

## **Audits are underway for businesses receiving the wage subsidy payments**

The Government-issued wage subsidy payments that have been paid out during the COVID-19 lockdown period have provided \$10.4 billion in support for businesses and their workers to prepare them for reopening and to weather the effects of COVID-19.

The application process so far for the subsidy has been a high-trust one, as well as one that had to move very quickly, and this is partly why a team of 104 fraud experts and investigators are carrying out an audit of the payments made so far.

Applicants to the wage subsidy scheme were made aware from the beginning that if they were accessing the payments with false or misleading information, they would have to pay it back and could even be subject to civil proceedings under the [Crimes Act 1961](#).

As of 21 April 2020, 1,281 applicants had voluntarily advised that they would refund all, or part of the subsidy and this totals \$16.2 million of refunds to the Government. This supports the general feeling that the majority of the kiwis accessing the scheme are doing so for the correct reasons and in order to do what is right by their employees.

A number of family trusts have applied for and received the wage subsidy, which is controversial as the scheme was envisioned to protect local economy, business and employees, and it could be argued that a family trust does not fall into this category.

The Ministry of Social Development (MSD) has provided a search tool on their [website](#), so that the businesses that are receiving the wage subsidy can be identified and this allows employees to see if they should be receiving money from their employer through this scheme. There have been 292 allegations of misuse received by MSD and these are being steadily worked through by the investigation team.

Resources:

<https://www.beehive.govt.nz/release/wage-subsidy-audits-protect-business-integrity>

<https://www.rnz.co.nz/national/programmes/checkpoint/audio/2018743833/dozens-of-family-trusts-among-covid-19-wage-subsidy-claims>

<https://services.workandincome.govt.nz/eps>