

The Treasury

Phase 1 RBNZ Act Review Information Release

April 2019

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Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [3] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [4] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [5] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [8] Not relevant

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

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Date: 4 October 2018

To: Minister of Finance (Hon Grant Robertson)

Deadline: 9 October 2018

Aide Memoire: Briefing for Meeting with RBNZ Board Chair Neil Quigley

On 9 October 2018, you have a scheduled meeting with Reserve Bank of New Zealand Board (the Board) Chair Professor Neil Quigley to discuss the appointment of external MPC members. This aide memoire briefs you on relevant issues for the meeting.

Progress on the appointment of external Monetary Policy Committee members

The Board is responsible for recommending candidates for external and internal positions on the Monetary Policy Committee (MPC), which will be established by the Reserve Bank of New Zealand (Monetary Policy) Amendment Bill (the Bill).

We expect the Board to eventually recommend five or six candidates for three external member positions. You can either accept or reject recommendations, but you can only choose from candidates recommended by the Board.

The Board has advertised for applicants for external member positions. In addition to a public application process, a recruitment company hired by the Board has identified a list of potential candidates, and these candidates have been approached about their interest. Before your 9 October meeting with Professor Quigley, the Board will have an initial list of candidates, all of whom have confirmed an interest in the position. The appointment of internal candidates will progress separately (T2018/2023 refers).

Next steps on the appointment of MPC members

Key dates for the process for appointing external MPC members are as follows

Date	Process
18 October 2018	The Board will meet. We expect them to narrow down the initial list of external MPC candidates to approximately 8.
24-26 October 2018	The Board will interview the candidates for external MPC positions.
15 November 2018	The Board will meet with a view to confirming 5-6 candidates that will be nominated for external positions. Professor Quigley will inform you of the Board's preferred candidates after this meeting, and the Board will make a formal recommendation once the Bill receives Royal Assent.
3 December 2018	FEC will report to the House of Representatives on the Bill.

On October 4 you were sent a draft charter for the MPC (T2018/2348 refers). Depending on your feedback on the draft charter, officials will provide you with an

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updated charter ahead of providing it to potential MPC members, as you have previously agreed (T2018/2188 refers), subject to the passage of the Bill through Parliament. Candidates may be interested in seeing the charter before they accept the position because the charter will affect the nature of their role, and potentially impose strong restrictions on their ability to speak about the activities of the MPC publically.

Remuneration of external Monetary Policy Committee members

On 26 September, the Cabinet Appointments and Honours Committee agreed to an exception under the Fees Framework for external MPC members, such that the daily fee be set ^[5,6]

Discussion points

We recommend you discuss:

- Any initial thoughts the Board has about the quality of the pool of applicants.
- The process that the Board will follow to recommend candidates for the position of external MPC member, including the key decisions at each stage of the process and the timing of those decisions.
- How the Board intends to approach the issue of remuneration for external MPC members, including when and how they will raise the issue with candidates.

[8]

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