

Statutory Reporting Obligations

Equal Employment Opportunity

The Reserve Bank is required under the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987* to report to the Australian Parliament each year on its equity and diversity program. *The Equity and Diversity Annual Report 2012*, which reviews the Bank's diversity profile, employee engagement with existing policies and progress with the program, was tabled on 10 September 2012.

The Reserve Bank aims to ensure that all employees are treated with dignity and respect in the workplace and experience equal opportunity throughout their careers with the Bank. This commitment is underpinned by the two key elements of the Diversity Program, namely existing policies and procedures, and the *Diversity Plan 2012–2015*. While the existing policies and procedures seek to embed equity, diversity and inclusion principles in work practices, the Diversity Plan provides specific initiatives that highlight priorities, raise awareness and aim for continuous improvement. The Program is governed by the Bank's Diversity & Inclusion Policy Committee, a consultative body responsible for monitoring the development and implementation of equity and diversity initiatives, policies and practices.

During the year, the Reserve Bank developed new initiatives outlined in the current Plan. The four priorities of the Plan are to:

- undertake training and awareness on unconscious bias in the workplace to promote the quality of employment-related decision-making
- facilitate access to flexible work arrangements
- better understand the factors influencing the career experience of women
- understand the needs of a maturing workforce, and use that information to assist in workforce planning and corporate knowledge transfer.

The major focus in 2012/13 was to enhance the Reserve Bank's culture of inclusiveness and better understand the equity and diversity issues associated with employee participation and work-life balance.

Full details and outcomes of the Diversity Program are included in the Reserve Bank's *Equity & Diversity Annual Report 2013*.

Work Health and Safety, Compensation and Rehabilitation

The Reserve Bank continued to foster a safety culture that is preventative, proactive and based on due diligence, by demonstrating the visible commitment to safety of the Bank's senior and executive management. To ensure a coordinated approach to work health and safety (WHS) management across the Bank, the WHS Coordination Committee was formed in August 2012. The Committee meets quarterly and comprises the executive management from a number of departments as well as the Chairperson of the WHS Committee. The output of the WHS Coordination Committee flows through to the Risk Management Committee, Executive Committee and the Reserve Bank Board.

In terms of the *Work Health and Safety Act 2011 (Cth)* (WHS Act) and the conditions of its licence as a Licensed Authority under the *Safety, Rehabilitation and Compensation Act 1988*, the Reserve Bank is required to report each year on WHS and workers compensation and rehabilitation matters as they affect the Bank.

The Reserve Bank is committed to the safety, health and wellbeing of its workers, including contractors and other persons involved in the Bank's operations. The Bank has a strong track record in all aspects of WHS. Compliance with the relevant legislation and the Bank's Conditions of Licence was confirmed in 2013 by external audits of the Bank's safety, compensation and rehabilitation arrangements. The Safety, Rehabilitation and Compensation Commission subsequently confirmed that the Bank retained the highest possible rating for its prevention, claims management and rehabilitation practices for 2013/14 by maintaining Tier 3 status in each area.

A key focus of the Reserve Bank's activities during the year was to continue robust implementation of the WHS Act across the Bank's worksites. A new WHS strategic plan was developed, setting key priorities for the Bank over the medium term. The Bank continued to provide ongoing training to workers, health and safety representatives and management on contemporary WHS matters, including mental health. The Bank's Health & Wellbeing Program also provided education and promoted physical and psychological health through the implementation of evidence-based initiatives, which are targeted at WHS risks, attitudinal and behavioural change, and the provision of a supportive and safe workplace environment.

From 1 July 2012 to 30 June 2013, there were 51 reported WHS incidents, a decline of 15 per cent from the previous year. Around half of the incidents were sporting injuries sustained during recess breaks and two incidents were notified to Comcare – one a sporting injury that occurred during recess and the other a 'near miss' involving a contractor undertaking building works for the Reserve Bank. Two incidents resulted in workers compensation claims, down from six the previous year, with both involving sporting injuries sustained during recess breaks. The remaining incidents were relatively minor in nature. The Bank's Lost Time Injury Frequency Rate (number of lost time injuries per million hours worked) for the year was 1.2, down from 2 in the previous year, and a little lower than the industry average.

The Reserve Bank's policies and framework documents covering WHS were endorsed by the Reserve Bank Board in March 2013. The Board receives regular reports on WHS matters in the Bank, including an annual review covering the Bank's WHS indicators and main activities.

Freedom of Information (FOI)

The Reserve Bank is an Australian Government agency subject to the *Freedom of Information Act 1982* (FOI Act). As required by Part II of the FOI Act, the Bank provides information to the public as part of the Information Publication Scheme (IPS). Details of the Bank's obligations under the FOI Act and the IPS can be found on the Bank's website at www.rba.gov.au/foi.

Seventeen requests for access to documents under the FOI Act were received in 2012/13. Access was granted in part in response to 10 requests. No relevant documents were found in response to one request. Access to documents was denied in response to one request and four requests were withdrawn. One request remained outstanding at the end of the financial year. The Reserve Bank continued to publish on its website information that has been released in response to FOI access requests, as required by the FOI Act, with RSS feeds to these releases available from the Bank's website.

One application was received for the internal review of a decision in 2012/13.

The estimated number of staff hours spent dealing with all aspects of FOI requests in 2012/13 was around 395 hours, up from an estimated 294 hours in 2011/12. The total cost to the Reserve Bank of administering the FOI Act in 2012/13 is estimated to be about \$123 000, compared with \$88 000 the previous year. Charges levied and received amounted to \$2 265. In terms of staff hours and costs, the increase in both is attributable to the overall complexity of requests being higher than those received in 2011/12.

Amendments to Enabling and Other Relevant Legislation

In January 2013, in accordance with commitments made by G20 leaders, a new regime for the regulation of derivative transactions and derivative trade repositories was introduced into the *Corporations Act 2001*. The *Corporations Legislation Amendment (Derivative Transactions) Act 2012* introduced a new Part 7.5A, under which the responsible Minister may issue a determination that mandatory obligations with respect to trade reporting, central clearing or platform trading should apply to a specified class or classes of over-the-counter (OTC) derivatives. Once the Minister has made a determination, the Australian Securities and Investments Commission (ASIC) may make derivative transaction rules that apply to the relevant products. Such rules set out the details of any requirements, including the institutional scope, product scope, transitional arrangements and the manner and form in which persons must comply with the requirements. In making determinations under Part 7.5A, the Minister must consult with ASIC, the Australian Prudential Regulation Authority (APRA) and the Reserve Bank. ASIC must also consult with APRA and the Bank in making derivative transaction rules. In order to inform their advice to the Minister, ASIC, APRA and the Bank actively monitor developments in the Australian and overseas OTC derivatives markets. As part of this process, the regulators carry out periodic surveys of the Australian OTC markets and produce assessment reports based on the results of these surveys. Over the past year the regulators have produced two such reports: in October 2012 and July 2013. In accordance with a recommendation in the October 2012 report, the Minister issued a determination in respect of trade reporting. ASIC finalised derivative transaction rules in relation to this determination in July 2013.

Part 7.5A also establishes a licensing regime for trade repositories. This regime imposes obligations on licensed trade repositories, including that they comply with requests for derivative trade data from ASIC, APRA and the Reserve Bank, and that they give such assistance to these regulators as might reasonably be requested in the performance of the regulators' functions.

In conjunction with these changes, section 79A of the *Reserve Bank Act 1959* was amended to extend the information protection provisions in that section to data provided under the new regime. Section 79A was also amended to clarify the ability of the Reserve Bank to share protected information with financial sector supervisory agencies and other central banks for the purpose of performance or exercise of their functions and powers. This clarification was important to ensure that effective sharing of protected information can occur for the purpose of ensuring financial system stability, including as it relates to derivative transactions.

In June 2013 the *Corporations and Financial Sector Legislation Amendment Act 2013* made a number of changes relevant to the Reserve Bank's powers and functions, in particular its role in the regulation of clearing and settlement facilities, which is overseen by the Payments System Board. This legislation:

- amended the *Payment Systems and Netting Act 1998* to support the capacity for central counterparties to transfer client positions from a potentially insolvent clearing participant to another clearing participant, in line with requirements in the new Financial Stability Standards set by the Reserve Bank
- amended the *Corporations Act* to remove the requirement for the Reserve Bank and ASIC to conduct annual assessments of licensed clearing and settlement facilities, except as determined by regulation

- further amended the information protection provisions in section 79A of the Reserve Bank Act to assist the Reserve Bank to collaborate with other regulators, both domestically and internationally. Among other things, the changes allow for regulations to prescribe persons and bodies with which the Bank may share protected information, for the Governor or a prescribed delegate to permit information sharing that would otherwise be prohibited and for the Bank to impose confidentiality restrictions on persons to whom protected information is provided. These changes brought the information sharing powers of the Bank into line with those of APRA.

In light of the removal of the requirement for annual assessments of licensed clearing and settlement facilities, the Reserve Bank has issued a statement setting out criteria to be considered in determining which clearing and settlement facilities, in addition to any for which annual assessment has been prescribed by regulation, should continue to be subject to annual assessments.

Ministerial Directions

The Reserve Bank received no new directions from its responsible Minister, the Treasurer, or from any other Minister during 2012/13.

No General Policy Orders under section 48A of the *Commonwealth Authorities and Companies Act 1997* (CAC Act) apply to the Reserve Bank. No general policies of the Australian Government were first applied, or continued to apply, to the Bank under section 28 of the CAC Act during 2012/13.

Since 1 July 2012 the Reserve Bank has been bound by the Finance Minister's (CAC Act Procurement) Directions 2012, which require the Bank to apply the Commonwealth Procurement Rules (CPRs) when undertaking a procurement where the expected value of the property or service being procured exceeds \$400 000 for non-construction services or \$9 million for construction services. For purchases of lower value, the Bank follows its own guidelines based on the principles contained in the CPRs. The broad objective is to ensure that all goods and services procured by the Bank support its policy and operational responsibilities in an efficient and cost-effective manner.

The Reserve Bank's policy covering procurement was endorsed by the Reserve Bank Board in March 2013, and in July 2013 the Board received an annual review covering the Bank's procurement activities in 2012/13.

Other Statutory Reporting Obligations

Other statutory reporting obligations applying to the Reserve Bank are covered elsewhere in this report and are identified in the Statutory Reporting Requirements Index on pages 77 and 78.