governor at a ceremony in October 2010. For the 2011 competition, students have been invited to submit an essay on 'The Economics of Natural Disasters'.

In conjunction with the Australian Prudential Regulation Authority (APRA), the Reserve Bank has continued sponsorship of the Brian Gray Scholarship Program, initiated in 2002 in memory of a former senior officer of the Bank and APRA. Four scholarships were awarded under this program in 2011. All are for honours studies in the areas of commerce, banking and finance and will be undertaken at the Australian National University, Monash University, the University of Melbourne and the University of New South Wales. The cost to the Bank of these scholarships in 2010/11 was \$25 000.

Over the past year, the Reserve Bank hosted numerous visits by researchers (including academics, heritage architects, curators and postgraduate students) who were interested in accessing the rich archive of records about the Bank's own activities as well as banking activities in Australia that predate the creation of the central bank. Archival records have been inherited from other financial institutions, with some dating back to colonial settlement. Since the Reserve Bank was formerly the government printer for materials other than banknotes, the Bank's archives contain more than documents, including a historical collection of Australian stamps, vouchers and posters that are of interest to researchers. The Bank also dealt with many written requests from researchers that required Bank staff to research and retrieve archival records, and it has provided access to the archives to members of the public making specific enquiries. Research continued on a further volume of the official history of the Reserve Bank by Professor Selwyn Cornish of the Australian National University, covering the period 1975–2000.

Charitable Activities

During the year the Reserve Bank made its ninth annual contribution of \$50 000 to the Financial Markets Foundation for Children, of which the Governor is Chairman. In July 2011, in its sixth public event to raise funds, the Governor addressed the Anika Foundation, which was established in 2005 to support research into adolescent depression and suicide.

The Reserve Bank's corporate philanthropy program involves two major initiatives, namely dollar-matching staff payroll deductions to the Reserve Bank Benevolent Fund and donating the value of leave days given up by staff to work for charitable organisations under a Volunteer Day Program. In late 2010, the Bank also matched donations of \$7 745 to the MS Society that were raised by Reserve Bank staff participating in the 'Sydney to the Gong' charity bike ride. And in early 2011, the Bank matched one-off staff donations of \$26 692 towards the Queensland Premier's Disaster Relief Appeal (established to raise funds to help those affected by the Queensland floods and cyclone in early 2011).

The Reserve Bank's contributions under all these initiatives in 2010/11 totalled \$139 577. In addition, the Bank facilitates staff salary sacrificing under a Workplace Giving Program.

Reserve Bank staff also interacted with the community in a number of volunteering capacities in the past year, including the Cancer Council's Biggest Morning Tea fundraiser and Foodbank's corporate volunteer program.



1. Governor Glenn Stevens talking with Adrian Blundell-Wignall at an annual Anika Foundation Luncheon to raise funds for research into adolescent depression and suicide **2.** Reserve Bank staff doing volunteer work at Foodbank in December 2010