



## COVERSHEET

<b>Minister</b>	Hon Andrew Bayly	<b>Portfolio</b>	Office of the Minister for Small Business and Manufacturing
<b>Title of Cabinet paper</b>	Repeal of the Business Payment Practices Act 2023	<b>Date to be published</b>	21 February 2024

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
February 2024	Repeal of the Business Payment Practices Act 2023	Office of the Minister for Small Business and Manufacturing
14 February 2024	Repeal of the Business Payment Practices Act 2023 ECO-24-MIN-0001 Minute	Cabinet Office

### Information redacted

**YES / NO** (please select)

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# Cabinet Economic Policy Committee

## Minute of Decision

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### Business Payment Practices Act Repeal Bill

**Portfolio**                      **Small Business and Manufacturing**

On 14 February 2024, the Cabinet Economic Policy Committee:

- 1        **noted** that the Government intends to reduce compliance costs and make it easier to do business in New Zealand;
- 2        **noted** that the Business Payment Practices Act 2023 will impose unjustified compliance costs on over 3,000 New Zealand businesses;
- 3        **agreed** to repeal the Business Payment Practices Act 2023 and the Business Payment Practices Regulations 2023;
- 4        **invited** the Minister for Small Business and Manufacturing (the Minister) to issue drafting instructions to the Parliamentary Counsel Office to give effect to the decision in paragraph 3 above;
- 5        **authorised** the Minister to further clarify and develop policy matters relating to the repeal of the Business Payment Practices Act 2023 and its regulations;
- 6        **noted** that businesses need certainty now to avoid needless and expensive ICT changes, and that the Minister intends to seek an expedited parliamentary process for the bill to repeal the Business Payment Practices Act 2023 and its regulations (the repeal bill);
- 7        **noted** that the Minister intends to submit a bid to include the repeal bill on the 2024 Legislation Programme, with a category 2 priority (must be enacted in 2024);

### Non-regulatory mechanisms to address issues related to long business payment times

- 8        **noted** that the Minister intends to address issues related to long business payment times through the following measures:
  - 8.1      improve on government departments' existing 10-day invoice payment target by setting a faster payment time target for eInvoices;
  - 8.2      work with the Minister of Finance and Minister for the Public Service to require Crown entities to be eInvoicing send and receive capable;
  - 8.3      expand the invoice payment target to include Crown entities;

- 8.4 proactively publish independently verified government payment times;
- 8.5 work with business leaders on an industry-led commitment on payment times;
- 8.6 raise awareness of existing redress options and work with the Commerce Commission to be more proactive in using them;
- 9 **noted** that, in relation to paragraph 8.1 above, the Minister intends to report back to the Cabinet Economic Committee (ECO) in April 2024 with final proposals, following consultation with departmental Chief Financial Officers;
- 10 **noted** that paragraphs 8.2 and 8.3 above could be implemented via a Government Direction under section 107 of the Crown Entities Act 2004, and that the Minister will seek the agreement of the Minister of Finance and Minister for the Public Service to undertake the required consultation;
- 11 **noted** that, in relation to paragraphs 8.2 and 8.3 above, the Minister intends to report back to ECO in mid-2024 with final proposals, following the consultation referred to in paragraph 10 above;
- 12 **noted** that, in relation to paragraph 8.4 above, the Ministry of Business, Innovation and Employment already collates government departments' payment time information, and that proactively publishing these results will provide a stronger incentive on agencies to meet their payment times targets;
- 13 **agreed** that, in relation to paragraph 8.4 above, government departments that are subject to the payment times targets be required to proactively publish their payment times on a central website, and that this requirement take effect once a mechanism has been established to ensure the veracity of the published data.

Rachel Clarke  
Committee Secretary

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**Present:**

Rt Hon Winston Peters  
Hon David Seymour  
Hon Brooke van Velden  
Hon Shane Jones  
Hon Nicola Willis (Chair)  
Hon Chris Bishop  
Hon Simeon Brown  
Hon Judith Collins  
Hon Tama Potaka  
Hon Matt Doocey  
Hon Simon Watts  
Hon Andrew Bayly  
Hon Andrew Hoggard  
Hon Mark Patterson  
Simon Court MP

**Officials present from:**

Office of Hon Andrew Bayly  
Ministry of Business, Innovation and Employment\  
Officials Committee for ECO