

## CITATION FOR THE NZIER ECONOMICS AWARD 2015



The New Zealand Institute of Economic Research Economics Award for 2015 is given to Dr Alan Bollard for his outstanding work in economic research and application, and for his successful leadership of New Zealand's two major economic policy institutions, The Treasury and The Reserve Bank of New Zealand, particularly for his achievements in relation to banking stability, regulation and protection.

After completing a PhD at the University of Auckland on the development of Atiu in the Cook Islands, Alan worked for the South Pacific Commission in New Caledonia, and at the Intermediate Technology Development Group and the Policy Studies Institute in London. He returned to New Zealand in 1984 to join the New Zealand Institute of Economic Research, becoming its Director in 1987. While at the NZIER, he researched, wrote and led many reports on the implications of the then rapidly deregulating New Zealand economy, including the restructuring of the electricity and gas industries, the tariff reviews, other industry-specific regulation, the telecommunications break-up, labour market changes, and the Commerce Act 1986. He published several co-edited books and articles documenting and broadening international understanding of the wide-ranging economic reforms taking place in New Zealand. During this time, the NZIER recruited and trained many talented economists, some of whom went on to be the core of New Zealand's bank economists.

In 1994, Alan was appointed as Chairman of the Commerce Commission. At that time, business in New Zealand was shedding the constraints of import licensing and regulatory controls, and was subject much more to "the market". The Commerce Commission had to grapple with the question of what competition trade-offs would work for a small open economy. New Zealand faced the dilemma of allowing large companies to dominate industries and exploit economies of scale, while also wishing to exploit the benefits of competition and open entry. The Commission, and the Courts, had to adjudicate on cases involving meat companies, port services, acquisitions and mergers, health, electricity, gas, and, in particular, telecommunications.

Alan was then appointed Secretary to the Treasury in 1998, a position he held for five years. He brought a pragmatic approach to this role, and concentrated on trying to make the organisation work better in challenging political and economic environments, while strengthening the organisation's research capability in productivity, growth, macroeconomics, taxation and comparative studies. Under his leadership, The Treasury had to cope with events as varied and unexpected as the financial troubles at Air New Zealand and the attack on the World Trade Centre in New York in September 2001.

In 2002, Alan accepted appointment as the Governor of the Reserve Bank, a position he held for ten years. In that role, he made perhaps his most important contribution to the operation of the New Zealand economy, particularly in steering the Reserve Bank through regulatory changes that helped position the financial system to cope with the Global Financial Crisis of 2007-8. This was not simply a matter of cool-headed management. He built up a first-class team, had excellent relations with The Treasury, and initiated a review from first principles of banking regulation. He responded to a challenge from the Australian banks which predominated in New Zealand, and which wanted a single trans-Tasman regulator to control banking in New Zealand. He accepted the need to host foreign-owned banks, but thought it critical that New Zealand should insist on its own policy tools, so that large banks in New Zealand could continue to provide core liquidity, payment and transaction services in the event of system or bank failure. His insistence on improving New Zealand's ability to minimise the impact of a large bank failure on the economy was shown to be right by the Global Financial Crisis, though he was always conscious of the risk that New Zealand could become over-regulated in response to such fears.

In 2012, Alan became the Executive Director of the Asia Pacific Economic Co-operation (APEC) Secretariat in Singapore. In this role, he has helped coordinate APEC's focus on growth and livelihoods through economic integration in the Asia-Pacific region.

Dr Alan Bollard has made many distinguished contributions to New Zealand economics and to the well-being of New Zealanders. It is indeed fitting that he should receive the NZIER Economics Award for 2015.

**The 2015 NZIER Economics Award**  
**is accordingly given to**  
*Dr Alan Bollard*

