



13 September 2022

Tēnā koe

On 14 July 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

*Kia ora, could you please provide me with all information relating to the age of applicants (under 18s) for the wage subsidy that have applied as a sole trader (and are not employed by an employer). It would be awesome if you could please provide the following documentation: - Guides/internal documents on how to deal with wage subsidy applications from under 18s - Number of pre payment checks for under 18s, the average time it took to complete these checks and number that have resulted in total refund. - Any rules implemented through the lockdowns in regards to under 18 sole traders applying for subsidies - Highest amount paid to an under 18 sole trader across all subsidies (LSS, WS etc.) - Meeting agendas/minutes or reports discussing under 18 sole traders applying for subsidies.*

On 21 July 2022, the Ministry emailed you to suggest that you refine your request for data between May 2020 to end of March 2022. On this same day you responded in agreeance with the refinement.

On 18 August 2022, the Ministry advised you that, due to the consultations necessary to make a decision on your request, the timeframe was extended to 15 September 2022.

For the sake of clarity, the Ministry will respond to your request in turn. Some questions are put together as they relate to the same topic.

*Guides/internal documents on how to deal with wage subsidy applications from under 18s  
Any rules implemented through the lockdowns in regards to under 18 sole traders applying for subsidies*

The Wage Subsidy Scheme (WSS) enabled rapid support for thousands of New Zealand businesses during a time of uncertainty and ensured that employees

are able to remain connected to their employers during COVID-19 lockdowns. The scheme was set up on a high-trust model in order to quickly deliver funds to support workers, families and businesses.

As part of the COVID-19 Economic Supports<sup>1</sup> application process, businesses were required to sign a declaration that they had met the scheme's eligibility criteria. It is important to note that age was not one of the eligibility criteria for any of the Ministry's COVID-19 Economic Supports. Sole traders were able to apply for assistance, as long as they were able to show, among other things, that the business was registered and operating in New Zealand and, in regard to the WSS, had experienced the requisite decline in revenue over the period relevant.

The Ministry has carried out an extensive range of work in order to identify and investigate possible wage subsidy fraud or incorrect payments. These measures have included targeted payment reviews and investigations and follow-up action on complaints. As part of its integrity programme, the Ministry undertook risk analysis with Inland Revenue based on a number of criteria with varying levels of risk assessed, to inform targeted reviews of applications. The criteria included sole trader applications made by applicants under the age of 16.

Pre-payment checks, including validation of information with IR, helped ensure that payments were only being made to genuine employers and sole-traders within the context of a high-trust model. These checks were targeted over time to applications which posed one or more integrity risk. The Ministry prepared a reference document for staff undertaking pre-payment reviews of applications.

Please see attached as **Appendix One** the document '*Covid-19 Wage Subsidy August 2021: Pre-payment Assessment*'.

A small amount of information has been withheld under section 6(c) of the Act, where making that information available would be likely to prejudice the maintenance of the law, including the prevention, investigation and detection of offences. Additionally, information relating to individual staff contact details or internal email inboxes has been withheld under section 9(2)(a) and section 9(2)(k) of the Act.

*Number of pre-payment checks for under 18s, the average time it took to complete these checks and number that have resulted in total refund*

The Ministry does not centrally record the number of wage subsidy pre-payment checks conducted on sole traders under the age of 18. To provide

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<sup>1</sup> COVID-19 Economic Support administered by MSD include the Wage Subsidy Scheme (WSS), Leave Support Scheme, and the Short-term Absence Payment.

you with this figure the Ministry would have to manually review all its pre-payment assessments. As such, your request for this information is refused in full under section 18(f) of the Act.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

*Highest amount paid to an under 18 sole trader across all subsidies (LSS, WS etc.)*

Please see the attached **Appendix Two** containing **Table One** which outlines the highest amount paid to sole traders under the age of 18.

*Meeting agendas/minutes or reports discussing under 18 sole traders applying for subsidies.*

Please see the report titled 'Report – COVID-19 Wage Subsidy Clarifications' attached as **Appendix Three**.

You will note that the information regarding some individuals is withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

You will also note that some information has been withheld under section 9(2)(k) of the Act, in order to prevent the disclosure or use of official information for improper gain or improper advantage. This is because information released under the Act may end up in the public domain, for example, on websites including the Ministry's own website.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Ngā mihi nui

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

George Van Ooyen  
**Group General Manager**  
**Client Service Support**

## Appendix Two.

**Table One: Maximum wage subsidy paid to sole trader applicants under 18 years old during the period 26 May 2020 to 20 June 2022 by subsidy type.**

<b>Subsidy Type</b>	<b>Maximum Paid</b>
Wage Subsidy Resurgence	\$1,171.60
Wage Subsidy Extension	\$4,686.40
Wage Subsidy Original	\$7,029.60
Leave Support	\$600.00
Short term absence payment	\$359.00
Wage Subsidy August 2021 #1	\$1,200.00
Wage Subsidy August 2021 #2	\$1,200.00
Wage Subsidy August 2021 #3	\$1,200.00
Wage Subsidy August 2021 #4	\$1,200.00
Wage Subsidy August 2021 #5	\$1,200.00
Wage Subsidy August 2021 #6	\$1,200.00
Wage Subsidy August 2021 #7	\$1,200.00
Wage Subsidy August 2021 #8	\$1,200.00
Wage Subsidy March 2021	\$1,171.60

### Notes:

- This data only includes sole trader/self-employed applications.
- Date of birth information was only requested in sole trader application forms from 26 May 2020. For schemes prior to this date, the maximum amount available to individual sole trader applicants has been provided.