Office of the Mayor

Hon Simon Watts
Minister of Local Government
Parliament Buildings
Wellington 6160
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10 November 2026

Tēnā koe Minister Watts

Request for exception under section 260A of the Local Government Act 2002 – Finance & Performance Committee

Thank you for your letter of 29 September 2026 regarding the changes to voting and quorum rights for non-elected members of Council committees.

At its meeting on 21 October 2026, Manawatū District Council resolved to seek an exception under section 260A of the Local Government Act 2002 to enable the non-elected Chairperson and Deputy Chairperson of its Finance & Performance Committee to continue to vote and be counted towards quorum for the remainder of the 2025–2028 triennium.

Role of the Committee and its non-elected members

The Finance & Performance Committee provides oversight of Council's financial and organisational performance, risk management, internal controls, internal and external audit, and legislative compliance.

Council has appointed two independent, non-elected members to the Committee, who hold the positions of Chairperson and Deputy Chairperson. The Chairperson is a Chartered Accountant, while the Deputy Chairperson holds a law degree and has extensive legal experience.

These appointments provide independent leadership and specialist expertise that complement the experience of elected members, particularly in the areas of financial management, risk and assurance.

Council's approach is consistent with longstanding guidance from the Office of the Auditor-General, which has repeatedly emphasised the importance of independent membership on council Audit and Risk Committees. In its report *Insights into local government: 2020*, the Auditor-General stated that effective Audit and Risk Committees need independent members, particularly an independent Chairperson. This position was reiterated in its 2022 guidance, *Setting up a council's Audit and Risk Committee*.

Council's Finance & Performance Committee performs the same core audit, risk and assurance functions. Council considers that its independent Chairperson and Deputy Chairperson appointments are consistent with the Auditor-General's recommendations and contribute to effective governance and independent oversight.

Justification for the exception

Council considers that retaining voting and quorum rights for these two members is desirable to support the effective governance of its financial, risk and assurance functions.

The independent members were appointed not simply to provide technical advice, but to participate fully in the Committee's collective governance and decision-making. Their ability to vote ensures that their independent professional judgement can contribute directly to the Committee's decisions.

Without an exception, both members could continue to chair meetings, provide advice and contribute to discussions. However, they would be unable to participate in formal decisions or count towards quorum. Council considers that this would diminish the effectiveness of their governance roles and create an undesirable distinction between their responsibilities for leading the Committee and their ability to participate in its decisions.

Democratic accountability and statutory framework

Council recognises the Government's objective of strengthening democratic accountability and considers that the proposed exception can be accommodated without undermining that objective.

The requested exception would not change the Committee's existing accountability arrangements. Elected members would continue to be represented on the Committee, while Council would retain responsibility for determining its membership, terms of reference and delegations. Matters reserved to Council would continue to be determined by elected members.

Council considers that the exception is consistent with the framework provided by section 260A, which expressly allows exceptions where they are considered necessary or desirable. The request is limited to two specific governance positions and to the current triennium, rather than seeking a general or indefinite exception.

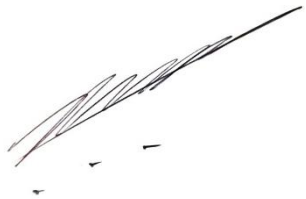
Council is not relying on a comparable statutory precedent for this request. Rather, it considers that the specialist nature of the Committee's responsibilities, together with the independent leadership and expertise provided by its Chairperson and Deputy Chairperson, justify an exception on its particular merits.

Request

Council therefore requests that you recommend to the Governor-General an exception from clauses 23(4) and 31A(1) of Schedule 7 of the Local Government Act 2002, enabling the non-elected Chairperson and Deputy Chairperson of the Finance & Performance Committee to continue to vote and be counted towards quorum for the remainder of the 2025–2028 triennium.

A copy of Council resolution MDC 25-28/447 is enclosed in support of this request.

Yours sincerely



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Mayor
Manawatū District Council



Shayne Harris
Chief Executive
Manawatū District Council