

The Treasury

Reserve Bank Dual Mandate Change Information Release

February 2024

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No information has been withheld

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Cabinet

Minute of Decision

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Reserve Bank of New Zealand (Economic Objective) Amendment Bill: Approval for Introduction

Portfolio **Finance**

On 11 December 2023, Cabinet:

- 1 **noted** that on 4 December 2023, Cabinet agreed its intention to pass the Reserve Bank of New Zealand (Economic Objective) Amendment Bill (the Bill) in 2023 [CAB-23-MIN-0469];
- 2 **noted** that the Bill removes the economic objective to support maximum sustainable employment from the Reserve Bank of New Zealand Act 2021;
- 3 **approved** the Reserve Bank of New Zealand (Economic Objective) Amendment Bill [PCO 25936/2.0] for introduction, subject to the final approval of the Government caucuses and sufficient support in the House of Representatives;
- 4 **agreed** that the Bill be introduced on 11 December 2023;
- 5 **noted** that on 4 December 2023, Cabinet agreed that the Bill be accorded urgency in the House so that it may be enacted ahead of the February 2024 Monetary Policy Statement [CAB-23-MIN-0469];
- 6 **agreed** that the Government propose that the Bill be passed through all stages in the week of 11 December 2023, without reference to a select committee;
- 7 **noted** the new Monetary Policy Committee (MPC) Remit, attached as Appendix 1 to the submission under CAB-23-SUB-0488, to be issued by the Minister of Finance;
- 8 **noted** the new MPC Charter, attached as Appendix 2 to the submission under CAB-23-SUB-0488, that has been agreed between the Minister of Finance and the MPC;
- 9 **noted** that the new MPC Remit and Charter will come into effect on the day after the date of Royal assent of the Bill;
- 10 **noted** that the Minister of Finance and Associate Minister of Finance (Hon David Seymour), will jointly consider advice on whether to define the “medium term” more clearly in the MPC Remit before bringing any potential subsequent recommendations to Cabinet.

Rachel Hayward
Secretary of the Cabinet