

# Government repeals business payment disclosure regime

**The Government passed the Business Payment Practices Repeal Act 2024 (BPPA Repeal Act) under urgency on 7 March 2024. The BPPA Repeal Act has the effect of repealing the Business Payment Practices Act 2023 and revoking the Business Payment Practices Act Regulations 2023 (BPPA Regime).**

The BPPA Regime had been passed into law on 26 July 2023 and would have required certain in-scope organisations to publicly disclose information about their invoice payment practices from 1 July 2024 or 1 January 2025 (depending on the relevant revenue and expenditure thresholds being met).

While the BPPA Regime sought to address the issue of New Zealand's small businesses being paid late, or being subjected to long payment terms, Small Business and Manufacturing Minister Andrew Bayly stated that the regime and changes introduced during the select committee phase "were not sufficient to make [the BPPA Regime] effective".<sup>1</sup>

Among other things, the Minister commented that the BPPA Regime in its enacted form would be unlikely to impact commercial decisions for small businesses. He cited the findings from the June 2023 statutory review of the equivalent Australian regime (upon which the BPPA Regime is modelled) which suggested that the regime did not "... appear to have materially reduced the payment terms or times of large businesses to their small-business suppliers".<sup>2</sup>

As part of the Government's commitment to improving large organisations' payment practices, the Minister has otherwise stated that he intends to:

- improve Government departments' ten-day payment targets following consultation with departmental Chief Financial Officers with final proposals taken to Cabinet in April 2024;
- require Crown entities to be eInvoice enabled;

- expand 10 day payment targets for core departments to include Crown entities with final proposals taken to Cabinet in mid-2024; and
- publish independently verified Government payment times.

The Minister has also stated that he intends to develop an industry-led, voluntary code on payment times and raise awareness of existing redress options, and require the Commerce Commission to be more proactive in using them.

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**Tom Logan, Partner**

tom.x.logan@pwc.com | +64 27 531 9282



**Matt Keenan, Partner**

matt.p.keenan@pwc.com | +64 21 834 216



**Elena Kim, Director**

elena.r.kim@pwc.com | +64 21 236 0604

<sup>1</sup> Repeal of the Business Payment Practices Act at page 1 (retrieved from: [www.companiesoffice.govt.nz](http://www.companiesoffice.govt.nz)).

<sup>2</sup> Statutory Review of the Payment Times Reporting Act 2020 at page 7 (retrieved from: <https://treasury.gov.au/>).