

## BUSINESS SUPPORT POLICIES – ELECTION 2020

### NEW ZEALAND LABOUR PARTY

- Expand the existing [Flexi-Wage](#) scheme to assist businesses in hiring 40,000 New Zealanders whose employment is impacted by COVID-19. Under the current scheme businesses currently receive an average subsidy around \$3,750. Labour would double this to an average of \$7,500 as well allocating \$30 million to a Flexi-Wage Self Employment programme for people looking to start their own business, which will provide wages to the self-employed person of a minimum wage for up to 30 hours a week.
- Expand interest-free small business [cash flow loan scheme](#) for businesses affected by Covid-19, which will also enable investment in new assets such as equipment or digital infrastructure. Loans would be offered for another three years to 31 December 2023 (total 5 years), and the interest free period would be extended from 12 to 24 months.
- [Expand entry criteria](#) for people entering New Zealand. Labour has committed at least 10% of places for businesses to bring in essential workers and executives, and are also expanding access for workers in agriculture, horticulture and fishing and facilitating more work visa holders to stay longer.
- [Launch an Investment Attraction Strategy](#) to encourage targeted and high-value international investment into New Zealand.
- Regulate the [debit and credit card fees](#) charged by a retailer's bank to reduce costs. The regulations would bring these costs in line with overseas, saving an average retailer as much as \$13,000 per year.
- Fund \$2,500 of free digital technology training for small businesses through a voucher scheme, which would cover fees for short-courses or training or for support to assess their use of digital technology and [develop a digital action plan](#). The scheme will be targeted to businesses with between 1 and 20 employees and the training provided by chambers of commerce, regional business partners, or industry bodies.
- Speed up implementation of online [business licensing, consent and permit system](#). Labour will spend \$10 million on accelerating the rollout of Business Connect, and tools such as e-invoicing and the NZBN.
- Simplify way of [calculating provisional tax](#) by simplifying the accounting income method (AIM) tax regime with a view to making it easy for small businesses to move to a 'pay as you earn' model throughout the year. The improvements would be done in consultation with tax agents and software providers.
- Continue to provide business tax relief. [In April](#), the government announced a tax loss carry-back scheme. This scheme allows businesses to access their previous tax payments as cash refunds, which allows a forecast loss in the current financial year to be offset against the tax paid on a profit from last year.
- Work with the OECD to get an international agreement that would put measures in place so [multinational corporations](#) pay their fair share. Prepared to introduce a narrowly targeted Digital Services Tax (DST) if an agreement is not possible.
- [Require electronic invoicing](#) for all interactions with the state sector by December 2022.
- Investigate new ways to [provide financial support](#) to small businesses — Options include the small business growth fund, repurposing the small business cashflow loan scheme, establishing a micro-finance company for small businesses, or expanding the mandate of the Venture Investment Fund.

- Set a target for government departments to pay 95 percent of [domestic invoices](#) in 10 business days.
- [Consider establishing](#) a cross-government unit dedicated to ensuring that every new regulation is considered from the perspective of its impact on small business.
- [Committed to strengthening](#) and simplifying the Holidays Act, including making it easier to calculate leave entitlements and deductions.
- [Invest \\$75 million](#) over two years for more support for digital training courses for SMEs with up to 20 staff, including both general digital skills and tailored training for particular industries.
- Continue to improve broadband connectivity and capacity across New Zealand with a particular focus on rural communities, connecting around [84,000 rural homes](#) and businesses by 2023.
- Invest \$60 million to boost broadband infrastructure in rural areas including the outskirts of Auckland and Wellington.

## **NEW ZEALAND NATIONAL PARTY**

- Provide a [\\$10,000 cash payment](#) to businesses for new full-time, permanent employees. Businesses would receive a first \$5,000 payment when the employee is hired, and a second \$5,000 after 90 days and capped at 10 new employees per business and 50,000 new jobs total.
- [Reinstate 90-day trial](#) periods for new employees for all businesses.
- [Postpone](#) the planned minimum wage increase currently set for April 2021.
- Allow businesses to [double the depreciation rate](#) on assets over \$150,000 over the life of the asset. The policy will apply to new investments for 12 months.
- [Increase government investment](#) in NZ technology companies and repurpose the [Elevate Fund](#) by creating three targeted technology investment funds of \$200 million each, of which the government will provide \$100 million, and the private sector the balance. Two of the funds will invest in Kiwi start-ups, and the third will provide Series A+ expansion capital to assist more established firms looking to scale up to “Unicorn” status.
- [Relax regulation](#) on the technology sector, establishing a “regulatory icebreaker” unit to work with local and global technology firms to develop regulation.
- Implement a flexible, low-risk approach to [trailing new technologies](#) and experimenting with regulatory settings to incentivise global firms to invest in developing their technology in New Zealand.
- Pursue targeted [international agreements](#) that better leverage the intellectual property and expertise of our universities, Crown Research Institutes and corporate sector, to encourage foreign technology firms to establish R&D operations in New Zealand.
- Partner with industry to create a programme to encourage small and medium business to [adopt digital](#) technology.
- Allow businesses to instantly [write off assets](#) of up to \$150,000 per asset reducing its short-term tax liability. A business that invests in multiple assets could claim the deduction for each asset.
- Increase the provisional [tax threshold](#) from \$2,500 to \$25,000. National would also change the timing of the second provisional tax payments for those businesses with a 31 March year end to 28 February (rather than 15 January).
- Review and [consolidate](#) the number of depreciation rates for investments in energy efficiency and safety equipment.

- Raise the compulsory [GST threshold](#) from \$60,000 to \$75,000.
- [No tax](#) increases or any new taxes.
- Provide guidance to businesses on complying with [anti-money laundering](#) laws- The guidance would be provided via a national policy statement.
- Simplify the [employment dispute resolution](#) process and get rid of the “no win no fee” provisions in the Employment Relations Act.
- Allow people who lost their job since 1 March 2020 to withdraw retirement savings to [start a new business](#). The scheme will provide applicants a \$1,000 voucher to see a chartered accountant or registered financial adviser. If they approve the person’s business plan, they can withdraw up to \$20,000 from their KiwiSaver to use for the new business.
- Increase funding for business mentoring and start up advisors. It would create a [\\$10 million](#) fund to pay organisations that provide these services, such as chambers of commerce, employers and manufacturers associations and Business Mentors NZ.
- Encourage [KiwiSaver providers](#) to invest a small portion of their total funds in an appropriate private equity or expansion capital opportunities involving NZ companies.
- Convene a joint initiative with IRD, ACC, Statistics NZ, MBIE and WorkSafe NZ to identify areas of regulatory duplication for small businesses, specifically in terms of requests for information and unnecessary compliance costs.
- Require government departments to measure the [cost of regulation](#) for small business.
- Small business [payments guarantee](#)- establish a voluntary initiative committing large NZ businesses and not-for-profits to ensure NZ small businesses are paid on time and within 30 days.
- Guarantee all government departments and agencies pay their [contractors](#) on time and within seven days.
- Reduce the interest rate charged by the government on [underpaid tax](#). The rate would be reduced to better reflect appropriate credit rates. The interest rate paid on amounts owed by IRD to its customers would also be increased.
- Increase tenfold the threshold where a tax invoice is required from [\\$50 to \\$500](#) and increase the old asset write-offs from \$2,000 to \$5,000.
- No new regulations for the next 18 months, exempting emergencies and [repeal two regulations](#) for every one new regulation made.
- Implement a business [continuity test](#) for determining when a business can carry forward tax losses. Currently, if a company has more than a 51 percent change in ownership it cannot keep its tax losses.
- Invest \$1 billion over 10 years for [faster internet](#), with rural blackspots closed and speeds boosted to 100 mbps of unlimited broadband data on the UFB/RBI network.

## **GREEN PARTY OF AOTEAROA NEW ZEALAND.**

- Extend mandatory [country-of-origin labelling](#) to all food products.
- Support small owner-operator tenants to resolve issues with [commercial landlords](#) during and beyond the Covid-19 economic period.
- Revitalise the [Buy Kiwi-Made](#) campaign.
- Commit government departments to buying more goods and services from NZ [businesses](#). In particular, it would use government procurement for technology services, including hosting government data onshore, and would encourage government agencies to buy locally grown food.
- Fund sustainable business leadership [training](#) programmes.

- Encourage [sustainable](#) business practices and social enterprise, by encouraging business-clustering, so small businesses can share resources and expertise, and circular business relationships where the outputs of one business are the inputs to another.
- Tax and compliance: Support work to [simplify](#) and reduce compliance requirements for SMEs. Examine ways to streamline the tax system to ensure simpler compliance over time.
- No proposed change to the [company tax rate](#).
- Propose a 1% [wealth tax](#) on an individual's net assets over \$1 million to encourage people to invest in productive businesses.
- Tax the money made by Facebook, Amazon and other large tech companies through a unilateral [Digital Services Tax](#) of 3% on gross revenues or through working multilaterally through the OECD if international progress is achieved.
- Implement [InternetNZ's 5 point plan](#) for digital inclusion – includes [digital skills training](#) for displaced workers and SMEs. This could take the form of support packages to help get businesses online or government-funded skills training for job seekers.
- Support further investment in resilient, affordable rural [broadband](#) and cellular coverage.

## ACT NEW ZEALAND

- [Reduce the minimum](#) wage to \$17.70. The minimum wage was increased to \$18.90 on 1 April 2020.
- Freeze the [minimum wage](#) for three years.
- Introduce voluntary [12-month trial periods](#) for new employees.
- Remove all [regulations](#) that do not pass a cost-benefit analysis.
- Introduce a [Regulatory Constitution](#) requiring ministers and government agencies to make laws and regulations according to the basic principles of lawmaking.
- [Replace](#) the Resource Management Act (RMA) with a law that lets people build without restrictive zoning.

## NEW ZEALAND FIRST

*(Policies sourced from MYOBs Small Business Survey and policy Manifesto)*

- Assist with the [cost of staff training or apprenticeships](#) in the workplace, including support for internships.
- Extend the current 90-day trial to SMEs of 50 or less, but provide pastoral care to those on the trial, similar to the well-recognised Otoronanga model.
- Redefine SMEs from 19 employees to 50 full-time equivalent staff.
- Amend the provisional tax system for small businesses and establish a Tax Advocacy Service to assist SMEs.
- No additional company taxes. Lower tax rate for exporters.
- Move the timing of the 15 January tax payment out to 28 February to allow businesses to build up their cashflow over the summer holidays.
- Flexible compliance provisions in line with individual business needs
- Ensure it remains a level playing field for SMEs and that overseas firms are not able to exploit and profit shift without paying their share of tax.
- Continue to streamline tax exemptions so that they are simplified and create a working group to establish what the 'red tape' challenges are that hold all small businesses back and then work to remove them.

- Continue to support the nation-wide roll out of ultra-fast broadband and support initiatives for electronic learning.
- Facilitate delivery of a series of regional digital ‘train the trainer’ sessions for business associations.
- Introduce technology credits for SMEs to purchase digital tools and software.
- Rural broadband is key infrastructure and would be progressed as part of the NZ Infrastructure Commission work and Provincial Growth Fund.
- Investigate the feasibility of a digital CV scheme to help employers and job-seekers during the hiring process.