

New Zealand's experience of macroprudential policy

Christian Hawkesby, Deputy Governor

Remarks to the Central Bank of Ireland

27 April 2022

Overview

- Motivation
- Actions taken
- Lessons Learnt
- Next steps

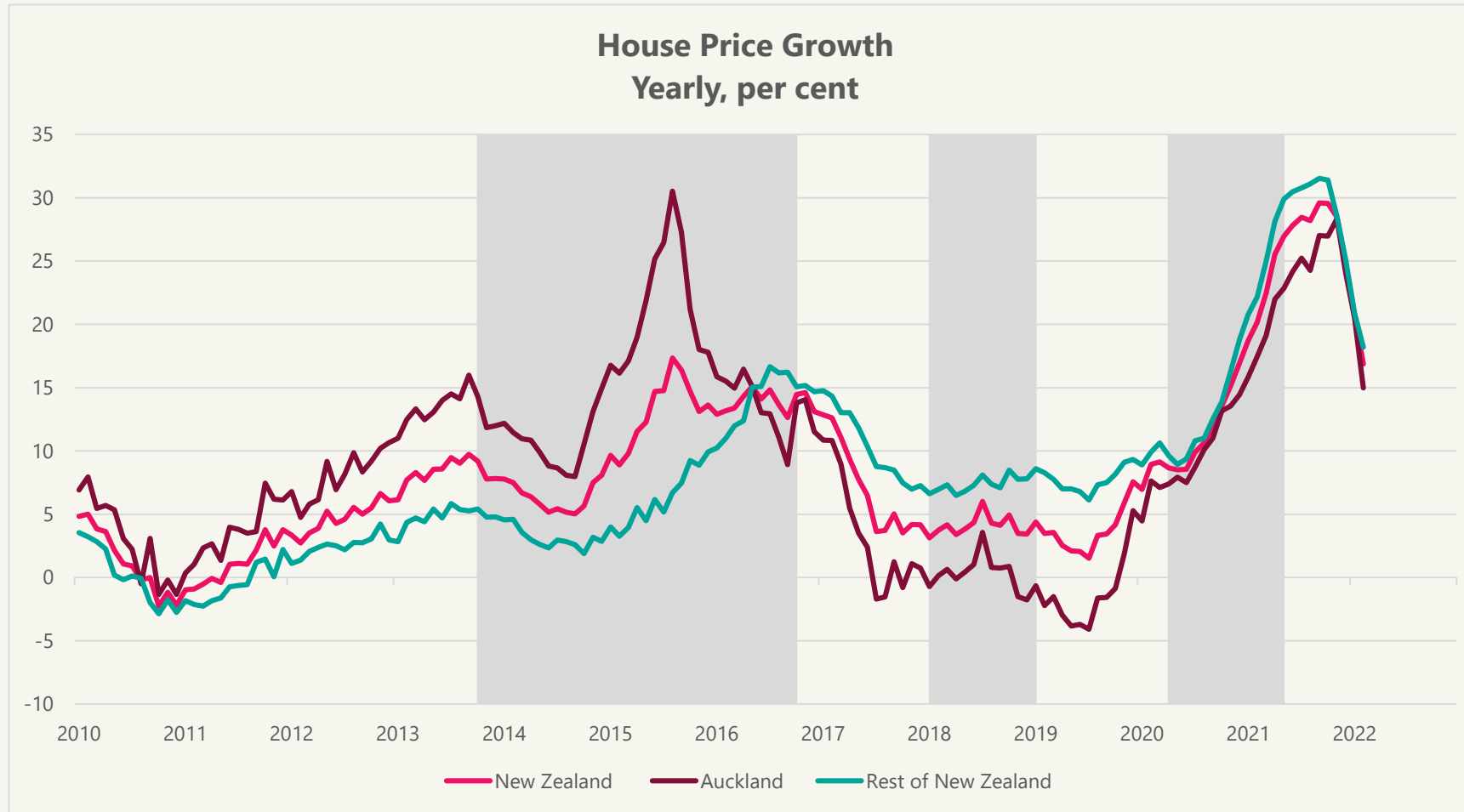


Motivation

- Full service central bank
- Post GFC experience: 2013
- New tool for extra “degree of freedom”
- MoU with Minister



Actions taken: four phases



POLICY
UNCLASSIFIED

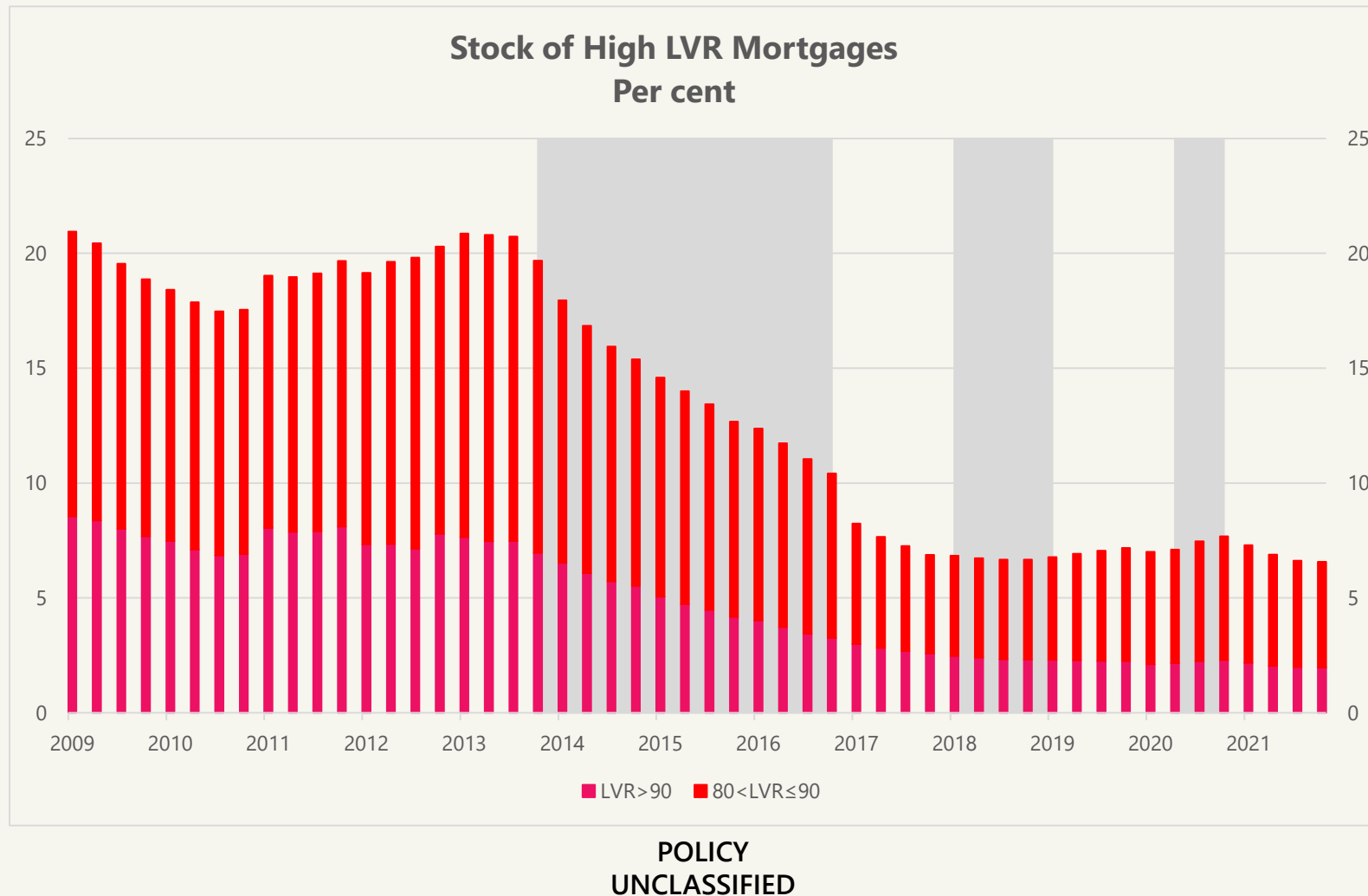


Lessons learnt

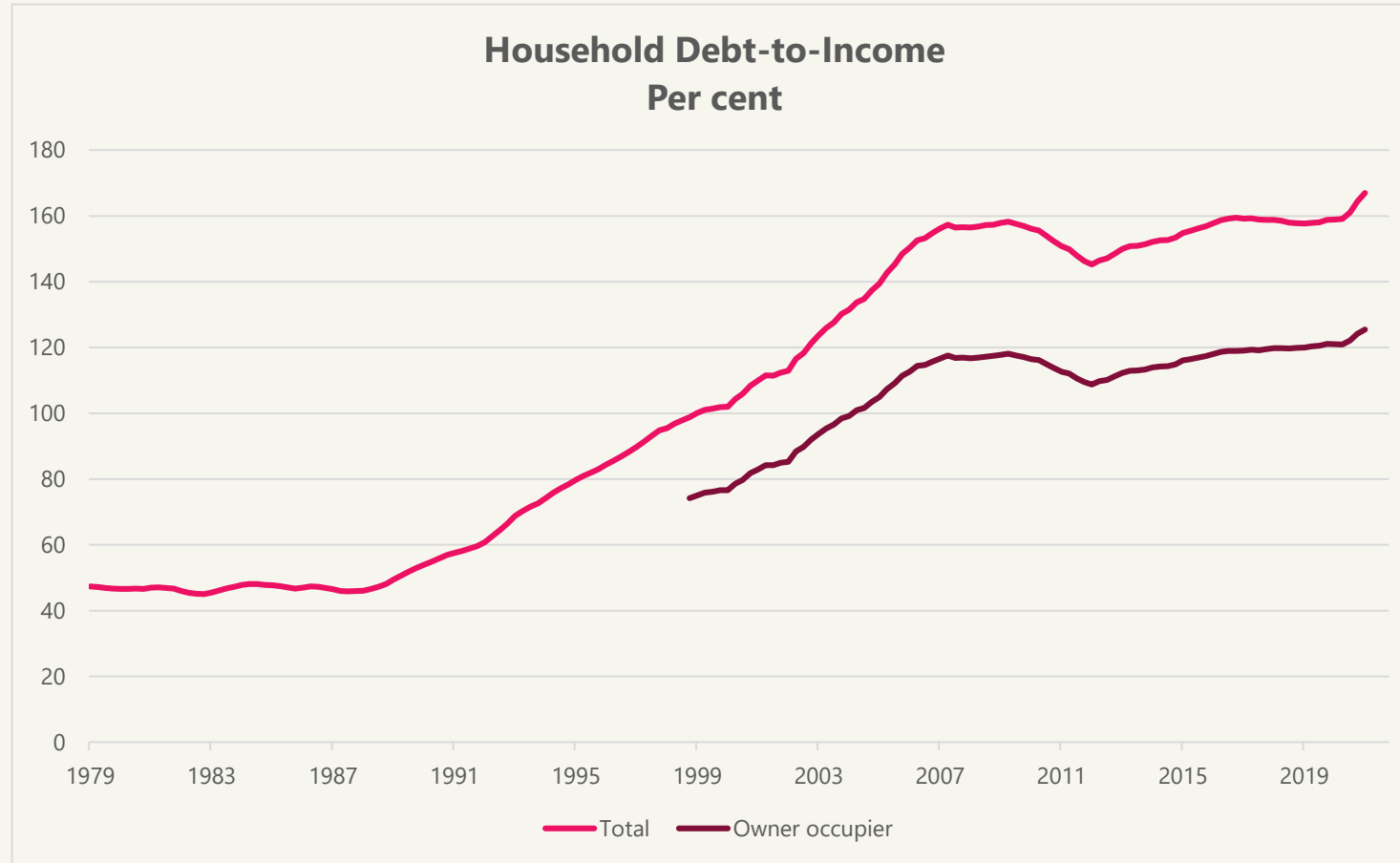
- Importance of social licence
- Macroprudential decision making
- Managing house prices **vs** Resilience of system
- Complete set of tools needed



Resilience of the system



Complete set of tools needed: DTIs



POLICY
UNCLASSIFIED



Summary and next steps

- Macroprudential tools are important
- Have adjusted settings through time
- Have evolved our thinking through experience
- Adding additional tools to complete the set
- Enhancing frameworks, processes, transparency, signalling



New Zealand's experience of macroprudential policy

Christian Hawkesby, Deputy Governor

Remarks to the Central Bank of Ireland

27 April 2022