

30 August 2025

Mr Iain Rennie
Secretary and Chief Executive to the Treasury
The Treasury
PO Box 3724
Wellington 6140
New Zealand

Dear Iain,

Our OIA 2025/12 – Wage Subsidy Scheme, Treasury’s Long-term Insights Briefing and Emergency Management Bill

Thank you for taking the time to meet with me on Thursday. As discussed, please find attached the Official Information Act (OIA) request that accompanies the hard copies of our publications. For your convenience, soft copies of these documents are also available on our website. Please refer to the links provided at the end of this letter.

Background

The Institute is currently producing *Discussion Paper 2025/03 – Time to prepare: Lessons from the COVID-19 Wage Subsidy* (see Attachment 1 for a final draft). We are also preparing *Additional COVID-19 Nation Dates Since September 2024* (see Attachment 2 for a first draft). The latter publication summarises events that have occurred after the Second Edition of *COVID-10 Nation Dates* was published – such as the publishing of *Te Ara Mokopuna: Treasury’s 2025 Long-term Insights Briefing*, discussed below.

We also attach *Discussion Paper 2025/02 – How to Tell the Difference Between an Emergency and a Crisis and Why it Matters* (Attachment 3). Given our work on COVID-19, we have been exploring the emergency and crisis response system and have gathered our thoughts on the policy challenges and some solutions. This is why we are particularly interested in the Emergency Management Bill.

We are writing to see if you would be able to answer the following 18 OIA questions.

Accessibility of Cabinet Papers

The Institute continues to argue that Cabinet Papers in New Zealand are difficult to navigate. We have submitted a proposal to the Ombudsman on this matter (see our letter to the Ombudsman, dated 14 August 2025 (Attachment 4)). We consider certain areas of public policy require a higher level of weighting to be given to the public good. The shadow of COVID-19 is still felt on the economy five years after the initial emergency, so we ask if there has been any consideration given to making all COVID-19 correspondence fully accessible to the public.

1. Please confirm whether Treasury has revisited, or plans to revisit the proactive release of emails and documents related to the pandemic response or remove the significant number of redactions in Cabinet material already released. This would also provide an opportunity to tidy up existing papers that have been released but miss key data such as date prepared and Cabinet numbers. (See, for example, question 4 below.)

Designing an off-the-shelf Wage Subsidy for future emergencies and crisis

Discussion Paper 2025/03 (in particular, Section 3.2 and Appendix 3) aims to accurately describe how the Wage Subsidy Scheme was established. Can you advise if the Institute has missed anything significant or misinterpreted anything? We aim to provide a detailed and complete record of key events in order that future policy analysts and historians have as much information as possible to learn the lessons from the 2020 pandemic.

2. Has any work been undertaken to create an off-the-shelf emergency subsidy system for a future event or circumstance? If yes, please explain in detail. If not, please explain why not.

Administrative costs of support schemes

No doubt Treasury will have this information available, or you may need to outsource this request to MSD and IRD, but we expect this information will be relatively easy to obtain. It is important information for determining the choice and design of a future support scheme.

3. For each major pandemic-related support scheme (e.g., the COVID-19 Wage Subsidy Scheme (including the COVID-19 Resurgence Wage Subsidy, the Resurgence Support Payment, and the COVID-19 Small Business Cashflow Scheme), please provide:
 - total amount disbursed to recipients
 - total administrative costs
 - ratio of administrative costs to total amount received by recipients (in cents per dollar).

Our Table of Treasury Cabinet Papers and Minutes

The questions outlined below stem from our ongoing research into the development of the Wage Subsidy Scheme. As referenced in Section 3.2 and Appendix 3 of the *Discussion Paper 2025/03 – Time to prepare: Lessons from the COVID-19 Wage Subsidy*, these specific Official Information Act (OIA) questions are highlighted in [green font](#).

Through our analysis, we have identified inconsistencies in the presentation of key metadata across Cabinet Papers and Minutes—specifically regarding Cabinet reference numbers, document signing dates, and issue dates. In some instances, this information is clearly displayed on the cover sheet of the Paper or Minute (see example [here](#)), while in other cases, it is only accessible via external sources such as the Treasury website (see example [here](#)).

The Institute recommends that these identifiers be consistently included on both the cover sheet and the first page of all Cabinet Papers and Minutes. This would enhance transparency, improve accessibility for researchers, and ensure greater confidence in the authenticity and traceability of official documents.

4. Given these are specific to Papers and Minutes, we treat it as one question with parts (a) to (i):
 - (a) The 9 March 2020 Cabinet Minute *COVID-19: Oral Update and Economic Impacts* (on your website [here](#)) states that officials were directed to develop further targeted support options for Cabinet, with priority on ‘a targeted wage subsidy scheme’. Can you advise who were directed (e.g. what department/s officials were directed)? Were any reports prepared? (See pp. 19, 54 of the attached Discussion Paper)
 - (b) The Cabinet Paper *COVID-19: Overview of the Government’s response and Economic Response Package* (on your website [here](#)) was submitted to Cabinet. Can you provide the date of this Cabinet Paper? Can you provide the ‘separate Cabinet paper’ proposing a temporary wage subsidy scheme (on p. 1)? (See p. 54 of the attached Discussion Paper)
 - (c) The 15 March 2020 Cabinet Paper *COVID-19 financial support, Paper A: Business Continuity Package: Targeted wage subsidy scheme* (on your website [here](#)) refers to a previously ‘lodged version of the Cabinet paper’ that had the initial design of the wage subsidy scheme. Can you provide the Institute a copy of the previously ‘lodged version of the Cabinet Paper’? Can you also provide the Cabinet paper number? (See p. 55 of the attached Discussion Paper)
 - (d) The Cabinet Paper *Expanding the COVID-19 wage subsidy scheme and adapting it to support furloughed workers* (on your website [here](#)) was submitted to Cabinet. Can you provide the date of this Cabinet Paper? (See pp. 19, 56 of the attached Discussion Paper)

(e) *Cabinet paper - Transitioning to an enhanced wage subsidy scheme* (on your website [here](#)) was submitted to Cabinet. Can you provide the date of this paper, the Cabinet number, and the specific Cabinet Minute/s which sets out the proposed design changes and whether they were agreed or declined? (See pp. 19, 57 of the attached Discussion Paper)

(f) The 11 December Cabinet Paper *Economic Response to Future Resurgences of COVID-19* (on your website [here](#)) also states:

108 Beyond the changes proposed above, we have directed officials to **report back to Ministers in February 2021** on whether other, more substantive changes could be made to the scheme, including:

- 108.1 introducing a higher-integrity model;
- 108.2 establishing a legal framework for the scheme;
- 108.3 introducing more payment tiers to reduce windfalls;
- 108.4 examining the potential benefits of moving scheme delivery to IR; and
- 108.5 the feasibility of a repayment rule, in a more enduring scheme, for employers who receive payments under the WSS, then subsequently both lay off staff and make a profit. [bold added] (pp.16-17)

Can you provide a copy of the abovementioned 'report back to Ministers in February 2021'? (See pp. 20, 58 of the attached Discussion Paper)

(g) The 11 December 2020 Cabinet Paper *Economic Response to Future Resurgences of COVID-19* (on your website [here](#)) does not include the Cabinet Minute. The 1 March 2021 Cabinet Minute *Activating the COVID-19 Wage Subsidy March 2021 Scheme* (on your website [here](#)) states that Cabinet agreed to these changes on 14 December 2020. Can you provide the Minute in response to the 11 December 2020 Cabinet Paper and, also, confirm that we are not missing any other related material between December and March? (See pp. 20, 59 of the attached Discussion Paper)

(h) The Cabinet Minute *Wage Subsidy August 2021 scheme: Second six-week review* (on your website [here](#)) mentioned a Minister of Finance's report back to Cabinet in late November 2021. Can you provide the Institute a copy of that report? (See pp. 21, 62 of the attached Discussion Paper)

(i) Can you please provide the date that the paper was proactively released (issue date) for each row in Table A3.1 of the attached Discussion Paper? (See pp. 54-62 of the attached Discussion Paper)

Borrowing during the pandemic by Treasury and the RBNZ

We understand that the Reserve Bank of New Zealand (RBNZ) and the Treasury each maintain distinct emergency buffers, tailored to their respective roles in supporting the Government's response during periods of economic or systemic stress. The Treasury's buffer is primarily geared toward fiscal intervention (i.e. ensuring New Zealand can respond effectively to both immediate emergencies and wider economic disruptions), while the RBNZ's buffer is focused on protecting financial stability. We are aware that Treasury and the RBNZ worked closely together during the pandemic, but we are not clear how that relationship operated in practice and whether there has been a joint review to learn how timely, effective and responsive the system was and how it has been/is being improved, in preparation for the next emergency or crises.

5. Please explain the structure and use of emergency and crisis buffers held by Treasury and RBNZ during the pandemic. What changes have been made to those buffers as a result of the responses to the pandemic?

6. Has a joint, consolidated review been undertaken that provides a comprehensive evaluation of how the RBNZ and the Treasury collaborated during the COVID-19 pandemic? If such a review exists, please provide a copy. Additionally, if the review included recommendations, please advise whether those recommendations have been implemented, and if not, the reasons why.

7. If the answer to Question 5 is no, please provide details on how Treasury and RBNZ worked together to fund the pandemic response and copies of any relevant correspondence outlining how the two organisations worked together in 2020 and any observations on how the structure and processes could be improved.
8. What were the annual amounts borrowed by Treasury and RBNZ, respectively, to support the COVID-19 response from 2020 to 2025? Please include the timeframes and types of instruments used (e.g., New Zealand Government Bonds, New Zealand Treasury Bills (T-Bills)).
9. What were the interest rates associated with this borrowing?

Long-term Insights Briefing

The Institute welcomed the LTIB. Table 2.1 on page 23 of *Te Ara Mokoopuna: Treasury's 2025 Long-term Insights Briefing* mentions that the COVID-19 pandemic caused an '[e]stimated \$66 billion of fiscal costs over the 2020–2026 fiscal years.'

10. Can you advise how this estimated cost is broken down by financial year for each of the seven years (2020, 2021, 2022, 2023, 2024, 2025, 2026)? We hope to graph this.

Policy response nature, timing, scale, and duration

We wonder if, in retrospect, Treasury agrees with Infometrics Principal Economist Brad Olsen's view that 'policy makers needed to be more even-handed about the pace of movement,' and that 'government and the Reserve Bank rushed into their responses but were slow to unwind them'. In our view, there was significant fear and a real need for certainty early on in the pandemic, and Government acted fast and effectively to counter the growing anxiety and public unrest. We consider it is important for future pandemics (and other emergencies) that Treasury shares its thinking five years on. Our view is that the release of the LTIB was the start of a long-term conversation about policy responses during an emergency and/or crisis.

11. In light of it now being five years since the onset of the COVID-19 pandemic, could you clarify Treasury's current position on the nature, timing, scale, and duration of its emergency response measures? In particular, we would appreciate further detail on how this aligns with the perspectives outlined in the *Long-term Insights Briefing*.
12. Please provide any internal analysis that reflects on the timing and calibration of fiscal and monetary responses during the pandemic and other emergencies and crises since 2020.

Emergency Management Bill and future wage subsidies during emergencies

Figure 1 (see Attachment 1) shows that while emergency and crisis responses were concluded, the emergency wage subsidy continued.

13. Did the New Zealand Treasury undertake a detailed scenario analysis of the impacts of a pandemic between 2000 and 2020? If yes, can we please have a copy of the relevant report/documents?
14. Has the New Zealand Treasury explored how fiscal policy should be used when faced with a significant crisis and emergencies? We note that in response to the release of the *Long-term Insights Briefing* (LTIB), Toby Moore, adviser to Minister of Finance Grant Robertson from December 2020, said that 'it was clear that Treasury had done limited thinking on how fiscal policy should be used in a crisis'. Our interest is not to debate whether it was limited or not; but what has occurred since. The LTIB mentions more work is to be done in this space. Can you advise? Will this thinking be published and will the public be invited to make submissions?
15. Toby Moore noted that as late as October 2022, Treasury was advising the Minister of Finance to increase the allowance for the next Budget from \$4.5 billion to \$5 billion. We were unable to find a copy. Can you provide the Treasury paper giving that advice?

16. Toby Moore also noted that the tax figures were significantly lower than expected from mid-2022, but that does not seem to be the case when we looked at New Zealand's actual tax revenue breakdown (2018–2024), found in the financial statements. Can you confirm whether Moore was correct in stating that Treasury thought the tax take would be significantly lower than expected? Can you provide the expected figures at that time and an explanation, ideally with references?
17. Does Treasury consider that the Emergency Management Bill should be revisited in light of the wage subsidy continuing well past when the emergency and the crisis came to an end (see Figure 1 in Attachment 1)? Our thinking is that we may need a third form of emergency or crisis – such as the 'long crisis' to provide a framework for situations where wage subsidies are paid out after the crisis has come to an end?
18. Has the Treasury conducted any analysis comparing fiscal support measures with formal emergency declarations since the enactment of the Civil Defence Emergency Management Act 2002? If such a report exists, please provide a copy.

We appreciate there are a lot of questions in this OIA and that it may take more than four weeks to answer. If you have any questions or require any further clarification, please do not hesitate to contact myself or Arne Larsen (copied in).

Kind regards,



Wendy McGuinness
Chief Executive

Attachments

1. [Discussion Paper 2025/03 – Time to prepare: Lessons from the COVID-19 Wage Subsidy](#)
2. [COVID-19 Nation Dates: Additional Dates since September 2024](#) (draft)
3. [Discussion Paper 2025/02 – How to Tell the Difference Between an Emergency and a Crisis and Why it Matters](#)
4. [McGuinness Institute letter to the Ombudsman, 14 August 2025](#) (Table 2)