

# The Treasury

## Reserve Bank of New Zealand 2020-25 Funding Agreement Information Release

August 2020

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### Cabinet Document Details

Title: **Cabinet Minute: DEV-20-MIN-0073: Reserve Bank of New Zealand 2020-25 Funding Agreement**

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# Cabinet Economic Development Committee

## Minute of Decision

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### Reserve Bank of New Zealand: 2020-25 Funding Agreement

**Portfolio**                      **Finance**

On 13 May 2020, the Cabinet Economic Development Committee:

- 1        **noted** that, as required by the Reserve Bank of New Zealand Act 1989, the Minister of Finance has negotiated a five-year Funding Agreement with the Governor for the period 1 July 2020 to 30 June 2025;
- 2        **noted** that:
  - 2.1      the proposed funding profile will see an annual average uplift in the Reserve Bank's operating expenses of \$46 million per annum over the five-year period;
  - 2.2      net operating expenses will increase from \$79.9 million in 2019/20 to \$123 million in 2020/21;
- 3        **noted** that:
  - 3.1      the Minister of Finance has agreed to the removal of certain operating expenses from the scope of the funding agreement;
  - 3.2      the exclusions include litigation expenses, property management expenses, Security Custodian expenses, bank and broking fees, and the provision of Exchange Settlement Account System and NZClear services;
- 4        **noted** that the Minister of Finance intends to sign the five-year Funding Agreement, attached to the paper under DEV-20-SUB-0073, as soon as possible, and to have it ratified by resolution in the House before it takes effect on 1 July 2020.

Janine Harvey  
Committee Secretary

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**Present: (see over)**

**Present:**

Rt Hon Winston Peters  
Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Phil Twyford  
Hon Dr Megan Woods  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Stuart Nash  
Hon Iain Lees-Galloway  
Hon Damien O'Connor  
Hon Kris Faafoi  
Hon Shane Jones  
Hon Willie Jackson  
Hon James Shaw  
Hon Eugenie Sage

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV