

House of Representatives

Supplementary Order Paper

Tuesday, 29 June 2021

Reserve Bank of New Zealand Bill

Proposed amendments

Andrew Bayly, in Committee, to move the following amendments:

Clause 118

After *clause 118(3)* (page 56, after line 33), insert:

- (4) If the Minister issues an MPC remit under **subsection (3)** without any remit advice having been given, that remit—
 - (a) is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements); and
 - (b) must be confirmed by an Act (*see* subpart 3 of Part 5 of the Legislation Act 2019).

Schedule 4

In *Schedule 4, Part 3*, after the *item relating to Schedule 4, Part 1 of the Legislation Act 2019 (2019 No 58)* (page 167, after line 17), insert:

In Schedule 4, Part 1, insert in its appropriate alphabetical order:

Reserve Bank of New Zealand Act	118(3)
2020	

Explanatory note

This Supplementary Order Paper amends the Reserve Bank of New Zealand Bill (the **Bill**). The Bill as first introduced required the Reserve Bank to provide advice to the Minister of Finance before the Minister could issue a remit to the Monetary Policy Committee. A remit that follows the Bank's advice benefits from a comprehensive consultation process.

The Bill as reported back by the Finance and Expenditure Committee now provides for the Minister to issue a remit without first receiving advice from the Bank, and therefore without the benefit of the Bank's consultation process.

A Monetary Policy remit is a significant instrument with potentially far-reaching implications for the New Zealand economy. Parliament thus has a significant interest in the remit on behalf of the New Zealand public.

Parliament can take some comfort in the integrity of a remit that follows a comprehensive consultation process. However, if a remit can now be issued without having been informed by the consultation process that must inform Reserve Bank advice, then an alternative mechanism is required to provide Parliament with oversight of the remit.

This amendment therefore makes a monetary policy remit confirmable secondary legislation if it is issued in the absence of Reserve Bank advice. As confirmable secondary legislation, the remit will expire if not confirmed by Parliament by the applicable deadline set out in section 121 of the Legislation Act 2019.