



24 April 2025

Tēnā koe

### **Official Information Act request**

Thank you for your email of 25 March 2025, requesting a breakdown of post-payment integrity checks for the August 2021 Wage Subsidy Scheme, and repayments.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on each part of your request set out separately below.

1. *Could you please tell me the risk criteria that was applied to the August 2021 scheme?*

The Wage Subsidy Scheme enabled rapid support for thousands of New Zealand businesses during a time of great uncertainty and ensured that employees were able to remain connected to their employers during the COVID-19 Lockdowns.

From April 2020, shortly after the first scheme was established, the Ministry worked with Inland Revenue (IR) to develop risk criteria by which to analyse recipients of the original COVID-19 Wage Subsidy. This enabled the Ministry to identify a group of higher risk applicants (i.e. where non-compliance *may* be more likely) on which to target post-payment checks.

These risk criteria are focused on legitimate employers and sole traders who IR hold information about that would indicate they may not be fully eligible for the period covered by the subsidy received. The risk scores and weightings were reviewed over time to reflect any changes to the scheme/s.

IR and the Ministry considered the key integrity risks did not fundamentally change from those identified for the original scheme, as the eligibility criteria and obligations remained largely consistent across all iterations.

Please see Table One, which is provided as an appendix to this response below, which provides the risk criteria applied to the Wage Subsidy August 2021.

2. *How many post-payment integrity checks were carried out on the August 2021 scheme?*
3. *How many applications were referred for further investigation and how many have been resolved?*

4. *How many full or partial repayments were sought and what was the total amount to be refunded?*

Please see Table Two below, which addresses your questions 2-4.

**Table Two:** *Results of the 301 Wage Subsidy August 2021 applicants identified through the risk analysis.*

Result	Number of cases
No further action	64
Full refund	62
Partial refund	59
Referred for investigation	81
<b>Total cases assessed</b>	<b>266</b>

Notes for **Table Two**:

- Cases were identified via a risk analysis carried out with Inland Revenue on the Wage Subsidy August 2021.
- **Thirty-five cases** (11.6%, the balance between the 266 in the table and the total of 301 priority checks) also identified by the risk analysis, had been subject to an integrity check or investigation at the time the risk analysis was conducted and were therefore not assessed further.

I am unable to provide you with the repayment amounts or the status of cases referred for investigation, as that information is held in notes on individual case files. To provide it to you, Ministry staff would have to manually review a substantial number of files. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

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.

5. *How many applications did not meet the revenue reduction criteria?*

Of the 121 cases that resulted in a partial or full repayment request, 64 (52.9%) involved businesses that were found to have not met the revenue decline criteria for the August 2021 scheme (for some or all payments).

6. *Were the integrity checks carried out by telephone?*

The checks were carried out by phone and email. Businesses were required to provide documentary evidence that they had met the eligibility criteria for the scheme, including the required decline in revenue.

Please note that the priority checks based on the IR risk analysis were only a small subset of the total number of post-payment checks carried out on the Wage Subsidy Scheme (with the Ministry having completed more than 7,500 checks as of this response).

More information about the integrity work undertaken on the Wage Subsidy Scheme to date, can be found here: [www.msd.govt.nz/about-msd-and-our-work/work-programmes/wage-subsidy-integrity/index.html](http://www.msd.govt.nz/about-msd-and-our-work/work-programmes/wage-subsidy-integrity/index.html).

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

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 my decision on your request, 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, appearing to be 'Anna Graham', with a stylized, flowing script.

Anna Graham  
**General Manager**  
**Ministerial and Executive Services**

**Table One:** *Post-payment risk criteria for the Wage Subsidy August 2021.*

<b>Risk name</b>	<b>Explanation</b>
"Bank Account"	An indication of whether an employer or sole trader has met any of the 'bank account' risks including where the same bank account is being used by multiple employees or a bank account is associated with an unrelated entity.
"Old and Young Sole Traders"	An indication of persons 16 years and younger, and those over 80 years applying/receiving the wage subsidy.
"New Registrations"	Indicates an applicant has registered for either GST, PAYE, or as a new entity/new self-employed customer within proximity to the wage subsidy application.
"Ceased GST pre-Application"	Indicates an applicant has ceased their GST registration prior to their application for wage subsidy, which could suggest they didn't meet eligibility for the wage subsidy (as they were no longer in business etc) or it could simply indicate their turnover has dropped below the required level to register for GST.
"Ceased GST post Application"	Indicates an applicant has ceased their GST registration after their application for wage subsidy. This could indicate they didn't meet eligibility for the wage subsidy or that their turnover has dropped below the required level to register for GST.

"Liquidated/Bankrupt"	An indication of applicants that are potentially liquidated or bankrupted. This information is extracted from IR data regarding liquidations and bankruptcies and has not been linked with the Companies Office or any other third-party datasets.
"Dormant Entities"	An indication of whether an entity has been flagged where it is unlikely to be in an "active" trading situation. Three factors are looked at when determining whether there may be a risk of an entity being dormant: income tax registration, indicators on the IR account and return filing, and recent activity.
"Government Assistance"	Indicates that an employee/sole trader is receiving some form of government assistance (MSD benefit/ACC etc).
"Fulltime Mismatch"	This risk was simple to analyse for the first few rounds of wage subsidy, as it looked at the employer information IR held and made and assessed whether the employee was FT or otherwise. For the latest rounds, due to the change in payment frequency, it may be less useful.
"Overseas"	An indication of whether a customer is overseas. This could include indicators such as an overseas address or where a customer has advised IR they have emigrated. IR does not have Customs data, accordingly this is based on other indicators held.
"Individual Across Multiple Applications"	Indicates that there are multiple customers sitting across multiple wage subsidy applications. This could indicate 'fraud' or fabrication of employees or where a sole trader may be claiming the wage subsidy whilst across other employer applications.