



**chatham islands council**

# Performance Audit & Risk Committee

MEETING PACK

for

**PARC Meeting**

Monday, 16 March 2026

11:00 am (+1345)

Held at:

Chatham Islands Council

13 Tuku Road, Chatham Islands

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# AGENDA

## PARC MEETING



<b>Name:</b>	Performance Audit & Risk Committee
<b>Date:</b>	Monday, 16 March 2026
<b>Time:</b>	11:00 am to 1:00 pm (+1345)
<b>Location:</b>	Chatham Islands Council, 13 Tuku Road, Chatham Islands <a href="https://teams.microsoft.com/l/meetup-join/19%3ameeting_MzkyZTY2YzEtZWQ3MS00YjkwLWI0YzAtYzdiMWRhN2VINWFh%40thread.v2/0?context=%7b%22Tid%22%3a%2297fe9e71-ae23-445e-8c38-f2ad55476cec%22%2c%22Oid%22%3a%2238923941-e481-4887-903d-9c4f924faac0%22%7d">https://teams.microsoft.com/l/meetup-join/19%3ameeting_MzkyZTY2YzEtZWQ3MS00YjkwLWI0YzAtYzdiMWRhN2VINWFh%40thread.v2/0?context=%7b%22Tid%22%3a%2297fe9e71-ae23-445e-8c38-f2ad55476cec%22%2c%22Oid%22%3a%2238923941-e481-4887-903d-9c4f924faac0%22%7d</a>
<b>Committee Members:</b>	Mr Philip Jones (Committee Chair), Cr Celine Gregory-Hunt, Cr Graeme Hoare, Mayor Greg Horler, Cr Jenna Hoverd
<b>Attendees:</b>	Ms Colette Peni, Ms Denise Thomas, Ms Jo Guise, Ms Tanya Clifford, Mr Bob Penter

## 1. Opening Meeting

### 1.1 Apologies

N/A

### 1.2 Interests Register

Supporting Documents:

1.2.a	Interests Register	6
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### 1.3 Action List

Supporting Documents:

1.3.a	Action List	7
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## 2. Confirm Minutes

### 2.1 PARC Meeting Minutes 9 February 2026

11:00 am (2 min)

#### For Decision

For the PARC to confirm the minutes from the previous meeting.

Supporting Documents:

2.1.a	2.1 Minutes of PARC Meeting .pdf	8
2.1.b	Public 9 Feb 2026 Minutes PARC Meeting.pdf	9

### 3. Financial Report

#### 3.1 Financial Report

11:02 am (10 min)

##### For Information

For the PARC to receive the financial report to 28 February 2026.

Supporting Documents:

3.1.a	3.1 Financial Report.pdf	14
3.1.b	PARC Feb 2026.pdf	15

#### 3.2 Annual Plan 2026/27 – draft budget

11:12 am (10 min)

##### For Decision

Supporting Documents:

3.2.a	3.2 Budget review PARC February.pdf	18
3.2.b	3.2 Initial budget 202627.pdf	23

### 4. PARC Reports

#### 4.1 Delegations Register

11:22 am (10 min)

##### For Decision

Supporting Documents:

4.1.a	4.1 Review of Delegations Register & Inclusion of Interim CEO.pdf	26
4.1.b	Delegation Register March 2023 (Final).pdf	28

#### 4.2 District Licensing Committee – Membership and Reporting Update

11:32 am (5 min)

##### For Decision

Supporting Documents:

4.2.a	x4.3 District Licensing Committee Membership and Reporting Update.pdf	56
4.2.b	3.1_AL1168_Selecting_and_appointing_DLCs.pdf	62
4.2.c	co-25-2-cabinet-fees-framework-v3.pdf	106

### 5. Public Excluded

#### 5.1 Move to Public Excluded

Supporting Documents:

5.1.a	PE Cover Page .pdf	147
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#### 5.2 Public Excluded Minutes 9 February 2026

11:37 am (2 min)

##### For Decision

Supporting Documents:

5.2.a	PE 5.2 PE Minutes 9 February 2026.pdf	148
5.2.b	PE PARC Minutes 9 Feb 2026.pdf	149

### 5.3 Water Tanks Update

#### For Discussion

Supporting Documents:

5.3.a	PE.3 Water Tanks Update.pdf	151
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### 5.4 Correspondence to ECan

11:39 am (10 min)

#### For Discussion

To provide the PARC correspondence sent to ECan.

Supporting Documents:

5.4.a	PE 5.4 Correspondence to ECan.pdf	154
5.4.b	CEO letter to ECAN 4mar26.pdf	156
5.4.c	MAR2026 - Letter to Interim CE - Chatham Islands Council.pdf	158

### 5.5 Move out of Public Excluded

## 6. Close Meeting

### 6.1 Close the meeting

**Next meeting:** PARC Meeting - 15 Jun 2026, 11:00 am

As there was no further business the meeting closed at 11.39am.

# Interests Register

## Performance Audit & Risk Committee



*As of: 16 Mar 2026*

Person	Organisation	Active Interests	Notice Date
<b>Mayor Greg Horler</b>	Awarakau Homestay	3.3 Sensitive Expenditure - Owner of Awarakau Homestay	9 Feb 2026

# Action List

## Performance Audit & Risk Committee



As of: 13 Mar 2026

### Cost reduction programme

Cancelled

A draft cost reduction programme would be presented to the Chair by 21 August 2024

**Due Date:** 21 Aug 2024  
**Owner:** Mr Paul Eagle  
**Meeting:** 29 Jul 2024 PARC Meeting, 3.1 Financial Report

#### Latest Update:

To date, no formal feedback or direction has been received from DIA regarding the assurance process, the \$4.2m support package, or expectations around prioritising core services. The council is therefore still in a state of uncertainty.

It was suggested that the Mayor and Chair formally write to DIA requesting:

- Clear feedback from their assurance review; and
- The formal report outlining activities where DIA considers reduced levels of service could be acceptable.

Philip Jones noted this report is essential to inform the annual plan and support the auditors' going-concern assessment. The committee agreed to follow up with DIA to obtain the documentation they had indicated would be provided.

Ms Jo Guise | 3 Dec 2025

### Write formally

Not Started

Formally write to DIA requesting:

- Clear feedback from their assurance review; and
- The formal report outlining activities where DIA considers reduced levels of service could be acceptable.

Philip Jones noted this report is essential to inform the annual plan and support the auditors' going-concern assessment. The committee agreed to follow up with DIA to obtain the documentation they had indicated would be provided.

**Due Date:** 31 Dec 2025  
**Owners:** Mayor Greg Horler, Mr Philip Jones  
**Meeting:** 3 Dec 2025 PARC Meeting, 1.3 Action List

### Legal Expenses

Not Started

A detailed breakdown of legal expenses be prepared and reported in public excluded to provide clearer oversight of the amounts involved.

**Due Date:** 16 Mar 2026  
**Owner:** Ms Colette Peni  
**Meeting:** 9 Feb 2026 PARC Meeting, 6.2 Public Excluded Minutes 3 December 2025



## Performance, Audit and Risk

### 2.1 Minutes of PARC Meeting 9 February 2026

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<b>Date of meeting</b>	16 March 2026
<b>Agenda item number</b>	2.1
<b>Author/s</b>	Jo Guise, Executive Assistant

#### **Purpose**

To present the minutes from the Performance, Audit & Risk meeting held on 9 February 2026.

#### **Recommendations**

**THAT the minutes of the Performance, Audit & Risk meeting held on 16 March 2026 be received.**

# MINUTES (in Review)

## PARC MEETING



<b>Name:</b>	Performance Audit & Risk Committee
<b>Date:</b>	Monday, 9 February 2026
<b>Time:</b>	11:00 am to 11:39 am (+1345)
<b>Location:</b>	Chatham Islands Council, 13 Tuku Road, Chatham Islands
<b>Committee Members:</b>	Mr Philip Jones (Committee Chair), Mayor Greg Horler, Cr Celine Gregory-Hunt, Cr Jenna Hoverd
<b>Attendees:</b>	Ms Colette Peni, Ms Jo Guise, Ms Denise Thomas, Ms Tanya Clifford
<b>Apologies:</b>	Cr Graeme Hoare

## 1. Opening Meeting

### 1.1 Apologies



#### Apologies

That the apology for Cr Graeme Hoare be received.

<b>Decision Date:</b>	9 Feb 2026
<b>Mover:</b>	Mayor Greg Horler
<b>Seconder:</b>	Mr Philip Jones
<b>Outcome:</b>	Approved

### 1.2 Interests Register

### 1.3 Action List

Due Date	Action Title	Owner(s)
31 Dec 2025	Write formally <b>Status:</b> Not Started	Mayor Greg Horler, Mr Philip Jones

## 2. Confirm Minutes

### 2.1 PARC Meeting Minutes 3 December 2025



#### PARC Minutes 3 December 2025

THAT the minutes of the Performance, Audit & Risk meeting held on 3 December 2025 be received.

<b>Decision Date:</b>	9 Feb 2026
<b>Mover:</b>	Mayor Greg Horler
<b>Seconder:</b>	Cr Jenna Hoverd
<b>Outcome:</b>	Approved

### 3. Financial Report

#### 3.1 Financial Report



##### Financial Report

That the Performance, Audit & Risk Committee receives the report to 31 January 2026.

<b>Decision Date:</b>	9 Feb 2026
<b>Mover:</b>	Cr Jenna Hoverd
<b>Seconded:</b>	Mayor Greg Horler
<b>Outcome:</b>	Approved

Ms Tanya Clifford spoke to the financial report, noting that while the figures provide useful trends, the report had not yet been fully reviewed by all relevant staff. She invited questions from members.

Key points noted:

- **Legal Fees:** Expenditure is tracking approximately \$250,000 over budget, creating pressure on overall finances. Further detailed discussion is to occur in public excluded due to legal privilege.
- **Savings & Offsetting Costs:** Members noted the need for a clear savings plan to offset higher expenditure areas or identify additional revenue sources, including potential grants.
- **Revenue Concerns:** Income from fees and charges, interest on investments, and other income is currently below budget. In particular, "Other Income" is significantly under budget year-to-date, raising concerns about whether full-year targets will be achieved.
- **Forecasting Methodology:** Forecasts are currently based on budget less actuals to date, with adjustments to be made as the year progresses if trends change.
- **Cash Position:** Based on current projections, Council may exceed its \$500,000 overdraft limit by year-end, although some variance relates to the timing of grant-funded expenditure.
- **Accruals:** January accruals have been estimated primarily for major contractors and are based on costs incurred to date.

Overall, the report highlighted financial pressures in legal expenditure and income forecasting, with further refinement of projections requested for future reporting.

#### 3.2 ANZ Credit Card Summary



##### ANZ Credit Card Summary

That the Performance, Audit & Risk Committee receives the report.

<b>Decision Date:</b>	9 Feb 2026
<b>Mover:</b>	Mr Philip Jones
<b>Seconded:</b>	Cr Jenna Hoverd
<b>Outcome:</b>	Approved

The Committee discussed the level of detail provided in accommodation and travel expenses within the public report.

The Chair noted that while members understood the circumstances (e.g., weather-related travel delays), the report is a public document and should clearly explain why costs were incurred. Greater transparency was requested so that readers can understand whether additional costs were due to weather disruptions, airline issues, or official Council business.

Mayor Horler confirmed his extended accommodation costs were due to attending LGNZ and stakeholder meetings, combined with weather-related flight cancellations.

It was agreed that future reports should include clearer descriptions of the purpose of travel (e.g., specific forums or meetings attended) to better reflect the context and ensure transparency for the public.

### 3.3 Sensitive Expenditure Breakdown to December 2025



#### Sensitive Expenditure Breakdown to December 2025

That the Performance, Audit & Risk Committee receives the report.

**Decision Date:** 9 Feb 2026  
**Mover:** Mr Philip Jones  
**Seconder:** Cr Jenna Hoverd  
**Outcome:** Approved

The Committee considered the Sensitive Expenditure breakdown and discussed the level of detail provided in the report.

The Chair sought clarification on several entries, including accommodation costs and payments to named suppliers and individuals. It was noted that while members understood the context, the report would benefit from clearer detail, including:

- The role of the individual or contractor
- Number of nights (where accommodation is involved)
- Approval authority
- Clear identification rather than initials

The Chair also highlighted the need to be mindful of obligations under the Members' Interests Act where payments are made to businesses associated with elected members, including annual financial limits and potential requirement for approval from the Office of the Auditor-General.

Members acknowledged this was the first time reporting had been presented at this level of detail and agreed that further refinement and additional information would improve transparency in future reports.

## 4. Annual Plan

### 4.1 Annual Plan Process and Timeline Update



#### Annual Plan Process and Timeline Update

That the Performance, Audit & Risk Committee:

1. Notes the information in the report

**Decision Date:** 9 Feb 2026  
**Mover:** Cr Celine Gregory-Hunt  
**Seconder:** Cr Jenna Hoverd  
**Outcome:** Approved

Ms Tanya Clifford presented the report and noted that the proposed rates increase may be one of the larger increases, reflecting Council's earlier decision to improve affordability and financial sustainability. She advised this may be something Council wishes to revisit.

The Chair clarified that proposed rates capping legislation was not expected to take effect until 2029 and had not yet been introduced to Parliament. Therefore, it would not impact the current Annual Plan but may affect the next Long Term Plan.

It was also noted that, due to recent legislative changes, Council must now separately disclose three waters (water, wastewater, and stormwater) information in the Annual Plan. While this does not require consultation, it would require changes to the format and additional disclosure detail.

Members discussed timing, with the Annual Plan budget likely to be considered within the next month, potentially at the upcoming March Committee meeting. It was noted that interim audit work was currently underway.

## 5. Riskpool

### 5.1 Riskpool Update



#### Riskpool Update

THAT the Performance, Audit & Risk Committee:

1. Notes the information in the report.

**Decision Date:** 9 Feb 2026  
**Mover:** Mr Philip Jones  
**Seconder:** Mayor Greg Horler  
**Outcome:** Approved

## 6. Public Excluded

### 6.1 Move to Public Excluded



#### Move to Public Excluded

THAT the public be excluded from the following part of the proceedings of the meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	Minutes / Report of:	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
PE 6.2	Chief Executive Officer	PX PARC Minutes 3 December 2025	Good reason to withhold exists under Section 7	Section 48(1)(a)



Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by holding the whole or relevant part of the proceedings of the meeting in public, are as follows:

ITEM NO.	GENERAL	SECTION	SUBCLAUSE AND REASON

	<b>SUBJECT OF EACH MATTER TO BE CONSIDERED</b>		
PE 6.2	PE PARC Minutes 3 December 2025	7(2)(b)(ii)  7(2)(h) 7(2)(i)	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information.  To maintain legal professional privilege.  To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities.

and that staff remain in attendance to assist the committee.



**Decision Date:** 9 Feb 2026  
**Mover:** Cr Jenna Hoverd  
**Seconder:** Mayor Greg Horler  
**Outcome:** Approved

## 7. Close Meeting

### 7.1 Close the meeting

**Next meeting:** PARC Meeting - 16 Mar 2026, 11:00 am

As there was no further business the meeting closed at 11.39am.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_



## Performance, Audit & Risk Committee

### 3.1 Financial Report

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<b>Date of meeting</b>	16 March 2026
<b>Agenda item number</b>	3.1
<b>Author/s</b>	Bob Penter, Interim Chief Executive / Tanya Clifford, ECan

#### **Purpose**

To present to the Performance, Audit & Risk Committee the financial report.

#### **Recommendations**

**That the Performance, Audit & Risk Committee receives the report.**

## Summary revenue and expense for the month ended 28 February 2026

	Budget to Feb. \$000	Actual to Feb. \$000	Forecast Mar. to June \$000	Year end Forecast \$000	Year end Budget \$000
<b>Revenue</b>					
General rates	409	431	-	431	409
Targeted rates	464	465	-	465	464
Rate penalties	-	15	-	15	-
<b>Total rates</b>	<b>873</b>	<b>912</b>	<b>-</b>	<b>912</b>	<b>873</b>
Operating subsidies and grants	5,354	5,982	566	6,548	5,930
Capital subsidies and grants	2,391	2,117	1,469	3,586	3,586
<b>Total subsidies and grants</b>	<b>7,745</b>	<b>8,099</b>	<b>2,035</b>	<b>10,134</b>	<b>9,516</b>
Fees and charges	118	53	27	80	177
Council dues	194	165	83	248	291
Petrol income	369	345	173	518	553
Interest on investments	31	8	4	12	47
Other income	199	178	89	267	298
<b>Total revenue</b>	<b>9,529</b>	<b>9,760</b>	<b>2,410</b>	<b>12,170</b>	<b>11,755</b>
<b>Expenditure</b>					
Employment benefits (including elected members)	797	845	423	1,268	1,196
Contractors, roading (FH, Stantec)	1,275	1,266	633	1,899	1,912
Contractors, water & wastewater (FH, Stantec)	344	314	272	586	516
Contractors, waste management (FH, Stantec)	477	366	183	549	716
Other key contractor, ECan	690	263	282	545	1,035
Other contractors	182	67	34	101	273
Petrol expense	351	285	143	428	527
Audit fees	81	73	37	110	121
Legal fees	32	278	20	298	48
Insurance	151	173	-	173	227
Rent	255	272	136	408	383
Depreciation and amortisation	1,545	1,804	902	2,706	2,317
Other expenditure	791	578	689	1,267	1,186
<b>Total expenditure</b>	<b>6,971</b>	<b>6,584</b>	<b>3,752</b>	<b>10,336</b>	<b>10,457</b>
<b>Total surplus/deficit</b>	<b>2,557</b>	<b>3,176</b>	<b>(1,342)</b>	<b>1,834</b>	<b>1,298</b>
Capital expenditure	2,717	2,417	1,658	4,075	4,075
Loan repayments	-	-	-	-	-

### Notes to the report:

\* The "year-end budget" figures reflect those adopted in the Annual Plan and have not been adjusted for expected savings.

\* Estimates for key contracts have been included for February due to reporting timeframes.

### Revenue and expenditure overview:

**Rates revenue:** All rates for the year have been issued. The third instalment is due on 14 February 2026. Small variances may arise from penalties or database updates. Work to recover rate arrears is progressing, but slowly.

**Grants:** The roading subsidy is based on 88% of actual costs. Due to timing of report preparation, claims have been processed up to January.

**Other revenue:** Petrol receipts aim to cover operational costs. Timing differences between purchase and sale of petrol may impact results.

**Infrastructure projects:** This includes roading, water, wastewater, and waste management. Limited funding continues to restrict three waters work, reducing the level of service Council can provide. Insufficient investment in asset maintenance increases the risk of asset failure.

**Contractor, ECan:** Invoices are now issued quarterly based on actual costs, forecast has been updated to reflect reduced service level agreement, total annual expenditure of approximately \$500k.

**Contractor, Others:** Covers resource management services and minor works related to licensing.

**Legal fees & insurance:** forecast has been updated. If further funds are required in these areas, it will reduce allocation to 'other expenditure'.

**Other expenditure:** There are no major issues to highlight. Grants totalling \$147k have been distributed for community initiatives. Council is still holding funds from several earlier grants (NKMR, LWDW, NKMR feasibility & water tanks) where final allocations are pending. Most water tanks have been installed except for six. These transactions have not been reflected in the 2025/26 budget, but have been incorporated into the forecast as they will increase cash demands later in the year, if called upon.

**Overall comment:** The approved 2025/26 budget forecasts a cash deficit of \$598k. While the 2024/25 year-end cash position was better than expected, upcoming payments related to grants received in advance will place further pressure on cashflow. Given these constraints, identifying and implementing cost savings is increasingly urgent to ensure the Council remains financially sustainable.

### Summary statement of cash flows for the month ended 28 February 2026

	Budget to Feb. \$000	Actual to Feb. \$000	Forecast Mar. to June \$000	Year end Forecast \$000	Year end Budget \$000
<b>Cash inflow from operating activities</b>					
Receipts from rates revenue	556	708	-	708	834
Receipts from grants and subsidies	7,770	7,765	2,035	9,800	9,554
Receipts from fees & charges	43	118	27	145	65
Receipts from Council Dues	208	160	83	243	312
Interest received	31	8	173	181	47
Receipts from other revenue	515	797	93	890	773
<b>Cash inflow from operating activities</b>	<b>9,124</b>	<b>9,556</b>	<b>2,410</b>	<b>11,966</b>	<b>11,585</b>
<b>Cash outflow from operating activities</b>					
Payments made to employees (including elected members)	(773)	(761)	(423)	(1,184)	(1,160)
Payments made to key contractors, FH & Stantec	(2,096)	(1,647)	(1,203)	(2,850)	(3,144)
Payments made to key contractors, ECan	(690)	(294)	(282)	(576)	(1,035)
Interest paid	-	-	-	-	-
Other payments made to suppliers	(1,722)	(1,780)	(1,478)	(3,258)	(2,583)
<b>Cash outflow from operating activities</b>	<b>(5,281)</b>	<b>(4,482)</b>	<b>(3,385)</b>	<b>(7,867)</b>	<b>(7,922)</b>
<b>Net cash flow from operating activities</b>	<b>3,843</b>	<b>5,074</b>	<b>(975)</b>	<b>4,099</b>	<b>3,663</b>
<b>Cash flow from investing activities</b>					
Purchase of fixed assets	(2,841)	(3,002)	(1,658)	(4,660)	(4,261)
Sale/(purchase) of other assets	-	-	-	-	-
<b>Net cash flow from investing activities</b>	<b>(2,841)</b>	<b>(3,002)</b>	<b>(1,658)</b>	<b>(4,660)</b>	<b>(4,261)</b>
<b>Cash flow from financial activities</b>					
Loans raised/(transfer to investments)	(2,658)	-	-	-	-
Repayment of loans or grants	-	-	(300)	(300)	-
<b>Net cash flow from financial activities</b>	<b>(2,658)</b>	<b>-</b>	<b>(300)</b>	<b>(300)</b>	<b>-</b>
<b>Increase/(decrease) in cash held</b>	<b>(1,656)</b>	<b>2,072</b>	<b>(2,933)</b>	<b>(861)</b>	<b>(598)</b>
Opening cash balance	110	557	2,629	557	110
<b>Closing cash balance</b>	<b>(1,546)</b>	<b>2,629</b>	<b>(304)</b>	<b>(304)</b>	<b>(488)</b>

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This report draws the readers attention to the **increase/(decrease) in cash held** and the **closing cash balance** line items in the cash flow report. If expenditure is not reduced, Council may need to extend the overdraft facility currently \$500k.

**Rates receipts:** No issues to highlight.

**Contractor expenditure:** No issues to highlight

**Other expenditure:** adjustments have been made (highlighted in orange) to reflect the distribution of grants received in advance, this may not occur prior to 30 June 2026.

## Cashflow reconciliation to net surplus/deficit for the month ended 28 February 2026

	Budget to Feb. \$000	Actual to Feb. \$000	Forecast Mar. to June \$000	Year end Forecast \$000	Year end Budget \$000
<b>Total surplus/deficit</b>	<b>2,557</b>	<b>3,176</b>	<b>(1,342)</b>	<b>1,834</b>	<b>1,298</b>
<i>Adjust for:</i>					
remove depreciation	1,545	1,804	902	2,706	2,317
capital expenditure adjustments	(2,717)	(2,417)	(1,658)	(4,075)	(4,075)
other financial and timing adjustments	(3,041)	(491)	(835)	(1,326)	(138)
<b>Calculated total</b>	<b>(1,656)</b>	<b>2,072</b>	<b>(2,933)</b>	<b>(861)</b>	<b>(598)</b>
<b>Cash increase/(decrease) for the period</b>	<b>(1,656)</b>	<b>2,072</b>	<b>(2,933)</b>	<b>(861)</b>	<b>(598)</b>

## Grants summary for the month ended 28 February 2026

	Budget to Feb. \$000	Actual to Feb. \$000	Forecast Mar. to June \$000	Year end Forecast \$000	Year end Budget \$000
<b>Grants received</b>					
Department of internal affairs (annual appropriation)	4,203	4,203	-	4,203	4,203
NZ Transport Agency Waka Kotahi	3,517	3,240	2,035	5,275	5,275
Better off funding	-	267	-	267	-
Other	25	389	-	389	38
<b>Total grants</b>	<b>7,745</b>	<b>8,099</b>	<b>2,035</b>	<b>10,134</b>	<b>9,516</b>



## Performance, Audit & Risk Committee

### 3.2 Annual Plan 2026/27 – draft budget

<b>Date of meeting</b>	16 March 2026
<b>Author/s</b>	Bob Penter, Interim Chief Executive / Tanya Clifford, ECan

#### Purpose

For the Performance, Audit & Risk Committee to provide a view to Council on whether the draft 2026/27 budget is significantly or materially different to that estimated in year three of the 2024-34 Long-Term Plan.

This is to comply with to the decision-making provisions within the Local Government Act 2002. Noting:

- Cost savings review is currently underway, with any achieved savings to be incorporated into opening balances of the budget.
- Further adjustments may be integrated into the 2026/27 Annual Plan budget as cost saving initiatives are implemented and alternative revenue avenues secured.
- The 2026/27 budget was prepared based on the outlined assumptions in the document.
- The proposed capital expenditure for 2026/27 are limited to roading works.
- The financial information will form part of the 2026/27 Annual Plan.
- *For clarity, the purpose is not to confirm the 2026/27 budget at this stage, rather it is to identify whether there is any significant difference to the comparative budget in the Long-Term Plan, which would require further community consultation. The 2026/27 budget will be confirmed in June 2026, along with the Annual Plan adoption and rates strike.*

#### Recommendations

That the Performance, Audit & Risk Committee considers for recommendation to Council:

1. provides direction for Council consideration on whether the changes to the draft 2026/27 budget are significantly or materially different to that estimated in year three of the 2024-34 Long-Term Plan.
2. to note the underlying assumptions as applied to the 2026/27 Annual Plan as reflective of the current operating environment.
3. to note the proposed capital expenditure (noting further capital expenditure may occur if grant funding is secured).
4. to note the draft 2026/27 budget, subject to further cost saving initiatives being implemented.

## Background information

The Long-Term Plan (LTP) is a planning document required under the Local Government Act 2002 that sets out a Council's priorities in the medium to long term. Whilst the plan is for a 10-year period, the document is revised every three years. Its purpose is to –

- Describe the council's activities and the community outcomes it aims to achieve.
- Provide integrated decision-making and coordination of the resources.
- Provide a long-term focus.
- Show accountability to the community.
- Provide an opportunity for participation by the public in council decision-making processes.

An annual plan is completed once a year and focuses on year-to-year budgets. Councils prepare an annual plan in each of the two years between LTP reviews and set out in them what the council plans to do in the next 12 months to move towards achieving its goals.

These plans are adopted before the start of the financial year in July. Whether the Council is required to consult with the public is at the Council's discretion and is dependent on the level of change between the proposed Annual Plan budget and that of the comparative budget in the Long-Term Plan for that year.

## Our underlying assumptions

The 2026/27 Annual Plan has been prepared using the following assumptions:

- **Annual Crown Contribution:** Council currently receives an annual appropriation of \$4.2 million as a contribution to the operational costs of Council's statutory responsibilities. The level of support is not determined until May each year, as part of the appropriation process, so a significant level of uncertainty related to funding exists. Funding for the 2026/27 financial year is anticipated to be \$4.2 million. The Long-Term Plan assumed the annual appropriation would include an inflationary adjustment, this assumption difference has resulted in a \$200k decrease in grant income recognised.
- **NZ Transport Agency Waka Kotahi subsidy rates:** The current Funding Assistance Rate provided by Waka Kotahi is 88% of total roading expenditure. It is assumed the financial subsidy will continue at this rate. the approved Waka Kotahi programme of work for the three-year period ending 2027. The Long-Term Plan assumed an expenditure and grant levels reflective of the initial draft application, with the final agreed programme slightly lower than applied for, this assumption difference has resulted in a \$200k reduction in grant income recognised.
- **Expenditure assumptions:** The council has engaged the services of several organisations to fulfil its statutory responsibilities. Where this is the case, agreed service amounts have been incorporated into the draft budget. In all other cases, inflated 2024/25 actual costs have been used. Draft budget figures have then been reviewed on a line-by-line basis to assess the reasonableness of the estimate and adjusted accordingly. The expenditure assumption include two significant areas of high uncertainty, which might have further implications on the budget:
  - Three waters expenditure is base on inflated 2024/25 figures, but these may be too low when compared with the Long-Term Plan and potential expected costs of transitioning to the new Local Water Done Well plan.
  - The contract for regional council services and corporate support will cease on 30 June 2026. These services will need to be provided by a new service provider, which ongoing costs (including any transitional costs) are yet to be determined. These costs have been estimated at \$1 million. If a reduced

services approach is to be adopted, then these costs could be lower. Alternatively, if service arrangements are higher, then this will have a detrimental impact on the budget.

- Rates, growth and other inflationary price changes:** Rate increases are 6.75%, reflecting an inflationary adjustment and an additional affordability increase of 3% as agreed in the 2024-34 Long-Term Plan. In light of the Government's direction signalling a move toward a rates-capping environment, it is anticipated that many councils may seek to align with this approach ahead of any formal requirements. This is particularly relevant in the current economic climate, where higher rates increases are proving to be increasingly unpalatable for communities. In this context, the Council's proposed rates increase of 6.75% may be comparatively higher when considered against emerging national trends.

  - It has been assumed that the population base will remain stable for the foreseeable future.
  - It has been further assumed that the number of rateable properties will not change significantly over the period. Council assumes any ratepayer financial hardships will be managed through the rates remission and postponement policy.
  - Future price level adjustments are based on those recommended to Local Government by BERL. The Chatham Islands' isolation and small population result in a higher cost of living overall compared with the rest of New Zealand. To incorporate the higher costs of living and transportation impacts into Council's budgetary assumptions, an additional adjustment of 0.75% to price movements has been made.
- **Legislative change:** No provision has been made for the impact of legislative or other changes in the Annual Plan. Council does not have the ability to fund higher levels of expenditure driven by legislative change unless additional funding support is provided from Central Government. If such funding is not provided, the Council will be unable to comply with the legislation.
- **Climate change:** No significant financial adjustments related to climate change impacts has been included in the financial forecast.
- **Resilience of infrastructure related to natural hazards:** Financial estimates exclude the financial implications of a natural disaster as it is not possible to quantify any impact on Council. Although Council is insured, not all costs would be covered.
- **The Three Waters reform:** Changes giving effect to the Government's reform of New Zealand's drinking water, wastewater and stormwater services are underway. There exist significant uncertainties in relation to the final application of legislation on Council. While the exact funding mechanisms and legislative obligations are currently unclear, the Council has assumed for 2026/27, ownership and management of Council's three water assets will sit with the Council. No adjustment has been made to reflect the additional compliance costs of meeting the revised legislative requirements, any additional ongoing costs are expected to be funding through an increase to the annual appropriation.
- ~~**Island activities:** consultation is currently ongoing with the community on future options related to the organisation and management of Chatham Islands Council and other organisations on the Island. It is assumed for the purposes of the 2026/27 budget, the status quo will remain the same. As a result of public consultation and Council direction, the management environment may change, which may require budgetary adjustments in year.~~
- **Opening balances:** Opening balances are estimated based on closing 2024/25 actual balances, adjusted for the expected value of transactions, initially based on information in the 2025/26 Annual Plan. Actual results may vary and may impact on

the level of future required savings for 2026/27 to remain financially viable by 30 June 2027.

- **Asset revaluations:** An asset revaluation was expected to occur in the 2024-34 Long-Term Plan in 2026/27, but it is like to occur in the prior year (2025/26), an adjustment of \$21 million this has been incorporated into the opening balances and removed from 2026/27 transactions. The revaluation will predominately have an impact on the balance sheet only, but the increase in asset values will have a minor impact on the depreciation charge in 2026/27.

## Our capital expenditure

With the exception of roading capital works identified in the Long-Term Plan for year three, no other capital purchases have been identified. During the course of the 2026/27 financial year, Council may secure additional grant funding to invest in other capital projects, the budget does not include any essential capital upgrades where funding has not been secured, for example water upgrades.

Property, plant and equipment opening balances are assumed to reflect the closing balance as at 30 June 2024/25, adjusted for estimated additions, depreciation and revaluation for the 2025/26 financial year. Subsequent review may identify other items that require to be added to/removed from this balance and this may impact on the opening property plant and equipment balance.

## Our budget

- Our budget for the 2026/27 financial year is based on inflated actual figures for 2024/25. However, key balances, including: roading (Stantec/Fulton Hogan contract), three waters, estimated regional council and corporate services contract, salary information and depreciation expenditure estimates have been updated as with the annual appropriation.
- Based on previous PARC/Council recommendation as part of the 2024 Long-Term Plan process, the rates increase reflects inflation plus a 3% additional adjustment to the base rate.
- The budget has been reviewed for reasonableness, with adjustments made to remove transactions not expected to occur in 2026/27. For example, a one-off grant that is unlikely to be repeated in the future.
- Opening balances have been estimated based on best available information, with actual results likely to differ, depending on the actual level of change in the opening balances. This may have an impact on Council's financial viability and create further need to review their 2026/27 budget to ensure the Council has sufficient liquidity as at 30 June 2026.
- Based on this work performed, a surplus of **\$0.3 million** is expected, along with a negative cash movement of **\$0.05 million** and reserve contribution of **\$0.1 million**. While the balanced budget assumption is met, the ongoing situation of reserve funding capital works and the impact on the bank balance is now starting to be experienced. Further review to identify additional cash savings or alternative revenue avenues are advised to be investigated, to ensure Council can continue to operate in a financially sustainable manner.
- The expected closing cash balance as at 30 June 2027 is **\$327 thousand**, of which **\$345 thousand** is held in Trust as seed funding for the Normal Kirk Memorial Reserve.

## Attachments

2026/27 Annual Plan financial extract.

## Statement of Comprehensive Revenue and Expense

	Actual 2024/25 \$000	Long-Term Plan 2024/25 \$000	Long-Term Plan 2025/26 \$000	Long-Term Plan 2026/27 \$000	Annual Plan 2026/27 \$000	Variance 2026/27 \$000	Notes
<b>Revenue</b>							
General Rates	417	381	406	431	437	6	
Targeted Rates	426	436	463	493	497	4	
Grants & Subsidies	9,259	9,214	9,761	9,146	8,716	-430	At least \$200k adjustment due to lack of inflationary movement on DIA grant; also NZTA grant decreased by approximately \$200k reflective of actual agreed roading programme containing less works being completed
Council Dues	264	309	318	327	281	-46	
User Pays, Fees & Charges and Other Income	1,192	374	388	396	993	597	Petrol income included of \$510k
Interest	17	42	44	45	40	-5	
<b>Total Revenue</b>	<b>11,575</b>	<b>10,756</b>	<b>11,380</b>	<b>10,838</b>	<b>10,964</b>	<b>126</b>	
<b>Expenditure</b>							
Depreciation and Amortisation	2,590	2,210	2,317	2,364	2,573	209	
Employment Benefits	1,070	1,060	1,091	1,122	1,145	23	
Financial Costs	5	1	-	-	-	-	
Other Expenditure	6,802	6,333	6,400	6,570	6,920	350	Petrol expenditure included of \$510k
<b>Total Expenditure</b>	<b>10,467</b>	<b>9,604</b>	<b>9,808</b>	<b>10,056</b>	<b>10,638</b>	<b>582</b>	
<b>Total Surplus/Deficit</b>	<b>1,108</b>	<b>1,152</b>	<b>1,572</b>	<b>782</b>	<b>326</b>	<b>-456</b>	
<b>Comprehensive Income</b>							
Increase/decrease in Revaluation Reserve	63	-	-	21,086	-	-21,086	Expect revaluation to occur 2025/26 financial year
Share of surplus of associate	-237	109	112	116	-	-116	
<b>Total Other Comprehensive Income</b>	<b>-174</b>	<b>109</b>	<b>112</b>	<b>21,202</b>	<b>-</b>	<b>-21,202</b>	
<b>Total Comprehensive Income</b>	<b>934</b>	<b>1,261</b>	<b>1,684</b>	<b>21,984</b>	<b>326</b>	<b>-21,658</b>	

## Statement of Changes in Net Assets/Equity

	Actual 2024/25 \$000	Long-Term Plan 2024/25 \$000	Long-Term Plan 2025/26 \$000	Long-Term Plan 2026/27 \$000	Annual Plan 2026/27 \$000	Variance 2026/27 \$000
<b>Equity at the start of the year</b>	<b>98,508</b>	<b>100,941</b>	<b>102,202</b>	<b>103,886</b>	<b>122,212</b>	<b>18,326</b>
Total comprehensive income	934	1,261	1,684	21,984	326	-21,658
<b>Equity at the end of the year</b>	<b>99,442</b>	<b>102,202</b>	<b>103,886</b>	<b>125,870</b>	<b>122,538</b>	<b>-3,332</b>

## Statement of Financial Position

	Actual 2024/25 \$000	Long-Term Plan 2024/25 \$000	Long-Term Plan 2025/26 \$000	Long-Term Plan 2026/27 \$000	Annual Plan 2026/27 \$000	Variance 2026/27 \$000
<b>Current Assets</b>						
Cash & Cash Equivalents	237	-	-	-	-	-
Cash investments	345	187	193	199	345	146
Current Trade And Other Receivables	689	731	774	737	653	-84
<b>Total Current Assets</b>	<b>1,271</b>	<b>919</b>	<b>967</b>	<b>936</b>	<b>998</b>	<b>62</b>
<b>Non-Current Assets</b>						
Investment in associate	131	351	463	579	131	-448
Property, Plant & Equipment	99,965	102,509	104,267	126,222	123,397	-2,825
<b>Total Non-Current Assets</b>	<b>100,096</b>	<b>102,860</b>	<b>104,730</b>	<b>126,801</b>	<b>123,528</b>	<b>-3,273</b>
<b>Total Assets</b>	<b>101,367</b>	<b>103,779</b>	<b>105,697</b>	<b>127,737</b>	<b>124,526</b>	<b>-3,211</b>
<b>Current Liabilities</b>						
Bank Overdraft	-	189	402	425	18	-407
Payables and other financial liabilities	1,835	1,297	1,319	1,353	1,880	527
<b>Total Current Liabilities</b>	<b>1,835</b>	<b>1,487</b>	<b>1,721</b>	<b>1,777</b>	<b>1,898</b>	<b>121</b>
<b>Non-Current Liabilities</b>						
Term Liabilities	90	90	90	90	90	-
<b>Total Non-Current Liabilities</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,925</b>	<b>1,577</b>	<b>1,811</b>	<b>1,867</b>	<b>1,988</b>	<b>121</b>

NKMR seed funding held in Trust

Movement from share in associate

<b>Net Assets</b>	<b>99,442</b>	<b>102,202</b>	<b>103,886</b>	<b>125,870</b>	<b>122,538</b>	<b>-3,332</b>
<b>Public Equity</b>						
Accumulated Funds & Reserves	99,442	102,202	103,886	125,870	122,538	-3,332
<b>Total Public Equity</b>	<b>99,442</b>	<b>102,202</b>	<b>103,886</b>	<b>125,870</b>	<b>122,538</b>	<b>-3,332</b>

### Statement of Cash Flows

	Actual 2024/25 \$000	Long-Term Plan 2024/25 \$000	Long-Term Plan 2025/26 \$000	Long-Term Plan 2026/27 \$000	Annual Plan 2026/27 \$000	Variance 2026/27 \$000
<b>Cash Flow from Operating Activities</b>						
Receipts from rates revenue	834	816	865	927	919	-8
Receipts from grants and subsidies	9,462	9,204	9,726	9,176	8,733	-443
Receipts from Council Dues	262	309	316	328	280	-48
Interest received	17	42	44	45	40	-5
Receipts from other revenue	1,889	372	380	403	1,014	611
<b>Cash provided from Operating Activities</b>	<b>12,464</b>	<b>10,742</b>	<b>11,332</b>	<b>10,880</b>	<b>10,987</b>	<b>107</b>
Payments made to employees	-1,048	-1,060	-1,091	-1,122	-1,138	-16
Interest paid	-5	-1	-	-	-	-
Other payments to suppliers	-7,103	-5,944	-6,367	-6,540	-6,893	-353
<b>Cash required for operating activities</b>	<b>-8,156</b>	<b>-7,005</b>	<b>-7,458</b>	<b>-7,662</b>	<b>-8,030</b>	<b>-368</b>
<b>Net Cash Flow from operating activities</b>	<b>4,308</b>	<b>3,737</b>	<b>3,874</b>	<b>3,218</b>	<b>2,956</b>	<b>-262</b>
<b>Cash Flow from Investing Activities</b>						
Purchase of Fixed Assets	-3,699	-3,748	-4,075	-3,235	-3,005	230
Sale (Purchase) of Other Assets	103	-	-	-	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>-3,597</b>	<b>-3,748</b>	<b>-4,075</b>	<b>-3,235</b>	<b>-3,005</b>	<b>230</b>
<b>Cash Flow from Financial Activities</b>						
Loans Raised	-	-	-	-	-	-
Repayment of Loans	-19	-22	-5	-	-	-
<b>Net Cash Flow from Financial Activities</b>	<b>-19</b>	<b>-22</b>	<b>-5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase/(Decrease) in Cash Held</b>	<b>693</b>	<b>-33</b>	<b>-206</b>	<b>-17</b>	<b>-49</b>	<b>-32</b>
Opening Cash Balance	-111	31	-3	-208	376	584
<b>Closing Cash Balance</b>	<b>582</b>	<b>-2</b>	<b>-209</b>	<b>-226</b>	<b>327</b>	<b>553</b>

*Noting \$345k are funds held for NKMR*



## Performance, Audit & Risk Committee

### 4.1 Delegations Register Review & Inclusion of Interim CEO

<b>Date of meeting</b>	16 March 2026
<b>Agenda item number</b>	4.2
<b>Author/s</b>	Colette Peni, Operations Manager

#### Purpose

The purpose of this report is for the Performance, Audit and Risk Committee to review the current Delegations Register to ensure the delegations remain appropriate and relevant, and to recommend the inclusion of the Interim Chief Executive in the relevant delegations.

#### Recommendations

##### That the Performance, Audit and Risk Committee:

1. **Receives the report on the Delegations Register Review.**
2. **Reviews the current Delegations Register and confirms that the delegations remain appropriate and relevant.**
3. **Recommends to Council that all delegations currently assigned to the Chief Executive also apply to the Interim Chief Executive for the duration of the appointment.**
4. **Recommends that Council approve any necessary updates to the Delegations Register to reflect this decision.**

#### Background information

Council maintains a Delegations Register that records the powers and responsibilities delegated by Council to the Chief Executive, staff, committees, and other authorised persons. The Delegations Register supports effective governance by ensuring operational decisions can be made efficiently while maintaining appropriate oversight by Council.

It is good governance practice to periodically review the Delegations Register to ensure that delegations remain current, relevant, and aligned with Council's organisational structure and legislative responsibilities.

Council recently appointed an Interim Chief Executive. To ensure the Interim Chief Executive can perform the full functions and statutory responsibilities of the role, it is necessary that the relevant delegations that apply to the Chief Executive also apply to the Interim Chief Executive for the duration of the appointment.

## Discussion

A review of the current Delegations Register provides an opportunity to confirm that existing delegations remain appropriate and continue to reflect Council's governance and operational arrangements.

As part of this review, the Committee is asked to consider whether:

- the existing delegations remain fit for purpose;
- any delegations require amendment or removal; and
- the delegations currently assigned to the Chief Executive should also apply to the Interim Chief Executive for the duration of the appointment.

Providing the Interim Chief Executive with the same delegations ensures continuity of leadership and decision-making and allows the role to operate effectively during the interim period.

Following the Committee's review, any recommended changes to the Delegations Register will be referred to Council for consideration and adoption.

## Financial Implications

There are no direct financial implications arising from this review.

## Significance and Engagement

This matter is administrative in nature and is considered to be of low significance.

## Attachments

1. Chatham Islands Council Delegations Register



## **Chatham Islands Council**

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## **Delegation Register**

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## Part One – General

### Purpose

The purpose of the Delegation Register is to set out the Chatham Islands Council's ('the Council') policies, procedures and delegations relating to decision making when giving effect to its statutory duties, responsibilities and powers. The Delegations Register incorporates terms of reference for committees.

Where decisions or actions under a policy of Council are delegated to a Committee or other decision-making body that has since been disestablished, that delegation will be exercised by Council.

### Structure

The Delegations Register is structured in four parts:

#### Part One – General

This part summarises the overall purpose and structure of the Delegation Register; defines delegations, their duration and the legal basis upon which they are given.

#### Part Two – Governance

This part sets out the responsibilities and powers of the Council's elected members; describes the structure and appointments to Council's Committees, Subcommittees, Hearing panels, Community Boards and Joint Committees.

The terms of reference for Council's Committees, Community Boards, Subcommittees, Hearing Panels and Joint Committees, including scope, financial, policy and legislative delegations are set out in Part Two.

#### Part Three – Management

This part sets out responsibilities and powers held by the Chief Executive and Operations Manager to ensure the proper and efficient functioning of the Council as a local authority business.

#### Part Four – Statutory Delegations to Staff

Statutory delegations to staff may be made where:

- the responsibilities are expressly provided for in legislation; or
- the council holds the power and delegates this responsibility to the Chief Executive
- delegations to staff, if required by any enactment, are made through the Chief Executive by virtue of inclusion in this register.

Statutory appointments occur where, by virtue of being an office holder, staff have duties and powers which are additional to any delegation. In those cases, staff are acting under appointment rather than delegation.

## Definition of Delegation

Delegation is the transfer of a duty or power to act on behalf of another, including the authority that the person or body making the decision would themselves have had in carrying out that duty or exercising that power.

For the purposes of administrative efficiency and expediency in the conducting of its day-to-day business, the Council delegates certain statutory duties, responsibilities and powers to its standing committees, committees, subcommittees, joint committees, elected members and staff and in some cases other persons such as Hearing Commissioners.

Likewise, the Chief Executive delegates certain duties and responsibilities to a subordinate level. These delegations promote effective and expeditious decision-making.

Delegations avoid administrative delays and inefficiencies that might otherwise occur if all matters had to be referred to Council or the Chief Executive every time a decision needed to be made.

## The Legal Basis

Council's authority to delegate to its standing committees, committees, subcommittees, elected members or staff is principally derived from Schedule 7, Clause 32 of the Local Government Act 2002 (LGA).

Schedule 7 Clause 32 of the LGA states that:

*“Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of the local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except:*

- a) The power to make a rate; or*
- b) The power to make a bylaw; or*
- c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan; or*
- d) The power to adopt a Long-Term Plan, Annual Plan, or Annual Report; or*
- e) The power to appoint a Chief Executive; or*
- f) The power to adopt policies required to be adopted and consulted on under this Act in association with the Long-Term Plan or developed for the purpose of the local governance statement; or*
- g) (Repealed)*
- h) The power to adopt a remuneration and employment policy.*

Other statutes also confer or limit the ability for the Council to delegate decision-making powers and duties.

## Term of Delegation

Unless any delegation is expressed to be for a defined period it will continue until revoked by the Council, the Chief Executive or withdrawn by operation of law. The Delegations Register is a 'living' document and as such will be reviewed and amended from time to time. The delegation is normally

to the position, not to the individual. The delegation survives any change in the occupier of any position.

## General Provisions

In the exercise of any delegation, the delegate (i.e. the person given the delegation) must comply with the requirements in this document. The laws relating to local government generally recognise that a delegation properly exercised binds Council and unless the law or the delegation expressly provides for a review / appeal then no remedy exists other than removing the delegation.

If a delegate considers it is inappropriate for them to exercise a delegation in relation to a specific matter they may refer the decision back to the delegator.

Delegations must be unambiguous and made in writing in order to protect both the Council and the delegate.

In the exercise of any delegation, the delegate will ensure they act in accordance with:

1. Any binding statutory authority (in relation to each delegation, relevant sections of the Act will be identified); and
2. Any relevant Council policy or procedural documents (including reporting and recording requirements).

In relation to delegations to officer level, every delegation will be to a stated office or position and will be exercised in relation to other duties of their position or when an officer has been appointed in an acting capacity.

Where the terms of the delegation require, decisions made under delegated authority will be reported to the Council or a relevant Committee.

Where financial delegations have been given to Committees, Subcommittees, other decision-making bodies or staff, these delegations should be exercised within budgets; adhere to Council's policies; follow a duty of care and fiscal responsibility.

For the avoidance of doubt, delegators and supervisors of subordinate staff shall have the same powers as the delegate, unless the exercise of such delegation requires, by law, a particular qualification or registration.

A delegation once made cannot be further sub delegated other than by the Chief Executive in the case of delegations to staff. The power of sub delegation can be restricted or excluded where, for example, through the operation of legislative authority; the delegation is given directly to an appointed officer.

The Council may, at any time, revoke, suspend for a period, or amend the terms and conditions of relation to any delegation it has made except in relation to decisions already taken. Where this occurs, it will be recorded by resolution of Council.

The Chief Executive may revoke or suspend for a period, or amend the terms and conditions in relation to any delegation to subordinates that they have made.



Staff will not exercise delegated authority in cases of uncertainty or where it would be preferable that policy direction be given. There are also circumstances where staff should seek peer review prior to exercising delegated authority.

Where a delegation exists to make a decision on behalf of Council, the delegate has all the necessary powers of Council to affect that decision, including any related transitional powers prescribed by statute.

The delegations to staff, if required by an enactment, are also made through the Chief Executive Officer by virtue of inclusion in this Register.

## Part Two – Governance

### 1.0 Mayoral Delegations

The Mayor holds certain statutory powers and the list below is only delegations.

- 1.1 The Mayor is authorised to:
  - 1.1.1 permit the attendance of **Councillors at conferences and training opportunities**, with leave of absence and appropriate expenses paid, provided budget is available.
  - 1.1.2 Appoint the **Council’s presiding delegate** to the meetings of Local Government New Zealand on those occasions when they cannot attend the meeting in person.
- 1.2 Where the **Common Seal of Council** is affixed to any document it shall be attested by:
  - 1.2.1 the Mayor, or in his / her absence, the Deputy Mayor; and
  - 1.2.2 the Chief Executive, or in his / her absence, the Acting Chief Executive. *See the Chief Executive’s delegations for further details about use of the Common Seal.*
- 1.3 In relation to executing any Deed, the authority to apply the Common Seal of the Council is delegated to the *Mayor or in his/her absence Deputy Mayor, and any one Councillor* by virtue of section 9 of the Property law Act 2007 (two signatures required).
- 1.4 The mayor, in relation to the Chief Executive’s employment contract, has delegated authority to manage routine employment matters on behalf of the employer such as leave provisions.
- 1.5 The Mayor is authorised to decide on the type and size of payments to be made from the Mayor’s Discretionary Fund, within the yearly budget provision.

### 2.0 Councillor’s Delegations

- 2.2 All Councillors are authorised to be a Hearings Commissioner for the purpose of hearing and considering submissions to the **Resource Management Plan** or a change to the Plan under Schedule 1 Clauses 8B and 10 and to make recommendations to the Environment and Planning Committee provided they hold a **current accreditation certificate**.
- 2.3 Each **accredited** member has the power to hear and determine objections lodged under Section 357 of the **RMA** in respect of staff exercising delegated authority.

### 3.0 Committee Structure and Appointments

The Committee Structure was established, and the appointments made, following the 2022 local government triennial elections. Any changes since the triennial elections are also recorded here. The power of Council to establish committees, subcommittees, other subordinate decision-making bodies and joint committees is outlined in section 30, Schedule 7 of the Local Government Act

2002. Under section 41A of the Act, the Mayor may exercise their power to establish committees of the Council and Chairpersons for those committees.

<b>CHATHAM ISLANDS COUNCIL</b>	
<b>MAYOR</b>	Monique Croon
<b>DEPUTY MAYOR</b>	Keri Lea Day
<b>COUNCIL COMMITTEES</b>	
<b>Performance, Audit and Risk Committee</b>	<b>Grants sub committee</b>
Independent Chair, Mr P Jones <sup>1</sup> Mayor M Croon Cr KL Day <sup>2</sup> Cr G Horler Cr RS Joyce	Mayor, M Croon Cr G Hoare Cr C Gregory-Hunt Cr A Seymour Cr J Kamo
<b>CDEM Group</b>	<b>Chief Executive Recruitment Committee<sup>3</sup></b>
Council	Mayor, M Croon Cr KL Day Cr A Seymour Cr C Gregory-Hunt
<b>REPRESENTATIVES AND APPOINTMENTS</b>	
<b>CIHPT</b>	<b>Tourism Chathams</b>
Cr KL Day	Cr G Horler
<b>Community Fisheries Forum</b>	<b>Port Liaison Group</b>
Cr A Seymour	Cr S Joyce
<b>CI Stakeholders Forum</b>	<b>Manaaki Whanau o Wharekauri Trust</b>
Mayor Cr KL Day Chief Executive Operations Manager	Mayor Cr KL Day
<b>Pitt Island</b>	<b>District Licensing Committee</b>
Cr C Gregory-Hunt	Cr N Ryan

## Standing Committee

### 3.1 PARC Performance Audit and Risk Committee

#### 3.1.1 Purpose and Areas of Responsibility

The Performance Audit and Risk Committee has the core function for the formulation and monitoring of performance audit and risk frameworks, and the development and review of funding and financial policies and Council's performance monitoring.

<sup>1</sup> Amended by resolution 10 November 2022

<sup>2</sup> Amended by resolution 10 November 2022

<sup>3</sup> Established and approved at Council meeting 15 December 2022

The Performance Audit and Risk Committee also has responsibility to act and advise Council on matters related to the employment of the Chief Executive.

### 3.1.2 Delegated function

- To develop and review Council's funding and financial policies and frameworks.
- To develop and review the Council's performance monitoring framework.
- To approve and review Council's audit and risk policies and frameworks.
- To review the Chief Executives contract, performance and remuneration annually.

### 3.1.3 Membership

The Mayor, Deputy Mayor, two Councillors and one independent member as Chair.

### 3.1.4 Term of Committee

For the period of the 2022-2025 Triennium unless discharged earlier by the full Council.

### 3.1.5 Specific Responsibilities and Delegated Authority

The Performance Audit and Risk Committee is delegated the power of authority to:

1. develop and review Council's funding and financial policies and frameworks and make recommendations to Council;
2. develop and review Council's performance monitoring framework (financial and non-financial) and make recommendations to Council;
3. review Council's draft Annual Report prior to Council's adoption;
4. receive and review external audit letters and management reports;
5. approve and review the internal audit plan and review the annual programme report;
6. approve, review and monitor Council's risk framework and policy
7. review the risk register;
8. review the Chief Executive contract, performance and remuneration at least annually.

**Note:**

*The Performance Audit and Risk Committee reports directly to the full Council.*

*The Performance Audit and Risk Committee is not delegated the power of authority to:*

- *Develop, approve or review strategic policy and strategy*
- *Develop, approve or review non-financial operational policies and plans*
- *Approve funding and financial policies.*

## 3.2 Chief Executive Recruitment Committee

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### 3.2.1 Purpose and Areas of Responsibility

To promote efficiency and effectiveness in the conduct of Council's business by acting for, and advising, the Council on matters which relate to the recruitment of Council's Chief Executive.

### 3.2.2 Membership

The Mayor, Deputy Mayor, two Councillors

### 3.2.3 Term of Committee

For the period of the 2022-2025 Triennium unless discharged earlier by the full Council.

### 3.2.4 Specific Responsibilities and Delegated Authority

#### 3.2.4.1 Duties and Responsibilities

The Committee will:

- a. following consultation with Council, undertake such precedent tasks, as are necessary and appropriate in the circumstances, to enable Council to exercise to its power to appoint the Chief Executive. This includes, but is not limited to:
  - i. developing and presenting to Council, for Council's ultimate approval, a process for the recruitment and appointment of a Chief Executive;
  - ii. carrying out or implementing any such process relating to the recruitment and appointment of the Chief Executive;
  - iii. providing recommendations to Council, as the Committee sees fit, in accordance with clause 3.2.5.3 of these Terms of Reference;
- b. develop and carry out the process for the Chief Executive's term expiry following consultation with Council;
- c. if and when appropriate, engage a consultant to assist the Committee at any time; and
- d. do all other things necessary to effect the matters set out in this clause.

#### 3.2.4.2 Delegations from Council to the Committee

- a. Council will consider matters not within the delegation of the Committee.
- b. Council may, from time to time, revoke or modify a delegation to a Council committee or joint committee, including this Committee. Such revocations or modifications may be permanent, or for a specified period of time, and/or be for the purpose of addressing a specific matter, if there is good reason to do so.
- c. The powers delegated to the Committee by Council will be, at all times, subject to the current policies and principles or directions given by Council, from time to time.

### 3.2.4.3 Power to Make Recommendations

- a. The Committee may, as it deems appropriate, make recommendations to Council and/or any standing committee.
- b. The Committee Chair may refer to Council any urgent matters, which would ordinarily be considered by the Committee.

### 3.2.4.4 Power to Act

- a. the Committee is required to review these Terms of Reference at least once every five years or at such a time that the current (for the time being) Chief Executive resigns from that role, whichever is sooner, and, if the Committee considers it appropriate or necessary, make recommendations to Council regarding any changes or amendments to them.
- b. The general delegations to the Committee exclude any specific decision-making powers that are delegated to another Committee of Council or Joint Committee.
- c. The Committee's power to act under these Terms of Reference is subject to an overriding duty to comply with the Act, and where these Terms of Reference are inconsistent with the Act, the Act shall prevail.

### 3.2.4.5 Limitations on Committee Powers

- a. Pursuant to Clause 32(1) of Schedule 7 of the Act, the following matters are prohibited from being delegated to the Committee by Council:
  - (i) the power to make a rate; and
  - (ii) the power to make a bylaw; and
  - (iii) the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; and
  - (iv) the power to adopt a long-term plan, annual plan, or annual report; and
  - (v) the power to appoint a chief executive;
  - (vi) and the power to adopt policies required to be adopted and consulted on under the Act in association with the long-term plan or developed for the purpose of the local governance statement; and
  - (vii) the power to adopt a remuneration and employment policy.
- b. Therefore, and for the avoidance of doubt, the Committee does not have the delegated authority to decide the following matters in relation to the Chief Executive:
  - (i) the Chief Executive's job description and associated job specifications; or
  - (ii) the appointment process for the role of the Chief Executive; or
  - (iii) the appointment and remuneration package of the preferred candidate for the position of Chief Executive.

- c. The Committee may make recommendations to Council regarding the matters referred to at subclause 3.2.4.5.b, above, in accordance with clause 3.2.4.3 above, however, the ultimate decision on these matters remain with Council.

## Sub-committee's

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### 3.3 Grants Sub-committee

The Grants Sub-committee has a core function to consider and approve applications for grant funding.

#### 3.3.1 Membership

- Mayor and three Councilors.

#### 3.3.2 Term of the Committee

- For the period of the 2022-2025 triennium unless discharged earlier by the full Council.

#### 3.3.3 Specific Responsibilities and Delegated Authority

The Grants Subcommittee is delegated the power of authority to consider and approve applications for grant funding from, but not limited to, Creative Communities NZ, NZ Rural Travel Fund, Council Community Grant Fund, and any other grant funding opportunities that may arise.

### 3.4 District Licensing Committee (DLC)

The District Licensing Committee operates under the **Sale and Supply of Alcohol Act 2012 (SSAA)**. Each territorial authority must appoint one or more licensing committees as, in its opinion, are required to deal with licensing matters for its district (s.186 SSAA).

#### 3.4.1 Responsibilities and Powers

- Consider and determine applications for licences and manager's certificates.
- Consider and determine applications for renewal of licences and manager's certificates.
- Consider and determine applications for temporary authority to carry on the sale and supply of alcohol in accordance with section 136.
- Consider and determine applications for the variation, suspension, or cancellation of special licences.
- Consider and determine applications for the variation of licences (other than special licences) unless the application is brought under section 280.
- Refer applications to the licensing authority with the leave of the chairperson for the licensing authority.
- Conduct inquiries and to make reports as may be required.

- h. Carry out any other functions conferred on licensing committees by or under the SSAA or any other enactment. (s.187).

#### 3.4.2 Administration

- a. In the absence of the Chairperson, the Deputy Chairperson will preside.
- b. A quorum comprises 3 members except when the Chairperson is sitting alone.
- c. Meets as required.
- d. The provisions of the Local Government Official Information and Meetings Act 1987 apply other than Part 7 and section 200 of SSAA applies.
- e. Where appropriate, an Independent Commissioner will be appointed.

## Chatham Islands Civil Defence Emergency Management Group (CDEM)

### 3.5 Chatham Islands Civil Defence Emergency Management Group

The “Chatham Islands Civil Defence Emergency Management Group” (CDEM Group) is a function of the Chatham Island Council.

#### 3.5.1 Status of Committee

The CDEM Group is a committee of Council under the Local Government Act 2002. The CDEM Group has autonomous decision-making responsibilities specified by the Civil Defence Emergency Management Act 2002 and direction from National Emergency Management Agency NEMA.

#### 3.5.2 Goals

- (1) To, where possible, reduce or mitigate the risks from natural or man-made hazards and to increase the level of public awareness.
- (2) To minimize the adverse effects of hazards upon life, the social and economic fabric of the islands, the infrastructure, property and the natural environment.
- (3) To provide cost effective and efficient emergency management on the islands through partnerships with the emergency services and other agencies.

#### 3.5.3 Objectives

- (1) In relation to the hazards and risks to:
  - identify, assess and manage those hazards and risks
  - consult and communicate to the community about risks
  - identify and implement where possible cost-effective risk reduction.
- (2) To take all steps necessary on an ongoing basis to maintain and provide an effective Civil Defence Emergency Management organisation for the islands including the provision of training, appointment of suitable persons and an appropriate organisational structure.



- (3) To take all steps necessary to provide the materials, services, information and other resources necessary for effective Civil Defence Emergency Management for the islands including partnerships with relevant agencies.
- (4) To respond to and manage the adverse effects of emergencies within the islands.
- (5) To carry out recovery measures as required after the impact of any emergency.
- (6) To promote and raise public awareness of and compliance with the CDEM Act 2002 and the legislative provisions in accordance with Section 3, Purpose of the CDEM Act 2002.
- (7) To promote Civil Defence Emergency Management consistent with the purpose of the CDEM Act 2002.
- (8) To establish a Coordinating Executive Group (CEG) as required under Section 20 of the Act.
- (9) To oversee the implementation, development, maintenance, monitoring and evaluation of the Chatham Islands CDEM Plan.

#### 3.5.4 Delegations

Any delegated authority will be assigned as appropriate by the full Chatham Islands Council.

#### 3.5.5 Membership

The CDEM Group consists of all elected members of Council with the Mayor as Chair, with the CEG Chair and Emergency Management Manager/Officer in attendance. A representative of the Ministry of Civil Defence and Emergency Management may also attend (ex officio).

The CEG will comprise:

- The Chief Executive, Chatham Islands Council as Chair
- The Chief Fire Officer (Appointee of the National Commander)
- The Senior Police Officer stationed on the Islands (Appointee of Commissioner of Police)
- The Medical Officer in charge of the hospital
- The Chief Executive Officer, Chatham Islands Enterprise Trust
- The Area Manager, Department of Conservation
- The Emergency Management Manager/Officer (ex officio)
- A representative from Hokotehi Moriori Trust and Ngati Mutunga o Wharekauri Iwi Trust
- A representative from the Ministry of Primary Industries
- St John
- CDEM Area Coordinators and appointed Controllers
- Representative Ministry of Civil Defence and Emergency Management (ex officio)

### 3.5.6 Meetings

- (1) The CDEM Group will meet as agreed by the Chairperson and Council.
- (2) Meetings will be publicly notified and open to the public except where there are grounds to exclude the public in terms with the Local Government Official Information and meetings Act 1987.

### 3.5.7 Standing orders

The Chatham Islands CDEM Group will follow the NZ Standard for standing orders (NZS: 9202: 2001) or any NZ standard substituted and adopted by the Council.

### 3.5.8 Reporting

The CDEM Group is an autonomous body constituted under Section 18 (1) of the Act, but is expected to keep the full Council and its stakeholders informed of its activities.

### 3.5.9 Funding

All administrative costs will be borne by the Chatham Islands Council. Any costs incurred by members of the CEG will be met by the organization which they represent.

### 3.5.10 Life of CDEM Group

The CDEM Group is a requirement of Section 12 of the Civil Defence Management Act 2002.

## Part Three – Management

### 1.0 Chief Executive's Delegations

#### 1.1 General

- 1.1.1 The Chief Executive will report the exercise of these delegations to the Council when the delegation requires and as they deem necessary.
- 1.1.2 The Chief Executive is authorised to amend the delegations register to reflect changes in the organisation's structure.

#### 1.2 Acting Chief Executive

- 1.2.1 The Chief Executive may request the Operations Manager to act as Chief Executive during temporary periods of absence from duties together with such of the Chief Executive's powers as he or she considers appropriate.

#### 1.3 Employment of Staff

- 1.3.1 Pursuant to section 42(2) of the Local Government Act 2002, the Chief Executive is responsible, on behalf of the Council, for ensuring the effective and efficient management of the Council, employing staff and negotiating the terms of employment of staff.
- 1.3.2 The Chief Executive has control over all employment-related matters concerning staff, and retains authority to approve the employment of all staff.

#### 1.4 Common Seal

- 1.4.1 The Common Seal of the Council will be held by the Chief Executive who will be responsible for its use.
- 1.4.2 A Council resolution is required for the Seal to be affixed to a document.
- 1.4.3 Where the affixing of the Seal is required on documents where the matter is:
- of a routine nature; or
  - urgent
- A resolution of Council under clause 1.4.2 can be made retrospectively at the next Council meeting.
- 1.4.4 Where the Common Seal of the Council is affixed to any document it will be attested by:
- the Mayor, or in their absence, the Deputy mayor; and
  - the Chief Executive, or in their absence, the Acting Chief Executive.



- 1.4.5 The Common Seal will be affixed to any document that is required to be executed under the Seal, including:
- 1.4.5.1 Warrants to enter private land on behalf of the council made under the Resource Management Act, the Biosecurity Act, the Building Act, Local Government Act 1974 or the Local Government Act 2002;
  - 1.4.5.2 Memorandum of Transfer pursuant to section 80 of the Local Government (Rating) Act 2002;
  - 1.4.5.3 Regional policy statements and regional and district plans prepared under the Resource Management Act;
  - 1.4.5.4 Bylaws prepared under the Local Government Act 2002 or other relevant statutes;
  - 1.4.5.5 Any documents (e.g. covenants, caveats, or consent notices) which otherwise require the use of the Council's Common Seal with the exception of 'Deeds'.
- 1.4.6 In relation to executing any Deed, the authority to apply the Common Seal of the Council is delegated to the Mayor or in his absence Deputy Mayor, and any one councillor by virtue of section 9 of the Property Law Act 2007 (two signatures required.)

## 1.5 Official Information

- 1.5.1 The authority to exercise the Council's powers under Parts II to V of the Local Government Official Information and Meetings Act 1987 (except those in section 32 of that Act) is delegated to the Chief Executive.
- 1.5.2 The ability to refuse to release information under Part 1, s.6 or s.7 (conclusive reasons for withholding information); or Part 2, s.17 (refusal of requests) of the Local Government Official Information and Meetings Act 1987 is restricted to the Chief Executive.

## 1.6 Privacy Act Requests

- 1.6.1 The Chief Executive is delegated the authority to determine in respect of any request for personal information under Part V of the Privacy Act 1993:
  - 1.6.1.1 Whether the request can be granted in whole or in part; or
  - 1.6.1.2 Where a request has been granted, whether any information should be withheld; or
  - 1.6.1.3 Whether a request for personal information to be corrected should be granted; or
  - 1.6.1.4 Compliance with all related administrative requirements.

## 1.7 News Media, Public Notices, Advertisements and Websites

- 1.7.1 The Chief Executive is authorised to make statements to the news media relating to Council's business.
- 1.7.2 Delegations are to be exercised in accordance with Council's Media and Advertising policies.
- 1.7.3 The Chief Executive is authorised to place public notices and advertisements in relevant newspapers or other publications.

## 1.8 Disposal of Council Records

The Chief Executive is authorised to dispose of any Council records after receiving confirmation from the relevant Officers or, where required, to make application to another authority for disposal, so far as the exercise of this delegation is not contrary to legislative authority or Council policy.

## 1.9 Financial Management

- 1.9.1 The Chief Executive is authorised to enter into specified contracts for services within his or her authorised expenditure limit.
- 1.9.2 The Chief Executive may award tenders for:
- 1.9.2.1 contracts up to \$300,000; or
- 1.9.2.2 contracts up to \$500,000 procured using the qualified panel of suppliers established in accordance with Chatham Islands Council.
- 1.9.3 The Chief Executive is authorised to:
- 1.9.3.1 approve operating expenditure within approved budgets, up to a **maximum of \$1,000,000** (exclusive of GST) per single item / transaction;
- 1.9.3.2 commit up to **\$50,000** (exclusive of GST) of capital expenditure that has not been authorised by approved budgets, subject to subsequent reporting to Council as soon as is practicable;
- 1.9.3.3 approve **contract progress payments** for the supply of goods and services that have been approved by Council, appropriate Committee, or the Tenders Panel;
- 1.9.3.4 **re-allocate funding** between budgets provided:
- it is necessary to achieve committed outputs; and
  - the overall end-of-year budgeted surplus or deficit will be achieved;
  - any likely exceedance is reported to Council or the relevant Committee;
  - it does not breach the Revenue and Financing Policy.

- 1.9.3.5 approve **contingency expenditure for an emergency** including but not limited to flood events, a civil defence emergency management event, maritime oil spills or a pest animal, plant or disease outbreak, subject to:
- a maximum of \$100,000 (exclusive of GST) for any one event; and
  - the expenditure being reported to the Council as soon as practicable.
- 1.9.3.6 take appropriate action within Council policy to **recover debts**, including but not limited to Court (excluding High Court), Tribunal proceedings and debt collection agencies.
- 1.9.3.7 write off or compromise bad and doubtful debts of up to \$5,000 following discussion with the PARC committee.
- 1.9.3.8 consider and approve **elected members' remuneration** and expense claims in accordance with the determinations of the Remuneration Policy and Council policy.
- 1.9.3.9 amend **Solid Waste Charges** and **Commercial Activity Charges** at any stage during the year, and advise the public of any price changes by public notification at least one month prior to the changes taking effect.

## 1.10 Bank, Invest, Operation of Council's Bank Accounts

1.10.1 The Chief Executive is authorised to:

- bank, transfer, and invest funds held by the Council
- sign and countersign bills of exchange, promissory notes and other negotiable instruments, withdrawal notices or authorise electronic payments on behalf of Council;
- approve payroll payments and all payroll related matters; and
- approve all tax payments and tax related matters.

1.10.2 Documentation must be counter-signed by another member of staff with the appropriate delegation.

## 1.11 Unbudgeted Capital Expenditure

Unbudgeted capital expenditure may be needed when, a project was not included in an Annual Plan or Long-Term Plan, the scope of a project has changed and / or costs for a project have exceeded estimates and contingencies.

1.11.1 Unbudgeted capital expenditure may be authorised by the Chief Executive where that expenditure:

- does not exceed the greater of 10% of the project budget or \$50,000; and
- can be met within the annual capital budget for the activity without compromising delivery of other planned capital works.

- 1.11.2 The unbudgeted expenditure must be reported via the next financial reforecast report to Council.
- 1.11.3 Approval must be sought at the next available meeting of Council for all other unbudgeted capital expenditure i.e. projects that exceed the greater of 10% of the project budget or \$50,000.

Such approval shall be obtained in advance except:

- In an emergency; or
- When it would be imprudent, contrary to sound business practice, inefficient or ineffective to delay the project while approval is sought.

For the purpose of the above section an activity is as set out in the annual Activity Balance report. It is not the broader activity as described in the Long-Term Plan Annual Plan or Annual Report. Finance have a full list of activities.

### **1.12 Credit Card Expenditure**

- 1.12.1 All credit card expenditure is reported to and signed off by PARC.

### **1.13 Functional Delegations**

- 1.13.1 The Chief Executive may decide on an extension to a due date for objections to rating valuations, in accordance with section 6 of the Rating Valuations Regulations 1998, either because:

1.13.1.1 the valuation wasn't received; or

1.13.1.2 for any other good reason.

- 1.13.2 The Chief Executive is authorised to receive and/or administer external grants or funding on behalf of the Council, including entering into a contract for the receipt of those grants or funds.

### **1.14 Council Property, Leases, and Licenses**

The Chief Executive is authorised to:

- 1.14.1 approve the leasing or granting of any licence to occupy or tenancy, to vary the terms and conditions of any lease, licence to occupy or tenancy, or to terminate any lease, licence to occupy or tenancy involving Council land
- 1.14.2 enter into contracts for the maintenance, management and development of any council property
- 1.14.3 enter into binding agreements for the sale and purchase of property that are necessary to implement any project or work approved by Council, in accordance with the Long-Term Plan, Annual Plan or Council resolution with schedules listing such sales or purchases being submitted to the relevant Standing Committee on a regular basis

- 1.14.4 grant and administer stall site licences including licences for the occupation of legal road (including termination thereof where required for non-payment of rental or other good reason)
- 1.14.5 sign any client authority and instruction for registration by E-dealing.

### **1.15 Use of Council Property, Assets and Staff**

The Chief Executive is authorised to:

- 1.15.1 approve the use of any Council building, facility or equipment by an outside person or organisation in accordance with established guidelines
- 1.15.2 dispose (whether by tender or otherwise) of any motor vehicle or item of plant in accordance with a recognised programme of vehicle and plant replacement
- 1.15.3 dispose (whether by tender or otherwise), and the terms thereof, of any other surplus Council asset up to a book value of \$10,000 (exclusive of GST) per item (see footnote below); and
- 1.15.4 hire out any Council asset and staff to an outside organisation.

### **1.16 Legal Advice and Proceedings**

The Chief Executive is authorised to:

- 1.16.1 obtain legal advice on Council's behalf
- 1.16.2 sign on Council's behalf any routine legal administrative document
- 1.16.3 release or alter loans, mortgages and to impose or remove statutory land charges, subject to confirmation, for Council's financial security, or that all monies owing to the Council have been repaid.
- 1.16.4 Commence court proceedings, where:
  - there are exceptional circumstances; and
  - time does not permit consideration by Council; and
  - where such action is necessary to protect or further Council's interests; and
  - subject to prior discussion with the Mayor.
  - In all other instances, the ability to commence court proceedings is confined to the Council.
- 1.16.5 File in the name of the Council a Statement of Defence, or other appropriate response, to any proceedings against the Council, commenced in any Court or Tribunal.
- 1.16.6 Settle claims against Council up to a limit of \$10,000 (exclusive of GST) (consistent with Council's insurance excess) or in accordance with a recommendation from

Council's insurers, or competent legal advice, where time constraints do not permit the matter to be referred to a meeting of Council or an appropriate Committee.

- 1.16.7 Initiate proceedings to have Court costs awarded; and initiate legal proceedings to collect Court costs awarded.
- 1.16.8 Issue a trespass warning, whether orally or by notice, on Council's behalf.
- 1.16.9 Vote on behalf of Council, where a resolution of Council is not a prerequisite.

## 2.0 Operations Manager Delegations

The Operations Manager must not act outside of Council policy or outside of decisions made by resolution of Council or a Committee.

### 2.1 Employment

The Chief Executive Officer has authorised the Operations Manager, in relation to their area of responsibility and in accordance with relevant Council policy, to:

- 2.1.1 determine staff hours of attendance that best suits the Council's needs;
- 2.1.2 approve the temporary reallocation of duties provided they do not require an amendment to the Position Description;
- 2.1.3 approve overtime, including granting time off in lieu of overtime.
- 2.1.4 Approve time-in-lieu and all types of leave, except:
  - 2.1.4.1 leave identified as being at the sole discretion of the Chief Executive; and
  - 2.1.4.2 leave without pay for periods in excess of two weeks.
- 2.1.5 Approve the attendance of staff at conferences, courses or seminars.

### 2.2 Submissions

- 2.2.1 The Operations Manager is authorised to make a submission on matters of general Council interest or concern where it is not possible within the available time to refer the matter to the Council or relevant standing committee.
- 2.2.2 Such submissions shall be reported to the Council or the relevant committee at the next available meeting.

### 2.3 Official Information

- 2.3.1 The authority to exercise the Council's powers under Parts II to V of the Local Government Official Information and Meetings Act 1987 (except those in section 32 of that Act) is delegated to Senior Managers.

- 2.3.2 The ability to refuse to release information under Part 1. S.6 or s.7 (conclusive reasons for withholding information); or Part 2, s.17 (refusal of requests) of the Local Government Official Information and Meetings Act 1987 is restricted to the Chief Executive Officer or delegated Officer.
- 2.3.3 The Council Executive Assistant is delegated to manage official information requests and will require the Officers to respond to requests as they relate. The Operations Manager is authorised to exercise the Council's powers under Parts II to V of the Local Government Official Information and Meetings Act 1987 (except those in section 32 of that Act).

## **2.4 News Media, Public Notices, Advertisements and Websites**

- 2.4.1 The Mayor and Chief Executive Officer or Delegated Officer are authorised to make statements to the news media relating to Council's business. Exercise of these delegations are to be in accordance with the Council's Media and Advertising Policies.

## **2.5 Financial Management**

- 2.5.1 The Operations Manager is authorised to enter into specified contracts for services commensurate with his or her authorised expenditure limit.
- 2.5.2 The Operations Manager is authorised to:
- 2.5.2.1 approve operating expenditure within approved budgets, up to a maximum of \$20,000 (exclusive of GST) per item
  - 2.5.2.2 approve contract progress payments for the supply of goods and services as have been approved by Council
  - 2.5.2.3 re-allocate funding for operating expenditure between budgets provided it is:
    - necessary to achieve committed outputs; and
    - the end-of-year budgeted surplus or deficit will be achieved
    - Any likely exceedance or effect on other programmes deliverables is reported to Council or the relevant Committee.

The Council Revenue and Financing Policy is not to be breached.

- 2.5.2.4 Approve contingency expenditure for an emergency including but not limited to flood events, a civil defence emergency management event, maritime oil spills or a pest animal, plant or disease outbreak is delegated to the Operations manager to a maximum of \$20,000 (exclusive of GST) and must be reported to the Council as soon as practicable.

## **2.6 To Operate Bank Account and Invest**

- 2.6.1 The Operations Manager is authorised to:

- 2.6.1.1 sign and countersign bills of exchange, promissory notes and other negotiable instruments, withdrawal notices or authorise electronic payments on behalf of Council
- 2.6.1.2 approve payroll payments and all payroll related matters; and
- 2.6.1.3 approve all tax payments and tax related matters.
- 2.6.2 Documentation must be counter-signed by another member of staff with the appropriate delegation.
- 2.6.3 Other specific delegated financial authorities are contained within Chatham Islands Council's Treasury and Risk Management Policy.

## 2.7 Debts

- 2.7.1 The Operations Manager is authorised to take appropriate action within Council policy to **recover debts**, including, but not limited to Court (excluding High Court), Tribunal proceedings and debt collection agencies.
- 2.7.2 The Operations Manager is authorised to **write off or compromise bad debts** of up to \$100 (other than rating debts).

## 2.8 Receipting and Administering External Funds

The Operations Manager is authorised to receive and/or administer external grants or funding on behalf of the Council, including entering into a contract for the receipt of those grants or funds.

## 2.9 Council Property, Leases, and Licenses

The Operations Manager is authorised to:

- 2.9.1 approve the leasing or granting of any licence to occupy or tenancy, to vary the terms and conditions of any lease, licence to occupy or tenancy, or to terminate any lease, licence to occupy or tenancy involving Council land subject to affixing of the Council Seal, where appropriate;
- 2.9.2 enter into contracts for the maintenance, management and development of any council property.

## 2.10 Use of Council Property, Assets and Staff

The Operations Manager is authorised to:

- 2.10.1 approve the use of any Council building, facility or equipment by an outside person or organisation in accordance with established guidelines;
- 2.10.2 dispose (whether by tender or otherwise) of any motor vehicle or item of plant in accordance with a recognised programme of vehicle and plant replacement;



- 2.10.3 dispose (whether by tender or otherwise) of any other surplus Council asset (see footnote 14 above) up to a book value of \$10,000 (exclusive of GST) per item; and
- 2.10.4 hire out, and set the terms and conditions thereof, of any Council asset and staff to outside organisations; and
- 2.10.5 sign easement and other documents where the correct legal processes have been followed and where Council has previously agreed to the granting of such easements.

### **2.11 RMA Requiring Authority**

The Operations Manager is authorised to act within their scope of responsibility, as a Requiring Authority under the Resource Management Act, including giving the written consent of the Council for the use of land being subject to a requirement or designation but excluding the powers in Section 168A.

### **2.12 Council as an Affected Party**

The Operations Manager is authorised to provide the written approval of Council (where such approval is required) in its capacity as landowner or occupier for any application or request by any persons to undertake an activity or activities on or adjacent to any Council land.

### **2.13 Legal Proceedings**

The Operations Manager is authorised to:

- 2.13.1 obtain legal advice on Council's behalf;
- 2.13.2 sign on Council's behalf any routine legal administrative document;
- 2.13.3 file in the name of the Council a Statement of Defence, or other appropriate response, to any proceedings against the Council, commenced in any Court or Tribunal;
- 2.13.4 settle claims against Council up to a limit of \$10,000 (consistent with Council's insurance excess) or in accordance with a recommendation from Council's insurers, or competent legal advice, where time constraints do not permit the matter to be referred to a meeting of Council or an appropriate Committee;
- 2.13.5 initiate proceedings to have Court costs awarded; and initiate legal proceedings to collect Court costs awarded;
- 2.13.6 impose or remove statutory land charges;
- 2.13.7 release statutory land charges, subject to confirmation, for Council's financial security, or that all monies owing to the Council have been repaid.

## 2.14 Disposal of Council Records

The Operations Manager is authorised to dispose of any Council records after receiving confirmation from the relevant Officers or, where required, to make application to another authority for disposal, so far as the exercise of this delegation is not contrary to legislative authority or Council policy.

## 2.15 Elected Member Remuneration

The Operations Manager is authorised to consider and approve elected members' remuneration and expense claims in accordance with the determinations of the Remuneration Authority and Council policy.

## 2.16 Rating Valuations

The Operations Manager may decide on an extension to a due date for objections to rating valuations, in accordance with section 6 of the Rating Valuations Regulations 1998, either because:

- 2.16.1 the valuation wasn't received; or
- 2.16.2 for any other good reason.

## 2.17 Authorisation to Decide on Rates Remissions

The authority to consider and decide on applications made under the following Rates Policies:

- Policy on Remission of Uniform Charges on Non-Contiguous Rating Units Owned by the Same Ratepayer.
- Policy on Remission of Rates for Land Occupied by a Dwelling that is Affected by Natural Disaster.
- Policy on Remission of Rates for Land Subject to Council Initiated Zone Changes.
- Policy on Remission of Rates for School Wastewater Charges.
- Policy on Remission of Rates for Sporting, Recreation or Community Organisations.
- Policy on Remission of Penalties.
- Policy on Remission of Rates on Low Valued Properties.

In the event of any doubt or dispute arising about the applicable criteria, the application will be referred to Council for a decision.

## 2.18 Objections to Rating Valuations

The Operations Manager may decide on an extension to a due date for objections to rating valuations, in accordance with section 6 of the Rating Valuations Regulations 1998, either because:

- The valuation wasn't received; or
- For any other good reason.

## 2.19 Changes to Valuation Rolls

In accordance with sections 14 to 17 of the Valuations Act 1998 the Operations Manager may make alternations to it Rolls to readjust valuations and entries.

## 3.0 Sub-delegations to staff below Operations Manager Level

These delegations are in addition to those held by the Chief Executive and Operations Manager.

### 3.1 Privacy Act Requests

The Operations Manager is authorised to determine in respect of any request for personal information under Part V of the Privacy Act 1993:

- 3.1.1 Whether the request can be granted in whole or in part; or
- 3.1.2 Where a request has been granted, whether any information should be withheld; or
- 3.1.3 Whether a request for personal information to be corrected should be granted; or
- 3.1.4 Ensure compliance with all related administrative requirements.

### 3.2 News Media, Public Notices, Advertisements and Websites

3.2.1 The following staff are authorised to make statements to the news media relating to Council's business and in accordance with Council's Media and Advertising Policies:

CHIEF EXECUTIVE
OPERATIONS MANAGER
CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP CONTROLLER (in relation to civil defence matters)

3.2.2 The following staff are authorised to place public notices and advertisements in relevant newspapers or other publications:

CHIEF EXECUTIVE
OPERATIONS MANAGER
EXECUTIVE ASSISTANT

### 3.3 Electoral Staff

3.3.1 Section 12 of the Local Electoral Act 2001 requires all local authorities to have an appointed electoral officer in place at all times to exercise the powers and carry out the duties conferred by this Act.

3.3.2 The electoral officer:

- Cannot be the Council's Chief Executive;
- Is a statutory officer of Council but is not required to be an employee of the Council;

- Remains in office unless he or she dies, resigns, is dismissed from office or becomes incapable of acting;
- Cannot exercise any powers or duties unless a declaration is made and is current.

### 3.4 Emergency Expenditure

3.4.1 The authority to approve **contingency expenditure for an emergency** including but not limited to flood events, a civil defence emergency management event, maritime oil spills or a pest animal, plant or disease outbreak is delegated to:

3.4.1 the On-Scene Commander in a Tier II oil Spill; and

3.4.2 the Civil Defence Controller;

To a maximum of \$50,000 for any one event.

3.4.2 Expenditure under this delegation must be reported to the Council as soon practicable.

### 3.5 Authorisation to Operate Bank Account and Investments

3.5.1 The authority to:

3.5.1.1 Bank, transfer, and invest funds held by the Council in accordance with Council policy, subject to the observance of appropriate internal controls;

3.5.1.2 Authorise electronic payments on behalf of Council;

3.5.1.3 Approve payroll payments and all payroll related matters; and

3.5.1.4 Approve all tax payments and tax related matters;

Is delegated to the following staff:

Chief Executive Officer
Operations Manager
Finance Technical Lead

3.5.2 This delegation is subject to two of the delegates signing and counter signing appropriate documentation

3.5.3 The Chief Executive Officer has authority to invest Council funds in accordance to Council approval.

### 3.6 Authorisation to Recover Bad Debts

The authority to take appropriate action within Council policy to recover debts, via a debt collection agency is delegated to the Operations Manager.

### 3.7 Elected Member Payments

The authority to consider and approve Elected Members' remuneration and expense claims is delegated to the Operations Manager.

## Part Four – Financial Delegations to Staff

### 4.0 Financial Delegations

#### Financial Delegations as at January 2023

Position	Level
Chief Executive Office	500,000
Operations Manager	20,000
Emergency Management Manager	50,000

#### Schedule of Council Resolutions Relating to Making or Amending Delegations

Date of Resolution	Description of Delegation	Resolution Number

### Amendments

August 2020

December 2021

March 2023



## Performance, Audit & Risk Committee

### 4.3 District Licensing Committee – Membership and Reporting Update

<b>Date of meeting</b>	16 March 2026
<b>Author/s</b>	Bob Penter, Interim Chief Executive

#### Purpose

The purpose of this report is to provide the Performance, Audit and Risk Committee with an update on the current membership of the District Licensing Committee (DLC) and to highlight key governance considerations relating to the committee's ongoing operation.

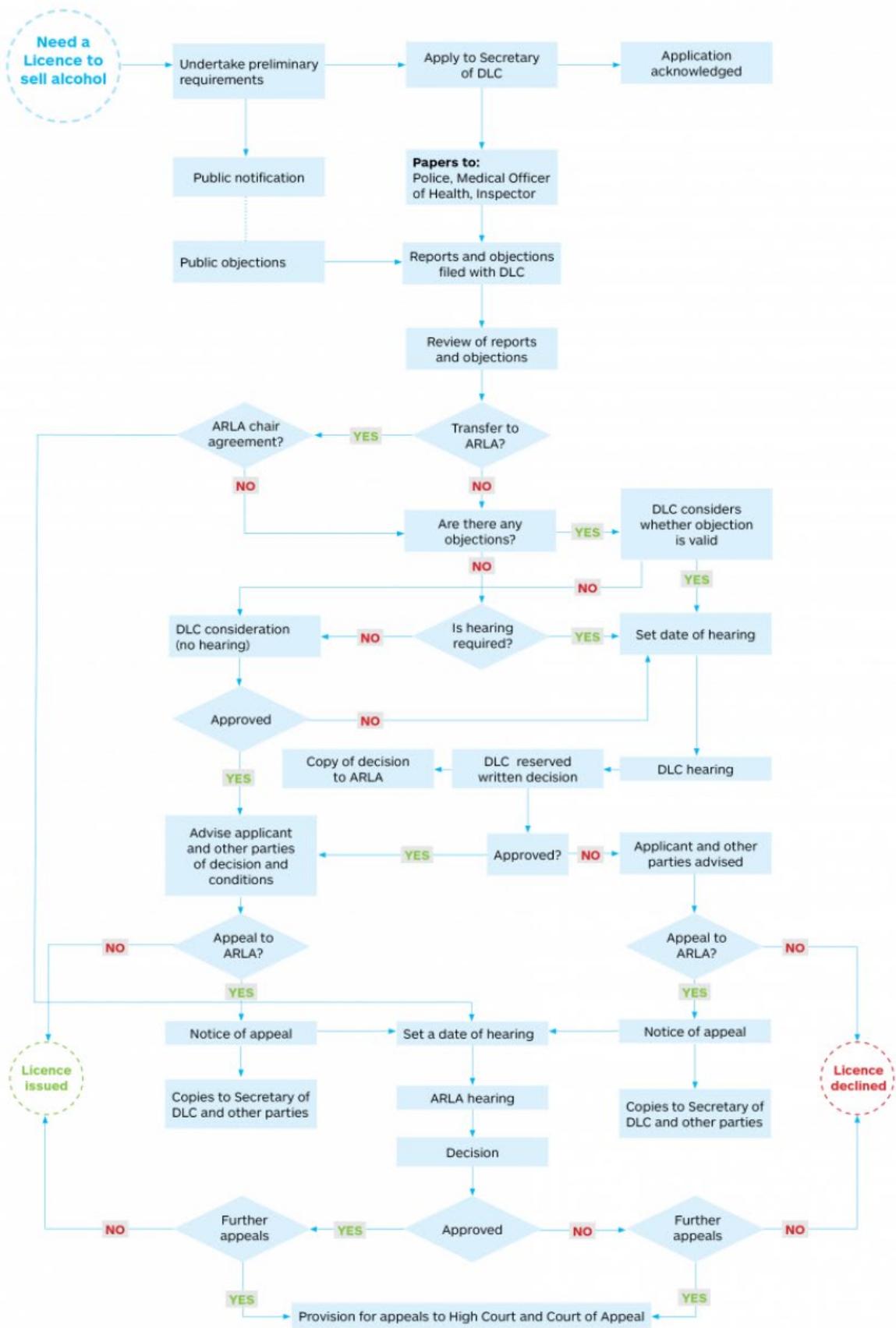
#### Recommendations

That the Performance, Audit and Risk Committee:

1. **Receives the report titled “District Licensing Committee – Membership and Governance Update”;** and
2. **Notes the current membership of the District Licensing Committee has lapsed;** and
3. **Notes that DLC member Casie Seymour has relocated off the Chatham Islands;** and
4. **Notes that elected members of Council committees may also be appointed to the District Licensing Committee under the Sale and Supply of Alcohol Act 2012, provided they act independently in that role;** and
5. **Recommends that Council appointing Nigel Ryan and Ross Murphy as commissioners, and an additional member to be compliant with legislation.**
6. **Recommends that Council consider whether additional members should be appointed to the District Licensing Committee to ensure ongoing capacity and resilience.**

#### Background information

Alcohol licensing structure in New Zealand -



AL1100 | MAY 2015

## Alcohol Regulatory and Licensing Authority (ARLA)

ARLA is the national authority responsible for overseeing alcohol licensing decision making, hearing appeals against District Licensing Committee decisions and exercising powers and functions under the Sale and Supply of Alcohol Act 2012.

## District Licensing Committees (DLCs)

Every territorial authority in New Zealand must appoint at least one District Licensing Committee. DLCs are independent, quasi-judicial bodies responsible for determining alcohol licences and managers' certificates within their district.

## Functions of the District Licensing Committee

The statutory functions of District Licensing Committees are set out under section 187 of the Sale and Supply of Alcohol Act 2012 and include:

A licensing committee's functions are—

- (a) to consider and determine applications for licences and manager's certificates; and
- (b) to consider and determine applications for renewal of licences and manager's certificates; and
- (c) to consider and determine applications for temporary authority to carry on the sale and supply of alcohol in accordance with section 136; and
- (d) to consider and determine applications for the variation, suspension, or cancellation of special licences; and
- (e) to consider and determine applications for the variation of licences (other than special licences) unless the application is brought under section 280; and
- (f) with the leave of the chairperson for the licensing authority, to refer applications to the licensing authority; and
- (g) to conduct inquiries and to make reports as may be required of it by the licensing authority under section 175; and
- (h) any other functions conferred on licensing committees by or under this Act or any other enactment.

Its decisions must be made independently from the territorial authority and in accordance with the legislation.

While operational decision-making remains independent, Council retains responsibility for appointing members and ensuring the committee is appropriately resourced and able to carry out its statutory functions.

## Composition and Appointment of the DLC

Section 189 of the Act details the composition of licensing committees.

Each licensing committee consists of 3 members appointed by the territorial authority for that territorial authority's district. A territorial authority must appoint a minimum of:

- One chair (either an elected member or an independent commissioner), and
- Two additional members, all appointed by the territorial authority.

Council can appoint members to the DLC for a fixed term of up to five years. Members can be reappointed for one or more further periods of up to five years.

If a chairperson is unable to act because of illness or absence from New Zealand, or any other sufficient reason, the territorial authority may appoint a deputy chairperson.

Key requirements of a committee member include:

- Commissioners must have strong community understanding and relevant knowledge of the Act or experience in the alcohol/hospitality industry.
- No involvement in the alcohol/hospitality industry that could present a conflict or bias.
- Must not be a Police Officer, Medical Officer of Health, an Alcohol Licensing Inspector acting as a reporting agency within the territorial authority or an employee of the council.

Written notice from a member or commissioner to resign may be given at any time to the territorial authority. A territorial authority may remove a member or commissioner for inability to perform the functions of office, bankruptcy, neglect of duty, or misconduct, proved to the territorial authority's satisfaction.

## Meetings and Decision Making

Meetings of the licensing committee may be held at any time and place. Only one committee member is required to determine applications for uncontested applications.

Section 191 determines that hearings involving objections or opposition require a quorum of three members, including the Chair. Hearings may be held by telephone, audiovisual link, or other remote facilities if appropriate.

Section 203A details appropriate procedures that the Licensing Committee must establish:

- (1) A licensing committee must establish appropriate procedures to consider applications.

(2) When doing so, a licensing committee must ensure that those procedures—

- (a) avoid unnecessary formality, including, for example (without limitation), by making appropriate provision about—
  - (i) the location and timing of the hearing;
  - (ii) the layout of the venue of the hearing;
  - (iii) the timetable for the hearing;
  - (iv) the language and terminology to be used at the hearing; and
- (b) do not permit parties or their representatives to question other parties or witnesses of other parties; and
- (c) do not permit cross-examination; and
- (d) allow for tikanga Māori to be incorporated into proceedings; and
- (e) allow for persons to be heard, and to make submissions, in Te Reo Māori.

## Current Membership

The current members of the District Licensing Committee are:

- Nigel Ryan – Council appointed Commissioner and Chair (appointed 7 November 2019). Nigel Ryan continues to meet the statutory requirements as a Commissioner.
- Casie Seymour – Council appointed DLC Member (appointed 7 November 2019). Casie Seymour has now relocated off the Chatham Islands.

At present, the committee has two appointed members.

## Risk Assessment

**Legal Risk:** The territorial authority is currently not compliant with section 189 of the Sale and Supply of Alcohol Act 2012. Decisions may be considered invalid or open to immediate challenge, including appeals to ARLA and the High Court.

**Availability Risk:** Should any objections, oppositions or s283 applications be made to the District Licensing Committee, a hearing will not be able to be convened due to a lack of committee members.

**Reputational Risk:** Due to the noncompliance, there is a risk of delays impacting applicants, licensees and the public. Ongoing non-compliance risks delays to applicants, potential adverse Ministry of Justice audit findings, and reputational damage to Council's licensing governance.

## Governance Considerations

Maintaining an adequately constituted District Licensing Committee is important to ensure Council can meet its statutory responsibilities under the Sale and Supply of Alcohol Act 2012.

Council may wish to consider:

- Reappointing Nigel Ryan as commissioner
- Appointing Ross Murphy as commissioner
- Appointing an additional member to be compliant and improve resilience
- Establishing a larger pool of members to ensure hearings can be convened as required.

## **Remuneration**

Fees for committee members and commissioners are determined by the Minister of Justice and in accordance with the Cabinet Fees Framework.

## **Attachments**

1. Selecting and appointing district licensing committees: A guide for councils
2. Cabinet Fees Framework



# Selecting and appointing district licensing committees

## A guide for councils

*We would like to acknowledge the input and support provided by the advisory group established for the purposes of this project as well as members of the District Licensing Committee Advisory Group, the Local Government Alcohol Reference Group and the Regulatory Agencies Steering Group. We would also like to thank Local Government New Zealand, and the Society of Local Government Managers for their contributions.*

### Disclaimer

The information contained in this online guide is intended as a general guide. While reasonable measures have been taken to ensure that the information is current and accurate as at October 2019, the Health Promotion Agency cannot accept any liability for any inaccuracy, omission or deficiency in relation to the information. It is not legal advice and you should not rely on anything contained in this guide in any legal proceedings. The information provided does not replace or alter the laws of New Zealand, and you should consult the legislation and obtain your own legal and professional advice, as appropriate. The Health Promotion Agency will not accept liability for any action taken in reliance on anything contained in this online guide.

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# About this guide

## Who is this guide for?

This guide is for council staff responsible for managing the selection and appointment of district licensing committees (DLCs). The guide will be useful whether you are new to the process or you have had previous experience. It may also be of interest to elected members of council and prospective DLC members.

## How will this guide help you?

This guide will support you to:

- understand the range of skills that a DLC needs
- run a robust selection and appointment process
- appoint a DLC with the necessary knowledge, skills and experience
- give effect to the Sale and Supply of Alcohol Act.

The Sale and Supply of Alcohol Act 2012 (the Act) aims to minimise harm from alcohol by managing the way it is sold, supplied and consumed. The Act introduced a new system of alcohol licensing intended to enhance community participation in licensing decisions.

DLCs have an important role under the Act – to consider and decide on all applications for alcohol licences within their local areas. DLCs need the right mix of skills to do their job well.

Councils are responsible for selecting and appointing DLCs. This is an important first step in ensuring that DLCs can carry out their role effectively. This guide will help you run a robust selection and appointment process. You can tailor the guidance to fit your local circumstances, the size of your community and the number of licensing applications you receive.

## What does this guide cover?

1. A brief introduction to DLCs
2. Who can be on a DLC?
3. Who can't be on a DLC?
4. Considering your local context
5. Running a robust selection and appointment process
6. Dealing with challenges
7. Providing ongoing support for your DLC

Section 8 provides resources such as examples of advertisements, job descriptions and interview materials that you can use and adapt for your council.

# 1. A brief introduction to DLCs

This section provides background information on DLCs and relevant legal requirements under the Sale and Supply of Alcohol Act 2012 (the Act). It covers:

1.1 What DLCs do

1.2 The legal status of a DLC

1.3 Relevant sections of the Act

## 1.1 What DLCs do

Anyone wanting to sell and supply alcohol to the public in New Zealand must apply to their local council (territorial authority) for a licence. District licensing committees (DLCs) consider and decide all applications for licences and manager's certificates (s 187 of the Sale and Supply of Alcohol Act 2012).

DLCs are established under the Act and administered by councils. Each council must establish and maintain a list of DLC members. They can have their own list or have a combined list with one or more other councils (s 192).

A DLC considers the application, agency reports, evidence and submissions presented to it against the criteria in the Act and any relevant case law. It then objectively evaluates the evidence, determines facts, forms opinions and draws conclusions to make its decision.

Within their local areas, DLCs decide applications for:

- new and renewal applications for on-, off- and club licences
- special licences
- new and renewal applications for manager's certificates
- opposed acting or temporary appointments of managers
- variation of licence conditions
- temporary authorities and temporary licences
- orders to vary, revoke, suspend or cancel a special licence.

## 1.2 The legal status of a DLC

A DLC is a committee of council (s 200(1)), is administered by the council, and may include councillors. However, it is an independent inquisitorial and impartial body and operates differently from all other council committees. A key difference is that in DLC hearings the parties have the right to call, examine and cross-examine witnesses. In addition, DLCs are not required to publicise or run their meetings in the same way as other council committees (s 207 of the Act and part 7 Local Government Official Information and Meetings Act 1987 (LGOIMA)).

DLCs have the powers of commissions of inquiry under the Commissions of Inquiry Act 1908. As a commission of inquiry, a DLC has a quasi-judicial role. DLCs have powers and procedures similar to those of a court of law or a judge and are obliged to objectively make findings of facts and draw conclusions from them. This means, for example, that a DLC can issue summonses requiring the attendance of witnesses before it or the production of documents. It also has the power to rehear any matter that it has determined (s 201(4)). DLCs should not be subject to influence from the council (or from any other third party). A council can, if it wishes, be represented and participate in a DLC hearing (s 204). However, a council cannot override a decision of a DLC.

A decision of a DLC can be appealed to the Alcohol Regulatory and Licensing Authority (ARLA) by any party to the decision. Decisions of ARLA can be appealed to the High Court, and then, if leave is granted, to the Court of Appeal.

### 1.3 Relevant sections of the Act

The following sections of the Act relate to the appointment and operation of DLCs:

99	Applications to be made to licensing committee
186	Territorial authorities to appoint district licensing committees
187	Functions of licensing committees
188	Powers of licensing committees
189	Composition of licensing committees
190	Meetings of licensing committees
191	Quorum
192	Territorial authority to establish and maintain list of licensing committee's members
193	Appointment of commissioners
194	Resignation or removal
200	Application of Local Government Official Information and Meetings Act 1987
201	Licensing authority and licensing committees have powers of commissions of inquiry
202	Procedure
203	Proceedings of licensing authority and licensing committees
204	Right of certain persons to appear in proceedings
207	Evidence in proceedings before licensing authority or licensing committee
208	Licensing authority or licensing committee may waive certain omissions
211	Decisions to be given in writing



## 2. Who can be on a DLC?

This section explores who can be on a DLC by considering:

### 2.1 What the Act says

### 2.2 What this means: good practice guidance

#### 2.2.1 What is good standing?

#### 2.2.2 What is relevant knowledge, skills or experience?

#### 2.2.3 Detailed guidance on essential and desirable knowledge, skills and experience

### 2.1 What the Act says

#### Councils must have a list of DLC members

Councils must establish, maintain and publish a list of people approved to be members of that council's DLC. Councils can establish a combined list with one or more territorial authorities.

Members must have: "experience relevant to alcohol licensing matters" (s 192(2)). Members can be elected councillors or people from the community. Members are included on the list for a fixed term of up to five years and can be reappointed for one or more periods of up to five years.

#### Councils can appoint commissioners

Councils can appoint a commissioner to any of its DLCs. A commissioner has all the functions, powers and duties of the chair (s 193(1)) and can be appointed as a chair (s 189(2)).

The Act requires a commissioner to be someone who: "is of good standing in the community and has the necessary knowledge, skill, and experience relating to matters that are likely to come before the committee" (s 193(2)).

Commissioners are appointed for a fixed term of up to five years and can be reappointed for one or more periods of up to five years.

### The composition of a DLC

Each DLC, which is selected to consider an application, is made up of a chair and two members. The chair can be either an elected member of the council (from the approved member list) or a commissioner appointed by the chief executive, on the recommendation of the council.

### 2.2 What this means: good practice guidance

The Act does not define or set out:

- good standing or the necessary knowledge, skill and experience relating to matters that are likely to come before the committee (required for commissioners)
- the experience relevant to alcohol licensing matters (required for members).

In the absence of such detail, this document provides some guidance to councils about good standing and the types of knowledge, skills and experience that would contribute to the effective running of a DLC.

#### 2.2.1 What is good standing?

A commissioner must be someone who "is of good standing in the community and has the necessary knowledge, skill, and experience relating to matters that are likely to come before the committee" (s 193(2)).

The Act does not give a definition of "good standing in the community". When considering good standing you could think about whether an applicant:

- is of good character eg, do they have any convictions? Have they been bankrupted?
- has a good reputation and is held in high regard in their community
- holds positions of leadership within a community eg, school board of trustees or iwi authority
- belongs to a professional organisation that upholds professional standards of ethics.

### 2.2.2 What is relevant knowledge, skills or experience?

In considering what might be relevant knowledge, skills or experience, it is useful to think about the skills that DLCs need to carry out their role effectively.

#### DLCs must understand alcohol-related harm and how it can be minimised

All members must have an understanding of the nature of alcohol-related harm – what it is, how it impacts communities (particularly vulnerable communities), and how it can be minimised. While alcohol-related harm is often perceived as direct harm, DLCs need to understand the deeper and more complex layers of impacts on communities. Alcohol-related harm is not just about rubbish and noise. It is also about the broader health, social, economic and cultural impacts (both direct and indirect) of the sale, supply and consumption of alcohol, particularly inappropriate or excessive consumption of alcohol.

#### DLCs need experience in legal processes

There are different views about the need for legal training and skills on DLCs. Many applicants have legal representation for hearings, so having a DLC that is suitably experienced to address matters of law raised by lawyers is necessary. Some councils value legal expertise and only have lawyers on their DLC. Other councils don't believe that formal legal expertise is essential for a well-functioning DLC and have no lawyers at all. In these cases, chairs may have experience in legal and regulatory processes such as the Resource Management Act 1991 and councils provide legal advice or support to their DLC.

#### DLCs need skills to facilitate community participation

One of the key drivers behind the Act was to enhance community participation in licensing decisions. DLC practices can have a big impact on the willingness and ability of the community to take part. DLCs need skills and experience to work effectively with community participants in hearings.

When selecting and appointing your DLC you might want to consider:

- the skills and experience that members have in working with communities or running hearings in a way that makes community members feel welcome. This is particularly important for members of the community appearing as objectors who may not be familiar with judicial processes
- whether members have an understanding of:
  - the diversity of the community/communities that the DLC is responsible for
  - how alcohol-related harm impacts disproportionately across different communities and population groups
  - differing patterns of alcohol-related harm in the local community
  - barriers that some communities face to participating in the licensing and hearings process and how these might be addressed
- whether members are open to attending hearings in the evenings to accommodate objectors who work during the day
- whether your chair or members are familiar with basic te reo (language), pronunciation, and tikanga (customs). You can provide support for your DLC members to build this capacity.

You might also think about how the diversity of your DLC reflects the community it serves, in particular those most affected by alcohol-related harm.

The table below provides some detailed suggestions for relevant knowledge, skills and experience.

### 2.2.3 Detailed guidance on essential and desirable knowledge, skills and experience

The table below provides good practice guidance on essential and desirable knowledge, skills and experience for DLC chairs and commissioners (C), and members (M).

We have not differentiated between chairs and commissioners in this table. Chairs, regardless of whether they are elected members or appointed commissioners, need to have the same knowledge, skills and experience to run effective hearings and decision-making processes.

	ESSENTIAL	DESIRABLE	EXPLANATION/COMMENTARY
<b>Knowledge, understanding or experience of:</b>			
✓ Te Tiriti o Waitangi/ the Treaty of Waitangi	C, M		While the Sale and Supply of Alcohol Act 2012 does not refer to the Treaty of Waitangi, it is good practice for all people in public office to have a knowledge and understanding of the Treaty and its implications for their decision-making roles.
<b>Law and legal processes</b>			
✓ the law and its application (including the Act, case law and written decisions)	C	M	An understanding of law and how it is applied is essential for chairs. Chairs need to understand and apply the Act, case law and written decisions.
✓ judicial processes	C	M	DLCs are quasi-judicial bodies so understanding or experience of judicial processes is essential for chairs who manage hearings.
✓ natural justice and its application	C, M		Chairs and members must understand what natural justice is and what they need to do as decision makers to achieve it.
<b>Sale and Supply of Alcohol Act 2012</b>			
✓ the object of the Act	C, M		All members must be familiar with the object of the Act.
✓ alcohol-related harm and its impacts on communities	C, M		All members must have an understanding of the nature of alcohol-related harm – what it is, how it impacts communities (particularly vulnerable communities), and how it can be minimised.
✓ the Act and its application	C	M	Chairs must have a thorough understanding of provisions of the Act and their application.
✓ alcohol licensing (including local alcohol policies if relevant)	C	M	Chairs need a thorough understanding or experience of alcohol licensing processes.

	ESSENTIAL	DESIRABLE	EXPLANATION/COMMENTARY
<b>Hearings</b>			<i>This could be through experience in other roles such as an employer or a mediator – and as a facilitator or a participant in hearings.</i>
✓ the purpose of hearings	C, M		Chairs and members must understand the purpose of hearings.
✓ hearing procedures (and the unique nature of DLC hearings procedures)	C	M	Chairs are responsible for running hearings, so must have knowledge, skills and/or experience in hearings procedures generally, and DLC hearings in particular.
✓ the nature of evidence	C	M	Chairs need to understand the nature of evidence, what does (and doesn't) constitute evidence, and how evidence differs from submissions.
✓ conflict of interest and bias and the appearance of conflict of interest or bias	C, M		Chairs and members must understand the nature of conflicts of interest and bias and be able to apply them to their own situations.
✓ operating under rules of confidentiality	C, M		Chairs and members must be able to operate under rules of confidentiality.
<b>The community</b>			
✓ the local community in which the DLC operates	C, M		Chairs and members need to have a good understanding of the local community in which the DLC operates, including: <ul style="list-style-type: none"> <li>• the demography of the community</li> <li>• whether and how it is changing</li> <li>• the environment that the premises are, or would be, in</li> <li>• groups within the community who are particularly vulnerable to alcohol-related harm</li> <li>• whose views are (and aren't) being presented.</li> </ul>
✓ the local community's concerns and expectations around alcohol and alcohol-related harm	C, M		Chairs and members need to have a good understanding of the local community's concerns around alcohol and alcohol-related harm
✓ the nature of the licensing environment and alcohol-related harm in the community in which the DLC operates	C, M		Chairs and members need to be familiar with: <ul style="list-style-type: none"> <li>• the local licensing environment: <ul style="list-style-type: none"> <li>– numbers and types of on- and off-licence and club licence premises</li> </ul> </li> <li>• the local environment that the application is for, and the nature of the current alcohol-related harm that exists there: <ul style="list-style-type: none"> <li>– who is affected, where, when?</li> <li>– where is the alcohol sold and supplied and consumed?</li> </ul> </li> </ul>

	ESSENTIAL	DESIRABLE	EXPLANATION/COMMENTARY
✓ the local iwi, hapū, and Māori communities	C	M	Chairs should have an understanding of local Māori communities: their aspirations; their concerns and expectations about alcohol and alcohol-related harm.
✓ the cultural and ethnic make-up of the local community	C	M	Chairs should have an understanding of the cultural and ethnic make-up of local communities: their aspirations; their concerns and expectations about alcohol and alcohol-related harm.
✓ working with community and community groups		C, M	Previous experience or skills in working with community groups would be valuable to have on any DLC, particularly if they are to provide an environment that is welcoming to public objectors who are not familiar with legal environments.
<b>Skills in:</b>			
<b>Communication and teamwork</b>			
✓ oral communication	C, M		Chairs and members need to be able to communicate effectively with one another, with staff, and with participants at hearings.
✓ listening and asking questions to gain understanding	C, M		Chairs and members must be active listeners who can use questions to gain understanding.
✓ considering information from a variety of sources in an objective, unbiased way and being open-minded in reaching a conclusion	C, M		The key role of the DLC is to evaluate information from a range of parties (often in opposition to one another), consider this in an objective and unbiased way, and come to a conclusion within the context of the Act.
✓ written communication	C	M	Chairs undertake most written communication on behalf of the DLC (including minutes and decisions) so must have strong skills in this area.
✓ te reo and tikanga Māori	C,	M	Chairs should have basic understanding of te reo and tikanga so that they are able to run and manage hearings effectively and appropriately (as required).
✓ computer literacy	C, M		Chairs and members need computer literacy to carry out their role effectively, for example for: <ul style="list-style-type: none"> <li>• email communication</li> <li>• research (eg, case law)</li> <li>• downloading, uploading and amending DLC documents and decisions.</li> </ul>

	ESSENTIAL	DESIRABLE	EXPLANATION/COMMENTARY
✓ facilitating good working relationships with other DLC members	C, M		Chairs and members need to have good inter-personal skills and be able to build good working relationships with others.
<b>Responsibilities of the chair</b>			
✓ running hearings	C		The chair must be able to run or chair hearings in a way that: <ul style="list-style-type: none"> <li>• is fair and effective</li> <li>• is inclusive of members of the community appearing as objectors who may not be familiar with judicial processes</li> <li>• ensures that no party dominates proceedings</li> <li>• ensures procedures are correctly followed</li> <li>• achieves natural justice.</li> </ul>
✓ writing clear and well-thought-out decisions	C		Chairs are responsible for writing decisions on behalf of the DLC. They must be able to write decisions that: <ul style="list-style-type: none"> <li>• are well structured, logical and clear</li> <li>• outline the considerations of the DLC in reaching its evaluations, opinions and conclusions</li> <li>• refer to relevant case law</li> <li>• are legally sound.</li> </ul>
<b>Personal qualities</b>			
✓ willingness to upskill and develop new knowledge	C, M		Chairs and members need to be open to upskilling where necessary and developing their knowledge.
✓ willingness to make decisions (that may be unpopular) and be subject to media scrutiny and appeals by higher authorities such as ARLA and the High Court	C, M		The decisions made by DLCs will sometimes be unpopular and subject to scrutiny by the courts and the media. Members and chairs need to have the resilience to manage such scrutiny and criticism.



## 3. Who can't be on a DLC?

This section explores who can't be on a DLC by considering:

### 3.1 What the Act says

### 3.2 What this means: good practice guidance

#### 3.2.1 General principles for decision makers

#### 3.2.2 Managing conflicts and bias

### 3.1 What the Act says

You cannot appoint a commissioner (s 193(3)) or a list member (s 192(5)) if:

- 1 the person is:
  - a police officer, or
  - a Medical Officer of Health, or
  - an alcohol licensing inspector, or
  - an employee of the territorial authority
- 2 the council believes that the person has, directly or by virtue of his or her relationship with another person, such an involvement or appearance of involvement with the alcohol industry that he or she could not perform his or her duties without actual bias or the appearance of bias.

Chairs who were appointed to the DLC as an elected member of council cannot remain on the DLC if they are no longer an elected member of the council. However, the council could choose to reappoint them as a commissioner if the individual has the necessary knowledge, skill and experience relating to matters that are likely to come before the committee (s 193(2)).

### 3.2 What this means: good practice guidance

DLCs make important decisions on applications for licences under the Act and, in doing so, must run a fair process. Councils must ensure that the people they appoint to their DLC can run a fair and objective decision-making process.

The Act specifically prohibits the appointment of anyone to a DLC who could not perform their duties due to bias or the appearance of bias as a result of their involvement, or the appearance of their involvement, in the alcohol industry.

However, considerations of bias and conflict of interest are not restricted to those with industry involvement. Every member or official of a public entity has professional and personal interests and roles. Occasionally, some of those interests or roles overlap. This is almost inevitable in a small country like New Zealand, where communities and organisations are often close-knit and people have many different connections. Elected members of council have extensive involvement in their communities and a great deal of local knowledge. This knowledge can help inform the decision-making processes of the DLC; however, this closeness to the community can also give rise to a conflict of interest or a perception of bias.

Conflicts of interest sometimes cannot be avoided, and can arise without anyone being at fault. They are a fact of life. But they need to be managed carefully. Even where no conflict of interest exists, councils and DLCs must be careful to avoid any perception of a conflict of interest. DLCs need to be impartial and be seen to be impartial.

This section sets out some general principles for decision makers and some specific guidance on managing bias and conflicts of interest.

### 3.2.1 General principles for decision makers

#### Decision makers must uphold natural justice

Natural justice is about fair process. It means that any public decision-making body, including a DLC, must be independent and impartial and its procedures must be fair and transparent. Natural justice can be enforced by the courts, administrative tribunals or ombudsmen.

Determining whether a decision complies with natural justice will generally depend on whether a fair and proper procedure was followed in making it.

#### Decision makers must avoid bias and the appearance of bias

Decision makers must be unbiased in all procedures, when holding a hearing or making a decision. A decision maker must be impartial and must make a decision based on a balanced and considered assessment of the information and evidence before them without favouring one party over another. Even where no actual bias exists, decision makers should be careful to avoid the appearance of bias.

#### Decision makers must avoid conflicts of interest

The Office of the Auditor-General defines it the following way: “Put most simply, a conflict of interest can arise where two different interests overlap.”

In the public sector, there is a conflict of interest where a member’s or official’s duties or responsibilities to a public entity could be affected by some other interest or duty that the member or official may have.

The other interest or duty might exist because of:

- the member’s or official’s own financial/business interests or those of his or her family
- a relationship or other role that the member or official has
- something the member or official has said or done.

### 3.2.3 Managing conflicts and bias

#### Involvement in the alcohol industry – what might this mean?

Examples of involvement in the alcohol industry that might lead to real or perceived bias or conflicts of interest for DLC members could include (but are not limited to):

- having a financial interest in a licensed premises
- having family members with interests in a licensed premises
- having close personal or working relationships with licensees
- being the property owner of the site of a licensed premises.

People who have had involvement in the alcohol industry will have knowledge, skills and experience that would be useful on DLCs. For example, ex-licensees would bring knowledge of the practical application of the Act in licensed premises. In this case, you might consider how much time has passed since they left their role. It is not easy to prescribe a specific length of time – it should be long enough that the person is unlikely to be dealing with parties they have worked closely with, but recent enough that their knowledge and skills are still relevant.

If you are thinking about appointing someone with previous involvement with the industry, then consider:

#### *The nature of their relationships*

- Who does the individual have professional relationships with?
- Could these relationships lead to bias or a perception of bias?

#### *Awareness*

- Does the person concerned have an awareness of their potential bias and whether/how it could be managed?

#### *The observer test*

- Would a reasonably informed, objective observer consider that the individual could perform their duties without bias or a perception of bias?

### Managing bias and conflicts of interest in the selection and appointment process

#### Run a robust selection and appointment process

The best way to avoid and manage any concerns about bias and conflict of interest of DLC members is to run a robust selection and appointment process. See [Section 5.3](#) for more details.

#### Document your process

Document your selection and appointment process. If the council is challenged about an appointment (or the decision of a DLC), you will have documentation which can be made publicly available (subject to necessary privacy redactions).

Keep good notes of interviews, assessments of candidates, panel decisions and of course council decisions. Document the consideration of any potential bias or conflict of interest and the resulting conclusions. Make sure that all documents are filed in the council's electronic filing system and can be easily retrieved at a later date.



### Managing bias and conflicts of interest in DLC decision making on specific applications

There are many ways that bias can be managed in the context of a specific application including:

- assessing the relationships between DLC members/chairs and applicants or parties to a hearing
- members excluding themselves
- appointing an outside commissioner if required
- allowing for concerns about bias prior to a hearing, for example:
  - all DLC members/chairs could have a photo and short biography on the council website
  - when an application is advertised and a committee is selected, the parties could be sent a link to the biographies
  - council could provide a timeframe for parties to state any concerns around bias of members prior to the hearing
- members making a declaration at the start of the hearing that they have no conflicts. Parties can object and be heard in 'chambers' if required
- the DLC referring the case to ARLA (s 170(a)).

For more information on managing conflicts of interest see the Office of the Auditor-General's guide – **Managing conflicts of interest: Guidance for public entities**.

## 4. Considering your local context

Each territorial authority must establish and maintain a list of DLC members. You can have your own list or have a combined list with one or more other territorial authority. Each territorial authority must have at least one DLC; larger metropolitan centres may have more than one. This section of the guide focuses on your local context and what you need to think about in selecting, appointing and administering your DLC. It considers:

### 4.1 Local needs and demands

### 4.2 Achieving the right mix

### 4.3 Timing of appointments

### 4.1 Local needs and demands

DLCs in large metropolitan areas regularly deal with high numbers of applications. While the majority are still dealt with 'on the papers' (by the chair), these DLCs may have more than 20 public hearings a year. Depending on the number of members on the list and the practices of the council, these members are likely to be involved in many hearings. Some councils in larger cities have several DLCs and a pool of chairs that can rotate.

In contrast, many smaller towns or rural areas have only a few applications per year and even fewer public hearings. Councils in smaller provincial and rural areas may have only one chair (either an elected member or a commissioner), who takes part in every hearing. If you only appoint one chair, you will need to appoint a competent deputy chair who can cover the chair if they are on leave or unwell.

Where neighbouring councils have shared lists of DLC members, DLCs can cover multiple council areas. This can be useful in areas where there are few applications and members have less chance of being involved in a hearing and keeping their skills up to date.

You need enough members to cover each other's holiday or illness or any conflicts of interest. Four members must be available for each hearing: three for the hearing and one alternate in case of illness.

Things to think about:

#### *The demand in your community*

- What is the population of your city or district? Is it likely to change significantly in the next five years?
- How many applications do you generally receive each year? Is this likely to change significantly in the next five years (eg, as a result of rapid urban growth)?
- How many hearings have you had each year in the recent past? Is this likely to change significantly in the next five years?

#### *The make-up of your DLC*

- How many DLCs do you need to meet the demand in your community?
- How many members do you need?
- How many chairs/commissioners do you need?
- What should be the ratio of chairs/commissioners to members?
- Do you need your own list of members or could you share with neighbouring councils?
- Do you have enough members to cover illness, leave and conflicts?

## 4.2 Achieving the right mix

Consider the overall make-up of your DLC. It is unlikely that any individual, whether they are a chair, commissioner or list member, will bring all the skills, experience and qualities needed. Rather, it is important that you get the right mix of skills in the pool.

Elected members, commissioners and community members can bring different things to a DLC. You can use a combination of each to build a DLC that reflects the needs and skills of your community and council.

### *Different options include:*

- **No elected members** – you can have commissioners as chairs and community members as list members. This approach can de-politicise the process, emphasising the independence and separation of the DLC from the elected members. It provides for elected members to advocate more broadly for their community on alcohol issues, ensuring no conflict of interest.
- **Commissioners and elected members** – if your elected members have great understanding of the local community but little experience in alcohol licensing, a commissioner can provide that knowledge and help build local capability.
- **Elected members and community members** – if you have elected members with the necessary skills and experience but you want to reflect your community (or particular parts of it) or broaden your skill base, you might include list members from the community.
- **Only elected members** – some councils value the local knowledge that elected members bring and so only have elected members on their DLCs. This can work if your elected members have the skills required for a DLC to function effectively, such as knowledge and experience of legislation, regulation, alcohol licensing, hearings and decision writing. However, this could increase the likelihood of conflict of interest, raise perceptions of bias, and reduce advocacy options for elected members to participate in hearings. The need to be available for hearings may also impact on their elected member duties.

## 4.3 Timing of DLC appointments

### 4.3.1 Tenure

Councils can appoint DLC members, chairs and commissioners for up to five years. They can be reappointed for one or more periods of up to five years.

A DLC member can resign at any time and can be removed for inability to perform functions, neglect, bankruptcy or misconduct.

Chairs who were appointed to the DLC as an elected member of council cannot remain on the DLC if they are no longer an elected member of the council. However, the council could choose to reappoint them as a commissioner if the individual has the knowledge, skills and experience relating to matters that are likely to come before the committee.

### 4.3.2 Timing of appointments

You need to think about when you will appoint members and for how long. You can predict the timing of some appointments – such as when a term ends or following local government elections. Some others will not be as predictable, for example if a member resigns during their term.

Some councils stagger their appointments or appoint members for different lengths of time so that terms do not all end at the same time. This can help with succession and maintaining knowledge within the DLC, but it can also be very resource intensive.

You need to start recruitment of new members several months before the expiry of an outgoing member. See **Section 5.3, which outlines the selection and appointment process in detail.**



# 5. Running a robust selection and appointment process

Your selection and appointment process must be robust, transparent, objective and well managed. This section provides guidance to help you achieve this. It covers:

5.1 Who should be involved?

5.2 Attracting a wide pool of skilled candidates

5.3 The process in detail

## 5.1 Who should be involved?

### 5.1.1 Staff

Staff should run and manage the selection and appointment process. The staff who are usually involved include regulatory managers, DLC advisors and hearings advisors. Inspectors should not be involved. Staff should advise elected members on the selection and appointment process, run the selection process, and provide recommendations on appointments to council.

### 5.1.2 Elected members

Different councils involve elected members at different levels. Whatever involvement elected members may have, the key is to maintain transparency and objectivity in the process.

Many councils keep elected member involvement to a minimum: elected members are informed of the process at the start and approve staff recommendations for appointments at the end. Elected members have no active involvement in implementing the process or making decisions about who is appointed.

Other councils involve elected members at particular points in the process. For example, some councils who have elected members on their DLC include them on interview panels. Any elected members involved in the selection process would need to follow the selection criteria and assessment process in a transparent and objective manner, as with other members of the selection panel.

Remind elected members of the potential risks of not following good process (challenges to the appointment process and associated legal costs, reputational risks, a DLC without the necessary skills, poor decisions by the DLC, etc).

### 5.1.3 Members of Iwi or Māori committees

Several councils have provided for an Iwi or Māori voice in the selection and appointment process. You could do this by involving members of your local Iwi, Hapū or Māori advisory board/committee in: determining selection criteria; interviewing candidates; shortlisting; or making recommendations for selection.

### 5.1.4 External contractors

Some councils have used an external contractor to run the entire process. This can assist in providing transparency and independence from the council. However, this option can be costly and so may not be available to all councils.

## 5.2 Attracting a wide pool of skilled candidates

Section 2.2.2 outlined the skills, experience and knowledge that DLCs need. These include an understanding of alcohol-related harm and how it can be minimised; experience in legal processes; and skills to facilitate community participation.

Your DLC can be more effective if members have a thorough understanding of:

- the local community in which the DLC operates including the local Iwi, Hapū, and Māori communities
- the local community's concerns and expectations around alcohol and alcohol-related harm
- the nature of the licensing environment and alcohol-related harm in the community in which the DLC operates.

Try and attract as wide a range of candidates as possible. You might need to be proactive to attract candidates that have the necessary experience and reflect the community the DLC serves. Organisations that you might approach to seek a broader range of candidates could include:

- Hapū or Iwi organisations
- community health providers – including Māori, Pacific or migrant health providers
- legal associations – such as Community Law or the Māori Law Society
- youth organisations
- women's organisations such as the Māori Women's Welfare League or Rural Women New Zealand
- Māori Wardens.

### 5.3 The process in detail

- This section sets out the steps in process for selection and appointment of your DLC. It covers:
  1. Potential review of any appointment policy
  2. Preparation and planning
  3. Seeking council approval for the process
  4. Establishing an appointment panel
  5. Developing your documentation
  6. Advertising, notifying and proactively seeking out candidates
  7. Screening your applicants and assessing eligibility
  8. Carrying out the interviews
  9. Selecting your candidates and considering the mix of your DLC
  10. Providing recommendations to council on appointments
  11. Confirming contracts for services

#### 1. Potential review of any appointment policy

If your council has an appointment policy, consider whether it needs a review before you start your selection and appointment process. If it does need to be reviewed, work out how long this will take, who will need to be involved, and whether council will have to sign off the final policy.

#### 2. Prepare and plan

##### How many DLCs do you need?

Think about the demand in your community and how the make-up of your DLC can respond to this demand. You need an idea of how many DLCs you will need and whether you can share with neighbouring councils. Think carefully about the ratio of chairs/commissioners to members. For more information and questions to consider see [Section 4.1](#).

##### Elected members, commissioners, or community members?

Elected members, commissioners, and community members can bring different things to a DLC. You can use a combination of each to build a DLC that reflects the needs and skills of your community and council. [Section 2.2.2](#) looked at the skills needed for a DLC and the different options for getting these. Think about the skills that exist among your elected members and whether you need or want to seek candidates from the community.

### Consider your process

Think ahead of time about how you will run your process:

- Who will run the process?
- Who else will be involved in the process and at which stages?
- Who will make decisions?
- Do you need to proactively seek out candidates? When and how will you do this?
- Who will be responsible for drafting key documents?
- What is your timeline?
- How will you communicate with people involved in the process?
- What will the process cost and is the money allocated in your budget?
- When does council need to make decisions or be informed?

### Appointing elected members

Many councils appoint elected members to their DLC following local body elections as part of the process of assigning committee roles within council. The appointment of community members/ commissioners then happens on a different timeframe. Elected members are not usually interviewed in the same way as community members, so some of the steps set out in this process may not apply when appointing elected members to DLCs.

### 3. Seek council approval for the process

Draft a paper to council outlining your proposed process before you start it. You should cover:

- the number of DLCs, chairs, commissioners and members you propose to appoint
- when and how elected members will (and won't) participate in the process.

### 4. Establish an appointment panel

Based on the decisions made by council in Step 3, establish your appointment panel.

### 5. Develop your documentation

You will need several documents for applicants as well as internal documentation of the process. It is critical that you document your process accurately in case you are challenged at a later stage. You may want to involve your appointment panel in this step of the process, or they might lead this step.

For applicants you will need:

- advertisements
- job descriptions
- FAQs (optional).

In your communication to potential applicants you need to be clear about the role(s), the skills and experience required, eligibility criteria and conflicts of interest, along with likely time commitments and remuneration.

For your own processes you will need

- criteria for selection
- interview questions
- scoring sheet for candidates
- reports to council.

You can find examples and templates for these documents in **Section 8** of this guide.

### 6. Advertise, notify and proactively seek out candidates

Seek out candidates through a range of channels including:

- your council website
- online job and career sites
- newspapers
- council's community and business networks
- Iwi, Hapū and Māori networks
- proactively seeking out potential candidates (see **Section 5.2** for more information).

### 7. Screen your applicants and assess eligibility

Once applications have been received, the appointment panel will need to screen them for eligibility and skills. See Section 3 for more information on eligibility and Section 2.2.2 for more information on skills.

### 8. Carry out the interviews

The appointment panel will then carry out the interviews with the chosen candidates.

### 9. Select your candidates and consider the mix of your DLC

The interview panel will select their preferred candidates. As part of this process they will need to consider the overall mix of skills and how these match the skills required of a DLC. See Section 4.2 for more information on achieving the right mix.

This step will also cover: short-listing; acceptance of role; drawing up the contract for services.

### 10. Provide recommendations to council on appointments

Draft a paper to council with recommendations for appointment of members and commissioners. You might go through the relevant council committee before going to full council.

### 11. Confirm contracts for services

The final step in the process is to confirm the contract for services with members. Some councils only have contracts with list members who are not elected members. Others have contracts with all list members including elected members.



## 6. Dealing with challenges

Following the best practice set out in this guide will support you to run a robust, transparent and objective selection and appointment process. However, despite your best efforts, you are likely to run up against problems or face risks to your process. This section

provides some ideas for dealing with these risks and challenges. It is a good idea to talk with colleagues in your council or other councils if you are facing risks or challenges: you don't have to have all the answers.

Risk to the process/Challenges	Options
Difficulty attracting skilled candidates	<ul style="list-style-type: none"> <li>Proactively seek out skilled candidates through relevant organisations or contacts</li> <li>Consider appointing a commissioner</li> <li>Consider having a combined members' list with neighbouring councils. This can provide a greater pool of skills and expertise to select from</li> <li>Think about training or mentoring to upskill your members (including regional and national training or mentoring)</li> <li>See Section 2.2.2 for information on skills required</li> </ul>
<p>Your DLC does not have a good understanding of your community and the impacts of alcohol-related harm on it</p> <p>OR</p> <p>Your DLC does not reflect the community it serves</p>	<ul style="list-style-type: none"> <li>Consider the current and projected demographics of your community. Is your community changing? If so, how?</li> <li>Proactively seek out skilled candidates through relevant organisations or contacts to address gaps</li> <li>Think about who is applying to your DLC and being appointed (and who isn't). Do you need to review your processes and documentation to attract different people?</li> <li>Consider having a combined members' list with neighbouring councils. This can provide a greater pool of skills and expertise to select from</li> <li>See Section 5.2 for more ideas</li> </ul>
Politicisation of the process/ Councillors not supporting staff recommendations for appointments	<ul style="list-style-type: none"> <li>Prepare and plan your process (see Section 5.3)</li> <li>Have a DLC Appointment Policy which sets out the process for appointments and reappointments</li> <li>Draft a paper to council outlining your proposed process before you start it. Clearly set out the roles of councillors and staff from the beginning. Seek council agreement to the process</li> <li>Remind elected members of the potential risks of not following good process (challenges to the appointment process and associated legal costs, reputational risks, a DLC without the necessary skills, poor decisions by the DLC, etc)</li> </ul>
Too many members, chairs or commissioners	<ul style="list-style-type: none"> <li>Prepare and plan your process (see Section 5.3)</li> <li>Consider the demand for alcohol licensing in your community and the make-up of the DLC to provide for it (see Section 4.1)</li> <li>Clarify your community's requirements in your initial paper to council</li> <li>Start small and add members later if necessary. It is easier to add members than remove them</li> </ul>

## 7. Providing ongoing support for your DLC

Councils are responsible for resourcing and supporting DLCs so that they can fulfil their obligations under the Act effectively. The level and nature of support may vary across councils depending on their size and capability. All councils should provide an induction for new members.

Learning can be formal and structured (with associated costs) but it can also be informal and unstructured, for example meeting neighbouring DLCs for a morning tea or going out with Police and licensing staff on weekends. Different people have different learning styles: some like a written, formal document to take away and read; some prefer an informal chat. Talk to your members about their learning styles and what they would find helpful.

More experienced DLC members could provide mentoring to new members on a range of topics. Support could also come from council staff such as the DLC secretary or members of the council's legal team. Councils can hire external people to provide specific technical guidance, for example on hearing procedures, the assessment of evidence and submissions, and writing decisions.

Understanding the impact of alcohol-related harm on different communities is important for all DLC members. You might consider providing training opportunities for members to gain a deeper understanding of this, for example through access to health equity training, or attending a local hospital's emergency department.

In some regions, councils coordinate shared training for DLCs from across the region. Councils also hold regular training and invite DLCs from other areas to attend. This is a great way for DLCs to upskill and network.

Training support can also come from national bodies such as **Local Government New Zealand** and the **Health Promotion Agency** or the **national DLC network**. It is worth finding out about resources and training opportunities that these groups provide.



## 8. Tools and resources

Section 8 provides resources such as examples of advertisements, job descriptions and interview materials that you can use and adapt for your council.

### 8.1 Advertisements

### 8.2 Position description

### 8.3 Interview questions

### 8.4 Scoring sheet for candidates

We have not provided example contracts, but you can access **central government model contract templates** through the Ministry of Business, Innovation and Employment.



### 8.1 Advertisements

#### Advertisement Example 1

##### District Licensing Committee Members and Chairs

Great decision-making skills? Former alcohol licensing experience? We are calling for applications from persons interested in making alcohol licensing decisions to be part of [NAME] Licensing Committee.

The District Licensing Committee is responsible for determining all alcohol licences and manager's certificates in [AREA]. We are looking for applicants with strong skills and experience, including:

- relevant alcohol licensing experience in previous roles
- demonstrated knowledge of the Sale and Supply of Alcohol Act 2012 and how it is applied
- highly developed decision-making skills and investigative ability
- demonstrated knowledge of the hearing process
- an understanding of [AREA] communities and their expectations around alcohol licensing
- strong oral and written communication skills
- some knowledge of alcohol-related harm in [AREA].

Please note that applicants must not have any involvement, or the appearance of involvement, in the alcohol industry or alcohol retail business.

Applicants should be prepared for flexible working hours, noting that this is not a full-time role. Successful candidates will be contracted to [NAME] council and will not be employees of the council. Work will be on an 'as required' basis at the remuneration rate set by the Minister of Justice for a term that expires in June [year].

Preference will be given to candidates that live in the [NAME] area/region.

Any enquiries please contact [NAME] on [NUMBER].

#### Applications close on [date] at [time]

Applicants must apply via our website [WEBSITE] including a recent copy of their curriculum vitae, and if you are applying to be a chair or commissioner, examples of recent decisions you have written.

## Advertisement Example 2

### Expressions of Interest – New District Licensing Committee for [NAME] Council

Great decision-making skills? Former alcohol licensing experience? We are calling for applications from persons interested in making alcohol licensing decisions to be part of [NAME] Licensing Committee.

Expressions of interest are invited from suitable persons for consideration for appointment as the Commissioner and Licensing Committee Members. The District Licensing Committee consists of a Commissioner and two other Committee Members drawn from a list of members appointed by [NAME] Council.

The District Licensing Committee has responsibility for all local decisions on applications made under the Sale and Supply of Alcohol Act 2012, including:

- premises licence applications – new, renewals, variations
- new applications and renewals of manager's certificates
- applications for temporary authority
- special licences variations, suspensions and cancellations.

Council is keen to reflect the diversity of the community it serves and encourages applicants who can demonstrate:

- knowledge of alcohol licensing and the legal framework
- an understanding of the impact of alcohol-related harm on communities
- highly developed analytical and decision-making skills
- experience applying legislative and regulatory frameworks
- knowledge of and familiarity with the conduct of public hearings
- excellent verbal and written communication skills
- the highest standard of professional and personal integrity.

DLCs are quasi-judicial committees of Council with decisions being appealable to the Alcohol Regulatory and Licensing Authority. It is preferable that applicants for Commissioner or Chair have demonstrable experience in writing decisions in a legal context.

Further information on the roles, including application details, position competencies and remuneration can be found on Council's website.

Applicants should demonstrate how their ability to make decisions on alcohol matters and their experience of hearings processes will benefit Council's DLC.

#### Applications close on [date] at [time]

Applications should be made to:

The Secretary  
[NAME] Licensing Committee  
[ADDRESS]

Or by email to the Secretary of the District Licensing Committee [EMAIL]

## 8.2 Position description

### Position Description Example 1 – Chair/Commissioner

[NAME] Council

#### POSITION DESCRIPTION

**POSITION TITLE:** Chairperson/Commissioner, District Licensing Committee

#### Position purpose

The purpose of this position is to chair a [NAME] District Council District Licensing Committee (DLC) that will consider and determine applications made under the Sale and Supply of Alcohol Act 2012.

More particularly, the functions of the DLC are to:

- consider and determine licence applications, renewals, variations, suspensions and cancellations
- consider and determine new applications for and renewals of manager's certificates
- consider and determine applications for temporary authority
- conduct inquiries and make reports to the Alcohol Regulatory and Licensing Authority (ARLA)
- with the leave of ARLA, refer applications to ARLA.

A DLC consists of three members appointed by a territorial authority for its district.

The DLC will have to issue reasoned decisions in writing and send copies to the relevant parties.

In its decision making, the DLC will have regard and, where applicable, give effect to the [NAME] Council Local Alcohol Policy.

#### Workload

The workload of the DLC will depend on the number of applications received and the number of these applications that are objected to by members of the public or where reporting agencies are in opposition. All uncontested applications are to be considered on the papers by the Chairperson/Commissioner, while contested applications are considered by the full DLC.

A DLC can transfer an application to ARLA for its consideration, with the agreement of the Chair of ARLA.

The table attached as Appendix A outlines the types and numbers of applications that have historically been lodged at [NAME] Council:

As formal meetings will only be required for contested applications, an estimate has been made as follows based on historical data:

- Chair: 7 hours per week to consider and determine uncontested applications
- Full DLC: 3 half day hearings per annum (total one and half days)

#### Remuneration

As determined by the Minister of Justice in accordance with the Cabinet fees framework, the DLC Chair will receive remuneration at a rate of \$624.00 per day or \$78.00 per hour for part days.

The DLC Chair will also be reimbursed for reasonable expenses incurred in the discharge of duties associated with the position.

#### Duration of appointment

The appointment will be for a period of up to five years. The appointee may be reappointed for one or more further terms.

A Chairperson/Commissioner may resign from office at any time by written notice to the relevant territorial authority.

The territorial authority may at any time remove a member of a DLC or a Chairperson/Commissioner appointed to a DLC for inability to perform the functions of office, bankruptcy, neglect of duty, or misconduct, proved to the territorial authority's satisfaction.

#### Person specification

A person can only be appointed as a Chairperson/Commissioner if that person is of good standing in the community and has the necessary knowledge, skill and experience relating to matters that are likely to come before the DLC.

Additionally, a person must not be a Chairperson/ Commissioner or DLC member if:

- a. the territorial authority believes that person has, directly or by virtue of his or her relationship with another person, such an involvement or appearance of involvement with the alcohol industry that he or she could not perform his or her duties without actual bias or the appearance of bias; or
- b. the person is a constable, a Medical Officer of Health, an inspector (Alcohol Licensing), or an employee of the territorial authority.

Attached is the *LGNZ Guide to Selecting and Appointing District Licensing Committees*, which sets out skills expected for a Chair/Commissioner.

### Important functional relationships

#### Internal

- DLC Secretariat staff
- Other staff of the [NAME] Council

#### External

- Police
- Medical Officers of Health representatives
- Licensing inspector(s)
- Fire and Emergency NZ
- ARLA

## Appendix A

*Types and numbers of applications that have historically been lodged at [NAME] District Council:*

TYPE	1 July 2017 – 30 June 2018	1 July 2016 – 30 June 2017	1 July 2015 – 30 June 2016	1 July 2014 – 30 June 2015	1 July 2013 – 30 June 2014
Special licences					
On-licences					
Club licences					
Off-licences					
Manager's certificates					
Temporary authorities					
<b>TOTAL</b>					
<b>Number of hearings held</b>					

### Position Description Example 3 – List Member

[NAME] Council

#### POSITION DESCRIPTION

**POSITION TITLE:** List Member, District Licensing Committee

#### Position purpose

The purpose of this position is to act as a List Member of a [NAME] Licensing Committee (DLC) that will consider and determine applications made under the Sale and Supply of Alcohol Act 2012.

More particularly, the functions of the DLC are to:

- consider and determine licence applications, renewals, variations, suspensions and cancellations
- consider and determine new applications for and renewals of manager's certificates
- consider and determine applications for temporary authority
- conduct inquiries and make reports to the Alcohol Regulatory and Licensing Authority (ARLA)
- with the leave of ARLA, refer applications to ARLA.

A DLC consists of three members appointed by a territorial authority for its district.

The [NAME] Council has an appointed Chairperson/Commissioner to chair the DLC.

The Council will maintain a list of DLC members from which members will be appointed to sit in accordance with terms of reference agreed by the Council.

The DLC will issue reasoned decisions in writing and send copies to the relevant parties.

In its decision-making, the DLC will have regard and, where applicable, give effect to the [NAME] Council Local Alcohol Policy.

#### Workload

The workload of the DLC will depend on the number of applications received and the number of these applications that are objected to by members of the public or where reporting agencies are in opposition. All uncontested

applications are to be considered on the papers by the Chairperson/Commissioner, while contested applications are considered by the full DLC.

A DLC can transfer an application to ARLA for its consideration, with the agreement of the Chair of ARLA.

The table attached as Appendix A outlines the types and numbers of applications that have historically been lodged at [NAME]:

As formal meetings will only be required for contested applications, an estimate has been made as follows based on historical data:

- Chairman: 7 hours per week to approve uncontested applications
- Full DLC: 3 half day hearings per annum (total one and a half days)

List members will be rotated as required to sit at hearings; rotation will be influenced by such factors as availability, location of hearing, territorial locality of premises involved, conflict of interest etc.

#### Remuneration

As determined by the Minister of Justice in accordance with the Cabinet fees framework, a DLC list member will receive remuneration at a rate of \$408.00 per day or \$51.00 per hour for part days.

A list member will also be reimbursed for reasonable expenses incurred in the discharge of duties associated with the position.

#### Duration Of Appointment

The appointment will be for an initial period of up to five years. The appointee may be reappointed for one or more further terms of up to five years.

A list member may resign from office at any time by written notice to the relevant territorial authority.

The territorial authority may at any time remove a list member of a DLC for inability to perform the functions of office, bankruptcy, neglect of duty, or misconduct, proved to the territorial authority's satisfaction.

### Person specification

A person must not be approved to be included on the DLC members' list unless that person has experience relevant to alcohol licensing matters.

Additionally, a person must not be a DLC list member if:

- the territorial authority believes that person has, directly or by virtue of his or her relationship with another person, such an involvement or appearance of involvement with the alcohol industry that he or she could not perform his or her duties without actual bias or the appearance of bias; or
- the person is a constable, a Medical Officer of Health, an inspector (Alcohol Licensing), or an employee of the territorial authority.

Attached is the LGNZ Guide to Selecting and Appointing District Licensing Committees.

### Important functional relationships

#### *Internal*

- DLC Secretariat staff
- Other staff of the [NAME] Council

#### *External*

- Police
- Medical Officers of Health representatives
- Licensing inspectors
- Fire and Emergency NZ
- ARLA

## Appendix A

*Types and numbers of applications that have historically been lodged at [NAME] District Council:*

TYPE	1 July 2017 – 30 June 2018	1 July 2016 – 30 June 2017	1 July 2015 – 30 June 2016	1 July 2014 – 30 June 2015	1 July 2013 – 30 June 2014
Special licences					
On-licences					
Club licences					
Off-licences					
Manager's certificates					
Temporary authorities					
<b>TOTAL</b>					
<b>Number of hearings held</b>					

## 8.3 Interview questions

### Interview Questions Example 1 – List Member

Position	DLC Member
Applicant	
Panel member	
Date	

#### Compulsory conflict of interest question:

Can you confirm that there is no potential, perceived or actual conflict of interest between any current professional or private interests you may have and [NAME] Council? (eg, Do you or a family member have a private business that does or potentially may do business with [NAME] Council?)

**Opening question: What attracted you to apply for this position?**

**1. What is your understanding of the Sale and Supply of Alcohol Act 2012 and its purpose?**

**2. What is your understanding of the role of DLC committees and members?**

**What do you consider are the community concerns and expectations around alcohol and addressing alcohol-related harm for this territorial authority?**

**How do you think we can address these concerns through alcohol licensing?**

Little or No Evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

**Can you tell us about your knowledge and experience in working with legislation?**

Little or No Evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

Little or No Evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

**Can you tell us about your experience in meeting protocols ie, types of meetings you have been involved with and your role/responsibilities?**

*Describe your specific role.*

*Exactly what did you do?*

Little or No Evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

**Can you tell us about a time you were involved in a decision-making process with multiple stakeholders with differing views?**

*What was the situation?*

*How did you approach this?*

*What was challenging?*

*What did you do?*

*What was the end result?*

Little or no evidence	Some evidence	Good Evidence	Strong Evidence
1	2	3	4

**What are the key communication strengths you will bring to this role, and how have you demonstrated these in previous roles?**

Little or No Evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

**What do you think are the key requirements for working as a team, and how have you demonstrated these in previous roles?**

Little or no evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

Please confirm the time you are able to commit to the DLC:

**Post questions:**

Ask candidate if they have any questions

Confirm referee details on CV. We will tell candidate of our intention to contact referees

*Interview Questions Example 2 – Commissioner*

<b>Position</b>	DLC Commissioner
<b>Applicant</b>	
<b>Panel member</b>	
<b>Date</b>	

**Compulsory conflict of interest question:**

Can you confirm that there is no potential, perceived or actual conflict of interest between any current professional or private interests you may have and [NAME] Council? (eg, Do you or a family member have a private business that does or potentially may do business with [NAME] Council?)

**Opening question – What attracted you to apply for this position?**

**1. Can you tell us about your experience in chairing committees?**

**2. Can you tell us about the most challenging committee/board decision-making process you have been involved in?**

*What was your role?*

*What factors did you consider?*

*What were the risks?*

*What was the outcome?*

*How did you address being challenged on perceived bias or pre-determined outcomes?*

**3. Can you tell us about your understanding of the powers of a Commission of Inquiry, and how it would relate to your role as Commissioner?**

Little or No Evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

1. An expectation of the role of Commissioner is writing legal decisions, in particular from licensing hearings. Can you tell us about the most complex legal decision or legal report that you have written?
2. What factors do you take into account when preparing and writing reports/decisions?

1. What do you consider are the community concerns and expectations around alcohol and addressing alcohol-related harm for this territorial authority?
2. How do you think we can address these concerns through alcohol licensing?

Little or No Evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

Little or No Evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

1. What is your experience in working with the Sale and Supply of Alcohol Act 2012?
2. How do you ensure that you keep up to date with current trends/case law/and legal considerations in relation to the Sale and Supply of Alcohol Act?

What are the key leadership and communication strengths you will bring to this role, and how have you demonstrated these in previous roles?

Little or No Evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

Little or No Evidence	Some Evidence	Good Evidence	Strong Evidence
1	2	3	4

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**Council is moving towards end-to-end electronic processing of licensing applications.**

**What challenges would receiving electronic application packs, and writing and issuing of electronic decisions present to you in your role as Commissioner? What support would you require to undertake this processing?**

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Please confirm the time you are able to commit to the DLC:

#### **Post questions**

Ask candidate if they have any questions

#### **Interview close**

Confirm referee details on CV. We will tell candidate of our intention to contact referees

### *Interview Questions Example 3 – Generic*

#### **Interview Questions for Members of the [NAME] District Licensing Committee**

1. What were the key factors that made you decide to register your interest as a member of the District Licensing Committee?
  - a. What are the main strengths you could bring to this role?
  - b. What is your current knowledge of what the District Licensing Committee does?
2. How would you proceed to advocate for your viewpoint effectively to the other Committee members during a hearing?
  - a. What is your style in dealing with conflicting viewpoints?
3. How do you assimilate new information? eg, Are you a note taker, do you research your topic etc?
  - a. After you have a clear overview of the topic, how do you demonstrate an understanding of what this means and articulate it to a varied audience?
4. Where do you see the value in research documents and overseas literature/studies in assisting the Committee when making a decision?
5. How do you think the balance should be addressed between the perceived harm and other social consequences in the community and the need for a vibrant inner city precinct?
  - a. Do you have a personal opinion on this topic?
6. How do you believe you can represent the diversity of our community?
  - a. Can you share with us your experience of dealing with a diverse range of people?
7. What in your opinion is the driving force of the Sale and Supply of Alcohol Act?
8. It is important that we engage with our stakeholders at all levels. What are some of the key factors that you think would put people at ease if they were appearing before the Committee?
9. What awareness do you think is necessary in regard to the decisions of the Committee where ultimately these decisions could result in having a detrimental impact on the livelihood of the applicants?
10. If appointed to the Committee, do you think that you would be open to criticism by our community for any perceived conflict of interest or bias?
  - a. If so, can you share this with us?
11. Do you have any questions for the panel?

## 8.4 Scoring sheet for candidates

### Scoring Sheet Example 1 – List Member

#### Applicant evaluation – DLC list member

Follow the three steps below to tally the applicant's interview score:

##### Scoring:

Complete your scoring straight after the interview is complete and the applicant has left the room. The panel will discuss and agree on a score using the Competency Rating at the bottom of each page.

##### How to work out your Applicant Total Score:

First work out the weighted score, after which you can tally the Total Score. Follow the instructions in the header of the scoring table and example table below. Finally, add the total scores together to determine the Applicant Total Score.

##### Example:

Key requirement/competency	Score	Weighting	Weighted score	Total score
Customer Service	2	20	$2 \times 20 = 40$	40 divided by 4 = 10

<b>Applicant name</b>				
<b>Interview panel</b>				
<b>Date &amp; time</b>				
<b>Competency/ Key requirements</b>	<b>Score (Out of 4)</b>	<b>Weighting (All weightings should add up to 100)</b>	<b>Weighted score (Score x weighting)</b>	<b>Total score (Weighted score divided by 4)</b>
Experience relevant to alcohol licensing • Knowledge of the Act and/or licensing		20		
Understanding of alcohol-related harm		20		
Understanding of community expectations around alcohol licensing		15		
Experience in a legislative or regulatory framework		10		
Familiarity with public meeting and hearings • Knowledge of meeting protocols		10		
Decision making • Understands written decision making		10		
Communication • Good oral communication skills • Skills in questioning • Good listener		10		
Team work • Ability to work as part of a team • Understands role requirements		5		
<b>SUB-TOTALS</b>		<b>100</b>		
<b>APPLICANT TOTAL SCORE</b>				<b>/100</b>

## Scoring Sheet Example 2 – Commissioner

### Applicant evaluation – DLC Commissioner

Follow the three steps below to tally the applicant's interview score:

#### Scoring:

Complete your scoring straight after the interview is complete and the applicant has left the room. The panel will discuss and agree on a score using the Competency Rating at the bottom of each page.

#### How to work out your Applicant Total Score:

First work out the weighted score, after which you can tally the Total Score. Follow the instructions in the header of the scoring table and example table below. Finally, add the total scores together to determine the Applicant Total Score.

#### Example:

Key requirement/competency	Score	Weighting	Weighted score	Total score
Customer Service	2	20	$2 \times 20 = 40$	40 divided by 4 = 10

Applicant name

Interview panel

Date & time

Competency/ Key requirements	Score (Out of 4)	Weighting (All weightings should add up to 100)	Weighted score (Score x weighting)	Total score (Weighted score divided by 4)
Chairing formal committees or tribunals <ul style="list-style-type: none"> <li>• Knowledge and experience of the hearings procedure</li> <li>• Understanding Commission of Inquiry powers</li> </ul>		25		
Writing decisions in a legal context <ul style="list-style-type: none"> <li>• Understanding and interpreting case law</li> <li>• Preparing and writing legal decisions</li> </ul>		20		
Experience relevant to alcohol licensing <ul style="list-style-type: none"> <li>• Knowledge of the Act</li> <li>• Experience of legal and regulatory alcohol environment</li> <li>• Knowledge of alcohol licensing</li> </ul>		15		
Understanding of community expectations around alcohol licensing		10		
Understanding of alcohol-related harm		10		
Leadership and decision making <ul style="list-style-type: none"> <li>• Considers information in an unbiased way</li> <li>• Operates independently</li> <li>• Shows balanced assertiveness</li> </ul>		10		
Communication <ul style="list-style-type: none"> <li>• Strong oral and written communication skills</li> <li>• Skills in questioning</li> </ul>		10		
<b>SUB-TOTALS</b>		<b>100</b>		
<b>APPLICANT TOTAL SCORE</b>				<b>/100</b>



## Health Promotion Agency

Freephone: 0508 258 258

Email: [enquiries@hpa.org.nz](mailto:enquiries@hpa.org.nz)

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# Cabinet Office

CO (25) 2

## Circular

28 July 2025

<b>Intended for</b>	All Ministers All Chief Executives
<b>Copies to</b>	All Senior Private Secretaries All Private Secretaries

### **Cabinet Fees Framework for members appointed to bodies in which the Crown has an interest**

- 1 Cabinet has agreed to a revised Fees Framework for determining or reassessing the fees paid to members of statutory and other bodies in which the Crown has an interest [CBC-25-MIN-0031].
- 2 This circular and the attached Framework replaces Cabinet Office Circular CO (22) 2 and applies from 1 July 2025.
- 3 The revised Framework covers all statutory bodies, non-statutory bodies and committees in which the Crown has an interest, that are outside the Remuneration Authority's or other fee-setting bodies' jurisdiction. The Framework therefore covers most Crown entities (including Crown Agents, Autonomous Crown Entities (ACEs) and tertiary education institutions), trust boards, advisory bodies and committees, Royal Commissions, Public Inquiries, Government Inquiries and Ministerial Inquiries, statutory tribunals, individuals appointed as statutory bodies that are not covered by the Remuneration Authority and some subsidiary bodies.
- 4 The Framework provides guidance on the classification and remuneration of statutory and other Crown bodies. Since the Framework covers a varied array of bodies, it is not intended to be prescriptive, and judgement will be required to determine best fit.
- 5 The purpose of the Framework is to provide a basis for judgement in setting fees that will:
  - ensure a consistent approach to remuneration across all statutory and other Crown bodies;
  - contain expenditure of public funds within reasonable limits;
  - provide flexibility within clear criteria.

- 6 The main changes to the previous Framework are:
- 6.1 an increase of eighty percent to the fee ranges for Groups 3 bodies;
  - 6.2 an increase of thirty percent to the fee ranges for Groups 2 and 4 bodies;
  - 6.3 an increase of thirty percent to the fees for Audit and Risk Committees for Government Departments;
  - 6.4 updates to the tax guidance section;
  - 6.5 other minor administrative changes, such as updating links and references to current legislation and fixing minor omissions and errors.
- 7 Ministers and chief executives should ensure that all staff involved in appointments to bodies covered by the Framework are familiar with the requirements of this circular.

### Further information

- 8 For advice on the application and interpretation of the Fees Framework, contact the Public Service Commission, email: [fees@publicservice.govt.nz](mailto:fees@publicservice.govt.nz) or phone (04) 495 6600.
- 9 For advice on taxation on fees, contact Denise Birdling, Team Lead, Significant Enterprises, email: [Denise.Birdling@ird.govt.nz](mailto:Denise.Birdling@ird.govt.nz) or phone (04) 890 6295.

Rachel Hayward  
Secretary of the Cabinet

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### Enquiries:

Public Service Commission, ph 04 495 6600  
APH Secretary, Cabinet Office, ph 04 830 5020

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## Executive summary

- 1 The Cabinet Fees Framework (the Framework) should be used:
  - **before** an appointment is submitted to the Cabinet Appointments and Honours Committee (APH);
  - when a new body or committee is being established;
  - if there is a proposed significant change in board duties;
  - when the classification of the body or the current fees are being reviewed; and
  - for guidance about the administration of fees and other reimbursement payments for bodies covered by the Framework.
  
- 2 The purpose of the Framework is to provide a basis for judgement in setting fees that will:
  - ensure a consistent approach to remuneration across all statutory and other Crown bodies;
  - support the appointment of appropriately qualified and diverse body members;
  - contain expenditure of public funds within reasonable limits; and
  - provide flexibility within clear criteria.
  
- 3 The Framework enables fees to be determined by Ministers and other fee-setting authorities who are most familiar with the work of particular bodies. It provides for:
  - responsibility for setting fees for statutory and other bodies in which the Crown has an interest, within clearly defined parameters, to rest with the responsible Ministers or another fee-setting authority;
  - a system for the classification of bodies for fee-setting or reviewing purposes (section [D](#));
  - a range of fee levels for each category of body (section [D](#));
  - a process for setting and reviewing fees, and for proposing fees outside the Framework (sections [B](#), [E](#) and [F](#));
  - an outline of administrative principles to be followed in applying the Framework (sections [C](#) and [G](#));
  
- 4 The role of the Public Service Commission (the Commission) includes:
  - administering the Framework;
  - reporting to Cabinet triennially on fee levels and expenditure;
  - conducting triennial reviews of the Framework and recommending changes for consideration by Cabinet;
  - advising the Minister for the Public Service about exceptions to the Framework;
  - advising agencies about any aspects of the Framework; and
  - assisting in the interpretation and application of the Framework if required.
  
- 5 Agencies apply the Framework in making recommendations and/or setting fees for body members.

- 6 Agencies are strongly advised to consult the Commission on any fee matter (such as an exception) that the responsible Minister will need to refer to the Minister for the Public Service, before formally submitting this to the responsible Minister. The Commission can advise on precedents and the information required to support the recommendation.
- 7 Please refer to the summary flow charts in section [B](#) for setting or reviewing fees and, if required, in section [E](#) for seeking an exception to the Framework.
- 8 The Framework should be read in conjunction with the:
- [Board Appointment and Induction Guidelines](#)
  - [CabGuide: The appointments process](#), and
  - relevant Cabinet circulars:
    - [CO \(02\) 5: Appointment of Public Servants to Statutory Boards](#)
    - [CO \(02\) 16: Government Appointments: Increasing Diversity of Board Membership](#)

## Section A: Coverage by the Framework

### Bodies covered by the Framework

- 9 The Framework is one of three fee setting mechanisms for statutory and other “bodies in which the Crown has an interest”. A broad array of agencies and individual officers come within this scope, as indicated in the table below. The term “bodies in which the Crown has an interest” is used in several Acts to apply the Framework to a body or bodies named in the Act, but the term is not defined. It is understood generally to:
- be broader than ‘government agency’ if that term is synonymous with agencies that operate within the executive branch of government, or that operate as instruments under direct or indirect Ministerial control or direction, or where the body or individual is appointed by a Minister or an agency;
  - encompass certain bodies and individuals in the judicial branch of government;
  - include bodies and individuals that carry out some aspect of the business or responsibilities of central government, or that scrutinise or investigate or assist the agencies that do so directly;

An element of judgement is needed in particular cases to determine whether or not a body fits within the scope of the Framework;

- 10 The Framework complements the fee-setting role of the Remuneration Authority (under the Remuneration Authority Act 1977) and the Crown Company Fees Methodology administered by the Treasury. The Framework is used to set the fees for government-related bodies and their subsidiaries that are outside the jurisdiction of the Remuneration Authority, the Treasury, or a separate fee mechanism such as applies to School Boards of Trustees (where the Minister sets the fees under the Education (School Boards) Regulations 2020) and local authorities (where the Remuneration Authority sets the fees under the Local Government Act 2002).
- 11 Consultation with the Minister for the Public Service should take place about fees when trans-Tasman bodies have been established, as specific provisions may apply to such bodies that override the general application of the Framework.
- 12 Establishment by statute is not the only criterion for coverage by the Framework, nor is it a necessary requirement that there be a responsible Minister. It should also be noted that the Framework covers bodies that are self-funded, where a responsible Minister appoints some or all the members. The Minister should apply the Framework in circumstances where the body has the responsibility for setting fees and the Minister approves them.

## Exclusions

### Consultancies

- 13 The Framework does not cover individual consultancies that would fall outside any of the categories listed in section D of the Framework (paragraph [97](#)). Such individual consultancies involve contractors appointed by a body in which the Crown has an interest under a contract for services for a specific project, usually within a specified timeframe.
- 14 In general, the key distinctions between a consultancy and a body covered by the Framework are that a consultancy has:
- defined deliverables for a finite period of time;
  - no ownership or governance in relation to the implementation and operation of the deliverables of the project.
- 15 It is possible, however, that in some cases there may be a judgement involved between using a consultancy on the one hand, or using a body referred to under paragraph [97](#), Group 4 (All Other Committees and Bodies), notably an advisory committee.
- 16 Where agencies are unclear about whether an advisory committee or other Group 4 body would be more appropriate than a consultancy, particularly in cases of high public profile, they are encouraged to contact the Commission for advice in the first instance and then refer the issue to the responsible Minister and Minister for the Public Service. Where a Group 4 body is appointed, its remuneration would be set under the Framework.
- 17 Refer to paragraph [153](#) regarding payments to body members where it is proposed that they also receive payments as consultants to the same body.

### Other exclusions

- 18 The Framework is not used for bodies where the fees are set by the Remuneration Authority, for School Boards of Trustees, or for local authorities, where the fees are set using a separate mechanism.
- 19 Fees for directors of Crown entity companies and State-Owned Enterprises are subject to separate guidance from the Crown Company Fees Methodology.

### Summary

- 20 A summary of bodies covered and not covered by the Framework is outlined below:

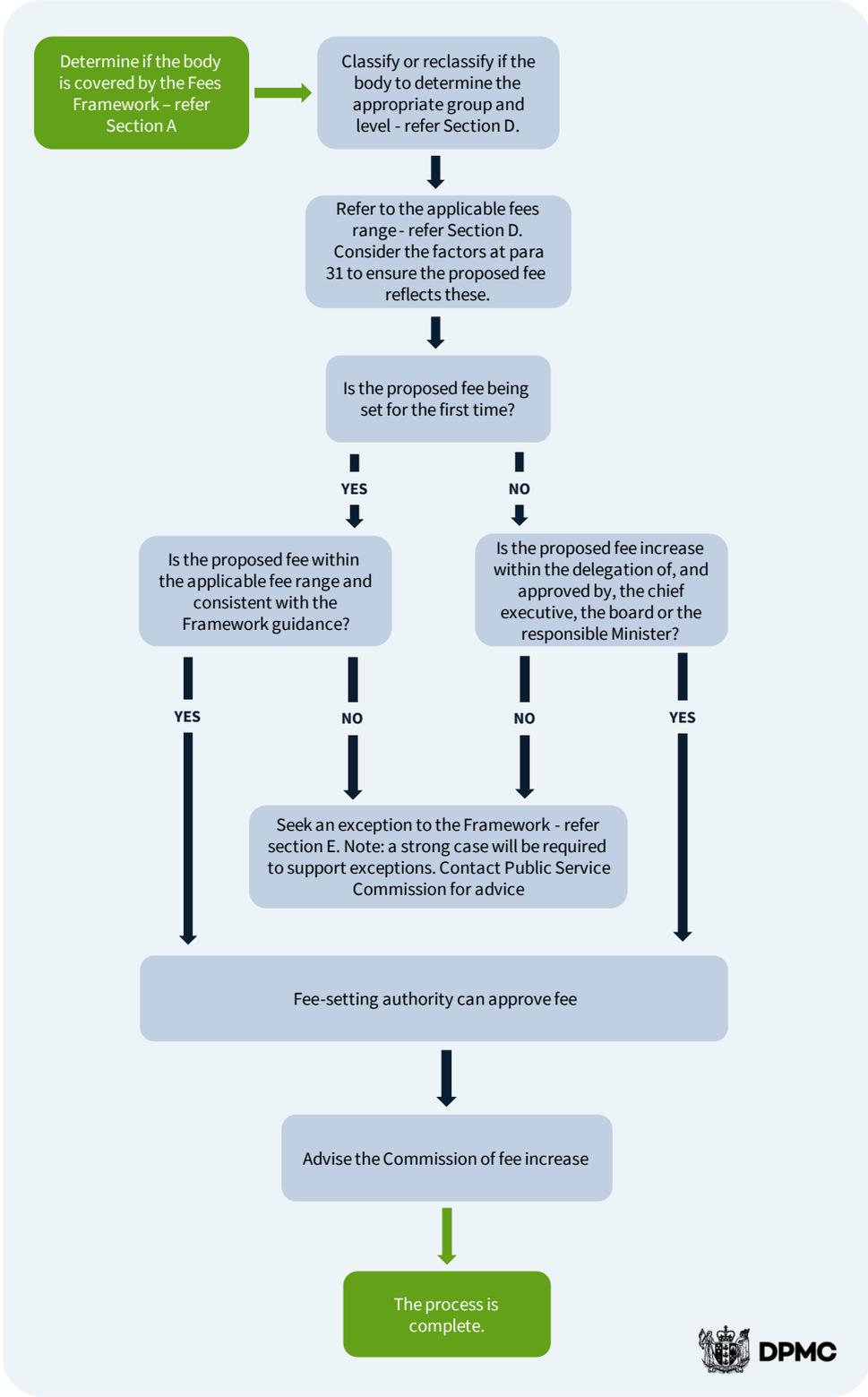
Bodies covered by the Framework	Bodies not covered by the Framework
<p>Royal Commissions, public inquiries, government inquiries and ministerial inquiries. Statutory Tribunals and Authorities.</p> <p>Individuals appointed as statutory bodies (that are separate from statutory officer roles in an agency, e.g. Registrar of Companies; Director of Mental Health) or to specified advisory posts e.g. lay members of courts.</p> <p>Advisory bodies, committees and taskforces established by Cabinet or a Minister or agency, whose role is generally to oversee or review or provide advice to a Minister or Ministers, or an agency.</p> <p>Boards of Trusts settled by the Crown or specified in statute, or the Trust Deed as covered by the Framework.</p> <p>Government Department Audit and Risk Committees</p> <p>Crown Entity Audit and Risk Committees</p> <p>Sub Committees of Crown Entity Boards</p> <p>Bodies to which the Framework applies as provided for in legislation:</p> <ul style="list-style-type: none"> <li>• Crown Agents (named in Schedule 1 Part 1 of the Crown Entities Act 2004 [CEA])</li> <li>• Autonomous Crown entities (named in Schedule 1 Part 2 of the CEA)</li> <li>• Expenses, not remuneration, of members of Independent Crown entities (named in Schedule 1 Part 3 of the CEA) and of a Crown agent or Autonomous Crown entity that is a corporation sole</li> <li>• Subsidiaries (as defined in the CEA) of Crown agents, Autonomous Crown entities and Independent Crown entities</li> <li>• Tertiary Education Institutions (established under Part 14 of the Education Act 1989 or section 268 of the Education and Training Act 2020)</li> <li>• Diverse bodies covered by the Framework in accordance with an individual Act, e.g. The Archives Council.</li> </ul> <p>Bodies to which the Fees and Travelling Allowances Act 1951 (FTAA) applies:</p> <ul style="list-style-type: none"> <li>• About 100 separate Acts apply the FTAA to bodies specified in those Acts</li> <li>• the rights to entitlement provided for in the FTAA are implemented in practice through the Framework</li> </ul>	<p>The following roles and bodies covered by the Remuneration Authority:</p> <ul style="list-style-type: none"> <li>• Members of Parliament</li> <li>• the Judiciary</li> <li>• independent Crown entities (remuneration, not expenses)</li> <li>• a Crown agent or autonomous Crown entity that is a corporation sole (remuneration, not expenses)</li> <li>• specified statutory officers and members of local authorities and community boards</li> <li>• other bodies and officers whose fees and/or allowances and expenses are specified in statute to be set by the Remuneration Authority.</li> </ul> <p>Crown Company Fees Methodology, approved by Cabinet and administered by the Treasury:</p> <ul style="list-style-type: none"> <li>• State-owned enterprises (named in Schedule 1 of the State-Owned Enterprises Act 1986) and their subsidiaries</li> <li>• Crown entity companies (named in Schedule 2 of the Crown Entities Act 2004, and which includes Crown Research Institutes) and their subsidiaries</li> <li>• Companies named in Schedule 4A or Schedule 5 of the Public Finance Act 1989, and their subsidiaries.</li> </ul> <p>Bodies explicitly covered by a separate regime, e.g.:</p> <ul style="list-style-type: none"> <li>• School Boards of Trustees (section 19 of the Education (School Boards) Regulations 2020) and their subsidiaries</li> <li>• Health Responsible Authorities (section 133(3) of the Health Practitioners Competence Assurance Act 2003)</li> <li>• Reserve Bank (section 63 of the Reserve Bank of New Zealand Act 1989)</li> <li>• Air New Zealand Limited</li> <li>• Christchurch International Airport Limited</li> <li>• Dunedin International Airport Limited</li> <li>• Hawke's Bay Airport Limited.</li> </ul> <p>A consultancy (generally contracted to provide services to an agency). Agencies and individuals consulted during the normal course of business (e.g. on a policy proposal) or who make a submission on a proposal.</p>

## Section B: Process for setting or reviewing fees

- 21 The steps to be taken to set or review fees under the Framework are:
- Determine whether the body is covered by the Framework (see section [A](#));
  - Decide or re-assess which Framework group the body fits into (see section [D](#));
  - Determine which level within the group is most appropriate by “scoring” the body according to the factors listed (see section [D](#));
  - Decide on the appropriate fee (see section [D](#)) referring particularly to paragraph [31](#) regarding factors to be considered in setting fees;
  - If the fee is being set for the first time, the fee setting authority approves the fee within the applicable Framework fee range (note section [F](#) regarding reviewing fees), and within other guidance contained in the Framework. If the fee-setting authority wishes to set the fee outside the Framework, an exception must be sought, unless a standing exception has been approved. Please refer to section [E](#) for guidance on setting fees outside the Framework;
  - If the fee is being reviewed (note section [F](#) regarding reviewing fees), the chief executive or governance board of the agency, may agree to fee increases of up to 3 percent per cent, within the applicable fee range and not more frequently than once a year, for bodies they have established;
  - For all bodies, the responsible Minister may approve increases of up to 5 percent within the applicable Framework fee range, not more frequently than once a year;
  - The Minister for the Public Service must be consulted on any increase above 5 percent and may approve fee increases up to 10 percent, and minor and technical changes to fees;
  - Any increase above 10 percent, or that takes the fee above the applicable Framework fee range, must be referred to APH and Cabinet for consideration;
  - For guidance on setting fees outside the Framework, please refer to section [E](#);
- 22 It is strongly recommended that when existing fees are being reviewed, the above steps be undertaken to re-assess the classification and level of the body;
- 23 It is recommended that regular fee reviews are carried out, applying incremental increases under the delegations above;
- 24 Note that fees should be increased no more frequently than once a year;
- 25 The following flow chart summarises the process to use when setting or reviewing fees. Other sections of the Framework should be read in addition to the summary chart as they provide more detailed advice about the process the fee setting authority should follow when setting or reviewing fees:

## Setting and Reviewing Fees Flowchart

The following flowchart summarises the process to use when setting or reviewing fees. Other sections of the Framework should be read in addition to summary chart as they provide more detailed advice about the process.



## Section C: Guidance about fees

### Who sets the fees

- 26 The fee setting authority is the position or organisation that has the authority to establish a body covered by the Framework. This may be set in legislation.
- 27 In many cases, responsible Ministers set fees within the applicable framework range, except for subsidiary bodies of statutory entities and bodies established by agencies. (Refer also to section [E](#) regarding Ministers' roles in setting fees outside the parameters of the Framework and section [F](#) regarding reviewing fees.)
- 28 For members of subsidiary bodies of statutory entities, (i.e. of Crown Agents, Autonomous Crown Entities (ACEs), and Independent Crown Entities (ICEs)) the board of the parent entity sets the fees within the applicable framework range. Exceptions to the Framework (see section [E](#)) for subsidiary bodies require **prior** consultation with the parent entity's responsible Minister, and the Minister for the Public Service (with advice from the Commission). It is advisable to discuss proposed exceptional fees with the Commission in the first instance.
- 29 The default process for some Group 4 bodies where there is no responsible Minister or relevant legislation (e.g. bodies established by chief executives or governance boards of agencies) is that the fee-setting authority (e.g. the chief executive or governance board) should apply the Framework in order to determine the fee. If the proposed fee is outside the parameters of the Framework, it must be treated as an exception under the Framework (see section [E](#)).
- 30 For those bodies covered by the Fees and Travelling Allowances Act 1951, the Minister for the Public Service has delegated responsibility for setting fees within this Framework to Ministers responsible for the particular appointments and/or setting the remuneration levels. If the proposed fee is outside the parameters of the Framework, the agreement of the Minister for the Public Service is required, and the matter may need to be considered by APH and Cabinet (see section [E](#)).

### Factors to be considered in setting or reviewing fees

- 31 Ministers, agencies, and other fee setting authorities should refer to section [D](#) to classify the body under the Framework and then ensure the actual fees reflect an element of public service and community commitment, the personal contribution and recognition of the intangible benefits to the member, balanced by:
- the complexity of the functions and the expertise required;
  - recruitment and retention issues;
  - the extent to which an individual member needs to insure against personal liability;
  - the potential risk to reputation;
  - the degree to which the role is in the public eye;
  - affordability; and
  - the period since the fees were last reviewed.

- 32 Fees will continue to be set on a fair but conservative basis to reflect a discount for the element of public service involved.
- 33 Where the fee is paid as an annual rate, it should also reflect the time involved (see paragraph [39](#)).
- 34 Members occupying identical positions on the same body should be paid the same fee rate. The fee rate is varied only to reflect additional responsibility such as that assumed by chairpersons (and deputies and the chair of a substantial sub-committee where appropriate) who may receive an extra margin for additional responsibilities that go with the role. The exception to this is when fees have been grand-parented (refer paragraph [149](#)).
- 35 In cases where it is necessary to secure people with scarce specialist skills, consideration may be given to paying a fee higher than the applicable range. Please refer to section [E](#).
- 36 It is possible to pay fees below the range, provided they reflect the factors noted in paragraph [31](#).

### Payment basis

- 37 There are two approaches to expressing fee levels - annual rates and daily rates. Any other variations, including annualising daily rates, are regarded as exceptions to the Framework and require prior consultation at Ministerial level (see section [E](#)).

### Annual rate

- 38 For Group 3 bodies, the fee is usually expressed as an annual rate. This is consistent with the approach taken in the private sector and is most appropriate where the workload is predictable and/or substantial.
- 39 The annual fee is set on the following assumptions:
- the work is such that the chair and members are required on a part-time basis;
  - for general governance boards, the assumed annual workload for meetings and other responsibilities associated with the role is that:
    - a member works around 30 days a year, which is in line with the amount of time spent by board directors in private sector companies;
    - chairs have a higher workload than members, with the assumption that a chair works around 50 days per year. Therefore, the fee for chairs is set at approximately twice the rate of the members to take account of both the differences in responsibility and in workload.
- 40 Where it is anticipated that a chair or members will have a lesser workload than above, it is expected that this be reflected in the fee level. The workload expectation covers all authorised work undertaken by members including subcommittee work and preparation time.
- 41 For those situations where a greater workload is expected, please seek advice from the Commission. Where significant additional work is required, it may be appropriate to negotiate additional payments.

- 42 **Payment for additional work should be agreed by the fee-setting authority before the work is undertaken.** The key objectives for the additional work must be clearly specified and evaluated on completion. A higher annual rate for a fixed period, and based on defined goals, may also be appropriate where chairs are required to undertake significant additional work (e.g. where they are required to guide the reorientation or restructuring of a Crown entity, or where the situation of a Crown entity requires the chair to act more in the nature of an executive director). However, such additional work should otherwise relate to the governance role of the board and should not cover activities that are more properly within the role of management.
- 43 The fee-setting authority is required to consult with the Minister for the Public Service before committing to payments for additional work and is responsible for monitoring progress against the negotiated objectives.
- 44 For members of Group 3b subsidiary bodies of statutory entities (e.g. of Crown Agents, Autonomous Crown Entities, and Independent Crown Entities) who receive an annual fee, there is no assumed annual workload specified for the members. Time is one of the factors to be considered by the parent entity when setting the fees, with reference to paragraph [31](#).
- 45 Where it is possible to predict the workload of bodies other than governance boards, the annual fee should be calculated by multiplying the daily rate by the number of days that will be worked during the year.
- 46 Proposals for an annual fee for a Group 1, 2 or 4 body should be treated as technical exceptions and referred to the responsible Minister and Minister for the Public Service. In making submissions to Ministers or reporting to the Commission, it will be necessary to specify the annual fee if this has been agreed and provide the daily rate on which the proposal is based and the number of days that will be worked per annum.

### Daily rate

- 47 For Groups 1, 2 and 4 bodies, fee levels are generally expressed as a daily rate, as this works best for those bodies that have an unpredictable workload. Where a chair or member of a Group 2 body that is administered by the Ministry of Justice<sup>1</sup>, works full time consistently, the daily rate will be multiplied by 220 days. This number will be pro-rated for those who work substantially full time.
- 48 For Group 3 governance boards that pay a daily rate due to an unpredictable workload, the maximum annual rate provided in the range that applies to the classification must not be exceeded unless an exception to the Framework is agreed.
- 49 It is expected that a working day is about 8 hours, and the daily fee is calculated on this basis. Work for longer than 8 hours in one day must not attract an extra payment, unless the combination of travel and work is frequently longer than 8 hours (see para [83](#)).
- 50 Hourly pro-rata rates should be calculated by dividing the daily rate by 8 and multiplying by the number of hours worked.
- 51 The daily fee applies to all work, including that performed outside of meetings (e.g. preparation, representing the board at other forums, or administrative work) that is required for the body to carry out its role. All work that is required to be performed for the body by the member should be paid at the approved daily rate.

<sup>1</sup> This applies to Tribunals as some Chair roles of Tribunals are full-time roles.

- 52 Where a total of 6 hours is worked in one day, a daily fee **may** be paid. It is accepted that it **may** not be possible for a member having worked 6 hours in one day on body business to return to other paid work. Where a member spends time, for example one evening, preparing for a meeting the next day, if the preparation and meeting time combined were between 6 and 8 hours, then one daily fee would be paid for the combined preparation and meeting time.
- 53 Work other than preparation for meetings/sittings must be approved and minuted by the body **before** it is undertaken. Individual members should not be in a position where they could be considered to be setting their own work programmes without the endorsement of the body.

### **Other fee payment methods/other types of payments**

- 54 Other fee payment methods such as a base honorarium and/or a fee for additional services, or Crown bodies setting their own fees from a total pool, are regarded as exceptions to the Framework. If such fee payment methods are proposed, refer to section [E](#). Early discussion with the Commission is recommended.
- 55 Where a member is a self-employed professional, locum fees are not to be paid unless an exception has been approved. The self-employed professional receives payment for body business only and reimbursement of travel expenses where relevant to body business. Additional payments are not provided to pay for the use of a locum or the business overheads since the body is not responsible for funding members' own business costs. Issues such as the potential loss of income and maintenance of a professional practice (including business overheads) need to be considered by the individual prior to accepting appointment to a body.
- 56 In their private capacity, members of some bodies covered by the Framework provide an essential service which cannot be maintained by other parts of their organisation while they are serving as members. A prime example is that of doctors working in general practice, especially where practices are busy, serve a community with high health needs, and locums are needed to ensure services are maintained. In such cases, the Framework should be used to guide the setting of fees, but flexibility may be allowed to enable the fees to meet the costs of essential cover, such as locums.
- 57 Payment of compensation or any benefit for loss of office must not take place.
- 58 Ex gratia payments and other benefits or rewards, which are in addition to fees, must not be paid to members of statutory boards, subsidiary bodies of statutory entities, statutory tribunals, authorities or other Crown bodies or committees.

### **Rates for sub-committees**

- 59 Depending on its enabling legislation, a body may set up a sub-committee or sub-committees to carry out part of the body's business.
- 60 Members who receive an annual fee for membership do not receive any additional payment for membership of sub-committees.
- 61 Members who receive a daily fee can receive payment for additional days spent on sub-committee work. If the sub-committee has been set up to consider an issue and report to the main body, then a lesser daily fee may be appropriate. Sub-committees must be properly constituted under the authorising legislation or terms of reference for the body before a meeting fee is paid.

## Independent members of sub-committees

- 62 Independent members of sub-committees are those members who are not members of the parent body. They may be paid up to a maximum of the daily equivalent of the full member fee, depending on the assessment by the main body of the skills required for the independent sub-committee member/s to perform their role.
- 63 An independent member who chairs a subcommittee shall be paid at the rate applicable to a member of the parent body who chairs a subcommittee.
- 64 The daily fee for bodies whose members are paid an annual fee should be calculated by dividing the annual fee by the appropriate number of days worked, e.g. 30 for a general governance board (refer to paragraph [39](#) regarding assumption about workload for members paid an annual fee).
- 65 The total annual fee paid to an independent member of a sub-committee should not exceed 50 percent of the total annual fee paid to a member of the main body.
- 66 Any proposal to pay higher daily fees or total annual fees outside this guidance should be treated as an exception (see section [E](#)). This section does not apply to ex-officio members.

## Rates for Chairs

- 67 Rates for chairs are set within the applicable fee range at Section [D](#). If no legislative impediment exists, co-chairs may be appointed. Applicable chair rates will apply to both. When a body is appointed without a chair, all members shall be paid at the same member rate.

## Rates for deputy chairs and sub-committee chairs

- 68 Where the legislation provides for the appointment of a deputy chair and/or where the work of the body is such that the appointment of a deputy chair is required due to the complex nature or size of the responsibilities, then a fee additional to the member rate may be paid to the deputy chair.
- 69 The fee for the responsibilities of a deputy chair is an additional 25 percent of the member rate. (This is consistent with the rates paid to deputy chairs in Crown companies and in the private sector.) If this takes the deputy chair fee above the fee range, it is not an exception.
- 70 Where a deputy is acting as chair they should be paid a daily rate equivalent to that of the chair.
- 71 Where there is no deputy appointed, and a member is required to chair a meeting, then the member should be paid a daily rate equivalent to that of the chair.
- 72 Where an annual fee is paid, it is usual practice for the chair, and the deputy chair, where one is appointed, to have responsibility for chairing one or more sub-committees. No additional fee is payable to the chair and deputy chair for chairing sub-committees. Where there are sub-committees that are not chaired by either the chair or deputy chair, then an additional 10% of the member's rate may be paid to one other member with responsibility for chairing a sub-committee. Any case for further additional payments for chairing sub-committees must be treated as an exception to the Framework (see section [E](#)).

## One person committees

- 73 Where an individual member constitutes a committee and there are decision-making or recommendatory powers, that member should receive the rate applicable to the chair of a body at that level.

## Payments to public sector employees appointed to bodies covered by the Framework

- 74 Paragraphs [74 to 80](#) apply in relation to public sector employees including public servants who may be appointed to a body covered by the Framework. In these paragraphs, the term “public sector employee means employees of Public Service agencies<sup>1</sup> Crown agents and employees of other statutory Crown entities (autonomous Crown entities and independent Crown entities), agencies in the wider public sector as well as other agencies associated with a Ministerial portfolio and any local authority as defined under section 5(1) of the Local Government Act 2002.
- 75 These paragraphs reflect Cabinet’s agreement in 2012 that the Framework provides that any employee of a government agency, appointed in their own right to a body covered by the Framework, must not retain both the fee and their ordinary pay, where the duties of the outside organisation are undertaken during their ordinary working hours.

## All public sector employees appointed to bodies covered by the Framework

- 76 Public sector employees may be appointed to a body covered by the Framework either ex officio (someone who has a right because of an office held), or as a representative of their department or agency, or, where there are special circumstances, in their own right.
- 77 All public sector employees appointed to statutory and other public bodies must be able to do their primary job unhindered and without detriment to the public interest. They must not be double paid for their job and their membership of a body covered by the Framework.
- 78 For those it applies to and their employers should be aware of the principles in the *Public Servants on Boards Guidance* when considering fees. Where there are out of pocket expenses such as airfares or accommodation, these should be reimbursed to the employee on the same basis as for other members of the board.

## Special considerations for appointments of public service employees in their own right

- 79 Cabinet has recognised that there may be special circumstances in which employees of Public Service departments may be appointed to statutory and other public bodies: [Cabinet Office Circular CO\(02\)5](#) applies to public servants of statutory bodies<sup>2</sup>. However, as a general rule, public servants of a monitoring agency should not serve on a Crown entity board that their agency monitors, nor should public servants serve on a board that has the same responsible Minister(s) as their agency.
- 80 Before any public service employee seeks to be appointed to a body in their own right, the employee must first obtain the agreement of their agency chief executive. Such appointments are treated as secondary employment and, in the case of public servants, are subject to the oversight of the Public Service Commissioner (the Commissioner).

<sup>1</sup> Section 10(a) of the Public Service Act defines Public Service agencies as departments, departmental agencies, interdepartmental executive boards and interdepartmental ventures.

<sup>2</sup> The Commission maintains an up to date [list of all of the organisations of the public sector and their categorisation](#).

## Payment for advisory committees and affiliated bodies

- 81 Advisory committees - Annual fees paid to Crown entity board members include their work on sub-committees. Advisory committees set up under the board's establishment legislation are not classed as sub-committees and attract separate fee payments. Board members who have conjoint advisory committee membership may not claim two sets of fees when the board and committee conduct joint meetings, i.e. may not be double paid. If there is doubt about which fee is applicable, this should be resolved between the board and committee chairs ahead of time.
- 82 Affiliated body membership - Board members may be appointed as members of an affiliated public body, eg an establishment board. From time-to-time, these bodies may conduct joint meetings with the member's parent board. Prior to such meetings, and to avoid members being double-paid, the respective chairs should agree on how fees will be paid to joint members and what workload can reasonably be expected for the meeting(s).

## Payment for time spent in travel to meetings/sittings or on body business (daily fees only)

- 83 Members are not paid for time spent in travel to and from meetings or on body business, except in instances where a daily fee is paid, and the member has to travel for more than a total of three hours in the course of a normal business day of approximately 8 hours.
- 84 The purpose of paying for travel time that is greater than three hours is to compensate for lost income during the business day. For example, a member may spend a few hours at a meeting but in doing so spends all day away from normal business activity, due to spending several hours travelling to and from the meeting.
- 85 In circumstances where considerable time is involved in travel, this can be recognised by the chair, with the agreement of the servicing/accountable organisation. In these cases (and particularly where air travel is involved) the preparation and travelling time need to be considered together for payment purposes. Where considerable travel is frequently necessary to meet the requirements of the role, this should be recognised either by reducing the working time or paying for some or all of the travel time (see para [49](#)).
- 86 In considering payments for travelling time, the chair and servicing agency need to consider issues of equity, the government's intention for geographical representation, and ensure that attendance at meetings does not result in undue personal hardship.

## Childcare expenses

- 87 Under exceptional circumstances a contribution may be made to childcare expenses with the agreement of the chair (or another member if the chair is claiming expenses) and the servicing agency. However, it is generally expected that the daily fee paid is adequate to meet out-of-pocket expenses of individual members as well as reimbursing them for their time spent. An example where a contribution to childcare expenses may be made is where an additional meeting is called at short notice (e.g. less than 48 hours). In determining whether payment is warranted, consideration should be given to issues of equity and ensuring that attendance at meetings does not result in undue personal hardship.

## Payment of a fee for a cancelled meeting/sitting

- 88 Where a meeting or other activity of a statutory or other body is cancelled or takes fewer days than planned, in exceptional cases payment of the fee to certain members may be approved.

- 89 Each case would need to be considered on its merits and this should only occur where:
- the cancellation was unforeseeable;
  - the member was unable to reschedule other work to take advantage of the time made available; and
  - the member suffered real loss of income as a result of the cancellation.
- 90 An affected member would need to make a case to the body on each separate occasion. Payment should not be approved if it is believed the member had not tried to reschedule other work. Partial payment might be appropriate if rescheduled appointment fees do not fully compensate a member for the lost fee from the meeting.
- 91 If appropriate and the body did, on application from a member for a specific instance, resolve to pay the fee for part or all of the time a meeting was cancelled by, that resolution would need to be noted in the minutes.

### **Absence**

- 92 Where an individual receives an annual fee and is absent from body business for a period of greater than two months, then the annualised fee should be pro-rated to take account of this absence (e.g. an absence of 2 months would result in payment of 10/12 of the annual fee). Where there are frequent absences over the period of a year, the annual fee should also be pro-rated to take account of those absences. (This does not apply to members who work full time or substantially full time).
- 93 Where a member fails to attend a significant number of meetings, or otherwise perform their duties as a member, the chair needs to raise the issue of expectations about performance with the member and, if necessary, with the responsible Minister. Consideration should be given at the time of reappointment of members to the issue of continued absences from body business.

### **Reimbursing expenses**

- 94 Members travelling to and from meetings, or on the business of the body in which the Crown has an interest (where the members are required to be away from their normal places of residence), are entitled to reimbursement of out of pocket travelling, meal and accommodation expenses actually and reasonably incurred. The expectation is that standards of travel, accommodation, meals and other expenses are modest and appropriate to reflect public sector norms.
- 95 Actual and reasonable travel, meals, accommodation and other expenses incurred by the member in carrying out the business of the body in which the Crown has an interest may be reimbursed provided they are supported by appropriate documentation.
- 96 Where it would not be reasonable to travel by public transport and a member's private motor vehicle is used for travel to and from meetings, or on the business of the body in which the Crown has an interest, reimbursement will be at the [Kilometre rates 2024-2025](#) specified by Inland Revenue.

## Section D: Classification of bodies and fee ranges

- 97 The Framework provides for the classification of bodies into one of the following groups:
- **Group 1:** Royal Commissions, Public Inquiries, Government Inquiries and Ministerial Inquiries;
  - **Group 2:** Statutory Tribunals and Authorities;
  - **Group 3:** Governance Boards:
    - Group 3a: General Governance Boards (including TEIs);
    - Group 3b: Subsidiary Bodies of Statutory Entities (e.g.. of Crown Agents, ACEs, ICEs);
  - **Group 4:** All Other Committees and Other Bodies
    - Audit and Risk Committees - Government Departments.
- 98 Cabinet has agreed to a schedule of fees for all categories that reflects the nature of their business environment and the role requirements.
- 99 Once a decision has been made on which group the body best fits into, establish the level within the group (see classification process below for each group), and then find the fee range for that level in the appropriate table. A decision is then required on what amount, within (or below) the ranges provided, is most appropriate. Section C, particularly paragraph , provides guidance on how to make these decisions. Further assistance is available from the Commission.
- 100 Refer to section [E](#) if the proposed fee is above the ranges provided, or an alternative method of payment is proposed.

### Group 1: Royal Commissions, Public Inquiries, Government Inquiries and Ministerial Inquiries

- 101 Royal Commissions, public inquiries, government inquiries and Ministerial inquiries are time- limited bodies established to inquire into and report on specific matters. Royal Commissions and public inquiries are generally chaired by a judge or a retired judge.
- 102 The key distinction between a Royal Commission, a public inquiry, government inquiry and a Ministerial inquiry lies in the form of the instrument of appointment and the nature of the authority under which it is established:
- Royal Commissions are appointed by the Governor-General, pursuant to the Letters Patent Constituting the Office of the Governor-General of New Zealand 1983 and the Inquiries Act 2013. Royal Commissions are, therefore, generally regarded as having greater prestige and standing than public inquiries appointed under the Inquiries Act 2013 alone. A Royal Commission is generally appointed when the subject matter to be investigated is one of particular public importance. The final report is presented to the Governor-General and the House of Representatives.
  - Public inquiries are established by the Governor-General by order in Council pursuant to the Inquiries Act 2013. The final report is presented to the Governor-General and the House of Representatives.

- Government inquiries are established by a Minister or Ministers by notice in the Gazette pursuant to the Inquiries Act 2013. The final report is presented to the appointing Minister.
  - Ministerial Inquiries are non-statutory inquiries established by a Minister. The Prime Minister's agreement must be sought on all matters to do with the establishment of a Ministerial Inquiry. (Refer [DPMC Guidance on inquiries](#)).
- 103 A Minister must consult the Prime Minister and the Attorney-General when assessing whether to establish a Royal Commission, public inquiry or government inquiry prior to submitting any proposal to Cabinet ( [Chapter 4](#) of the Cabinet Manual).
- 104 If a Royal Commission, public inquiry, government inquiry or ministerial inquiry is proposed, the Commission should be contacted for advice about the proposed fee, prior to the appointment being considered by APH and Cabinet. All fees for Royal Commissions, public inquiries, government inquiries and ministerial inquiries must be referred to the Minister for the Public Service for consideration as an exception.

## Group 2: Statutory Tribunals and Authorities

- 105 Statutory tribunals and authorities are a broad and diverse group of adjudicative bodies that decide or resolve some form of question or dispute affecting the rights of parties. They exercise a defined specialist jurisdiction under legislative authority and decide cases by considering facts and evidence and applying settled rules or principles. They are not courts, but equally are independent from the executive (that is, their members are not departmental officers).

### Factors – choose one score from each of the following categories

- 106 Expertise required

Skills, knowledge and experience may vary between members on a particular tribunal. The score below should reflect the level of skill **required by the majority of members** and should not be based on any particular individual. This factor has a higher weighting than others, to reflect that it is the application of the skills, knowledge and experience in carrying out their responsibilities that is a major contributor to the successful operation of the tribunal or authority.

- 107 If a member is a sole member, the Chair fee range may be used, but in setting the actual fee level, the factors to be considered in setting or reviewing fees (paragraph ) should be taken into account.

<b><u>Expertise required</u></b>	<b><u>Score</u></b>
<u>Expert and highly regarded in a particular field or discipline.</u>	<u>9</u>
<u>Senior professional providing expertise in a particular field or discipline.</u>	<u>7</u>
<u>Broad general or professional experience. May include community leadership.</u>	<u>5</u>

## 108 Complexity

This dimension measures the problems typically faced by the tribunal and the mental processes required to arrive at the solution.

<b>Complexity</b>	<b>Score</b>
Very complex issues with no past decisions for guidance. Each situation will be significantly different to others and the solution required is often unique. Decisions may affect the application of multiple statutes.	5
Some issues will be very complex with few previous decisions for guidance. Decisions will usually be limited to a single statute but may involve the application of international conventions and covenants.	4
Complex issues requiring analysis and consideration of potential alternative solutions. While each case will be treated on its merits there will often be previous decisions for guidance.	3
Some issues will be complex requiring analysis and careful judgement but other issues will be straightforward and may be resolved quickly through consistent application of established decisions.	2
Situations require consideration and judgement, but usually under one statute and established guidelines.	1

## 109 Decision-making

<b>Decision-making</b>	<b>Score</b>
Primary function is as an appellate body. Decisions will usually be published. May have the power to fine, award costs etc.	5
Primary function is as a determining body. Decisions will usually be published. No penalty provisions. Judicial review of decisions may exist.	4
Power to make decisions – appeal processes available. Has power to fine, award costs etc.	3
Power to make decisions – appeal processes available. No penalty or fining authority.	2
Recommendatory powers only.	1

## 110 Impact of decisions

<b>Impact of decisions</b>	<b>Score</b>
An immediate impact on groups of people or sector/s of society.	5
An immediate, critical impact on an individual or small number of people.	4
Decisions have an immediate, but not critical effect on a small number of individuals or a single corporate entity.	3
Decisions have a longer term impact on groups of people or sector/s of society.	2
Decisions affect internal policies within a Department/Ministry.	1

## 111 Public profile

<b>Public profile</b>	<b>Score</b>
High profile; broad public interest and scrutiny likely. May involve challenging status of legislation. Potential impact on New Zealand's international reputation.	5
Moderate profile; strong interest likely from large sectors of the public. Decisions of the Tribunal may have a major effect on the supervising Government Department.	4
Medium profile; public interest likely to be localised to area, sector or discipline.	3
Limited profile; usually non- controversial determinations but of interest to small pressure groups.	2
Low profile; generally non-controversial findings or recommendations.	1

**Add the scores for each factor together to give a total score. Then refer to the table below for the ranges of fees payable for Group 2 bodies.**

## 112 Group 2 - daily fees

<b>Total score</b>	<b>Level</b>	<b>Fees range – chair</b>	<b>Fees range – members</b>
26-29	1	\$995 - \$1,550	\$640 - \$990
22-25	2	\$900 - \$1,325	\$585 - \$815
17-21	3	\$825 - \$1,115	\$525 - \$730
13-16	4	\$695 - \$865	\$450 - \$560
12 or less	5	\$525 - \$770	\$415 - \$500

**Group 3: Governance Boards**

- 113 These boards are primarily responsible for the governance of a Crown body or organisation (most Crown entities fall into this category). In many cases, the body will be established by or under an Act that sets out its statutory purpose or objectives and principal functions.
- 114 Governance boards have responsibility for the strategic direction of the organisation, the determination of business objectives and formulation of policies to achieve these objectives, and funding policy. A large number will also have the task to recruit, appoint and monitor the chief executive. Where the board is overseeing an interest owned by the Crown, the board is usually the link between the shareholder/owner (the Crown) and management, and its members are appointed either by a Minister/the government or the Governor-General. In some cases, boards have elected members, or members appointed by stakeholders other than the Minister. The organisation the board is overseeing may or may not be a company.
- 115 A number of Trust Boards also fit into this category.

### Group 3a: General Governance Boards (including TEIs)

**Factors - choose one score from each of the following categories (noting paragraph 114).**

#### 116 Size

Select **either** the appropriate budget/turnover **or** asset magnitude figure that best represents the size of the organisation. Lower weighting is given for asset management than budget controlled as assets have been accumulated over time, are retained by the organisation and the Board's responsibility is the safe guardianship and the most effective and sustainable deployment of assets. Budgets on the other hand are expended over a twelve-month period and the Board's accountability for this spend, or revenue earned, is more direct.

Please note that funding disbursements and purchases on behalf of the Crown are treated in the same manner as operating budgets.

Budget/turnover	Assets	Score
\$0-\$10m	\$0-\$100m	2
\$10m-\$50m	\$100m-\$500m	4
\$50m-\$100m	\$500m-\$1.0b	6
\$100m-\$300m	\$1.0b-\$3b	8
\$300m-\$600m	\$3b-\$6b	10
\$600m-\$1.2b	\$6b-\$12b	12
\$1.2b+	\$12b+	14

#### 117 Business complexity/functionality

Select the organisation's primary function, and then consider and assess the complexity of that primary function in accordance with the following tables.

Where the organisation clearly has more than one primary function, as identified in its legislation or its Minister's expectations, and where neither/none of the primary functions are dependent on other primary roles, each role may be assessed, scored independently, and the scores added together following consultation with the Commission.

Option	Primary function
Devolved Purchaser	An entity that specialises in making purchase decisions on behalf of the Crown. There will almost certainly be a contractual relationship between the entity and the provider of services.
Funding Disbursement	An entity established to distribute grants or funding.
Investment and Management of Funds	An entity involved in the investment and management of funds on behalf of the Crown or for beneficiaries.
Advisory to Crown	An entity advisory to the Crown at a significant level.
Regulatory	An entity exercising regulatory and/or quasi-judicial power in an independent and objective manner.

Provider of Services and Environment	An entity established to provide services. The level of competition for the services will vary, and there may be limits on competition prescribed by statute or otherwise.
Holder of Ownership Interest	The holder of the Crown's ownership interest.
Social Influence	An entity established to improve a social outcome or outcomes through encouraging behaviour change (e.g. healthy lifestyle choices) by promotion of activities and increasing public awareness.

<b>Devolved purchaser</b>	
<b>Primary function</b>	<b>Score</b>
Devolved purchaser of goods and services (\$10b+)	5
Devolved purchaser (\$1b-\$10b)	4
Devolved purchaser (\$100m-\$1b)	3
Devolved purchaser (\$20m-\$100m)	2
Devolved purchaser (under \$20m)	1

OR

<b>Funding disbursement</b>	
<b>Primary function</b>	<b>Score</b>
Funding disbursement (\$10b+)	5
Funding disbursement (\$1b-\$10b)	4
Funding disbursement (\$100m-\$1b)	3
Funding disbursement (\$20m-\$100m)	2
Funding disbursement (under \$20m)	1

OR

<b>Investment and management of funds</b>	
<b>Primary function</b>	<b>Score</b>
Investment management of funds (over \$5b)	5
Investment management of funds (over \$1b)	4
Investment management of funds (over \$500m)	3
Investment management of funds (over \$100m)	2
Investment management of funds (under \$100m)	1

OR

<b>Advisory to Crown</b>	
<b>Primary function</b>	<b>Score</b>
Critical level with a comprehensive effect on most/all aspects of government activity, strategy and New Zealand society	5
Significant level with a widespread impact across many aspects of government activity, planning and strategy	4
Important level with generalised impact across major sectors	3
Generalised impact across several sectors	2
Local or single sector impact	1

**OR**

<b>Regulatory</b>	
<b>Primary function</b>	<b>Score</b>
National safety regulatory function for a commercial trading environment where significant international dimensions can impact on operating capability	5
National safety regulatory function for a commercial trading environment	4
National safety regulatory function for a non-commercial trading environment	3
Regulatory	2
Minor regulations required	1

**OR**

<b>Provider of services and environment</b>	
<b>Primary function</b>	<b>Score</b>
The lead provider of services in a commercial trading environment, where market leadership is important	5
A provider of services in a commercial trading environment	4
The major provider of services where there is limited competition	3
A provider of services where there is limited competition	2
Provider of services (not in a competitive environment or protected by statute)	1

**OR**

<b>Holder of ownership interest</b>	
<b>Primary function</b>	<b>Score</b>
The holder of the Crown's ownership interest	1

**OR**

<b>Social influence</b>	
<b>Primary function</b>	<b>Score</b>
Promote behaviour change and increase public awareness for all or most of the population, <b>and</b> have a measurable, beneficial, influence on a substantial segment of the population	5
Promote behaviour change and increase public awareness for all or most of the population, <b>or</b> have a significant influence on a more limited but still substantial segment of the population	4
Promote behaviour change and increase public awareness in a substantial segment of the population, <b>and</b> have a significant influence on a limited segment of the population	3
Promote behaviour change and increase public awareness in a substantial segment of the population	2
Promote behaviour change and increase public awareness in a limited segment of the population	1

**Add the scores for “size” and one “business complexity/ functionality” together to give a total score. (Consult the Commission about having more than one primary function). Refer to the guidance in section [C](#) and the table below for the ranges of fees payable for Group 3a bodies.**

## 118 Group 3a – annual fees

Total score	Level	Fees range – chair	Fees range – members
21-24	1	\$73,100 - \$162,200	\$36,500 - \$80,400
15-20	2	\$62,300 - \$132,400	\$31,200 - \$66,200
11-14	3	\$55,900 - \$96,700	\$27,900 - \$48,300
7-10	4	\$51,600 - \$72,200	\$25,800 - \$36,500
6 or less	5	\$25,800 - \$54,200	\$12,900 - \$27,100

**Group 3b: Subsidiary Bodies of Statutory Entities**

119 The boards of statutory entities (i.e. the parent boards) set the fees for their subsidiary board members. The statutory entities are Crown Agents, ACEs and ICEs listed in [Schedule 1](#) of the Crown Entities Act 2004.

## 120 Size

The following two size criteria are consistent with the protocol for General Governance Boards (Group 3a) above (see paragraph [116](#)).

Select **either** the appropriate budget/turnover **or** asset magnitude figure that best represents the size of the organisation. Lower weighting is given for asset management than budget controlled as assets have been accumulated over time, are retained by the organisation and the body's responsibility is the safe guardianship and the most effective and sustainable deployment of assets. Budgets on the other hand are expended over a twelve-month period and the body's accountability for this spend, or revenue earned is more direct.

Please note that funding disbursements and purchases on behalf of the Crown are treated in the same manner as operating budgets.

Budget/turnover	Assets	Score
\$0-\$10m	\$0-\$100m	2
\$10m-\$50m	\$100m-\$500m	4
\$50m-\$100m	\$500m-\$1.0b	6
\$100m-\$300m	\$1.0b-\$3b	8
\$300m-\$600m	\$3b-\$6b	10
\$600m-\$1.2b	\$6b-\$12b	12
\$1.2b+	\$12b+	14

**Refer to the guidelines in section [C](#) and the table below for the ranges of fees payable for Group 3b bodies.**

## 121 Group 3b – annual fees

Total Score	Level	Fees range – Chair	Fees range - Members
10 – 14	1	\$49,400 - \$78,900	\$24,700 - \$36,500
6 – 9	2	\$46,200 - \$74,000	\$23,100 - \$37,000
5 or less	3	\$39,800 - \$66,300	\$19,900 - \$33,200

## Group 4: All Other Committees and Other Bodies

122 This category covers a vast array of bodies from advisory committees to technical review committees to professional regulatory bodies. These bodies may have their functions described in statute or alternatively have been established by a Minister under a general statutory power to establish advisory committees or by the Cabinet. In other cases, the bodies will have been established by chief executives or governance boards of agencies to provide advice on the agency's functions and responsibilities on a general basis or on specific areas or issues.

123 The level within this category is determined by:

- skills, knowledge and experience required for members;
- function, level and scope of authority;
- complexity of issues;
- public interest and profile.

### Factors – choose one score from each of the following categories

124 Skills, knowledge and experience

Skills, knowledge and experience will vary between members on a particular body. The score below should reflect the level of skill required by the majority of members and should not be based on any particular individual. This factor has a higher weighting than others, to reflect that it is the application of the skills, knowledge and experience in carrying out their responsibilities that is a major contributor to the successful operation of the committee or body.

Skills, knowledge and experience	Definition	Score
Pre-eminent	Outstanding and authoritative knowledge, recognised nationally and internationally for expertise in a particular field.	12
Distinguished	Deep and broad knowledge in a specific area or as a leader. Widely respected as a subject matter expert or authority in their field.	10
Substantive	Substantial range of knowledge and experience in a field or professional discipline sometimes associated with senior level functional or technical leadership, executive management or governance roles. May include widely respected people with broad community support.	8
Technical	A number of years' experience in a technical, professional field or in a leadership role is a pre-requisite.	6
Specialised experience	No specific experience is required but members would have broad general knowledge and may represent a body of opinion.	4

## 125 Function, level and scope of authority

<b>Function, level and scope of authority</b>	<b>Score</b>
Sets policy or work programme for a major area of economic activity or policy area of importance to the Government's strategic priorities.	6
Sets policy or work programme and/or exercises regulatory/disciplinary powers at an industry level.	5
Provides expert counsel and advice direct to Ministers, agency governance boards or CEOs and/or multi-agency task forces on technical or major policy issues, where issues are of strategic importance. At this level the body would be expected to be proactive in identifying emerging issues and contributing to policy direction and to inform the Government's agenda	4
Exercises regulatory/disciplinary powers at the individual/professional level. This will include the power to impose fines and suspend or prohibit professional practice by the individual. (NB: This would include an individual corporate member.)	3
Provides a broad range of advice on technical and/or policy issues (multi outputs) to an agency governance board/CEO or Minister where issues affect Government policy.	2
Provides ad hoc advice to an agency governance board/CEO or Minister on minor matters. Generally a limited focus at a single output level.	1

## 126 Complexity of issues

<b>Complexity of issues</b>	<b>Definition</b>	<b>Score</b>
Innovative	The development of new concepts is required to find innovative and pathfinding solutions. There will be little or no external guidance (NZ or internationally) to aid resolution of these issues.	5
Constructive	The development of new policy or advice is required where the issues are complex, multi-dimensional and involve substantial research, consideration of possible alternatives and their consequences. The body may commission research or utilise the findings to inform their policy development or advice.	4
Evaluative	Issues will include circumstances, facts and concepts different to those that have been experienced in the past. Analytical thinking and evaluative judgement will be required to identify realistic alternatives and apply/recommend a solution.	3
Judgement	Solutions will be found from application of professional or personal judgement and generally guided by previous decisions. Circumstances may be different from those previously experienced but there will be a sufficient frame of reference to make a considered decision/recommendation.	2
Operational	Issues to be resolved are generally within existing policy and prior decisions. Decisions can generally be made quickly and with reasonable certainty.	1

## 127 Public interest and profile

<b>Public interest and profile</b>	<b>Score</b>
Widespread public interest in outcomes would be expected. Member/s will attract strong media interest. Potential risk to personal and/or the body's reputation is high.	5
Strong public and stakeholder interest and importance would be associated with these issues. Media interest would also be expected, but potential risk to personal or the body's reputation is unlikely.	4
Moderate but widespread public interest is likely. Reputational risk is minimal.	3
Public interest is likely to be limited, but the issues would be of interest to other members of the particular profession or sector.	2
There is likely to be little or no wider public interest in the decisions.	1

**Add the scores for each factor together to give a total score. Then refer to the guidance in section C and the table below for the ranges of fees payable for Group 4 bodies.**

## 128 Group 4 – daily fees

<b>Total Score</b>	<b>Level</b>	<b>Fees range – chair</b>	<b>Fees range - members</b>
24-28	1	\$770 - \$1,645	\$580 - \$1,240
20-23	2	\$560 - \$1,265	\$415 - \$800
15-19	3	\$400- \$825	\$295 - \$680
10-14	4	\$360 - \$525	\$270 - \$385
9 or less	5	\$295 - \$380	\$215 - \$295

**Audit and Risk Committees - Government Departments**

- 129 Most agencies have established audit and risk committees (or their equivalent). All or almost all of the chairs and members of these committees are external to the agency and they are generally not public sector employees. Due to the skill and expertise required of external chairs and members of these committees and the complexity of the matters on which they advise, higher fees for agency audit and risk committees have been approved.<sup>2</sup> (The Office of the Auditor- General provides [advice on audit committees](#)).
- 130 Fees for chairs of audit and risk committees can be up to - \$1,860 per day and fees for members can be up to \$1,550 per day (up to a maximum of 30 days per annum in both cases).

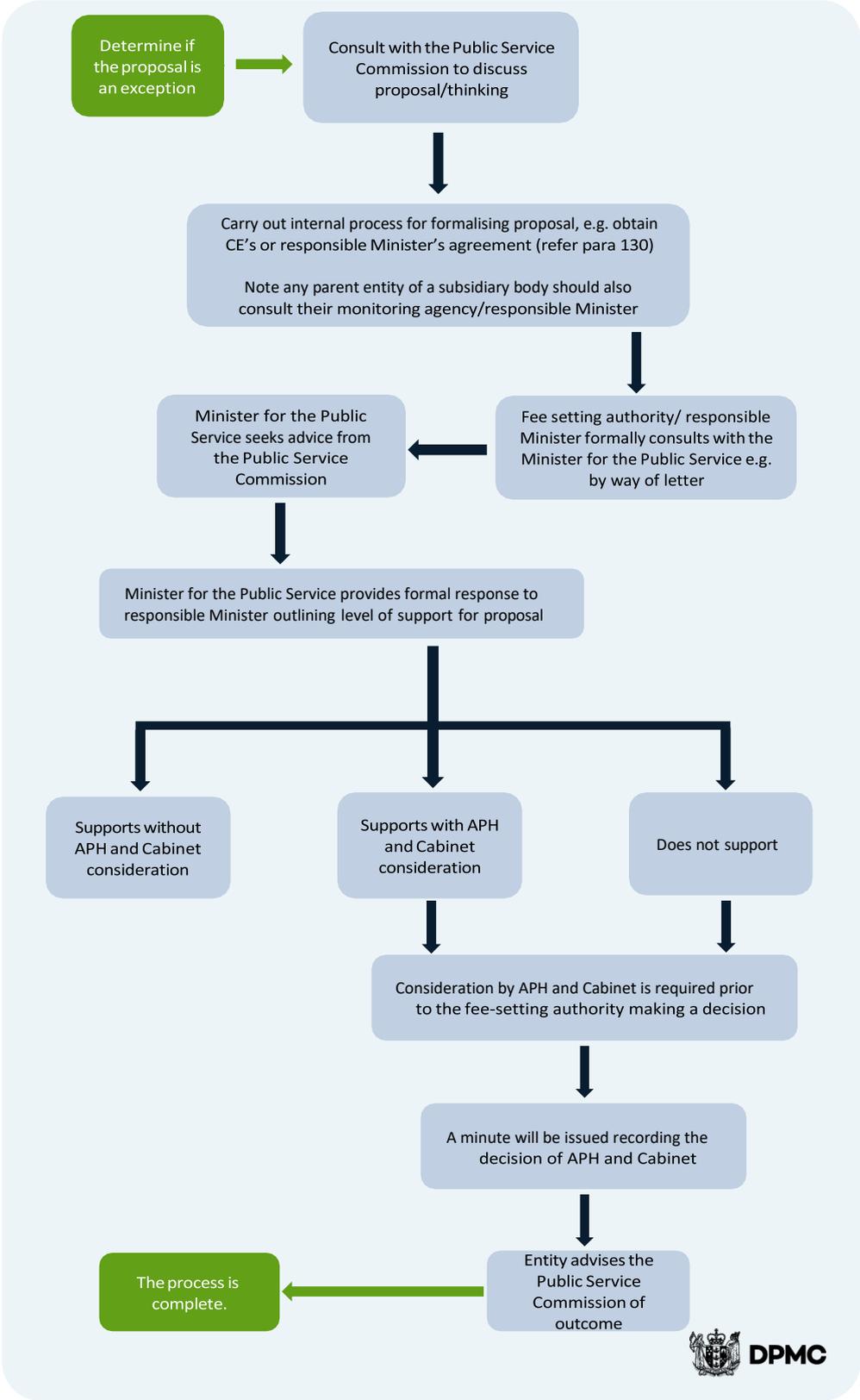
<sup>2</sup> Crown Entity Audit and Risk Committee is treated as a Board sub-committee.

## Section E: Operating outside the parameters of the Framework/ exceptions to the Framework

- 131 Operating outside the parameters of the Framework includes situations where it is proposed to:
- pay or increase existing fees above the levels set in the fee ranges;
  - increase existing fees by more than 5 percent (even within the applicable fee range);
  - use alternative methods for paying or setting fees (for example, payment of a base honorarium plus a fee for additional services, Crown bodies setting their own fees from a total pool, a full-time fee);
  - make additional payments for work in excess of the ordinary demands on body members;
- 132 make further additional payments (above 10 percent) to chairs of sub-committees (see paragraphs [68 to 72](#)).
- 133 Where Ministers, agencies or other fee-setting authorities believe there is a case to operate outside the parameters of the Framework (except where proposed fees are below the Framework fee ranges), they must consult with the Minister for the Public Service. Proposals to pay fees outside the parameters of the Framework range should first be discussed with the Commission.
- 134 The following flowchart summarises the process to use when there is a need to operate outside the parameters of the Framework and for fees for all Group 1 bodies.

## Seeking Exceptions Flowchart

The following flowchart summarises the process to use when there is a need to operate outside the parameters of the Framework and for fees for all Group 1 bodies.



- 135 The details required to justify an exception to the Framework include the classification of the body, the existing fee levels (if applicable), the fee setting authority, and the reason for seeking an exception.
- 136 A compelling case is required to support the payment of fees above the levels set in the fee ranges. Justification should include evidence of an adequate, robust and appropriate selection process and consideration of potential candidates, any difficulties in recruitment or retention, and/or particular skills and expertise that are required for a specific task. Further advice is available from the Commission.
- 137 The Minister for the Public Service may agree to the proposal, or may recommend to the responsible Minister that the fee needs to be referred to APH and Cabinet, where a responsible Minister proposes an exception which is:
- minor (including but not limited to):
    - where an additional payment is indicated for specified additional work; or
    - where the additional cost involved in an exception is small; or
    - where the exception is of modest scope;
- or:**
- technical (including but not limited to):
    - where a change from a daily payment to an annual fee is proposed because of predictability of workload, or where a change from an annual fee to a daily payment is proposed;
- or where:**
- the proposed daily fees for Group 1, 2 and 4 bodies are above the Framework ranges but the rationale for the proposed fee is strong and does not exceed the daily fee payable to a High Court Judge; or
  - an increase up to 10 percent (see section [E](#)) is within the applicable fee range and supported by strong rationale.
- 138 Where an exception is more substantial, the responsible Minister will refer the proposal for consideration by APH and Cabinet, after consultation with the Minister for the Public Service.
- 139 For exceptions for agency bodies or committees, the agency consults the responsible Minister and the Minister for the Public Service.
- 140 If the fee setting authority is a statutory entity (i.e. Crown Agent, or ACE) then it should consult its monitoring agency, responsible Minister and the Minister for the Public Service (with advice from the Commission). For exceptions for subsidiary bodies, the parent entity consults its monitoring agency, the responsible Minister and the Minister for the Public Service (with advice from the Commission).
- 141 If there is a difference of view between the responsible Minister and the Minister for the Public Service about the appropriate fee levels, the options should be presented to APH for consideration.

## Standing exceptions

- 142 A small number of exceptions to the fee ranges in the Framework have been approved by Cabinet where unusual circumstances, particularly the complexities and functions associated with membership, make it appropriate to pay fees outside the Framework range to the members of that body.
- 143 Standing exceptions are those exceptions where APH has agreed that those exceptional fees can be paid to all new appointments and reappointments to that body without the need to refer to APH and Cabinet for further approval.
- 144 Where an agency considers that a body for which they are responsible should be considered for a standing exception, they should discuss the justification for seeking a standing exception with the Commission in the first instance. The Commission will advise on whether the circumstances are likely to meet the threshold for approval as a standing exception. The responsible Minister, in consultation with the Minister for the Public Service, will then seek the agreement of APH and Cabinet to the standing exception.
- 145 Any proposal to increase the fees once the standing exception has been approved would be subject to additional approval.
- 146 A standing exception can also be sought for technical exceptions (see paragraph [137](#)), e.g. annualising daily fees or pro rating annual fees, and extending an exceptional fee for a defined period.
- 147 Technical exceptions do not generally need to be referred to Cabinet, so the responsible Minister can seek agreement from the Minister for the Public Service.
- 148 The Commission's digital system, AppointNet, maintains a record of standing exceptions. Agencies should advise the Commission and add details to AppointNet of any standing exceptions which are approved by APH to enable the Commission to maintain accurate records for reporting to Cabinet on the application of fees under the Framework.

## Grandparenting of existing fees

- 149 When changes to a body's responsibilities lead to the body's reclassification to a lower fee range, approval may be given, on a case-by-case basis, for existing body members to retain their existing fees. Fees approved for an individual body member at a higher level than the fee range of this Framework may remain at the higher level for the duration of the member's term of appointment provided the basis for justifying the exception is still valid.
- 150 Where possible, a time limit should be set when grandparenting is approved (e.g. a specified period or until the position is vacated). Where the term of a grandparenting arrangement has expired but the basis for justifying the exception is still valid, the responsible Minister and the Minister for the Public Service may approve the extension of grandparenting as a technical exception.
- 151 Grandparenting of fees applies only to the individual member for whom it is approved and not to the position. It is an exception to the principle in paragraph 34 that members of the same body receive the same fee. A new member appointed to the body must not receive the grandparented fee unless this has been specifically approved for the new member.
- 152 Information about any grandparenting arrangements, including changes to or extensions to existing arrangements will be sought through the Commission's triennial fees survey.

## Payment for consulting

- 153 Members or other appointees should not receive payments as consultants from bodies to which they are appointed. If, however, the responsible Minister agrees that there are overriding reasons for members and other appointees to carry out consulting assignments, any proposal to do so should be submitted to APH and Cabinet for consideration.
- 154 Where the arrangement results in the risk of a conflict of interest, the Minister should identify the conflict in the submission to APH and propose a suitable regime for managing the conflict. See the Commission's [Model Standards on Conflicts of Interest](#), and [Board Appointment and Induction Guidelines](#), sections 31 and 62 of the [Crown Entities Act 2004](#), and the appointments section of the [CabGuide](#) for further guidance on conflicts of interest.
- 155 If a person or their spouse or partner is a member of a local authority or public body listed in Schedule 1 of the Local Authorities (Members' Interests) Act 1968, their membership may be affected by entering into a contract with the local authority or public body if the total of all payments under such contracts exceeds the amount specified in that Act. In these cases approval of the Auditor-General must be obtained in addition to the Cabinet approval required by this Framework (see section 3 of the [Local Authorities \(Members' Interests\) Act 1968](#)).

## Section F: Reviewing existing fee levels

- 156 Fee-setting authorities should review fees at regular, reasonable intervals, such as after a review of the Framework or when an appointment or reappointment is pending, and **not more frequently than once a year**. There is no obligation to automatically increase the fee as a result of the review.
- 157 Changes to existing fee levels should be made by the fee-setting authority if it is necessary to address recruitment and retention problems, where the current fee levels do not adequately reflect levels of responsibility, or where fees have not been reviewed for a number of years. Changes also need to reflect the government's expectation that increases in public sector remuneration will be modest.
- 158 This may mean that increases to reflect levels of responsibility are done incrementally (rather than in one step), but not more often than once a year. Where a proposed increase is up to 3 percent and within the applicable fee range, the chief executive or governance board of the agency may approve the increase for bodies established by the chief executive or governance board.
- 159 Where a proposed increase is up to 5 percent and within the applicable fee range, the responsible Minister may approve the increase. Any increase above 5 percent or outside the applicable fee range is an exception to the Framework and requires consultation with the Minister for the Public Service.
- 160 Where a proposed increase is up to 10 percent and within the applicable fee range, the Minister for the Public Service may approve the increase. Where a proposed increase is greater than 10 percent or the proposed increase takes the fees above the applicable fee range, the proposal must be referred to APH and Cabinet for consideration (see section [E](#)). For further advice please contact the Commission.
- 161 When existing fees are being reviewed, the steps required to classify the body (see section [D](#)) should be undertaken to confirm the classification and level of the body.
- 162 Backdating of increases should generally be avoided. However, in some cases, such as where there has been undue delay in approving the increase, backdating may be appropriate. Approval for backdating must be sought from the authority approving the fee increase. For guidance on particular cases please consult the Commission.

## Section G: Other Indemnity and insurance

- 163 The legislation establishing some Crown bodies provides board members with explicit protection from liability in some circumstances. The nature of the protection varies according to the body and reference should be made to the appropriate legislation.
- 164 The [Crown Entities Act 2004](#) contains standard provisions on immunity from liability, indemnity and insurance in relation to board members, employees, office holders, and committee members of statutory entities. Statutory entities are Crown Agents, ACEs and ICEs listed in [Schedule 1](#) of the Crown Entities Act 2004.
- 165 The extent to which a body in which the Crown has an interest may indemnify or purchase insurance for its personnel to meet their legal expenses while working for the body may be dealt with specifically in the body's enabling Act or document. Where it is not, then the general powers of the body must be checked to determine whether it has the power to indemnify or purchase insurance for its members.
- 166 The Crown Entities Act 2004 requirements for statutory entity indemnities and insurance provide a good yardstick for other bodies, subject to their own particular enabling Acts. The Crown Entities Act 2004 provides that entities may only indemnify their members for acts or omissions in good faith and in performance or intended performance of the entity's functions. Any such indemnity is limited to liability for conduct, and costs incurred in defending or settling any claim or proceeding relating to that liability. An entity may purchase insurance cover for its members in relation to acts or omissions unless they are in bad faith or not in performance or intended performance of the entity's functions.
- 167 In the event that insurance is not provided, the body must ensure that the individual is made aware that he or she is not covered, as well as of any relevant statutory protection from liability, so they can consider whether to make their own provision for such insurance.

### Employment status

- 168 Members of boards of statutory bodies, statutory tribunals, authorities or other bodies are generally appointed by the Crown, governance boards or chief executives, or elected by voters. Members of the boards of subsidiary bodies of statutory entities (i.e. of Crown Agents, ACEs, ICEs) are generally appointed by their parent body. Members are not employees of the body or the Crown. The appointment as a member does not alter the individual's employment status prior to the appointment (e.g. self-employed, employee, not employed).

### Tax on fees paid to a board member

- 169 How taxation applies to any fees paid to members depends on the personal circumstances of the individual board member and the terms of their contract/appointment. Depending on the circumstances an employer/payer could be required to deduct withholding tax from payments made to board members.
- 170 A discussion (provided by Inland Revenue) of the application of withholding tax and/or GST to fees paid to the board member can be found [here](#).
- 171 If, after considering this discussion, you still have queries about the correct tax treatment of particular fees paid, contact Denise Birdling, Team Leader, Crown, Significant Enterprises, Inland Revenue ([denise.birdling@ird.govt.nz](mailto:denise.birdling@ird.govt.nz)).

## Disclosure

- 172 Any statutory requirements for the disclosure of fees and other benefits must be met. Crown entities, other than Tertiary Education Institutions or schools, must meet the disclosure requirements of section 152 of the [Crown Entities Act 2004](#). Where there are no statutory or other specified requirements, a level of disclosure consistent with public accountability should apply.

## Fiscal implications

- 173 Any proposed fees or payments for bodies covered by the Framework should be met within existing baselines or appropriations unless approval for the additional expenditure has been appropriated or otherwise authorised.

## Cabinet committee submissions

- 174 In general, all appointments made by Ministers, or by the Governor- General on the recommendation of Ministers, should first be considered by APH. Even where an appointment is the responsibility of a particular Minister, it is important that it is raised with colleagues to ensure the widest possible input into the appointment process. Please refer to the [CabGuide](#).
- 175 Section [E](#) “Operating outside the Parameters of the Framework” refers to the circumstances in which exceptions to this Framework are referred to APH and Cabinet before final decisions are made. In those cases where the responsible Minister proposes fees outside the parameters of the Framework, the submission should note that consultation with the Minister for the Public Service has taken place, and should outline the basis for going outside the parameters of the Framework.
- 176 If there is a difference of view between the responsible Minister and the Minister for the Public Service about the appropriate fee levels, the options should be presented to APH and Cabinet for consideration.
- 177 In these cases, appointments should not be made until fee levels have been agreed. Please also refer to the [CabGuide](#).

## Further information

- 178 For advice on the application and interpretation of the Cabinet Fees Framework, contact Te Kawa Mataaho Public Service Commission, email: [fees@publicservice.govt.nz](mailto:fees@publicservice.govt.nz) or phone (04) 495 6600.
- 179 For advice on taxation on fees, contact Denise Birdling, Team Lead, Significant Enterprises, Inland Revenue email: [Denise.Birdling@ird.govt.nz](mailto:Denise.Birdling@ird.govt.nz) or phone (04) 890 6295.

## Glossary of Terms

**Agency** – a Public Service department, Crown agent, Autonomous Crown entity or Tertiary Education Institution that may support Ministers to establish bodies and / or establish bodies itself, and therefore is responsible for applying the Framework.

**Autonomous Crown Entity** – one of the three types of statutory entities defined in the Crown Entities Act 2004, Autonomous Crown entities must have regard to government policy that relates to their functions and objectives when directed by the responsible Minister. Autonomous Crown entities are listed in Part 2 of [Schedule 1](#) of the Crown Entities Act 2004 and are covered by the Framework.

**Bodies in which the Crown has an interest** – this term is used in several Acts to apply the Cabinet Fees Framework to a body or bodies named in the Act, but the term is not defined. It is generally understood to:

- be broader than ‘government agency’ if that term is synonymous with agencies that operate within the executive branch of government, or that operate as instruments under direct or indirect Ministerial control or direction, or where the body or individual is appointed by a Minister or department
- encompass certain bodies and individuals in the judicial branch of government
- include bodies and individuals that carry out some aspect of the business or responsibilities of central government, or that scrutinise or investigate or assist the agencies that do so directly.

**Consultant and Contractor** - definitions can be found on the Ministry of Business Innovation and Employment’s website at [Consultant vs contractor](#).

**Crown Agent** – one of the 3 types of statutory entities defined in the Crown Entities Act 2004, Crown agents must give effect to government policy that relates to their functions and objectives when directed by the responsible Minister. Crown agents are listed in Part 1 of [Schedule 1](#) of the Crown Entities Act 2004 and are covered by the Framework.

**Crown entity** – includes any entity within the 5 categories specified in the Crown Entities Act 2004, e.g. statutory entities, Crown entity companies, Crown entity subsidiaries, school boards of trustees and tertiary education institutions. Only some Crown entities are covered by the Framework (see paragraph 20).

**Crown entity companies** – companies incorporated under the Companies Act 1993 that are wholly owned by the Crown and named in [Schedule 2](#) of the Crown Entities Act 2004. Crown entity companies are not covered by the Framework.

**Department and Government Departments** – in the Framework the term “department” and “Government Departments” is used for Public Service departments including departmental agencies as specified in [section 5](#) of the Public Service Act 2020. The term “agency” has been used in the generic sense. The term “monitoring agency” is used to refer to the entity responsible for ministerial support and administration.

**Exception** – an exception applies when approval is given to vary the Framework fee-setting parameters for a particular body. Section [E](#) of the Framework sets out the circumstances that might give rise to an exception. In some circumstances, the responsible Minister and the Minister for the Public Service can approve the exception, but other exceptions require approval by APH or Cabinet.

**Minor exception** – where an additional payment is appropriate for specified additional work, where the additional cost is small or the exception is of modest scope it may be approved by the responsible Minister and the Minister for the Public Service.

**Standing exception** – an exception approved by APH for all members of an individual body without requiring further approval for each appointment or reappointment.

**Technical exception** – where an exception is cost neutral and supported by a sound rationale (e.g. the conversion from annual to daily fees or vice-versa due to a change in the meeting regime for a body) it may be approved by the responsible Minister and the Minister for the Public Service. Proposals for annual fees for Group 1, 2 and 4 bodies and extensions to grandparenting arrangements are also technical exceptions.

**Expenses** – provision for reimbursement of out-of-pocket expenses incurred on body business, including travelling, meal and accommodation expenses.

**Fee-setting authority** – the position(s) or organisation that has the authority to set fees for a body covered by the Framework. In most cases for Group 1, 2 and 3a bodies, the fee-setting authority is the responsible Minister, in consultation with the Minister for the Public Service or APH. In the case of subsidiaries and sub-committees it is the parent entity. In the case of Group 4 bodies, the fee setting authority may be the governance board or chief executive of an agency.

**Fee range** – the minimum and maximum fees applicable to the chair and members of a body within the particular category.

**Governance board** – the board that is responsible for the governance of a body that comes under the Framework.

**Government inquiry** – a time-limited body established to inquire into and report on specific matters whose members are appointed by a Minister or Ministers pursuant to the [Inquiries Act 2013](#).

**Grandparenting** – refers to payments where approval has been given, on a case-by-case basis and for a specified time period, for an existing body member(s) to retain their existing fees when changes to a body's responsibilities lead to the body's reclassification to a lower fee range.

**Honorarium** – a financial payment made to acknowledge a service provided which is considerably less than the value of that service.

**Independent Crown Entity** – one of the three types of statutory entities defined in the Crown Entities Act 2004, independent Crown entities are generally independent of government policy directions. Independent Crown entities are listed in Part 3 of [Schedule 1](#) of the Crown Entities Act 2004 and are not covered by the Framework (apart from reimbursement for expenses), although their subsidiaries are covered by the Framework.

**Monitoring agency** – assists the responsible Minister in making appointments and applying the Framework, and monitoring the performance of the body. It may also provide administrative services to the body. The monitoring agency is usually a government department but may also be a Crown entity or the parent body of a subsidiary.

**Non-statutory body** – means a body that is subject to the Framework but is not established in legislation.

**Parent entity** – these are bodies to which a subsidiary or sub-committee is responsible.

**Public inquiry** – a time-limited body established to inquire into and report on specific matters whose members are appointed by the Governor-General, pursuant to the [Inquiries Act 2013](#).

**Public sector employee** - covers employees in all the agencies in the wider public sector as well as other agencies associated with a Ministerial portfolio and any local authority as defined under section 5(1) of the [Local Government Act 2002](#).

- Public servant** - applies to all employees of public service departments, departmental agencies, interdepartmental executive boards, and interdepartmental ventures. Public servants are a sub-group of public sector employees.
- Remuneration** – means the fees that members of bodies under coverage of the framework receive for their contribution to the body.
- Responsible Minister** – the Minister of the Crown with portfolio responsibility for the body – see the [Cabinet Office Directory of Ministerial portfolios](#).
- Royal Commission** – a time-limited body established to inquire into and report on specific matters whose members are appointed by the Governor-General, pursuant to the Letters Patent and the Inquiries Act 2013.
- Statutory body** – means a body that is subject to the Framework and is established in legislation.
- Statutory entity** – one of the 5 categories of Crown entities under the [Crown Entities Act 2004](#), it refers to Crown agents, autonomous Crown entities and independent Crown entities. Crown agents and autonomous Crown entities are covered by the Framework, but independent Crown entities are not (apart from reimbursement for expenses).
- Statutory tribunal and authority** – a diverse group of bodies independent of the executive whose predominant purpose is to exercise a defined specialist jurisdiction under legislative authority.
- Sub-committee** – in the Framework the term “sub-committee” is used to refer to any committee or sub-committee established by a parent body that is subject to the Framework.
- Tertiary Education Institution** – one of the 5 categories of Crown entities under the [Crown Entities Act 2004](#). It includes colleges of education, polytechnics, specialist colleges, universities and wānanga which are bodies corporate established under Part 14 of the [Education Act 1989](#) or section 268 of the [Education and Training Act 2020](#). They are covered by the Framework.

## PARC Public Excluded Agenda

16 March 2026

### Chair to Move

THAT the public be excluded from the following part of the proceedings of the meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	Minutes / Report of:	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
PE 5.2	Chief Executive Officer	PE PARC Minutes 9 February 2026	Good reason to withhold exists under Section 7	Section 48(1)(a)
PE 5.3	Chief Executive Officer	Water Tanks Update	Good reason to withhold exists under Section 7	Section 48(1)(a)
PE 5.4	Chief Executive Officer	Correspondence to ECan	Good reason to withhold exists under Section 7	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by holding the whole or relevant part of the proceedings of the meeting in public, are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON
PE 5.2	PE PARC Minutes 9 February 2026	7(2)(b)(ii) 7(2)(h) 7(2)(i)	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information. To maintain legal professional privilege. To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities.
PE 5.3	Water Tanks Update	7(2)(a) 7(2)(h)	Protect the privacy of natural persons. To maintain legal professional privilege.
PE 5.4	Correspondence to ECan	7(2)(b)(ii) 7(2)(h) 7(2)(i)	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information. To maintain legal professional privilege. To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities.

and that appropriate officers remain in the meeting to assist members.