Being an engaging central bank

Mike Hannah, Head of Communications

Executive Summary

The Reserve Bank is continually seeking ways to improve its communications approach and engagement with stakeholders. Between June and November 2014, we commissioned our first External Stakeholder Engagement Survey. The survey was conducted by global market research company, Ipsos, which applied a framework to assess the Bank’s reputation, based on Familiarity, Favourability, Trust, and Advocacy.

Ipsos reported that its overall finding was that:

“This is a positive story and one that provides a pathway to even greater levels of trust and favourability... The Reserve Bank appears to have the communication balance about right. There are, however, some questions about engagement ...There is an appetite amongst some stakeholders for improved consultation and greater collaboration.”

The survey found that trust among the public is positive and moderate, but is constrained by low levels of familiarity. In contrast, more specific stakeholders have a strong base of familiarity, and trust and advocacy significantly higher than among the public.

The survey findings suggest two key relational issues for the Bank to consider: transparency and empathy. The Bank is perceived to have a high level of transparency already, but faces a paradox of transparency: “The more open ... that the Bank becomes, the more it risks jeopardising the certainty that is valued by stakeholders ...” Ipsos also notes that relationships are stronger when stakeholders feel informed and there is empathy with their environment and perspectives.

Our efforts to date to broaden our communications have been received well by stakeholders, who have suggested further ways to enhance engagement.

In particular, stakeholders have asked for communication that is relevant, targeted, and accessible, coupled with more dialogue that reflects an understanding of our stakeholders. We have identified initial responses to address these requests, and will look to measure their effectiveness.

1 The author would like to thank Naomi Mitchell, Angus Barclay, Geoff Bascand and other colleagues at the Reserve Bank for their helpful comments.
Fundamentally, our engagement with stakeholders supports the Bank’s policy objectives of maintaining price and financial stability and protecting the value of money. Understanding of, and confidence in our actions and messages – and indeed in the institution itself – is essential.

Introduction

The Reserve Bank publishes a wealth of information – economic projections, assessments of the financial system, and statistics, via our website and a regular suite of publications. To communicate this information – i.e. to not only convey it, but to impart understanding2 – we engage with a wide range of stakeholders, through formal and informal forums.

We deliver many speeches, most around New Zealand. A minority are delivered on-the-record to enable us to publicly convey specific policy messages to our audiences. The remainder are delivered in off-the-record environments to enable us to not only convey information (mostly our analysis and outlook on economic and financial developments), but also to enhance an audience’s understanding, without risk of less formal language being misinterpreted by financial markets and in the news media.

A similar mix of formal and informal events has the Bank appearing before Parliament’s Finance and Expenditure Select Committee seven times a year, to give evidence and answer questions on our policy decisions, while also providing regular off-the-record briefings, with question-and-answer sessions, to Parliamentary caucuses, and business and economic journalists.

Ahead of our quarterly Monetary Policy Statements, our economists meet with about 50 businesses to gather business data, and to hear perspectives on the economy. Prior to implementing prudential regulations, we formally consult with regulated industries and the public; and we conduct less formal workshops on regulation to enhance affected industry understanding.

For educational purposes, we host visits each year from school students to our Museum & Education Centre, and for more than a decade have run a monetary policy competition for senior secondary school students.

We communicate a lot, but how well are we doing it? Are we engaging effectively with our stakeholders?

We are regarded as one of the most transparent central banks in the world, indeed the second most transparent in a recent major survey.3

In 2014, we conducted an External Stakeholder Engagement Survey to assess our levels of engagement with stakeholders and to help identify how we might improve our communications. We felt that such a survey would help us understand whether we are sufficiently clear in our communications, and the level of credibility attached to them.4 It would also help us assess whether we prioritise the right communication channels, and potentially assist us in broadening our audiences, by

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2 Concise Oxford Dictionary definition of “communicate”.


informing how we might gear our communications to a multiplicity of stakeholders.

We commissioned a global market research company, Ipsos, to conduct our first such survey between June and November 2014. Ipsos delivered its final report to the Bank early this year. The Bank has considered its findings and how we will respond to them. We are now publishing the results and the Bank’s initial responses. We intend to repeat this exercise every three years to help us to track trends, and to keep informing our communications.

Research Methodology

The research used a mixed methodology, split between two groups: a general public sample; and representatives of specific stakeholder groups. The latter comprised regulated industries, business, media, markets, educators and central government. Perhaps because it was Election year, the last group attracted a very low response.

The general public was approached through an online survey, which included 553 respondents, demographically and regionally weighted.

Specific stakeholder groups were surveyed by online or computer-aided telephone interviewing, with 356 respondents completing interviews.

Finally, 36 in-depth stakeholder interviews were conducted.

Measurement Framework

Communication is critical to the Reserve Bank’s success. Our communications support the Bank’s policy objectives of maintaining price and financial stability, and protecting the value of money.

These are important and sensitive matters, so understanding of, and confidence in our actions and messages – and indeed in the institution itself – is essential. This requires that our communication is seen as objective and credible.5

The Bank sees three rationales for transparency in our communication, especially in relation to price and financial stability. These are accountability, promoting understanding, and signalling. Specifically, in monetary policy:

The credibility and effectiveness of economic policy is enhanced by public and financial market understanding of how an economy is performing, and how the central bank’s operations and policy settings are likely to affect it.

The Bank does not claim more accurate foresight than other analysts, but it can educate, inform, and explain its own decision-making approach, and thereby minimise one potential source of uncertainty.

Widespread understanding of the goal and operation of monetary policy makes it easier for the Bank to achieve its objective of price stability, by better anchoring low inflation expectations. This means that wage and price setters are more confident that the focus of the Bank will be on achieving and maintaining low and stable rates of inflation. This, in turn, means that the Bank is able to respond to
economic shocks by adjusting interest rates less than would otherwise be the case.6

Similar arguments lie behind our approach to communication relating to financial stability.

The Bank has an interest in maintaining a high reputation – not a self-serving, ‘public relations’ reputation, but a reputation for certain qualities, for example credibility, consistency and clarity in our communications. This is needed to build understanding of our policy measures and signals, and help deliver price and financial stability.

With this in mind, Ipsos applied a framework to assess the Bank’s reputation across each of its key stakeholder groups, based on:

- **Familiarity** – The extent to which the Reserve Bank is familiar to stakeholders in terms of activities, benefits, values, mission.

- **Favourability** – The extent to which the Reserve Bank is viewed positively.

- **Trust** – Ultimately trust underpins reputation. Without trust, messages are rejected. Build trust and you build support, your messages are better received, and ultimately you create advocates.

- **Advocacy** – The extent to which stakeholders will actively speak highly or critically of the Reserve Bank.

Ipsos expresses this in a ‘reputation pyramid’, in which lower elements support the element above:

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**Research Findings**

The research reviewed performance across;

a. The reputation components
b. The full range of stakeholders

**a. Reputation Performance**

The survey highlighted the difference in the Reserve Bank’s reputation between the general public and specific stakeholder samples.

Trust among the public is positive and moderate (40 percent), but is based on low levels of familiarity (15 percent know the Bank very well or somewhat well). Advocacy levels were correspondingly very low among the public (11 percent). Ipsos concluded that this profile indicates trust in the Reserve Bank is not well-informed, risking exposure to adverse messages or events.
In contrast, the specific stakeholder pyramid has a strong base of familiarity, with 80 percent at least somewhat familiar with the Bank, and trust (83 percent) and advocacy (64 percent) were significantly higher than among the public.

Delving further, the relatively low level of trust among the public reflected a high level of 'neutral' sentiment (33 percent), compared with other stakeholder groups (only 11 percent across the total sample of key stakeholders). Distrust registered only 11 percent among the public, and 5 percent across the total stakeholder sample.

The research provided specific insights within each component of the Reputation Pyramid including:

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Trust a great deal</th>
<th>Trust a little</th>
<th>Neutral</th>
<th>Trust a little</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Public</td>
<td>15%</td>
<td>25%</td>
<td>33%</td>
<td>7%</td>
</tr>
<tr>
<td>Total Stakeholder</td>
<td>67%</td>
<td>17%</td>
<td>11%</td>
<td>4%</td>
</tr>
<tr>
<td>General Business</td>
<td>67%</td>
<td>14%</td>
<td>17%</td>
<td>3%</td>
</tr>
<tr>
<td>Regulated Industries</td>
<td>52%</td>
<td>20%</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>Students/Teachers/Researchers</td>
<td>75%</td>
<td>10%</td>
<td>13%</td>
<td>2%</td>
</tr>
<tr>
<td>Media*</td>
<td>65%</td>
<td>29%</td>
<td>6%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Trust in detail: High trust across all groups, some distrust within Regulated.

Favourability

<table>
<thead>
<tr>
<th>Engagement Pillars</th>
<th>Staff</th>
<th>Comm's</th>
<th>Lead'ship</th>
<th>Perf'nce</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Public</td>
<td>33%</td>
<td>32%</td>
<td>29%</td>
<td>38%</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>78%</td>
<td>76%</td>
<td>76%</td>
<td>83%</td>
</tr>
</tbody>
</table>

Summary: General Public trust is not underpinned by familiarity. Stakeholder trust is strong, underpinned by familiarity.

Familiarity – The public are significantly less familiar than stakeholders, as to be expected, and even stakeholders have different levels of familiarity, driven by the nature and intensity of their engagement and the incentives to engage. Familiarity was highest for markets (100 percent) and regulated industries (91 percent), but significantly lower for business stakeholders (58 percent) and the general public (15 percent), with media (76 percent) and educators/researchers (85 percent) in between. A key insight is how important familiarity is to trust, particularly in relation to public and business understanding of the Bank’s roles and responsibilities, how it contributes to the New Zealand economy and the rationale behind its decisions.
Favourability – Favourability was generally positive. Media were the least favourable stakeholder group, largely driven by perceptions of access and approachability. Regulated industries were generally favourable, though less so for industries engaging with new or emerging regulation.

Trust – On average, trust was high for stakeholders with a total score of 83 percent. The research showed a strong relationship between trust and familiarity with higher levels of familiarity underpinning higher levels of trust. In particular media, markets and banks were both familiar and trusting, i.e. informed trust. Whereas insurers, NBDTs and the public displayed lower levels of familiarity and lower levels of trust.

Importantly, there were very few informed sceptics. In almost all cases, lower levels of trust did not equate to distrust but rather neutral scores, and were often associated with low levels of familiarity. This suggests that in the case of the public, and, to an extent, businesses, building familiarity will build trust. There is a need to more directly address trust in the regulated industry sector, specifically in the insurance and NBDT areas where our relationships and responsibilities are newer. Improved dialogue appears to be the pathway to this.

Advocacy – Advocacy is the act of speaking positively about an organisation. This typically occurs if a person is familiar with an organisation and trusts it. Without one of these components advocacy suffers. This is demonstrated well in the public scores where advocacy lags behind trust largely as a result of the very low level of familiarity. Encouragingly, advocacy scores well across the more familiar stakeholder groups at an average of 64 percent.

b. Specific Stakeholder Groups

The research also provided benchmark measures and insights into the perception of the Reserve Bank across the key stakeholder groups. These include:

1. Public
The public is generally trusting with minimal distrust, although trust is based on very low familiarity. Most communication is received indirectly via news media intermediaries. Generally, the public identified themselves as interested only where the Bank directly affected them, e.g. the Official Cash Rate, Loan-to-Value lending limits. Engagement is mostly through third parties such as the media, or their bank or other regulated industries. When the public see a positive link between what the Reserve Bank does and the economy and their own financial wellbeing they are more positive.

2. Media
The media seek frequent and open access and a deeper understanding of the rationale and background to decision making.

3. Business
Business expressed high trust in the Bank, but low familiarity, and a lower perception of relevance. To build greater engagement, communication with this group must be relevant and actionable. Business networks valued the closer relationship that they have, compared with individual businesses.

4. Regulated industries
Relationships between the Reserve Bank and registered banks are mature, characterised by high trust and high familiarity. Banks seek earlier and more dialogue around policy, an extension of trust. Insurers
and NBDT relationships are emerging, characterised by high levels of familiarity, but lower levels of trust. They seek early consultation and dialogue, and opportunities to engage and influence.

5. Markets
Although based on only a relatively small number (14) of market respondents, the survey found high trust and high familiarity among this group.

6. Researchers and teachers, academics
This group demonstrated high trust and high familiarity.

7. Government
Responses were too low to register valid statistical readings. However, valuable qualitative feedback has been absorbed into our responses (see pages 17-18).

The chart below shows the position of each key stakeholder group relative to trust and familiarity and highlights the opportunity to improve engagement.
Research Summary

The overall finding of the Bank’s stakeholder relationships was that:

This is a positive story and one that provides a pathway to even greater levels of trust and favourability. While there is a mix of familiarity and favourability, there is an overall view that the Reserve Bank is doing well. It is moving in the right direction, led by the right people, communicating well and focusing on the right things. Frustrations do exist, but so does a level of understanding as to the outcomes the Reserve Bank is trying to achieve and the limits it has in terms of its impact.

Encouragingly there is an appetite or at least a permission granted by key stakeholder groups for the Reserve Bank to communicate and collaborate even more than it does now. In many ways stakeholders are open to what this may look like, and in fact are inviting the Bank to lead the way.

The Reserve Bank appears to have the communication balance about right. There are, however, some questions about engagement. There are opportunities to enhance perceptions, particularly among businesses, finance companies/NBDTs, and some media representatives, where inconsistencies appear.

There is an appetite amongst stakeholders for improved consultation and greater collaboration.

It is a strategic decision for the Bank what form that may take and in what areas it may be developed.

What do the findings mean for the Bank?

The research has provided a baseline measure of engagement performance and some key insights into the perspectives of our stakeholders.

It has also highlighted important strategic and operational opportunities to consider.

Strategic considerations

There are three main reasons why the Reserve Bank should be transparent in its communications:

- to demonstrate accountability for its significant autonomy or independence in pursuing policy objectives;
- to promote understanding, so as to enhance the credibility and effectiveness of policy; and
- to use communication to signal its intended action, so informing and shaping expectations of policy actions.

Ispos’ analysis of the survey findings suggested two key relational issues for the Bank to consider: transparency and empathy.

1. The Bank faces a paradox of transparency. The survey found that:
The more open (meaning frequency and depth of communication and collaboration) that the Bank becomes, the more it risks jeopardising the certainty that is valued by stakeholders, the stability that is its hallmark and the independence that is a core value. At the same time, openness and transparency are highly valued, demonstrate respect and empathy, and develop the familiarity and favourability that underpins informed trust.

To complicate matters, different degrees of transparency are appropriate for different stakeholders at different times. Stakeholder relationships that are policy-based have different characteristics to operationally-based (regulatory) relationships.

Overall, Ipsos found that existing transparency is highly valued, that it is increasing, and that limits on how transparent the Bank can be are accepted.

Stakeholders respect the Reserve Bank’s capacity and capability to gather and make sense of huge amounts of complicated information. They acknowledge that decision-making is evidence-based and suggest there could be value in making this evidence more available for critical debate and evaluation by other parties, who may bring alternative perspectives. More informed debate ahead of decision-making would be welcomed and could be facilitated by sharing the long-term desired future state more widely.

The essence of the paradox is that the more the Bank exposes to stakeholders the details of complex issues, and on the internal discussions on risks and uncertainties, the more the Bank opens itself up to the risk of perceptions that the management of the issue by the Bank is not as solid as stakeholders assumed. Credibility and effectiveness of policy may appear at risk.

Central banks and monetary authorities use a range of approaches to communicate, from quite minimal and closed, through to publishing minutes that contain dissenting views, and they achieve a range of differing results. For example, recent dissenting voices from the US Federal Open Market Committee, the Bank of England’s Monetary Policy Committee, and the Executive Board of the Riksbank, created some confusion in financial markets and some investors suggested it undermined credibility.

Increasingly, however, we and other central banks have appreciated the value of transparency, as a way of increasing the effectiveness of policy. The more that stakeholders understand our policy choices, the more likely they are to anticipate our decisions, minimising the chances of poor economic and financial decisions.

We recognise that this brings with it a need to educate stakeholders, and to work harder to deliver messages more clearly. This drives our already extensive communication efforts detailed earlier.

However, even though the Reserve Bank is ranked as one of the most transparent central banks in the world, there are limits to the degree of transparency at which the Bank aims. The risk of damaging misinterpretation can still outweigh perfect transparency – as is the case in providing off-the-record speeches and question-and-answer sessions with businesses, or off-the-record briefings to media, when simplified language or paraphrases, or simply too much uncertainty in our thinking could be misinterpreted by financial markets.

Different degrees of transparency are appropriate for different stakeholder groups – and we will continue to seek to strike the right balance between transparency, stability, and continuity in our engagement with stakeholders. We will.
We publish a full set of economic projections, including a set of interest rate projections, with each Monetary Policy Statement. We believe these are as informative as the minutes of our monetary policy meetings, if not more so. We endeavour to explain and discuss these projections around New Zealand, through Parliamentary hearings, speeches, briefings and media interviews.

As the survey found, while this level of transparency is appreciated by stakeholders, and demonstrates respect and empathy, it comes with a risk that information can unsettle stakeholders' trust in the Bank. Our projections naturally have degrees of uncertainty.

Improving our understanding of our stakeholders and their specific behaviours helps us to better gauge what level of transparency best supports credibility and achieves the policy objectives that we seek. While there may continue to be reasons for differing levels of transparency among groups, we will look for opportunities to educate audiences to enhance their understanding of policy, including our uncertainties.

2. Ipsos noted that relationships are stronger when stakeholders feel informed and there is empathy.

The survey found that for all stakeholders, feeling understood – that the Bank demonstrates empathy for their perspective – is important. This required a belief that the downstream consequences of actions have been considered and are acknowledged and justified.

An example of this for the general public is the debate surrounding the LVR policy. Most accept some action was needed, but many feel the implementation should have been different or has had other social consequences that were not originally foreseen.

An example for the insurance sector is the potential effect of capital-holding requirements on premiums and therefore insurance uptake.

Overall:

Encouragingly, there is an appetite, or at least a permission granted by key stakeholder groups, for the Reserve Bank to communicate and collaborate even more than it does now. In many ways stakeholders are open to what this may look like, and in fact are inviting the Bank to lead the way.

Strategically, we see the survey as challenging us to broaden understanding and engagement by:

a) Communicating more:
- recognising the paradox of transparency, increasing awareness of and explaining the ‘what’ and the ‘why’ of what we do more clearly, and more empathetically, and increasing our accessibility and relevance for businesses.

b) Providing more opportunities for dialogue:
- pre- and post-decision, on our ‘future state’ vision, and being open to debate.
Operational considerations

The Bank began extending its communication in 2013 with the various groups that our activities impact. We adopted a Strategic Priority “Communicating on a broader front” in our annual Statement of Intent, designed to both impart our messages and expand our engagement with our many stakeholders.

Last year, the Bank delivered 17 on-the-record speeches, up from eight the previous year; 90 off-the-record addresses (93 in 2012); on top of many other forms of communication, from our formal quarterly Monetary Policy Statements, six-weekly Official Cash Rate (OCR) announcements, and six-monthly Financial Stability Reports, to research reports, webcasts, newspaper articles, parliamentary committees, academic engagement, and scores of business engagements.

In 2013 and 2014, we added to our repertoire a number of videos and educational infographics, explaining our approaches to price stability and monetary policy, financial stability (including LVRs), and prudential supervision.

It is encouraging, therefore, that stakeholders recognise our efforts to broaden our communications.

The Ipsos survey illustrates that demand for more engagement continues to grow. The news media and political appetites are extensive. The feedback from different stakeholder groups suggests that our communications may benefit from a more targeted approach.
Business and media stakeholders (the latter also being a key channel for the General Public) warrant more attention by the Bank in its engagements. The Bank would also benefit from more dialogue with regulated industries, recognising that relationships with a large number of entities are relatively new.

Markets and research/educators had the highest levels of trust, but the Bank recognises that this is built on relatively deep understanding that we must maintain.

We have identified priority areas for upcoming work, based on the survey results. Behind this work lies a mind-set of ‘engagement’ and ‘dialogue’.

More specifically:

1. Public
Through the qualitative section of the engagement survey, we received more specific feedback from key stakeholder groups than we had from the general public, who were covered in the online survey.

Nevertheless, the benefits of strong engagement with the public are endorsed in terms of promoting understanding and enhancing the effectiveness, and even anticipation, of policy actions. Higher levels of understanding (‘familiarity’ in the survey’s terms) may protect trust in the Bank in the face of any future negative events. Low levels of understanding present a risk.

Our direct engagement with the public is primarily through our website, as well as via public inquiries and visitors to our Museum & Education Centre. In the six months to December 2014, our website attracted 383,000 visitors, up 23 percent on the previous six months and on a growth trend. The increase reflects wider public interest, particularly in the upcoming series 7 banknotes. There has been particular growth in visitors via mobile phones and tablets.

The introduction of the new banknotes presents a rare opportunity for us to leverage public interest in the Bank’s “most popular product”, as it was once described by former Governor Alan Bollard, and raise understanding of the Bank’s wider role and contribution to the economy. We will take the rare step of conducting a public advertising campaign to introduce the new banknotes, as well as provide information on our website and through partners in the cash industry: banks, retailers, schools, etc.

In the last year, we have posted more visual material on our website – videos, and static and dynamic infographics – in accessible lay language, explaining what the Bank does and why. We will continue to innovate our publications online, including improvements in readability and layout, to deepen engagement with this large public audience.

A key route to the general public is also through the news media, a channel highlighted in the survey. Media channels range from very broad (e.g. television news) to highly specialist (e.g. financial market news agencies). Their interest in the Bank is commonly event- or issue-driven, and these can present opportunities and risks, where we need to determine whether engagement is in the public interest.

We will seek to engage more proactively with the public, targeting our messages to sections of the community through the selection of particular media, including regional media when presenting around the country, so as to increase public understanding through public discussion. Much of our engagement will continue to be through economic and financial media specialists.
We will seek to: build familiarity in the broader role the Bank plays in the economy and financial system; ensure the Bank’s value to the economy is more widely understood; build understanding of policy decisions and directions.

2. Media
The close inter-relationship between the public and media stakeholders is reflected in an overlap in our responses to feedback from these two groups.

The media’s key role was reflected in the stakeholder survey, where they identified themselves as ‘translators’ of the Bank’s messages for wider stakeholder groups and the public. To facilitate this they appreciate the opportunities for informal and off-the-record conversations, and the responsiveness shown to their questioning.

They have seen on-going improvement in their interactions with the Reserve Bank, but find off-the-record (unreportable) meetings confusing when other guests don’t appear to be similarly constrained; and rated our accessibility lower than stakeholders overall.

The first observation reflects the fact we host and attend several off-the-record functions around New Zealand, at which both business guests and media are present. We make it clear to all guests when an event is off the record, as the format is vital to ensuring free and frank exchanges with business especially.

There was only a small group of media (17) that provided ratings for accessibility and approachability, and the results are therefore indicative only. However, we have reintroduced off-the-record briefings for media as a means of responding to their questions, without the risk of explanations making unintended headlines on financial markets. We are working to broaden the group of media invited to these briefings, and engaging with media beyond the main population centres, recognising that local media have a need to interpret our actions for their local communities.

The sensitivity of our messages, especially to financial markets, has long meant that the Bank limits the range of spokespeople when talking to the media. While those constraints will remain, we are broadening the range of our specialist speakers at events, and will consider opportunities for them to speak on the record in their specialist areas.

There are significant potential benefits in raising our engagement with the media, as a clear and direct channel to the public when required, such as when explaining new policy decisions. It is important that public debate on policy measures be well-informed, and helps raise public understanding. However, as an agency with major responsibilities, we must also be sensitive to the risk of losing our message and damaging our reputation by speaking imprudently in public.

We recognise the potential public reach of general television and radio news media, but equally recognise this comes with greater risks. Our language would have to differ markedly from what we use in speaking to highly technical audiences such as the financial markets. And the broader media channels risk drawing us into political debates inappropriate for our independence.

We will always be alive to these risks, and so will limit which channels we use, and when we can safely speak on the record. We consider that we can serve these broader media and their audiences best through two channels.
the current access that they have to public webcasts of our regular press conferences for MPSs and FSRs, and Parliamentary Select Committee hearings; and

our engagement with journalists from all forms of media through off-the-record briefings and discussions.

There will, nevertheless, be occasions where the timing of policy decisions precludes our engagement through the media channel. An example would be when we are close to delivering our regular Official Cash Rate decisions and statements. To pre-empt those regular statements in a public debate would undermine trust in the Bank’s statements. On the other hand, engaging in discussions on regulatory policy could be beneficial.

As stated earlier, we will look to use a more targeted approach to media channels to reach different segments of the public, perhaps at the risk that some media continue to regard access as uneven.

The media also present an opportunity for the Bank to target our messages on specific issues, so we will look to increase our proactive engagement with media when issues arise.

3. Business
There was a difference in the nature of the relationship with the Reserve Bank described by business networks compared with individual businesses. The networks have a closer relationship and tend to see more value in it. They are more familiar with the Bank and reported holding it in high regard. Their interactions are more frequent and are both informal and formal.

Individual businesses said they were untroubled by the absence of a closer relationship, but some saw value in business generally being more engaged in policy-making, and encouraged the Bank to increase its dialogue with business. They are seeking more inclusive dialogue – observing that the Bank was making positive changes in this regard – that recognises the different perspectives business can contribute.

Many businesses expressed interest in our ‘future-state’ vision and global perspective. Business networks in particular want more consultation, and greater recognition that the Bank has considered the impact of its decisions.

We visit about 50 businesses on average every quarter as part of our scoping of the economic environment. These visits capture insights from a range of sectors and help inform our thinking ahead of every Monetary Policy Statement. While we use these interactions to seek data and perspectives on specific developments within their businesses, we recognise the opportunity they present for more explanation of the Bank’s policy analysis and decisions, and to listen to business perspectives on these.

We also meet with up to 100 businesses at social functions attached to our out-of-Wellington Board meetings; and at the 100-plus speaking engagements we deliver each year. These are effective two-way ‘conversations’ to which we will continue to assign a high priority.

4. Regulated industries
The characteristics of the Reserve Bank’s relationship with regulated industries vary with the length of relationship. The formality and process inherent in the relationship were recognised, as was a desire for mutual understanding, more forward-looking, adaptive communications.
Banks have a more established relationship, with mechanisms in place to exchange views. There was some frustration regarding alignment between New Zealand and Australian regulatory requirements and the timing of requests.

The insurance industry’s relationship with the Bank is still forming with understanding developing on both sides, and some desire for differentiation between classes of insurance and more dialogue and greater effort on both sides.

Among non-bank deposit-takers, the mutual learning curve was also noted and the Bank’s ‘codified’ communications and intent that they were learning to translate.

As a group, regulated industries would like to be brought further inside the future-vision tent. However, among this group there was particular acknowledgement of the paradox of transparency discussed earlier in this report; while they would like more consultation, they also respect that delivering this can threaten the certainty they value.

Stakeholders were pleased to note that regulatory reviews – such as the Regulatory Stocktake – were under way at the Bank, and welcomed opportunities to streamline requirements and address the timing of requests, the number of them and the detail required.

Ipsos refers to three elements as important building blocks to effective and engaged relationships: leadership, communication, and staff. Regulated industries in particular have more access than most stakeholders to our prudential supervision staff, and this touch-point was seen as particularly valuable by the industries.

Some regulated industry respondents indicated a desire for more collaboration on policy development. With every material proposal to change the regulatory framework, the Bank undertakes a formal consultation with interested parties, in which feedback is sought, usually over a five to six week period. We recognise that formal consultation by its nature can sometimes seem closed off by being very focused and specific. Also, as a regulator, there is some limitation to how far our policy work can be opened to collaboration, without compromising the intended impact of regulation. There may be circumstances when, despite our best intentions for early dialogue on policy matters, urgency means it will not be practicable. Conversely, in other areas, fulsome and early engagement with the sector benefits everyone.

We have used workshops with specific regulated industries to inform our regulatory framework development and to enhance their understanding of our objectives, and we will look to expand the use of these forums, as well as industry newsletters. In the broader financial stability field, dialogue with specific sectors before and after the production of our six-monthly Financial Stability Reports opens up opportunities for beneficial dialogue, as will more off-the-record speeches, in the same way that they are for broadening understanding of monetary policy.

5. Markets

The relationship of the Reserve Bank with the markets crosses many divides, with different perspectives (as a business, as a regulated organisation, and as a partner within the economic infrastructure space) applying at different times.

Only a small group of these representatives (14) provided ratings for accessibility and approachability in the quantitative phase, and the results are therefore indicative only. In particular, we will endeavour to
identify and address the interests of overseas market stakeholders, who may have been less represented in the survey.

Nevertheless, market respondents were significantly more likely than stakeholder contacts overall to agree that the Reserve Bank is accessible and approachable (93 percent vs 58 percent overall). They welcomed the increased outreach by the Reserve Bank they had observed.

Our aim is to maintain the high level and to monitor any developing trends that require us to adapt.

6. Educators/researchers
Perceptions of educators/researchers were favourable; researchers in particular were supportive of the Bank and valued its relationship with them through close personal ties as well as organisational ones. They held the Bank’s thought-leadership and analysis in high regard, and their open and often collaborative access.

As well as maintaining this high level of engagement, we see an opportunity to enhance understanding through more targeted secondary school presentations.

7. Government
Relationships with the central government exist on many levels. The Bank is both a partner and a constituent. For some government departments it is also a customer.

While there could be tension between partnership and independence, the survey found that this appears to be well managed by both parties. The Bank provides briefings to all Parliamentary caucuses, as well as maintaining appropriate information flows to Ministers. Politicians understand that maintaining formality and process around their communications is a means of preserving independence, accompanied by the ability for closer access when required. Communications are regarded as well-considered and well-crafted, and evidence-based decision-making is supported.

The Bank’s interests across monetary policy and financial stability intersect with several other government agencies, e.g. the Treasury, the Financial Markets Authority, the Ministry of Business, Innovation and Employment, Statistics NZ, etc. We share information and perspectives on issues relevant to our responsibilities, taking care not to be seen as diminishing accountability that rests properly with other agencies.

The survey found that the Bank is regarded as a facilitator within the economy, and is respected for its intellectual capital. Some stakeholders saw an opportunity for this to be harnessed more broadly to help solve New Zealand’s challenges, both socially and economically – “making the plane go faster”, as one respondent expressed it. In this way the Reserve Bank can contribute more widely to policy-making without necessarily having to also become a commentator outside of its usual areas of speciality, unless it chooses to. There is particular opportunity perceived for the Bank to contribute by connecting international and domestic contexts.

The survey endorsed a collegial approach with central government, and we will continue our collaboration.
Measurement

We understand the need to constantly monitor whether our communications are accessible to, and are also reaching, targeted stakeholders. Measurement of the effectiveness of communication is critical but challenging. We have basic measurement tools – e.g. high-frequency and wide-ranging media monitoring, tracking of inquiries – but work is under way to develop audience surveys, more analytical tools, performance targets, and feedback loops.

Conclusion

We stated earlier that confidence in our actions and messages, and indeed in the Bank itself, requires that our communications are seen as objective and credible.

The Bank’s first External Stakeholder Engagement Survey has provided us with a base measurement of our engagements across a wide range of stakeholder groups. It provides a “positive story” in which “the Reserve Bank appears to have the communication balance about right … and one that provides a pathway to even greater levels of trust and favourability.”

Operationally, we see the survey as challenging us to be more targeted in our approach to stakeholder engagement and communication and more aligned to the specific characteristics and desires of each stakeholder group.

The survey findings across measures of Familiarity, Favourability, Trust, and Advocacy offer some window into how objective and credible our engagement and communications are perceived.

Levels of familiarity among the general public are low, but the Bank enjoys high levels of trust among this group of stakeholders. Our objective now is to more firmly ground trust on higher levels of understanding of the Bank, moving relatively high levels of ‘neutral’ sentiment into more ‘positive’ territory.

Conversely, key stakeholder groups have higher levels of understanding of the Bank, and on this basis place a much higher level of trust in the Bank. Our efforts to date to broaden our communications appear to be resonating with stakeholders, who suggest further ways to enhance engagement.

Fundamentally, our engagement with stakeholders is designed to support the Bank’s policy objectives of maintaining price and financial stability and protecting the value of money. Understanding of, and confidence in our actions and messages – and indeed in the institution itself – is essential.
Reserve Bank of New Zealand
External Stakeholder Engagement
Key Findings Report

Prepared for: Reserve Bank of New Zealand
Prepared by: Ipsos New Zealand
Contact:
24 March 2015
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Ipsos Ltd operates a management system that complies with the requirements of ISO 20252. This project has been carried out in compliance with this International Standard.
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Executive Summary

The Reserve Bank of New Zealand (RBNZ) plays an important independent role in the New Zealand financial landscape. The way it communicates its role and decisions is particularly important, as it allows the public and other stakeholders to examine, evaluate and understand the Reserve Bank’s actions in very complex environments.

The external stakeholder engagement research conducted by Ipsos focuses on leadership, communication and staff, and provides a hierarchy of reputational measures to identify risks and opportunities across stakeholder types.

There is very little dissatisfaction with overall leadership. Positive satisfaction is weaker among the general public than among stakeholder contacts, but this reflects a high proportion of neutral ratings as a result of lower levels of familiarity and engagement.

Both formal and informal communications are valued, for different reasons. Planned communications are predictable and thorough, reassuring stakeholders that the information they may need or have an interest in will be shared at a certain time. Informal, even if programmed, interactions are valued for the insights into thinking that are shared. Among engaged business leaders and regulated industries in particular there is an appetite for more inclusive debate and decision-making. There is a willingness among the media and business networks to act as an intermediary between the Reserve Bank and its stakeholders; one participant described their organisation’s role as being like a “telegraph”, while the media see it as their responsibility to “translate” on behalf of the Reserve Bank.

Stakeholder relationships are ultimately about day-to-day interactions and working relationships. Therefore, as effectively as an organisation might be led, the quality of working relationships really makes a difference to stakeholders. The key touch-points of the Reserve Bank therefore include not only formal communications and initiatives, but also staff.

Following the pattern already established, stakeholder contacts are better qualified to comment on staff than the general public that rarely interacts with them. Accordingly stakeholder contacts were significantly more satisfied than the public, who were strongly neutral. Interactions with staff were rated as having the most positive influence on trust of all the touch-points measured.

A simple framework was applied to assess reputation:

- **Familiarity** – The extent to which the Reserve Bank familiar in terms of activities, benefits, values, mission, etc.
- **Favourability** – The extent to which the Reserve Bank is viewed positively.
- **Trust** – Ultimately trust underpins reputation. Without trust, messages are rejected. Build trust and you build support, your messages are better received and ultimately you create advocates.

The Reserve Bank must manage the demands of two distinct types of stakeholders: the individuals who comprise the general public, and the individual and organisational representatives with whom there are more direct relationships. Separate discussions for each group therefore follow.
**General public**

The Reserve Bank’s reputational metrics among the public display the characteristics that may be expected for a respected part of institutional economic infrastructure; trust is high relative to both familiarity and favourability. However, the public have relatively low levels of familiarity with the Reserve Bank; there is a large group that has the potential to move from neutral to positive trust based on improved familiarity. Lifting the level of this *informed trust* would strengthen the reputational profile of the Reserve Bank.

The relative lack of engagement among the public results in lower levels of advocacy than the existing trust could be expected to deliver: people see things they both like and dislike in the bank’s views and actions, and their opinions therefore converge to neutral.

Further analysis linking reputational measures with those of performance, leadership and communication shows that performance-related factors have the greatest influence on trust, along with overall satisfaction with the Reserve Bank’s leadership. The latter connects the leadership and communication themes.

Reserve Bank responsibilities that were more familiar had higher levels of trust associated with them. The Reserve Bank was best known and trusted for its responsibility in *issuing banknotes and coins and maintaining quality*. This responsibility therefore has informed trust behind it; it was both well-known and trusted.

More than 1 in 3 members of the public did not acknowledge interaction with or finding out anything about the Reserve Bank or its activities in the past year. Among those who did, their information came predominantly from the *news media*.

When asked for suggestions to improve trust, those who commented showed a desire for the ‘what’ and ‘why’ of announcements. Their suggestions for improving trust indicated a desire for *more basic breakdown of actions and decisions*, educating as well as informing. There was also a real desire for ‘why’ to be explained; most of this was because respondents were concerned about the practical downstream implications of decisions.

**Stakeholder contacts**

As expected, stakeholder contacts were significantly more familiar than the general public with the Reserve Bank and its activities. However, familiarity is far from universal, indicating opportunity to develop familiarity further among this group.

As with the general public, stakeholder trust is higher than may be expected given the level of familiarity; however, for this group trust is lower than favourability, echoing either more critical appraisal or the need to comply with unsupported decisions. Despite this, advocacy is strong, with the majority of stakeholder contacts indicating they consider the bank positively.

Again similar to the general public, further analysis linking reputational measures with those of performance, leadership and communication shows that performance-related factors have the greatest influence on trust, along with overall satisfaction with the Reserve Bank’s leadership. The latter connects the leadership and communication themes, but for stakeholder contacts staff interactions are more influential than general communications.

Not unexpectedly, stakeholder contacts indicated much higher levels of familiarity and trust across all activities than were recorded for the general public. This was particularly noticeable for the responsibilities of *formulating and implementing monetary policy to manage inflation*.
and maintaining financial stability through regulation and monitoring, in which stakeholder participants had the highest combined levels of trust and familiarity.

Among the stakeholder contact sample, the news media was again the main touch-point, but reference to policy statements was almost as frequent. Stakeholder contacts overall had many more touch-points than the general public, reflecting a high level of engagement.

Reflecting the more grounded understanding of the Reserve Bank that characterised the stakeholder participants, their suggestions for improving trust levels were focused on transparency, not so much concerned with downstream impacts but on enabling stakeholders to internalise the reasoning behind them.

Within the stakeholder contact group there are a wide range of sub-groups. Each of these groups has a slightly different view, representing different opportunities for relationship development.

Businesses have a significantly lower level of familiarity than stakeholder contacts overall, reflecting that they generally share with the public lower levels of interaction and engagement than compared with, for example, regulated industries or markets.

Regulated industries have a somewhat stronger reputational view of the Reserve Bank than businesses generally, influenced by almost universal familiarity. There is some variation within this group, reflecting the different tenure of relationships with different parts of the sector. Banks generally have a stronger reputational view of the Reserve Bank than insurers or finance companies / non-bank deposit-takers, the latter in particular presenting some relationship-building opportunities for the Reserve Bank looking forward.

Educators and researchers indicate strong familiarity with the Reserve Bank, which flows through into all other reputational metrics with little variation. As a result, this group are significantly more likely than stakeholder contacts overall to speak favourably of the Reserve Bank, and may represent an opportunity for the Reserve Bank to leverage.

There were only a small group of media representatives (n=17) included in the survey, and their results should be regarded as indicative only. Despite their role, around 1 in 4 does not feel they are familiar with the bank. This does not damage trust, which is very high, but favourability among this group is significantly lower than for stakeholder contacts overall. This lack of favourability does not, however, impact advocacy by this group, which is underpinned by almost universal trust.

Similarly, there were only a small group of market representatives (n=14), providing indicative results only for this group. However, the survey respondents were united in their views on the reputational measures for the Reserve Bank, all indicating high levels of familiarity, favourability, trust and advocacy.

Ipsos conclusions
Our analysis suggests two key relational issues for the Reserve Bank to consider: transparency and empathy.

The Reserve Bank faces a paradox of transparency. The more open (meaning frequency and depth of communication and collaboration) the bank becomes, the more it risks jeopardising the certainty that is valued by stakeholders, the stability that is its hallmark and the independence that is a core value. At the same time, openness and transparency are
highly valued, demonstrate respect and empathy, and develop the familiarity and favourability that underpins informed trust.

To complicate matters, different degrees of transparency are appropriate for different stakeholders at different times. Stakeholder relationships that are policy-based have different characteristics to operationally-based (regulatory) relationships. Among the general public there is some sense of disconnection, as the relationship is conducted through intermediaries that may be institutional (e.g. the media) or channel-based (e.g. the Reserve Bank website).

Overall, existing transparency is highly valued; there is a sense that transparency is increasing and an acceptance that there are limits to how far the Reserve Banks can (and indeed should) move in this direction. Stakeholders respect the Reserve Bank's capacity and capability to gather and make sense of huge amounts of complicated information. They acknowledge that decision-making is evidence-based and suggest there could be value in making this evidence more available for critical debate and evaluation by other parties, who may bring alternative perspectives. More informed debate ahead of decision-making would be welcomed and could be facilitated by sharing the long-term desired future state more widely.

Relationships are stronger when stakeholders feel informed and there is empathy. Being informed translates as understanding the problem that is to be addressed by a particular action, knowing it is to occur and knowing what the expected outcome will be. Most stakeholders recognised that individual outcomes may differ from the collective one, and may therefore “agree to disagree” on the means, but accept the end-game as a desirable outcome. Because the general public is by definition more of a collection of individuals than other stakeholder communities, the impact on them as individuals may carry greater weight vs. the common good than it does for other stakeholder groups. However, for all stakeholders, feeling understood is important, and this requires a belief that the downstream consequences of actions have been considered and are acknowledged and justified.

The general public perceive they have little reason to interact with the Reserve Bank. When their personal sphere of influence is not disrupted by the bank’s actions or decisions, they are content to remain as observers and generally agree that the economy is in good hands. They are naturally most directly influenced by the implications of the changes in the official cash rate on mortgages, and on direct interventions such as the LVR policy. In this case, while they may agree with the ends, the means may cause some pain. Depending on their understanding of the wider view and their agreement with the Reserve Bank’s macro-level view, they may vary in their reactions to those decisions and their impact.

The media are the Reserve Bank’s willing allies in communicating to the public and in fact view the interpretation of the Reserve Bank’s activities as their role. However, it appears that there are some inconsistencies in access to information and personnel that are creating concern, and, as such, creating a more common view of a level playing field is likely to result in more consistency of positive ratings among this group.

Among the stakeholder contacts, support is strong. However, the limited perceived relevance of the bank’s activities among some large businesses was somewhat surprising and indicates an opportunity to build awareness and relevance with this group. Leveraging the influence of business networks in this regard could be considered.
With **regulated industries** the natural tension arising from a regulated context is acknowledged, but there is opportunity to develop these relationships further as they mature. Banks appear to have the strongest relationships, with the less established relationships existing with insurers and non-bank deposit-takers. These newer relationship are seen to have been rapidly established based on need, and there is a sense that now could be the time to invest in improving the quality and collaborative nature of these relationships. Finance companies and non-bank deposit-takers in particular have weaker perceptions of the Reserve Bank as a group, though impressions are improving as relationships evolve.

In summary, this is a positive story and one that provides a pathway to even greater levels of trust and favourability. While there is a mix of familiarity and favourability, there is an overall view that the Reserve Bank is doing well. It is moving in the right direction, led by the right people, communicating well and focusing on the right things. Frustrations do exist, but so does a level of understanding as to the outcomes the Reserve Bank is trying to achieve and the limits it has in terms of its impact.

Encouragingly there is an appetite or at least a permission granted by key stakeholder groups for the Reserve Bank to communicate and collaborate even more than it does now. In many ways stakeholders are open to what this may look like, and in fact are inviting the bank to lead the way.
Introduction

The Reserve Bank of New Zealand commissioned Ipsos to complete this benchmark study of the perceptions of its external stakeholders.

The approach taken focused on leadership, communication and staff, and provided a hierarchy of reputational measures to identify risks and opportunities across stakeholder types.

The study had both quantitative and qualitative phases, and included representatives from the following stakeholder groups:

- General public;
- Regulated industries / operations;
- Business or financial roles;
- Educators;
- Media;
- Markets;
- Central Government.

The research used a mixed methodology. The public sample was conducted using a 13-minute online survey among respondents sourced from the Research Now online research panel. This resulted in n=553 members of the adult New Zealand population completing online interviews between 19th June and 25th June 2014. The sample was weighted to be nationally representative by age, gender and region (un-nested), according to the 2013 census. The questionnaire for this phase of the research was informed by a series of informal unstructured interviews with relevant members of the Reserve Bank staff. It was designed by Ipsos with the assistance of the bank’s Communications team. The maximum margin of error for this sample is ± 4.4% (at 95% confidence). The response rate (measured as all responses to survey invitations including incomplete interviews, as a percentage of the total number of invitations sent) was 7.5%. This was judged acceptable for an online survey among the general public.

Stakeholder contacts were provided to Ipsos by the Reserve Bank. Quantitative interviews among this group were completed online or via computer-aided-telephone-interviewing (CATI). A total of n=356 stakeholders completed interviews between 25th August and 14th November 2014 (n=100 were completed via CATI). There was a general election on 20th September 2014 that reduced access to media and central government stakeholder contacts, but this could not be avoided. No weighting has been applied to these interviews, each stakeholder being given equal weighting in the sample. Individual respondents could select more than one sub-group to belong to within the major classification to which they were pre-allocated. A response rate of 43% was achieved (measured as the sum of declined invitations plus completed responses as a percentage of invitations emailed). Each stakeholder group received up to three reminder emails to achieve this level of response.

Among regulated industries, n=167 interviews were achieved from n=116 organisations. Among businesses n=105 interviews were achieved from n=104 organisations. Educators resulted in n=50 interview with only one organisation completing two interviews. Educators were grouped with n=2 unique researchers for analysis.
Regulated industries were further categorised as banks (n=64), insurers (n=50) or finance companies / non-bank deposit-takers (n=32) for analysis. There were small sub-samples achieved among the media (n=17) and markets (n=14); these results are therefore indicative only. There were n=11 unique sharemarket-related organisations represented (although only n=5 were not also represented as regulated industries). Only one public sector interview was achieved, so comments for this sector, where provided, are predominantly based on qualitative information.

A total of n=36 in-depth stakeholder interviews were conducted in addition to the quantitative interviews described above. These took place from 2nd October to 17th November. A response rate of 55.4% was achieved among this group (measured as the number of recruited participants as a percentage of recruits plus declines). Multiple calls were made to each contact to achieve this outcome.

This report outlines the key findings of the study. It begins by outlining the findings about perceptions of the Reserve Bank’s role and importance. This is followed by findings on the relationships the Reserve Bank holds with each stakeholder group, based predominantly on qualitative analysis but supplemented by a quantitative measurement for accessibility and approachability.

The next section of the report outlines and unpacks the reputational measures of familiarity, favourability, trust and advocacy among each stakeholder group. These measures form a reputational hierarchy, the characteristics of which facilitate understanding of the nature of trust.

This is followed by perceptions of leadership, communication and staff. These are presented within three separate sections and the differences between stakeholder groups described. The report ends with a short summary of perceptions of overall performance.

Each section of the report concludes with its own summary of key points for the convenience of the reader.

The data this research has generated is rich, and it is anticipated that this report is a starting point only for its analysis. As communications strategy is developed, the data is available to be interrogated, both to inform decision-making and benchmark outcomes.

Ipsos would like to acknowledge and thank all those who contributed to this study, in particular the Reserve Bank stakeholders who shared their views with us and the Reserve Bank Communications team.
1.0 Reserve Bank role and importance

The role and importance of the Reserve Bank were explored by several aspects of both the quantitative and qualitative stages of the survey. Stakeholders approached for the qualitative research phase were expected to be more highly engaged with the Reserve Bank and to therefore have stronger opinions. This proved to be the case, with some individual exceptions. The in-depth interviews revealed that business representatives, and in particular business-network representatives, regarded the Reserve Bank as part of the “engine room”, keeping the economy on course. Business representatives generally did not look to the Reserve Bank to lead the economy, but to create the context in which businesses can operate with some certainty. They also described the Reserve Bank’s role in contributing to a sustainable future for “NZ Inc”. On this point there was approval among some participants of the Reserve Bank expanding its support for and participation in critical debate on the future of New Zealand and the strategies most appropriate to guide the economy.

Representatives of regulated industries who participated in the qualitative research phase also saw the Reserve Bank’s role as primarily one of policy-guided guardianship. Media representatives saw the Reserve Bank working within its mandate to create stability. Public-sector stakeholders interviewed backed the bank’s role in stabilising the economy and protecting the financial system as well as supporting a greater contribution to wider policy-making. The bank was described by one participant as taking a “low-key but pointed approach” as it acts as an economic facilitator.

Respondents in the quantitative research phase were asked to list organisations that play an important role in managing the New Zealand economy. This was an open-ended response that has been grouped for analysis. Over half (57%) of the general-public sample and almost all (98%) of the stakeholder-contact sample could name at least one organisation. The Reserve Bank was the most commonly mentioned among both groups (26% amongst the public and 24% among stakeholder contacts). It is important to note, however, that there was a priming effect, as respondents were aware the survey was being conducted on behalf of the Reserve Bank. The Government was the next most commonly mentioned organisation for both groups (23% and 12% respectively).

Describing the Reserve Bank

When asked in the quantitative phase what one word came to mind to describe the Reserve Bank, public participants most commonly referred to the subjects the Reserve Bank is concerned with: interest rates or money. There were less frequent mentions of control and inflation. Among stakeholder-contact participants, the view was more task-based, with regulator being the most common reference, but supplemented by inflation, money and interest rates.
Role of the Reserve Bank

Quantitative respondents were asked to describe what they believed the Reserve Bank does – its role. This was an open-ended response and first-mentioned themes are summarised below.

Among the public respondents, answers closely resembled the descriptions of the Reserve Bank discussed above. Mostly commonly mentioned first was the control of interest rates, followed by the management of inflation. Managing money and foreign exchange were also mentioned, but less frequently.

Business respondents most commonly first mentioned something about monetary policy or control of the money supply. The other main themes were around cash / interest rates and inflation management / price stability.

Among respondents from banks, responsibility for monetary policy was most often mentioned first, followed by inflation management. Interest rate influence was also mentioned first with some frequency. Monetary policy was also most often mentioned first among respondents from finance companies / non-bank deposit-takers. Among respondents from insurers, regulation or supervision was the dominant theme. Educators / researchers most often mentioned monetary policy first, closely followed by inflation control / price stability. Media respondents commented first most often on monetary policy and inflation control / price stability, while market-based respondents first mentioned the latter most often. There were insufficient public-sector responses to analyse.

Importance of the Reserve Bank

Quantitative respondents were asked what aspects of the Reserve Bank have the most impact on them. This was an open-ended response and, again, the first-mentioned themes are summarised in the following paragraphs.
More than 1 in 3 public respondents indicated the bank had no impact on them (approximately 1 in 10) or were unable to answer this question. Among those who did, two-thirds spoke about interest rates, particularly with regard to the impact on mortgage rates.

Nearly half of the business respondents first mentioned interest rates / the OCR. This was followed by a variety of themes, in particular exchange rates and monetary policy.

Approximately two-thirds of respondents from banks mentioned regulation or supervision first as having the most impact, while those from insurers and finance companies / non-bank deposit-takers almost exclusively did so, including a few in the latter group who specifically mentioned this in light of compliance costs.

Educators / researchers were most likely to mention interest rates first, followed by inflation control / price stability.

Media respondents’ answers were mixed and included interest rates, monetary policy and inflation control, as did the response of market-based respondents, although their emphasis was more on monetary policy.

There were insufficient public-sector responses to analyse.

**Change in understanding over time**

Respondents in the quantitative phase of the survey were asked whether their understanding of what the Reserve Bank does was better, worse or the same as it was the previous year. More than 1 in 3 (38%) stakeholder contacts (n=356) indicated that their understanding was better. This was significantly higher than among public respondents (15%), who were significantly more likely to indicate their understanding was unchanged (69% vs. 60%) or were unable to say (11% vs. 1%). There were no significant differences in ratings by stakeholder sub-groups.

Respondents were also asked an open-ended question as to what, if anything, the Reserve Bank could do to improve their level of understanding and knowledge of it.

Just under half of the public respondents indicated there was nothing the bank could do or were unable to answer the question. Those who did indicated they would respond to communication that is regular, simple and framed in a way that is relevant to them:

“Inform me more about what it is and what it does.”

They also indicated they would be receptive to communication through mainstream channels such as TV, radio, newspaper and mailed flyers:

“Simple TV news items – educate everyone.”

“Reach out a bit more; TV, radio.”

In general stakeholder contacts were more informed about the basic functions of the bank and many (over 60%) either did not make a suggestion or could not answer this question. Those who did still requested more information / communication on how the bank’s actions impact them.
Among business respondents there were several suggestions to improve their understanding of what the bank does and how it affects them:

“…a bit more education on what the Reserve Bank does.”

“Get more info out to small business; I don’t know enough to know what info; general information to small business.”

“I have to study more to make sure that it affects me, because so far I can still see the outside influence is more important than the Reserve Bank. But maybe if I read more, I could see how important your organisation is.”

Among respondents from regulated industries there was a theme of wanting more interaction:

“Organise events around the country that enable personal interaction.”

“Extending comms to cover theory behind the policy changes or rationale behind the decisions.”

“Bring us in on problem-solving to understand impacts better.”

Media respondents suggested more background and general information. Educators suggested more direct relationships with schools. There were insufficient responses among media and public-sector respondents for analysis.

**Key Points:**

When the public think of the Reserve Bank, they think of money and interest rates. Stakeholder contacts think of regulation, inflation, money and interest rates. Both the public and stakeholder contacts regard interest rates as the bank’s activity with the most impact on them. Although the public generally indicated their understanding of the bank was unchanged from last year, more than 1 in 3 stakeholder contacts indicated their understanding had improved.
2.0 Stakeholder relationships

The Reserve Bank has various relationships with its different stakeholder communities. The qualitative phase of this research indicated that these relationships are generally in good heart and continue to improve. There were some variations between stakeholder communities, and these are outlined later in this chapter of the report, under the appropriate sub-headings.

Although relationships were primarily explored qualitatively and among identified stakeholders, perceptions of the Reserve Bank among both stakeholder contacts and public participants were included in the quantitative phase of the survey. In general, the results among public respondents were consistent by age; although those aged under 25 years are generally less positive than those in other age groups, this tended to be because they were more likely to be unable to provide an opinion rather than because of negative sentiment. Conversely, those aged 65 and over generally were slightly more positive than those in other age groups.

There were generally few significant differences by gender, qualifications, household type, mortgage status, household income, employment status or occupation. Those who had migrated to New Zealand in the past five years were significantly more positive than others on a number of measures throughout the survey, as were those who indicated they had a good level of knowledge of economic and financial issues affecting New Zealand, or those with investments in managed funds, shares or property. Those who indicated they were interested in increasing their knowledge of economic and financial issues affecting New Zealand were generally significantly less positive than overall.

A key relational perception that was measured was the accessibility and approachability of the Reserve Bank. Among other measures, respondents were asked how strongly they agreed or disagreed that the Reserve Bank is accessible and approachable. The results are summarised by stakeholder group in Figure 2.

The chart shows participants from regulated industries and the education / research group were most likely to agree that the Reserve Bank is accessible and approachable.

The low level of familiarity with the Reserve Bank among the public participants was reflected in their responses to this question. A large proportion of them were unable to give an opinion and of those who did, almost half were ambivalent.

The business and media stakeholder-contact participants had similar levels of familiarity to the regulated-industry group, but were noticeably less likely to agree that the Reserve Bank is accessible and approachable. Analysis of the qualitative information collected suggests that for businesses this is a two-way street; many did not feel any need to engage with the Reserve Bank.
The qualitative analysis also unveiled the two key relational themes that are discussed further below: transparency and empathy.

**Transparency**

The Reserve Bank faces a paradox of transparency. The more open it becomes, the more it jeopardises the certainty that is valued by stakeholders, the stability that is its hallmark and the independence that is a core value. At the same time, openness and transparency are highly valued, demonstrate respect and empathy, and develop the favourability that underpins informed trust.

To complicate matters, different degrees of transparency are appropriate for different stakeholders at different times. Stakeholder relationships that are policy-based have different characteristics to operationally-based (regulatory) relationships. The latter are highly dependent on successful relationships at an individual level. Regulatory stakeholders spoke about the value they place in being able to “pick up the phone and talk” and being able to trust the response of their contact. Macro-level relationships, concerned with policy and direction, are also delivered via individuals and can be very personal, but also tend to be framed more officially and therefore have different characteristics (in particular being more highly planned and process-driven). Among the general public there is some sense of removal, as the relationship is conducted through intermediaries that may be institutional (e.g. the media) or channel-based (e.g. the Reserve Bank website).
Overall, transparency is highly valued; there is a sense that transparency is increasing and an acceptance that there are limits to how far the Reserve Banks can (and indeed should) move in this direction. Stakeholders respect the Reserve Bank’s capacity and capability to gather and make sense of huge amounts of complicated information. They acknowledge that decision-making is evidence-based, and suggest there could be value in making this evidence more available for critical debate and evaluation by other parties who may bring alternative perspectives. More informed debate ahead of decision-making would be welcomed, and could be facilitated by sharing the long-term desired future state more widely.

**Empathy**

Relationships are stronger when stakeholders feel informed and understood. Being informed translates as understanding the problem that is to be addressed by a particular action, knowing it is to occur and knowing what the expected outcome will be. Most stakeholders recognised that individual outcomes may differ from the collective one, and may therefore “agree to disagree” on the means but accept the end-game as a desirable outcome. Because the general public is by definition more of a collection of individuals than other stakeholder communities, the impact on them as individuals may carry greater weight vs. the common good than it does for other stakeholder groups. However, for all stakeholders, feeling understood is important, and this requires a belief that the downstream consequences of actions have been considered and are acknowledged and justified. An example of this for the general public is the debate surrounding the LVR policy. Most accept some action was needed, but many feel the implementation should have been different or has had other social consequences that were not originally foreseen. An example for the insurance sector is the potential effect of capital-holding requirements on premiums and therefore insurance uptake.

The following paragraphs discuss particular characteristics of the Reserve Bank’s relationship with different stakeholder groups, based on the qualitative phase of the survey, unless otherwise noted.

**Business stakeholders**

There was a difference in the nature of the relationship with the Reserve Bank described by representatives of business networks vs. representatives of individual business organisations. The networks appeared to have a closer relationship and to see more value in it. Their interactions were more frequent and likely to be informal as well as formal. The business-network representatives knew the Reserve Bank best and held it in high regard, using adjectives such as “knowledgeable” and “professional”.

Individual businesses varied in their level of knowledge and engagement and their desire for this to change. They were untroubled by the absence of a closer relationship, but some saw value in business generally being more engaged in policy-making. These represented businesses for which the actions of the Reserve Bank have direct relevance beyond its monetary policy role (and the direct impact of changes in the OCR and exchange rate).

Those wanting more engagement regarded the Reserve Bank as being somewhat “rarefied” and supported more inclusive dialogue that recognises the different perspectives business practitioners can contribute. They encouraged the Reserve Bank to “be a little braver” with dialogue, and observed that the Reserve Bank was making positive changes in this regard.
There were no significant differences in the quantitative ratings for accessibility and approachability vs. business ratings overall by export / import status.

**Regulated industries**

The characteristics of the Reserve Bank’s relationship with regulated industries vary with the length of relationship. By its nature, a regulatory relationship tends to formality and process, particularly at operational level, but as one qualitative participant expressed it, the Reserve Bank “don’t have to be distant to fulfil the role” in our small and highly networked market. There was also a sense that the post-GFC urgency to implement changes and improve oversight has now passed. Hope was expressed, particularly among the non-bank sector, that relationships can now be consolidated based on improved mutual understanding, particularly in the more arcane reaches of the Reserve Bank’s sphere of influence.

Banks appeared to have a more established relationship than other regulated sectors. Both at the operational and senior-management levels, their teams were more closely aligned with the Reserve Bank with mechanisms in place to exchange views. There was some frustration regarding alignment between New Zealand and Australian requirements and the timing of requests (both the volume of concurrent requests and short time-frames for delivery or compliance). One market observer commented that the “reconciliation of mandates from different regulatory perspectives is an issue” – a reference going beyond banking or jurisdiction.

The insurance industry acknowledged its relationship with the Reserve Bank is still forming and understanding developing on both sides. There were some comments that different classes of insurance may need to be differentiated and that the Reserve Bank has been on a learning curve. This sentiment was best expressed by the observer mentioned above, who noted that when understanding is not as strong, it needs to be compensated for by more dialogue and greater effort on both sides – again, a comment more widely focused than any particular sector.

Among non-bank deposit-takers, the mutual learning curve was also noted and the Reserve Bank’s developing role in prudential oversight acknowledged. One participant described the Reserve Bank as “more opaque than transparent”. Other participants described “codified” communications and intent that they were learning to translate.

Regulated industries as a group expressed a desire for more forward-looking communications. They appreciated that the “ritualisation” of communication makes it consistent and reliable, but at the same time felt a more adaptive approach may be appropriate on some occasions. They would like to be brought further inside the future-vision tent. However, among this group there was particular acknowledgement of the paradox of transparency discussed earlier in this report; while they would like more consultation, they also respect that delivering this threatens the certainty they value.

Stakeholder contacts were pleased to note some reviews were underway at the Reserve Bank, and welcomed this and other opportunities to streamline requirements and address the timing of requests, the number of them and the detail required. When the reasons information or feedback is required are clear, appropriate stakeholders are approached, the need signalled well in advance, feedback on input provided and justification for change explained, the processes work well. Where one or more elements are absent, the relationship suffers.
There were no significant differences in the quantitative ratings for accessibility and approachability vs. regulated-industry ratings overall for banks, insurers or finance companies / non-bank deposit-takers as sub-groups.

**Educators / researchers**

The quantitative information gathered indicates perceptions of educators / researchers as a group are favourable. Researchers were also included in the qualitative phase of the survey and were supportive of the Reserve Bank and valued its relationship with them. They indicated close personal ties as well as organisational ones. The thought-leadership and analysis conducted by the Reserve Bank are held in high regard, and access from an academic perspective is open and often collaborative. One qualitative participant described the Reserve Bank as “innovative and learning”.

**Media**

The media interviewed were generally positive about their relationship with the Reserve Bank; they know it well and hold it in high regard. They interpret their role as providing a link and interpretation service for wider stakeholder groups, in particular business and the public. To facilitate this they appreciate the opportunities for informal and off-the-record conversations they are provided with and the responsiveness shown to their questioning. They see on-going improvement in their interactions with the Reserve Bank. However, they are confused by the apparent incongruence of formally arranged meetings that cannot be reported when invited guests are not required to maintain the same level of confidentiality.

There was only a small group of media (n=17) that provided ratings for accessibility and approachability in the quantitative phase, and these results are therefore indicative only. However, these respondents were significantly more likely than stakeholder contacts overall to disagree that the Reserve Bank is accessible and approachable (35% vs. 13% overall).

**Markets**

The relationship of the Reserve Bank with the markets crosses many divides, with different perspectives (as a business, regulated organisation and companion within the economic infrastructure space) applying at different times.

There was only a small group of these representatives (n=14) that provided ratings for accessibility and approachability in the quantitative phase, and these results are therefore indicative only. However, these respondents were significantly more likely than stakeholder contacts overall to agree that the Reserve Bank is accessible and approachable (93% vs. 58% overall). Despite this, one market participant in the qualitative phase indicated assistance to navigate the Reserve Bank organisation beyond the operational interface would be appreciated. They welcomed the increased outreach by the Reserve Bank they had observed.

**Central government**

The Reserve Bank’s relationship with the central government is different to that with other stakeholders in that it is both a partner and a constituent. For some government departments it is also a customer. Relationships exist on many levels and vary considerably in their nature.

While there could be tension between partnership and independence, this appears to be well managed by both parties. Maintaining formality and process around communications with politicians is understood as a means of preserving independence and accompanied by the
ability for closer access when required. Communications are regarded as well-considered and well-crafted, and evidence-based decision-making is supported.

The Reserve Bank is regarded as a facilitator within the economy. It is respected for its intellectual capital, and some central-government stakeholder contacts see an opportunity for this to be harnessed more broadly to help solve New Zealand’s challenges both socially and economically. Similar to the opinion held by business networks and, in particular, by engaged business leaders, one participant expressed this as “making the plane go faster”. By working collegially with other organisations within the spaces where the bank’s remit and expertise overlaps with that of others, it is anticipated that synergies of thought may occur. In this way the Reserve Bank can contribute more widely to policy-making without necessarily having to also become a commentator outside of its usual areas of specialism, unless it chooses to. There is particular opportunity perceived for the bank to contribute by connecting international and domestic contexts.

**Key Points:**

Relationships exist on multiple levels within and between stakeholder communities. They are generally in good heart and continue to improve.

*Accessibility* and *approachability* are generally perceived positively among stakeholder contacts, who are best qualified to judge, although the media results indicate there are some exceptions.

*Transparency* and *empathy* are the key relational themes, but it is difficult to achieve the right balance. There are opportunities to enhance empathy.

Managing the paradox of transparency is complicated; stakeholder contacts themselves acknowledge this.
3.0 Stakeholder familiarity, trust and advocacy

The Reputation Pyramid is the core of the Ipsos approach to engagement. It allows for an effective and convenient method of normative benchmarking across organisations and sectors.

We use a simple framework to assess the level of reputation:

- **Familiarity** – The extent to which the Reserve Bank familiar in terms of activities, benefits, values, mission, etc.
- **Favourability** – The extent to which the Reserve Bank is viewed positively.
- **Trust** – Ultimately trust underpins reputation. Without trust, messages are rejected. Build trust and you build support, your messages are better received and ultimately you create advocates.

The Reserve Bank-stakeholder reputation pyramids differ between the quantitative general-public and stakeholder samples. Although trust among the public is positive and moderate (40%), this is based on low levels of familiarity, with only 15% indicating they know the Reserve Bank very well or somewhat well. This profile indicates trust in the Reserve Bank is not well-informed, risking exposure to adverse messages or events.

In contrast, and not unexpectedly, the stakeholder pyramid has a strong base of familiarity, with the majority (80%) of stakeholders reporting they are at least somewhat familiar with the Reserve Bank. Trust and advocacy are significantly higher than among the public.

![Figure 3: Ipsos Reputation Framework](image)

![Figure 4: RBNZ Stakeholder Group Reputation Pyramids](image)
Familiarity with the Reserve Bank

Among respondents from the public, familiarity with the Reserve Bank was 15% (know very well or know somewhat well). Half (50%) of the public respondents indicated they knew just a little about the Reserve Bank. Some 4% of the public sample reported they had never heard of the Reserve Bank before. Familiarity was significantly higher than average among men (n=265, 21% vs. 15%), those in managerial roles (n=46, 29%) or those with a post graduate degree (n=64, 29%) and significantly lower among those with a household income of between $30,000 and $50,000 (n=85, 5%).

Familiarity was much stronger among stakeholder contacts (80%); this is fairly evenly split between those who indicated they know the Reserve Bank very well (38%) and those who know it somewhat well (42%). Only 2% of stakeholder contacts reported they have heard of it but know almost nothing about the Reserve Bank. Familiarity was significantly higher for stakeholders from Wellington (n=96, 91%) and significantly lower among those from Otago (n=35, 46%), although the latter were more likely to be businesses who have lower familiarity regardless of location.

Within the different stakeholder groups, familiarity was highest for those in regulated industries (91% vs. 80% stakeholder contacts overall), but significantly lower than the stakeholder average for business stakeholders (58% vs. 80% stakeholder contacts overall).

Figure 5: RBNZ Familiarity

There were no significant differences in the quantitative ratings for familiarity vs. business ratings overall by export / import status.
There were also no significant differences in the quantitative ratings for familiarity vs. regulated-industry ratings overall for banks, insurers or finance companies / non-bank deposit-takers as sub-groups. However, banks were significantly more likely than regulated industries overall to know the Reserve Bank very well (58% vs. 41%), while finance companies / non-bank deposit-takers were significantly more likely to know the Reserve Bank somewhat well (75% vs. 50%).

There was only a small group of media (n=17), and their results are therefore indicative only, but no significant differences in their ratings vs. those of stakeholder contacts overall were recorded. As a group, 76% were familiar with the Reserve Bank.

Likewise, there was only a small group of market representatives (n=14). While these results are also indicative only, all were familiar with the Reserve Bank and they were significantly more likely than stakeholder contacts overall to indicate they know the Reserve Bank very well (93% vs. 38%). As a group, 100% were familiar with the Reserve Bank.

_Favourability towards the Reserve Bank_

Favourability towards the Reserve Bank was significantly stronger among stakeholder-contact respondents than among the general public, among whom over half (56%) were either neutral or unable to provide an opinion. As with familiarity, the strength of favourability was divided similarly between being very favourable vs. fairly favourable. Unfavourability was low among both groups. Public respondents aged 65 or older were significantly more likely to be favourable (n=95, 38% vs. 25% overall), while those aged 25 to 44 years were significantly less likely to be favourable (n=196, 17%). Those who had migrated to New Zealand in the past five years were significantly more likely to be favourable (n=28, 44%). Respondents in Canterbury were significantly less likely to be favourable (n=80, 14%).

Within the stakeholder-contact group, the media (n=17) and market respondents (n=14) were the only ones with a significantly different view to that expressed overall. The media (n=17) were significantly less likely to indicate favourability (53% vs. 75%). Market respondents (n=14) were not different overall, but had significantly stronger sentiment (64% vs. 30% overall were very favourable towards the Reserve Bank). These two results should, however, be regarded as indicative only due to the small sample size.

There were no significant differences in favourability by export / import status vs. businesses overall or by business type (banks, insurers and finance companies / non-bank deposit-takers) vs. the overall view of respondents from regulated industries.

There were no significant differences in favourability by region among stakeholder contacts.

These results are summarised in Figure 6.
Figure 6: RBNZ Favourability

**Trust in the Reserve Bank**

Reflecting their stronger familiarity, trust in the Reserve Bank (*trust a great deal* or *trust a little*) was much stronger among stakeholder contacts than among the public participants. The majority (83%) of stakeholder contacts indicated trust in the Reserve Bank, compared to 40% of the public (the remainders for both groups are predominantly neutral). Both the public and stakeholder-contact respondents indicated very low levels of distrust in the Reserve Bank (11% and 5% respectively). These results are shown in Figure 7.

Public respondents aged 65 or older were significantly more likely to indicate trust (n=95, 56% vs. 40% overall), while those aged 25 to 44 years were significantly less likely to do so (n=196, 32%). Those who had migrated to New Zealand in the past five years were significantly more likely to indicate trust (n=28, 64%) as were those in managerial occupations (n=46, 60%) or with postgraduate degrees (n=64, 55%). Respondents in Canterbury were significantly less likely to indicate trust (n=80, 28%).

There were no significant differences in trust by region among stakeholder contacts, not were there any significant differences in the quantitative ratings for trust vs. business ratings overall by export / import status.

There were also no significant differences in the quantitative ratings for trust vs. regulated-industry ratings overall for banks, insurers or finance companies / non-bank deposit-takers as sub-groups.

There was only a small group of media (n=17), and their results are therefore indicative only, but no significant differences in their ratings vs. those of stakeholder contacts overall were recorded. As a group, 94% trusted the Reserve Bank.
Likewise, there was only a small group of market representatives (n=14). While these results are also indicative only, they were significantly more likely than stakeholder contacts overall to indicate they trust the Reserve Bank *a great deal* (93% vs. 67%). As a group, 100% trusted the Reserve Bank.

Relative trust and familiarity

The following plot of trust and familiarity by stakeholder group summarises the relationship between these factors in Figure 8. It can be seen that where familiarity is above average, trust is also above average. Likewise, lower familiarity and lower trust are partners. The plot clearly demonstrates the stronger levels of familiarity and trust indicated by stakeholder contacts vs. the general public. Within the stakeholder-contact group, media and market respondents provided the highest scores (although these should be regarded as indicative only due to the small base sizes). Of the regulated industries, banks rated the Reserve Bank more strongly than insurers or finance companies / non-bank deposit-takers on both dimensions.
Quality of trust in the Reserve Bank

There are varying qualities of trust that are revealed when trust is compared with familiarity. Those who rated the Reserve Bank well on both measures are regarded to have informed trust, which is the strongest form. Figure 9 compares the quality of trust between stakeholder contacts and public participants in the quantitative survey phase.

Informed trust was much stronger among stakeholder contacts than among the public participants. Neither group had many informed sceptics, who are those who distrust the bank even though they are familiar with it. This reinforces the importance of familiarity to underpin trust.

Low trust within both groups was predominantly associated with low familiarity; almost 1 in 3 public respondents had this type of uninformed trust in the Reserve Bank. This presents an opportunity for the bank to increase its familiarity among these people to shift them to a stronger position of informed trust. Among the public, there was also a large group with neutral trust who were also classed as unfamiliar with the Reserve Bank; improving familiarity among them will strengthen trust.
What is influencing trust among the general public?

Using Ipsos Bayes Net analysis, the relative influence on trust of different factors measured among the public in the quantitative phase is mapped below. The direction of the arrows linking the circles shows where influence is directed, while the size of the circles shows the degree of each factor’s influence. The colour of the circles reflects their theme: performance (green), communication (black) or leadership (red).

This analysis shows that leadership, monetary policy and financial stability have the greatest influence on the public’s perceptions of trust.
What is influencing trust among stakeholder contacts?

A similar Ipsos Bayes Net analysis was completed for stakeholder contacts. This analysis again shows the importance of perception of leadership. Financial stability is also important. Communication and interactions are linked, as might be expected.

![Figure 11: Drivers of RBNZ Stakeholder Contact Trust](image)

**Trust over time**

Participants in the quantitative research phase were asked whether they thought their level of trust in the Reserve Bank was better, worse or the same as it was last year.

Over two-thirds (69%) of the public participants indicated they had the same level of trust as they did last year, and a further 5% indicated they trusted the Reserve Bank more. Around 1 in 10 were unable to answer the question.

More than three-quarters (76%) of stakeholder contacts indicated their trust was unchanged from last year, and a further 18% indicated their trust had strengthened. Only 1% of stakeholder contacts were unable to answer the question. There were no significant differences in self-reported changes for the separate stakeholder groups when compared with the results for stakeholder contacts overall.

**Opportunities to strengthen trust**

Respondents were asked as part of the quantitative phase what, if anything, the Reserve Bank could do to improve their level of trust. This was an open-ended question, from which the key themes discussed below have been established.

For both public and stakeholder respondents, around one-third offered a suggestion to improve their trust. However, nearly half of the stakeholder contacts indicated there was nothing the Reserve Bank could do (this was provided as an alternative answer option). A similar proportion of the public respondents indicated they did not know what the Reserve Bank could do (this was also provided as an alternative answer option).
The public respondents’ suggestions focused on openness, explaining decisions and more communications (although generally these communications were at a high level):

“Be more transparent in how it comes to its policy-making decisions.”

“Make its role understood by ordinary folk.”

“I would need to be better informed to make a judgement.”

The public showed a desire for the ‘what’ and ‘why’ of announcements. Their comments talked about wanting a more basic breakdown of the ‘what’, educating as well as informing:

“Have more publicity via news, etc., so that public know what it does more clearly.”

“Knowledge helps gain trust keep public informed on a regular basis.”

“Better explain reasoning for decisions which have a monetary impact on New Zealanders.”

“Educating, so I understand what they do.”

There was also a real desire for ‘why’ to be explained; most of this was because respondents were concerned about the practical downstream implications of decisions:

“More human debate; discuss […] living for the average person including families.”

“Consideration of the effect the cash rate has on people on tight budgets.”

Reflecting the more grounded understanding of the Reserve Bank that characterised the stakeholder contacts, their suggestions for improving trust levels were more focused around the transparency of decisions.

Business stakeholders expressed a desire for more communication. They were interested in seeing more about the bank’s decisions in the media, with greater clarity and transparency around ‘what’ it is trying to achieve and ‘how’. They also suggested the Reserve Bank could communicate more directly with stakeholders:

“Better communicate what they're doing why they are doing it and what they are trying to achieve.”

“Listen to appropriate people who will give them an insight into the flow-on effect of decisions they make.”

Despite the high level of trust among regulated industry stakeholders, their comments also expressed a desire for more of a two-way relationship. Their suggestions included two-way communications and greater collaboration with stakeholders when developing policies / decisions:

“To hear and understand the thoughts of individual financial institutions and treat them respectively.”

“Learn about my business and the consequences of the actions it takes that affect it.”

“Collaborate more in policy- and standard-making process.”
Reserve Bank advocacy

As part of the quantitative research phase, participants were asked their overall opinions and perceptions of the Reserve Bank. They were asked to express this in terms of how highly or critically they spoke of the bank.

More than 1 in 10 public respondents (11%) indicated they would speak highly about the Reserve Bank, either proactively or reactively. However, half (51%) were neutral. This represents an opportunity, as few members of the general public are critical.

Men were significantly more likely to be advocates (n=265, 17% vs. 11% overall), as were retired people (n=93, 19%), those who had migrated to New Zealand in the past five years (n=28, 26%) or those with household incomes between $50,001 and $70,000 p.a. (n=68, 21%). However, public respondents aged 25 to 44 years were significantly less likely to be advocates (n=196, 5% vs. 11%).

As with trust and familiarity, advocacy among stakeholder contacts was significantly higher than among the public participants, with more than half (64%) indicating they speak highly of the bank. The neutral group among stakeholder contacts was significantly lower at just over one quarter (26%). There were no significant differences in advocacy by region among stakeholder contacts.

Educators / researchers indicated the high levels of advocacy (80% vs. 64% of the total stakeholder sample). There were only small groups of media (n=17) and markets (n=14), and their results are therefore indicative only, but no significant differences in their ratings vs. those of stakeholder contacts overall were recorded. As groups, 65% of media respondents and 100% of market respondents indicated they would speak highly of the Reserve Bank, with or without prompting.

There were no significant differences in the quantitative ratings for advocacy vs. business ratings overall by export / import status.

There were also no significant differences in the quantitative ratings for advocacy vs. regulated-industry ratings overall for banks, insurers or finance companies / non-bank deposit-takers as sub-groups.
Figure 12: RBNZ Advocacy

Familiarity and trust of Reserve Bank responsibilities

To understand trust at a more granular level, respondents in the quantitative research phase were asked how much they trusted or distrusted the Reserve Bank’s ability across a range of things the Reserve Bank is responsible for.

Overall there was little distrust indicated by public respondents in the responsibilities of the Reserve Bank. In general around half indicated they trust a great deal or trust a little. Trust was higher for the more visible and easy-to-understand responsibilities, such as issuing bank notes (n=443 aware of this, 64%) and maintaining financial stability (n=439 aware, 51%).

Stakeholder contacts indicated significantly greater trust than the public participants; in general over three-quarters indicated they trusted the bank’s abilities for each responsibility listed. The remaining respondents were predominantly neutral in their opinion. There were no significant differences in the levels of trust for each of the stakeholder-contact sub-groups vs. the overall stakeholder-contact opinion. Figure 13 shows the results for this question by stakeholder group.

After the general public, finance companies / non-bank deposit-takers were least familiar and least trusting regarding formulating and implementing monetary policy to manage inflation. Among stakeholder contacts, businesses were least familiar with the bank’s role in maintaining financial stability through regulation and monitoring, while finance companies / non-bank deposit-takers were least trusting. Stakeholder contacts were least familiar with the bank holding and managing New Zealand’s foreign exchange reserves, and displayed trust but mixed familiarity concerning the issuing of banknotes and coins and maintaining their quality. Similarly the operation of the payment and settlement systems was trusted, but there were mixed levels of familiarity with it between the different stakeholder-contact groups.
Figure 13: Trust in RBNZ Activities

There were no significant differences in the quantitative ratings for any of these activities vs. business ratings overall by export / import status.

There was one significant difference in the quantitative ratings for these activities vs. regulated-industry ratings overall for banks, insurers or finance companies / non-bank deposit-takers as sub-groups. That was that finance companies / non-bank deposit-takers (n=32) were significantly less likely to trust the Reserve Bank’s ability to formulate and implement monetary policy to manage inflation (72% vs. 87% for regulated industries, n=167).

There were only small groups of media (n=17) and markets (n=14), and their results are therefore indicative only, but no significant differences in their ratings vs. those of stakeholder contacts overall were recorded.

The degree of familiarity with each Reserve Bank responsibility needs to be considered alongside the degree of trust placed in the bank’s abilities.

Among the public participants, responsibilities that were more familiar had higher levels of trust associated with them. The Reserve Bank was best known and trusted for its responsibility in issuing banknotes and coins and maintaining quality. This responsibility therefore has informed trust behind it; it was both well-known and trusted.

With the exception of the bank’s responsibility for payments and settlement systems, the public participants were more likely to indicate familiarity and trust with specific responsibilities than they were with the Reserve Bank overall.

Among stakeholder contacts, there were far higher levels of familiarity and trust across all activities. Figure 14 shows this was particularly noticeable for the responsibilities of formulating and implementing monetary policy to manage inflation and maintaining financial...
stability through regulation and monitoring, in which stakeholder contacts had the highest combined levels of trust and familiarity.

For stakeholder contacts both formulating and implementing monetary policy to manage inflation and maintaining financial stability through regulation and monitoring map into the top-right quadrant of the chart, which reflects these opinions on responsibilities are based on informed trust.

Holding and managing New Zealand’s foreign exchange reserves shows lower levels of familiarity and trust among stakeholder contacts when compared with other responsibilities.

Figure 14: RBNZ Activities: Trust vs. Familiarity

**Key Points:**

Overall, the Reserve Bank enjoys good levels of trust. However, public trust is not underpinned by familiarity. This leaves it exposed to an adverse news event. Stakeholder contact trust is strong and underpinned well.

There are differences in reputational perceptions between stakeholder-contact types. Businesses are less familiar than others, and the relationship with financial companies / non-bank deposit-takers is not as strong as it is with banks. There is an indication that some media representatives are less favourable than other stakeholder contacts, although market-based contacts are uniformly favourable.

Advocacy among stakeholder contacts is positive, with only a small proportion of detractors. Perceptions of leadership are a key driver of trust among both the public and stakeholder contacts.

Of the Reserve Bank’s activities, the public are most familiar with its currency role, while stakeholder contacts are most familiar with inflation management and financial stability. Higher familiarity is generally reflected in higher trust.
4.0 Stakeholder perceptions of leadership

Ipsos judges three elements to be important building blocks to effective and engaged relationships: leadership, communication and staff. Accordingly, stakeholder perceptions on each of these themes were measured in the quantitative research phase and explored more generally in the qualitative research stage.

It is important to stakeholders that organisations have direction and the confidence to make decisions and follow through. Clarity of purpose strengthens stakeholder perceptions.

Participants in the qualitative research phase indicated they supported seeing the Reserve Bank being involved with the big economic issues of the day. There was a clear view that the bank was ideally placed to do this due to the volume of information and insight it could contribute. The capability, integrity and certainty displayed by the Reserve Bank created confidence.

In the quantitative research phase respondents were asked how satisfied or dissatisfied they were with the overall leadership of the Reserve Bank, using five semantic responses ranging from very satisfied to very dissatisfied. The results are shown in Figure 15. Dissatisfaction was very low among all stakeholder groups. More than half the public respondents were neutral or unable to answer the question, reflecting their lower level of familiarity. Overall, they were significantly less satisfied than stakeholder contacts, even when the figures are re-based to exclude those unable to answer the question. Educators / researchers were highly satisfied.
Respondents during the quantitative research phase were also asked the main reasons they felt the way they did about the overall leadership of the Reserve Bank. This was an open-ended question.

**General public**

Among the general public their low level of familiarity was a common theme. Many were basing their perceptions only on announcements. For example, one respondent commented:

“It stays in the background, not very visible, and only has a very brief appearance when the time for official cash rate is announced.”

The low level of familiarity meant that many public respondents commented they were making assessments on the absence of bad news or economic adversity rather than the presence of evidence to support their view. For example, one respondent commented:

“It’s not up to speed, but I think everything is running very nicely the way it is.”

There were, however, a small group of satisfied public respondents who appeared to have more knowledge and based their rating on perceptions economic management including management of inflation and the OCR, or on the Reserve Bank’s independence: For example:

“I feel their movements are based on what would be best suited to NZ in the current economic environment.”

As noted above, few public respondents were dissatisfied, but those who were based their view on the impact of rising interest rates (and the impact of this on mortgage rates). This was expressed by one respondent as:

“Mortgage interest rates being high puts too much pressure on people.”

**General business**

Among business participants in the qualitative research phase, there was a sense that more engaged stakeholders welcomed the Reserve Bank’s capability to contribute a global as well as local perspective to economic debate, and would support hearing more from the Reserve Bank on this. These stakeholders would also support greater sharing of the Reserve Bank’s future state vision for the nation both in our own right and within the global context. This desire for more critical debate and the ability to contribute to future contact was not expressed by all business contacts, however. There are many, even among large businesses, who are content to work within the context developed for them rather than contributing directly to its development themselves.

In the quantitative phase there were no significant differences in the ratings provided by importers or exporters vs. businesses overall.

Those who were satisfied with the overall leadership of the Reserve Bank predominantly mentioned either the current state of the economy and the Reserve Bank’s track record, or trust and respect for the people working in the Reserve Bank and the Governor in particular:

“A stable healthy economy with inflation under control.”

“Consistent. Consistent track record over the past years. NZ came out of GFC much better than other countries.”
“I think the Governor is high in expertise well connected internationally.”

“I believe that they are a very trustworthy organisation. They are required to be a trustworthy organisation and they do deliver on behalf of our nation and they do a very good job of that and we measure up very well against most of the major economies. I think we can be proud of our Reserve Bank and the monetary policy that they deliver on.”

“I think there [are] enough qualified people in there to do it”

“I think they have really high-calibre people; they are fortunate to operate in one of the most transparent countries in the world; they set the standard for transparent and ethical behaviour which other banks follow.”

Those who were less satisfied tended to have a different point of view – they would like more consultation, broader policy and wider consideration of the impact of decisions:

“I feel like there is no understanding of business in the region and that broad-brush decisions are made without consultation with the people who are affected by it.”

“People who work there are very competent and honest, but I think their range of policies they are willing to implement [is] far too narrow and that detracts from their overall effectiveness and leadership.”

“Too concerned about influencing market and need to be accountable for the benefit of the whole country.”

**Regulated industries**

In the quantitative phase there were no significant differences in the ratings provided by different types of regulated industries vs. regulated industries overall.

Those from regulated industries who were satisfied with overall leadership commented on capability, competence of staff, communication and transparency:

“As an institution seemed to manage the NZ financial stability through the GFC OK.”

“Keeps a low profile but excellent in delivery.”

“When I deal with them they respond quickly. They work well from a business point of view and you don’t hear anything negative about them.”

“They seem to be able to competently convey messages.”

“Honest transparent organisation free of political interference.”

Those less satisfied were mostly concerned about a lack of consultation:

“At a regulatory supervision level the leadership engagement is inconsistent and difficult, which makes effective interaction challenging.”

“Unwillingness to depart from preconceived ideas or to enter into useful discussion.”

**Media**

The rating provided by the small number (n=17) of media respondents in the quantitative phase should be regarded as indicative only, and was not significantly different from the rating for shareholder contacts overall (59% vs. 75%).
While satisfied media respondents commented on consistency and openness, dissatisfied media respondents wanted greater access and information. This reflects findings elsewhere in this report indicating that media want more answers than the Reserve Bank sees fit to provide, but at the same time media feel access may be uneven.

Markets
The rating provided by the small number (n=14) of market respondents in the quantitative phase should be regarded as indicative only; 100% were satisfied with the overall leadership by the Reserve Bank.

Market respondents commented on the competence of leadership.

Educators / researchers
Educators / researchers were predominantly satisfied with leadership and mainly commented on performance:

“Decisions [do] not come as a surprise logical and make sense under the current economic climate.”

“Has been able to achieve its objectives.”

“Inflation is under control and the country has been operating / performing at a steady pace for decades in comparison with some other OECD countries.”

In the qualitative research they noted the world-class, best-practice behaviour of the Reserve Bank and admired the challenging thinking they saw as a characteristics of it.

Key Point:
Dissatisfaction with overall leadership is very low. Many among the public are neutral, reflecting lower familiarity. Among stakeholder contacts, results indicate that media are more neutral than others.
5.0 Stakeholder perceptions of consultation and communication

Ipsos judges communication to be one of three elements that are important building blocks to effective and engaged relationships. Stakeholder perceptions of communication were therefore measured in the quantitative research phase and explored more generally in the qualitative research stage. The following paragraphs outline perceptions about the general quality of communication and access to information. Findings with regard to specific communication channels are described in the next section of this report.

Participants in the qualitative phase of the research differentiated between formal and informal channels of communication. Both are valued, for different reasons. Planned communications are predictable and thorough, reassuring stakeholders that the information they may need or have an interest in will be shared at a certain time. Informal, even if programmed, interactions are valued for the insights into thinking that are shared. Among engaged business leaders and regulated industries in particular there is an appetite for more inclusive debate and decision-making. There is a willingness among the media and business networks to act as an intermediary between the Reserve Bank and its stakeholders; one participant described their organisation’s role as being like a “telegraph”, while the media see it as their responsibility to “translate” on behalf of the Reserve Bank.

Among stakeholders from regulated industries who were interviewed as part of the qualitative phase, it was apparent that there were some inconsistencies within the consultation process. On occasion it was considered that consultation could occur informally earlier, was not meaningful or was insufficiently adaptive. These stakeholders accepted that this was something that was difficult to achieve universal approval for, but appreciated the opportunity to flag as an improving and improvable facet of their relationship with the Reserve Bank.

Overall satisfaction with information and communication

During the quantitative phase of the survey respondents were asked how satisfied they were overall with the Reserve Bank information and communication they receive. Stakeholder contacts, who had a significantly higher frequency of contact with the Reserve Bank than the general public indicated, were significantly more satisfied. Educators / researchers were most satisfied among the stakeholder-contact sub-groups.

Among business respondents, there were no significant differences in ratings of satisfaction with Reserve Bank information and communication overall between the business group overall and importers or exporters.

There were no significant differences in overall satisfaction ratings for Reserve Bank information and communication between regulated industries overall and banks or insurers. Finance companies / non-bank deposit-takers (n=32) had weaker satisfaction (0% very satisfied), but their overall level of satisfaction was not significantly different.

Among the media respondents in the quantitative phase who indicated contact with the Reserve Bank in the past year (n=16), 75% recorded they were satisfied overall with Reserve Bank information and communication. This result should be regarded as indicative only due to the small base size.

Among market-based respondents in the quantitative phase who indicated contact with the Reserve Bank in the past year (n=14), 100% recorded they were satisfied overall with Reserve
Bank information and communication. This result should be regarded as indicative only due to the small base size.

Unpacking information and communication satisfaction

To unpack satisfaction with information and communication during the quantitative research phase, respondents were asked their level of agreement with a number of related statements. Agreement was recorded on a five-point semantic scale between strongly disagree and strongly agree. The results for the general-public and stakeholder-contact groups are shown in Figure 17. Stakeholder contacts, who have more frequent and numerous interactions with the Reserve Bank, were significantly more likely to agree with each statement. Agreement was strongest for both groups for effectively explains its decisions and clearly communicates its role and objectives. Agreement was weakest for both groups for able to take on new ideas and criticisms and involves stakeholders in policy / strategy development.

Compared to stakeholder contacts overall, there were no significant differences in ratings provided by the small media group (n=17; indicative only). Market respondents (n=14) were significantly more likely to agree with all statement except for involves stakeholders in the development of policies and strategies, although this was still noticeably higher than for the stakeholder-contact group overall (64% vs. 42%).

There were no significant differences in the ratings for each statement for importers or exporters vs. businesses overall, nor were there any for banks, insurers or finance companies / non-bank deposit-takers vs. regulated industries overall.
Figure 17: Unpacking Information and Communication Satisfaction

Qualities of Reserve Bank information and communication

To understand stakeholders' perceptions of the qualities of Reserve Bank information and communication, respondents in the quantitative phase were asked how strongly they agreed with a number of descriptions. Responses were provided on a five-point semantic scale, ranging from strongly disagree to strongly agree. The results for the stakeholder-contact group and general public are shown in Figure 18.

Again, stakeholder contacts are significantly more satisfied than the general public on all measures. Agreement was strongest for both groups on relevance and weakest for being two-way in nature.

There was no difference in the overall levels of agreement for business respondents vs. stakeholder contacts overall. However, business respondents (n=103) had weaker sentiment for ease of understanding (12% vs. 21% strongly agree).

Among stakeholder contacts, media (n=16) were significantly more likely than overall to disagree that communications have the right amount of detail (31% vs. 10%); the low base size means this result should be regarded as indicative only.

Market respondents (n=14) were significantly more likely than stakeholder contacts overall to agree that communications are explained clearly (100% vs. 69%) or that communication is two-way (79% vs. 36%). Although they are no more likely as a group to agree that communication is easy to understand, their sentiment is stronger; they are significantly more likely than stakeholder contacts overall to strongly agree with this statement (50% vs. 21%). The market-respondent results are also indicative only due to the small number of respondents in this category.

Educators / researchers (n=52) were significantly more likely than stakeholder contacts overall to agree that Reserve Bank information is easy to understand (85% vs. 69%) or explained clearly (85% vs. 69%). They also held stronger positive sentiment regarding: timeliness (48%
vs. 29% strongly agree), format (42% vs. 27% strongly agree), amount of detail (35% vs. 18% agree strongly) and ease of understanding (35% vs. 21% strongly agree). They are significantly more likely than overall to be neutral regarding two-way communication (50% vs. 34% overall).

There were few significant variations by sub-group, but finance companies / non-bank deposit-takers (n=32) were significantly less likely than regulated industries overall (n=167) to strongly agree that Reserve Bank information and communication to stakeholders is easy to understand (3% vs. 19%) or explained clearly (3% vs. 20%). There was no significant variation vs. businesses overall by export / import status.

![Figure 18: Qualities of RBNZ Information and Communication](chart)

Qualitative respondents were asked an open-ended question about what, if anything, the Reserve Bank could do to improve the information and communication it provides.

**General public**

Among the general-public respondents, 1 in 3 did not think there was anything the Reserve Bank could do or were unable to answer the question, reflecting their low levels of familiarity and engagement. Others expressed an interest to know more:

“I know indirectly they are important in the overall scheme of NZ lives, so I feel we should know more about what they do.”

In particular public respondents suggested more open and transparent information:

“It seems sometimes to operate in a vacuum or cocoon; not giving the perception of being responsive to the wider needs of the economy; so communicating a more responsive position would help; either through media (if unbiased) or through public explanations of its position.”

“Provide more information to the media with regards to what it does and its impact on the economy.”
Others suggested a **stronger presence through major household channels** such as TV, household flyers, newspaper as well as social media:

> More detailed explanations on the TV news about what it actually does and what its actions mean."

Many wanted **more information**, with **simply worded information describing the bank’s role and actions** being a key request:

> Make it simpler – currently aimed at businesses / more highly educated."

**Businesses**

There were a large proportion of respondents who indicated there was nothing the Reserve Bank could do or who could not answer this question (just under half). Among those who did answer, there was a mixed response, reflecting the wide variation in existing relationships:

> They probably do everything pretty well, it’s just not an area of interest to me."

> In the sense I am pretty satisfied I can access information if I require and I get email alerts and things like that. It works pretty well."

Some businesses, however, suggested **more information** was desired:

> Probably more regular information, but not as comprehensive as their quarterly report."

For others it was not just about **frequency of communication** but about the **opportunity for dialogue**:

> If you feel you don't have a role to play and wait for the swords to drop (interest rates to drop), you just become a passive receiver. If I felt there was an active form of communication, I would feel much more engaged and get involved. At the moment they give and I receive rather than we discuss."

In a similar vein, there were comments on accessibility both in terms of **having access and being able to interpret information**:

> Make it more accessible for the non-expert reader."

In this regard, **digital information-sharing** was mentioned by some respondents, including emails and mobile apps:

> I think that having digital ways of delivering information would be good."

**Regulated industries**

There were a large proportion of respondents who indicated there was nothing the Reserve Bank could do or who could not answer this question (just over half). Among those who did answer, there was a mixed response, reflecting the differing relationships within the sector.

Respondents from banks were generally looking for **greater interactivity**:

> Engage early in bilateral discussions on new emergent issues."

> Possibly more informal contact and discussion."

> Less dogma – preparedness to address alternatives."
“Ensuring that before info is provided that policy and regulation is discussed prior to formal announcements and there [are] discussions with the RBNZ about any issues that the industry may have.”

Insurers’ comments reflect their newer relationship with the Reserve Bank; they are looking for greater understanding and clarity.

“Listen, take note and consider changes.”

“Enter the debate and respond with comments.”

“Bulletins confusing (need to have a meeting to figure out), make it more user-friendly. Format is okay, just hard to find out how it applies to us.”

Finance companies and non-bank deposit-takers would also like greater clarity:

“To provide background context and expected outcomes with their comms.”

**Other stakeholder groups**

Suggestions from media respondents were varied and included: simpler language, recognition of the benefits of the relationships for both parties and better signalling of news.

Market-based respondents’ suggestions were also varied, but there was a similar request for better signalling of news and also the suggestion that the database could be easier to use.

Educators would like to see more information tailored for use in secondary schools (both level and curriculum appropriate).

**Key Points:**

As expected, stakeholder contacts are more satisfied with information and communication overall than the public; stakeholder contacts have more frequent interactions. Among stakeholder contacts, businesses were least satisfied with this measure.

Both the public and stakeholder contacts have positive perceptions of the effectiveness with which decisions are explained.

Information and communication are generally perceived to be relevant and timely.

Relatively weaker perceptions of two-way communication represent an opportunity.
6.0 Stakeholder perceptions of touch-points

Stakeholder relationships are ultimately about day-to-day interactions and working relationships. Therefore, as effectively as an organisation might be led, the quality of working relationships really makes a difference to stakeholders. The key touch-points of an organisation therefore include not only formal communications and initiatives, but also human points of interaction.

Perceptions of the quality of an organisation’s employees have a strong influence on the way that organisation is viewed by its stakeholders. Stakeholders want to feel they are dealing with experienced and knowledgeable staff. Stakeholders also value consistency in the people they deal with, so that they have a consistent point of contact and are able to engage with someone who knows their agenda. Where organisations perform less well, stakeholders are often concerned about loss of individual relationships or the level and experience of staff they are dealing with.

In both the qualitative and quantitative phases of the survey the touch-points that stakeholders have with the Reserve Bank were explored.

Overview of Reserve Bank touch-points

The qualitative research revealed that there are often multiple layers of personal and organisational touch-points including at different management levels within the Reserve Bank. Where stakeholders had a good operational relationship, this was often based on having an assigned staff member at the Reserve Bank that they could liaise with. Where there were strong policy-level relationships, these were built mainly on planned interactions, some less formal than others. Spontaneous interactions on this level, perhaps as they often involve more senior staff, were rare unless there was a personal relationship outside of the organisational structure. The formal nature of most of the relationships resulted in much of the language used in documented communications being technical in nature. Some stakeholder contacts felt that this was not always necessary and required greater effort than usual to interpret. One stakeholder commented that too many grey areas were left in communications as a result of their formal nature, while another mentioned that the Reserve Bank’s apparent reluctance to engage in more spontaneous exchanges reflected a traditional rather than contemporary approach to business.

The quantitative research asked respondents to indicate how they had interacted or found out about the Reserve Bank and its activities over the last year. They were provided with a list, but could also add items of their own if they wished.

The news media was the main touch-point for the public (52% selected this option), but next most common response was that they hadn’t had contact with the Reserve Bank in the past year (37%). Aggregated, 32% of the general public respondents indicated any point of Reserve Bank-controlled contact. Of the Reserve Bank-controlled touch-points, policy statements (23%) were most commonly mentioned. (Policy statements included monetary policy statements, financial stability reports and official cash rate announcements). On average, public respondents indicated 1.8 touch-points each. It is noted that although stakeholder contacts were asked about interactions or information via their own bank or financial institution, this option was added after the public survey had been completed and was therefore not a prompted option for them.
Among the stakeholder-contact sample, the news media was again the main touch-point (79%), but the next most common response was policy statements (77%). There were also good numbers of contacts interacting: via the website (69%), with staff (66%), by reading Reserve Bank speeches (51%), reading the Reserve Bank Bulletin (46%), attending a speech or business talk (44%), reading research reports (40%; includes discussion papers and analytical notes) or via their own bank / financial institution (38%). Aggregated, 96% of stakeholder contacts indicated any point of Reserve Bank-controlled contact. On average stakeholder contacts indicated 5.6 touch-points each.

Stakeholder contacts living in Wellington were significantly more likely to have contact with Reserve Bank staff (n=96, 83% vs. 66%) or via a Parliamentary Select Committee (18% vs. 8%). Stakeholder contacts from Otago (n=35) were significantly less likely to have contact via policy statements (51% vs. 77%), Reserve Bank Bulletins (26% vs. 46%), Reserve Bank staff (26% vs. 66%) or the website (49% vs. 69%). Stakeholder contacts living overseas (n=32) were significantly less likely than stakeholder contacts overall to have had contact via the news media (50% vs. 79%), to have attended a Reserve Bank speech or talk (25% vs. 44%) or to have had contact through their own bank / financial institution (16% vs. 38%). These patterns reflect the predominance of respondents from regulated industries among the overseas-dwellers and businesses among Otago residents. There were no significant differences in the results for those living in Auckland.

**Businesses**

Compared to the stakeholder contact group overall, business respondents (n=105) were significantly more likely to indicate the news media (95% vs. 79% overall) and significantly less likely to indicate: the website (45% vs. 69%), Reserve Bank staff (37% vs. 66%), the Reserve Bank Bulletin (31% vs. 46%), visiting the museum / education centre (10% vs. 18%) or financial literacy initiatives (9% vs. 17%). On average business contacts indicated 5.0 touch-points each. Among banks, this was 6.1, insurers 5.4 and finance companies / non-bank deposit-takers 5.0. Compared to businesses overall, importers (n=26) were significantly more likely to mention their own bank / financial institution (65% vs. 42%). Compared to regulated industries overall, finance companies / non-bank deposit-takers were significantly less likely to mention research reports (25% v. 44%).

**Regulated industries**

Again, compared to the stakeholder-contact group overall, respondents from regulated industries (n=167) were significantly more likely to indicate interactions with Reserve Bank staff (85% vs. 66% overall). They were significantly less likely to indicate: the news media (65% vs. 79%), the museum / education centre (9% vs. 18%), videos / webcasts (8% vs. 16%) or financial literacy initiatives (5% vs. 17%). On average, contacts from regulated industries indicated 5.3 touch-points each. Compared to regulated industries overall, banks (n=64) were more likely to mention: policy statements (89% vs. 75%), a bank / financial institution (66% vs. 44%) or attending a Reserve Bank speech or business talk (56% vs. 40%).

**Educators / researchers**

Educators / researchers (n=52) were significantly more likely than stakeholder contacts overall to indicate: policy statements (90% vs. 77%), the website (88% vs. 69%), the financial literacy initiatives (77% vs. 17%), museum / education centre (63% vs. 18%) or videos / webcast (33%
vs. 16%). They were significantly less likely to indicate: *interactions with staff* (50% vs. 66%) or their *own bank* / *institution* (8% vs. 38%). On average, educators / researchers indicated 6.2 touch-points each.

**Media**

The small number of media contacts (n=17) means their results should be treated as indicative only. However, they were significantly more likely than stakeholder contacts overall to mention: the *website* (94% vs. 69%), *reading a speech* (76% vs. 51%), the *Reserve Bank Bulletin* (76% vs. 46%), a *Parliamentary Select Committee* (41% vs. 8%) or *Reserve Bank social media* (29% vs. 10%). On average, media contacts indicated 7.6 touch-points each.

**Markets**

Likewise, the small number of market contacts (n=14) means their results should be treated as indicative only. However, they were significantly more likely than stakeholder contacts overall to mention: *reading a Reserve Bank speech* (100% vs. 51%), *policy statements* (100% vs. 77%), *research reports* (100% vs. 40%), *Reserve Bank staff* (100% vs. 66%), the *website* (100% vs. 69%), the *Reserve Bank Bulletin* (93% vs. 46%), *videos / webcast* (86% vs. 16%) or a *Parliamentary Select Committee* (29% vs. 8%). On average, market contacts indicated 8.1 touch-points each.

**Figure 19: Stakeholder Interactions with RBNZ**

**Frequency of Reserve Bank contact**

Generally, public respondents indicated they are not usually in contact with the Reserve Bank, and if they are, it is mostly infrequent. Stakeholder contacts, as expected, are much more frequently in contact, and most are in contact at least monthly.
Personal contact
Respondents in the quantitative research phase who indicated they had any contact with the bank in the last year were asked approximately how often they were usually in contact with Reserve Bank staff. This was actual personal contact and could have been by phone, letter or email, as well as face-to-face.

The general public asked this question (n=312) were significantly less likely to have had any contact with Reserve Bank staff (86% vs. 15% for stakeholder contacts indicated no contact). Most had staff contact less than once a year (6%), and all staff contact was less frequent than quarterly.

Among stakeholder contacts (n=353) more than 1 in 3 (35%) indicated contact with Reserve Bank staff more often than quarterly, 8% indicated quarterly contact, 33% indicated contact less frequently than quarterly but at least once a year and 9% indicated contact was less than once a year. Business contacts (n=103) have less frequent staff contact than regulated industries (n=167); 7% of business respondents had staff contact at least monthly compared to 32% of regulated-industry respondents. This increased to 37% among media respondents (n=16) and 79% among market-based respondents (n=14), although these results are indicative only due to the small sizes of these groups. Among the educators / researchers group (n=52), 14% indicated staff contact at least once a month.

Other contact
Respondents in the quantitative research phase were also asked how often approximately they were usually in contact with the Reserve Bank excluding personal contact (e.g. via the Reserve Bank website or Reserve Bank bulletins). Such contact was more frequent than contact with staff, especially among stakeholder contacts.

The general public (n=312) were again significantly less likely to have had any contact with the Reserve Bank (77% vs. 11% for stakeholder contacts indicated no contact). Contact was evenly split between annually or less often (12%) and more frequently (11%), with most of the latter contact still being only every 3 to 6 months (6%).

Among stakeholder contacts (n=353), 10% indicated contact more than once a week, 11% weekly, 10% fortnightly and 19% monthly. Business contacts (n=103) have less frequent staff contact than regulated industries (n=167); 25% of business respondents had staff contact at least monthly compared to 55% of regulated-industry respondents. This increased to 75% among media respondents (n=16) and 99% among market-based respondents (n=14), although these results are indicative only due to the small sizes of these groups. Among the educators / researchers group (n=52), 57% indicated staff contact at least once a month.

Within the regulated-industries group, banks had higher frequency of contact than insurers or finance companies / non-bank deposit-takers (74% had contact at least once a month vs. 55% overall, 54% for insurers and 43% for finance companies / non-bank deposit-takers).

Within the business group, those neither exporting nor importing (n=61) were more likely to have contact with the bank at least once a month (32% vs. 25% for businesses overall).

Exploring Reserve Bank staff ratings
Quantitative respondents who indicated that they had any contact with Reserve Bank staff were asked to what extent they agreed or disagreed with a number of descriptions of the staff.
This was asked as five-point semantic scale ranging from strongly disagree to strongly agree. They were then asked how satisfied they were overall with interactions they had with Reserve Bank staff. This was again answered using a five-point semantic scale, this time ranging from very satisfied to very dissatisfied.

Overall, stakeholder contacts (n=299, 78%) were significantly more satisfied than public respondents (n=33, 33%), who were significantly more likely to be neutral (44% vs. 14% for stakeholder contacts). There were no significant differences vs. stakeholder contacts overall in the ratings provided by business respondents or respondents from regulated industries or the media. Among market-based respondents (n=14), overall satisfaction was not significantly different, but sentiment was significantly stronger (64% vs. 38% very satisfied). Educators / researchers (n=47) also had this pattern (62% vs. 38% very satisfied).

There were no significant differences vs. satisfaction ratings for regulated-industry respondents overall by sub-groups – banks, insurance companies or finance companies / non-bank deposit-takers. Similarly, there were no significant differences vs. satisfaction ratings for business overall by export / import status.

Figure 20: RBNZ Staff Interactions

Respondents who had contact with Reserve Bank staff were asked their level agreement about staff experience, knowledge, consistency, accessibility, understanding and responsiveness. An outline of the results for each factor follows. There were no significant differences in any ratings between business respondents overall and responses by export / import status. There were also no significant differences in any ratings between respondents...
from regulated industries and those from the sub-groups of banks, insurers and finance companies / non-bank deposit-takers.
Significant differences that were observed between stakeholder contacts and other groups overall are commented on below.

**Highly experienced**
The general public (n=33) were significantly more likely than stakeholder contacts (n=299) to be unable to provide a rating on this factor (13% vs. 3%). While the level of agreement among media respondents (n=14) was not significantly different to that of stakeholder contacts overall, the sentiment was weaker; there was a higher proportion who agreed that Reserve Bank staff are highly experienced (71% vs. 40% overall) vs. those who strongly agreed (14% vs. 35% overall). This result is, however, indicative only due to the small size of the group.

**Highly knowledgeable**
The general public (n=33) were significantly less likely than stakeholder contacts (n=299) to agree with this factor (60% vs. 80%), but this was influenced by a significantly higher proportion who were unable to provide an opinion (17% vs. 2%).

**Consistent**
Respondents were asked the extent to which they agreed or disagreed with the description consistent in terms of messages and actions across the bank with reference to the Reserve Bank staff they have interactions with. The general public (n=33) were significantly more likely than stakeholder contacts (n=299) to be unable to provide a rating on this factor (16% vs. 5%) and therefore they were significantly less likely to agree (43% vs. 71%).

**Accessible and approachable**
The general public (n=33) were significantly more likely than stakeholder contacts (n=299) to be neutral on this factor (35% vs. 15%) and therefore significantly less likely to agree with this description (39% vs. 75%).

While the level of agreement among media respondents (n=14) was not significantly different to that of stakeholder contacts overall, the sentiment was weaker; there was a higher proportion who agreed that Reserve Bank staff are accessible and approachable (50% vs. 39% overall) vs. those who strongly agreed (7% vs. 36% overall.)

By contrast, sentiment among market-based respondents (n=14) was significantly stronger than average (64% vs. 36% overall strongly agreed) and 100% agreed in total.

The results for the media and market-based respondents should be regarded as indicative only due to the small size of these groups.

**Understanding of my needs**
The general public (n=33) were significantly more likely than stakeholder contacts (n=299) to be unable to provide a rating on this factor (22% vs. 4%) and therefore they were significantly less likely to agree (21% vs. 59%).

Agreement among market-based contacts (n=14) was significantly higher than for stakeholder contacts overall (93% vs. 59%), although the small number of respondents means this result should be regarded as indicative only.
Respond promptly to requests
The general public (n=33) were significantly more likely than stakeholder contacts (n=299) to be unable to provide a rating on this factor (18% vs. 6%) and therefore they were significantly less likely to agree (43% vs. 66%).

Suggestions for improving relationships with staff
Respondents in the quantitative phase of the research were asked what, if anything, the Reserve Bank could do to improve their relationship with the Reserve Bank’s staff. This was an open-ended question, asked of those who indicated they were usually in contact with Reserve Bank staff at all.

Among the small group of public respondents who qualified for this question (n=33), only nine provided comments, which were varied. However, two commented on accessibility and one each on the related themes of being human or friendly.

Among the stakeholder-contact group, only just over one-third commented.

Business respondents’ suggestions mentioned improving accessibility and dialogue:

“I think continuing on with informal ability to interact with them, like lunches and informal gatherings outside of major policy statements; things like having coffee, etc.”

“Personal communication and discussions.”

“In dealing with the staff – staff are of a high calibre, but sometimes they speak as academics as opposed to business people.”

“Lack of communication skills of those who are in the private sector; they don’t promptly return phone calls. More responsive attitude and open-mindedness.”

“Be a bit more receptive (they should be out there asking questions of business people).”

Suggestions from respondents in regulated industries included greater dialogue, improved sector-understanding and greater empathy. Comments from banks included:

“It’s a matter of keep developing interaction and communicating between the bank (my organisation) and RBNZ, because if there is that constructive interaction, we will get the right outcomes and hopefully more efficient regulatory framework in NZ.”

“Would like to see RBNZ staff with more hands-on banking experience so they can relate and understand better.”

“More discussion to understand issues rather than resort to formal written reports.”

Comments from insurers included:

“Hire more experienced staff.”

“Understand the issues better from the point of [view of] ‘customers’.”

“Appoint relationship managers.”

Comments from finance companies / non-bank deposit-takers included:

“They need to take the time to understand my NBDT and the sector.”
Media respondents suggested *less gate-keeping and more openness*. Market respondents suggested *more dialogue*. Educators suggested *less experienced staff would benefit from presentation practice*.

**Impact of Reserve Bank touch-points on trust**

Those who mentioned each touch-point were also asked how, if at all, it had impacted on their trust in the Reserve Bank, i.e. whether it made them more positive, less positive or had no impact.

Among the public, the most positive touch-points (in terms of the proportion of respondents reporting a positive influence on their trust) were: *policy statements* (14% of n=159), *news media* (13% of n=302), *visiting the website* (10% of n=73) or *reading a Reserve Bank speech* (10% of n=80).

Among the stakeholder contacts, the most positive touch-points (in terms of the proportion of respondents reporting a positive influence on their trust) were: *financial literacy initiatives* (70% of n=60), *Reserve Bank staff* (67% of n=236) or *attending a Reserve Bank speech or business talk* (63% of n=158).

Figures 21 and 22 plot those who indicated they had experienced each touch-point according to their familiarity and trust scores for the Reserve Bank. The first chart does this for the general public, while the second displays the same results for stakeholder contacts. Please note that the axes are different on the two charts to facilitate readability. The size of the circles represents the number of respondents in each case. The charts demonstrate that those who interact directly with the Reserve Bank generally rate it more positively both in terms of familiarity and trust, than those without contact or with less direct contact.

![Figure 21: Impact of Touch-points on Trust among the General Public](image-url)
Figure 22: Impact of Touch-points on Trust among Stakeholder Contacts

**Key Points:**

Stakeholder contacts have much more frequent contact and across many more touch-points than the general public.

The *news media* is the main point of contact with the Reserve Bank for members of the public, although many indicated no contact at all.

The *news media* also dominated among stakeholder contacts overall, but *policy statements*, the *website* and *staff interactions* were also commonly indicated.

There were differences in touch-points between stakeholder contacts of different types, with businesses more reliant than average on the *media*.

Stakeholder contacts are generally satisfied with contact they have with Reserve Bank staff; the general public are more neutral on this point.
7.0 Stakeholder perceptions of performance

Stakeholder contacts in the quantitative phase were asked how satisfied or dissatisfied they were with the overall performance of the Reserve Bank. This was asked as a five-point semantic scale ranging from very satisfied to very dissatisfied.

The majority (82%) of stakeholder contacts (n=356) indicated they were satisfied. This was significantly higher than the public respondents (38%, n=502) who were significantly more likely (41% vs. 10%) to be neither satisfied nor dissatisfied.

Among the small media sample (n=17), 65% were satisfied, while among the small market sample (n=14), 100% were satisfied; the small base sizes mean the results are indicative only.

Figure 23: Satisfaction with the Overall Performance of RBNZ

There were no significant differences in overall satisfaction by the main stakeholder subgroups of interest vs. the stakeholder-contact ratings overall, nor was there any difference between the overall business rating and overall ratings by export / import status. Compared with regulated industries overall, finance companies (n=32) are significantly less likely to be satisfied (62% vs. 81%).

There were some differences in strength of sentiment within the greater stakeholder-contact group. Market-based respondents (n=14) were significantly more likely than stakeholder contacts overall to indicate they were very satisfied (71% vs. 37% overall), although this is a small group and the result is therefore indicative only. Educators / researchers (n=52) were also significantly more likely than overall to be very satisfied (56% vs. 37% overall). Meanwhile, media respondents (also a small indicative group only, n=17) were significantly less likely than overall to be very satisfied (12% vs. 37%).
Two specific performance-based statements that quantitative respondents were asked for their level of agreement were: *meets its objectives* and *adds value to the New Zealand economy*. Respondents were asked to what extent they agreed or disagreed with these statements using a five-point semantic scale ranging from *strongly disagree* to *strongly agree*.

Agreement on both statements was significantly stronger among stakeholder contacts (n=356) than among the general public (n=502). The public were significantly more likely to indicate neither agreement nor disagreement with each statement, or to be unable to respond to this question.

**Meeting objectives**

The small group of market-based respondents (n=14) all agreed that the Reserve Bank meets its objectives, and this was therefore a statistically significant result, although only indicative due to the small base size.

Sentiment was significantly stronger among educators / researchers than among stakeholder contacts overall, although the overall level of agreement was not statistically different. There was strong agreement that the Reserve Bank meets its objectives among this group vs. stakeholder contacts overall (40% vs. 22% overall *strongly agreed*).

There was no difference in ratings vs. the business contact ratings overall by export / import status, nor any differences vs. regulated-industry ratings overall for banks, insurers or finance companies / non-bank deposit-takers.

**Figure 24: Meeting Objectives and Adding Value**

**Adding value**

The only statistical difference in ratings to note for agreement that the Reserve Bank adds value to the New Zealand economy is that finance companies / non-bank deposit-takers were significantly less likely than respondents from regulated industries overall to *strongly agree* with this statement (22% vs. 42% for regulated industries overall).
Suggestions for improving performance

Respondents in the quantitative research phase were asked an open-ended question about what the Reserve Bank could do to improve its overall performance.

Approximately half the general public respondents could not make a suggestion or were unable to answer this question. Of those that did many commented on interest rates:

“Stop messing with interest rates.”

“Keep interest rates down.”

“Communicate better as to why they need to raise [the] OCR.”

There were also many suggestions around better and simpler explanations for decisions and actions:

“Tell people more about what it does.”

“Speak more plainly to the ordinary person.”

“Advertise; be more upfront about what it does.”

Another key theme was to improve empathy or at least demonstrate greater acknowledgement of the impact of decisions on individuals:

“Take all New Zealanders into consideration, not only one or two sectors.”

“Be honest and looking the real impact of what they are doing.”

Among stakeholder contacts, more than one-third indicated there was nothing the Reserve Bank could do or were unable to answer the question. Among those who did, there were some variations by stakeholder type, but the responses were generally more focused than those of the general public, reflecting a more informed view.

Many business respondents commented upon the OCR, interest rates generally and management of inflation:

“I'd like to see the Reserve Bank use more tools other than the OCR to manage inflation.”

“I think they need to be braver in implementing alternate policies to controlling inflation than just the OCR; they should look at the wider economy and not just controlling inflation. Long-term competitiveness, unemployment rates.”

“I know they have a mandate to control inflation; however, they need to ensure that the drivers of inflation are not market-segmented and are a true reflection of the tradable sector. And not isolated to the speculative real-estate market.”

“Be less aggressive to the adjustment of interest rates when the rest of world is decreasing their interest rates.”

Several also commented on communication:

“Communicate the reasons behind their decision making better.”

“Communicate better – outline reasons for positions around monetary policy and price stability.”
“More regular dialogue with key stakeholders (like this survey) to better inform future innovation.”

Banks commented on greater transparency, improved understanding and greater inclusiveness:

“First, I think we have a very constructive relationship with them, but I think areas where it can improve is we know there must be regulation and accept it, but they need to look at when the banks get swamped by regulator initiatives, we need to sit down with RBNZ and APRA and prioritise the list of regulator amendments or changes we have to make because we have to manage our staff and our priorities, and we need to have greater linkage with the regulator on those priorities to be as efficient as we can.”

Insurers also commented frequently on understanding their sector better:

“As a regulator, clarify and radically improve its engagement model with market participants.”

“Only area is insurance regulation because they are new, but getting there. Sending mixed messages (do this, no, no, now do this) seems inconsistent – would like a little more consistency. Not enough ground work went into preparation for new role (still changing all the time), although is improving, e.g. sending in reports, them being accepted then later rejected.”

“Avoid blanket regulation and target specific areas of industry where applicable. The compliance costs can be prohibitive and in some cases may overlap with existing rules and regulations.”

Finance companies and non-bank deposit-takers commented similarly:

“Get into the non-bank deposit-takers’ world and ensure that they understand the differences over the registered banks.”

“Be less bureaucratic and have someone actually give an opinion or assistance when asked.”

Media respondents would like more communication and openness:

“Could answer questions rather than ‘no comment’ for everything.”

Market respondents commented on a range of themes, but communication and consultation were mentioned in several comments.

**Key Point:**

There are low levels of dissatisfaction with the Reserve Bank’s overall performance. The majority of stakeholder contacts are satisfied. A large proportion of the public are neutral.
8.0 Ipsos conclusions

The survey findings point to a strong and positive reputation, highly competent and considered leadership.

Perceptions are noticeably stronger among stakeholder contacts than among the public, who has much lower levels of familiarity.

There are some opportunities to enhance stakeholder relationships:

- General public – increase understanding of role and objectives;
- Business – increase relevance and link to business outcomes / reference international trends;
- Media – provide greater access and more background to decisions and general thinking;
- Regulated – engage early, build understanding and show empathy, consult and collaborate.

Stakeholders are reacting positively to changes in communications, especially the mix of informal and formal interactions:

- Those who want information tend to be able to get it when and in the form they want.
- There are opportunities to have a greater impact on the less proactive, especially in the public and business sphere.

Generally, the Reserve Bank appears to have the communication balance about right. There are, however, some questions about engagement. While it can be expected that the public will remain largely neutral, there are opportunities to enhance perceptions particularly among businesses, finance companies / non-bank deposit-takers and some media representatives, where inconsistencies appear.

Specifically there is clearly an appetite amongst some stakeholders for improved consultation and greater collaboration. It is a strategic decision for the bank what form that may take and in what areas it may be developed.
Appendix – General public engagement with national issues

Share of mind attached to national issues among the public (n=553)

- Cost of living: 14.7
- Health and our hospitals: 12.5
- Education and our schools: 11.1
- House prices: 10.4
- Employment: 9
- The environment: 8.7
- Interest rates: 7.9
- Climate change: 7
- Inflation: 6.7
- NZ economy: 6.7
- Exchange rates: 5.3

More likely to be concerned with:
- **Interest rates**: Those aged 25-44, families with preschool only children, Chinese*, those who have a mortgage, and those with a strong interest in economic and financial issues
- **Inflation**: Maori*
- **NZ economy**: Those from Taranaki* and Maori*
- **Exchange rates**: Males, those from Wellington, Other Europeans*, and those with investments in managed funds, precious metals or other types*

Less likely to be concerned with:
- **Interest rates**: Those aged 15-24, families with only adult children at home*, and those who don't have a mortgage
- **Inflation**: Those who have investments in precious metals
- **NZ economy**: Those who earn $50K-$70K
- **Exchange rates**: Females

*Low base size, results indicative only
Appendix – General public knowledge of economic and financial issues

RBNZ aware public’s knowledge of economic and financial issues (n=502)

- Know these issues very well: 2%
- Know a fair amount about these issues: 25%
- Know just a little bit about these issues: 91%
- Know almost nothing about these issues: 17%
- Don’t know: 5%

Those who are more likely to know a fair amount: Live in Otago, males, are self-employed, have investments in precious metals or collectables. They are also more likely to report higher levels of familiarity with the RBNZ.

Those who are more likely to know nothing: Live in Southland, are unemployed or a student, Maori, those with no qualifications, or have no investments. They are also more likely to know almost nothing about the RBNZ.

RBNZ aware public’s interest in increasing knowledge of economic and financial issues (n=502)

- Strong interest: 10%
- Moderate interest: 50%
- Low interest: 29%
- No interest at all: 8%
- Don’t know: 3%

Those who are more likely to have strong interest to increase their knowledge: Live in Otago, know economic and financial issues very well or a fair amount. They are also more likely to report higher levels of familiarity with the RBNZ.

Those who are more likely to NOT have interest to increase their knowledge: Have no investments or know almost nothing about economic and financial issues. They are also more likely to know almost nothing about the RBNZ.
Appendix – General population sample characteristics

Region (n=553)

- Northland: 4%
- Auckland: 33%
- Waikato: 9%
- Bay of Plenty / Gisborne: 7%
- Hawke’s Bay: 4%
- Taranaki: 3%
- Manawatu / Wanganui: 5%
- Wellington: 11%
- West Coast: 4%
- Canterbury: 13%
- Otago: 5%
- Southland: 2%

Gender (n=553)

- Female: 52%
- Male: 48%

Age (n=553)

- 15-24: 17%
- 25-44: 32%
- 45-64: 32%
- 65+: 18%

Responsible for a mortgage (n=502)

- Yes: 42%
- No: 54%
- Prefer not to say: 4%

Household income (n=502)

- Less than $30,000: 15%
- $30,001 to $50,000: 17%
- $50,001 to $70,000: 14%
- $70,001 to $100,000: 14%
- $100,001 to $150,000: 17%
- More than $150,000: 6%
- Don’t know: 4%
- Prefer not to say: 12%

Investments (n=502)

- Managed funds / unit trusts: 47%
- Superannuation scheme: 28%
- Shares / bonds: 51%
- Term deposits / savings accounts: 17%
- Property: 11%
- Precious metals (including jewellery): 10%
- Collectables (e.g., art): 4%
- Other types of investment: 4%
- No investments: 16%
- Prefer not to say: 7%
Appendix – Stakeholder sample characteristics

**Stakeholder Contacts (n=356)**

### General Business
- *Business or Financial Role*
  - Financial advisor / consultant: 2%
  - CEO / managing director: 10%
  - Chairman / director / owner: 12%
  - Something else: 2%

### Regulated Industries
- *Regulated Industry*
  - Banks: 18%
  - Insurers: 14%
  - Finance companies: 9%
  - Legal / actuarial: 8%
  - International payments: 1%
  - AML: 3%
  - Something else: 6%

### Share Market / Currency Market
- *Researcher*
  - Researcher: 1%
  - Students / Teachers: 14%
  - University lecturer: 1%
  - Secondary school teacher: 13%

### Media
- *Media*
  - Finance journalist: 3%
  - General journalist: 1%
  - Something else: 1%

### Stakeholder contacts by region

- **General business (n=105)**
  - Northland / Auckland: 21%
  - Wellington: 5%
  - Waikato / BOP / HB / Manawatu / Taranaki: 25%
  - South Island: 49%
  - Overseas: 1%

- **Regulated industries total (n=167)**
  - Northland / Auckland: 46%
  - Wellington: 5%
  - Waikato / BOP / HB / Manawatu / Taranaki: 28%
  - South Island: 7%
  - Overseas: 15%

- **Banks (n=64)**
  - Northland / Auckland: 47%
  - Wellington: 3%
  - Waikato / BOP / HB / Manawatu / Taranaki: 38%
  - South Island: 3%
  - Overseas: 9%

- **Insurers (n=50)**
  - Northland / Auckland: 60%
  - Wellington: 2%
  - Waikato / BOP / HB / Manawatu / Taranaki: 20%
  - South Island: 4%
  - Overseas: 14%

- **Finance (n=32)**
  - Northland / Auckland: 41%
  - Wellington: 16%
  - Waikato / BOP / HB / Manawatu / Taranaki: 16%
  - South Island: 22%
  - Overseas: 6%

- **Share / currency market (n=14)**
  - Northland / Auckland: 50%
  - Wellington: 14%
  - Waikato / BOP / HB / Manawatu / Taranaki: 7%
  - South Island: 29%

- **Educators / researchers (n=52)**
  - Northland / Auckland: 38%
  - Wellington: 21%
  - Waikato / BOP / HB / Manawatu / Taranaki: 19%
  - South Island: 19%
  - Overseas: 2%

- **Media (n=17)**
  - Northland / Auckland: 18%
  - Wellington: 6%
  - Waikato / BOP / HB / Manawatu / Taranaki: 65%
  - South Island: 6%