



12 May 2023

Patsy Hill

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Tēnā koe Patsy Hill

On 16 April 2023, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *Can the ministry please advise as to whether there has been any consideration to raise the flexi-wage self employment weekly amount in line with minimum wage increases (currently \$600 which equates to 30 hours at the previous minimum wage of \$20 per hour) and what will be done to ensure their products are consistent with wage increases and ensuring recipients payments are adjusted considering general rising costs*

The Flexi-Wage Self-Employment programme was expanded in 2021 alongside the general Flexi-Wage programme. This expansion provided ringfenced funding specifically for Flexi-Wage Self-Employment and introduced a standard wage subsidy rate and duration.

The purpose of this programme is to provide for payments of special assistance to support people, who are at risk of long-term benefit receipt or who are disadvantaged in the labour market, to obtain or retain employment, through providing tailored wage subsidies and associated support.

Historically, the rate of Flexi-Wage paid for self-employment was not tied to the minimum wage. As part of the Flexi-Wage expansion, the Ministry implemented a set rate of wage subsidy of \$600 a week for 28 weeks, totalling \$16,800.

The policy intent was to ensure that clients receive a higher rate of payment than they would have on a benefit, whilst also recognising that the person is working for themselves and not receiving wages from an employer.

There are currently no plans to increase the rate of Flexi-Wage Self-Employment in line with the recent minimum wage increase. However, the Ministry continually evaluates its employment products. Increases to any payments would be considered through the usual evaluation processes.

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 and any attached documents available to the wider public. The Ministry will do this by publishing this letter on the Ministry'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, 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.

Ngā mihi nui



Megan Beecroft
Manager
Employment Policy