



Submission of Taituarā – Local Government Professionals Aotearoa regarding the Companies (Address Information) Amendment Bill

Taituarā – Local Government Professionals Aotearoa (Taituarā) thanks the Economic Development, Science, and Innovation Committee for the opportunity to submit on the Companies (Address Information) Amendment Bill (the Bill),

We are an incorporated society of almost 1000 members drawn from local government Chief Executives, senior managers, and council staff with significant policy or operational responsibilities.

Our primary role is to help local authorities perform their roles and responsibilities as effectively and efficiently as possible. We have an interest in all aspects of the management of local authorities from the provision of advice to elected members, to the planning and delivery of services, to the less glamorous but equally important supporting activities such as election management and the collection of rates.

We are in complete agreement with both the policy objectives underpinning this Bill, and the manner in which the Bill implements these objectives.

To provide context on why we are concerned - local authorities operate what are known as council-controlled organisations (CCOs). Some of the commonly cited reasons for this include

- improved commercial focus – that is, operating a company with a professional board of directors with the objective of achieving greater operating efficiency
- ring-fencing financial risk, by using an incorporated structure to insulate a local authority from financial liability for an activity or venture involving other parties

- tax-effectiveness – local authorities can derive tax credits from commercial subsidiaries that pay dividends.¹

Companies under the Companies Act are one of the more common organizational forms for these bodies. We are advised that 92 of the 157 CCOs in existence are registered under the Companies Act 1993.

It is common for elected members or senior staff members to be appointed as council appointees to the Boards of these CCOs. For example, many of the directors of various of the local authority shared services are Chief Executives of local authorities. These appointments serve various purposes – representation of local communities around the board table, the ability to secure a particular skill or skills, continuity between electoral terms and the like.

A CCO has to meet all of the accountability requirements of any other company including annual reports. Additionally, the Local Government Act requires CCOs to furnish an annual statement of intent, that local authorities publish information about the CCO in their accountability documents and make CCOs subject to official information legislation.

In all of this then, there is a high probability that the identities of directors will become public knowledge (as it should be), and that as things stand an individual could use that knowledge and the company's records to obtain a home address.

In the first reading Parliament quite correctly identified the risks that misuse of this information might present to the physical or mental safety of a company director or those they live with.

It is a sad fact of public life today that individuals will use publicly available information to direct abuse or harassment at those who may hold a differing view from them, or even simply because the organisation the targeted person works for holds a different view from them.

We observe that in recent years Parliament has changed electoral legislation to allow candidates to use addresses other than a residential address in electoral advertising. This closes another avenue those wishing to intimidate, harass or bully might use. Taituarā therefore considers that this Bill should be enacted 'as is' and commends it to the Committee.

From the standpoint of civil society, it is a commentary on the state of civic discourse and respect for others that there is a need for this Bill at all. New Zealand has a

¹ Adapted from Office of the Auditor-General (2015), Governance and Accountability of Council Controlled Organisations, page 17.

proud history of a relatively high level of freedom of expression, freedom of thought and freedom of association. But like many other nations, while it is easy to lay responsibility at the door of a few groups or individuals, the truth is these people, their views, and their choice of means to express them and to seek to bend others to their will is a symptom of far wider concerns.

We submit that the long-term counter to the types of behaviours this Bill seeks to address is to address the culture that spawned them. As a nation we need to enhance the level of civic discourse as a precursor to rebuilding tolerance and respect for the rights of others. When we say 'civics' we speak to the need to inculcate an interest in being actively involved in communities and an understanding of the value of community and participation for the common good.