



## COVERSHEET

<b>Minister</b>	Hon Stuart Nash	<b>Portfolio</b>	Small Business
<b>Title of Cabinet paper</b>	<b>Improving Payment Practices: Release of Discussion document</b>	<b>Date to be published</b>	20 May 2020

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
19 February 2020	Improving Payment Practices: Release of Discussion document	Office of the Minister for Small Business
19 February 2020	DEV-20-MIN-0013	Cabinet Office

### Information redacted

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of Confidential advice to Government



# Cabinet Economic Development Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It is strictly confidential and has been classified in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Improving Payment Practices: Release of Discussion Document

Portfolio                      Small Business

On 19 February 2020, the Cabinet Economic Development Committee:

- 1            **noted** that extended payment terms can be unfair and have a negative impact on businesses;
- 2            **noted** that late payments are hurting business cash flow, increasing owners' stress, and forcing them to waste time and money;
- 3            **noted** that the discussion document *Improving Business-to-Business Payment Practices in New Zealand* (the discussion document), attached to the paper under DEV-20-SUB-0013, seeks feedback on the following two proposals to address business-to-business extended payment terms and late payments:
  - 3.1            20-day maximum payment term;
  - 3.2            an automatic entitlement to charge interest for late payment to reflect costs incurred, and what this interest rate might be;
- 4            **agreed** to the release of the discussion document for public consultation, subject to any minor or technical amendments that may be required;
- 5            Confidential advice to Government

Jack Petterson  
Committee Secret

Hard-copy distribution: (see over)

**Present:**

Rt Hon Winston Peters  
Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Phil Twyford  
Hon Dr Megan Woods  
Hon Dr David Clark  
Hon Nanaia Mahuta  
Hon St t N sh  
Hon Iain Lees-Gallow  
Hon Jenny Salesa  
Hon Damien O'Connor  
Hon Shane Jones  
Hon Kris Faafoi  
Hon Willie Jackson  
Hon Eugenie Sage

**Hard-copy distribution:**

Ministe for Small Business

**Officials present from:**

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Of ici ls Committee for DEV

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