

Communication of monetary policy decisions

The Reserve Bank places a high priority on ensuring that its monetary policy decisions are “explained to the public and financial markets in the simplest, clearest and most effective way possible.”

To this end the Reserve Bank is meticulous in ensuring that actual monetary policy decisions are communicated to financial market participants and the public in a market neutral way, ie as much as possible everyone gets the new information as to the Bank’s actions at the same time.

The Bank also puts a substantial effort into explaining its actions to the general public, as well as to financial market participants and those with specialist economic knowledge.

Introduction

1. The sixth of the Government’s terms of reference for the Review of the Operation of Monetary Policy states:
“The communication of monetary policy: The Reserve Bank’s communication of monetary policy decisions will be reviewed to ensure that these decisions are explained to the public and financial markets in the simplest, clearest and most effective way possible.”
2. This note is a partial explanation of how the Reserve Bank manages the communications of monetary policy. How the Bank states its specific requirements in terms of monetary conditions, and the nuances expressed within, for example, *Monetary Policy Statements*, are not described here. Rather this note explains the mechanics of how the Bank communicates and explains monetary policy, and some of the considerations that go into the generic explanation of monetary policy made to the general public.

Monetary Policy Statements and formal OCR announcements

3. Four times a year, the Reserve Bank releases a *Monetary Policy Statement (MPS)*. This is a booklet, typically of about forty pages, in which the Bank states the new Official Cash Rate, the rationale for that decision and how the Bank sees the economy and inflation in the period ahead. A statement of this kind is required twice a year by section 15 of the Reserve Bank Act, it being the Bank’s choice to do this four times a year. In addition, roughly mid-way between the release of these *MPSs*, the Bank makes an additional OCR announcement, giving eight reviews in total annually.
4. In terms of the mechanics of these formal communications of monetary policy decisions, the Reserve Bank applies the following principles.
 - We ensure, as far as is physically possible, that information is available to market participants at the same moment in time, so that no participants receive an advantage through the markets being partially informed.

- We attempt to give reporters time to fully absorb the subtleties of the subject matter by giving them time to read relevant materials before having to file stories. This is to ensure accurate and balanced reporting as much as possible.
 - At the release of quarterly *MPSs*, Governor Brash is available to answer reporters' questions, both at a press conference and through one-on-one interviews.
5. In addition, we do not attempt to “steer” the markets via speeches or other communications techniques between OCR reviews. This contrasts with some other central banks, so, for example, Dr Brash’s on-the-record speeches almost invariably do not contain any new information about how the Bank views inflationary pressures or the appropriate stance of monetary policy. We do not attempt to “prepare” the markets for impending OCR announcements. We avoid doing this partly because we believe it risks creating market volatility and confusion, and at the same time it isn’t necessary, given that the Bank publishes forward projections and extensive detail of its monetary policy thinking in each *Monetary Policy Statement*.
 6. The simultaneous release of market sensitive information is achieved in the following ways. In the case of *MPSs*, a two-hour early morning lock-up is organised for reporters. Reporters are provided with the written material under embargo, and staff are available from the Bank’s Economics Department to provide background explanations. The embargo is lifted at 9.00 am, after which Dr Brash holds a press conference and then grants one-on-one interviews.
 7. The key elements in the written material provided to reporters are the *MPS* itself and a press statement, which also announces any adjustment to the Official Cash Rate. The press statement is important, in that it is used to first release the most critical information to the markets. This is done via a computer link between the Bank’s Financial Markets Department and the wire services (Dow Jones, Reuters, Bloomberg and Bridge), so that the press statement is placed on wire service customers’ screens simultaneously. Until this is done, the embargo in the lock-up is not lifted, ensuring that as far as possible the markets learn “the news” simultaneously, i.e. from the screening of the press statement. Intra-quarter Official Cash Rate adjustments are also announced this way.
 8. When *MPSs* are issued, a lock-up is also held for financial analysts. Typically about thirty attend. The analysts attending receive the written materials one-hour prior to its public release under embargo and are briefed by senior Bank economists.
 9. In addition, whenever Dr Brash does a substantive on-the-record speech, a lock-up is held beforehand for real-time media (the wire services and radio), with the embargo lifting just before Dr Brash begins speaking. Earlier we sent out speeches under embargo, but occasionally these embargoes were not honoured.
 10. It should be noted that the minutes of the Bank’s Monetary Policy Committee for the meetings leading up to OCR decisions, or in general, are not made public. Under the Reserve Bank Act, monetary policy decisions are the Governor’s alone, and the Monetary Policy Committee is purely an advisory committee made up of Bank staff only. The Bank believes that the printed *MPSs* are sufficiently detailed, especially in terms of projections for up to three years ahead, that they provide a full picture of the reasoning behind particular OCR decisions. In addition, making the minutes of the Monetary Policy Committee public would restrict the free and often robust discussion that takes place in

that forum. This would reduce the value of the committee to the Governor in terms of its providing diverse, high quality and, if need be, unpalatable advice.

11. Another accountability mechanism in terms of monetary policy decisions is that the Governor and other senior Bank staff appear in front of Parliament's Finance and Expenditure Select Committee, typically five times a year. These are open meetings and occur after the release of each *MPS* and the *Annual Report*.

Generic communications about monetary policy

12. Aside from the formal release of *Monetary Policy Statements* and OCR decisions, the Reserve Bank actively seeks to explain monetary policy to the general public. We take the view that this is important, in terms both of managing inflationary expectations and of ensuring on-going public support for price stability as the goal of monetary policy.
13. The Reserve Bank has also given considerable thought to evolving the tone of its external communications as circumstances have changed. When the Bank first began inflation targeting, New Zealand still had relatively high inflation and high inflationary expectations. In that context, the Bank deliberately presented itself as being focussed on achieving price stability. This was achieved through having a high public profile and through the content of the Bank's external communications, which emphasised the Bank's absolute determination to "bust" inflation. This was done because the Bank needed to build its credibility and, to that end, the cost of public perceptions that the Reserve Bank was "obsessed" with inflation was worth paying.
14. However, in the context of price stability having been achieved, the Reserve Bank's public image has evolved into that of a more balanced institution that also thinks more widely about the context within which it operates.
15. We have also increasingly sought to reduce expectations as to the capacity of monetary policy alone to drive economic growth, emphasising that it is merely one of the building blocks of a successful economy. Likewise, we have increasingly sought to make clear the inherent uncertainty in our economic projections and actual monetary policy decisions. Again this is the fact of the matter, and we have been keen to educate the public not to expect an unrealistic degree of predictive accuracy in the Bank's projections.
16. Methods used include:

Speeches

17. The Governors, and occasionally other staff, deliver a large number of speeches around the country to many different audiences. Most are on topics related to monetary policy, most are off-the-record, and a few are on-the-record. For example, from 1 July 1999 to 30 June 2000 Dr Brash and other Reserve Bank staff gave 59 off-the-record speeches within New Zealand and 11 speeches in New Zealand and offshore on-the-record. A table of these speeches is provided below.
18. Dr Brash has twice undertaken "roadshows" in which over a two week period he has toured the country addressing a multitude of audiences, especially in provincial areas. The purpose of these roadshows has been to make contact with a wider audience than usually

reached when accepting speech requests from sector groups, service organisations and the like. Mostly the topic discussed is monetary policy and its role in the economy. In the last roadshow, in late 1998, Dr Brash addressed representatives of small and medium businesses in 23 towns and cities over two weeks, reaching about 5000 people.

19. Off-the-record speeches are important in that they help build a constituency of public support for the goal of price stability and an understanding of the rationale behind monetary policy decisions. In a country as small as New Zealand, a programme of off-the-record speeches can have an impact impossible in a larger country.
20. On-the-record speeches are usually focussed on issues that are the concerns of the day, their value being that they allow Dr Brash in a personal way to put on the record the Bank's views. Media coverage is almost always widespread. On-the-record speeches are also mailed to relevant audiences. A typical speech mail-out is to about 1300 addressees, including the media, Members of Parliament, sector group leaders, educational institutions and so on. In the Bank's view, the mailing of speeches is very important as a way of informing audiences of "opinion leaders".

Regional relationships

21. Three times a year, the Reserve Bank holds its monthly Board meeting away from the capital. This is to help the Bank build understanding of its activities throughout the country. A function is held for local business and community leaders to give them a chance to bring their concerns to the Reserve Bank's directors and senior managers directly.

Media interviews

22. Day-to-day, the Reserve Bank attempts to be open to the news media. The Bank receives numerous requests from journalists for interviews, mostly about monetary policy. In general, the Bank takes the view that it should be accountable to the public and therefore should accept interview requests. This, we suspect, is at variance with many other central banks. The one exception is that the Bank does not grant interviews to journalists who want to publish material that is market sensitive. Thus if a journalist wishes to ask Dr Brash whether current interest rates are appropriate, we reply "Wait for the next *MPS*". However, that aside, a request for an interview will be granted unless there is a good reason otherwise. What this means in practice is that if a reporter seeks an interview about the conceptual elements of monetary policy, generally the interview is granted.
23. In addition, off-the-record briefings are regularly provided to reporters. These are also augmented by a series of annual lunches held for Wellington-based financial media to give reporters the opportunity to informally discuss the Bank's activities and especially the workings of monetary policy.

Publications

24. The Reserve Bank publishes a range of documents explaining monetary policy, pitched at a range of audiences from the technical to the general public. Publications for technical audiences include research papers and *The Reserve Bank Bulletin*. Recently the Reserve Bank has also published a book entitled *Monetary Policy Under Uncertainty*.

25. For the general public, a range of brochures is available, some generic and some specifically about monetary policy. In recent years, titles have included:
- [*This is the Reserve Bank*](#)
 - [*Nga Mahi a te Peke Putea Matua \(Functions of the Reserve Bank\)*](#)
 - [*The Reserve Bank of New Zealand Act 1989: Our Accountability to New Zealanders*](#)
 - [*Monetary Policy Over the Business Cycle*](#)
 - [*The Impact of Monetary Policy on People*](#)
 - *The Impact of Monetary Policy on Exporters*
 - *The Impact of Monetary Policy on Farming*
26. We also commissioned a one-off publication, Mary Holm's [*The REAL Story: Saving and investing now that inflation is under control*](#). This involving employing a free lance journalist to write a booklet providing accessible advice on how people should manage their personal finances in the context of a low inflation environment. This was a response to persistently high inflationary expectations, at odd with the facts, held by the public in relation to personal finances and especially small-scale speculative property investments. Public interest in the document was considerable, the total print run being 73,000.
27. The Bank produces an [*Annual Report*](#), which has won first prize in the Society of Chartered Accountants Annual Report Awards for “public sector entities – non commercial” five times in the last decade including for the last two years. The editorial section has changed in recent years from a series of reports on functional outputs to a more “plain English” report on the year's events.
28. A more generic publication [*Briefing on the Reserve Bank*](#) is prepared whenever general elections occur, to provide a background resource on the Reserve Bank's functions and activities for an incoming Treasurer. It is also made public.

Internet

29. All the above publications are available on the Bank's website at www.rbnz.govt.nz. The Bank's website contains the Bank's on-the-record statements etc, and use of the site continues to climb. The Reserve Bank was one of the first central banks to use this medium, which we initiated in 1996.

Education

30. The Reserve Bank has sought to augment public understanding of its activities and policies by providing resources to the education system. For 15 and 16 year old secondary school economics students, in 1995 we produced an education kit entitled *Inflation: a sixth form resource*, which concentrates on the merits of price stability. In 1996 we produced, in conjunction with the Bankers' Association, a kit called [*The Tale of the TT2*](#). Aimed at 7 and 8 year olds, this introduces children to the notion of prices. It compares changing prices of confectioneries over the years, the TT2 being an early ice-block. For students aged 13 and 14, in 1997 we prepared an education kit called *The PIE Kit*, which is a general introduction to economics. PIE stands for people, inflation and economics.
31. The Reserve Bank's latest educational venture has been the sponsorship of a text book entitled *Reporting Economics* which the Journalist Training Organisation is using as a course text book for training mid career journalists who want to be business reporters.

32. The Bank is also a part sponsor of the Financial Literacy in Schools programme organised by the Enterprise Trust, which provides resources to secondary schools to teach personal financial management skills. The Reserve Bank also receives numerous requests from schools wanting to visit the Bank. We provide a seminar, usually delivered by one of our junior economists.

Monitoring Public Opinion

33. To better explain monetary policy to the general public, the Reserve Bank commissions polling to ascertain how the Bank is perceived. This is done twice a year, [an example](#) being attached.

Letters to the editor

34. The Reserve Bank puts a considerable effort into answering concerns and correcting errors reported in the news media. Most commonly, this involves submitting “letters to the editor” to newspapers and magazines. These can be in the name of the Governor or of other Bank staff, depending on the importance of the issue concerned. In broad terms, the Bank does not respond to expressions of opinion, but does respond to incorrect statements of fact, especially if made by credible commentators or public figures.

Reserve Bank New Zealand speeches 30 June 1999 to 1 June 2000

Included are on- and off-the-record speeches in New Zealand and on-the record off-shore speeches.

Date	Name	Host	Place	On/off record
1999				
<i>1 July</i>	Murray Sherwin	NZ Society of Accountants	Rotorua	On
<i>8 July</i>	Don Brash	Commentary on Third Hong Kong Monetary Authority Distinguished Lecture	Hong Kong	<i>On</i>
9 July	Murray Sherwin	Foreign Affairs Conference of International Law Experts	Wellington	On
12 July	Murray Sherwin	Rotary Club of Taumaranui	Taumaranui	Off
13 July	Murray Sherwin	Institute of Policy Studies International Conference	Wellington	Off
14 July	Michael Reddell	Wellington CETA Group	Wellington	Off
16 July	Michael Reddell	Economics teachers course at Massey University	Palmerston North	Off
19 July	Don Brash	Ravensdown Agri-business conference	Christchurch	Off
27 July	Don Brash	Phillips Fox clients	Wellington	Off
28 July	Don Brash	Rotary Club of Port Nicholson	Wellington	Off
2 August	Don Brash	Auckland Employers and Manufacturers Association	Auckland	Off
18 August	Don Brash	NZIER/Qantas Economics Award	Auckland	On
19 August	Adrian Orr	Professionals' Week business leaders lunch	Wellington	Off
20 August	Michael Reddell	Corporate Treasurers National Conference	Rotorua	Off
20 August	Don Brash	Wellington Regional Chamber of Commerce	Wellington	Off
25 August	Adrian Orr	Hugo Group	Wellington	Off
26 August	Don Brash	Bank of New Zealand corporate clients	Auckland	Off
26 August	Adrian Orr	Hugo Group	Auckland	Off
27 August	Rod Carr	Auckland Branch Financial Planners and Insurance Advisors	Auckland	Off
31 August	Don Brash	Whangarei Employers and Manufacturers Ass.	Whangarei	Off
10 Sept	Don Brash	Pacific Basin Economic Council	Auckland	Off
14 Sept	Don Brash	Opening new WestpacTrust dealing room	Wellington	Off
14 Sept	Rod Carr	Capital Finance Planning clients	Christchurch	Off
20 Sept	Michael Reddell	National Economics teachers' refresher course	Auckland	Off
21 Sept	Adrian Orr	Karori Rotary Club	Wellington	Off
22 Sept	Michael Reddell	Society of Accountants Banking and Finance Group	Wellington	Off
24 Sept	Rod Carr	Financial Planners and Investment Advisors	Wellington	Off
28 Sept	David Archer	Porirua Business Development Society	Porirua	Off
29 Sept	Rod Carr	Financial Planners and Investment	Palmerston	Off

		Advisors	North	
1 October	Rod Carr	Financial Planners and Investment Advisors	Auckland	Off
8 October	Murray Sherwin	New Zealand Defence Force seminar	Wellington	Off
7 October	Michael Reddell	Lecture to Economics 202 class Victoria University	Wellington	Off
13 October	Rod Carr	Clients of Wealthy and Wise Ltd	Auckland	Off
4 Nov	Don Brash	Asia Pacific Central Securities Depositories Group	Wellington	On
<i>11 Nov</i>	Don Brash	SEANZA banking supervisors Conference	Auckland	On
24 Nov	Don Brash	Orchid Exporters Ass	Auckland	Off
24 Nov	Don Brash	Phillips Fox clients	Auckland	Off
26 Nov	Murray Sherwin	NZ Timber Industry Federation	Wellington	Off
2000				
28 January	Don Brash	Canterbury Employers' Chamber of Commerce	Christchurch	On
28 January	Don Brash	Canterbury Manufacturers Ass	Christchurch	Off
9 February	Don Brash	Trans-Tasman Business Circle	Melbourne	On
21 February	Don Brash	Salomon Smith Barney Investment Conference	Auckland	Off
1 March	Don Brash	Auckland Commerce teachers briefing	Auckland	Off
7 March	Rod Carr	Capital Financial Planners	Nelson	Off
15 March	Don Brash	Northern Employers and Manufacturers Ass	Auckland	Off
16 March	Don Brash	Financial Planners and Insurance Advisers Ass	Hamilton	Off
17 March	Rod Carr	PriceWaterhouseCoopers Financial Planners	Palmerston North	Off
17 March	Don Brash	Deutsche Bank Investor conference	Auckland	Off
17 March	Don Brash	IPAC	Auckland	Off
21 March	Don Brash	Waitakere Club	Auckland	Off
21 March	Don Brash	Auckland Chamber of Commerce	Auckland	On
22 March	Don Brash	PricewaterhouseCoopers partners	Wellington	Off
28 March	Don Brash	Upper Hutt Chamber of Commerce and Industry	Upper Hutt	Off
30 March	Rod Carr	BNZ rural clients	Pukekohe	Off
31 March	Rod Carr	Hamilton Rotary Club	Hamilton	Off
31 March	Don Brash	Tauranga Chamber of Commerce	Tauranga	Off
3 April	Don Brash	Auckland Chartered Accountants Public Practice Special Interest Group	Auckland	Off
18 April	Murray Sherwin	Tauranga Lions	Tauranga	Off
28 April	Don Brash	19 th EAOSSEF General Assembly	Wellington	Off
2 May	Don Brash	Rotary Club of Wellington	Wellington	Off
10 May	Don Brash	Commerce Students Association, Auckland University	Auckland	Off
17 May	Don Brash	Wellington Chamber of Commerce	Wellington	Off
22 May	Don Brash	Auckland Rotary Club	Auckland	On
26 May	Peter Ledingham/ John McDermott	Finance, banking and property students, Massey University, Albany	Auckland	Off
26 May	Murray Sherwin	Probus Club of St Heliers	Auckland	Off

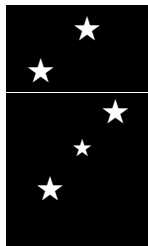
<i>6 June</i>	Don Brash	Belgian Financial Forum	Belgium	On
6 June	Rod Carr	Audit NZ managers training day	Wellington	Off
9 June	Adrian Orr	Maori Exporters	Rotorua	Off
26 June	Don Brash	Rural Women New Zealand AGM	Wanganui	Off
30 June	John McDermott	Finance, banking and property students, Massey University	Palmerston North	Off

THE RESERVE BANK

Favourability Rating

[July 1999]

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METHODOLOGY

Results in this report are based upon questions asked in the UMR Insight nationwide omnibus survey. This is a telephone survey of a nationally representative sample of 750 New Zealanders 18 years of age and over.

Fieldwork was conducted from 29 July to 2 August 1999 at UMR Insight's national interview facility in Auckland.

The margin of error for a 50% figure at the '95% confidence level' is $\pm 3.5\%$.

SUMMARY OF KEY FINDINGS

- There was an improvement in the favourability rating for the Reserve Bank this month. The rating was up a net 13 points from March to 41% total favourable; 17% total unfavourable.

The full numbers for the Reserve Bank were 7% very favourable; 34% somewhat favourable; 12% somewhat unfavourable; 5% very unfavourable with 41% unsure.

This is the second best net rating (total favourable minus total unfavourable) recorded in an intermittent series – behind the 48% total favourable; 21% total unfavourable recorded in March 1994. The 17% total unfavourable rating is the lowest recorded in the series.

There was a 7% lift in the “somewhat favourable” rating (from 27% to 34%) and a 1% fall in the “very favourable” rating (from 8% to 7%) so at this stage it should be regarded as a soft improvement.

The rating was recorded at a time of low interest rates although expectations for the economy and interest rates both deteriorated this month.

- There was little change in the reasons given for holding favourable or unfavourable opinions of the Reserve Bank.

The major reasons cited for holding a favourable opinion were positive views of the impact on the New Zealand economy and a very general view that the Reserve Bank was doing a good job.

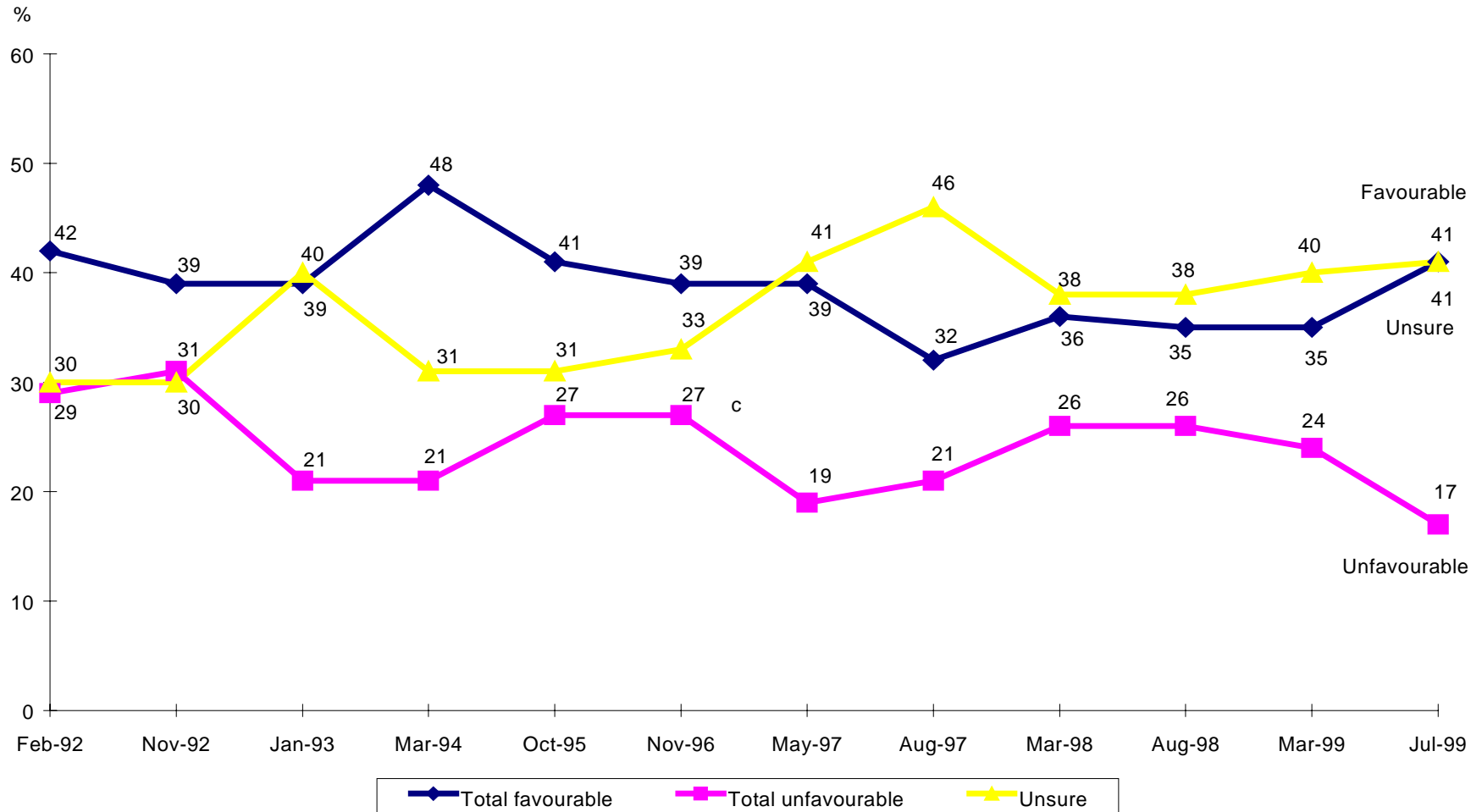
The major reasons given for holding an unfavourable view of the Reserve Bank were negative views on the impact of the economy. This was more generally expressed rather than being more specifically about interest rates as was the case in the March 1999 survey. Secondary reasons given for holding unfavourable opinions of the Reserve Bank were views that it was not socially responsible and was too powerful.

FAVOURABILITY RATING – THE RESERVE BANK

I am going to read you a list of companies and organisations, tell me if you have a very favourable, somewhat favourable, somewhat unfavourable or very unfavourable opinion of them. If you do not know enough about them just say so.

	FEB 92 %	NOV 92 %	JAN 93 %	MAR 94 %	OCT 95 %	NOV 96 %	MAY 97 %	AUG 97 %	MAR 98 %	AUG 98 %	MAR 99 %	JUL 99 %
Very favourable	5	6	6	6	5	9	7	6	7	7	8	7
Somewhat favourable	37	33	33	42	36	30	32	26	29	28	27	34
TOTAL FAVOURABLE	42	39	39	48	41	39	39	32	36	35	35	41
Somewhat unfavourable	19	21	15	16	17	18	11	14	16	18	16	12
Very unfavourable	10	10	6	5	10	9	8	7	10	8	8	5
TOTAL UNFAVOURABLE	29	31	21	21	27	27	19	21	26	26	24	17
Unsure	30	30	40	31	31	33	41	46	38	38	40	41

FAVOURABILITY RATING OF THE RESERVE BANK



REASONS FOR FAVOURABLE OPINION OF THE RESERVE BANK

[Those who had a very or somewhat favourable opinion of the Reserve Bank were asked:]

Why do you have a favourable opinion of the Reserve Bank, what are your reasons?

	%
IMPACT ON ECONOMY	58.2
<u>Economy – General</u> Maintaining adequate control over economy, keeping economy on track (22.3%)	
<u>Control of inflation</u> Keeping inflation rates down, on an even keel (14.6%), Believe they control the monetary policy which politicians can not do (5.5%)	
<u>Management of interest rates</u> Like their current interest rates, trying to keep interest rates down (9.7%), Good mortgage rates, keeping them down (1.9%)	
<u>Level of the dollar</u> Controlling the dollar well (4.2%)	
GOOD JOB – GENERAL	25.5
Appear to be doing a reasonable job (16.2%), Seem to know what they are doing, competent (4.2%), Looking after people’s needs (3.6%), Do a necessary job (0.6%), Keeping an eye on government activities (0.6%), We need to have a Reserve Bank (0.3%),	
DON BRASH	4.6
Dr. Brash is a good economist (3.6%), Don Brash is a good operator, the best R.B. governor ever (1.0%%)	
MEDIA AND COMMUNICATIONS	4.2
No bad publicity, positive media image - positive comments in the news (4.2%)	
USED TO WORK FOR THEM, KNOW THEY ARE GENUINE (0.6%)	0.6
GIVE FARMERS A FAIR GO (0.3%)	0.3
NEW ZEALAND OWNED AND RUN (0.3%)	0.3
Base: 41% who had a very or somewhat favourable opinion of the Reserve Bank (n=309); Multiple response	

REASONS FOR UNFAVOURABLE OPINION OF THE RESERVE BANK

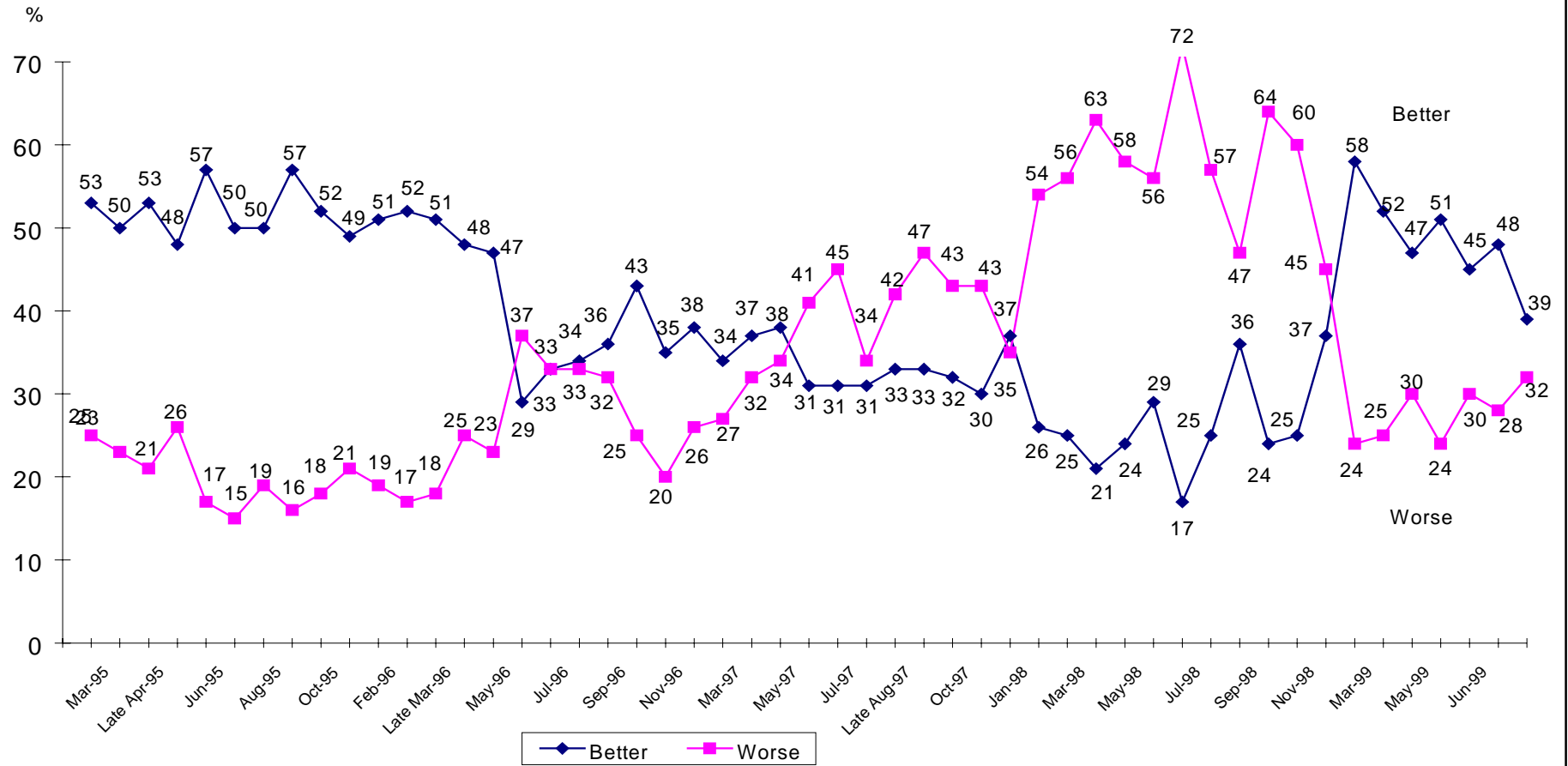
[Those who had a very or somewhat unfavourable opinion of the Reserve Bank were asked:]

Why do you have an unfavourable opinion of the Reserve Bank, what are your reasons?

	%
IMPACT ON ECONOMY <u>General</u> Too much control, power over the economy (31.5%), Influence is sending the economy in wrong direction (10.8%) <u>Management of interest rates</u> Play havoc, tampering with interest rates, keep cutting and chopping the interest rates (10.0%), Interest rates too low for retired people (2.3%) <u>Control of inflation</u> Not keeping inflation rate down, under control (4.6%)	59.2
NOT SOCIALLY RESPONSIBLE/UNCARING/IDEOLOGICAL Play with people's lives, no social conscience (10.8%), They look after the rich only not the little people (3.1%)	13.9
TOO POWERFUL Govt. policies are driven by the Reserve Bank, too much influence (8.5%), Becoming too political (1.5%)	10.0
COMMUNICATION/PR From what I hear in the media - bad press (3.8%), No enough info about what they're up to, poor P.R. (1.5%)	5.3
DON BRASH Don't like Dr Brash (2.3%), Don Brash does not keep promises (1.5%)	3.8
DON'T AGREE WITH THE WAY THEY HANDLE OR DO THINGS (1.5%)	1.5
Base: 17% who had a very or somewhat unfavourable opinion of the Reserve Bank (n=130); Multiple response	

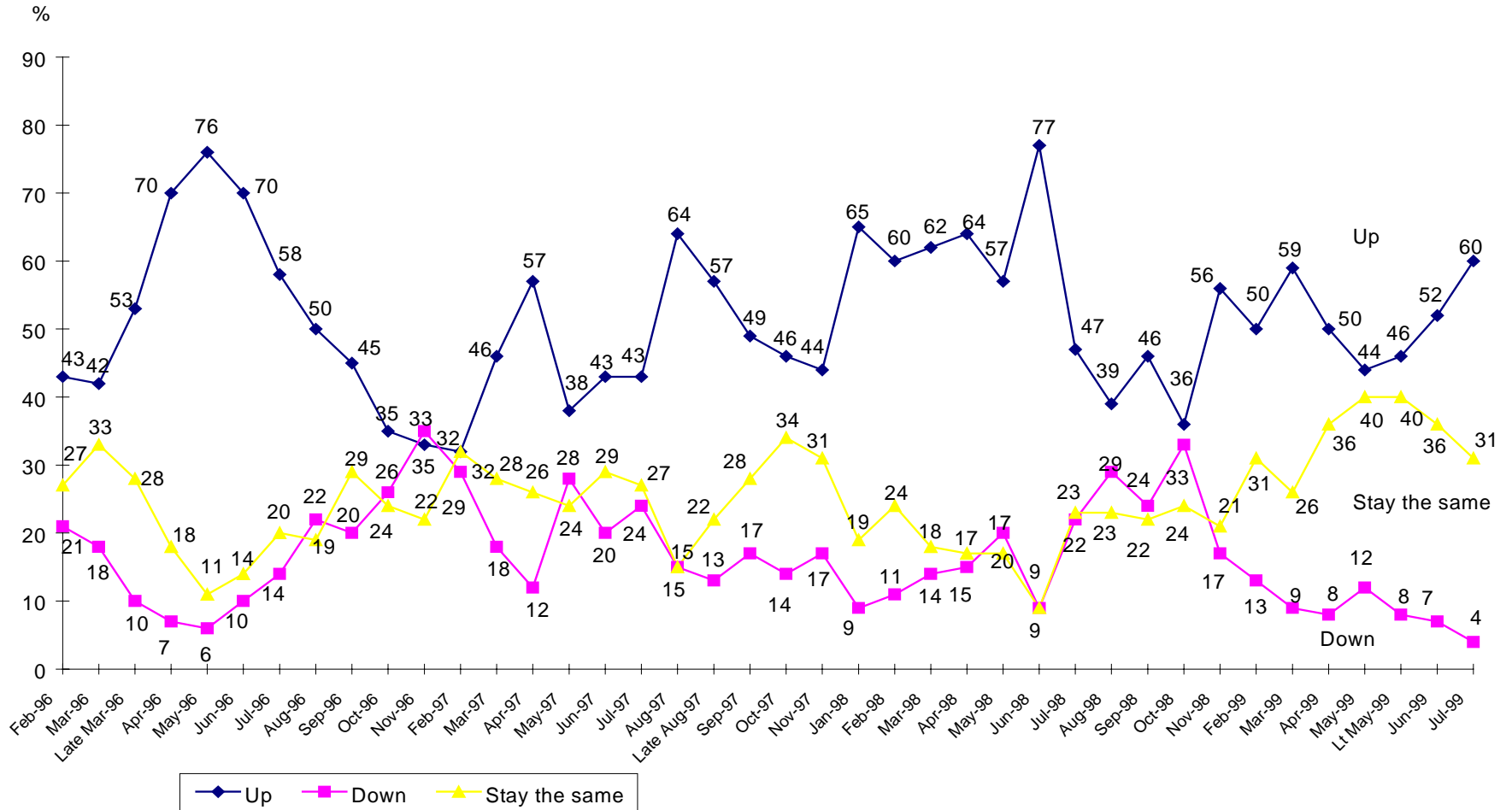
ECONOMIC EXPECTATIONS

Do you expect the economy to get better or worse in the next 12 months?



INTEREST RATE EXPECTATIONS

Do you expect interest rates to go up/down/or stay the same in the year ahead?



FAVOURABILITY RATING – RESERVE BANK

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Reserve Bank

Very unfavourable	Never heard Don't know	Base of	Very favourable	Somewhat favourable	Somewhat unfavourable
TOTAL RESPONDENTS					
5%	41%	750	7%	34%	12%
AREA					
Auckland					
5%	40%	208	5%	36%	14%
Provincial					
4%	46%	365	7%	29%	13%
Christchurch					
3%	27%	95	8%	48%	13%
Wellington					
9%	37%	82	10%	39%	6%
SEX					
Male					
7%	37%	375	9%	38%	10%
Female					
3%	46%	375	5%	31%	15%
AGE GROUP					
Under 30					
3%	52%	137	7%	33%	5%
30-44 yrs					
4%	44%	286	5%	34%	12%
45-60 yrs					
6%	29%	170	12%	35%	18%
60+					
6%	38%	156	4%	36%	14%
OCCUPATION					
Professionals, Managers					
5%	32%	170	9%	39%	15%
Technicians associate professionals					
5%	50%	62	2%	34%	10%
Clerks					
4%	43%	70	3%	39%	11%
Service and sales workers					
4%	47%	72	4%	28%	17%
Blue collar					
6%	38%	113	7%	39%	10%
Students					
3%	48%	40	10%	33%	8%
Retired					
3%	40%	118	7%	35%	14%
Not employed					
11%	50%	28	11%	21%	7%
Homemaker					
6%	49%	51	6%	22%	18%
Self employed					
9%	43%	23	13%	35%	0%
MAIN INCOME EARNER					
\$15,000 or less					
4%	43%	102	4%	29%	18%
\$15-25,000					
6%	46%	93	3%	32%	12%
\$25-35,000					
3%	47%	123	7%	34%	9%
\$35-45,000					
8%	36%	129	6%	32%	18%
\$45-55,000					
4%	45%	100	7%	37%	7%
\$55,000 +					
10%	4%	31%	134	11%	43%
			0%		