



Tēnā koe

On 28 July 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information regarding the policy and/or legislation being applied to decision making on Mainstream and Flexi-wage:

- 1. The number of Mainstream interns a small business can have at one time*
- 2. The number of flexi-wage employees a small business can hire at one time*
- 3. The number of employees a limited liability company must have to be eligible for MSD flexi-wage assistance*
- 4. The number of employees a limited liability company needs to have before they can apply to create a mainstream or flexi-wage employment position*
- 5. The guidelines for determining how you define small business*
- 6. The number of businesses someone can own to be entitled to Flexi-Wage or Mainstream subsidies.*

For the sake of clarity, your requests will be broken down into subject matter sections.

Mainstream:

The Mainstream Employment Programme provides a package of wage and training subsidies and other support to help people with significant disabilities get work and to enable them to gain sustainable employment.

Clients are placed in created or adapted jobs, for up to one year, to assist them to gain the knowledge, skills and experience necessary to gain employment on merit in the future or retain an adapted permanent position. The positions are tailored to the skills and abilities of the participant and the needs of the employer.

Disabled people and employers, with the help of supported employment agents (or other agencies), identify the support that is needed for the person to build their skills and do the job.

The expected outcome of the programme is that each participant will gain or retain sustainable employment either with the employer or with an alternative employer during or at the end of the placement.

More information about Mainstream can be found here: www.workandincome.govt.nz/products/a-z-benefits/mainstream-programmes.html.

1. The number of Mainstream interns a small business can have at one time

There are three Mainstream programmes: 1-year full Mainstream, 12-week tertiary internship, and 16-week paid work experience. The Ministry generally approves one participant on one of these programmes at a time with any employer. If an employer is wanting to employ more than one person, this is assessed on a case by case basis considering the needs of individual applicants.

4. The number of employees a limited liability company needs to have before they can apply to create a mainstream or flexi-wage employment position

a. Mainstream:

The Ministry prefers that Mainstream placements are with employers that have established human resources and health and safety policies to protect participants and where there is a reasonable chance of ongoing, unsubsidised employment for the participant at the end of the Mainstream placement. However, we consider the needs of individual applicants, and in some situations, this means placing people with organisations that have one or two employees.

6. The number of businesses someone can own to be entitled to Flexi-Wage or Mainstream subsidies.

a. Mainstream:

There is no limit on the number of businesses an employer can own. The Ministry generally approves one participant on one of these programmes at a time with any employer. If an employer is wanting to employ more than one person across more than one business, this is assessed on a case by case basis considering the needs of individual applicants.

Flexi-wage:

Flexi-wage provides a wage subsidy and extra assistance to support employers to take on people who do not meet the entry level requirements of the job. This helps people get the employment skills and experience they need to get into and stay in unsubsidised employment.

To get Flexi-wage the person must:

- be at risk of long-term benefit receipt or
- be disadvantaged in the labour market or
- have specific employment needs

The amount paid and the duration is based on a person's needs and their barriers to employment and reflects the level of support they need to reach the entry-level requirements of the job.

The expected outcome of Flexi-wage is that the person stays in employment after the subsidy has ended.

The Ministry does not use any criteria which limit a business' interaction with Flexi-wage employees. However, the Ministry still must consider factors when determining if a business is a suitable employer for a Flexi-wage client.

To qualify for Flexi-wage, an employer must:

- be based and operating in New Zealand and
- pay at least the adult minimum wage and
- guarantee employment that lasts longer than the subsidy period and
- be solvent and
- not be an inappropriate business* and
- comply with any other terms and conditions set out in the contract between MSD and the employer

*Inappropriate businesses are considered as those unlikely to provide benefits to our clients; may bring MSD into disrepute; or may not be appropriate or acceptable to the wider community.

More information about Flexi-wage and the criteria for entitlement can be found here: www.workandincome.govt.nz/map/employment-and-training/specific-employment-related-assistance/flexi-wage-subsidy/index.html.

2. The number of flexi-wage employees a small business can hire at one time

There is no set number of employees a small business must have to be eligible for Flexi-wage assistance.

3. The number of employees a limited liability company must have to be eligible for MSD flexi-wage assistance

There is no set number of employees a limited liability company must have to be eligible for Flexi-wage assistance.

4. The number of employees a limited liability company needs to have before they can apply to create a mainstream or flexi-wage employment position
b. Flexi-wage:

There is no set number of employees a limited liability company must have before applying to create a Flexi-wage employment position. Flexi-wage positions are not 'created', they are existing job positions which are filled by people who are eligible for Flexi-wage.

6. The number of businesses someone can own to be entitled to Flexi-Wage or Mainstream subsidies.
b. Flexi-wage:

There is no limit to the number of businesses someone can own to be entitled to Flexi-wage subsidies.

Small business guidelines:

5. *The guidelines for determining how you define small business*

The Ministry of Business, Innovation, and Employment (MBIE) have a guideline on their website, which defines a small business as a business with fewer than 20 employees. This is the definition accepted and used by the Ministry of Social Development. Please find a link to the previously mentioned MBIE website here: www.mbie.govt.nz/business-and-employment/business/support-for-business/small-business/.

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

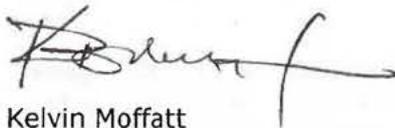
- to create greater openness and transparency about the plans, work and activities of the Government
- to increase the ability of the public to participate in the making and administration of our laws and policies
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter available to the wider public. The Ministry will do this by publishing this letter on the Ministry of Social Development'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.

If you are not satisfied with this response regarding flexi-wage and Mainstream, 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 or 0800 802 602.

Yours sincerely



Kelvin Moffatt
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Service and Contracts Management