



PEOPLE
BUSINESS
EMPLOYMENT LAW

Government acts to reduce financial stress for small businesses.

The Government's Business Payment Practices Bill, which will reduce the stress and costs to small businesses of long payment wait times, passed its third reading today.

"This new transparency regime will encourage larger businesses to improve their payment times, which are a significant problem for many small businesses," Minister for Small Business Ginny Andersen said.

"Long payment terms create cashflow problems for small businesses, because they do not have large financial reserves to tide them over while they wait for large firms to pay their bills.

"Small businesses make up over 97 per cent of all businesses in New Zealand and it's important they are well supported, particularly following the impacts of the pandemic, Cyclone Gabrielle and other severe weather events.

"The Business Payment Practices Bill will require large businesses to publicly disclose their payment terms and how long they take to pay their bills.

"By introducing more transparency from large businesses on a public register administered by MBIE, small businesses will be able to factor in payment times when they're looking to do business with them.

"Having access to this information will help small businesses to identify and avoid those firms which are slower to pay than others.

"There will be real reputational risk to large business who refuse to pay their bills on time. Not only do late and overdue payments cause uncertainty for small businesses, they also hold back investment and job creation.

"Big businesses often use small businesses as a credit facility, and that's not ok.

"The new system will be rolled out to the largest organisations first – those with \$100 million or more in revenue. The first reporting period for this new system will begin 10 months after the Bill The Worker Protection (Migrant and Other Employees) Bill is now law, and it will protect New Zealand's vulnerable workers.

Source: [Beehive.govt.nz](https://www.beehive.govt.nz)

Protection against migrant exploitation

The Worker Protection (Migrant and Other Employees) Bill is now law, and it will protect vulnerable workers in New Zealand.

The legislation will go into effect on January 6, 2024, and will amend the Immigration Act 2009, the Employment Relations Act 2000, and the Companies Act 1993 by introducing a fit-for-purpose offence and penalty regime to deter employers of temporary migrant workers from failing to meet their obligations.

Migrant worker exploitation can vary from noncompliance with employer requirements to forced labour and people trafficking.

As part of these legislative reforms, companies will be required to respond to Labour Inspectorate requests within 10 working days, including the production of employment-related documentation. Employers who fail to comply with the Inspectorate's request within the 10-working-day period now face a new violation penalty.

The new law allows the High Court to bar a person from being a director of a New Zealand corporation if they are convicted of exploitation of illegal employees and temporary workers under the Immigration Act 2009 or trafficking in persons under the Crimes Act 1961.

The Temporary Migrant Worker Exploitation Review was formed in 2020 to ensure that enough measures are in place to protect migrant workers in New Zealand.

This legislation is the final component of the Migrant Worker Exploitation programme package, which also includes a dedicated 0800 reporting line and webform, a joint compliance approach by the Labour Inspectorate and Immigration New Zealand, a liaison service to assist exploited migrant workers, and proactive information and education to prevent exploitation.

Source: [Employment.govt.nz](https://www.employment.govt.nz)

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