



28 JAN 2021

On 18 December 2020, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *I understand Bunnings Ltd received \$27 million in wage subsidies and I'd like to know how much of that money has been paid back to MSD.*

The COVID-19 Wage Subsidy has enabled rapid support for thousands of New Zealand businesses during this time of uncertainty and has ensured that employees are able to remain connected with their employers during the COVID-19 lockdown.

The Government has previously made it clear that the Wage Subsidy scheme has been set up on a high-trust model, in order to deliver funds to support workers, families and businesses.

As part of the application, businesses were required to sign a declaration that they had met the scheme's eligibility criteria. This included revenue-related obligations required to be met for an applicant to be entitled to a payment. The declarations are extensive and include agreement that details in the application may be verified with other agencies, obligations in terms of use of the subsidy, and consequences of non-compliance.

The declarations for each of the respective COVID-19 Wage Subsidies can be found on the Ministry's website at the following links:

- www.workandincome.govt.nz/online-services/covid-19/declaration-wage-subsidy.html (for the original Wage Subsidy on or after 4pm 27 March 2020)
- www.workandincome.govt.nz/online-services/covid-19/wage-subsidy-declaration.html (for the original Wage Subsidy before 4pm 27 March 2020)
- www.workandincome.govt.nz/online-services/covid-19/declaration-wage-subsidy-extension.html
- www.workandincome.govt.nz/online-services/covid-19/declaration-resurgence-wage-subsidy.html

To check that businesses meet the COVID-19 Wage Subsidy scheme's eligibility criteria, the Ministry's conducts targeted audits based on a risk analysis carried out with the Inland Revenue Department, and by following up on allegations received through the complaints process.

From our audits, we have found that in the vast majority of cases, employers are doing the right thing. In many cases where entitlements have been wrongly claimed, it is due to uncertainty about the eligibility criteria, rather than deliberate attempts at deception.

Where employers have claimed money that they are not entitled to, the Ministry has several avenues open to it, including requesting repayment. In the most serious cases, where there is evidence of deliberate fraud, the Ministry will consider criminal prosecution. However, decisions about prosecutions are made only after a thorough investigation process.

The Ministry can confirm that Bunnings Limited applied for the COVID-19 Wage Subsidy on 6 May 2020 and received a total of \$27,202,044.00 in Wage Subsidies. To date, the Ministry has not received any COVID-19 Wage Subsidy repayment from Bunnings Limited. The Ministry is unable to confirm if Bunnings Limited intends to repay any of the COVID-19 Wage Subsidies at this time, as we have not received any communication that would suggest this.

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
- 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 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 claims for Wage Subsidy, 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



Bridget Saunders
Manager
Issue Resolution, Service Delivery