



PRESS RELEASE
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Targeted extension to the Wage Subsidy Scheme

Budget 2020 provides for further assistance for businesses and their staff who have been affected by the COVID-19 pandemic.

Finance Minister Grant Robertson says the Wage Subsidy Scheme has been enormously successful, paying out more than \$10 billion to support New Zealand businesses and jobs.

“This Government is acutely aware of the impact the COVID-19 pandemic has had on our workers, which is why we moved so quickly to get money out the door to help employers keep their staff on the books during lockdown.

“Many New Zealanders will be back at work now, but we know there will be some businesses that are still struggling, particularly in the tourism, hospitality and retail sector. This is why we are extending the Wage Subsidy Scheme,” Grant Robertson said.

“From June 10, businesses that have suffered, or expect to suffer, revenue loss of at least 50 per cent for the 30-day period prior to the application date versus the nearest comparable period last year will be eligible for the extension of the scheme.

“High growth and new firms will also be eligible as they are under the current Wage Subsidy Scheme. The Government is also expanding eligibility to the Wage Subsidy Scheme to include pre-revenue R&D start-up firms that are recognised by Callaghan Innovation. The inclusion of R&D start-ups in the scheme will provide support to firms which will be crucial for our economic recovery, and will help them to retain their highly skilled personnel.

“The subsidy will be open for applications for a 12-week period and will be paid as an 8-week lump sum to employers at the same weekly rates as the current scheme,” Grant Robertson says.

“This Government is focused on getting New Zealand working again. We supported Kiwis through the pandemic and now we are creating jobs and rebuilding the economy as we emerge from our successful fight against the virus.

“I want to thank all New Zealanders for playing their part in the battle against COVID-19. Now we all have a part to play in rebuilding a New Zealand we can be proud of,” Grant Robertson says.

Social Development Minister Carmel Sepuloni said extending the Wage Subsidy would help businesses to keep their employees attached while they adapted to changing economic conditions.

“It will give firms, and their workers, some breathing space while they come to terms with the new business environment and plan for the future. We want to give viable businesses every chance to succeed and keep employing New Zealanders post-COVID-19.

“Applications for the extended subsidy will be able to be made through MSD’s website. Employers who have received money through the current Wage Subsidy will be able to apply for the extended subsidy if they meet the new eligibility criteria, but they will need to submit a new application,” Carmel Sepuloni says.

The extension to the Wage Subsidy Scheme is estimated to cost up to \$3.2 billion.

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