

The Treasury

Phase 1 RBNZ Act Review Information Release

April 2019

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<https://treasury.govt.nz/publications/information-release/phase-1-reviewing-reserve-bank-act>

Information withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

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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Office of Hon Chris Hipkins

MP for Rimutaka

Minister of Education

Minister of State Services

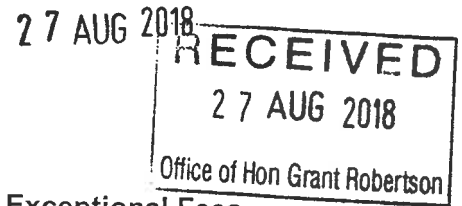
Leader of the House

Minister Responsible for Ministerial Services

ROB 15-1162 - ABA
CR



Grant Robertson
Parliament Buildings
Wellington



Dear Minister

External Members of the Reserve Bank Monetary Policy Committee – Exceptional Fees

Thank you for your letter of 13 August 2018 seeking my support for the payment of exceptional daily fees to external members of the Reserve Bank Monetary Policy Committee.

I note that the Reserve Bank of New Zealand (Monetary Policy) Amendment Bill, currently before the Finance and Expenditure Select Committee, will establish the Reserve Bank Monetary Policy Committee (MPC). You expect the Bill to pass by the end of the year and the MPC to be operational in April 2019, but that the Reserve Bank Board will begin recruiting for external members in September 2018.

I acknowledge your advice that the MPC has been classified as a Group 4, Level 1 body under the Cabinet Fees Framework (the Framework) and your proposal to pay exceptional daily fees of [5.6] for the three external members of the MPC.

You identify that the MPC will be responsible for the formulation of monetary policy, exercising considerable powers that impact the wellbeing of all New Zealanders. Given the expectations on members, particularly the profile and level of scrutiny, the skills required and therefore the small pool of appropriate candidates, and the constraining conflict of interest requirements, I accept your view that the fee range under the Framework will be insufficient to attract suitable candidates.

The exceptional fee proposed is higher than any member fee previously supported by Cabinet, [5.6] but is comparable with the roles you have noted, particularly the existing external monetary policy advisors.

I accept your rationale that fees of [5.6] per day may be necessary to attract suitable candidates and will therefore support your proposal when it is discussed by the Cabinet Appointments and Honours Committee. However, I also note that your proposal describes a maximum fee, and suggest that you should explicitly encourage the Reserve Bank Board to consider [5.6] unless it becomes clear this is insufficient to secure appropriate membership.

My officials advise that, as the Reserve Bank Board may be unfamiliar with the Framework, it may also be useful for Treasury officials to alert them to the expectation that members (of the same body) paid under the Framework, should be paid at the same level, unless there are good reasons for them to differ.

Yours sincerely

Chris Hipkins
Minister of State Services

NOTED/APPROVED/DECLINED

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MINISTER