

## **New Bill to support further government measures**

A new piece of legislation, introduced to the house on 6 May 2020, is set to roll out the legal foundation for a new round of measures to ensure New Zealanders are protected and in a good position to recover from the effects of COVID-19.

The [COVID-19 Response \(Further Management Measures\) Legislation Bill](#) includes amendments or modifications to 45 legislative items, with the main changes centred around allowing businesses and local government to immediately address the impacts of COVID-19 and, crucially, to mitigate potential longer-term impacts on society.

### *Changes to Unit titles Act 2010*

Changes are being introduced to the Unit Titles Act 2010 to enable body corporate members to attend meetings via audio or audio-visual link.

The current law requiring a physical presence has caused a number of problems and it is ambiguous as to whether attendance via video conference would satisfy the current Act – this bill sets out to clarify this.

### *Business measures*

Business debt hibernation and provision of temporary relief for companies and other entities, including Māori governance entities, is being introduced as a method of allowing businesses to concentrate on more pressing issues associated with responding to COVID-19. It will also ensure that statutory requirements are not a burden and enables Registrars to issue exemption notices in relation to compliance with these obligations.

For any businesses that are facing significant liquidity problems, the rules are also being relaxed around what is required for insolvency duties under the [Companies Act 1993](#).

### *Commercial property*

Changes have been introduced for rent and mortgage payments in commercial property in order to minimise the impact of fixed rent costs on businesses who are unable to operate or who are facing significant decrease in revenue as a result of COVID-19.

These measures, which have been considered carefully to balance the impact on both businesses and commercial property owners, will allow for extension of notice periods if rent or mortgage payments cannot be made. For landlords, this will mean the lessees must be in arrears before a commercial lease can be cancelled and for mortgagees, the notice period is extended before they are able to repossess or sell property.

### *Employment*

Changes are proposed to parental leave entitlements to allow workers who are entitled to parental leave to return to work temporarily without being disadvantaged by losing entitlements or pay.

### *Local Government*

Changes are being introduced to address the by-election timing and propose immediate changes to key time frames for local government by-elections.

Another power that this introduces is to enable chief executives of local authorities to postpone any further by-elections, with the intention of allowing all citizens to have a reasonable and equal opportunity to stand for, nominate or vote in these.

#### *Gambling Act 2003*

Changes have been introduced to the [Gambling Act 2003](#) to allow the Heart Foundation, Coastguard and Countdown Kids Charitable Trust to send and receive forms and take payments for their lotteries online or by phone. This measure is in order to mitigate the effect that COVID-19 and social distancing measures will have on their usual face-to-face sales methods.

The [COVID-19 Response \(Further Management Measures\) Legislation Bill](#) is expected to come into law around 15 May 2020 and the amendments introduced within it are intended to be temporary only as they exist for the duration of the Epidemic Notice under the [Epidemic Preparedness Act 2006](#).

#### **Resources:**

Temporary amendment to Unit Titles Act allows body corporates to meet virtually  
<<https://www.beehive.govt.nz/release/temporary-amendment-unit-titles-act-allows-body-corporates-meet-virtually>> 6 May 2020

Insolvency relief in sight for businesses affected by COVID-19  
<<https://www.beehive.govt.nz/release/insolvency-relief-sight-businesses-affected-covid-19>> 5 May 2020

Government considering commercial rent relief options  
<<https://www.beehive.govt.nz/release/government-considering-commercial-rent-relief-options>> 29 April 2020