

THE RBA IN THE COMMUNITY

The RBA, as a public institution, is involved with the Australian community on a number of levels. For a start, the RBA is publicly accountable for the conduct of its policy responsibilities. To that end, it publishes a large volume of written material, both for the general reader and for specialists in economic and financial matters. The RBA appears before Parliamentary Committees regularly, and the Governors and senior officers make numerous public speeches. The RBA conducts extensive economic liaison around the country, and supports a range of research work and conferences in fields relevant to its policy responsibilities.

This chapter records those activities during 2001/02, and also includes statements relating to the RBA's legal obligations under various Acts of Parliament.

ACCOUNTABILITY

Since 1996, the RBA has appeared twice yearly before the House of Representatives Standing Committee on Economics, Finance and Public Administration. In 2001/02, there was only one such hearing, on 31 May in Sydney, since the hearing which would normally have taken place in late 2001 was cancelled, due to the Federal Election. The May hearing covered a wide range of issues, including the RBA's views on the outlook for monetary policy, household sector debt, international developments, exchange rates, government debt management, credit card reform, and financial system stability.

The RBA publishes each quarter a detailed assessment of the economy and the outlook for inflation – the *Statement on Monetary Policy*. As is customary, these *Statements* were released in February,

May, August and November. The media's reporting of these quarterly *Statements* is facilitated by embargo arrangements in the form of media lock-ups at the RBA's Head Office and the Regional Office in Melbourne where facilities are provided for journalists to report on the *Statement* immediately the embargo is lifted. Senior staff from the Economic Group meet with groups of economists and business representatives in State capitals shortly after the release of the *Statements*, to assist them in absorbing the detailed analysis. The *Statements* are published according to a pre-announced schedule, which twice a year allows for release far enough ahead of hearings of the Standing Committee that Committee members have ample time to frame questions for the Governor and other officials.

COMMUNICATION

The Reserve Bank *Bulletin* has long been the RBA's premier printed vehicle for communication with the general public, with a publication history dating from 1937. The *Bulletin* continues to be an important document of record, reproducing the *Statements on Monetary Policy*, selected speeches, media releases and other articles of interest.

In recent years, however, the demand for hard-copy versions of the *Bulletin* has declined, as the RBA website has been developed. The website contains all the written and statistical material in the *Bulletin*, free of charge. As a result, subscriptions to the hard-copy version of the *Bulletin* have fallen by over 50 per cent since the website was launched in 1997.

The website (at www.rba.gov.au) was further upgraded during 2001/02. In December 2001, a

redesigned home page was launched giving easier access to key data, recent news, forthcoming events and “help” facilities. Two major new information services were also provided. The first was a free e-mail notification service which alerts subscribers to all recent news items as soon as they are posted to the website. Some 2900 subscribers have signed up to this service and that number continues to grow. About 15 per cent of subscribers are overseas. There are about 780 subscribers to the e-mail service that is provided for the RBA’s Research Discussion Papers.

Second, a Chart Pack was provided on the website, containing over 130 graphs on the Australian economy and financial markets and on broad developments in Australia’s trading partners. The Chart Pack is updated monthly and is one of the most frequently accessed parts of the website. It caters for a range of users including those analysing

information pertinent to monetary policy formulation as well as those in the academic and teaching professions.

Staff research work is published in a regular series of Research Discussion Papers. Twelve were published during 2001/02, on subjects such as measures of the real exchange rate, the contribution of information technology to productivity growth, inflation targeting, house prices, the use of sentiment surveys, and financial system stability. These papers, which focus on policy issues of interest to the RBA or its Board. They are published as such, with a disclaimer, so as to contribute to general discussion by researchers. To ensure wider public access to the results of this research, the RBA produces non-technical versions of some of the Research Discussion Papers from time to time in the *Bulletin*.

The RBA has a media office as part of its

The May 2002 appearance before the House of Representatives Standing Committee on Economics, Finance and Public Administration took place in MacLaurin Hall at the University of Sydney. From left: Ric Battellino, Assistant Governor (Financial Markets); Ian Macfarlane, Governor; Glenn Stevens, Deputy Governor; Malcolm Edey, Assistant Governor (Economic).



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Information Department to act as a first contact point for media enquiries and to answer telephone and e-mail enquiries from the public at large. The number of enquiries averaged around 450 per month during the past year.

INTERACTION WITH THE COMMUNITY

Last year's Annual Report detailed the establishment of the RBA's Regional Offices in Victoria (also serving Tasmania), Queensland and Western Australia, whose aim is to gather economic intelligence in their respective regions. During 2001/02, an economist was transferred from Head Office to the Bank's Adelaide branch in order to extend this liaison process to South Australia. Staff from these Offices conduct regular liaison with businesses across a range of industries that are reflective of the State economies. The Offices also maintain contact with industry bodies, economic agencies at the State Government level and the academic community, as well as providing a base from which senior staff from Head Office can interact with the business community in each State. During 2001/02, the staff conducted 850 interviews either in person or by telephone. The information gathered from these activities is collated in Economic Group in Head Office, and forms an important part of the Reserve Bank Board's assessment of economic conditions. During 2001/02, the RBA staff involved in this work hosted a meeting of their counterparts from some other countries, with participation from New Zealand, Canada and the UK.

In addition to the liaison above, the RBA chairs the Small Business Advisory Panel. This Panel, established in 1993, meets once a year to discuss issues relating to the provision of finance for small businesses. Membership of the Panel is drawn from a wide range of industries and from across the country. The Panel represents a valuable source of information on the conditions faced by small businesses.

Since 1989, the RBA has organised an *Annual Conference* on a subject of current economic importance. The 2002 Conference was jointly sponsored by the RBA and the Australian Treasury, and took the form of a workshop for G20 delegates on the topic of *Globalisation, Living Standards and Inequality: Recent Progress and Continuing Challenges*. The conference brought together prominent researchers and officials from G20 countries to discuss papers on measuring trends in inequality and poverty, the costs and benefits of globalisation and the experiences of selected individual countries including India and China. The volume of proceedings is to be released in September. (The chapter on "International Financial Co-operation" gives more detail on the activities of the G20.)

The RBA maintains extensive archives. During the past year, 73 researchers requested archival information with many conducting their enquiries on-site with assistance from RBA archival staff. In 2001/02, there were around 9 000 visitors to the RBA's publications and currency note display area on the ground floor of its Sydney Head Office.

FINANCIAL ASSISTANCE FOR ECONOMIC AND FINANCIAL RESEARCH AND EDUCATION

The RBA routinely provides assistance to various educational and research endeavours and helps fund some regular surveys. 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 by the Australian Centre for Industrial Relations Research and Training at the University of Sydney, are both assisted by RBA funding.

Support was continued for two scholarships under the Elite Executive Honours Scholarship Program

organised by Axis Australia, the Commonwealth agency charged with promoting Australia's position as a global financial services centre; these scholarships were for study at the University of New South Wales in Sydney during 2002. The RBA also made a contribution to a scholarship, inaugurated in late 2001, to be granted for full-time study in the Master of Economics degree at the Australian National University in Canberra.

Each year, part of the RBA's financial assistance to Australian universities takes the form of a contribution to the costs of their organising conferences in economics and closely related disciplines. In 2001/02, these conferences included: the 30th Conference of Economists, held at the University of Western Australia in Perth in September 2001; the annual Conference for PhD students in Economics and Business, hosted by the University of Western Australia in Perth in November 2001; and the 2002 Australasian meeting of the Econometric Society, hosted by the Queensland

University of Technology in Brisbane in July 2002.

During the past year, the RBA also assisted with contributions toward the costs of running a number of other conferences which have not directly involved universities but whose subject matter and/or organising bodies are related to the RBA's areas of responsibility and interest, in particular our international relations in the Asian region. In a couple of instances, this assistance has taken the form of provision of accommodation for conference attendees free-of-charge at the HC Coombs Centre for Financial Studies, in Kirribilli. Accommodation was provided in this way for two APEC Future Economic Leaders Think Tanks, which were hosted by Axis Australia, the first held in August 2001 and the second in April 2002. Assistance was given towards an APEC Regional Training Seminar, conducted at the RBA's training facility in February 2002 by the APEC Bank Supervisors Training Advisory Group, for bank

The Governor with the late Sir Leslie Melville in March 2002, when the Governor gave the Inaugural Sir Leslie Melville Lecture at the Australian National University, to coincide with Sir Leslie's 100th birthday. Sir Leslie had an association with the Bank stretching from 1931 to 1975, first as Economist and later as a Board member.

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supervisors from across the Asia/Pacific region. The RBA also provided a financial contribution to the costs of running the 2002 annual meeting of the Asia/Pacific Group on Money Laundering in Brisbane in June 2002.

In the international sphere, the RBA made a second annual contribution, along with those of a number of other central banks and other institutions, to the reconstituted International Accounting Standards Committee. The RBA also continued its longstanding practice of contributing to the Group of Thirty to support its program of research and publications in the area of international finance.

CHARITABLE DONATIONS

During the year, the RBA expanded its contributions to charitable organisations. As in other recent years, the RBA contributed a total of \$25 000 to 17 Australian charities, reflecting a broad range of medical problems and disabilities. This included corporate sponsorship of the annual "Work-A-Day 4 Kids" fund-raising event, organised under the auspices of the Financial Markets Foundation for Children, of which the Governor is Chairman. In addition, the RBA this year also provided a similar total amount to four charities assisting people overseas who were adversely affected by certain extraordinary events. The recipients of this support were: the Twin Towers Orphan Fund; the Manhattan Youth Fund; the Afghan Crisis Appeal of Médecins Sans Frontières; and the Afghanistan Emergency Appeal of Oxfam Community Aid Abroad.

STATUTORY OBLIGATIONS

Equal employment opportunity

As required under the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*, the RBA reports to the Australian Parliament each year on its Equal Employment Opportunity (EEO) program. This report

also reviews progress of the Bank's Disability Action Plan. The *EEO Annual Report 2001* was tabled on 25 October 2001. A new four-year EEO plan developed during 2001/02 incorporated new advice issued by the Commonwealth to authorities about their obligations under the EEO legislation. These guidelines, in particular, encourage suitable strategies for managing staff from diverse backgrounds.

Health and Safety, Compensation and Rehabilitation

The RBA is required, by Section 74 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991* and the conditions of its licence as a Licensed Authority under the *Safety, Rehabilitation and Compensation (SRC) Act 1988*, to report each year on matters of health and safety, workers' compensation and rehabilitation as they affect the RBA. Over 2001/02, the RBA placed greater emphasis on prevention strategies, particularly in relation to the Occupational Health & Safety (OH&S) aspects of the major building works in Head Office. It also continued to implement a Hazard Management Program and reissued its Health and Safety and Rehabilitation policies. The RBA sought to increase staff awareness of OH&S matters through training programs for supervisors and managers. The RBA's current licence under the SRC Act expires at end June 2004.

There were 15 workers' compensation claims in 2001/02, mainly related to minor incidents. One incident required notification to Comcare in terms of Section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

In 2001/02, the RBA fully complied with all conditions of its licence to self-insure and manage its workers' compensation claims, including having adequate provision for its liabilities. The RBA already met the new prudential requirements for self-insurers of workers' compensation that were introduced in July 2002. The RBA's second report under the

Management Systems Review and Improvement Program was accepted by the Safety, Rehabilitation and Compensation Commission. This program aims to improve the effectiveness of OH&S arrangements by promoting sound prevention and rehabilitation strategies and efficient claims management.

Freedom of Information

Section 8 statement

The RBA is an exempt agency under the *Freedom of Information Act 1982* in respect of documents concerning banking operations (including individual open market operations and foreign exchange dealings) and exchange control matters.

Organisation and functions: The RBA is Australia's central bank. It was established by Commonwealth legislation in 1911. Its functions, powers and responsibilities are specified in the *Reserve Bank Act 1959*, the *Banking Act 1959*, the *Commonwealth Authorities and Companies Act 1997*, the *Payment Systems (Regulation) Act 1998*, and the *Payment Systems and Netting Act 1998*, and in Regulations made under those Acts. An organisation chart appears at the end of this Report.

Categories of documents: Lists of publications, including speeches, articles, occasional papers, information booklets, conference volumes, regular media releases and other publications, are published from time to time in the *RBA Bulletin*; this information is also included on the RBA's website (www.rba.gov.au). Other documents are held in the form of working notes and files covering policy and operational matters, statistical data, personnel, premises and general administration.

Facilities for access and Freedom of Information procedures:

Inquiries under the *Freedom of Information Act 1982*, including requests for access to documents, should be directed to the Secretary (in Head Office),

the Managers of branches (in Adelaide and Canberra), or the Senior Representatives in the Regional Offices (in Melbourne, Brisbane and Perth). Applications should be accompanied by the application fee (currently \$30). Facilities to inspect documents to which access has been granted are available.

Section 93 statement

Nine requests (including one transferred from another agency) for access to documents under the *Freedom of Information Act 1982* were received in 2001/02, compared with two requests in 2000/01. Two requests were subsequently withdrawn; for four other requests, access was granted in part, and for one request, access was refused; two requests were being processed at year's end. There were applications for internal review in relation to three of the requests this year: access was granted to some additional documents for one request which had initially been granted in part; access was again declined for another; while one internal review was still in train at year's end.

The total cost to the RBA of administering the *Freedom of Information Act 1982* in 2001/02 is estimated to have been approximately \$436 700, compared with approximately \$88 990 in 2000/01. Application fees of \$330 and charges of \$31 233.10 were collected.