



Evaluation of the Flexi-Wage Subsidy Expansion Self-Employment Product

Evaluation Report

Prepared by GravitasOPG

November 2023

Report Disclaimer

Authors

GravitasOPG

Report disclaimer

The insights and interpretations in this report are those of the authors and are not the official position of the Ministry of Social Development.

Licenses

This work is licensed under the Creative Commons Attribution 3.0 New Zealand licence. In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to the authors and abide by the other licence terms. To view a copy of this licence, visit creativecommons.org/licenses/by/3.0/nz/

Suggested Citation

GravitasOPG (2023). Evaluation of the Flexi-Wage Expansion Self-Employment Product: Evaluation Report. Ministry of Social Development. Wellington.

Published by

Ministry of Social Development PO Box 1556 Wellington www.msd.govt.nz

May 2025

ISBN: 978-1-99-110587-5

Contents

Contents.....	2
1. Executive Summary	1
1.1 Background and Context	1
1.2 Evaluation Purpose and Methodology	2
1.3 Key Findings	2
1.4 Suggested Improvements	4
2. Introduction	6
2.1 Background and Context	6
2.2 Overview of Evaluation	7
2.3 Structure of this Report	9
3. Achieving Short term Outcomes - The Expansion Policy has Limited Effectiveness in Supporting Out-of-Work New Zealanders to start and Sustain Their own Businesses	10
3.1 Uptake has Increased Significantly Post Expansion	10
3.2 Only a Small Proportion of Participants are Self-Supporting via their Businesses Post Subsidy	11
3.3 Participants Most Likely to Sustain Businesses are Those Closer to the Labour Market	12
3.4 Participant Personas: 'Success Story', 'On the way', and 'Didn't Get off the Ground'	13
4. Application and Access Processes are Regionally Varied and at Times Inconsistent	16
4.1 Publicity of FWSE did not Have a Wide Reach	16
4.2 Regional Variation in Promotion and Use	17
4.3 Participants are not Always Required to Seek Employment	17
4.4 High Numbers of Applicants Drop Out During the Application Process	18
4.5 Variation in the Involvement of Work Brokers	18
4.6 Business Plan Requirements and Coaching are Inconsistent	19
4.7 All Participants Access BTAG, but it Does not Always Meet Participants Coaching and Mentoring Needs	19
4.8 The Start-Up Grant is Highly Valued by Participants and Could be Made More Flexible	23
4.9 The Vetting Approach Varies, is Inconsistent and Lacks Broader Consideration of Clients' Circumstances	24
5. Barriers, Challenges and Suggestions for Improved Implementation	27
5.1 Experience of Application Processes was more Challenging for Some Participants	27
5.2 Subsidy Recipients Lacking a Base Set of Business Skills	27
5.3 Attendance at a Business Course Would be Valuable	28

5.4 Lack of Post-Approval Support Available	28
5.5 WI Staff are Supportive and Participants Want Follow-Up from Work Brokers or BTAG Providers	29
5.6 Businesses Not Viable due to Lack of Market Demand	30
5.7 WI Staff are Often Not Confident in Using FWSE	31
5.8 Subsidy Recipients would Prefer Claims and Payment Process to be Automated	32
6. Implementation of the FWSE Expansion Policy Does Not Support Te Pae Tata and Pacifika Prosperity Well	33
6.1 Few Māori and Pacifika-led Businesses in the Sample Were Sustained	33
7. Lessons Learnt for Policy Alignment and Considerations	35
7.1 Sometimes the Subsidy Rate may be Below the Main Benefit	35
7.2 The Policy Creates a Tension Between Eligibility Criteria and Business Capabilities	35
7.3 Extension of the Duration of the Subsidy to 12 Months	36
7.4 Stakeholders Feel that a Specialist Unit or another Entity May be Better for Delivering FWSE	37
8. Conclusion and Considerations for Enhancing Flexi-wage Self Employment.....	38
8.1 Conclusion	38
8.2 Suggested Improvements	39
9. Appendices	42
9.1 Appendix A: Methodology	42
9.2 Appendix B: Discussion Guides	48

List of Tables

Table 1: FWSE Expansion Intended Outcomes and Findings	2
Table 2: Priority Suggested Improvements	4
Table 3: Profile of Interviewees	9
Table 5: Short-term Outcomes for Māori and Pacifika-led Businesses	33

Acronyms Used in the Report

Acronym	Meaning
BTAG	Business Training and Advice Grant
FW	Flexi-Wage
FWSE	Flexi-Wage Self-Employment
IRD	Inland Revenue Department
MSD	Ministry of Social Development
WI	Work and Income

1. Executive Summary

1.1 Background and Context

Flexi-Wage Self-Employment (FWSE) is a Ministry of Social Development (MSD) wage subsidy. The intention of FWSE is to support people who are at risk of long-term benefit receipt¹ and disadvantaged in the labour market² to start their own businesses. It does this by helping them to overcome financial barriers associated with moving into self-employment.

In some situations, an existing casual or part-time business that is not generating enough income to fully support the participant may be eligible for FWSE. In these instances, FWSE may assist the participant to expand their business to full-time, with the aim of enabling them to become self-sufficient by the end of the subsidy period.

The wage subsidy is intended to be packaged with other assistance so that FWSE clients have access to wrap-around support:

- The Self-Employment Start-Up Grant³ – a one-off payment of up to \$10,000 to cover essential business start-up costs); and
- The Business, Training and Advice Grant⁴ (BTAG) – intended to fund coaching to help applicants develop a business plan, vetting the business plan, and post-approval business mentoring.

The FWSE was expanded in 2021, delivering some key changes to the FWSE and BTAG products:

- Ring-fencing of \$30 million for FWSE (of the total \$300 million funding available for the wider Flexi-Wage Programme)⁵, due to end in June 2023;
- Setting the rate of subsidy to the equivalent of 30 hours at the (then current) minimum wage (\$600 gross per week). Previously the rate was discretionary, capped at equivalent of 30 hours at minimum wage, with no specified duration;
- Monthly subsidy claims paid in advance, rather than in arrears; and
- Increasing the BTAG maximum grant available in any 52-week period from \$1,000 to \$5,000.

The Expansion of Flexi-wage and ring-fenced funding for FWSE was intended to encourage innovation and entrepreneurship as part of the recovery from COVID-19, particularly for those disadvantaged in the labour market.

¹ The term 'at risk of long-term benefit receipt' is defined in MSD's Employment and Work Readiness Assistance Programme (EWRAP) as "the risk that the person will receive or continue to receive a main benefit under the Act for an indefinite period." Policy settings for the Flexi-Wage Self-Employment expansion (21) p6. MSD Report to the Ministers of Finance and Social Development. January 2021.

² disadvantaged in the labour market does not have a definition within the EWRAP, although operational guidance is provided to Work and Income staff to help determine eligibility.

³ [Self-employment start up payment - WI](#)

⁴ [Business Training and Advice Grant - WI](#)

⁵ FWSE is one of six different Flexi-Wage products used by MSD to support people in a range of different situations to enter and to retain employment.

1.2 Evaluation Purpose and Methodology

The purpose of this evaluation is to provide an assessment of the effectiveness of the Flexi-Wage Expansion Self-Employment policy and implementation in achieving the intended outcomes. These findings will inform future decisions regarding the continuation of the policy in its current form and identifying what, if any, changes need to be initiated to strengthen its impact. The evaluation covers the period from the start of the expansion in February 2021 to the policy review in May 2023.

The evaluation adopted a qualitative case-study approach, with data collected from a range of stakeholders. A description of the methodology can be found in Section 9.1.

1.3 Key Findings

Table 1 below outlines the evaluation key findings relating to the design of the programme and implementation as perceived by evaluation participants.

Table 1: FWSE Expansion Intended Outcomes and Findings

Timeframe	Outcome	Findings
Short-term	Eligible applicants start up small businesses.	Not all subsidy recipients appear to be eligible under the policy settings (i.e., not furthest from labour market/at risk of long-term benefit receipt). There is evidence of poor targeting of the subsidy.
Medium-term	Businesses are sustained post subsidy	Most businesses started under the FWSE subsidy are not sustained once the subsidy ends. Some do not trade at all, due to a range of barriers and challenges experienced by the participant.
	More Māori and Pasifika employees are in sustainable employment.	This has not been evaluated in this report. To be evaluated separately by MSD.
Long-term	Reduced risk of long-term benefit receipt and/or labour market vulnerability.	There is no evidence that risk of long-term benefit receipt is reduced for most eligible participants. Labour market vulnerability is reduced for some participants.
	Monitoring data demonstrates that the programme has effective positive impacts on service users lives.	This has not been evaluated in this report. To be included in MSD's impact analysis report.

- The expansion policy has limited effectiveness in supporting out-of-work New Zealanders to start and sustain their own businesses. Those who receive the subsidy and sustain businesses appear often not to meet eligibility criteria.
- Eligibility settings for FWSE align with the purpose of the FWSE expansion and are intended to allow for targeting those who face the highest barriers to employment and are at greater risk of longer-term negative impacts from job loss.

- However, qualitative data collected for this evaluation indicates that the FWSE subsidy has not met the intended objective of supporting people who are at risk of long-term benefit receipt and disadvantaged in the labour market into sustained self-employment. This is for two key reasons:
 - The subsidy is not always targeted those who are furthest from the labour market; and
 - The kind of post-approval support that those who are furthest from the labour market require to sustain their businesses is not currently being provided.
- Common characteristics of those who are successful in sustaining businesses that can financially support them appear to be those who have:
 - Long-term employment histories;
 - Had shorter periods on a main benefit;
 - Previous experience in their business sector;
 - Previously obtained skills for business operations (for example, securing stock, costing goods and/or services, managing cashflow, and understanding regulatory and compliance requirements);
 - Previous experience running a small business;
 - High levels of self-motivation and determination to succeed; and
 - Fewer complex barriers to employment.
- Even with all or most of these characteristics, unforeseen factors not identified as risks in business plans or by vetters can cause the business to fail. For example, low demand for the product or service, or critical materials/equipment being unavailable.
- Uptake of FWSE has increased significantly since the expansion. In the year to January 2021, approximately \$2 million was spent on FWSE. Post expansion, this increased to \$29 million for the financial years 2021-22 and 2022-23 (as at the time of the evaluation).
- Enquiries and applications for the FWSE programme have increased even more significantly. However, there is a high attrition rate through the application process. This is attributed to the time and effort required by clients.
- There is a lack of consistency in how FWSE is implemented across regions, and variability in terms of how much the product is promoted and/or clients encouraged to apply. Use tends to be highest in regions with Work Brokers who are more experienced with FWSE and are referred to as “specialists” by their colleagues.
- MSD staff and BTAG providers feel that there is a tension between eligibility criteria and the capabilities required to successfully run a small business, with these two elements not overlapping frequently. Subsequently, there is only a small proportion of funded businesses that are sustained and successfully supporting clients post the FWSE subsidy. Among clients included in the evaluation, those that were successful were those less likely to be at risk of long-term benefit receipt.
- Stakeholders, including internal and external, are concerned about unintentionally setting clients up for failure when they are approved without the necessary capabilities and/or post-approval mentoring required, potentially resulting in client harm through negatively impacting their confidence.

- The evaluation did not find any differences in experience or outcomes for FWSE subsidy recipients⁶ by demographics (age, gender, ethnicity, or region).
- The implementation of the FWSE expansion does not appear to support MSD's Te Pae Tata and Pacific Prosperity strategies. Availability and funding for tailored business mentoring post-approval by kaupapa Māori and Pasifika BTAG providers is likely to improve business sustainability for Māori and Pasifika clients. While this was part of the FWSE expansion, in practice it is not widely accessed. To increase uptake among these client groups, targeting publicity and communication activities through community organisations would be beneficial, along with business plan coaching delivered by Māori and Pasifika providers.

A high percentage of startup businesses fail. Obviously, that's why the more support they can get the better. I feel like we'd be better to pick winners and help them more substantially, rather than a scatter gun approach where, to be honest, even after you've gone through all the thorough process, the amount of money you get is not great. [Regional MSD staff]

1.4 Suggested Improvements

A wide range of improvements are suggested that can support greater effectiveness of FWSE. Combined, these would increase consistency in how the product is implemented across regions; introduce more stringent screening of clients for likelihood of success in running a small business; and increase the post-approval support and mentoring available to participants and support an increase in the likelihood of the business being sustained.

Those that the evaluation team consider should be given priority are listed below. We consider these likely to increase consistency, fairness, and improve likelihood of business success for participants. The full set of suggested improvements can be found in Section 8.2.

Short-term suggestions are those that we believe can be implemented within the next 6-12 months; medium-term suggestions in the next 12-24 months; and longer-term suggestions in the next 24-36 months.

Table 2: Priority Suggested Improvements

Suggested Improvements – Operations	Term
Ensure that all applicants who require support are referred to a BTAG provider for coaching .	Short
Offer the option of group or one-on-one coaching for business plan development, to suit different needs and learning styles.	Short
Require eligible applicants to attend a small business course – for example reinstating the 'Be Your Own Boss' previously offered by MSD; or have proof of equivalent prior learning/ experience prior to submitting their business plan.	Short
As part of the business plan development, require applicants to conduct research into their target markets to ascertain likely audience and potential market share, with provision of an online tutorial to support applicants in this process.	Short

⁶ This is based on a small qualitative sample, so should be interpreted as indicative only.

Creation of business plan template for use across all regions, to ensure consistency of information and detail required and ease of vetting.	Short
Include an operational/implementation plan as part of, or additional to, the business plan.	Short
Create clear guidelines for vetters in terms of MSD's expectations around engaging with the applicant.	Short
Consider how the start-up grant could be more flexibly managed for those who need to buy stock as and when required, rather than all up-front; and/or extend the period for spending from 4 weeks to 8 or 12 weeks.	Short
Work brokers should ensure FWSE recipients are aware of their tax obligations , potentially highlighting it in the written information provided.	Short
Provide access to pastoral care via a third-party provider for self-employment subsidy recipients (currently as a pilot in Auckland for Māori and Pasifika).	Short
Increase the detail around the product, including eligibility, on the MSD website. Consider an online eligibility questionnaire check.	Short
Involve Work Brokers working with employers in the process to ascertain if there are jobs that the client may be suited to before being invited to apply for FWSE.	Short
Creation of due diligence guidelines for Work Brokers to assess applications	Short
Create a training module for Work Brokers delivering the FWSE product	Medium
Create a consistent process for implementing FWSE across regions	Medium
Create a national level unit within MSD which has capabilities in small business management to oversee FWSE enquiries, applications, and approvals.	Longer
Suggested Improvements – Policy	Term
Increase the BTAG amount allocated, or have an additional, separate fund for business advice/coaching after contract approval. A portion of BTAG funding could also be ring-fenced for post-approval mentoring.	Short
Index the subsidy amount to the minimum wage or the CPI .	Medium
Consider how people on main benefits that are higher than the FWSE subsidy (for example, the Independent Living Payment with medical costs covered) could receive the FWSE subsidy and not be financially disadvantaged .	Short
Consider how income levels for couples who are both on a main benefit can be maintained if one partner receives FWSE subsidy (i.e., \$600/pw is less than the couples rate of main benefit).	Short
Engage with iwi and Pasifika communities to understand how the FWSE product could better meet the needs of Māori and Pasifika applicants/clients.	Medium
Consider increasing the duration of the subsidy to 52 weeks , with a mid-term report at 26 weeks and quarterly milestone check ins.	Medium

Use of quantifiers in this report

Quantifier	Description
Some	Fewer than half
Most	More than half

2. Introduction

2.1 Background and Context

FWSE is a wage subsidy to support people who are at risk of long-term benefit receipt and disadvantaged in the labour market to start their own business or scale up an existing business. It does this by helping them overcome financial barriers associated with moving into, or sustaining, self-employment. The wage subsidy is often packaged with other MSD assistance such as the Self-Employment Start-Up Grant and the Business Training and Advice Grant (BTAG).

Under the FWSE expansion policy, the decision to grant FWSE is dependent on a number of factors, including the viability of the business idea, local labour market and economic conditions, and the suitability of the applicant (e.g., the client is motivated and has realistic expectations about the work required to start a business).

Prior to the expansion in 2021, FWSE was used as a 'last resort' for those who could not be successfully placed into employment. A lack of Work Broker confidence in using the product, and the resource intensity of its administration, contributed to its under-utilisation. FWSE was also rated as negative using MSD's effectiveness monitoring approach ⁷, due to its adverse impact on earnings. As a result, it tended to not to be promoted widely by MSD.

FWSE was expanded in early 2021 as part of the government's COVID-19 economic recovery plan. The purpose was to respond to a heightened need for government to target, and respond to, the needs of those who were disadvantaged in the labour market and at risk of long-term benefit receipt. The expansion investment enabled a significant increase in the number of people who could be supported through the programme. Target groups included youth, women (particularly sole parents), displaced workers, Māori, Pasifika, and people with health conditions and/or disabilities.

Key Changes to FWSE

As part of the expansion, several key changes were made to the FWSE product:

- Ring-fencing of \$30 million of funding available for FWSE (of the total \$300 million available for the wider Flexi-Wage Programme⁸), due to end in June 2023;
- Setting the rate of subsidy to the equivalent of 30 hours at the (then current) minimum wage (\$600). Previously the rate was discretionary, capped at equivalent of 30 hours at minimum wage, with no specified duration;
- Monthly subsidy claims paid in advance, rather than in arrears; and
- Increasing the associated BTAG from \$1,000 to \$5,000⁹.

⁷ The intervention had a statistically significant negative effect on one or more primary outcomes and no statistically significant positive effect on any primary outcomes. MSD Employment Evidence Catalogue [Employment Assistance Evidence Catalogue \(msd.govt.nz\)](#)

⁸ Flexi-Wage is a wage subsidy, with different uses, to support those disadvantaged in the labour market and/or at risk of long-term benefit receipt into employment, including subsidies payable to employers and self-employed.

⁹ This is not technically part of the FWSE product but is used in conjunction with it and is a key element.

Other changes, also implemented with the expansion included contracting providers to deliver a mix of pastoral care, mentoring and business support to support people starting their own business. In selected regions, under a pilot programme, providers were specifically contracted to provide this support to help Māori and Pasifika. This pilot programme was intended to provide learnings for expanding culturally appropriate support in future.

The Flexi-wage Expansion (FWE) represented a rapid scale-up, with acknowledged associated risks of compromising programme fidelity. It also raised several challenges for service delivery in terms of targeting, processing applications, and working with clients to achieve the intent of this expansion. For this reason, MSD required an external evaluation of the FWE (including FWSE) to generate information relating to implementation (to inform further policy development) as well as effectiveness (to assess outcomes achieved against its policy intent). A separate impact evaluation is also being undertaken by MSD.

How Does FWSE work?

The FWSE subsidy is paid at \$600 gross per week, usually for 28 weeks, to those who meet the eligibility criteria of being disadvantaged in the labour market and/or at risk of long-term benefit receipt, and who have a business plan to start or grow a small business which is assessed as viable by MSD. In addition to the FWSE subsidy, eligible applicants can also receive a Self-Employment Start-Up Payment of up to \$10,000 to cover things like equipment, stock, materials, and renovation of premises. The FWSE product is also intended to be used in conjunction with BTAG which provides funds for – coaching to applicants to create their business plan, vetting of the business plan, and post-approval business mentoring (if funds allow).

2.2 Overview of Evaluation

Evaluation Purpose

The purpose of this evaluation is to assess effectiveness of the FWSE policy (post-expansion) in achieving its intended outcomes to support people into self-employment where they otherwise would have struggled to enter and/or retain employment.

The findings of the evaluation will inform future decisions regarding the continuation of the programme in its current form. This includes identifying what, if any, changes need to be initiated to strengthen its impact.

The evaluation covers the period from the start of the expansion in February 2021 to May 2023.

Evaluation Questions

Key evaluation question	Data sources or method that informed insights
How well does the expansion policy support out-of-work New Zealanders to start their own businesses?	In-depth interviews with FWSE subsidy recipients; Work Brokers and other frontline staff; MSD national office staff; BTAG providers; and Work and Income (WI) ¹⁰ regional employment managers, regional directors, and regional commissioners.
Evaluation sub-questions	

¹⁰ Work and Income is part of Ministry of Social Development and helps people to gain employment, helps employers to find staff, and provides income support to eligible people. [Work and Income | New Zealand Government \(www.govt.nz\)](https://www.govt.nz/work-and-income/)

What is the uptake of subsidy use by participants accessing FWSE?	MSD administrative data. This question will be more fully addressed in the impact evaluation conducted internally by MSD.
How does uptake align with the policy intent aimed at achieving sustainable outcomes?	In-depth interviews with FWSE subsidy recipients; Work Brokers and other frontline staff; MSD national office staff; BTAG providers; and WI regional employment managers, regional directors, and regional commissioners.
<p>How easy and/or difficult is it to access FWSE?</p> <ul style="list-style-type: none"> – What are the barriers? – What explains the differences between the rates of inquiries, applications, and contract approvals? <p>Are participants also accessing other grants such as the BTAG or Self-Employment Start Up?</p> <p>How and in what ways is the increased BTAG and access to suppliers of business support and advice contributing to uptake and use of FWSE?</p>	In-depth interviews with FWSE subsidy recipients; Work Brokers and other frontline staff; MSD national office staff; BTAG providers; and WI regional employment managers.
What is the effectiveness and efficiency of delivery by vetting agents?	In-depth interviews with FWSE subsidy recipients; Work Brokers; BTAG providers; and WI regional employment managers.
What is the average duration of subsidies paid to businesses?	This question will be answered by MSD administrative data in impact evaluation being conducted internally by MSD.
<p>What lessons can we learn from the targeted support?</p> <p>How well does the FWSE policy support Te Pae Tata and Pacific Prosperity strategies?</p> <p>What works for Māori and Pasifika led businesses in the context of FWSE?</p> <p>How can FWSE processes be improved?</p>	In-depth interviews with FWSE subsidy recipients; Work Brokers; BTAG providers; WI regional employment managers; WI regional directors; and national office staff.

Methodology

The evaluation adopted a qualitative case-study approach, focusing on Auckland, Waikato, Bay of Plenty, and Canterbury. Data was collected from a range of stakeholders from these regions and MSD national office staff. FWSE subsidy participants were selected in a way to ensure that there a range of demographics and characteristics were represented.

A review of programme documentation and key informant interviews with five MSD staff contributed to the development of the evaluation approach. A description of the full methodology can be found in Section 9.1 and discussion guides in Section 9.2.

The evaluation plan was reviewed by the MSD Ethics Review Panel, which made several recommendations that were incorporated into the plan before the evaluation commenced.

Profile of Interviewees

Qualitative data was collected via in-depth interviews with the following stakeholder groups. See Section 9.1 for the profile of FWSE participants included in the evaluation.

Table 3: Profile of Interviewees

Stakeholder Group	(n)
FWSE subsidy recipients	28
Work brokers and other frontline staff	15
MSD national office staff	12
BTAG providers	8
WI Regional Employment Managers*	4
WI Regional Directors*	3
WI Regional Commissioners*	3
Total	73

*This stakeholder group are collectively referred to as 'Regional MSD staff' to ensure anonymity.

2.3 Structure of this Report

The report is structured into the following sections:

- Section 3 covers the short-term outcomes from the Flexi-Wage Self-Employment expansion;
- Section 4 covers access to FWSE Self-Employment and regional differences in implementation;
- Section 5 covers access to BTAG coaching and mentoring;
- Section 6 covers the expansion policy and implementation in relation to Te Pae Tata and Pacific Prosperity;
- Section 7 covers lessons learnt and considerations for future implementation;
- Section 8 provides conclusions and recommendations for improving FWSE.

3. Achieving Short-term Outcomes – The Expansion Policy has Limited Effectiveness in Supporting Out-of-Work New Zealanders to Start and Sustain their Own Businesses

3.1 Uptake has Increased Significantly Post Expansion

Prior to the expansion, the self-employment product was a relatively small-scale programme, with less than 200 people accessing it in the year to January 2021.¹¹ This is because WI staff generally consider it easier to get people into employment using a wage subsidy compared with supporting someone to foster a new business venture. In addition, Work Brokers report that they were not confident in using the self-employment product due to a lack of capability in assessing business viability and an applicant's likelihood of being able to successfully run a business (see Section 5.7).

MSD National Office and WI staff noted that, prior to the expansion, Flexi-Wage funding would primarily be used by regions for the Flexi-Wage employer subsidy, with very little used for FWSE. Ring-fencing the funding was intended to secure a portion of it for self-employment. Ring-fenced funding also signalled an expectation that the product should be used more, with some MSD staff reporting that they felt some pressure to do so.

Someone in the government has decided that they want us to spend three, four million dollars on Flexi-Wage helping people start businesses. So, we have to think of that differently and say what are we actually going to do about doing that. As soon as we started doing that it became an administrative nightmare because the interest is huge. [Regional MSD staff]

MSD staff report that FWSE enquiries and referrals to Work Brokers increased notably post expansion. Contract approvals also increased significantly from between seven to 28 per quarter nationally pre-expansion, to 52 in May 2021.¹² Over the period of July 2021 to end of October 2022, 702 FWSE contracts were approved¹³.

Since then, close to the full \$30 million ring-fenced funding has been spent (compared to \$2 million total in FWSE contracts for the year to January 2021).¹⁴

¹¹ Proposal for the expansion of Flexi-Wage (17). Office of the Minister for Social Development and Employment. January 2021.

¹² [Employment Assistance Evidence Catalogue \(msd.govt.nz\)](https://msd.govt.nz/evidence-catalogue)

¹³ Data supplied by MSD.

¹⁴ Proposal for the expansion of Flexi-Wage (17). Office of the Minister for Social Development and Employment. January 2021.

3.2 Only a Small Proportion of Participants are Self-Supporting via their Businesses Post Subsidy

Across the sample of FWSE recipients included in the evaluation, there were a wide range of business types (listed below).

Table 4: Business Types Included in Evaluation Sample

Aromatherapy products	Food truck/catering	Photography
Automotive repair and maintenance	Garden maintenance	Property management
Bathroom and kitchen installation	Hair care products	Sign engraving
Beauty accessories	Truck hire	Soft toys
Cake making	Jewellery	Spray tanning
Commercial sewing	Nail salon	Vehicle parts
Concrete pouring	Online advertising	Woodworking
Event planning	Online sales	

The qualitative findings suggest that although the expansion policy is effective in supporting eligible applicants to start their own businesses, they are often not sustained at a level that financially supports the client and/or their families/whānau.

Table 5 below shows the short-term outcomes for FWSE subsidy recipients included in this evaluation at the time of their interview. Just one quarter were being supported by their business and another quarter were trading in a limited way, generating some income, but not enough to support themselves. Most of the participants interviewed were now either working in another business or receiving a main benefit.

Of those that were not trading or closed, some had not traded at all. Of the three participants that were still receiving the FWSE subsidy, none were confident that the business would fully support them once the subsidy ended.

Table 5: Short-term Outcomes for Businesses

Status of the business	Number
Operating and fully supporting	7
Operating in a limited way, not supporting (i.e., in employment or on main benefit)	7
Not trading/closed	11
Still on subsidy	3
Total	28

I've got two jobs now. It's hard to start a business, I had to pay the rent, I've got to feed my family. So, I work for a different company from my own business. [FWSE Subsidy Recipient]

Characteristics common among those FWSE participants whose businesses were not sustained include:

- Limited employment history;
- Low administration and/or IT skills;
- Limited or no capabilities in the sector of their business venture;
- Low motivation/self-drive/determination;

- Complex personal challenges;
- Low literacy and/or numeracy skills;
- Limited or no capability to run a business/no prior experience in business; and
- Unfamiliar with social media, marketing and/or lacking skills/confidence to market product or service;

If you don't understand how to run a business, then who's gonna make that work? You've got to understand social marketing, even your costs, how to price things. If you've never run a business, then people don't know how to price things. Are you under-priced, over-priced? [FWSE subsidy recipient]

Demographic factors (age, ethnicity, gender) do not appear to show any differences in terms of business sustainability in this small qualitative sample.

3.3 Participants Most Likely to Sustain Businesses are Those Closer to the Labour Market

The FWSE subsidy recipients included in the evaluation who successfully sustained their businesses post-subsidy had significant prior experience and expertise in their respective business sectors. This cohort has generally lost employment or come onto a benefit due to a sudden change in personal circumstances or due to the impacts of COVID-19. Mostly, they do not appear to be those at risk of long-term benefit receipt. Instead, they were temporarily disadvantaged in the labour market due to, for example, being unvaccinated or being employed in a sector that had retracted due to the impacts of the pandemic.

I had come from an advertising background, and I had always had a professional role. I have always been a very highly driven person. I had a couple of major life experiences that were not so great. [FWSE subsidy recipient]

Others had already invested significantly into their businesses and would have gone ahead regardless of the FWSE subsidy being approved.

By the time I realised there was such a thing as the Flexi-Wage grant I had already invested \$30-40k into the business at that point, so I was quite significantly invested in it. It would have gone ahead definitely, regardless. [FWSE subsidy recipient]

Characteristics of those FWSE participants more likely to be supporting themselves from their businesses are those:

- With businesses already operating prior to receiving the FWSE subsidy and who had used the grant to scale-up operations;
- Who had already significantly invested (either financially, in time and energy, or both) in developing the business prior to applying for the subsidy;
- Who have significant experience and expertise in their business sector;
- With significant, sustained employment history prior to becoming unemployed;
- On a benefit for a relatively short period of time and/or on a main benefit for the first time when applying;
- Who had started and/or run another business previously;
- With tertiary level qualifications; and
- Who had ongoing business mentoring/support during the first six months to a year of the business.

BTAG providers have identified that applicants who show motivation and a genuine passion for their business idea, provided it is a viable product or service, are more likely to be successful. However, this is not always easy to gauge pre-approval, given the lack of access to background client information that business plan vetters have, and as they do not always meet with clients (see Section 4.9).

For those whose businesses have been sustained, this can be life-changing and there is genuine appreciation of the support provided by MSD.

It was a lifesaver. I never thought I could do something like this, but Flexi-Wage made it possible. I feel so independent now. [FWSE subsidy recipient].

3.4 Participant Personas: ‘Success Story’, ‘On the way’, and ‘Didn’t Get off the Ground’

The following are composite personas developed using key themes from the qualitative data, to represent three differing client experiences and short-term outcomes:

- ‘Success Story’ illustrates the experience of participants whose businesses are financially supporting them post-subsidy;
- ‘On the Way’ illustrates the experience of participants whose businesses are continuing post-subsidy, but not fully financially supporting them; and
- ‘Didn’t Get off the Ground’ illustrates the experience of participants whose businesses generated little or no income and the barriers and challenges they faced.

Success Story

Sandra¹⁵ is a solo parent in her mid-40s and has worked in property management since leaving university with a bachelor’s degree. She had been with her most recent employer for eight years. Sandra had wanted to start her own property management business for some time but did not have the financial resources required to do so. During the COVID-19 pandemic, Sandra was made redundant and went onto Jobseeker Support. At this time, she applied for a business loan, but was turned down.

It was during a conversation with a WI case manager that she expressed her interest in being self-employed and was referred to a Work Broker to discuss the FWSE programme.

Sandra developed a business plan with help from an accountant friend and was approved for FWSE after a thorough interview with a vetter who critiqued the plan. The vetter focused heavily on Sandra’s marketing strategy to ensure that she could bring in enough business. By the time FWSE was approved, Sandra already had two clients, each with multiple properties, lined up.

The start-up grant was spent on a computer, other office equipment, and advertising. Eighteen months on, Sandra now has a growing portfolio of properties and is financially supporting herself and her children through the business.

¹⁵ All persona names are fictional.

On the Way

Now in their late twenties, Billie has worked in hospitality and retail, with some time spent on Jobseeker Support. More recently, they have been on Sole Parent Support since the birth of their child four years ago.

They have an interest in organic beauty products and have been making body wash and moisturiser in their garage and selling to friends and family for extra income. A family member saw publicity for FWSE and suggested it could be a good fit for Billie, who is highly motivated to 'get ahead' and create financial stability for their family.

Billie found the business plan a huge learning curve, but with the support of the BTAG coach, was able to shape up the detail of how the business idea could be put into practice. An in-depth meeting with the vetter helped to further think through what the risks and contingencies might be.

Billie was excited to hear that their application had been successful and was fully motivated to put in the hard work. The Start-Up Grant covered equipment, plumbing into the garage, and raw materials.

Being able to access mentoring from a business advisor post-subsidy has been invaluable when it came to making tricky decisions around cash flow and marketing. Six months after the subsidy had ended, Billie is continuing to build the business with steady online sales.

The business is not yet generating enough income to support Billie and their child, so they have taken a part-time job in a local café while they continue to work on marketing and product development.

Didn't Get Off the Ground

Peter left school without any formal qualifications, seven years ago at the age of 16. He is skilled at making things with his hands and has a passion for woodworking, which he spends a lot of his spare time doing. Peter has had intermittent employment but has not managed to stay in a job for long, due to his mental health and substance use challenges. He has been on and off Jobseeker Support for several years.

A friend told Peter about the FWSE programme and suggested he may be able to turn his woodworking hobby into a business. Peter contacted WI and was referred on to a Work Broker and then on to a BTAG provider to coach him in creating his business plan for wooden place mats and coasters.

Peter found the business plan challenging and relied heavily on his BTAG coach to help him write it. He is unfamiliar and uncomfortable with social media, however included a social media marketing campaign in his plan, following an example provided by the business coach. Peter had no idea how to write up a financial forecast and so was guided by the business coach by determining how many items he expected to be able to sell per week, based on the number of units he could produce.

Peter was not contacted by a vetter and was surprised when he was contacted by a Work Broker to advise that he would be offered a FWSE contract. The Start-Up Grant was used for machinery, tools, and materials.

Unfortunately, Peter's business plan significantly overestimated the target market and potential sales for his products. In addition, his marketing plan was not implemented. He has made a small number of individual

sales at a local market, but soon became despondent following market days with no sales at all. The business generated less than \$200 and Peter is now back on Jobseeker Support.

At the end of the financial year, Peter received a notice from Inland Revenue Department (IRD) that he had unpaid tax of nearly \$2,000. He had not realised the need to pay tax on the subsidy and had not put money aside. This put considerable pressure and stress on him, despite being able to repay this in instalments. Peter did not receive any post-approval support, despite his mid-term report indicating the need. He feels that with the right business mentoring he could have done some marketing and/or been able to explore other options for selling his products.

4. Application and Access Processes are Regionally Varied and at Times Inconsistent

MSD regions have autonomy to implement employment products in ways that work best for them and their clients within the scope of the legislation, policy intent, and guidance. The evaluation identified some key differences in the way that the FWSE product is administered across case study regions.

This section presents findings about the way that the expansion policy has been operationalised, including:

- Publicity of FWSE;
- Regional variation in promotion and use of FWSE;
- Attrition of applicants through the application process;
- The role of Work Brokers in FWSE and how this varies across regions; and
- Business plan development and coaching.

4.1 Publicity of FWSE did not Have a Wide Reach

The publicity campaign about the FWSE programme did not appear to broadly reach the target audience. There is a sense among FWSE subsidy recipients that the product is not well enough publicised. It is believed that there is insufficient detail on the WI website, and that it is not strongly promoted by WI staff. These factors may be barriers to others accessing it.

When I called MSD about training, nobody [asked] me, "Have you ever thought about starting your own business? Have you ever thought about putting a plan together, getting yourself out there working for yourself?" Nobody spoke to me about it. [FWSE subsidy recipient]

FWSE subsidy recipients included in this evaluation largely became aware of FWSE through word of mouth (for example, through other people who had applied for, or received, the subsidy). Fewer participants found out about the subsidy via WI, either from a staff member (most often a case manager) or through a WI presentation.

I got on the benefit and when I was talking to the benefit lady, she was asking what my goals were and what I was doing, and I said I wanted to do something for myself. She put me on the path for the Flexi wage and I thought I may as well try this because I don't know what else to do. [FWSE subsidy Recipient]

However, despite the lack of broader publicity, Work Brokers report spending significant resource fielding enquiries from those who are not eligible. They reported a desire for case managers to conduct more screening for eligibility before referring clients.

I think the idea of it is great [but] the way it was advertised implies that we [Work Brokers] should be the first stop. And don't worry if you don't want to go to work because that's not what the criteria is. The criteria are that the person has to be disadvantaged in the labour market and at risk [of long-term benefit receipt]. I don't think there's enough clarity around what that is, especially with our frontline staff, who are the ones referring those people onto it. [Work broker]

4.2 Regional Variation in Promotion and Use

The FWSE product appears to be used much more in some regions than others. For example, in Auckland the rate of use is four times higher than in Waikato, and nearly three times higher than in Canterbury.¹⁶ This is supported by qualitative data, where the product is described by MSD staff as being one that is not promoted to clients, nor Work Brokers encouraged to use, in some regions.

Self-employment for this rohe is just not a product that we are strong at using. It's not really something that we have as part of our strategy around here. It's quite complex to use. [Regional MSD staff]

Uptake by region does not appear to be related to differences in how regions administer FWSE, for example whether they have “specialist” FWSE Work Brokers or whether viability assessments are outsourced to BTAG providers.

4.3 Participants are not Always Required to Seek Employment

The FWSE policy allows for participants to not have exhausted all other job-search opportunities before being eligible to apply.¹⁷ There appears to be variability across regions in terms of how this aspect of the policy is applied, with some participants indicating that they had not been required to apply for employment at all prior to being approved for FWSE.

There were entry level jobs and when I said “No” they didn’t really push against me which I thought was a bit strange. [FWSE subsidy recipient]

Several participants indicated that they would not have found it difficult to secure a job, however preferred to become self-employed. They saw the FWSE subsidy as an opportunity to do so as an alternative to being an employee in another business.

Wouldn’t have been difficult [to secure employment] at all. I’d be working unhappily for a boss right now. [FWSE subsidy Recipient]

It is also apparent that businesses which are already operating are being funded to scale up or to increase likelihood of sustainability – which is not out of scope of the policy, however these participants were not necessarily disadvantaged in the labour market and at risk of long-term benefit receipt, nor required to seek employment prior to applying for FWSE.

I opened up a food business in the night market. I purchased a food trailer, and then after a few months of operation I got sold out in just four hours. So, I needed capital to bring it to the next stage. So, I found MSD and this programme has helped me a lot to grow my business. [FWSE subsidy recipient]

¹⁶ Based on the total sample of FWSE subsidy recipients post expansion provided by MSD as a proportion of people on main benefits. [Quarterly-benefit-fact-sheets-work-and-income-regions-tables-june-2023](#). Note that the recruitment process invited potential participants to opt out prior to the sample being received, so this is indicative only.

¹⁷ Policy settings for the Flexi-Wage Self-Employment expansion (8) p1. MSD report to the Ministers of Finance and Social Development. January 2021.

It was identified as a risk in the policy that people who could have started a business without support might end up being supported to do so.¹⁸ Qualitative data collected shows that several FWSE subsidy recipients indicated that their business plans were already well formulated prior to applying for the subsidy and would have gone ahead regardless of approval.

There is also a perception that in at least one region FWSE is being used to shift clients off benefit into legitimate self-employment when it has become apparent that they are operating a business 'under the table'.

4.4 High Numbers of Applicants Drop Out During the Application Process

Work brokers report that there is significant attrition through each stage of the application process. From initial enquiry through to creating a business plan, the application process itself may be a barrier to accessing the subsidy for some. This is not necessarily seen negatively, as the challenge of the application process may act as a filter for those who are not sufficiently motivated and realistic about the work required to start and run a business.

Stakeholders are concerned about unintentionally setting clients up for failure and the negative impact on clients on having a business fail; with the potential for them to be even further from the labour market as a result.

If you're disadvantaged in the labour market, you can't find employment, a lot of these people, actually running a business is not right for them. We're setting them up for failure. [Regional MSD staff]

4.5 Variation in the Involvement of Work Brokers

The involvement of Work Brokers varies significantly across regions. Some regions have Work Brokers significantly more experienced with the FWSE product (referred to as "specialists" by their colleagues or champions of the product) who field all enquiries; both directly from the website and via referrals from case managers. While this allows for a small number of staff to become experts in what is considered a complex product, concerns were raised about capability loss if those staff left their roles.

In some regions, all Work Brokers deal with FWSE enquiries and applications. Although this avoids the potential capability loss issue, Work Brokers find FWSE to be a very resource intensive product to manage and this is sometimes seen as not being a good resource investment.

I don't really understand why we'd have so many staff and so much administration and effort put into a product that's going to help so few people. [Regional MSD staff]

In some regions under a trial programme, most of the work involved is contracted out to a national level provider, meaning that the process is much less hands-on for Work Brokers. For example, the BTAG provider contracted to coach the applicant towards their business plan then refers it on to a vetter. Should further information be required, the vetter will liaise directly with the applicant (rather than the Work Broker). Work

¹⁸ Policy settings for the Flexi-Wage Self-Employment expansion (54) p10. MSD report to the Ministers of Finance and Social Development. January 2021.

brokers are very positive about this model as it significantly reduces their administrative burden as well as the business expertise required for the product.

Somebody else already does that validity bit. Now we have a process when applications come through, if the person is eligible in the first instance, then we actually send them to an external provider, they do the whole lot. We're a bit hands off with that which is great because I couldn't tell you how to write a business plan. [Work broker]

In one region, applicants are required to present their business plan to a panel of MSD staff. The decision then rests on this panel to approve or decline the application, rather than being made by the Regional Employment Manager on recommendation by the Work Broker.

4.6 Business Plan Requirements and Coaching are Inconsistent

Under the FWSE policy, as part of the application process, applicants are referred to contracted BTAG providers to help them develop their business plan (unless they already have one, which is not common). The intention of this is to remove business plan development as a potential barrier for those who might not have the existing skills and experience to do this independently.¹⁹

Business plan requirements differ significantly by region, and across Work Brokers within regions. While some require a high level of detail on all relevant aspects of the business, others appear to be much more relaxed. This variability may limit access to FWSE for some potential applicants.

Variability is supported by the lack of a standard business plan template across regions, something that many stakeholders, particularly BTAG providers, would like to see addressed.

Some MSD branches expect a highly detailed business plan. Others just expect a one pager almost, so there's inconsistencies. There's no consistency at a local level, let alone at a national level...one business adviser might go, "Don't worry about that level of detail, for example, don't worry about that health and safety plan, you don't need to worry about that". [BTAG provider]

Business plan coaching is provided either in group settings or one-on-one, depending on the provider. While some FWSE recipients were happy with a group format, others would have preferred one-on-one but were not provided with a choice of format.

4.7 All Participants Access BTAG, but it Does not Always Meet Participants Coaching and Mentoring Needs

All FWSE participants access the BTAG grant, as this is how business plan vetting is funded. However, not all access funds from BTAG for the provision of business coaching (to help write a business plan), and even fewer receive funding from BTAG for post-approval mentoring.

¹⁹ Policy settings for the FWSE Self-Employment expansion (29) p7. MSD report to the Ministers of Finance and Social Development. January 2021.

Not All Clients Receive Coaching that Meets their Needs

There was variability in the quality and reliability of business coaches, and in the level of input/support they provided to applicants. Some FWSE subsidy recipients reported having regular meetings with their business coaches over several weeks, while others met briefly just a few times.

I was assigned a business mentor [coach] to help with the business plan but [they] became uncontactable and kept cancelling our meetings. [FWSE subsidy recipient]

It is unclear why not all applicants who needed coaching were referred to a BTAG provider. This made the process significantly more challenging for applicants and is likely to pose a barrier to access for some.

The business plan, even though it was an example, it was hard to put it into a context that they would accept it as. If (I) had an adviser, it would have been a lot easier, but I didn't. I didn't know how to lay it out so they would accept it. [FWSE subsidy recipient]

Intensity of Coaching is Variable

Provision of services from BTAG providers differs across regions. For example, in one region, FWSE applicants attend a training programme for five days per week for three months in preparation for their FWSE application. Those that had attended training were more prepared for what to expect in running a small business. This is something that many stakeholders would like to see as standard part of the FWSE application process across all regions.

It was a good training. We were taught how to narrow down the concept of our business. And then we were taught how to apply for it [FWSE], how to get sales, how to do online selling, stuff like that. But, before that, we were taught how to make the business plan, and how to make the costing, targets, to get the break even. There were three coaches there. One in social media, one on the business plan, and strategising the business. [FWSE subsidy recipient]

Some BTAG providers are also offering a much more holistic and intense coaching process than others. For example, one provider had a programme of 15 online sessions with applicants, with regular reviews and feedback on the business plan being developed. In comparison, some applicants report having received very little support.

Access to Business Coaching is Critical for Most Participants

Clients commonly find the development of the business plan to be challenging and intense in terms of what is required (although this differs by region – see Section 4.6) and many are reported to drop out of the application process at this stage (see Section 4.4). However, some also find the process to be a good learning curve, which helped them to think about aspects of the business that they had not considered previously.

It was definitely a useful process. It tells you exactly how, when, why and all the necessary steps that you're going to be taking to be able to develop and grow this business. [FWSE subsidy recipient]

Most who received coaching to write their business plan found it extremely helpful and informative. Some indicated that without this support, they would not have been able to create a plan, which would have excluded them from the opportunity to apply for FWSE.

It was very lucky that I had [coach funded through BTAG], I wouldn't have been able to do it without her. I was a little bit worried because of the fact that I had had a friend who went through the process and I saw what it did to her. There's no way I would have been able to do the process myself. I wasn't in the mental capacity to be able to do that. [FWSE subsidy recipient]

Those who were able to choose which business coach they worked with, appreciated the opportunity to be coached by someone with some expertise in the same or similar sector. Also appreciated were coaches with skills that were closely aligned with their proposed business model, and/or of the same cultural/ethnic background.

The man I picked had a little bit of knowledge of international sales. He'd worked overseas so that really resonated with me. [FWSE subsidy recipient]

BTAG Support Sometimes Focuses More on Gaining Approval Rather Than Reflecting Reality

The intention of applicants being required to develop a business plan (which is then independently vetted – see Section 4.9) is to ensure that FWSE is only granted to those that are serious and motivated to start their own business.²⁰

However, several participants shared examples of business plans being heavily influenced by their BTAG providers. These were written in such a way as to increase the likelihood of an approved contract but did not necessarily reflect the reality of their situation. The only apparent incentive for BTAG providers doing this is to see applicants be successful in receiving the FWSE subsidy. This may be, inadvertently, contributing to the apparent low rates of business sustainability.

We understand that some of them [business coaches] are writing the business plans for [the applicants]. So, the client can't speak to it, and they certainly aren't doing the financials because I'd say probably 70, 80 percent of them can't talk to their financials. [BTAG provider; vetter]

BTAG providers are not contracted to assess a client's capabilities to run a business, nor do they have access to any information about the client's personal circumstances, including barriers they might face to successfully sustaining a business. Rather, they are contracted by MSD to support the development of a business plan that is likely to pass a vetting process.

BTAG Providers Report Challenges in Coaching Participants

BTAG providers report that applicants often prove challenging to work with. Issues identified include:

- Lacking an understanding of end user of product or service;

²⁰ Policy Settings for the Flexi-Wage Self-Employment expansion. Recommended Actions (24) p7. MSD Report to the Ministers of Finance and Social Development. January 2021.

- Expecting/wanting the business coach to write, or significantly contribute to, the business plan;
- Not being willing to follow suggestions;
- Unwilling to take advice on the business model/concept;
- Lacking motivation/drive/self-management skills;
- Clients being 'un-coachable' or unwilling to take advice; fixed in their ideas;
- Clients having low literacy and/or numeracy; and
- No IT skills.

The majority don't come from business backgrounds. They aspire to be a business owner, but they just don't know the details behind it. Some of these individuals have been long term beneficiaries...and they're expecting it just to happen for them without having to actually put their foot forward. We believe in the goal of getting people off the benefit and working for themselves...But it would seem that the level of preparation is very limited. It's like, "You go and talk to this person, and they'll sort you out with a business". [BTAG provider]

BTAG Funding is Insufficient to Cover Post-Approval Mentoring

Eligible applicants can be allocated up to \$5,000 via the BTAG to cover coaching on business plan development, independent vetting of the business plan, and post-approval mentoring. In alignment with international evidence, the policy intent is that FWSE recipients should have access to ongoing post-approval wraparound supports to give them the greatest chance of success.²¹ This is intended to include support from a mentor from the starting point of being granted FWSE, in order to receive training to help them to establish their business.²² To achieve this, the funding available for BTAG was increased from \$1,000 to \$5,000 per applicant.

However, in practice wraparound support appears to occur infrequently. This is often due to a bulk of the funding being exhausted in initial coaching and vetting of the business plan; meaning that no funds remain for post-approval business mentoring.

Typically, most people require some business support prior to submitting their plan. And when you look at that \$5,000 and depending on the rate that the provider is charging, it can go quite quickly. By the time their Flexi-wage self-employment is granted, they've used most, if not all, of that \$5,000. And it doesn't allow for any further funding for them to receive ongoing support in the first six months of their business. [Work broker]

The cost of these elements (business plan coaching and vetting) varies greatly from region to region. In those regions where BTAG charge out rates are lower, some funding for post-approval mentoring might be available.

The value of a business plan being created differs significantly around the country, depending on MSD office. So, for us to develop a plan here it might be \$1,500. In another part of the country, it could be

²¹ Policy Settings for the Flexi-Wage Self-Employment expansion. Recommended Actions (33) p8. MSD Report to the Ministers of Finance and Social Development. January 2021.

²² Ibid (32) p8.

up to \$4,000 or \$5,000. And others it could be \$2,000. So, you've got different offices utilising their funds in different ways. [BTAG provider]

Despite all stakeholder groups seeing this post-approval mentoring as critical, the vast majority of FWSE subsidy recipients have no business support or mentoring during the start-up phase of their business. Many FWSE recipients included in the sample would have valued having ongoing support, with some whose businesses were not sustained, feeling that this could have made a positive difference. Some participants may also benefit from more holistic pastoral care to help them manage the stress associated with starting a business.

A monthly follow up would be nice, to ask if there are any areas you need help with, any areas we could link you up with somebody to help, because you're just expected at the three-month mark that everything is hunky dory. That's the scary part. If you get to the three-month mark and things aren't hunky dory, then the funding is cut. There's no actual offer of further help to help you keep going. There is no business support advice to help you keep going, it's just left up to you to do it. [FWSE subsidy recipient]

Only a small proportion of FWSE subsidy recipients included in the sample sought out mentoring independently. This was from community organisations like Business Mentors NZ, for example.

4.8 The Start-Up Grant is Highly Valued by Participants and Could be Made More Flexible

The business start-up grant is set at up to \$10,000 (unchanged from pre-expansion) and participants in this evaluation received between \$3,000 and \$10,000.

All participants accessed the Self-Employment Start-Up Grant. Clients are highly appreciative of this support with many indicating that they would not have been able to start their business without the grant.

I wouldn't have been able to start up probably. I didn't have many of the machines to start. The \$10,000 was like this is start-up money for my business, so it helped make that a thing. [FWSE subsidy recipient]

Clients used the Start-Up Grant to purchase a wide range of business necessities, such as:

- Stock or raw materials;
- Product packaging;
- Marketing/promotional material, including to pay for digital marketing and business cards;
- Conversion of a space (room/garage/shed) for business purposes;
- Purchase of a vehicle;
- Purchase of IT equipment and/or software;
- Purchase of tools/ equipment and/or uniforms;
- Attendance at trade shows/markets; and
- Business insurance.

In Some Cases, Start Up Funding is Insufficient

In a small number of cases, the Start-Up Grant was insufficient, and this was a barrier to business success. For example, one business required a truck (purchased with the Start-Up Grant), which then required repair work for it to be made road worthy. The participant could not afford the repairs and as a result the business has not traded, and the participant is now back on a main benefit.

MSD staff are in favour of being able to provide a higher-value Start-Up Grant on a case-by-case basis, as needed by individual businesses.

With the current business climate and the need for start-up business costs, [it's] not enough...Some of the start-up cost requirements for business varies from one to the other, it depends. I would say the \$10k is the baseline, but give a buffer, increase to \$15 or \$20k max. But very, very based on individual cases. [Work broker]

Constraints on Expenditure Seen as too Rigid in Some Cases

Many clients find that the four-week timeframe to spend the start-up grant creates pressure for them. For a range of reasons, spending the grant in this timeframe may not be feasible or practical. For example, clients had trouble sourcing stock or materials; delays in supply chains; or suppliers of services not being available.

Some participants also found the timeframe for spending the start-up grant put them at a disadvantage. For example, one recipient starting up a vehicle mechanic business was unable to spend the full grant on stock as he could not predict the type of parts that would be required in advance. In another example, a client spent the funds upfront for a year's marketing plan and online marketing, which turned out to be ineffective. Had she been able to spend the grant incrementally, she would have sourced an alternative marketing provider.

They said to me, "There's a deadline, you've got to be done by this day, you can't come back and ask for anymore." That was really, really hard. The first couple of months when I was getting my [subsidy], most of that was spent on things I'd forgotten about, things I didn't foresee, things like the odd tool here and there that I didn't think I'd need. [FWSE subsidy recipient]

Stakeholders feel that the timeframe for spending the start-up grant should be extended to at least eight weeks, if not longer. This could be on a case-by-case basis, depending on the business type and needs.

4.9 The Vetting Approach Varies, is Inconsistent and Lacks Broader Consideration of Clients' Circumstances

Vetters are Contracted to Assess Business Plan Viability, not Participant Capability to Implement Plan

BTAG providers are contracted as vetters to assess the viability of business plans. This usually occurs after applicants submit these to their Work Broker (note that BTAG providers do not vet the same plan that they have provided coaching for). However, in some regions the business coach liaises directly with the vetter (rather than the Work Broker being involved (see Section 4.5)).

The purpose of having business plans independently vetted by a business expert is intended to ensure that applicants have the appropriate motivation and expectations, as well as having a viable business idea, prior to FWSE being granted.²³

However, there is a lack of consistency in vetting across regions and providers. Some vetters have an in-depth meeting with the applicant to discuss the business plan and gain clarity on any aspects as required. These BTAG providers see this aspect as an extension of the 'coaching' role, in that they are helping the applicant think through aspects of the plan that might need strengthening. In contrast, other vetters review and make recommendations on the business plan without speaking to the applicant at all.

Work brokers were concerned that within some BTAG provider organisations, vetting is being undertaken by junior staff. These junior staff may not necessarily have the skills and experience to assess business viability and make appropriate recommendations, particularly given the wide range of sectors that plans cover, and the differing compliance and regulatory requirements.

It is also worth noting that vetters do not have access to client records. As such they have no awareness of the complexity of challenges and barriers that a client may have experienced in securing employment, and which may also be pertinent to running a business (also noted with regard to business coaches – see Section 4.7). In some cases, there is no direct contact at all between vetters and applicants.

For many FWSE recipients whose businesses were not viable at the time of the evaluation and/or not generating sufficient income to support them, this is frequently due to a factor not identified in the business plan as a risk and this not being picked up by the vetter. For example, a financial plan was based on leasing premises at below-market rates which then became unavailable, this meant the participant needed to pay a rate that would make the business not viable. Some of these businesses have never operated nor generated any income (see Section 3.2)

The lack of a national level business plan template means there is no consistency in content, structure and format across regions and BTAG providers, which makes vetters jobs more challenging. There is also some concern that if vetters receive business plans in formats that are not in line with their expectations or preferences then the applicant may be at a disadvantage (resulting in a barrier to access). For these reasons, there is strong support for the development of a business plan template that is used consistently across regions.

There is also some concern among stakeholders that there is a lack of cultural capability among BTAG providers to assess businesses that may not conform to a Western/Pākehā model and/or for products that are targeted at ethnic/cultural minority groups.

BTAG providers who undertake vetting identified several challenges that they experience in carrying out this task, including incomplete business plans; lack of detail in the business plan; and difficulty getting the applicant to engage (for those who typically meet with the applicant).

²³ Policy Settings for the Flexi-Wage Self-Employment expansion (5) p1. MSD report to the Ministers of Finance and Social Development. January 2021.

Vetters Often do not Make a Funding Recommendation

It is reported by MSD staff that some vetters never make a recommendation to WI whether to fund or not, which leaves the decision up to WI staff – who acknowledge that they do not have the capabilities and experience to assess business viability. For this reason, staff would like a more consistent approach to the process, whereby they are guided by the expertise of the vetter.

5. Barriers, Challenges and Suggestions for Improved Implementation

5.1 Experience of Application Processes was more Challenging for Some Participants

Overall, the application process experience for FWSE subsidy recipients was variable. Some participants found it to be a more straightforward experience than they expected. These were clients who had higher literacy and/or previous experience in formal writing for business purposes. This was also more often the case when a solid business plan was submitted, with little requirement for revisions or further supporting information.

I thought the whole process was brilliant...I submitted the form and then they let you have the business mentor, and then from there it was six weeks. [FWSE subsidy recipient]

Those that found it more challenging were generally unfamiliar with complex written tasks and/or had lower literacy and/or numeracy and often struggled with the demands of the paperwork.

The timeframes for the application process also appear to be highly variable. Some applications were approved within a few weeks. Others take more than six months, which is considered too long by participants. This appears to be the case for those who found the business plan more challenging and/or where it needs to be revised and resubmitted.

It was long and lengthy. I'm sure it took 6-8 months; it took a really long time. To go through the process to be able to get the final outcome I was wanting, it took way, way, way too long. [FWSE subsidy recipient]

A range of barriers and challenges faced by FWSE participants were common contributing factors (often with multiple barriers affecting individuals) in businesses not being sustained and/or generating sufficient income to support clients. These are outlined in the following sections.:

5.2 Subsidy Recipients Lacking a Base Set of Business Skills

Many FWSE subsidy recipients had found that starting and running a business had been much harder than they had anticipated and, for many, delivering on the business plan in practice was beyond their capability.

A lack of understanding of business administration manifested in the following ways for some FWSE recipients:

- Not being aware of the need to pay tax on the subsidy (leading to a tax bill at the end of the financial year and no funds put aside);
- Low or no understanding of costing product/services; difference between gross and net profits;
- Lack of understanding of compliance/regulatory environment for businesses in their sector;
- Not having business insurance;
- Underestimating the requirement for marketing and advertising.

When I finally got the grant, I realised I didn't have any experience needed to run a business. [FWSE subsidy recipient]

5.3 Attendance at a Business Course Would be Valuable

There is strong support from stakeholders for FWSE applicants to be required to attend (and potentially, pass) a small business course, as part of the application process, to ensure that they have the knowledge, skills, capabilities, and awareness of what running a small business entails.

It would be great if we could bring back BYOB [Be Your Own Boss] because the quality of the plans was better, but not only that, the client was more confident. They had gone through, they'd done their research, they'd been walked through the stages, and they talked to each other in a group that gave them the ability to bounce ideas off each other. And you could see a much more confident person than what we see these days. [BTAG provider]

Many stakeholders, including subsidy recipients, BTAG providers and WI staff, see the value in requiring applicants to attend a course on running a small business (or evidence of equivalent prior learning), as occurs already in some regions under BTAG contracts.

The first step should be putting people on a business course, to get a better understanding of the intricacies...because you have to fill out all this paperwork and then a few weeks later you've got \$10,000 deposited into your account. But there's no actual business support, you know there's no budgeting, none of that stuff is there. You're actually just gifting money to people who obviously have a goal, and a vision, and all that stuff, but there needs to be so much more actual business structured support. [FWSE subsidy recipient]

Other suggestions were around creating resources for applicants and subsidy recipients to access the information they need and have questions answered on business administration. These could be online tutorials or information packs developed and provided to all FWSE participants.

5.4 Lack of Post-Approval Support Available

Very few clients included in this evaluation received post-approval business mentoring. This potentially exacerbates the lack of business skills that clients commonly have. This lack of post-approval mentoring appears to be due to the way that BTAG funding is allocated, with the \$5000 frequently being exhausted pre-approval (to cover the cost of coaching to support with business plan and vetting of plan).

However, many FWSE recipients said they needed on-going, regular mentoring/advice/support with a wide range of aspects of their businesses (as is the policy intent). Some participants felt that this might have made the difference between business success and failure. For example, FWSE subsidy recipients talked about having questions come up for them or hitting challenges in their business journey and not knowing where to turn to find answers and/or support.

I just wish I had a mentor.... It would have helped me to make better decisions. A lot of my time was wasted on the wrong things and the wrong people, which can make it harder. I keep having to learn

things the hard way, where if I had a mentor, they would say the proper way to do it from the start. [FWSE subsidy recipient]

5.5 WI Staff are Supportive and Participants Want Follow-Up from Work Brokers or BTAG Providers

Most FWSE subsidy recipients who were consulted for the evaluation found Work Brokers to be helpful, informative, and supportive in navigating the application process. Many recipients were provided with direct contact details for their Work Brokers, which was highly appreciated.

In terms of what they needed to see to evaluate whether this entity was a serious prospect, they asked all the right type of questions. People were supportive through the process, kind and helpful. [FWSE subsidy recipient]

However, FWSE subsidy recipients frequently felt unsupported post-approval and expressed their surprise and disappointment that there was no follow-up from WI. This contrasts with the policy intent, which includes that MSD staff will carry out regular check-ins with FWSE participants to ensure they are receiving the right level of support.²⁴

I feel I was just cut loose once I'd ticked all their boxes. They've ticked off another Flexi-wage, yah I'll get my bonus this month. I've ticked all the boxes, not my problem, next one thanks. [FWSE subsidy recipient]

A common theme was that for the amount of money being invested in them, participants expected to be asked for updates (over and above the three-month review conducted by BTAG providers) and, in particular, to communicate to WI the state of their business at the end of the subsidy period. Concerns were also raised about the apparent lack of accountability for such a significant amount of funding.

I'm sure they get a lot of people who come in and just take the money or whatever. If they were as relaxed with me as they were with them then it would be very easy to just exploit it. [FWSE subsidy recipient]

The intent of the FWSE expansion policy is for MSD to ensure that participants are referred on, post subsidy, to a range of business networks and supports through other agencies (e.g., Ministry of Business, Innovation and Employment (MBIE), Te Puni Kōkiri, Ministry for Pacific Peoples)²⁵. However, in practice this does not appear to be occurring.

MSD staff and BTAG providers expressed that, with the level of financial investment being made by MSD in each FSWE subsidy recipient, it was a gap to not maximise the likelihood of success by ring-fencing funding for post-approval support. Under a trial that is being run, a national level BTAG contract provides for post-

²⁴ Policy settings for FWSE Self-Employment expansion (38) p8. MSD report to the Ministers of Finance and Social Development. January 2021.

²⁵ Ibid (37)

approval mentoring for up to 12 months for all FWSE clients, which would be welcomed by most stakeholders. This evaluation did not include any clients who had received FWSE as part of this trial.

5.6 Businesses Not Viable due to Lack of Market Demand

Another significant barrier to business success appears to be a lack of definition of the target market/audience for the product or service and/or an overestimation of sales and revenue. This included a lack of research into competing business already established in the sector or locality.

We're certainly getting people coming all the way through who have really not understood the whole concept of the end user wanting their service. [BTAG provider]

For this reason, stakeholders suggest that research needs to be conducted into the potential market for clients' product or service to maximise likelihood of business viability for those that are approved. It is assumed that a significant proportion might filter out during this process; either if they do not have the capabilities to undertake the research, or because the market is determined as being too niche to financially support them.

If he had have gone out and done his research first, actually starting to think like a businessperson, some might filter themselves out. They might get to the understanding that actually this is not a big enough market. [BTAG provider]

Complex Personal Challenges

Decisions on approving the FWSE subsidy are based on applicant eligibility and the viability of the business, either based on vetters' reports and recommendations, or as assessed by WI staff where no recommendation is made (see Section 4.9). There appears to be little consideration of applicants' personal circumstances which may pose barriers to sustaining a business.

It is apparent that many FWSE subsidy recipients did not anticipate the amount of time and energy that would be required to start, grow, and sustain a business at the level that it could support them. Many did not factor this around their other personal and/or family commitments and responsibilities.

Key Risks not Identified

FWSE subsidy recipients cited a range of key risks to business viability that were not identified in the business plan or vetting process, and which had a significant impact on the business becoming sustainable. Commonly, there was no contingency considered or included in business plans. Examples are outlined below:

- Key piece of equipment being delayed or not available.
- Financial forecast based on leasing a commercial kitchen at below market rates. When this fell through, the business could not generate enough revenue to lease alternative premises at market rates.
- Challenges sourcing products or raw materials, for example not being supplied in small enough volumes that the business could afford.

Other Common Barriers and Challenges Identified

Stakeholders, including FWSE subsidy recipients, highlighted numerous barriers and obstacles experienced, which are outlined below:

- Poor time management and/or underestimating time required for tasks;
- Investing too much time in administrative tasks rather than outsourcing (for example, people with low IT skills using 'build your own' website products);
- Insufficient cash-flow;
- Unforeseen expenses;
- No contingency built into business plan;
- No implementation plan;
- Lack of marketing skills, knowledge, or motivation and/or marketing activity not undertaken as per plan;
- Insufficient funds for marketing and/or marketing budget spent ineffectively;
- Lack of skill and/or confidence using social media marketing platforms;
- Start-up grant not enough to get necessary vehicle/plant/equipment etc.; and
- Impact of COVID-19 mandates on businesses involving close personal contact.

When business income was not as per forecast in the plan, participants have become disheartened, with some losing interest and/or motivation. In addition, some needed to take on paid work to generate income, therefore reducing the time and energy available for the business.

5.7 WI Staff are Often Not Confident in Using FWSE

The FWSE expansion policy requires that applicants should be screened to ensure that their business idea is viable and that they are suitable (defined as motivated and with realistic expectations about the work needed to start a business).²⁶ Some Work Brokers and regional MSD staff report that they lack confidence in using, and approving, FWSE for three key reasons (outlined below), relating to business viability, applicant suitability, and eligibility.

Assessing Business Viability is Challenging

Many Work Brokers and other MSD staff consulted for the evaluation reported that they have low confidence in how to use the FWSE product effectively. This is because MSD regional staff are not recruited for capabilities in business entrepreneurship. They find it challenging to undertake due diligence on a business idea and to assess its viability in the local market as vetting reports often do not make a recommendation with regard to whether WI should fund or not.

In addition, unlike case managers, who are reported to generally have high levels of capability in assessing and understanding an individuals' personal barriers and challenges to employment, Work Brokers do not necessarily have the same skill set.

A contributing factor to the lack of capability and confidence in using the self-employment product is a lack of clear process guidance and training for Work Brokers, who report that they are either self-taught or taught by colleagues how to use the FWSE product.

MSD have no training module for 'specialists' [Work Brokers experienced with FWSE] who look after

²⁶ Policy settings for FWSE Self-Employment expansion (24) p7. MSD report to the Ministers of Finance and Social Development. January 2021.

Flexi-wage self-employment. I'm self-taught and I train others. It's inconsistent [across regions]. [Work broker]

Assessing Eligibility can be Challenging

Work brokers are required to assess client eligibility when enquiries come to them directly from the website. The eligibility criteria of 'at risk of long-term benefit receipt' and 'disadvantaged in the labour market' are subjective and require discretion in their interpretation. MSD staff report that Work Brokers do not necessarily have the same training or capabilities in this area, that case managers have, and therefore find assessing eligibility to be challenging. Some stakeholders feel that the eligibility criteria are too subjective. As such, they would prefer a clearer rule, for example 'on or eligible for a main benefit', or at least better guidance in interpreting. Others would prefer that case managers assess all eligibility.

We are work focussed. We don't do anything about case management work. Not only that, our clients will be confused, so there should be a very clear-cut eligibility. It's a problematic area, people argue their point and they have the point to argue. [Work broker]

As a result of the subjective nature, assessment of eligibility appears to be interpreted differently across regions, with some assessing eligibility only for those currently on benefit. Other regions are interpreting eligibility as including someone who would be eligible for a main benefit, regardless of if they are in receipt.

Because self-employment you can't apply for it if you are not on benefit. [Work broker]

5.8 Subsidy Recipients would Prefer Claims and Payment Process to be Automated

Subsidy payment in advance is valued by FWSE subsidy recipients. However, while it is not complicated for most FWSE subsidy recipients, the process of manually filling in and emailing a form to MSD each month seems laborious. There is a strong preference for an automated system, for example an online portal or app through which to submit a subsidy claim. Others feel that the subsidy should be an automated payment (similar to main benefit payments) until such point as the subsidy is withdrawn or ends.

It would be easier if they would just release the money regularly because I'm busy with the business that I forgot to apply for the month. I was wondering why I didn't receive it, oh, I need to apply for it again. So, applied six times because it's six months. [FWSE subsidy recipient]

Clients who have come off a main benefit have been used to receiving payments weekly and some would prefer weekly subsidy payments to help with budgeting.

Although not widespread, there were reports of delays in subsidy payments, which cause significant stress for clients. This appears to be at times when demand within the team at Centralised Services has exceeded capacity.

6. Implementation of the FWSE Expansion Policy Does Not Support Te Pae Tata and Pacific Prosperity Well

6.1 Few Māori and Pasifika-led Businesses in the Sample Were Sustained

Te Pae Tata²⁷ is MSD's strategy and action plan for whānau Māori and Pacific Prosperity²⁸ is MSD's strategy and action plan for Pasifika. Each has a vision for thriving and prosperous people and communities within Aotearoa.

The experiences and short-term outcomes for Māori and Pasifika-led businesses included in the evaluation were similar to those for non-Māori and non-Pasifika led businesses – that is, only a small proportion were generating enough income support the participants (see Table 6 for short-term outcomes).

Table 6: Short-term Outcomes for Māori and Pasifika-led Businesses

Status of the business	Māori and Pasifika-led Businesses*
Operating and fully supporting	2
Operating in a limited way, not supporting (i.e., in employment or on main benefit)	3
Not trading/closed	2
Still on subsidy	2
Total	9

**The number of the Maori and Pasifika-led businesses interviewed is small and presenting the numbers by ethnicity poses a risk of making their information identifiable. Therefore, the numbers are presented collectively.*

Participants whose businesses were sustained post subsidy had similar characteristics to non-Māori and non-Pasifika participants whose businesses were sustained (see Section 3.3). Participants who sustained their businesses in the Māori and Pasifika sample had significant previous work experience and were not at risk of long-term benefit receipt.

The business of one of these successful participants was already operating prior to receiving FWSE, although not earning enough to support them and they reported that their business was unlikely to have survived without the subsidy. In this case, the policy has supported the intentions of Te Pae Tata.

With the help of the flexi wage, it's supported us and given us some more time to build up our income and helped us with some of the things we can't afford. The business right now is going strong. [FWSE subsidy recipient]

²⁷ Te Pae Tata is the MSD's Māori strategy and action plan [te-pae-tata-maori-strategy-and-action-plan-single.pdf \(msd.govt.nz\)](https://www.msd.govt.nz/te-pae-tata-maori-strategy-and-action-plan-single.pdf)

²⁸ [Pacific Prosperity - Our People, Our Solutions, Our Future - English Version \(msd.govt.nz\)](https://www.msd.govt.nz/pacific-prosperity-our-people-our-solutions-our-future-english-version.pdf)

Māori and Pasifika-Led Businesses May Benefit from Culturally Aligned BTAG Support, Particularly Post-Approval

Māori and Pasifika-led businesses experienced the same challenges as non-Māori and non-Pasifika led businesses, including a lack of post-approval business mentoring.

Those that were successful in sustaining their businesses had received post-approval mentoring independently of WI, through organisations such as Pacific Business Hub²⁹ and Business Mentors NZ³⁰. They felt that post-approval mentoring had a significant impact on their business success.

Ngāi Tahu paid for a free business mentor for a year for me. This is something you could put forward to WINZ [WI]. It's \$280 for 12 months and it's all ex-businesspeople that have now retired... the help from him, I get an hour a week, even longer. I can contact him any time, he's incredible. [FWSE subsidy recipient]

Given this context, it is likely that culturally aligned support services for Māori and Pasifika clients post approval, to provide business mentoring, would be beneficial³¹. None of the participants in the evaluation were part of the pilots that have provided culturally aligned BTAG supports, including post-approval³², which Work Brokers suggest is likely to have a positive impact on businesses being sustained. The outcomes of the pilot programme delivering specific self-employment support services should be able to confirm this.

Increased Engagement with Māori and Pasifika Communities May Increase Awareness of FWSE

As mentioned in Section 4.1, awareness of FWSE among eligible people (including WI clients) appears to be low, with no participants having seen advertising or communication campaigns promoting it. Targeted communications to iwi and Pasifika community groups may be useful in raising awareness and increased uptake of FSWE among Māori and Pasifika.

²⁹ <https://www.pacificbizhub.co.nz/>

³⁰ <https://www.businessmentors.org.nz/>

³¹ Culturally aligned BTAG provision was being piloted in two MSD regions at the time of the evaluation.

³² At the time of the evaluation, pilot programmes were providing culturally aligned BTAG services to Māori and Pasifika participants with the aim of increasing participation, retention and successful outcomes for these communities. Policy settings for Flexi-Wage expansion (41) p9. MSD report to the Ministers of Finance and Social Development. January 2021.

7. Lessons Learnt for Policy Alignment and Considerations

7.1 Sometimes the Subsidy Rate may be Below the Main Benefit

The intent of the policy is that all eligible clients currently on a main benefit would receive more on FWSE than on their benefit.³³ However, it was noted by Work Brokers that in some circumstances, a couple who had been receiving jobseeker support would experience a drop in income where one partner has been granted the self-employment subsidy, which seems unfair and a barrier. This scenario was not considered in the policy development.

Two people on a benefit and only one person is applying... their benefit has to stop, but we have an issue if they're not both running the business, then there's only one person gets the \$600. And it disadvantages them financially if we stop both of their benefits. If we were able to use it as a partner thing and do \$360 each, where we do have that availability if they're going to run the business together. [Work broker]

Another FWSE subsidy recipient reported that the rate of subsidy was lower than what they had been receiving on a main benefit.

You have to take GST and your own tax off, and it ends up being less than the benefit. When I worked it out, it was less than what I was getting as a sole parent beneficiary. [FWSE subsidy recipient]

Work brokers also noted that in some cases a client coming off a supported living payment, which included additional support to cover medical costs, would experience a drop in income to move onto the FWSE subsidy. This may also be a disincentive to taking up the subsidy.

Most stakeholders perceive that the rate being set at equivalent to 30 hours at the minimum wage (\$600 gross per week) is an appropriate amount. However, the subsidy rate is currently \$81 (nearly 14%) below the minimum wage at 30 hours. Many would prefer to see the rate indexed to minimum wage increases.

7.2 The Policy Creates a Tension Between Eligibility Criteria and Business Capabilities

Many MSD staff, including Work Brokers, regional employment managers, and national office staff, feel that the policy creates a tension between eligibility and business viability. WI staff are required to assess a person as being at risk of long-term benefit receipt and disadvantaged in the labour market, while also being equipped with the skills, experience, and capability to make their business idea viable.

It's saying, "Hey, you can't get a job at all so why don't you start your own business?" which makes no sense. If you can't get a job and it's unlikely that you're going to get a job, then you'd probably qualify

³³ Policy settings for the Flexi-Wage Self-Employment expansion (27) p7. MSD report to the Ministers of Finance and Social Development. January 2021.

for Flexi-Wage Self-Employment, but is that person realistically going to be able to successfully run a business? [Work broker]

The policy intent is that BTAG providers will assess applicants' likelihood of being able to sustain a small business. However, in practice business coaches and vetters are contracted to help applicants write business plans and to assess the viability of these business plans, respectively. They are not tasked with assessing applicants' capabilities to sustain a business. As discussed previously, vetters do not always meet with applicants, nor have access to any information regarding the barriers they may face to sustaining a business.

Given this tension, it appears that some Work Brokers (and financial delegates) are supporting applications for those with the capabilities and experience that make them more likely to succeed in business despite not necessarily being at risk of long-term benefit receipt. The evaluation findings show this group, who are closer to the labour market, are most likely to sustain their businesses in the short-term (see Section 3.3).

I worked as a sales rep... lost my job due to COVID... I got on the dole [benefit] for a month or so. I wanted to start a business. I was [also] looking for jobs in sales. A lot of sales jobs were in [city] which is an hour and a half, so it would've been terrible. I looked at minimum wage [jobs] like cleaning, which is pretty hard. I've got a family, so that wasn't gonna be an option. Lucky, I've always got the safety net of building where I can make good money if needed. [FWSE subsidy recipient]

Alternative Criteria

Some stakeholders see the FWSE product as being inherently unsuitable for those at risk of long-term benefit receipt. Instead, they favour eligibility criteria based around employment being unrealistic for reasons such as remote location, caring responsibilities, health and/or disability conditions, or other unexpected adverse life experiences, rather than the inability to secure or sustain employment per se.

Eligibility to access this product is flawed...it shouldn't [be] someone who can't get a job. It's about 'back your winners'. If there's a great idea and somebody's got the [skills] to operationalise the concept and there's a decent plan, then that makes sense. [Regional MSD staff]

7.3 Extension of the Duration of the Subsidy to 12 Months

Stakeholders acknowledge that many small businesses in general (outside of FWSE) take longer than six months to generate sufficient income to support the owner(s). For this reason, many stakeholders, including FWSE subsidy recipients, BTAG providers, and WI staff think that the duration of the subsidy is too short a timeframe for FWSE subsidy recipients to be expected to become financially self-sufficient. There is strong support from stakeholders for the standard duration of the subsidy to be extended to 12 months³⁴.

Reality is a business is only just going to get off the ground at six months.... Unless it's something amazing, it's not really going to start turning a profit for some time. So that's probably also where are we setting up people to fail. [Regional MSD staff]

³⁴ Currently, the subsidy can be extended to 12 months under exceptional circumstances.

The fact that the subsidy ends abruptly after six months is stressful for those who feel that their businesses need more time to become established. The insufficient length of time of the subsidy was indicated by some stakeholders as a reason some businesses did not succeed.

If they had given me a year's worth, I probably would have employed somebody else by now. [FWSE Subsidy Recipient]

7.4 Stakeholders Feel that a Specialist Unit or another Entity May be Better for Delivering FWSE

Given the lack of confidence that Work Brokers experience in administering FWSE, many WI staff, at all levels, would prefer that the FWSE product was owned by a business-focussed entity, such as MBIE or Chambers of Commerce.

Should this product be the Ministry's [MSD]? My honest truthful opinion is no. It does not belong to the Ministry [MSD]. Flexi wage self-employment is a business product...I believe MBIE should be the owners because they're business. They are a government business umbrella. Why not put the government business umbrella with the government business product. [Work broker]

8. Conclusion and Suggested Improvements to Enhance Flexi-wage Self Employment

8.1 Conclusion

Implementation of the policy and achieving sustained outcomes for those who are further from the labour market takes time and requires significant support for participants. There is a need to more clearly define eligibility criteria, and reconcile tensions between the FWSE policy intent and the characteristics and challenges experienced by clients at risk of long-term benefit receipt. There is also a need for consistency and capability across regions to implement the policy fairly, so that there is equitable access to FWSE.

While the expansion policy is effective in helping out-of-work New Zealanders to start their own businesses in much larger numbers than pre-expansion, it appears to have low effectiveness in helping those at risk of long-term benefit receipt to sustain businesses. This is for several reasons:

- The cohort who are at risk of long-term benefit receipt may not have the skills, experience, and characteristics necessary to sustain a small business;
- There is very little post-approval business mentoring available to FWSE recipients;
- Major risks in business viability are often not being written into business plans and/or picked up by vetters;
- Business coaches are contracted to support participants to write a business plan, not to assess individuals for capabilities to run a business (although some do provide informal feedback to Work Brokers);
- Vettors are contracted to assess the viability of a business plan as it is presented, not to assess applicants for characteristics that may enable or pose barriers to business success. Often, they do not meet with applicants and nor do they have access to any information on participants.

This evaluation has found that FWSE is most likely to support out-of-work New Zealanders to start and sustain their own businesses when the participants are those who do not appear to be at risk of long-term benefit receipt. The programme is most successful for those who have been out of work for a short period, and generally have significant work experience; skills in the business sector; and considerable employment history.

Ease with which applicants are able to access FWSE varies greatly by individual. Many find the creation of a business plan to be challenging and Work Brokers and business coaches report there is high attrition through this process.³⁵ Those who have tertiary qualifications and/or have worked in roles that require a high level of written communication skills find this process easier.

All FWSE participants access the BTAG grant (as this is how business plan vetting is funded). However, not all can access funds from BTAG for provision of business coaching (to help write a business plan), and even fewer receive funding via BTAG for post-approval mentoring.

³⁵ Note that declined applicants or those who did not complete the application process were not included in the evaluation.

All FWSE participants in the evaluation sample had accessed the Self-Employment Start Up grant, with most receiving the maximum amount (\$10,000).

A widely held view among stakeholders, supported by short-term outcomes among FWSE recipients included in the evaluation, is that the FWSE is not targeted enough. It is believed that there should be more due diligence conducted prior to business plan development to assess the barriers and enablers that a potential applicant has to sustaining a small business.

Many stakeholders would like to see applicants required to attend a small business course. In addition, the availability of post-approval business mentoring is critical to maximising the likelihood that business will be sustained. Ideally, this mentoring would be tailored to the FWSE participant and/or business type, by the availability of a pool of mentors across a range of cultural backgrounds and areas of business expertise.

8.2 Suggested Improvements

Outlined below are our suggested improvements to enhance the effectiveness of the FWSE subsidy programme. Those highlighted in **green** are perceived as priority, as they are likely to increase consistency, fairness and improve likelihood of business success for participants.

Short-term suggestions are those we consider can be implemented within the next 6-12 months; medium-term suggestions in the next 12-24 months; and longer-term suggestions in the next 24-36 months.

Link to findings (section):	Suggested Improvements – Operational	Term
4.7	Ensure all applicants are offered a referral to a BTAG provider for coaching.	Short
4.8	Consider how the start-up grant could be more flexibly managed for those who need to buy stock as and when required, rather than all up-front; and/or extend the period for spending from 4 weeks to 8 or 12 weeks.	Short
4.9	Create a business plan template , for use across all regions, to ensure consistency of information and detail required and ease of vetting.	Short
5.6	Include an operational/implementation plan as part of, or additional to, the business plan.	Short
4.9	Create clear guidelines for vetters in terms of MSD's expectations around engaging with the applicant.	Short
5.2	Ensure FWSE recipients understand their tax obligations as many FWSE recipients appear to have not understood these (i.e., that the subsidy is not taxed at source). Work brokers should ensure this is made clear; potentially highlighting it in the written information provided.	Short
4.1	Increase the detail around the product, including eligibility, on the WI website. Consider an online eligibility questionnaire check.	Short
5.2, 5.3	Require eligible applicants to attend a small business course – for example reinstating the 'Be Your Own Boss' previously offered by MSD;	Short

	or have proof of equivalent prior learning/experience prior to submitting their business plan.	
5.6	As part of business plan development, require applicants to conduct research into their target markets to ascertain likely audience and potential market share, with provision of an online tutorial to support applicants in this process.	Short
4.6	Offer the option of group or one-on-one coaching for business plan development , to suit different needs and learning styles.	Short
4.7	Provide access to pastoral care via a third-party provider for self-employment subsidy recipients (currently as a pilot in Auckland for Māori and Pasifika).	Short
4.3	Involve Work Brokers working with employers in the process to ascertain if there are jobs that the client may be suited to before being invited to apply for FWSE.	Short
5.7	Create due diligence guidelines for Work Brokers to assess applications.	Short
5.7	Increase clarity/guidance on eligibility , in particular providing training for the determination of at risk of long-term benefit receipt and disadvantaged in the labour market.	Short
4.5	Work Brokers managing FWSE in some sites/regions have very large workloads with high number of enquiries coming in, and the FWSE product is reported to be time-consuming compared to other employment support products. Consider additional resource , for example as administrative support.	Short
3.2.4	Make the online application form available via a more accessible link on the WI website. It is currently labelled "Contact us" which is not perceived as an online application link.	Short
5.8	Consider the option of weekly or fortnightly subsidy payments , rather than monthly.	Short
4.5	Create a consistent process for implementing FWSE across regions.	Medium
5.7	Create a training module for Work Brokers delivering the FWSE product	Medium
5.3	Create and provide online tutorials/information on business plan development to be used alongside coaching as an additional resource.	Medium
5.8	Consider a more user-friendly subsidy payment process , for example an app or online portal; or automatic payments.	Medium
4.7	Provide a national pool of business coaches with expertise and experience in a range of sectors, to allow clients to be referred to the most appropriate, rather than those contracted by region.	Medium
4.7	Similarly, provide a pool of business coaches with cultural capabilities across different ethnicities and cultures to ensure that there is an understanding of clients' business ideas that may have a non-western/non-Pākehā approach or target market.	Medium

4.7	Establish a pool of vetters with expertise and experience in a range of sectors to allow business plans to be sent to the most appropriate, rather than by region. This might increase the likelihood of risks being identified.	Medium
4.9	Similarly, establish a pool of vetters with cultural capabilities across different ethnicities and cultures to ensure that there is capability to understand businesses plans that may have a non-western/non-Pākehā approach or target market.	Medium
7.4	Create a national level unit with capabilities in small business management to oversee FWSE enquiries, applications, and approvals.	Longer

Link to findings (section):	Suggested Improvements – Policy	Term
7.1	Consider how people on main benefits that are higher than the FWSE subsidy (for example, the Independent Living Payment with medical costs covered) could receive the FWSE subsidy and not be financially disadvantaged .	Short
7.1	Consider how income levels for couples who are both on a main benefit can be maintained if one partner receives FWSE subsidy (i.e., \$600/pw is less than the couples rate of main benefit).	Short
5.4	Increase the BTAG amount allocated or have an additional, separate fund for business advice/coaching post contract approval. It was noted that the BTAG amount has not increased since 2021. A portion of BTAG funding could also be ring-fenced for post-approval mentoring.	Short
4.8	Consider bands for the Start-Up Grant or increase the cap to allow coverage of more business expenses.	Short
5.2	Requiring clients to take business insurance , potentially out of the start-up grant.	Short
6.1	Engage with iwi and Pasifika communities to understand how the FWSE product could better meet the needs of Māori and Pasifika applicants/clients.	Medium
7.3	Consider increasing the duration of the subsidy to 52 weeks , with mid-term report at 26 weeks; milestone check-in(s) quarterly.	Medium
7.1	Index the subsidy amount to the minimum wage or the CPI .	Medium
7.3	Along with an increase in the subsidy to 12 months, ' checkpoints ' at three, six and nine months should be implemented so that need for business support/mentoring can be assessed and provided to maximise likelihood of success.	Medium

9. Appendices

9.1 Appendix A: Methodology

Evaluation Approach

The intention of the evaluation was for it to be a process evaluation (i.e., looking at the ways in which the product has been implemented and how that might differ from intended implementation). The intent is to inform future decisions regarding the constitution of the policy in its current form and identifying what, if any, changes need to be initiated to strengthen its impact. A section on short-term outcomes has also been included.

The evaluation used a qualitative, case study approach, focussing on four regions: Auckland, Waikato, Bay of Plenty and Canterbury. These regions were chosen to include larger and smaller regions; to cover urban and rural areas; and to include both North and South Island regions.

Data analysis from each stakeholder group was synthesised to build a picture of how the policy has been implemented, its challenges and achievements and how it can be improved for the future.

Data Collection Methods

The following methods were used to inform the evaluation:

Review of Programme Documentation

Programme documentation provided by MSD was reviewed, including:

- Cabinet papers
- Internal reports to the Ministry for Social Development and Employment
- Welfare programme for special assistance established under the Social Security Act 2018
- Process diagram
- Employment Assistance Evidence Catalogue [Employment Assistance Evidence Catalogue \(msd.govt.nz\)](https://msd.govt.nz/employment-assistance-evidence-catalogue)

Key Informant Interviews

Key informant interviews were undertaken with MSD staff (n=5) who provided the background information about the Flexi-Wage Subsidy Expansion. These interviews provided useful contextual information for the evaluation team to:

- inform the development of an analytical framework which guided the analysis of the findings; and
- Informed the development of interview guides.

In-Depth Interviews

In depth individual and paired online interviews were conducted with a range of stakeholder groups. Interviews took between 45 – 75 minutes to conduct, depending on how much individual participants had to say. With participants' permission, all in-depth interviews were recorded and fully transcribed to provide a comprehensive record of the discussion. Where participants declined recording, comprehensive notes were taken during and immediately after the interview.

Based on the principle of reciprocity, a \$75 Prezzy Card incentive was given to in-depth interview participants, excluding MSD staff.

Sampling and Recruitment

MSD provided contact details for all stakeholders to be included in the in-depth interviews. Prior to being contacted by the evaluators, stakeholders will receive an email communication from MSD about the evaluation. For FWSE subsidy recipients, this email included an opportunity to opt out of participating in the evaluation.

Potential participants were selected to include a mix by a range of demographics and characteristics. They were contacted by either phone or email and had the purpose of the evaluation and what participation would involve explained to them.

Development of Discussion Guides

Discussion guides were designed to ensure that the key evaluation questions were addressed, while allowing for free-flow conversation among participants on points of interest related to the Flexi-Wage subsidy and supporting services.

Ensuring Participant Safety

Strategies to minimise the risk of harm to participants have been included in the evaluation design. These include that evaluators will only engage with participants after they have been provided with information about the evaluation (its purpose, benefits, what participation will involve, confidentiality, how data will be stored/used/destroyed).

MSD contacted employers and self-employed people to inform them of the evaluation and provide an opportunity for them to opt out before sample frames are supplied to the evaluators. Subsequently, potential participants selected from the sample were contacted by the recruitment team. At this point, they were also be provided with an opportunity to opt out. Those who agree to receive it, will be sent an information sheet about the evaluation and then invited to an interview – which they can accept or decline to take part in.

Prior to the interview taking place, participants were provided with a consent form which detailed their rights and responsibilities as an evaluand. This includes that they were aware that:

- their participation was voluntary, that they could choose not to participate in part or all of the evaluation and that they could withdraw at any stage without being penalised or disadvantaged in any way.
- their participation in the evaluation will have no bearing on any current or future dealings they may have with MSD or any other government agency and/or current or future payments from WI
- the information they provide is confidential and no information that could lead to the identification of any individual, including themselves will be disclosed in any reports on the project or to any other party, including MSD, and no information will be passed on to any other person or agency.

Specific consent was also be gained to record the interview and participants will be informed that they are able to obtain a copy of their interview transcript from the evaluator up to three months after the date of the interview.

Analysis, Interpretation, and Synthesis

The data collected was analysed using deductive and inductive analysis, combining thematic and content analysis. Thematic analysis identified key patterns, themes, and relationships in the data. Content analysis provided a sense of data prevalence within the patterns, themes, and relationships identified. A utilisation approach was taken to developing the findings.

The extent to which FWSE subsidy under the expansion supports Te Pae Tata and Pacific Prosperity was evaluated by assessing experiences and short-term outcomes for Māori and Pasifika participants against the intentions of the strategies. Experiences and short-term outcomes for Māori and Pasifika participants were also compared to those of non-Māori and non-Pasifika participants to identify any differences.

Participant Profile

Summary of Participant Groups

Stakeholder Group	Number of interviewees
FWSE subsidy recipients	28
Work Brokers and other frontline staff	15
MSD national office staff	12
BTAG providers	8
Key informants	5
WI Regional Employment Managers*	4
WI Regional Directors*	3
WI Regional Commissioners*	3
Total	78

*These stakeholder groups referred to collectively in this report as 'Regional MSD staff' to ensure anonymity.

FWSE Subsidy Recipients

Ethnicity (n)		Age group (n)		Region (n)		Location type (n)	
NZ European	13	20-30 years	4	Auckland	16	Large city	14
Māori	6	31-40 years	11	Bay of Plenty	7	Rural	6
Other ethnicities	6	41-50 years	8	Canterbury	3	Small city	5
Pasifika	3	51-60 years	4	Waikato	2	Provincial town	3
Gender (n)		Over 60 years	1	Still operating (n)			
Female	19			Yes*	25		
Male	9			No	3		

*Note: Does not necessarily mean financially supporting the FWSE subsidy recipient.

Limitations

The limitations of this evaluation have been identified as follows:

- We were not able to consult with FWSE applicants who did not complete the application process or had been declined, as for privacy reasons MSD was not at liberty to disclose contact details for this cohort.
- The FWSE subsidy recipients consulted with do not represent a random sample, rather they are people who chose to take part when invited to do so. This recruitment method has the potential to skew the data, for example people whose businesses were doing well may have been more willing to take part. On the other hand, those whose businesses were thriving may have been too busy to take part, and those now (back) on a main benefit may have been more available. We consider that these potential biases are likely to have negated each other to some extent, but it is not possible to say this with confidence.

- The sample frame of FWSE participants did not include ethnicity data, which meant that Māori and Pasifika participants could not be purposively sampled in a safe and ethical way³⁶. For this reason, the numbers of Māori and Pasifika participants included in the evaluation were lower than intended in the project plan.
- We did not collect quantitative data from FWSE subsidy recipients, so it is not possible to quantify their experiences, perspectives, or outcomes.
- At the time of writing, MSD's Impact Analysis report was not complete, so overall and regional uptake and effectiveness data is not included.

Intervention Logic

A hui/workshop with key stakeholders from MSD was held during the evaluation development stage, to develop and document a draft intended logic model. During the data analysis process, findings were compared against the intervention logic model to determine to what degree processes are being undertaken and outcomes achieved in line with the model. Refinements and adjustments to the model were made post data analysis/synthesis.

³⁶ The evaluation team felt that it would be unethical to ask participant ethnicity during recruitment and then deny the participant the opportunity to participate if they were not Māori and Pasifika.

MSD Flexi-Wage Expansion Intervention Logic (DRAFT) V2

Assumptions	<ul style="list-style-type: none"> No other unforeseen events having a major impact on the economy, labour market and/or MSD staff resources.
Context	<ul style="list-style-type: none"> For the purposes of granting special assistance, the Social Security Act allows for the minister to approve special welfare programmes which are administered by MSD. Flexi-wage has been in place since 2012 and is one such programme. Flexi-wage offers a temporary contribution to the wages of jobseekers at risk of long-term benefit receipt, with the aim of supporting people into sustained employment by incentivising employers to employ and train them.
Purpose	<ul style="list-style-type: none"> To support New Zealand's economic recovery from COVID-19 by supporting people to enter/return to work or to start a new business, with a focus on incentivising businesses to employ those most affected by the economic recession. To expand and scale-up Flexi-wage to be adaptable enough to focus on those who most need it at the time they need it.
Situation (problem)	<ul style="list-style-type: none"> Unemployment expected to reach 7.8% in March 22 quarter due to impact of Covid-19 Groups likely to be most impacted are those known to be disadvantaged in the labour market: women (particularly sole parents); displaced workers (including mid-career and mid-skilled people, youth, and older workers); Māori and Pacific peoples; people with health conditions and disabled people.
Rationale	<ul style="list-style-type: none"> Flexi-wage (an existing and proven employment support product) can be scaled up and enhanced quickly to support businesses to hire those disadvantaged in the labour market. Cohorts most affected by Covid-19 can be targeted in response to new evidence as it emerges. Commencing subsidised jobs leads to significant employment and earning benefits for assisted job-seekers³⁷. Aligns with Government's efforts to support economic recovery from Covid-19. Aligns with MSD's Improved Employment and Social Outcomes Support multi-category appropriation fund.
Target cohort	<ul style="list-style-type: none"> Those disadvantaged in the labour market (women, displaced workers, youth, older workers, Māori and Pacific peoples) Those at risk of long-term benefit receipt

³⁷ Crichton & Mare (2013) The Impact of Wage Subsidies on Jobseekers' Outcomes and Firm Employment. Motu working paper.

Stakeholders	Inputs Resources utilised (time, people, staff, money, equipment, technology). Allow the creation of outputs.	Outputs (activities and participation) Direct, tangible results needed to achieve outcomes.	Outcomes	Impact
Self-employed participants	<ul style="list-style-type: none"> \$30m investment ring-fenced Campaign promotional material MSD staff: work brokers, employment support coordinators, regional employment managers (including an additional 34 FTE roles) MSD staff training to administer FWE <i>MSD staff have not received appropriate or sufficient training</i> Additional resources provided to administer FWE (equipment, technology, staff etc) <i>Some regions feel under resourced with staff to administer</i> MSD Policy, IT, Operations, Monitoring and Evaluation Staff Business support organisations Vetting agents 	<ul style="list-style-type: none"> Support to navigate the FW application process Eligibility of applications assessed by MSD staff Due diligence on business idea assessed by MSD staff Engage with business support organisations <i>Most engage during application process. Very little post-approval engagement with business support organisations</i> Develop business plan Vetting agents review (vet) business plan <i>Intensity of review is variable</i> Contracts checked, budget approved by MSD staff Contracts processed MSD staff have all resources they need/feel supported <i>Some work brokers need additional administrative support</i> MSD staff have all knowledge/skills they need/feel confident administering FWE <i>MSD staff often do not feel confident administering</i> 	<p>Short term</p> <ul style="list-style-type: none"> Start-up small business <i>Some businesses do not trade</i> <p>Medium term</p> <ul style="list-style-type: none"> Sustain business post subsidy <i>Many businesses not sustained</i> More Māori and Pacific employees are in sustainable employment <i>Quantitative IDI data required.</i> <p>Long term</p> <ul style="list-style-type: none"> Reduced risk of long-term benefit receipt and/or labour market vulnerability <i>No strong evidence that this is widespread</i> Monitoring data demonstrates that the programme has effective positive impacts on service users lives. <i>MSD quantitative data required.</i> 	

Note: Comments in orange italics are evaluation findings.

9.2 Appendix B: Discussion Guides

FWSE Subsidy Recipients

1. Introduction

- **Overview and purpose of evaluation and GravitasOPG role**

Flexi-Wage is one of the ways that the Ministry of Social Development (MSD), which includes WI, is supporting more New Zealanders into work, including by helping them start their own businesses and helping with costs while they get started.

The research will look at how Flexi-Wage is working to support people into employment, including self-employment. We are interested in how Flexi-wage has been implemented, what has worked well, how it could be improved and what people's perceptions of it are.

The research is being conducted by GravitasOPG, an independent research company.

- **Aims of discussion; expected duration; roles of participants**

As a self-employed person who has been involved in Flexi-Wage, we are interested in your experiences and thoughts. Even though you may not be receiving the Flexi-Wage Self-Employment subsidy anymore, we would still like your feedback.

The interview would last about 45-60 minutes, depending on how much you would like to say in response to the questions.

The information you provide would help to improve the way Flexi-Wage is delivered to people in the future, so that that they can get the best outcomes possible from it.

- **How the information will be used**

Your information will be grouped with information from other people who take part in the research. Findings will be written into a report to MSD. Reporting will ensure confidentiality of all information – we will not report in a way that will identify you or anyone else.

- **Confidentiality and anonymity**

What you say in an individual interview will be kept confidential. However, if you are taking part in a group interview, we cannot guarantee the confidentiality of the information you share. There will be nothing that will identify you or anyone else in any reporting. No-one at the MSD will know what you have said.

Your data will be kept secure under GravitasOPG's strict data security policy, which means that only the researchers (and transcribers, if you agree to be audio-recorded) will have access to it. Once the research is complete all recorded information and notes taken will be securely destroyed.

If you agree to being audio-recorded, the file will be transferred between GravitasOPG and the transcription company via DropBox (a secure, password protected file transferring platform). All transcribers will also be required to sign a confidentiality agreement. Data will be securely stored on password protected computers. Once the transcription has been received by GravitasOPG, transcribers will delete all data.

- **Purpose and permission of audio recording**

With your consent, I would like to audio record the interview. Audio-recording helps with analysis and writing up the report – to make sure we haven't missed anything important. Audio recordings will be transcribed into Word documents and then deleted immediately. The Word documents are deleted shortly after the project is completed. You have the right to decline being recorded if you prefer not to be.

- **Opportunity for questions**

Do you have any questions before we start?

2. Context

- Please tell me a bit about yourself, for example where you're from, your living situation, hobbies/interests/sports etc.
- Please tell me about your background in terms of work you have done and/or any businesses you have owned previous to the one you received FWSE subsidy for...
- Please tell me about your relationship with WI. *Prompt for: length of relationship, type of benefit(s) received and duration; other support, if any, currently received.*
- Please tell me about the business that you applied for FWSE subsidy for...*Prompt for: Industry; services/products; location; any employees; whether business is still operating/has grown or has closed; how long it has been operating for*

If not clear

- How did you come to be involved/interested in [sector/industry/business type]? *Prompt for previous roles in the sector/industry; whether it was a hobby/interest that grew into a business etc.*
- How did you come to consider starting your own business? What motivated you to do this? *Probe to understand whether participant was already considering self-employment or was prompted to by FWSE/work broker – or someone else.*

If already considering becoming self-employed prior to FWSE:

- How far had you progressed setting up your own business prior to finding out about FWSE? What had you already done?
- What challenges had you encountered setting up your business? *Probe to understand demographic-specific barriers.*

3. Awareness and Use of Flexi Wage Self-Employment Subsidy

- How did you find out about FWSE?
- What were your initial thoughts about it? *Probe for perceived positives and concerns.*

- What questions, if any, did you have – and who did you ask these of?
- What made you decide to apply for the subsidy?

4. Application Process

- How many times have you applied for the FWSE subsidy? *If multiple times: why?*
If not clear: For how many different businesses have you received the subsidy?
- Please talk me through the application process...*Probe:*
 - What was involved? *If not mentioned, ask specifically about process for developing business plan and vetting process.*
 - How much effort was required?
 - How long did it take? What were the implications of this?
 - Who did you interact with during this process – at WI, elsewhere.
- *Probe:*
 - What aspects of this process work well?
 - What aspects of the process are challenging?
 - What aspects don't work so well?
 - What, if anything, helped you navigate the application process
 - What, if any, aspects have changed over time? For better or worse?
 - How, if at all, is the first application process for FWSE different to subsequent applications?
 - What support, if any, did you receive? From whom?
- What improvements could be made to the current application process? *For each: What difference would this make?*

If had an application declined:

- Was this for a different business plan/idea or the same [as the one you were successful for]?
- Why was/were your previous applications declined?
- How was this process handled by WI?
- What were the implications of the decline for you? What did you do in relation to that business plan after the decline?
- What support, if any, were you offered?
- What improvements could be made to this process?

5. Business Support

- Did you/do you receive support from a Business Support Advisor for starting and/or running your business? *(Explain role if necessary)* *If yes, tell me about the support you received...*
Probe:
 - What aspects worked well?

- What aspects were challenging?
- What aspects didn't work so well?
- What, if any, support did you need but weren't able to get?
- What difference did this support make to you and your business?
- How could this support be improved?
- Have you received any other forms of financial support such as the Business Training and Advice Grant (BTAG) or Self-Employment Start Up? *If yes, probe for how long received; how this compares to FWSE; how they complement each other.*
- When you were preparing your business plan and your application for FWSE, who else/what other organisations did you get help from? *For each person/organisation:*
 - What help/support did they provide?
 - How useful was this help/support?

6. Subsidy Administration

- How long did you/will you receive the subsidy for? How do you feel about this? What difference would be receiving the subsidy for longer make?
- How do you feel about the amount of the subsidy?
- What do you use the subsidy for?
- Please tell me about the process for actually receiving the subsidy. *Prompt on frequency of payment, accountability processes required, checks done by WI/MSD etc.*
 - *What aspects of this process work well?*
 - *What aspects of the process are challenging?*
 - *What aspects don't work so well?*
 - *What, if any, aspects have changed over time? For better or worse?*
 - *What support, if any, did you receive? From whom?*
- What improvements could be made to the current administration process? *For each: What difference would this make?*

7. Outcomes and Overall Perceptions of FWSE

- Thinking about the process you went through to receive the FWSE to assist with starting and/or running your own business, do you feel you received appropriate support? *Probe for demographic-specific support e.g., Māori and Pacific peoples have cultural needs met, those with a disability having accessibility needs met etc.*
- What more could/should have been done to deliver more appropriate support?
- How successful has your business been?

- How, if at all, has FWSE benefitted you/your business? *Prompt for what has changed or been achieved.*
- What else has contributed to the success/lack of success of your business?
- Where would you be/what would you be doing if you hadn't had access to FWSE? What do you think you would have done with your business idea if the FWSE subsidy was not available?
- Would you, or have you, recommended the FWSE to other people who might be interested in starting their own businesses? *Probe for reasons why / why not*
- If you were to recommend FWSE, what 'insider tips' would you give them to help them navigate the process?
- I want you to imagine now that WI have put you in charge of the FWSE fund and it's your job to help as many people like you start their own business. How would you organise things? What would you do differently to the current system?
- What would you do differently to specifically help other *[probe relevant demographic group e.g., Māori, Pasifika, sole parents, people with health issues etc]* start their own business?
- Other than financial support, what other support would be useful?

8. Final Comments

- What, if any, impact have the recent weather events had on your business?
- What, if any, impact have the recent weather events had on FWE within your business. *Probe impacts on processing times and payments, greater/lesser need for FWE, difficulties accessing MSD staff etc.*
- What other improvements would you like to see made to FWSE going forward? *For each, probe to understand what difference it would make.*
- Is there anything else not already covered that would be useful for us to know about FWE scheme?
- Participant-initiated comments

Offer koha.

Thank and close.

BTAG Providers

1. Introduction

• Overview and purpose of evaluation and GravitasOPG role

Flexi-Wage is one of the ways that the Ministry of Social Development (MSD), which includes WI, is supporting more New Zealanders into work, including by helping them start their own businesses and helping with costs while they get started.

The research will look at how Flexi-wage is working to support people into employment, including self-employment. We are interested in how Flexi-wage has been implemented, what has worked well, how it could be improved and what people's perceptions of it are.

The research is being conducted by GravitasOPG, an independent research company.

- **Aims of discussion; expected duration; roles of participants.**

As someone who has been involved in providing support services for Flexi-Wage, we are interested in your experiences and thoughts. Even though you may not be providing support services anymore, we would still like your feedback.

The interview will last about 45-60 minutes, depending on how much you would like to say in response to the questions.

The information you provide would help to improve the way Flexi-Wage is delivered to people in the future, so that that they can get the best outcomes possible from it.

- **How the information will be used**

Your information will be grouped with information from other people who take part in the research. Findings will be written into a report to MSD. Reporting will ensure confidentiality of all information – we will not report in a way that will identify you or anyone else.

- **Confidentiality and anonymity**

What you say in an individual interview will be kept confidential. However, if you are taking part in a group interview, we cannot guarantee the confidentiality of the information you share. There will be nothing that will identify you or anyone else in any reporting. No-one at the MSD will know what you have said.

Your data will be kept secure under GravitasOPG's strict data security policy, which means that only the researchers (and transcribers, if you agree to be audio-recorded) will have access to it. Once the research is complete all recorded information and notes taken will be securely destroyed.

If you agree to being audio-recorded, the file will be transferred between GravitasOPG and the transcription company via DropBox (a secure, password protected file transferring platform). All transcribers will also be required to sign a confidentiality agreement. Data will be securely stored on password protected computers. Once the transcription has been received by GravitasOPG, transcribers will delete all data.

- **Purpose and permission of audio recording**

With your consent, I would like to audio record the interview. Audio-recording helps with analysis and writing up the report – to make sure we haven't missed anything important. Audio recordings will be transcribed into Word documents and then deleted immediately. The Word documents are deleted shortly after the project is completed. You have the right to decline being recorded if you prefer not to be.

- **Opportunity for questions**

Do you have any questions before we start?

2. Context

- Please tell me about your [organisation]...
Prompt for range and types of services offered.
- Please tell me about your role within [organisation]...
- Please tell me about your involvement with Flexi-Wage Self Employment...
Probe for business plan vetting and/or business advice roles; duration; responsibilities; frequency of involvement; level/intensity of involvement, how are referrals made.
- How does your work with Flexi-Wage Self Employment differ, if at all, from other work you do?
- Were you involved with FW prior to the expansion?

If yes, probe for duration and level of involvement.

3. Business Support and Advice (BTAG)

If provide business support and advice:

- Please tell me about the process for providing business support and advice to Flexi-Wage Self Employment applicants/recipients....
Probe for
 - *What works well?*
 - *What doesn't work so well?*
 - *What the challenges are?*
 - *How the process could be improved?*
- Please tell me about making recommendations to MSD for start-up costs. *Probe for:*
 - *What works well?*
 - *What doesn't work so well?*
 - *What the challenges are*
 - *How the process could be improved.*
- Do you think that new businesses are receiving enough and the right support from MSD? Why/why not? How could support be improved?
- Do you think the right people are receiving Flexi-Wage Self-Employment subsidy? *If not, probe for reasons.*

4. Vetting Process

If involved in vetting business plans:

- Please tell me about the process for someone being referred for business plan vetting... *Probe for:*
 - *What works well?*
 - *What doesn't work so well?*
 - *What the challenges are*
 - *How the process could be improved.*
- For what reasons do business plans get declined? What/how is feedback provided?
- What happens to these people? Do they re-apply? Seek support elsewhere? Return to benefit? How do you feel about this?

5. Outcomes

- What outcomes have you observed from the Flexi-Wage Self-Employment? In what ways does Flexi-Wage Self-Employment make a difference?
- What type of business(es) and/or owner(s) does Flexi-Wage Self-Employment work best for/make the greatest difference to? Why?

- What type of business(es) and/or owner(s) does Flexi-Wage Self-Employment not work so well for? Why?

If not mentioned:

- How well does the Flexi-Wage Self-Employment work for Māori and Pasifika-led businesses? Why do you say that? How could it be improved for these groups?
- How well does the Flexi-Wage Self-Employment work for other target groups – youth, women, sole parents, displaced workers, people with health conditions and disabilities? Why do you say that? How could it be improved for these groups?

6. Final Comments

If not already discussed, ask:

- What, if any, impact have the recent weather events had FWE and Flexi-Wage Self-Employment? *Probe staff availability, communications, impacts on processing times and payments, greater/lesser need for FWE, difficulties accessing employers etc.*
- What other improvements would you like to see made to Flexi-Wage Self-Employment going forward? *For each, probe to understand what difference it would make.*
- Is there anything else not already covered that would be useful for us to know about Flexi-Wage Self-Employment scheme?
- Participant-initiated comments.

Offer koha.

Thank and close.

Questions will be asked as appropriate to role and involvement in Flexi-Wage Expansion.

MSD Staff

1. Introduction

- **Overview and purpose of evaluation and GravitasOPG role**

The research will look at how Flexi-Wage is working to support people into employment, including self-employment. We are interested in how Flexi-Wage has been implemented, what has worked well, how it could be improved and what people's perceptions of it are.

The research is being conducted by GravitasOPG, an independent research company.

- **Aims of discussion; expected duration; roles of participants.**

As an MSD staff member involved in the delivery of the Flexi-Wage expansion, we are interested in your experiences and thoughts about it. Even though you may not be currently involved in Flexi-Wage, we would still like your feedback.

The interview would last about 45-60 minutes, depending on how much you would like to say in response to the questions.

The information you provide would help to improve the way Flexi-Wage is delivered to people in the future, so that that they can get the best outcomes possible from it.

- **How the information will be used**

Your information will be grouped with information from other people who take part in the research. Findings will be written into a report to MSD. Reporting will ensure confidentiality of all information – we will not report in a way that will identify you or anyone else.

- **Confidentiality and anonymity**

What you say in an individual interview will be kept confidential. (However, if you are taking part in a group interview, we cannot guarantee the confidentiality of the information you share.) There will be nothing that will identify you or anyone else in any reporting. No-one at the MSD will know what you have said.

Your data will be kept secure under GravitasOPG's strict data security policy, which means that only the researchers (and transcribers, if you agree to be audio-recorded) will have access to it. Once the research is complete all recorded information and notes taken will be securely destroyed.

If you agree to being audio-recorded, the file will be transferred between GravitasOPG and the transcription company via DropBox (a secure, password protected file transferring platform). All transcribers will also be required to sign a confidentiality agreement. Data will be securely stored on password protected computers. Once the transcription has been received by GravitasOPG, transcribers will delete all data.

- **Purpose and permission of audio recording**

With your consent, I would like to audio record the interview. Audio-recording helps with analysis and writing up the report – to make sure we haven't missed anything important. Audio recordings will be transcribed into Word documents and then deleted immediately. The Word documents are deleted shortly after the project is completed. You have the right to decline being recorded if you prefer not to be.

- **Opportunity for questions**

Do you have any questions before we start?

2. Context

- Please tell me about your role with MSD...
 - *Prompt for how long in the role; responsibilities / accountabilities.*

If not covered

- Please tell me about your involvement with Flexi-Wage, Flexi-Wage Expansion and Flexi-Wage Self-Employment
 - Prompt for: Timeframes of involvement; role and responsibilities; whether involved pre-expansion.*

3. Understanding of Flexi-Wage Expansion

- What do you see as the purpose of Flexi-Wage Expansion? What is Flexi-Wage Expansion intended to do? *For those working at a regional level, probe for the purpose of Flexi-Wage Expansion at a regional level.*
- In what ways, if any, does Flexi-Wage Expansion differ from the Flexi-Wage programme pre-expansion?
For each change ask:
 - What do you think about this change? What impact, if any, has it had?
 - What were your initial thoughts when you heard about Flexi-Wage Expansion? *Probe: What excited you? What concerns did you have? Why?*

- In what ways does Flexi-Wage Expansion differ from other MSD employment support products? In what ways is it similar/to what extent do they overlap? *Probe Mana in Mahi, Apprenticeship Boost*
- What are the target group(s) for the Flexi-Wage Expansion? What do you think of these? *Prompt for understanding of 'at risk of long-term benefit receipt' and 'disadvantaged in the labour market'.*
- In what ways, if any, does the Flexi-Wage Expansion differ in [region] compared to in other regions?

Perceptions on Structure of Wage Subsidy Assistance

Under Flexi-Wage Expansion there are three bands of wage subsidy assistance. *Recap participant if necessary:*

- Band One: Assessed as disadvantaged in the labour market. \$276 per week, over 24 consecutive weeks
- Band Two: Assessed as at risk of long-term unemployment. \$276 per week over 36 consecutive weeks
- Band Three: Assessed as disadvantaged in labour market and at risk of long-term benefit receipt (and having specific employment needs): Weekly amount not exceeding minimum wage; up to \$22,000.
- What do you think of these bands? How do they impact on your role? How do they impact on what support you can provide? *If not mentioned: Has this system improved the efficiency of granting Flexi-Wage Expansion support? Why/why not?*
- What are the positive aspects of having the subsidy set up this way? *Probe for improvements over previous Flexi-Wage programme*
- What are the drawbacks? What are the challenges of using the bands?
- What changes would you like to see made?

Perspectives on Employment-Related Training Assistance

- For Flexi-Wage Expansion recipients, assistance is also available for employment-related training. What are your thoughts on this support? *Probe: Employer/employee need for this support, amount available, ease of assessing eligibility, extent to which this support has been accessed/barriers to access, flexibility of assistance/constraints on use etc.*

Perspectives on in-Work Support Assistance

- For Flexi-Wage Expansion recipients, assistance is also available to provide wraparound support for an employee if considered necessary. What are your thoughts on this support? *Probe: Employer/employee need for this support, types of support needed/purchased, amount available, ease of assessing eligibility, extent to which this support has been accessed/barriers to access, flexibility of assistance/constraints on use etc.*

Flexi-Wage SE

- What do you see as the purpose of Flexi-Wage SE? What is Flexi-Wage SE intended to do?

- What were your initial thoughts when you heard about Flexi-Wage SE? *Probe: What excited you? What concerns did you have? Why?*
- What are the target group(s) for Flexi-Wage SE? How appropriate are these? *Prompt for understanding of 'at risk of long-term benefit receipt' and 'disadvantaged in the labour market'.*

4. Training and Support

- Tell me about training you received for Flexi-Wage Expansion and Flexi-Wage SE
 - *Prompt for length, format, delivery mode, content, timing relative to launch.*
- How would you describe the training? *Probe for strengths and weaknesses, and differences between Flexi-Wage Expansion and Flexi-Wage SE*
- What ongoing support have you received around Flexi-Wage Expansion and Flexi-Wage SE?
- How would you describe the support you receive? *Probe for strengths and weaknesses, and differences between Flexi-Wage Expansion and Flexi-Wage SE*
- How could training and/or support be improved? *(If you had been in charge of designing the training and ongoing support, what would you have done?)*

5. Implementation

Questions asked will be dependent on participant's role.

- What have been the strengths of the way Flexi-Wage Expansion has been implemented? What works well? *Probe on timely delivery of subsidies if not mentioned.*
- What have been the challenges of the way Flexi-Wage Expansion has been implemented? What doesn't work so well? *Probe on timely delivery of subsidies if not mentioned.*
- *If not mentioned:* In what ways has Flexi-Wage Expansion been easy to implement for you in your role? In what ways has Flexi-Wage Expansion been difficult to implement for you in your role? What have the challenges been?
- In what ways has the implementation process changed over time? *For each change, probe to understand if it has made implementation more or less difficult.*
- Are you aware of any fraudulent cases of Flexi-Wage Expansion or Flexi-Wage SE? How do these happen? What could be done to reduce fraudulent behaviours?

Processing Staff

- Do the volumes of applications vary? How? Why?
- Have the volumes of applications always been manageable? What are the implications of workloads not being manageable? How do you deal with this?
- What improvements have been made to ensure volumes are manageable? What more could be done?

Frontline Staff

- How do you select participants to engage with Flexi-Wage Expansion/how are referrals done? What aspects are easy/straightforward? What aspects are difficult? *For aspects that are difficult: What is the impact of this difficulty?*

- *If part of role:* What is the process for assessing eligibility for Flexi-Wage Expansion? What aspects are easy/straightforward/work well? What aspects are difficult/don't work so well? *For aspects that are difficult:* What is the impact of this difficulty?
- *If not mentioned:* How well do you think you understand the different bands and situations in which each should be applied? *Prompt for reasons and examples*

Flexi-Wage SE

- What have been the strengths of the way Flexi-Wage SE has been implemented? What works well? *Probe on timely delivery of subsidies if not mentioned.*
- What have been the challenges of the way Flexi-Wage SE has been implemented? What doesn't work so well?
- *If not mentioned:* In what ways has Flexi-Wage SE been easy to implement for you in your role? In what ways has Flexi-Wage SE been difficult to implement for you in your role? What have the challenges been?
- In what ways has the implementation process changed over time? *For each change, probe to understand if it has made implementation more or less difficult.*
- How effective do you think vetting agents are for Flexi-Wage SE applications? What differences do they make? *Prompt for reasons and examples.*
- Do you think Flexi-Wage SE recipients are receiving the right support to be successful? Why / why not? *Prompt for other supports that could be provided.*
- Are Flexi-Wage SE recipients also accessing other grants such as the BTAG or Self-Employment Start Up? How and in what ways is the increased BTAG and access to suppliers of business support and advice contributing to uptake and use of Flexi-Wage SE?

6. Employers Use of and Views on Subsidy

Across these questions, probes will be used to understand differences between employers – by industry, size, geographic location, role(s) for which subsidy is sought etc. Questions particularly relevant to Industry Partnerships Team

- How aware of Flexi-Wage Expansion are employers? What has contributed to, and detracted from, this awareness?
- What are employers' motivations for applying for the subsidy?
- How well do you think employers understand the intent of the subsidy? What has contributed to this level of understanding? What are the gaps in understanding? What are the implications of this understanding/lack of understanding?
- How easy or difficult is it for employers to access Flexi-Wage Expansion? What are the barriers (if any)? Have these barriers been overcome or resolved? *If not overcome:* How could these barriers be overcome? *Probe: What accounts for the drop-out rates between awareness and enquiry? Between enquiry and application? Between application and approval/why are Flexi-Wage Expansion applications declined?*
- From what you observe, are employers using the subsidy in line with the intention of the policy? (i.e., Rather than using it for someone they might have employed without the subsidy? Or with intent to end

the employment once the subsidy ends? Or dismissing another employee to take advantage of the subsidy?) *Prompt for examples, if not being used in line with policy intent.*

- What are the benefits of Flexi-Wage Expansion to employers? What are the drawbacks?
- What are the benefits of Flexi-Wage Expansion to employees? What are the drawbacks?

Flexi-Wage SE

- How would you describe awareness of Flexi-Wage SE among potential recipients? Among MSD staff? What has contributed to, and detracted from, this awareness?
- What are potential recipients' motivations for applying for the subsidy?
- How well do you think those who want to be self-employed understand the intent of the subsidy? What has contributed to this level of understanding? What are the gaps in understanding? What are the implications of this understanding/lack of understanding?
- How easy or difficult do you think it is for people to access Flexi-Wage SE? What if any, do you observe are the barriers for people to access Flexi-Wage SE? *Probe: What accounts for the drop-out rates between awareness and enquiry? Between enquiry and application? Between application and approval/why are Flexi-Wage SE applications declined?*
- How have these barriers been overcome or resolved? What more could be done to address these barriers?

Industry Partnerships Team

- How has Flexi-Wage Expansion changed how you work with providers who provide upskilling and training programmes? How has Flexi-Wage Expansion changed this relationship?
- How has Flexi-Wage Expansion changed how you work with industry groups? How has Flexi-Wage Expansion changed this relationship?

7. Participant Success

- What type of employer does Flexi-Wage Expansion work well for? What type of employer does it not work so well for? *Prompt for reasons.*
- What type of employee does Flexi-Wage Expansion work well for? What type of employee does it not work so well for? *Prompt for reasons.*
- In what situations is employment post Flexi-Wage Expansion not sustained? Why? What other supports/assistance are required?

For those working at a regional level:

- Does Flexi-Wage Expansion work well in your region? Has it been successful here? What regional characteristics have made it successful/not successful?
- What type of person does the Flexi-Wage SE work well for? What type of person does it not work so well for? *Prompt for reasons.*
- In what situations is self-employment not sustained? What other supports/assistance are required?

Ask of all staff but particular focus for Māori Communities and Partnership Group team members

- How well do you think Flexi-Wage Expansion supports Te Pae Tata (MSD's Māori Strategy and Action Plan)? Why/why not? *Probe:* How well does Flexi-Wage Expansion support Te Pae Tata's guiding principles of:
 - Partnership
 - Protection (recognising and providing Māori perspectives and values and take positive steps to ensure Māori interests are protected)
 - Participation (enabling and supporting Māori to actively participate in all matters that increase their wellbeing)
- How well does Flexi-Wage Expansion and (and particularly) Flexi-Wage SE support Māori to realise their potential and allow them to self-determine their own futures?
- How well does Flexi-Wage Expansion and Flexi-Wage SE support Māori having sustainable employment, and support quality standards of living?
- How well do you think Flexi-Wage Expansion supports Pacific Prosperity (MSD's Pacific Strategy and Action Plan)? Why/why not? *Probe:* How well does Flexi-Wage Expansion support Pacific Prosperity's focus of:
 - Ensuring Pacific people have a positive experience every time they engage with MSD (i.e., feel respected, heard, safe, welcomed and empowered)
 - Ensuring Pacific people are involved in decisions, design and delivery of services to support them.
 - Building long term relationships to help Pacific peoples achieve prosperity and self-sufficiency.
- What works well and not so well in terms of the Flexi-Wage SE subsidy for Māori and Pacific businesses? *Probe:*
 - How well/not so well does the Flexi-Wage SE subsidy meet the needs of Māori and Pacific businesses/employers?
 - Are there any particular supports that Māori and Pacific businesses/employers have received/need? Might need?
- What impact have the changes to the Flexi-Wage SE process (the creation of a framework) had? How could this be improved?

For employment support co-ordinators:

- How well do you think Flexi-Wage Expansion supports those with disabilities?
- How well does Flexi-Wage Expansion and (and particularly) Flexi-Wage SE support those with disabilities to realise their potential and allow them to self-determine their own futures?
- How well does Flexi-Wage Expansion and Flexi-Wage SE support those with disabilities into sustainable employment, and support quality standards of living?

8. Improvements

- How do you feel about the continuation of Flexi-Wage Expansion (and increased Flexi-Wage funding) to include people disadvantaged in the labour market? *If not clear:* Do you support its continuation?

- Apart from what has already been discussed, are there any other ways in which the implementation of Flexi-Wage Expansion could be improved?
- Apart from what has already been discussed, are there any other ways in which the implementation of Flexi-Wage SE could be improved?
- *For each improvement: What difference would [insert improvement] have made?*

9. Final Comments

If not already discussed, ask:

- What, if any, impact have the recent weather events had Flexi-Wage Expansion and Flexi-Wage SE? *Probe staff availability, communications, impacts on processing times and payments, greater/lesser need for Flexi-Wage Expansion, difficulties accessing employers etc.*
- Is there anything else not already covered that would be useful for us to know about Flexi-Wage Expansion or Flexi-Wage SE?
- Participant-initiated comments

Thank and close.