

# Statutory Reporting Requirements

The Reserve Bank has a number of statutory reporting requirements that extend beyond its policy objectives and cover areas such as equal employment opportunity, work health and safety and freedom of information requests submitted to the Bank. Priorities for the Bank's Diversity and Inclusion Program in 2015/16 included gender diversity, the Bank's culture of inclusiveness and flexible work practices.

## Equal Employment Opportunity

The Reserve Bank is strongly committed to ensuring that all employees are treated with dignity and respect and experience equal opportunity throughout their careers with the Bank. This commitment is underpinned by the two key elements of the Diversity and Inclusion Program, namely existing policies and procedures, and the current Diversity and Inclusion Plan (covering 2016–19). Existing policies and procedures seek to embed equity, diversity and inclusion principles in work practices and the current Diversity and Inclusion Plan provides specific initiatives that highlight priorities, raise awareness and aim for continuous improvement. The priorities of the plan are covered in the chapter on 'Our People'. The major focus in 2015/16 was on gender diversity and the Bank's culture of inclusiveness and flexible work practices, to encourage diversity of people, ideas and approaches to work such that no employee is disadvantaged on the basis of their individual differences.

The Diversity and Inclusion Program is governed by the Executive Committee, in consultation with the Diversity and Inclusion Policy Committee, a consultative group responsible for monitoring the development and implementation of and diversity and inclusion initiatives, policies and practices in

the Reserve Bank. Full details and outcomes of the Diversity and Inclusion Program in 2015/16 are included in the Bank's *Equity & Diversity Annual Report 2016*, which will be tabled in parliament in accordance with the requirement under the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*. The *Equity & Diversity Annual Report 2015*, which reported on the Bank's diversity profile, employee engagement with existing policies and progress with the program in 2014/15, was tabled in parliament on 22 October 2015.

## Work Health and Safety, Compensation and Rehabilitation

The Reserve Bank fosters 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. The Reserve Bank Board and the Bank's executive management receive regular reports on work health and safety (WHS) matters in the Bank.

During the year, a project commenced to review the Reserve Bank's WHS framework and make recommendations for change. A key objective of the project is to provide a more streamlined approach to WHS management that is commensurate with the WHS risks

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the Bank faces and clearly outlines roles and responsibilities. Ongoing training was provided to management, workers and health and safety representatives on contemporary WHS matters, including mental health. The Health & Wellbeing Program is designed to maximise the physical and psychological health of employees through promotion of positive health outcomes and prevention of potential health risks and problems. The types of initiatives and activities conducted during the year in review fell into two categories:

- physical health activities, such as fitness classes at Head Office, an annual health challenge, health checks and influenza vaccinations

- mental health initiatives such as piloting a targeted resilience program, providing an Employee Assistance Program (EAP) and facilitating seminars and providing information on topics related to mental health and wellbeing.

There were 41 reported WHS incidents between 1 July 2015 and 30 June 2016, 2 per cent lower than the previous year. Around 22 per cent of the incidents were sporting injuries sustained during breaks. Five of the reported incidents required notification to Comcare. Accepted workers compensation claims remained low at two in 2015/16, with both involving sporting injuries sustained during breaks. Overall, the Reserve Bank's Lost Time Injury Frequency Rate (number of lost time injuries per million hours worked) for 2015/16 was 1.0, compared with 0.5 in 2014/15 and 1.2 in 2013/14, and a little lower than the industry average. One internal investigation relating to WHS matters was conducted by the Bank in 2015/16. No investigations were conducted by Comcare during 2015/16 that related to businesses or undertakings conducted by the Bank, and no improvement, prohibition or non-disturbance notices were issued to the Bank by Comcare under Part 10 of the *Work Health and Safety Act 2011* (WHS Act).

In terms of the WHS Act and the conditions of its licence as a Licensed Authority under the

## Summary of Notifiable Incidents, Investigations and Notices under the WHS Act

Action	2015/16	2014/15
Death of a person that required notice to Comcare under section 35	0	0
Serious injury or illness of a person that required notice to Comcare under section 35	2	1
Dangerous incident that required notice to Comcare under section 35	3	5
Internal Investigations conducted	1	1
Investigations conducted under Part 10	0	0
Notices given to RBA under section 90 (provisional improvement notices)	0	0
Notices given to RBA under section 191 (improvement notices)	0	0
Notices given to RBA under section 195 (prohibition notices)	0	0
Directions given to RBA under section 198 (non-disturbance notices)	0	0

Source: RBA

*Safety, Rehabilitation and Compensation Act 1988*, the Reserve Bank is required to report to the Safety, Rehabilitation and Compensation Commission each year on WHS and workers compensation and rehabilitation matters as they affect the Bank. Compliance with the relevant legislation – and the conditions of its licence as a Licensed Authority – was validated during the period 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 rating (Tier 3) for its prevention, claims management and rehabilitation practices in each area for 2016/17.

## 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 publishes 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 <<http://www.rba.gov.au/foi/index.html>>.

Eleven requests for access to documents under the FOI Act were received in 2015/16. Access was granted in part in response to three requests. No relevant documents were found in response to two requests. Access to documents was denied in response to three requests and two requests were withdrawn. One request was outstanding at the end of the financial year. Information that was released in response to FOI access requests was published on the Reserve Bank’s website, as required by the FOI Act, with RSS feeds to these releases also available.

One application was received for the internal review of a decision in 2015/16. As required by the FOI Act, a fresh decision was taken, with the original decision being affirmed in this instance.

The estimated amount of staff time spent dealing with all aspects of FOI requests in 2015/16 was around 230 hours, compared with around 323 hours in 2014/15. The total cost to the Reserve Bank of administering the FOI Act in 2015/16 is estimated to be about \$59 900, compared with \$81 400 in the previous year. No processing charges were levied in 2015/16 (charges levied and received in 2014/15 amounted to \$460).

## Regulatory Developments

In April 2016, the Reserve Bank was granted an exemption by the Australian Transaction Reports and Analysis Centre (AUSTRAC) from almost all of the substantial obligations of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (the AML/CTF Act). The Bank, like many central banks around the world, had previously sought and been granted exemptions from various anti-money laundering/counter-terrorism financing (AML/CTF) legislative obligations, on the basis that the Bank’s financial services activities form part of its central banking policy functions and/or present low or no money laundering or terrorism financing risk. Over time, the number and nature of the Bank’s exemptions had created complexities, with the result that the Bank and AUSTRAC agreed that a more practical way forward would be to grant the Bank a general exemption from all of the substantial obligations of the AML/CTF Act other than those relating to the reporting of suspicious matters. In its application for this exemption, the Bank committed, as a matter of policy and best practice, to continue to undertake risk management activities in relation to money laundering and terrorism-financing risks on a voluntary basis and in a manner consistent with the principles in the AML/CTF Act. Consequently, the Bank has developed a new AML/CTF framework to identify, mitigate and manage the risk that the Bank may be involved in or facilitate money laundering or terrorism financing. This new framework is overseen by the

Risk Management Committee, which is provided with regular reports on its implementation. Any significant breaches will be reported to the Reserve Bank Board Audit Committee.

On 10 May 2016, the *Reserve Bank Regulation 2016*, made pursuant to section 89 of the *Reserve Bank Act 1959*, came into effect. This regulation remakes (with minor amendments) the previous *Reserve Bank Regulation*, which was due to 'sunset' on 1 April 2017 and which provided the form of declaration of secrecy required by members of each of the Reserve Bank Board and Payments System Board. The new regulation requires the same form of declaration of secrecy as previously required.

The new regulation also permits the Reserve Bank to disclose protected information and protected documents to a small number of important domestic and international bodies and agencies with which it collaborates, but which are not financial sector supervisory agencies or foreign central banks (sharing with these entities is permitted under the Reserve Bank Act itself). Section 79A(4)(c) of the Reserve Bank Act allows Bank employees to disclose protected information or produce a protected document to any person or body prescribed by the regulations, if they are satisfied that disclosure of the information, or the production of the document, will assist that other person or body to perform its functions or exercise its powers. The new regulation facilitates enhanced collaboration and coordination in the course of the Bank's work as a supervisory agency and as a participant in policy discussions with and within important international organisations. It also facilitates the sharing of information between key agencies in the event of a financial system crisis, which would assist in the effective management of the crisis.

## Ministerial Directions

The Reserve Bank received no new directions from its responsible Minister (the Treasurer) or from any other Minister during 2015/16.

No government policy orders under section 22 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) were applied in relation to the Reserve Bank during 2015/16.

No issues relating to non-compliance by the Reserve Bank with finance law were reported to the Bank's responsible Minister (the Treasurer) under paragraph 19(1)(e) of the PGPA Act.

As one of the corporate Commonwealth entities 'prescribed' under section 30 of the Public Governance, Performance and Accountability Rule 2014, the Reserve Bank continues to be required to apply the Commonwealth Procurement Rules (CPRs) when performing duties relating to certain procurements.

The CPRs, which were amended and re-issued under section 105B(1) of the PGPA Act and effective from 1 July 2014, apply to the Reserve Bank whenever it undertakes a procurement where the expected value of the property or service being procured exceeds \$400 000 for non-construction services or \$7.5 million for construction services. For purchases of lower value, the Bank uses detailed 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.

## Other Statutory Reporting Obligations

There were no significant activities or changes affecting the operations or structure of the Reserve Bank in 2015/16.

There were no judicial decisions or decisions of administrative tribunals made during 2015/16 that have had, or may have, a significant effect on the operations of the Reserve Bank.

Other statutory reporting obligations applying to the Reserve Bank that are covered elsewhere in this report are identified in the 'Statutory Reporting Requirements Index' on pages 187–188.