

Panel Paper 1: Process and Timing for Scoping Phase 2

This note sets out the proposed process, deliverables and timing for arriving at an agreed terms of reference for Phase 2 of the Reserve Bank Act Review (the Review).

Timeframes

The proposed timeline is set out below and further described in the annexure.



Approach

Cabinet are considering key monetary policy decisions for Phase 1 on 19 March and will make announcements shortly after that. The Phase 1 reforms will require further detailed decisions, either by Cabinet or by Ministers with power to act, on second tier policy issues and drafting instructions by the end of April. We are recommending that Cabinet agree the scope and terms of reference for Phase 2 in the same timeframe and are recommending a decision paper goes to Cabinet on 30 April, though this date still needs to be tested with the Minister. Progressing these two streams in parallel will enable the Minister and Cabinet to consider issues in an interconnected way and decisions to be announced at the same time.

The Panel meeting on 2 March will focus on understanding the shape of the legislation, the historical and current context, a range of expert views, stakeholder feedback, and the rationale behind various perspectives. It will examine options for the scope of Phase 2, but will not seek any decisions.

The Panel meeting on 16 March will focus on assisting the Panel to arrive at its recommendations.

As with Phase 1, the Panel intends to provide a report to the Minister of Finance making recommendations on the scope and terms of reference for Phase 2. The Panel, the Bank, and the Treasury will work together to arrive at joint recommendations wherever possible. Where this is not possible, the Bank and the Treasury may need to report jointly or separately to the Minister alongside the Panel's report.

Annexure – proposed timetable for agreeing a terms of reference

Date/deliverable	Comments
2 March – Panel meeting	<p>The objective of this meeting is to have an exploratory discussion on the areas Phase 2 could cover and options for its scope. Issues that will be covered include:</p> <ul style="list-style-type: none"> • Procedural matters including the approach of the Panel to providing advice to the Minister on Phase 2 • Context on the current regime, how it has evolved and views on the status quo • Themes that have emerged from stakeholder engagement (noting that stakeholder engagement may not be complete at this stage and feedback will be largely oral) • A range of options for the scope of phase 2 noting areas of agreement and difference between the Bank and Treasury • Residual issues arising from Phase 1
9 March – final date for written submissions	Officials will draft a report on stakeholder feedback for consideration by the Panel and for the Minister’s information
12/13 March – advice to the Panel	The Treasury and the Bank will provide advice to the Panel on options for the terms of reference, with supporting rationales
16 March – Panel meeting	The objective of this meeting is to work through specific options with the panel to assist their decision making on recommendations to the Minister.
29 March – Report to the Minister	<p>The Minister will receive:</p> <ul style="list-style-type: none"> • Advice from the panel • A draft terms of reference • Any additional advice from the Bank and Treasury
6 April – meeting with the Minister (tbc)	Officials will meet with the Minister to discuss the advice and the terms of reference. The objective will be to determine what the Minister would like to present to Cabinet
13 April – Consultation on Cabinet paper	A Cabinet Paper will be sent to Ministers Office for consultation
19 April – Lodge Cabinet paper	Cabinet paper lodged in Cab-Net
23 April – Cabinet Committee meeting	Cabinet Committee considers the paper prior to Cabinet
30 April – Cabinet meeting	Agreement to a terms of reference for Phase 2 (potentially together with agreement to more technical/consequential matters arising from Phase 1).
After 30 April – Terms of reference announced	<p>We suggest that the Terms of Reference will be announced by the Minister of Finance at a same time as the detailed outcomes for Phase One.</p> <p>Publication of the terms of reference on the Treasury and Reserve Bank websites.</p>