



16 January 2023

Tēnā koe

On 28 November 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *Please provide the results of the reviews of a sample of 1,000 and a sample of 339 wage subsidy recipients. This should include any reports prepared about the results of each sample and any decisions made about what further actions to take.*
- *Please provide any evaluation report on the wage subsidy that has been received from consultants.*

With respect to the sample of the 339 wage subsidy recipients previously subject to a random integrity check who were asked to provide documentary verification to support their entitlement¹, overall 89.09 per cent required no further action.² The sample of 339 was stratified to provide insights into either employers with six or more employees (161 recipients), or sole traders and employers with five or fewer employees (178 recipients).

Of the 161 employers with six or more employees:

- 146 (90.7 per cent) required no further action by the Ministry
- 13 (8.1 per cent) were required to make a part or full refund, with the most common reasons being 'circumstances changed' (4/13), 'prediction not realised' (3/13), and contractor related (3/13)
- Two (1.2 per cent) were referred for investigation where fraud is suspected.

Of the 178 sole traders or employers with 5 or fewer employees:

¹ This was an assurance exercise over the effectiveness of their early random post-payment integrity checks.

² Please note the information provided is as-at 31 March 2022

- 155 (87.1 per cent) required no further action by the Ministry
- 19 (10.7 per cent) were required to make a part or full refund, with the most common reasons being 'circumstances changed' (4/19), 'prediction not realised' (9/19), and 'insufficient info to determine eligibility' (4/19)
- Three (1.7 per cent) were referred for investigation where fraud was suspected.

Note that these results cannot be extrapolated across all recipients of the schemes. They are only representative of those applicants subject to a random post-payment integrity check (around 3,700 checks), prior to the Ministry's shift to targeting post-payment integrity checks to areas of risk, including through risk analysis conducted by Inland Revenue.

In terms of the sample of 1,000 early Wage Subsidy recipients written to from July 2021, only six recipients indicated that they were not eligible for the subsidy received, and 47 did not respond to multiple written and outbound calling attempts to contact them. The 47 non-respondents have been referred to the Ministry's Client Support Debt Management area for further contact prior to repayment requests being issued.

Please note, due to data limitations, the Ministry is considering these results against a revised sample population of 864 recipients of the Consolidated Wage Subsidy.

As per previous responses to you, the results from both of these pieces of work will form part of the Ministry's assessment of what further integrity work needs to be completed, if any, to strengthen the integrity of the scheme, as recommended by Audit NZ. That assessment has not been completed.

Therefore, I am refusing your request for *any reports prepared about the results of each sample and decisions made about further actions to take* under section 18(e) of the Act, as the information does not exist or, despite reasonable efforts to locate it, cannot be found.

In regard to your request for *any evaluation report on the wage subsidy that has been received from consultants*, the Ministry has not received the final reports from the consultants named in the response to you dated 14 April 2022. As such, I am refusing your request under section 18(e) of the Act, as the information does not exist or, despite reasonable efforts to locate it, cannot be found.

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.

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 or 0800 802 602.

Ngā mihi nui

A handwritten signature in blue ink, appearing to read 'PP' followed by a stylized signature, with the name 'Geoff Cook' written in a cursive script below it.

George Van Ooyen
Group General Manager
Client Service Delivery