

26 April 2024

Economic Development, Science and Innovation Committee Select Committee
Parliament Buildings
Wellington

Email: eds@parliament.govt.nz

Dear Select Committee

Re: Companies (Address Information) Amendment Bill

I am writing to you regarding the *Companies (Address Information) Amendment Bill* (referred to as 'the Bill').

BusinessNZ notes that the aim of the Bill is to address the privacy and protection concerns associated with the publication of a director's residential addresses on the Companies Office website. It would allow a director to substitute the publication of their residential address on the Companies Office website for an address for service, subject to meeting certain criteria. As drafted, directors will be able to substitute their residential address for an address for service if they:

- sign a statutory declaration that the publication of their residential address is likely to result in physical or mental harm to either themselves or another resident at the address; and
- make an application to the Registrar of Companies, including a copy of the statutory declaration.

Overall, BusinessNZ agrees with the broad objective of the Bill. We note that the idea of greater protections for director privacy already has some history going back as far as 2018 when MBIE first began consulting on this issue. We believe that addressing directors' privacy and protection concerns is a step in the right direction, so enabling them to opt to withhold this information from the public arena is one way in which to provide an increased level of safety to minimise the potential for directors to find themselves in serious and potentially dangerous situations. Given a few directors have experienced instances of harassment and stalking in recent times, this not only has damaging consequences for the directors in question, but also for their family members in their homes.

Ensuring the current framework for the protection of directors in New Zealand also sends a positive signal overseas, especially when there is the potential for large foreign companies being hesitant to conduct business in New Zealand due to the requirement to publish directors' physical residential addresses.

While BusinessNZ supports the overall thrust of the Bill, we believe the statutory declaration and the establishment of a statutory risk are unnecessary requirements. The request for privacy should be simple and available as of right, so we question the need for extensive form-filling in order to demonstrate why privacy is needed.

As the Bill currently stands, directors will not be able to have their residential address removed from the public register for general privacy concerns, such as where the individual is a public figure, in the absence of a likelihood of physical or mental harm. Instead, we believe the service option should be a matter of preference without any need to establish that there is a specific safety risk. Therefore, the option to withhold should be a more straightforward process for any director. As an example, this could be completed through a simple application form.

We also note that in the past there has been some discussion of adopting the system operating in Australia, which involves the use of Director Identification Numbers (DINs). We think there is merit in further consideration of this idea, especially given our close ties with our Trans-Tasman neighbours. This would serve a number of purposes and, for the purpose of this Bill, would provide the public with useful and appropriate information, such as the ability to determine which boards an individual director sits on, without revealing their private address details. Such an approach could also be used in additional areas, as others have noted the possibility of a similar approach for shareholders, or other registers that the Companies Office administers (such as Limited Partnerships).

Recommendation: That the Bill proceeds, subject to the taking away of the prerequisite to be met for directors' address details being removed.

Thank you for the opportunity to submit, and we look forward to the next steps in the policy process.

Kind regards,

A handwritten signature in black ink, appearing to read 'Kirk Hope', with a stylized flourish at the end.

Kirk Hope
Chief Executive
BusinessNZ