

**Local Government (Pecuniary Interests Register)
Amendment Bill**

Member's Bill

As reported from the committee of the whole House

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Amendment Bill**

Key to symbols used in reprinted bill

As reported from the committee of the whole House

text inserted

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Tangi Utikere

Local Government (Pecuniary Interests Register) Amendment Bill

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The Parliament of New Zealand enacts as follows:

1 Title
This Act is the Local Government (Pecuniary Interests Register) Amendment Act **2021**.

2 Commencement 5
This Act comes into force on the day that is 6 months after the date on which it receives Royal assent.

3 Principal Act
This Act amends the Local Government Act 2002.

Part 1 10
Register of members’ pecuniary interests

4 New subpart 3 of Part 4 inserted
After section 54, insert:

Subpart 3—Register of members’ pecuniary interests

54A Register of members’ pecuniary interests 15

(1) A local authority must keep a register of the pecuniary interests of—

- (a) members of the local authority; and
- (b) members who have been elected under the Local Electoral Act 2001 to a community board that is part of the local authority; and
- (c) members who have been elected under the Local Electoral Act 2001 to a local board that is part of the local authority. 20

(2) The register must comprise the pecuniary interest returns that—

- (a) are made by members under **section 54C**; and
- (b) contain all information in any pecuniary interest return that is required to be disclosed under **sections 54E** and **54F**, and include any notifications made under **section 54D** of errors or omissions in those returns. 25

(3) The local authority must—

- (a) make a summary of the information contained in the register publicly available; and
- (b) ensure that information contained in the register— 30

- (i) is only used or disclosed in accordance with the purpose of the register; and
- (ii) is retained for 7 years after the date on which a member provides the information, and is then removed from the register.

54B Purpose of register 5

The purpose of the register of members' pecuniary interests is to record members' interests so as to provide transparency and to strengthen public trust and confidence in local government processes and decision-making.

54C Members to make pecuniary interest returns

(1) A member described in **section 54A(1)(a), (b), or (c)** must make a pecuniary interest return containing the information specified in **sections 54E and 54F** in respect of the 12-month period that ended on the day that is 1 month before each date specified for the return in **subsection (2)**. 10

(2) The member must make the pecuniary interest return by the following dates:

- (a) the day that is 120 days after the date on which the member comes into office under section 115 of the Local Electoral Act 2001: 15
- (b) the last day of February in each subsequent year.

(3) The member must make the return by providing it to the Registrar.

54D Accuracy of information included in pecuniary interest return

(1) When making a pecuniary interest return under **section 54C**, a member must ensure that the information contained in the return is accurate. 20

(2) However, if a member becomes aware of an error or omission in any return that the member has made, the member must advise the Registrar of that error or omission as soon as practicable after becoming aware of it.

(3) When advised of an error or omission in a pecuniary interest return, the Registrar must correct the register of members' pecuniary interests accordingly. 25

54E Contents of pecuniary interest return relating to member's position

(1) Every pecuniary interest return must contain the following information:

- (a) the name of each company of which the member is a director or holds or controls more than 10% of the voting rights and a description of the main business activities of each of those companies: 30

- (b) the name of every other company or business entity in which the member has a pecuniary interest, other than as an investor in a managed investment scheme, and a description of the main business activities of each of those companies or business entities: 35

- (c) if the member is employed, the name of each employer of the member and a description of the main business activities of each of those employers:

- (d) the name of each trust in which the member has a beneficial interest:
- (e) the name of any organisation or trust and a description of the main activities of that organisation or trust if—
- (i) the member is a member of the organisation, a member of the governing body of the organisation, or a trustee of the trust (as applicable); and 5
- (ii) the organisation or trust receives funding from, or has applied to receive funding from, the local authority, local board, or community board to which the member has been elected:
- (f) the title and description of any organisation in which the member holds an appointment by virtue of being an elected member: 10
- (g) the location of real property in which the member has a legal interest, other than an interest as a trustee, and a description of the nature of the real property:
- (h) the location of real property, and a description of the nature of the real property, held by a trust to which the following apply: 15
- (i) the member is a beneficiary of the trust; and
- (ii) the member knows or ought reasonably to know that the member is a beneficiary of the trust; and
- (iii) it is not a unit trust whose name is disclosed under **subclause (1)(d)**; and 20
- (iv) it is not a retirement scheme whose membership is open to the public.
- (2) For the purposes of **subsection (1)(b)**, a member does not have a pecuniary interest in a company or business entity (**entity A**) merely because the member has a pecuniary interest in another company or business entity that has a pecuniary interest in entity A. 25
- (3) For the purposes of **subsection (1)(e)**, a member is not required to disclose the name and a description of the main activities of an organisation that is a council-controlled organisation. 30
- (4) For the purposes of **subsection (1)(g) and (h)**, a member is not required to disclose the street address of the real property, but must provide the general location (for example, the suburb and city in which it is located).
- (5) For the purposes of this section,—
- business entity** means any body or organisation, whether incorporated or unincorporated, that carries on any profession, trade, manufacture, or undertaking for pecuniary profit, and includes a business activity carried on by a sole proprietor, but does not include any blind trust 35

company has the same meaning as in section 2(1) of the Companies Act 1993, and includes—

- (a) a body corporate that is incorporated outside of New Zealand;
- (b) a society incorporated under the Industrial and Provident Societies Act 1908 or any former Industrial and Provident Societies Act

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employed—

- (a) means employed under a contract of service; but
- (b) does not include holding—
 - (i) the position of an elected member of a local authority, local board, or community board (as applicable); or
 - (ii) any other position for which the person in question would not be qualified unless he or she had been elected a member of a local authority, local board, or community board (as applicable)

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managed investment scheme has the same meaning as in section 9(1), (2), and (4) of the Financial Markets Conduct Act 2013.

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54F Contents of pecuniary interest return relating to member's activities

(1) Every pecuniary interest return must also contain the following information:

- (a) for each country (other than New Zealand) that the member travelled to,—
 - (i) the name of the country; and
 - (ii) the purpose of travelling to the country; and
 - (iii) the name of each person who contributed (in whole or in part) to the costs of the travel to and from the country; and
 - (iv) the name of each person who contributed (in whole or part) to the accommodation costs incurred by the member while in the country;
- (b) a description of each gift (including hospitality and donations in cash or kind but excluding any donation made to cover expenses in an electoral campaign) received by the member and the name of the donor of each of those gifts (if known or reasonably ascertainable by the member) if—
 - (i) the gift has an estimated market value in New Zealand of more than \$500; or
 - (ii) the combined estimated market value in New Zealand of all gifts from the donor is more than \$500;
- (c) a description of each payment received by the member for activities in which the member is involved other than—
 - (i) the salary or allowances paid to that person under the Remuneration Authority Act 1977 or this Act; and

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- (ii) any payment the member received from an interest required to be disclosed under **section 54E**; and
- (iii) any payment made in respect of any activity the member ceased to be involved in before becoming a member.
- (2) The information referred to in **subsection (1)(a)** does not have to be included in the pecuniary interest return if the travel costs and accommodation costs were paid in full by the following or any combination of the following: 5
- (a) the member;
- (b) a member of the member's family.
- (3) The information referred to in **subsection (1)(b)** does not have to be included in the pecuniary interest return if the gift was from a member of the member's family unless the member, taking the purpose of the register into account (*see section 54B*), considers the information should be included. 10
- (4) For the purposes of this section, **member of the member's family** means the member's spouse, partner, parent, grandparent, child, stepchild, foster child, grandchild, or sibling. 15
- 54G Registrar**
- (1) A local authority must appoint a Registrar to—
- (a) compile and maintain the register of members' pecuniary interests; and
- (b) provide advice and guidance to members in connection with their obligations under this subpart. 20
- (2) The chief executive of a local authority may be the Registrar under **subsection (1)**.
- 54H Responsibility of members**
- (1) It is the responsibility of each member to ensure that they fulfil the obligations imposed on them under this subpart. 25
- (2) A Registrar is not required to—
- (a) notify any member of—
- (i) that member's failure to make a pecuniary interest return by the due date; or 30
- (ii) any error or omission in that member's pecuniary interest return; or
- (b) obtain any pecuniary interest return for a member.
- (3) ~~To avoid doubt, a member's obligations under this subpart are in addition to any obligations under, and do not affect the application of, the Local Authorities (Members' Interests) Act 1968.~~ 35
- (3) To avoid doubt,—

- (a) a member’s obligations under this subpart are in addition to any obligations under, and do not affect the application of, the Local Authorities (Members’ Interests) Act 1968; and
- (b) a pecuniary interest that a member has declared under this subpart is not necessarily an interest for the purposes of the Local Authorities (Members’ Interests) Act 1968.

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54I Definition of Registrar

In this subpart, **Registrar** means the Registrar appointed under **section 54G**.

Part 2
Other amendments

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5 Section 5 amended (Interpretation)

In section 5(1), in their appropriate alphabetical order, insert:

pecuniary interest, in relation to a member, means a matter or activity of financial benefit to the member

pecuniary interest return means the return required to be made under **section 54C**

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6 Section 235 amended (Offences by members of local authorities and local boards)

(1) In section 235(1), after “contravenes”, insert “**section 54C or 54D(1) or (2) or**”.

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(2) In section 235(2), after “instituted under”, insert “**section 54C or 54D(1) or (2) or**”.

Legislative history

1 July 2021
22 September 2021

Introduction (Bill 51–1)
First reading and referral to Governance and Administration Committee

22 March 2022

Reported from Governance and Administration Committee (Bill 51–2)

6 April 2022

Second reading

13 April 2022

Committee of the whole House (Bill 51–3)