



Megan Brown  
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24 APR 2020

Dear Megan Brown

On 14 April 2020, you emailed the Ministry of Business, Innovation and Employment requesting, under the Official Information Act 1982, information regarding New World Waikanae's application for a COVID-19 Wage Subsidy, and why it was approved.

On 15 April 2020, your request was transferred to the Ministry of Social Development (the Ministry), as the agency responsible for administering the COVID-19 Wage Subsidy.

The Ministry publishes the guidelines used by staff administering supports on the Work and Income website. Guidelines for administering the COVID-19 Wage Subsidy are available here: [www.workandincome.govt.nz/map/employment-and-training/specific-employment-related-assistance/covid-19-wage-subsidy-modified/index.html](http://www.workandincome.govt.nz/map/employment-and-training/specific-employment-related-assistance/covid-19-wage-subsidy-modified/index.html).

Cabinet agreed that the COVID-19 Wage Subsidy scheme should be administered in a "high trust" way to ensure that funds were made available as soon as possible to support employers and the wider economy. This also reflects the need to process a very large number of applications. As at 16 April 2020, close to 500,000 applications had been processed in relation to nearly 1.5 million employees.

Applicants are required to declare that they meet the eligibility criteria and will comply with the obligations in the scheme. This declaration is available on the Work and Income website here: <https://www.workandincome.govt.nz/online-services/covid-19/declaration-wage-subsidy.html>.

The Ministry is verifying some fundamental details about employers and their employees with Inland Revenue before payment in all cases. The Ministry has implemented robust audit and assurance mechanisms while administering the scheme. For example, the Ministry has:

- checks for duplicates and multiple applications;
- spot check audits of some applications before payments;
- reviews by the audit team before payment for all large employer (80 employees and over) applications.

Furthermore, the Ministry has:

- published a register of names of businesses that have received the subsidy to ensure transparency about who has been granted assistance and facilitate employees or other interested parties raising concerns about employers who may not have been eligible or may be breaching their obligations. The register is available here: <https://services.workandincome.govt.nz/eps>;
- established an employee complaints process, working together with the Ministry of Business, Innovation and Employment and Inland Revenue;
- implemented a post-grant audit process.

The Ministry takes any fraudulent applications or failures to meet the obligations of the scheme seriously. The Ministry is seeking refund where appropriate and have the ability to take civil proceedings or criminal prosecutions where necessary.

As you note, Foodstuffs confirmed that any New World stores who had applied, would withdraw their application for the COVID-19 Wage Subsidy.

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 regarding New World Waikanae's application for a COVID-19 Wage Subsidy, and why it was approved, 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.

Yours sincerely

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Bridget Saunders  
**Manager, Issue Resolution, Service Delivery**