



27 August 2025

Councillor Duncan Campbell
Taupō District Council
By email: councillorcampbell@taupo.govt.nz

Tēnā koe Councillor Campbell

Request for review – conflict of interest: Cr Danny Loughlin, Taupō District Council

1. Thank you for your letter dated 4 August 2025.
2. You wrote raising a concern about Councillor Danny Loughlin's participation in a decision of Taupō District Council (the Council) on 31 July 2025 on the proposed Joint Management Agreement (JMA) between the Council and Tūwharetoa Māori Trust Board (the Board). Cr Loughlin is a board member of the Board.
3. In this letter we:
 - explain why we think Cr Loughlin's participation in the decision did not breach the Local Authorities (Members' Interests) Act 1968 (the LAMIA);
 - describe the Auditor-General's role with regard to non-financial conflicts of interest, including what our good practice guide covers; and
 - note that we are considering developing materials that cover conflicts of interest relating to Treaty settlement entities (or similar organisations) through our good practice work programme.

The Council's decision

4. On 31 July 2025, councillors considered the recommendation of a Joint Committee to approve the JMA between the Board and the Council. The report to Council explained:

The Tūwharetoa Māori Trust Board (TMTB) and Council are required by the Ngāti Tūwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010 (Upper Waikato River Act) to enter into a joint management agreement to protect and restore the Waikato River.

In 2020 TMTB gave formal notice to the Council to enter into a Joint Management Agreement. This triggered the Council resolution to establish a joint committee to oversee

the development of the JMA and which approved in principle the inclusion of Taupō Waters. When the Joint Committee was re-established in September 2024 the Council also approved, in principle, the inclusion of additional matters requested by TMTB in the negotiation scope, and agreed to complete the JMA by 30 June 2025. The Joint Committee has recommended a draft JMA to Council and the TMTB for approval.

5. The draft JMA sets out the following shared vision:

Taupō Moana and the Upper Waikato River are thriving and healthy, sustaining abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of those water bodies, encompassing cultural, environmental, social, economic and spiritual factors, for future generations.

6. The draft JMA provides that the purpose of the JMA is to work in partnership to restore and protect the health and wellbeing of Taupō Moana and the Upper Waikato River to give effect to this shared vision. The JMA covers matters relating to the Upper Waikato River and activities within its catchment affecting the Upper Waikato River, and matters relating to Taupō Moana and activities within its catchment affecting Taupō Moana. The JMA identified these matters as:

- a monitoring and enforcement;
- b preparation, review, change or variation of a RMA planning document;
- c processes in relation to resource consent applications;
- d processes to explore whether customary activities can be carried out by Ngāti Tūwharetoa without the need for a statutory authorisation (including as a permitted activity) from the Council;
- e capacity and capability building;
- f reform and other application responses;
- g section 33 RMA transfer of powers;
- h economic development and investment opportunities;
- i service infrastructure projects; and
- j 3-yearly work plan.

7. Council staff recommended “That Council accepts the recommendation from the Joint Committee and approves the Joint Management Agreement regarding the restoration and protection of the health and wellbeing of Taupō Moana and the Upper Waikato River.”

8. Minutes of the Council meeting recorded:

Item 5.1 Consideration of Joint Committee Recommendation – Joint Management Agreement with Tūwharetoa Māori Trust Board

Cr Karam Fletcher advised that concerns had been raised about the perceived conflict because his wife was an employee of the Tūwharetoa Māori Trust Board. He explained that

she had not inputted anything into the work and was in a different department. He did not consider this to be a conflict and would not remove himself from discussion or decision making on the item.

Cr Danny Loughlin advised that he was a trustee of the Tūwharetoa Māori Trust Board and had managed this conflict of roles by not participating in any of the work or hui at the Tūwharetoa Māori Trust Board, and only at Council's public workshop. He was comfortable that he had managed this interest and would be voting on the item.

Mayor David Trewavas confirmed that it was the members' call regarding conflicts and that the members' had made their intentions clear.

9. The Council voted (by a majority) to defer consideration of the draft JMA and directed the Chief Executive to refer the matter to the incoming Council as soon as reasonably practicable following the local government elections in October 2025. Councillor Loughlin and four other councillors voted against the resolution.

Local Authorities (Members' Interests) Act 1968

10. The non-participation rule in section 6 of the LAMIA provides that a member of a local authority must not take part in the discussion of, or vote on, any matter before their local authority in which the member has a financial interest, unless their interest is in common with the public, or one of the exceptions to the non-participation rule applies.
11. The Act does not define financial interest. As we explain in [Part 4](#) of *Local Authorities (Members' Interests) Act 1968: A guide for members of local authorities on managing financial conflicts of interest*, our interpretation is that a financial interest is "a reasonable expectation of financial loss or gain" from the particular decision.
12. The JMA covers how the parties will work together on, and how the Board will have input into, matters relating to the Upper Waikato River and the Taupō Moana. Given the nature of the JMA, it is difficult to see how Cr Loughlin could have a reasonable expectation of financial loss or gain from the Council's decision about entering into the JMA. We do not think his participation breached the LAMIA.

Non-financial conflicts of interest

13. The Auditor-General has a statutory role under the LAMIA in relation to members' financial conflicts of interest. The Auditor-General does not have a statutory role with regard to non-financial conflicts of interest. The Auditor-General cannot "rule" or adjudicate on whether someone has a conflict or whether it was lawful for them to participate in a particular matter. Nor can we take enforcement action against someone who might have acted unlawfully or inappropriately because of a conflict of interest. These are matters for the courts – although, in this case, given the outcome of the vote, there is unlikely to be a risk of legal challenge to the Council's decision on the grounds of Cr Loughlin's participation.

14. The Auditor-General has an interest in supporting public entities to carry out their activities with integrity. The proper management of conflicts of interest is a fundamental part of maintaining public confidence in the public sector. To support good practice in this area we have issued [*Managing conflicts of interest: A guide for the public sector*](#).
15. [Part 3](#) of our guide describes different types of conflicts of interest. A non-financial conflict of interest is any situation where a decision-maker is not affected financially by a decision but is affected in some other way that might make the person biased or appear to be biased. This includes a conflict of roles – a situation where a person is a decision-maker for two different organisations about the same matter. [Part 7](#) of our guide has 11 scenarios describing how conflicts of interest can arise and providing guidance about the matters that should be considered. Relevantly, [scenario 10](#) is about a person who has duties to two different organisations.
16. When it comes to non-financial conflicts of interest in council decisions, whether to participate is a decision for the councillor, supported by advice from council staff and (if necessary) legal advice. It is apparent from the minutes of the Council meeting that Cr Loughlin turned his mind to a potential conflict of roles, and considered that he had managed this conflict.
17. Our good practice guide covers this type of non-financial conflict of interest. However, we are considering developing materials that cover conflicts of interest relating to Treaty settlement entities (or similar organisations) through our good practice work programme.
18. Thank you for bringing this matter to our attention.

Nāku noa, nā

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Copy to: Leon Pieterse, Audit New Zealand, Appointed Auditor
 Richard Harbord, Office of the Auditor-General, Sector Manager