

The Treasury

Reserve Bank Act Review Phase 2 Submission Information Release

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From: Alister Barry
To: [RBNZ Act Review \[TSY\]](#)
Subject: Submission on role of the Reserve Bank
Date: Friday, 23 August 2019 4:38:31 PM

Dear Review Members,

I am sorry that my submission is late, however perhaps you can still consider it.

As I understand it, the Reserve Bank is not allowed to concern itself with asset bubbles and their effects on our society except in as much as they affect inflation and bank stability.

Currently our society is being transformed by a long running asset bubble in real estate. It has previously been affected by a bubble in the stock market.

It seems to me that our democracy should have some institution tasked with controlling credit allocation by banks in order to help protect our society from the harmful effects of asset bubbles.

Perhaps the Reserve Bank should be given this task or perhaps in a more timid approach, the Act should be rewritten so that the government of the day could instruct the Reserve Bank to undertake some or all of the tasks required to control credit allocation in our society for wider purposes than simply maintaining bank stability and controlling inflation.

I imagine that the banks as "stake holders" and others would lobby strongly against my suggestion.

Thank you for considering my submission.

Alister Barry [1]