

The Reserve Bank in the Community

The Bank has a wide-ranging record of community involvement. Over time, this has been adapted to changing expectations and demands, and to the evolving policy environment.

Worldwide, the clearer delineation of central bank independence has brought with it an obligation of greater accountability – to explain the framework of policy and how it is being implemented over time. One aspect of this in Australia takes the form of twice-yearly public appearances by the Governor before the House of Representatives Standing Committee on Economics, Finance and Public Administration. At these hearings, the Governor presents a statement reviewing events since the last hearing and addressing particular issues in which the Committee and the wider community may have an interest; this is followed by an extended question-and-answer session. As background to this, the *Semi-Annual Statement on Monetary Policy* – a detailed economic assessment of around 50 pages – is published shortly before the hearings. To provide continuity and frequent commentary, the Bank also publishes two similar analyses of the economy and financial conditions in the quarters between issues of the *Semi-Annual Statements*.

In addition to these appearances before the Parliamentary Committee, the Governor and other senior officers give speeches and other less formal presentations in a wide range of fora, both in Australia and overseas. While many of these presentations – particularly those to overseas audiences – focus on current economic and financial conditions in Australia, some of the more formal speeches take a longer-term perspective on the issues which are at the heart of the Bank's role. For example, during the latest year, the Governor gave the Shann Memorial Lecture in Perth, under the auspices of the University of Western Australia, on "Australian Monetary Policy in the Last Quarter of the Twentieth Century". In July 1999, the subject of his RC Mills Memorial Lecture at Sydney University was "The Stability of the Financial System". Other recent speeches have covered the Australian experience of inflation targeting, and the causes and effects of the recent Asian financial crisis.

Articles in the Bank's *Bulletin* contribute to the general debate on public policy. These have included the implications of changes to the consumer price index for monetary policy and the inflation target, labour demand and the economic cycle, developments in interest rates on bank lending, demutualisation in Australia, Australia's new financial regulatory framework, the Australian payments system, and the role of Exchange Settlement accounts. In the June 1999 *Bulletin*, new material was published on bank fees in Australia, largely in response to interest in this subject by the Parliamentary Committee.

During the year the web site (<http://www.rba.gov.au>) was further developed, with a view to facilitating access to the majority of the Bank's "publications", on a timely and minimum cost basis to the widest possible audience. The four major assessments of the economy during the year are reproduced on the web site and, in 1997/98, the Annual Report was also reproduced in full, for the first time, in this format. The Research Discussion Papers (RDPs) section of the site was expanded during the year to include the full texts of all RDPs published since the beginning of 1993, with abstracts of the RDPs since 1976, and a search function has been added to this part of the site; previously only synopses of recent RDPs had been published together with a full listing of titles of the RDP series. Fifteen RDPs were published during 1998/99. The web site is now updated daily, with daily media releases being reproduced in full on the site, for ease of access by the public.

Over the year, support has been given to various academic conferences, both by way of financial sponsorship and by providing keynote speakers. These include conferences held by the Australian National University (one on the financial crisis in Thailand; and a PhD conference in Economics and Business run jointly with the University of Western Australia), the University of New South Wales (the annual Australasian Conference in Finance and Banking) and the University of Sydney (the annual Conference of Economists). Financial assistance is also provided for various research projects and teaching initiatives by universities. There was ongoing funding for several such projects during the year: the monthly survey of consumers' inflationary expectations by the Institute of Applied Economic and Social Research at the University of Melbourne; the quarterly survey of union inflation and wage expectations by the Australian Centre for Industrial Relations, Research and Teaching at the University of Sydney; and the Securities Trading and Research Laboratory ("Starlab") within the Australian Graduate School of Management at the University of New South Wales.

The longstanding relationship with the broader education community continues. During the year, senior staff from Economic Group gave presentations to groups of teachers of secondary-level economics and commerce in Sydney, Adelaide, Brisbane and Perth, under the auspices of various State-based associations of teachers. Similarly, senior staff from Economic Group gave lectures to student classes in economics at a number of capital city and regional universities. There was also continuing involvement in the co-operative education program in Information Technology with the University of Technology, Sydney.

The Small Business Finance Advisory Panel, established in 1993, draws together owners of small businesses from across Australia and different industries to discuss issues relating to the provision of finance and other banking services, as well as developments in financial markets. The panel meets annually, the last meeting being in September 1998.

During the year, a contribution of \$10 000 was made to support the HC Coombs Memorial Medical Fellowship, sponsored by the Florey Trust in Melbourne;

Dr Coombs, a former Governor of the Bank, was a long-time supporter of the Howard Florey Institute. The Bank also joined a number of other major institutions in providing financial assistance to the Sydney City Council towards the cost of upgrading Martin Place; the Bank's contribution to these works in the precinct outside its Head Office was \$200 000 in 1998/99, with a commitment to provide a like amount in 1999/2000. The Bank is also a corporate sponsor of the "Work-A-Day 4 Kids" fund-raising event which is organised by the Financial Markets Foundation for Children; the Governor is the Chairman of the Foundation which is based around staff members of institutions in the financial markets and which raises money to be directed towards research into medical and social problems affecting children.

Statutory Obligations

Equal employment opportunity

The Reserve Bank has continued to pursue its equal opportunity objectives. The current Equal Employment Opportunity (EEO) Plan 1997-1999 was extended by 12 months to June 2000. The Plan is designed to assist in the achievement of the overall EEO program goals regarding staff selection, conditions of employment, career development and staff training. Details of the Plan are contained in a separate EEO Annual Report, which is tabled in the Australian Parliament each year; the report for 1997/98 was tabled in November 1998.

Health and safety, compensation and rehabilitation

The Reserve Bank is required by Section 74 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991* and Section 107 of the *Safety, Rehabilitation and Compensation Act 1988* to report on health and safety matters as they relate to the Bank.

During the year, an Occupational Health and Safety Plan was implemented and considerable progress was made in raising staff awareness and involvement in identifying, assessing and managing hazards in the workplace. Two Occupational Health and Safety audits by representatives of the Safety Rehabilitation and Compensation Commission during the year indicated that significant improvements in safety awareness had been achieved. Health and Safety Committees have continued to monitor health and safety issues and provide contributions to policies/procedures as well as providing input to a revised Health and Safety Agreement which was developed during the period in consultation with unions represented in the Bank.

Partly reflecting these initiatives, but also in response to lower staff numbers generally, new claims for workers' compensation fell. Mostly, claims were for simple injuries and the Bank's claims management and rehabilitation arrangements worked effectively in determining the claims and returning the employees to work with little lost time. However, there were a small number of more complex claims which involved lengthy periods of lost time. These resulted

in average claim costs rising over the year. The Reserve Bank's performance in managing claims in terms of its licence to self-insure was also the subject of an audit by the Safety, Rehabilitation and Compensation Commission during the year. As a result of this audit the Bank implemented a number of initiatives to ensure that it continues to manage claims in terms of its Licence and the requirements of the Act.

Freedom of information

Section 8 statement

The Reserve Bank 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 Reserve Bank 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 *Financial Corporations Act 1974*, 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 Reserve Bank *Bulletin*; most of this information is also included on the web site (<http://www.rba.gov.au>). Other documents held are 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*, including requests for access to documents, should be directed to the Secretary, Head Office, or the Managers of branches. Applications should be accompanied by the application fee (currently \$30). Facilities to inspect documents to which access has been granted are available in the Bank's branches.

Section 93 statement

Three requests for access to documents under the Act were received in 1998/99, compared with six in the previous year. Access to the documents sought this year was granted in full for two requests and in part for one. There were no applications for internal review or for review by the Administrative Appeals Tribunal. The cost of administering the Act in 1998/99 is estimated to have been approximately \$67 100, compared with approximately \$8 800 in the previous year; application fees of \$30 and charges of around \$5 180 were collected by the Bank.