



14 SEP 2020

Tēnā koe

On 29 July 2020, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

- *How many new business ventures has MSD agreed to fund under the 'Self-employed Start-up Payment Scheme' in the last two complete financial years for which it has data?*
- *How many business plans were approved and rejected in each of those years?*
- *What was the average grant per new business in each of those two years?*

The Ministry offers the following supports to assist eligible clients to investigate or enter self-employment:

- Business Training and Advice Grant (BTAG)
- Self-Employment Start-Up (SESU) and
- Flexi-Wage Self-Employment (FWSE)

The BTAG is designed to assist clients who are investigating or entering self-employment by paying for:

- business skills training
- the development of a business plan
- business advice before and during the start-up period of their business
- independent vetting report **and**
- mid-project financial report

The grant provides up to a maximum of \$1,000 (including GST). A client can apply more than once, but the total amount cannot be more than \$1,000 in a 52-week period. The BTAG should help the client make an informed decision about whether it is viable for them to become self-employed and/or improve their ability to administer and manage the development of a business. It should also help them determine if they would be better off in full-time employment rather than self-employment.

The SESU grant is a lump sum payment (or several payments) up to a total of \$10,000 (including GST) for essential business start-up costs. This grant can be paid on its own or in conjunction with a FWSE subsidy. There is no formal application form. However, clients are required to prepare a business plan, and have it independently assessed by a Vetting Agent. This can be supported by BTAG if required.

FWSE is a wage subsidy designed to help clients overcome financial barriers associated with moving into self-employment. The purpose of this subsidy is to help clients to fully support themselves from their business.

Your questions are addressed in turn below.

- *How many new business ventures has MSD agreed to fund under the 'Self-employed Start-up Payment Scheme' in the last two complete financial years for which it has data?*
- *What was the average grant per new business in each of those two years?*

When the Ministry agrees to fund a new business venture using the SESU grant, the business plan of the venture must be accepted as viable as part of the application process. Therefore, the Ministry has responded to your request for the number of new business ventures the Ministry agreed to fund under the SESU grants and number of business plans approved together in **Table One** below.

**Table One: Number of Self-Employment Start-Up contracts approved, and average amount granted per contract for the financial years 2019 and 2020.**

<b>Financial Year</b>	<b>Contracts</b>	<b>Average</b>
<b>18/19</b>	170	\$5,739
<b>19/20</b>	160	\$5,734

**Notes:**

- An individual contract may have more than one subsidy type associated with it.
  - This table is limited to contracts that have a Start-Up Grant included.
  - An individual client may have more than one contract associated with them. This table is based on the number of contracts.
  - Average amount is based on amount contract commitment NOT actual amount paid out. The actual amount paid is likely to be less than this.
- *How many business plans were approved and rejected in each of those years?*

An application for the SESU may be declined if the Ministry does not consider the proposed business plan to be viable. Decline reasons are held on individual client files and are not centrally recorded. I am therefore refusing your request for the number of business plans rejected under section 18(f) of the Official Information Act as in order to provide you with this information, Ministry staff would have to manually review individual client files. 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.

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 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](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response to your request about the Self-Employment Start-Up grants, 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



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