



COVERSHEET

Minister	Hon Andrew Bayly	Portfolio	Small Business and Manufacturing
Title of Cabinet paper	Business Payment Practices Act Repeal Bill: Approval for Introduction	Date to be published	17 April 2024

List of documents that have been proactively released		
Date	Title	Author
February 2024	Business Payment Practices Act Repeal Bill: Approval for Introduction	Office of Minister for Small Business and Manufacturing
29 February 2024	Business Payment Practices Act Repeal Bill: Approval for Introduction LEG-24-MIN-0022 Minute	Cabinet Office

Information redacted

NO

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.

In Confidence

Office of the Minister for Small Business and Manufacturing
Cabinet Legislation Committee

Business Payment Practices Act Repeal Bill: Approval for Introduction

Proposal

- 1 This paper seeks approval for the introduction of the Business Payment Practices Act Repeal Bill, referred to in this paper as the Bill.

Policy

- 2 The Business Payment Practices Act 2023 (the Act) is intended to address the lengthy payment terms and late payments that characterise some business-to-business transactions. The Act requires that reporting entities must publicly disclose certain payment terms and practices on a public register. The Business Payment Practices Regulations 2023 (the Regulations) specify the details of these disclosures.
- 3 On 14 February 2024, the Cabinet Economic Committee agreed that Parliamentary Counsel Office draft a bill to repeal the Act and revoke the Regulations (ECO 24-MIN-0001). This decision was subsequently confirmed by Cabinet (CAB-24-MIN-0031).
- 4 The Bill will implement Cabinet's decision to repeal the Act and the Regulations. The Government intends to address business payment times with non-regulatory measures.

Impact analysis

- 5 Cabinet's impact analysis requirements applied to the proposal to repeal the Act, but no Regulatory Impact Statement accompanied the Cabinet paper seeking policy decisions [ECO-24-MIN-0001], and the Treasury did not exempt the proposal. Therefore, the Cabinet paper seeking policy decisions did not meet Cabinet's requirements for regulatory proposals.
- 6 The Treasury's RIA Team has not required supplementary analysis in this case. This is because it considers there is no reasonable likelihood that supplementary analysis will inform decision makers, given such analysis could not be prepared in time to be submitted with this paper to Cabinet's Legislation Committee and the Bill is expected to be debated under urgency.

Compliance

- 7 The Bill complies with each of the following:
 - 7.1 the principles of the Treaty of Waitangi;
 - 7.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
 - 7.3 the disclosure statement requirements;
 - 7.4 the principles and guidelines set out in the Privacy Act 2020;
 - 7.5 relevant international standards and obligations;
 - 7.6 the Legislation Guidelines (2021 edition).

Consultation

- 8 The Bill has been shared with relevant Ministers for their information.
- 9 The Ministry of Justice has advised that it has not identified any concerns from a Bill of Rights Act perspective.

Associated regulations

- 10 Regulations are not needed to bring the bill into operation.

Commencement of legislation

- 11 The bill will come into force on the day after the date of Royal assent.

Parliamentary stages

- 12 I propose to introduce the Bill immediately following Cabinet's approval.
- 13 I propose that the Bill be passed through all stages under urgency. My preference would be to repeal the Act before it comes into effect on 26 May 2024.

Proactive Release

- 14 I intend to proactively release this paper.

Recommendations

- 15 I recommend that the Cabinet Legislation Committee:
- 1 note that I have proposed that the Business Payment Practices Act Repeal Bill (the Bill) hold a category 2 priority on the 2024 Legislation Programme;
 - 2 note that the Bill will repeal the Business Payment Practices Act 2023 and revoke the Business Payment Practices Regulations 2023;
 - 3 approve the Bill for introduction;
 - 4 agree that the Bill be introduced immediately following Cabinet approval;
 - 5 note that it is my intention to move, subject to the Leader of the House's agreement, that the Bill be passed through all stages under urgency.

Authorised for lodgement

Hon Andrew Bayly

Minister for Small Business and Manufacturing