

The Treasury

Additional Documents Related to Phase 2 of the Reserve Bank Act Review - December 2019 to April 2021 - Proactive Release

June 2021

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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:

- [7] 6(e)(ii) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the regulation of banking or credit
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment
- [36] 9(2)(h) - to maintain legal professional privilege
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

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Treasury Report: Timeframes for Reserve Bank Institutional Bill

| | | | |
|--------------|--------------|---------------------|---|
| Date: | 2 April 2020 | Report No: | T2020/794 |
| | | File Number: | MC-1-7-3-1-3 (Institutional Arrangements) |

Action sought

| | Action sought | Deadline |
|---|---|--------------|
| Hon Grant Robertson Minister of Finance | Indicate preferred option for progressing work on the Reserve Bank Institutional Bill | 9 April 2020 |

Contact for telephone discussion (if required)

| Name | Position | Telephone | 1st Contact |
|-----------------|---|-----------|-------------|
| Felicity Barker | Principal Advisor | [39] | [35] ✓ |
| James Haughton | Acting Manager, Reserve Bank Act Review | | |

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure: No

Treasury Report: Timeframes for Reserve Bank Institutional Bill

Recommended Action

We recommend that you either:

a **agree** to Option 1: a first reading of the Reserve Bank Institutional Bill before 6 August 2020, requiring introduction of the Bill by 18 June

or

b **agree** to Option 2: an introduction of the Reserve Bank Institutional Bill before 6 August 2020 (recommended)

James Haughton
Acting Manager

Treasury Report: Timeframes for Reserve Bank Institutional Bill

Purpose of Report

1. The purpose of this report is to clarify the timeframes for the Reserve Bank of New Zealand Bill (Institutional Bill). You have previously agreed that work on this Bill continue on current timeframes, including a first reading in June or July.
2. Given ongoing uncertainty about the availability of House and Cabinet time due to the COVID response, there are two possible approaches. The work can proceed on the basis that the Bill will receive its first reading before the election. Alternatively, the Bill could be introduced before the election, and first read after a new Parliament is constituted following the general election.

Option 1: a first reading before the election

3. You wrote to the Leader of the House requesting that the Bill receive its first reading on 30 June or 1 July. The Leader of the House replied on 11 March, stating that introduction prior to 18 June 2020 would maximise the chances of the Bill receiving a first reading, as this would leave more options for House time. The House will rise on 6 August, and Parliament will be dissolved on 12 August.
4. Introduction of the Bill by 18 June 2020, would require the Bill to be lodged for Cabinet on 10 June, for approval at the Cabinet meeting of 15 June. Under the usual process, this requires the Bill to go to the Cabinet Legislation Committee on 26 May. Officials and the Parliamentary Counsel Office are presently working to this timetable and illustrative dates are set out in the table below.

| | |
|-------------------|--|
| 26 May | Cabinet LEG Committee |
| 3 June | Cabinet DEV Committee (alternative) |
| 15 June | Cabinet meeting |
| 18 June | Bill is introduced |
| 23-25 June | First reading and referral to Select Committee |
| 30 June, 1,2 July | Alternative first reading dates |
| 6 August | House rises |

5. However, meeting this timeframe would be challenging under normal circumstances, but more so in the current environment given the priority of the COVID response and competing pressures on resources. Meeting this timeframe reduces the time available to undertake quality assurance processes. Depending on progress and the operation of Cabinet committees due to the COVID response, it may be necessary for the Bill to go to an alternative Cabinet committee, or straight to Cabinet. Successfully introducing the Bill would require Cabinet committee decisions at the right time, with no tolerance for delay.
6. Given the current pressures, we think consideration should be given to an alternative timetable which would still see introduction before the election.

Option 2: an introduction before the election

7. Under this option, officials would work to have the Bill ready to be introduced before the House rises on 6 August, but it would not receive its first reading. Introducing a Bill requires minimal House time. The Bill would not be referred to Select Committee until a new Parliament is constituted, which means submissions would not be received throughout this period. This may

result in some marginal delay to the date of enactment, although this is not likely to be significant. Enactment in 2021 would still be likely.

8. This approach has the advantages that it would allow for more time to draft the Bill, reducing pressure on Treasury's legal resources and ensuring a robust quality assurance processes; and it does not require House time or meeting specific Cabinet dates. It does require LEG and Cabinet time in July. A table with illustrative dates is below. We consider that this option would be achievable in the context of the Government's COVID response.

| | |
|-----------|-------------------------|
| June 30 | Cabinet LEG Committee |
| July 6 | Cabinet meeting |
| July 6-17 | Parliament is in recess |
| July 21 | Bill is introduced |
| 6 August | House rises |

Recommendation

9. The Treasury recommends Option 2. Option 2 is still achievable despite the current adjournment of Parliament. It will make only a marginal difference to the final date of passage of the Bill, and will allow for full quality assurance processes to be taken while not competing with urgent work for resources and Cabinet and House time.