



9 May 2025

Tēnā koe

Official Information Act request

Thank you for your email of 13 March 2025, requesting information about the COVID-19 Wage Subsidy August 2021 applications for Farmers Trading Company Ltd.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on each part of your request set out below.

The COVID-19 Wage Subsidies August 2021 were a series of eight payments, to support businesses to pay two weeks of wages (per application) for their employees. The subsidies were available from 20 August 2021 to 9 December 2021.

Please find attached Appendix A, which includes copies of The Farmers' Trading Company Limited (FTCL) applications in scope of your request.

You will see that the payment to which you refer (the \$8,079,204 for 3,817 distinct employees) was the total paid across FTCL's four Wage Subsidy August 2021 applications:

- *COVID-19 Wage Subsidy August 2021 (1)*, dated 1 September 2021
- *COVID-19 Wage Subsidy August 2021 (1)*, dated 2 September 2021
- *COVID-19 Wage Subsidy August 2021 (2)*, dated 15 September 2021
- *COVID-19 Wage Subsidy August 2021 (2)*, dated 15 September 2021 ("cloned" application).¹

The Ministry conducted pre-payment assessments of FTCL's applications whereby information the business provided was cross-referenced with Inland Revenue's records. These checks were standard practice for businesses applying on behalf of 80 employees or more.

¹ This was a duplicate of the 15 September 2021 application, generated by the Ministry to enable the inclusion of additional FTCL employees.

Please find attached as Appendix B the following pre-payment and post-payment assessment checks for FTCL:

- *Pre-Payment Assessment Programme: COVID-19 WSSAug21 (80+ employees)*, dated 8 September 2021
- *Pre-Payment Assessment Programme COVID-19 WSSAug21 (80+ employees)*, dated 1 October 2021
- *Post-Payment Integrity Check Programme for COVID-19 Payments*, dated 26 January 2022.

Please find attached Appendix C, which includes email correspondence between FTCL and the Ministry, and internal Ministry email correspondence pertaining to FTCL that we have identified as in scope of your request.

You will note that the information regarding some individuals, including the original .csv files containing the full list of employees on whose behalf FTCL applied for a subsidy, is withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

Some information, including the sales and revenue verification documents provided by FTCL, is withheld under section 9(2)(ba)(i) of the Act, as it is subject to an obligation of confidence and if released, could prejudice the supply of similar information in the future. The greater public interest is in ensuring that such information can continue to be supplied.

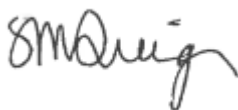
Some information is withheld as it has been deemed as out of scope of your request.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with my decision on your request, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

pp. 

Anna Graham
General Manager
Ministerial and Executive Services

Employer Application

This application can not be changed because it has been paid. The last processed application is [1715694](#)

Please note this application currently has the following exceptions:

Employer has listed more than 80 employees.

Subsidy Type: COVID-19 Wage Subsidy August 2021 (1)

Application Reason: My business has been impacted by the most recent change to alert levels and I have / expect to have at least a 40% decline in revenue.

Reason Type: WAGE AUG21

Created: 12:37:17 PM 03/09/2021 by ajami009

Status: Approved

Status Reason: Approved as requested by **out of scope**

Business IRD Number: 9(2)(ba)(i)

IR Customer Name: The Farmers Trading Company

Business Address: 21 Laidlaw Way, Off Ormiston Road, East Tamaki, Auckland, New Zealand

Contact Name: **out of scope** HR Manager

Contact Email: 9(2)(a)

Contact Mobile: 9(2)(a)

Contact Other Phone: 9(2)(a)

Bank Account: 9(2)(ba)(i)

Application Date: 01/09/2021

Start Date: 01/09/2021

Reapplication Date: 15/09/2021

End Date: 14/09/2021

Date Paid: 10/09/2021

Applications with the same IRD Number

There are 38 other applications with the same IRD number. [Show Details](#)

Applications with the same Bank Account

There are 38 other applications with the same bank account number. [Show Details](#)

Emails Sent

3 emails have been sent to the applicant about this application. [Show Details](#)

Payments

#	Date paid	Bank account	Amount
1	10/09/2021	9(2)(ba)(i)	\$3,826,796.00 Details

Top Ups

There are no top ups for this application

Payments and Adjustments

#	Start Date	Description	Pre-adjustment Amount	Adjustment Amount	Final Amount
1	01/09/2021	2 weeks: Full time - \$600.00 Part time - \$359.00	\$3,826,796.00	\$0.00	\$3,826,796.00
				Total	\$3,826,796.00

Status History

Status	Reason	Time	User	Review Date
Approved	Approved as requested by out of scope	02:18 PM 09/09/2021	9(2)(a)	
Exception	Employer has listed more than 80 employees.	12:37 PM 03/09/2021	System	09/09/2021
New		12:37 PM 03/09/2021	System	03/09/2021

Edit History

There have been recorded edits on this application [Show Details](#)

Comments

Comment	Created by	Time
Post-payment Integrity check completed - no issues found - IMS 9(2)(ba)(i) for full details	9(2)(a)	09:03 AM 02/02/2022
8/9/2021 @ 11.07 NZST, contacted applicant out of scope on 9(2)(a) out of scope introduced herself as the HR manager of the company. Company runs the Farmers department stores throughout NZ. All the stores have been closed under alert level 4 & online business only during alert level 3. Company experienced over 90% of revenue decline. The revenue decline calculation shows a 88.7% decline Sufficient evidence provided by the company to confirm 40% or more decline in revenue. WS application approved.	9(2)(a)	02:17 PM 09/09/2021
INTEGRITY PREPAYMENT ASSESSMENT - out of scope	9(2)(a)	09:44 AM 08/09/2021
Created by CSV upload from File 'The Farmers Trading Company - wage-subsidy-august-2021-large-employer-app-20082021.csv'.	9(2)(a)	12:37 PM 03/09/2021

[Add a new comment](#)

Attachments

There are no attachments for this application

[Manage attachments](#)

Employees

[Show all associated applications](#)

Displaying Employee 1 - 80 of 3479 in total

Employee Number	First Name	Last Name	Date of Birth	IRD Number	Employment Type	Exclude From Payment	Associated Applications
9(2)(a)	out of scope		9(2)(a)				

9(2)(a)

out of scope

9(2)(a)

Released under the Official Information Act (1982)

9(2)(a) out of scope

9(2)(a)

Released under the Official Information Act (1982)

9(2)(a) out of scope

9(2)(a)

9(2)(a)

9(2)

View Applications for IRD Number 9(2)(ba)(i)

[All Applications](#) | [Employer Applications](#)

Employer Application

This application can not be changed because it has been paid. The last processed application is [1715694](#)

Please note this application currently has the following exceptions:

Employer has listed more than 80 employees.

Subsidy Type: COVID-19 Wage Subsidy August 2021 (1)

Application Reason: My business has been impacted by the most recent change to alert levels and I have / expect to have at least a 40% decline in revenue.

Reason Type: WAGE AUG21

Created: 09:32:18 AM 07/09/2021 by 9(2)(a)

Status: Approved

Status Reason: Pre-payment assessment completed. Company meets the 40% revenue decline criteria. Application approved.

Business IRD Number: 9(2)(ba)(i)

IR Customer Name: The Farmers Trading Company

Business Address: 21 Laidlaw Way, Off Ormiston Road, East Tamaki Auckland, New Zealand

Contact Name: out of scope HR Manager

Contact Email: 9(2)(a)

Contact Mobile: 9(2)(a)

Contact Other Phone: 9(2)(a)

Bank Account: 9(2)(ba)(i)

Application Date: 02/09/2021

Start Date: 02/09/2021

Reapplication Date: 15/09/2021

End Date: 14/09/2021

Date Paid: 10/09/2021

Applications with the same IRD Number

There are 38 other applications with the same IRD number. [Show Details](#)

Applications with the same Bank Account

There are 38 other applications with the same bank account number. [Show Details](#)

Emails Sent

3 emails have been sent to the applicant about this application. [Show Details](#)

Payments

#	Date paid	Bank account	Amount
1	10/09/2021	9(2)(ba)(i)	\$122,596.00 Details

Top Ups

There are no top ups for this application

Payments and Adjustments

#	Start Date	Description	Pre-adjustment Amount	Adjustment Amount	Final Amount
1	02/09/2021	2 weeks: Full time - \$600.00 Part time - \$359.00	\$122,596.00	\$0.00	\$122,596.00
				Total	\$122,596.00

Status History

Status	Reason	Time	User	Review Date
Approved	Pre-payment assessment completed. Company meets the 40% revenue decline criteria. Application approved.	08:03 AM 10/09/2021	9(2)(a)	
Exception	Employer has listed more than 80 employees.	09:32 AM 07/09/2021	System	09/09/2021
New		09:32 AM 07/09/2021	System	07/09/2021

Edit History

There have been recorded edits on this application [Show Details](#)

Comments

Comment	Created by	Time
Post-payment Integrity check completed - no issues found - IMS 9(2)(ba)(i) for full details	9(2)(a)	09:03 AM 02/02/2022
End Date changed from 15/09/2021 to 14/09/2021 by 9(2)(a)	System	02:58 PM 29/10/2021
Applicant submitted two WS applications in WSSAUG21 first round. The second application covered employees who missed out on the first application.	9(2)(a)	08:03 AM 10/09/2021
8/9/2021 @ 11.07 NZST, contacted applicant out of scope on 9(2)(a) 9(2)(a) introduced herself as the HR manager of the company. Company runs the Farmers department stores throughout NZ. All the stores have been closed under alert level 4 & online business only during alert level 3. Company experienced over 90% of revenue decline. The revenue decline calculation shows a 88.7% decline Sufficient evidence provided by the company to confirm 40% or more decline in revenue. WS application approved.		08:01 AM 10/09/2021
INTEGRITY PREPAYMENT ASSESSMENT out of scope		09:44 AM 08/09/2021
Created by CSV upload from File 'The Farmers Trading Company - wage-subsidy-august-2021-large-employer-app-20082021 Claim 2.csv'.		09:32 AM 07/09/2021

[Add a new comment](#)

Attachments

There are no attachments for this application

[Manage attachments](#)

Employees

[Show all associated applications](#)

Displaying Employee 1 - 80 of 111 in total

Employee Number	First Name	Last Name	Date of Birth	IRD Number	Employment Type	Exclude From Payment	Associated Applications
9(2)(a)	out of scope		9(2)(a)				

9(2)(a) out of scope

9(2)(a)

Released under the Official Information Act (1982)

9(2)(a) out of scope

9(2)(a)

Released under the Official Information Act (1982)

9(2)(a)

out of scope

9(2)(a)

Released under the Official Information Act (1982)

out of scope

9(2)(a)

9(2)(a)

9(2)(a)



9
/

View Applications for IRD Number 9(2)(ba)(i)

[All Applications](#) | [Employer Applications](#)

Released under the Official Information Act (1982)

Emergency Employment Support

Employer Application

This application can not be changed because it has been paid. The last processed application is [1715694](#)

Please note this application currently has the following exceptions:
Employer has listed more than 80 employees.

Subsidy Type: COVID-19 Wage Subsidy August 2021 (2)

Application Reason: My business has been impacted by the most recent change to alert levels and I have / expect to have at least a 40% decline in revenue.

Reason Type: WAGE AUG21

Created: 03:12:19 PM 15/09/2021 by 9(2)(a)

Status: Approved

Status Reason: The applicant has provided evidence of a 60.01% revenue decline. The have sufficiently explained the discrepancy in staff numbers having omitted those that did not provide their consent. Application approved.

Business IRD Number: 9(2)(ba)(i)

IR Customer Name: The Farmers Trading Company

Business Address: 21 Laidlaw Way, Off Ormiston Road, East Tamaki, Auckland, New Zealand

Contact Name: out of scope HR Manager

Contact Email: 9(2)(a)

Contact Mobile: 9(2)(a)

Contact Other Phone: 9(2)(a)

Bank Account: 9(2)(ba)(i)

Application Date: 15/09/2021

Start Date: 15/09/2021

Reapplication Date: 29/09/2021

End Date: 28/09/2021

Date Paid: 06/10/2021

Applications with the same IRD Number

There are 38 other applications with the same IRD number. [Show Details](#)

Applications with the same Bank Account

There are 38 other applications with the same bank account number. [Show Details](#)

Emails Sent

2 emails have been sent to the applicant about this application. [Show Details](#)

Payments

#	Date paid	Bank account	Amount
1	06/10/2021	9(2)(ba)(i)	\$4,009,734.00 Details

Top Ups

There are no top ups for this application

Payments and Adjustments

#	Start Date	Description	Pre-adjustment Amount	Adjustment Amount	Final Amount
1	15/09/2021	2 weeks: Full time - \$600.00 Part time - \$359.00	\$4,009,734.00	\$0.00	\$4,009,734.00
Total					\$4,009,734.00

Status History

Status	Reason	Time	User	Review Date
Approved	The applicant has provided evidence of a 60.01% revenue decline. The have sufficiently explained the discrepancy in staff numbers having omitted those that did not provide their consent. Application approved.	01:05 PM 05/10/2021	9(2)(a)	
Exception	Employer has listed more than 80 employees.	03:12 PM 15/09/2021	System	05/10/2021
New		03:12 PM 15/09/2021	System	15/09/2021

Edit History

There have been recorded edits on this application [Show Details](#)

Comments

Comment	Created by	Time
Post-payment Integrity check completed - no issues found - IMS 9(2)(b)(i) for full details	9(2)(a)	09:04 AM 02/02/2022
The applicant has provided evidence of a 60.01% revenue decline. The have sufficiently explained the discrepancy in staff numbers having omitted those that did not provide their consent. Application approved.		01:04 PM 05/10/2021
		01:04 PM 05/10/2021
01/10/21- 3:22 pm outbound call to The Farmers Trading Company contact person as per application out of scope on 9(2)(a) Intro and reason for call explained ID checked out of is the HR Manager of operations for the company and has the authority and knowledge to answer questions relating to this application for WSSAUG21#2 The Company runs the Farmers department stores throughout NZ, they have 62 Stores nationwide. All the stores closed as at the beginning of the L4 lockdown , for the WSSAUG21#2 application (Revenue test period being 31/08/21 to 13/09/21) Auckland was still at L4 as was Northland so no stores were open , the rest of NZ went to L3 at 31/08/21 however the business doesn't receive as much income from there "e-store" business , they rely mainly on the store sales it a very "bricks n mortar " operation. From 07/09/21 the rest of NZ went down to L2 while Auckland remained in L4 , they were able to open stores outside Auckland but given the 1 week period ie 31/08/21 to 06/09/21 at L4 and L3 , then only 1 week ie 07/09/21 to 13/09/21 at L4 and L2 they still experienced a decline in revenue in excess of 40% out of scope requested I e-mail him in order to provide the verification of the calculated 40% decline as he would have to contact his FM Verification to be provided via email 01/10/21 3:42pm Email sent requesting 40% decline verification (see embedded below) 01/10/21 3:55 pm reply out of scope "Thanks, Ill will get this information back to you as soon as possible, Kind regards out of scope HR Manager Operations The Farmers Trading Company Limited DDI: 9(2)(a) www.farmers.co.nz	9(2)(a)	04:31 PM 01/10/2021
01/10/21- 9:27am outbound call to IR , spoke to out of scope , confirmed The Farmers Trading Company have filed for 3882 employees this exceeds the number in this application for WSSAUG21#2 at 3777- out of scope	9(2)(a)	12:06 PM 01/10/2021
Integrity Pre-Payment Assessment 80+ - out of scope. This application ESS 9(2)(b)(i) is for WSSAug21#2 3777 employees , Pre-payment assessment has been completed by out of for WSSAug21#1 9(2)(b)(i) for 3479 employees and WSSAUG21#1 9(2)(b)(i) for 111 employees and both approved, I see this application has 109 more employees so will need to verify with IR and clarify if auto approve rules apply. out of		10:57 AM 01/10/2021
Created by CSV upload from File 'The Farmers Trading Company WSAUG21 #2.csv'.		03:12 PM 15/09/2021

[Add a new comment](#)

Attachments

There are no attachments for this application

[Manage attachments](#)

Employees

[Show all associated applications](#)

Displaying Employee 1 - 80 of 3777 in total

Employee Number	First Name	Last Name	Date of Birth	IRD Number	Employment Type	Exclude From Payment	Associated Applications
9(2)(a)	out of scope		9(2)(a)				

9(2)(a) out of scope

9(2)(a)

Released under the Official Information Act (1982)

9(2)(a) out of scope

9(2)(a)

Released under the Official Information Act (1982)

Displaying Employee **1 - 80** of **3777** in total

← Previous **1** [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [9](#) ... [47](#) [48](#) [Next](#) →

View Applications for IRD Number 9(2)(ba)(i)

[All Applications](#) | [Employer Applications](#)

Released under the Official Information Act (1982)

Employer Application

WARNING: This application was cloned from application [763494](#). Please take care with any action on this application.

This application can not be changed because it has been paid. The last processed application is [1715694](#)

Please note this application currently has the following exceptions:
Employer has listed more than 80 employees.

Subsidy Type: COVID-19 Wage Subsidy August 2021 (2)

Application Reason: My business has been impacted by the most recent change to alert levels and I have / expect to have at least a 40% decline in revenue.

Reason Type: WAGE AUG21

Created: 02:59:16 PM 29/10/2021 by 9(2)(a)

Status: Approved

Status Reason: Applied on time, have changed end date of previous application to pay the 109 employees

Business IRD Number: 9(2)(ba)(i)

IR Customer Name: The Farmers Trading Company

Business Address: 21 Laidlaw Way, Off Ormiston Road, East Tamaki, Auckland, New Zealand

Contact Name: out of scope HR Manager

Contact Email: 9(2)(a)

Contact Mobile: 9(2)(a)

Contact Other Phone: 9(2)(a)

Bank Account: 9(2)(ba)(i)

Application Date: 15/09/2021

Start Date: 15/09/2021

Reapplication Date: 29/09/2021

End Date: 28/09/2021

Date Paid: 01/11/2021

Applications with the same IRD Number

There are 38 other applications with the same IRD number. [Show Details](#)

Applications with the same Bank Account

There are 38 other applications with the same bank account number. [Show Details](#)

Emails Sent

1 email has been sent to the applicant about this application. [Show Details](#)

Payments

#	Date paid	Bank account	Amount
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1	01/11/2021	9(2)(ba)(i)	\$120,678.00	Details
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Top Ups

There are no top ups for this application

Payments and Adjustments

#	Start Date	Description	Pre-adjustment Amount	Adjustment Amount	Final Amount
1	15/09/2021	2 weeks: Full time - \$600.00 Part time - \$359.00	\$120,678.00	\$0.00	\$120,678.00
				Total	\$120,678.00

Status History

Status	Reason	Time	User	Review Date
Approved	Applied on time, have changed end date of previous application to pay the 109 employees	03:03 PM 29/10/2021	9(2)(a)	
Exception	Employer has listed more than 80 employees. Total employee count across applications exceeds IRD total. Employee count exceeds previous applications.	02:59 PM 29/10/2021	System	29/10/2021
New		02:59 PM 29/10/2021	System	29/10/2021

Edit History

There have been recorded edits on this application [Show Details](#)

Comments

Comment	Created by	Time
Post-payment Integrity check completed - no issues found - IMS 9(2)(ba)(ii) for full details	9(2)(a)	09:04 AM 02/02/2022

[Add a new comment](#)

Attachments

There are no attachments for this application

[Manage attachments](#)

Employees

[Show all associated applications](#)

Displaying Employee 1 - 80 of 3777 in total

Employee Number	First Name	Last Name	Date of Birth	IRD Number	Employment Type	Exclude From Payment	Associated Applications
9(2)(a)	out of scope		9(2)(a)				

Released under the Official Information Act (1982)

9(2)(a) out of scope

9(2)(a)

Released under the Official Information Act (1982)

9(2)(a)

out of scope

9(2)(a)

Displaying Employee 1 - 80 of 3777 in total

← Previous **1** [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [9](#) ... [47](#) [48](#) [Next](#) →

View Applications for IRD Number 9(2)(ba)(i)

[All Applications](#) | [Employer Applications](#)


Pre-Payment Assessment Programme

COVID-19 WSSAug21

80 + Employees

TYPE OF ASSESSMENT	Pre-payment assessment
PROGRAMME NAME	80+ Employers August 2021
CLAIM NUMBER:	669722 & 713326
IR NUMBER	9(2)(ba)(i)
BUSINESS/NAME	The Farmers Trading Company
NZ BUSINESS NUMBER	N/A
CLAIM AMOUNT	\$3,826,796.00 & \$122,596.00
DATE	08/09/2021
ASSESSOR	out of scope

DESK BASED REVIEW	
CSV FILE APPLICATION MADE (80+ Employees only)	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
RE-APPLICATION	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
PREVIOUS SUBSIDIES RECEIVED	WAGE SUBSIDY <input checked="" type="checkbox"/> EXTENSION <input type="checkbox"/> RESURGENCE <input checked="" type="checkbox"/> LEAVE SUPPORT <input type="checkbox"/> MARC 2021 <input type="checkbox"/> Total number of previous applications: 5 APPROVED 0 DECLINED
REFUNDS OF PREVIOUS SUBSIDIES	REQUESTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> Reason for refund: No refunds requested

BANK ACCOUNT MATCH (same account as previous application)	YES <input checked="" type="checkbox"/>
INVESTIGATION IDENTIFIED	Details/outcome:
<ul style="list-style-type: none"> Conduct relevant checks as outlined in Desk File and attached guidelines for the type of assessment you are completing. Note in full the outcomes of this and any other relevant information below 	
<p>- Company operates "Farmers" department stores throughout New Zealand. Website https://www.farmers.co.nz/</p> <p>- Companies office – date of incorporation 07/07/1916 , registered office in Auckland. Active business. https://app.companiesoffice.govt.nz/companies/app/ui/pages/companies/41240-</p> <p>- No issues or concerns over the previous WS applications.</p> <p>- Sufficient evidence provided by the company to confirm 40% or more decline in revenue. WS applications approved.</p> <p>- WS application over \$600K, referred to another officer for approval.</p> <p> RE_ The Farmers Trading Company - 10</p>	

IRD VALIDATION CHECK	
IRD VALIDATION CHECK	<p>Contact IR to validate:</p> <ul style="list-style-type: none"> Registered business Business type IRD number GST registered Trading pre lockdown Number of employees <p>Contacted out of scope at IR 8/09/2021 at 11.04 NZST. out of scope confirmed all the criteria in the IR validation check had been met. IR records show employee numbers as per the latest EMP return filed as 3897.</p> <p>WS applied for 3590 staff in two separate applications.</p>

EMPLOYEE NUMBERS MATCH	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
CONTACT WITH EMPLOYER/APPLICANT	
<p>QUALIFICATION AND OBLIGATIONS</p> <p>LEGALLY EMPLOYED IN NZ</p> <p>Operating in NZ?</p> <p>NB: You are required to retain documentation in the event this application is reviewed at a later date.</p> <p>40% DECLINE</p> <p>What evidence could you show us that your business has had, or you are predicting will have, at least a 40% decline in revenue over the period 17 August to 30 August 2021 when compared to a typical 14-day consecutive period of revenue in the six weeks immediately prior to the move to Alert Level 4 on 17 August 2021.</p> <p>How is that revenue decline attributable to the move to Alert Level 4 on 17 August 2021.</p> <p>For businesses seeking to use the seasonal comparator period: On what basis is the business is of a seasonal nature;</p>	<p>8/9/2021 @ 11.07 NZST, contacted applicant [out of scope] on 9(2)(a) [redacted]</p> <p>[out of scope] introduced herself as the HR manager of the company.</p> <p>[out of scope] confirmed all the employees listed in the application are legally entitled to work in NZ.</p> <p>Company runs the Farmers department stores throughout NZ. All the stores have been closed under alert level 4 & online business only during alert level 3.</p> <p>Company experienced over 90% of revenue decline.</p> <p>The revenue decline calculation shows a 88.7% decline.</p> <p>9(2)(ba)(i) [redacted]</p> <p>Email received from [out of scope] states;</p> <p>"Please refer to the attached spreadsheet that sets out the decline in revenue for the period 17 August to 30 August 2021. The comparison period is taken from a 14 day average over the 6 weeks from 6 July to 16 August 2021."</p> <p>"All of our physical retail stores were closed during this period."</p> <p>"Calculation provided in attached spreadsheet. We are externally audited by PwC. The systems generating the sales numbers set out in the calculations come from our retail and finance IT systems that PwC test and rely on for the annual audit."</p>

How does the seasonal nature of the business make it harder for the business to meet the 40% revenue decline; and

What evidence does the business have that can show it has had or is predicting it will have a decline in revenue of at least 40% over the period 17 August to 30 August 2021, when compared to the same 14 consecutive days in 2020 or 2019. Refer to calculator tool on MSD website.

Who calculated the revenue decline information? Tell us how you worked this out? Explain what the revenue calculation included. Accountant or Finance Manager/CFO details, unless applicant.

Request copy of revenue decline information by email.

MITIGATIONS

Tell us about active steps you've taken to mitigate the impact of the move to Alert Level 4 on 17 August 2021. Give specific examples and outcomes.

(includes but not limited to engaging with your bank,

"The Finance team calculated the decline information."

The email received from out of scope states;

"We have continued to operate our online store selling essential items only. We have approached our bank for additional seasonal funding and await the outcome of this. In addition we are negotiating rent relief with landlords, we have an agreement with the IRD to defer certain tax payments and have employees WFH where possible and are managing cash flows as tightly as we can."

drawing on your cash reserves as appropriate, making an insurance claim, IRD loans, other government assistance, moved to online, employees WFH).

RECONCILIATION OF EMPLOYEE NUMBERS

Discuss any variation. PAYE records with IRD show x number of employees. Explain why there are more/less than previous week. Explain large variation on previous applications (higher/lower). What evidence can you show us to clarify this? Email.

You must pass this payment onto your employees. How will you pay them the subsidy and at what rate? (80%, 100%, lump sum)

NB. You must use your best endeavours to pay at least 80 per cent of each named employee's ordinary wages or salary.

Do you understand your obligations under any employment agreement, (including rates of pay, hours of work and leave entitlement, without the written agreement

IR = 3897

Application= 3590

out of scope advised two applications were made as some employees took some time to provide their consent to apply for the WS and company could not wait longer till everyone's consent received.

Full wages paid to the staff during the first payroll cycle during the lockdown, after that 80% of wages were paid.

No employees left the employment during the lockdown.

Couple of new starters, they were not included in the application.

out of scope understands the obligations under the employment contracts.

of the relevant employee).

NB. You will repay any amount of the subsidy that is not required or cannot be used to support paying and retaining other affected staff.

Are there any staff members who are ceasing employment during the subsidy period? Anyone who has already submitted a resignation?

Have any of the employees been given notice of redundancy at date of or prior to application?

No redundancies and no staff left the organisation during the lock down.



DECLARATION

If requested, you will provide further information to MSD to review any subsidy granted and how it is paid to employees?

YES ☒

Are you aware that we will share information you have provided about your business with other agencies in order to review any subsidy paid to you?	YES <input checked="" type="checkbox"/>
Do you understand that MSD will be publishing information about your business and the level and duration of any subsidy provided to you?	YES <input checked="" type="checkbox"/>
You must notify MSD within 5 working days if anything changes that may affect your eligibility or entitlement to the subsidy, including if any of the employees named in your application end employment with you?	YES <input checked="" type="checkbox"/>
Do you acknowledge that you will have to repay any subsidy that you were not, or stop being entitled to?	YES <input checked="" type="checkbox"/>
Do you acknowledge that the information you have provided is true and correct?	YES <input checked="" type="checkbox"/>
You are making this declaration of behalf of your business and you have the authority to do so?	YES <input checked="" type="checkbox"/>
SUMMARY	
40% DECLINE MET	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
	If yes, verification of calculation provided?

	YES <input checked="" type="checkbox"/>	
OBLIGATIONS MET AND UNDERSTOOD	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

VERIFICATION DOCUMENTS	
<p>How to embed file:</p> <p>Save verification document</p> <p>Put cursor in white box →</p> <p>Go to Insert</p> <p>Click and select Object</p> <p>Click 'Create From File'</p> <p>Tick 'Display as Icon' and browse for verification document required. Click OK.</p>	<p>07809/2021 @ 11.50 NZST Email requesting further information sent.</p> <p></p> <p>The Farmers Trading Company - Aug 21 W</p> <p>Further information submitted via email on 09/09/2021 @ 12.39 NZST.</p> <p></p> <p>RE_ The Farmers Trading Company - Ar</p>

WAGE SUBSIDY OUTCOME (For reporting purposes)	COMMENTS
WAGE SUBSIDY GRANTED	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Released under the Official Information Act (1982)

Pre-Payment Assessment Programme

COVID-19 WSSAug21

80 + Employees

TYPE OF ASSESSMENT	Pre-Payment Assessment
PROGRAMME NAME	80+ Employers August21
CLAIM NUMBER:	763494 WSSAUG21#2
IR NUMBER	9(2)(ba)(i)
BUSINESS/NAME	The Farmers Trading Company TA Farmers
NZ BUSINESS NUMBER	9429040752143
CLAIM AMOUNT	\$4,009,734.00
DATE	01/10/21
ASSESSOR	out of scope

DESK BASED REVIEW	
CSV FILE APPLICATION MADE (80+ Employees only)	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
RE-APPLICATION	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
PREVIOUS SUBSIDIES RECEIVED	WAGE SUBSIDY <input checked="" type="checkbox"/> EXTENSION <input type="checkbox"/> RESURGENCE <input checked="" type="checkbox"/> LEAVE SUPPORT <input checked="" type="checkbox"/> MARC 2021 <input type="checkbox"/> Total number of previous applications: 7 7 APPROVED 0 DECLINED Including 2x applications for WSSAug21#1
REFUNDS OF PREVIOUS SUBSIDIES	REQUESTED <input type="checkbox"/> RECEIVED <input checked="" type="checkbox"/> Reason for refund: Refunds by employer (Large business varied reasons)

BANK ACCOUNT MATCH (same account as previous application)	YES <input checked="" type="checkbox"/>
INVESTIGATION IDENTIFIED	Details/outcome: NA
<ul style="list-style-type: none"> • Conduct relevant checks as outlined in Desk File and attached guidelines for the type of assessment you are completing • Note in full the outcomes of this and any other relevant information below 	
<p>NZ Companies Register check shows:</p> <p>The Farmers Trading Company is NZ registered limited company since 07/07/1916 Registered address 21 Laidlaw Way, Off Ormiston Road East Tamaki Auckland</p> <p>Directors: out of scope and out of scope</p> <p>Ownership: 44107 - out of scope LIMITED 29 Union Street Auckland</p> <p>Google Search – Farmers Your Store for Fashion, Beauty, Toys & Homewares</p> <p>EES applications previous</p> <p>-58305-Leave -1 employees- auto approved –</p> <p>-188771-Wage -2965 employees-approved – 80+ Integrity check completed and Target Audit employees</p> <p>-225521-Wage 632-employees- approved-80+ Integrity check completed</p> <p>-372270-Consolid-108-employees -Approved</p> <p>-447950-Resurge-3776-Employees-Approved- 80+ Integrity check completed</p> <p>-669722-WSSAug21#1-3479-employees -approved -80+ Pre-payment assessment</p> <p>-713326-WSSAug21#1-111-employees -approved -80+ Pre-payment assessment-</p> <p>EES applications current</p> <p>763494 -Wage Aug21#2 – Application date 15/09/21 period 15/09/21 to 28/09/21</p> <ul style="list-style-type: none"> • IR Customer Name: The Famers Trading Company • Business IRD Number: 9(2)(ba)(i) • Business Address: 21 Laidlaw Way, Off Ormiston Road, East Tamaki, Auckland • Contact Name: out of scope (HR Manager) • Contact Email: 9(2)(a) • Contact Mobile: 9(2)(a) • Contact Other Phone: 9(2)(a) • Bank Account: 9(2)(ba)(i) • Employees 3777 	

IRD VALIDATION CHECK

IRD VALIDATION CHECK

Contact IR to validate: 01/10/21 Outbound call to IR , spoke to out of scope info as follows

- Registered business-Yes
- Business type-Farmers Departments Stores
- IRD number- Correct
- GST registered- Yes
- Trading pre lockdown – Yes
- Number of employees- Filed for 3882 for September so this is above the number of 3777 claimed on WSSAUG21#2

EMPLOYEE NUMBERS MATCH

YES



NO



CONTACT WITH EMPLOYER/APPLICANT

QUALIFICATION AND OBLIGATIONS

LEGALLY EMPLOYED IN NZ

Operating in NZ?

NB: You are required to retain documentation in the event this application is reviewed at a later date.

40% DECLINE

What evidence could you show us that your business has had, or you are predicting will have, at least a 40% decline in revenue over the period 17 August to 30 August 2021 when compared to a typical

01/10/21- 3:22 pm outbound call to The Farmers Trading Company contact person as per application out of scope on 9(2)(a) .

Intro and reason for call explained ID checked out of scope is the HR Manager of operations for the company and has the authority and knowledge to answer questions relating to this application for WSSAUG21#2

The Company runs the Farmers department stores throughout NZ, they have 62 Stores nationwide.

All the stores closed as at the beginning of the L4 lockdown , for the WSSAUG21#2 application (Revenue test period being 31/08/21 to 13/09/21) Auckland was still at L4 as was Northland so no stores were open , the rest of NZ went to L3 at 31/08/21 however the business doesn't receive as much income from there "e-store" business , they rely mainly on the store sales it a very "bricks n mortar " operation.

From 07/09/21 the rest of NZ went down to L2 while Auckland remained in L4 , they were able to open stores outside Auckland but given the 1 week period ie 31/08/21 to 06/09/21 at L4 and L3 , then only 1 week ie

14-day consecutive period of revenue in the six weeks immediately prior to the move to Alert Level 4 on 17 August 2021.

How is that revenue decline attributable to the move to Alert Level 4 on 17 August 2021.

For businesses seeking to use the seasonal comparator period: On what basis is the business is of a seasonal nature;

How does the seasonal nature of the business make it harder for the business to meet the 40% revenue decline; and

What evidence does the business have that can show it has had or is predicting it will have a decline in revenue of at least 40% over the period 17 August to 30 August 2021, when compared to the same 14 consecutive days in 2020 or 2019. Refer to calculator tool on MSD website.

Who calculated the revenue decline information? Tell us how you worked this out? Explain what the revenue calculation included. Accountant or Finance Manager/CFO details, unless applicant.

07/09/21 to 13/09/21 at L4 and L2 they still experienced a decline in revenue in excess of 40%

out of scope requested I e-mail him in order to provide the verification of the calculated 40% decline as he would have to contact his FM

N/A

N/A

Verification to be provided via email

HR manager and FM

Request copy of revenue decline information by email.

MITIGATIONS

Tell us about active steps you've taken to mitigate the impact of the move to Alert Level 4 on 17 August 2021. Give specific examples and outcomes.

(includes but not limited to engaging with your bank, drawing on your cash reserves as appropriate, making an insurance claim, IRD loans, other government assistance, moved to online, employees WFH).

RECONCILIATION OF EMPLOYEE NUMBERS

Discuss any variation. PAYE records with IRD show x number of employees. Explain why there are more/less than previous week. Explain large variation on previous applications (higher/lower). What evidence can you show us to clarify this? Email.

You must pass this payment onto your employees. How will you pay them the subsidy and at what

01/10/21 3:42pm Email sent requesting 40% decline verification (see embedded below)

01/10/21 3:55 pm reply out of scope

"Thanks, Ill will get this information back to you as soon as possible,

Kind regards

out of scope

HR Manager Operations

The Farmers Trading Company Limited

DDI 9(2)(a)

MOB

www.farmers.co.nz



5.10.2021 Recorded by out of scope Applicant has responded to the questions submitted by MSD in response to this application, please refer to the embedded documents section of this document. The applicant has provided an excel document which details a 60.01% revenue decline when compared to an average 14 days of sales prior to lockdown.

Negotiated rent relief with L/Lords

Bank overdraft and loan facilities

Insurance doesn't cover this

Ongoing changes to business plans and operations to adapt to the new environment

e-store services

rate? (80%, 100%, lump sum)

NB. You must use your best endeavours to pay at least 80 per cent of each named employee's ordinary wages or salary.

Do you understand your obligations under any employment agreement, (including rates of pay, hours of work and leave entitlement, without the written agreement of the relevant employee).

NB. You will repay any amount of the subsidy that is not required or cannot be used to support paying and retaining other affected staff.

Are there any staff members who are ceasing employment during the subsidy period? Anyone who has already submitted a resignation?

Have any of the employees been given notice of redundancy at date of or prior to application?

111 more employees than #1 applications x 2 , IR have them as filed for 3882 employees for September , this application has 3777 , reason for this is that they are only applying for employees who have agreed to the conditions as per the Obligations and they have been able to be more organised and reach more employees then in #1

Yes understood

100% contracted hours and usual employment agreement

Yes understood

Not at this stage , but they will do a square up as they have down in the past , it's a large business and they have refunded in past .

No

DECLARATION





If requested, you will provide further information to MSD to review any subsidy granted and how it is paid to employees?

YES ☒

Are you aware that we will share information you have provided about your business with other agencies in order to review any subsidy paid to you?	YES <input checked="" type="checkbox"/>
Do you understand that MSD will be publishing information about your business and the level and duration of any subsidy provided to you?	YES <input checked="" type="checkbox"/>
You must notify MSD within 5 working days if anything changes that may affect your eligibility or entitlement to the subsidy, including if any of the employees named in your application end employment with you?	YES <input checked="" type="checkbox"/>
Do you acknowledge that you will have to repay any subsidy that you were not, or stop being entitled to?	YES <input checked="" type="checkbox"/>
Do you acknowledge that the information you have provided is true and correct?	YES <input checked="" type="checkbox"/>
You are making this declaration of behalf of your business and you have the authority to do so?	YES <input checked="" type="checkbox"/>

SUMMARY	
40% DECLINE MET	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

WAGE SUBSIDY OUTCOME (For reporting purposes)	COMMENTS
WAGE SUBSIDY GRANTED	<p>The applicant has provided evidence of a 60.01% revenue decline. The have sufficiently explained the discrepancy in staff numbers having omitted those that did not provide their consent. Application approved.</p> <p>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/></p>
	<p>If yes, verification of calculation provided?</p> <p>YES <input checked="" type="checkbox"/></p>
OBLIGATIONS MET AND UNDERSTOOD	<p>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/></p>

VERIFICATION DOCUMENTS	
<p>How to embed file:</p> <p>Save verification document</p> <p>Put cursor in white box →</p> <p>Go to Insert</p> <p>Click and select Object</p> <p>Click 'Create From File'</p> <p>Tick 'Display as Icon' and browse for verification document required. Click OK.</p>	<div>   </div> <div> 01102021154451-00 01102021162124-00 01.pdf 01.pdf </div> <div>   </div> <div> Copy of Aug21 Covid Wage Subsidy FW_ Wage Subsidy Scheme August21 # </div>

Post-Payment Integrity Check Programme for COVID-19 Payments

Post-Payment Integrity Check Sheet

TYPE OF AUDIT: <i>Random / Target / Allegation</i>	TARGET
PROGRAMME NAME	
CLAIM NUMBER: <i>(list for all claims, claim number, approval status i.e approved, closed, declined & number of employees claimed for)</i>	LEAVE – 58305 – 1 employee – Approved – 24.03.2020 WS1 – 188771 – 2965 employees – Approved – 03.04.2020 WS1 – 225521 – 632 employees – Approved – 15.04.2020 WS1 – 372270 – 108 employees – Approved – 21.07.2020 RWS – 447950 – 3776 employees – Approved – 01.09.2020 Aug21 #1 – 669722 – 3479 employees – Approved – 01.09.2021 Aug21 #1 – 713326 – 111 employees – Approved – 02.09.2021 Aug21 #2 – 763494 – 3777 employees – Approved – 15.09.2021 Notes: Aug21 #2 was split in two, with 109 and 3668 employees.
IR NUMBER: <i>(Employer + Employee)</i>	Employer: 9(2)(ba)(i) Employee:
NAME: <i>(Employer + Employee)</i>	Employer: The Farmers Trading Company Limited Employee:
NZ BUSINESS NUMBER	9429040752143
CLAIM AMOUNT: (all claims)	LEAVE - \$1,171.60 WS1 - \$18,819,600.00 (\$54,549.20 repaid) WS1 - \$4,442,707.20 WS1 - \$742,219.20 RWS - \$4,079,222.00 Aug21 #1 - \$3,826,796.00 Aug21 #1 - \$122,596.00 Aug21 #2 - \$4,130,412.00 TOTAL = \$36,164,724.80 (\$36,110,174.80 after repayments)
DATE	26.01.2022
AUDITOR	out of scope
DESK BASED REVIEW	
<ul style="list-style-type: none"> Conduct relevant checks as outlined in Desk File and attached guidelines for the type of audit you are completing 	

- Note in full the outcomes of this and any other relevant information below

Terms used in this review: WS1 = Wage Subsidy (consolidated), available between March and June 2020 as a result of NZ's first lockdown, RWS = Resurgence Wage Subsidy, available in August and September 2020 as a result in the resurgence of community cases in Auckland, Aug21 = August 2021 Wage Subsidy, #1 etc indicated which iteration was applied for, as a result of the outbreak of community COVID-19 Delta cases.

9(2)(a)

The Farmers Trading Company Limited, to be referred as Farmers in this document, is one of the companies that have been identified by the organisation making the claim.

Farmers is a well-known New Zealand company, as such NZBN and NZ Companies office checks are not required to ensure the legitimacy of the company's existence, and these checks have been done on previously completed integrity checks.

The allegation focuses on the initial 12-week subsidy available between 27 March and 9 June 2020. However, in my review I'll look at all subsidies paid to Farmers, except the Leave application in March 2020 as this does not have a reduction of revenue criteria.

3 previous checks have been completed on some subsidies applied for by Farmers.

out of scope

- 2) A Pre-Payment check completed on the two Aug21 #1 applications. Contact was made with the same person who was contacted for the above check, confirming similar things but also this time seeking revenue loss information. This revenue loss information shows a loss of 88.7%. The revenue figure for the loss period of 18.08.2021 to 31.08.2021 is 9(2)(ba)(i). The comparison period has been calculated using an average of 3 fortnightly periods instead of one 14-day period. This figure was 9(2)(ba)(i). Figures have been provided to show six weekly revenue amounts and therefore three 14-day revenue amounts and all three would have had revenue loss figures of 80-90% and therefore even though the revenue loss figure was not calculated directly to rule, it's clear that if it had been it would still have been in excess of the 40% required.



08092021 Farmers
Trading Ltd 0102198

DECLINE IN REVENUE CALCULATION - AUGUST 2021

	14 Day Sales
9(2)(ba)(i)	
Lockdown First 14 Days Sales	3,907,086
% Decline in Revenue	(88.7%)

9(2)(ba)(i)

LOCKDOWN SALES - FIRST 14 DAYS

Calendar year / week	Calendar day	Sales ACT
Overall Result		3,907,086
33.2021	18.08.2021	475,702
	19.08.2021	202,911
	20.08.2021	214,053
	21.08.2021	282,889
	22.08.2021	299,823
34.2021	23.08.2021	267,679
	24.08.2021	267,814
	25.08.2021	246,217
	26.08.2021	254,613
	27.08.2021	231,719
	28.08.2021	295,943
	29.08.2021	298,241
35.2021	30.08.2021	290,873
	31.08.2021	276,610

- 3) Also a Pre-Payment Check, this time on the 2nd Aug21 subsidy application. Once again all the same enquiries were made regarding mitigation options considered, confirming acceptance of obligations, communication with employees etc. Also the same contact person was spoken to. Further revenue information was also supplied for the second revenue loss period. This showed a revenue loss of 60% with a revenue loss period figure of 9(2)(ba)(i). Again an average was used for the comparison period, not a 14-day consecutive period, however if the lowest possible fortnight within the comparison period was used this would still equate to a 52% loss in revenue and therefore the company would still have qualified.



05102021 The
Farmers Trading Cor

DECLINE IN REVENUE CALCULATION - AUGUST 2021

	SUBSIDY #1	SUBSIDY #2
	18/8 to 31/8	31/8 to 13/9
9(2)(ba)(i)		
Lockdown First 14 Days Sales	3,907,086	13,831,736
% Decline in Revenue	(88.7%)	(60.1%)

PRE-LOCKDOWN AVERAGE 14 DAYS SALES

Calendar year / week	Sales ACT	14 Days Subtotal	14 Days Average
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9(2)(ba)(i)

SUBSIDY #1 SALES

LOCKDOWN SALES - 14 DAYS

Calendar year / week	Calendar day	Sales ACT
Overall Result		3,907,086
33.2021	18.08.2021	475,702
	19.08.2021	202,911
	20.08.2021	214,053
	21.08.2021	282,889
	22.08.2021	299,823
34.2021	23.08.2021	267,679
	24.08.2021	267,814
	25.08.2021	246,217
	26.08.2021	254,613
	27.08.2021	231,719
	28.08.2021	295,943
	29.08.2021	298,241
35.2021	30.08.2021	290,873
	31.08.2021	276,610

SUBSIDY #2 SALES

LOCKDOWN SALES - 14 DAYS

Calendar year / week	Calendar day	Sales ACT
Overall Result		13,831,736
35.2021	31.08.2021	278,610
	01.09.2021	318,743
	02.09.2021	419,438
	03.09.2021	360,722
	04.09.2021	347,376
36.2021	05.09.2021	346,583
	06.09.2021	315,863
	07.09.2021	298,007
	08.09.2021	2,019,857
	09.09.2021	1,908,787
	10.09.2021	1,815,842
	11.09.2021	2,510,889
	12.09.2021	1,702,343
37.2021	13.09.2021	1,190,576

As revenue loss criteria and other qualifying conditions have been verified as meet for the Aug21 #1 and #2 subsidy applications it can be concluded that Farmers qualified for these subsidies and the subsidy payments were made correctly.

As such contact with Farmers will be focussed on the WS1 and RWS applications.

There was been a refund under the WS1 subsidies of \$54,549.20. Notes within EES refer to contact made from Farmers advising "Employer - out of scope (Head of HR) rang saying he is now doing the washup of the company. They are currently undergo some restructuring, most staffs remain, some being made redundant, some resigned and some new recruited. Advised him to send us a spreadsheet

and mark clearly the status of the staffs and also include the newly hired ones. And after we received his spreadsheet, we would be able to work out together the final payment." and "Went through reconciliation with [out of scope] total of \$47,519.60 to refund. Will put through online website. Spread sheet on file for future reference."

A further contact was made stating "Spoke to [out of scope] (IR# 9(2)(ba)(i)) has been paid twice, refund amount: 7029.60"

Both refunds equate to the \$54,549.20 total refund figure.

CONTACT

- Follow the guideline for the audit you are doing regarding contacting other parties (other parties may include IR, Employer, Employees, Sole Trader etc) and record fully your attempts to contact and your discussion with them. Date and time of all discussions to be recorded.

Contact was initiated with Farmers by sending the following email to [out of scope] [out of scope] has been named the contact person on all applications and was the person contacted for the 3 previously completed checks. It has been identified that [out of scope] is the HR Head for Farmers.

Wage Subsidy check

[out of scope] [out of scope]
To: 9(2)(a)

Reply Reply All Forward ...

Wed 19/01/2022 10:59 AM

Enterprise Vault

+ Get more add-ins

Kia ora [out of scope]

As a result of concerns raised by members of the public I have been tasked with completing Post-Payment checks on all Wage Subsidies received by 6 well known New Zealand companies, of which 1 is The Farmers Trading Company Limited. The concerns raised are around the revenue loss criteria for these companies – with the parties who raised the concerns under the impression that it is unlikely the companies will have lost the revenue in order to qualify for the subsidies.

I'm aware you've spoken with other MSD staff members who completed Pre-Payment checks on the August 2021 subsidies received by Farmers. I've reviewed their reports and this goes some way in helping with my report.

Based on the revenue information you provided at that time I'm happy to conclude that the August 2021 subsidies received by Farmers were qualified for and paid correctly. However I'm now going to need to complete checks on the March 2020 subsidies and the Resurgence Wage Subsidy specifically looking at the revenue data and determining if indeed the revenue loss criteria was met.

I would like to arrange a time to have a discussion with you regarding these – would you be available Thursday (tomorrow) afternoon at all? Or is another time next week more appropriate (I am unavailable Friday this week morning)?

In the meantime you may like to email through to me the below revenue data which will allow me to review this before calling you.

Thanks in advance.

Required revenue data:

For the March 2020 subsidies the criteria was to compare any 1 month, or 30 day period, between 01.01.2020 and 09.06.2020 to the same 1 month, or 30 day period, in 2019. Eg compare 01.04.2020 - 30.04.2020 to 01.04.2019 - 30.04.2019.

For the Resurgence Wage Subsidy criteria was to compare any 14-day period between 12.08.2020 and 10.09.2020 to the same 14 day period in 2019, for example compare 12.08.2020 - 25.08.2020 to 12.08.2019 - 25.08.2019.

Regards

[out of scope] Investigator | Client Service Integrity, Northland

The following reply was received (with attachment below):

out of scope

Released under the Official Information Act (1982)

out of scope

DECISION / FINDINGS

- Fully document your findings and the decisions you have made in this audit

Based on the information gathered during the previous checks completed and the information provided by out of scope and out of scope I believe it can be concluded that all subsidies paid to Farmers meet revenue loss criteria were paid correctly and that Farmers met all other qualifications required.

It is also good to see companies taking their own internal steps (including taking on an external auditor) to review the subsidies they received and ensure they had met all qualifications and administered it correctly.

I find no reason to question any further the subsidies received by The Farmers Trading Company Limited.

WAGE SUBSIDY OUTCOME

(For reporting purposes)

COMMENTS

WAGE SUBSIDY
REQUIREMENTS MET:

(click & drag circle)

YES / NO

OR RESOLVED:	<i>(e.g. email sent to T/O to adjust benefit, client referred to MyMSD, repayment process initiated)</i> <i>(click & drag circle)</i> YES / NO <input type="radio"/>
REFERRED TO INVESTIGATION TRIAGE:	<i>(click & drag circle)</i> YES / NO <input type="radio"/>
UNABLE TO CONTACT:	<i>(outline below)</i>
FOLLOW UP ACTION REQUIRED:	<i>(outline below)</i>

NEXT STEPS	COMMENTS
NFA	No further action required as qualifications to all subsidies has been confirmed.
REPAYMENT REQUIRED: <ul style="list-style-type: none"> Request Repayment via S2P 	<i>Reason:</i>
MSD INVESTIGATION REQUIRED: <ul style="list-style-type: none"> Outline reason <i>(e.g client was working longer than 2 weeks prior to lockdown and income needs to be verified and benefit reviewed)</i> 	<i>Reason:</i>

OTHER AGENCY INVESTIGATION REQUIRED: <ul style="list-style-type: none"> Outline reason 	Name of Agency: Reason:
FACE: <ul style="list-style-type: none"> Immediate action required – refer to T/O for benefit review Refer MyMSD or 0800 line for other benefit entitlement queries 	Date Sent: Email sent to NFIU_Review_Team@msd.govt.nz Client Name: Client SWN: EES Application Number: <u>Benefit Adjustment Required:</u> <u>Reason for Benefit Adjustment:</u>
DATA INTEGRITY FIX REQUIRED	Outline fix required and why:
OTHER	
ASSOCIATED APPLICATION/S REQUIRING FOLLOW-UP	
Claim ID: 00000 (Status)	Outline follow-up required:

COVID-19 Target Audit

1 - Employee on Benefit

Step	Activity	Potential Outcomes
Download e-Sieve report	Review MSD information	
Review EES	Review Application for Wage Subsidy	
Desk Based Review	Refer Desk File <ul style="list-style-type: none"> open source check qualify, 30% drop in revenue mitigation any employees type of subsidy applied for i.e part time / full time / for whom 	A review of this information may indicate whether the likely issue is with a wage subsidy or a benefit. This will assist you in your conversation with the employer (sole trader)
Contact employer (1)	General conversation with employer – <ul style="list-style-type: none"> qualifications were staff aware of application how were they made aware? What were employees paid? <ul style="list-style-type: none"> Normal wages / salary / 80% / wage subsidy How were employees paid? <ul style="list-style-type: none"> Lump sum / weekly / fortnightly etc Any changes to staff since application paid? 	Gain a full understanding of number of staff, how they were paid and what the employee you are going to contact, should have been advised by their employer. This will assist you to have a full discussion with the employee
Contact employee	Contact details for employee should be held with MSD systems. <ul style="list-style-type: none"> Ask IR for employee contact details- only if cannot be contacted – Refer out of scope who will deal with IR. Discuss Wage Subsidy – were they aware it being applied for, has it been passed on, what are they being paid? – how are they being paid? What date did they start work? Full time/ part time / casual Benefit obligations <p>Employment – less than 2 weeks prior to COVID 19 lockdown</p> <ul style="list-style-type: none"> We will check this with your employer – are you okay with this – <u>N.B you must have the employee’s consent to specifically discuss their employment details with the employer</u> Obtain written confirmation (email or PD) to transfer to non-beneficiary assistance 	<p>Less than 2 weeks prior to COVID-19 lockdown</p> <ul style="list-style-type: none"> Start date under 2 weeks, cancel from start date, Charge earnings from employment start date, and then charge wage subsidy from date of wage subsidy application for 12 weeks. assess FACE entitlement (non-beneficiary assistance) <p>States they have not received wage subsidy</p> <ul style="list-style-type: none"> Employer to be spoken to clarify what paid to the employee Wage subsidy to be reviewed? Charge amount Employer confirms as income. Consider referral to MBIE if Wage Subsidy not being passed on?

	<p>Is not receiving at least full time Wage Subsidy</p> <p>We will check with your employer – are you okay with this?</p>	
Contact employer (2) (only if client consents)	<p>Confirm employee start date, income (if 2 weeks or less), full time (30 hours plus), or part time</p> <p>Confirm wage subsidy passed on (can they verify)</p>	<ul style="list-style-type: none"> • Less than 2 weeks prior to lockdown i.e 11 – 12 March 2020 or later, adjust benefit from FAD and establish overpayment • More than 2 weeks prior to lockdown, adjust from FAD and refer for investigation (Programme – COVID-19 Working Payroll) • Assess FACE entitlement (non-beneficiary assistance)
Final Steps	<ul style="list-style-type: none"> • Explain outcome to employee • Finalise and outcome audit sheet/s • Benefit reviewed if required • Complete portal audit form <p>If the audit has resulted in a wage subsidy issue for the employer, a separate audit sheet and portal entry will need to be completed for the employer as well.</p>	<ul style="list-style-type: none"> • Audit is complete

COVID-19 Target Audit

2 - Employer (Sole Trader) on Benefit

Step	Activity	Potential Outcomes
Download e-Sieve report	Review MSD information	
Review EES	Review Application for Wage Subsidy	
IR Information	<p>IMPORTANT</p> <p>You cannot share information that is not related to the COVID19 wage subsidy application</p> <p>You cannot give information regarding a client's benefit</p> <p>You cannot ask for anything other than information relating to the wage subsidy</p> <p>Email IR on the approved template provided by IR as follows:</p> <ul style="list-style-type: none"> • Name – <i>Individual or entity</i> • DOB or start date • Other identifying information – <i>application ID number</i> • Reason Request – <i>Information is required to ensure compliance with the Ministry of Social Development MOU – (here we need you to confirm that the request is in relation to processing / reviewing a claim made in association with Covid19 subsidy)</i> • Information required – <i>Information required:</i> <ul style="list-style-type: none"> ○ <i>is the business registered?</i> ○ <i>were they GST registered?</i> ○ <i>were they trading pre COVID19?</i> ○ <i>was the business filing returns?</i> ○ <i>was the employer paying an employee prior to the pandemic?</i> ○ <i>if so, what was being paid to the employee?</i> <p>(this information is required to confirm that this is a legitimate business operating prior to COVID19)</p> • Period of Interest – <i>time period or date range of information required:</i> <ul style="list-style-type: none"> ○ <i>The POI is the period relevant to the wage subsidy application</i> • I confirm that I have read and signed the IR820 (Certificate of Confidentiality) – yes 	<p>This information will confirm whether the business was legitimate and trading pre COVID19.</p> <p>It will also confirm whether the employee was employed by the employer prior to COVID19 and or whether the wage subsidy has been passed on to employee/s.</p> <p>The conversation with IR should end at this point.</p>

Desk Based Review	<ul style="list-style-type: none"> • open source check • qualify, 30% drop in revenue • mitigation • any employees • type of subsidy applied for i.e part time / full time / for whom 	A review of this information along with IR information, may indicate whether the likely issue is with a wage subsidy or a benefit. This will assist you in your conversation with the employer (sole trader)
Contact employer (sole trader)	<p>General conversation with employer about specifics of business –</p> <ul style="list-style-type: none"> • qualifications • how long has business been operating • how the business works • structure • income – what money they are receiving • revenue source • hours worked weekly / time spent working business • financial accounts, were they prepared last financial year? • at time of applying, why did they believe they qualified for the wage subsidy? • what was their thinking at the time? 	<p>If business is not legitimate or they don't meet the qualification for wage subsidy, at this point you could consider a refund of the wage subsidy and discuss with employer</p> <p>If wage subsidy was paid correctly, then you will need to move on and discuss the discrepancy regarding their benefit with them – see below</p>
Discuss Discrepancy	<p>Conversation depending on –</p> <ul style="list-style-type: none"> • Have they received a part-time or full-time wage subsidy? • Is any income declared? • Benefit Obligations • MSD documents – income questions, how were they answered? • Have they discussed self-employment with MSD? • What does IRD know about their business? • Why is MSD not aware of employment / income? 	Consider the effect of wage subsidy and any income on benefit and your next steps
Discuss next steps	<p>Was wage subsidy paid or benefit paid correctly –</p> <ul style="list-style-type: none"> • NFA required • FACE and or overpayment • Obtain written confirmation (email or PD) to transfer to non-beneficiary assistance • Refund? • The matter requires further investigation 	<ul style="list-style-type: none"> • Less than 2 weeks prior to lockdown i.e 11 – 12 March 2020 or later, adjust benefit from FAD and establish overpayment • More than 2 weeks prior to lockdown, adjust from FAD and refer for investigation (Programme - COVID19 Working Payroll) • Assess FACE entitlement (non-beneficiary assistance)
Final steps	<ul style="list-style-type: none"> • Explain outcome to employer • Finalise and outcome audit sheet 	<ul style="list-style-type: none"> • Audit is complete

	<ul style="list-style-type: none">• Start refund process• Benefit reviewed if required• Complete portal audit form	
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COVID-19 Target Audit

3 - IR Number Match Deceased Client IR Number

This audit is looking at cases where an IR number provided on an application for wage subsidy matches an IR number for a deceased client at the time benefit was cancelled. The wage subsidy IR number could relate to an employer, sole trader, self-employed or employee.

Step	Activity	Potential Outcomes
IR Information	IR confirm owner of matched IRD number	
Review EES	Review Application for Wage Subsidy	Identify name of person using IRD number
Desk Based Review	Review MSD information of deceased person <ul style="list-style-type: none"> • SWIFTT • AIMOS • Refund issued? 	<p>A review of this information along with EES & IR information, may indicate whether the likely issue is a mistake / error / explainable anomaly, or whether it could indicate the mis-use of a third parties' IRD number.</p> <p>If a refund has been made, this may indicate that the anomaly was identified by the employer after the application was made</p>
Preliminary Finding	<p>Anomaly is likely to be explainable</p> <p>Anomaly is unlikely to be explainable</p>	<p>Anomaly likely to be explainable:</p> <ul style="list-style-type: none"> • IR number and wage subsidy application likely to be incorrectly entered • MSD records likely to be incorrect <p>Anomaly is not likely to be explainable:</p> <ul style="list-style-type: none"> • Further investigation required as could be deliberate attempt to misuse another person's IRD number
Contact TRIAGE Manager	<p>Email TRIAGE Fraud Manager (Peter O'Leary)</p> <p>Attach your audit sheet with full findings of desk- based review and preliminary findings</p>	<p>Explainable</p> <p>Unexplainable</p>
Next Steps	<p>Potential mistake / error or explainable:</p> <p>Employee IRD number</p> <ul style="list-style-type: none"> • Phone / contact employer • Discuss anomaly with use of the IRD number • Do not refer to anomaly being a match with deceased MSD client • <i>Example 'we have noted that you included IRD number ***** for (name of employee) in your application. We need to confirm if those details are correct....'</i> 	<p>This will confirm whether the record is correct or whether a mistake has been made.</p> <p>Possible issues:</p> <ul style="list-style-type: none"> • Employee passed away in period preceding lockdown and was still included in current payroll: <ul style="list-style-type: none"> ◦ Outcome -refund of wage subsidy for that person • Employee/employer IRD number incorrectly keyed (MSD or employer records):

	<p>Employer /Sole Trader IRD number</p> <ul style="list-style-type: none"> • Phone employer / sole trader as above • Discuss anomaly with use of IRD number • No reference to it matching a deceased client • Confirm whether the IRD number they provided for their business was correct <p>Potentially unexplainable:</p> <ul style="list-style-type: none"> • Complete sheet and refer for investigation 	<ul style="list-style-type: none"> ◦ Outcome - confirm IRD number ◦ Outcome – if MSD record, contact Data Integrity to correct / remove IRD number • Employee IRD number is correctly keyed (matches with deceased client). This may indicate a deliberate attempt to misuse as third party's IRD number <ul style="list-style-type: none"> ◦ Outcome – refer for investigation • Employer / sole-trader cannot explain anomaly satisfactorily <ul style="list-style-type: none"> ◦ Outcome – refer for investigation
Final steps	<ul style="list-style-type: none"> • Finalise and outcome audit sheet • Start refund process if appropriate • Complete portal audit form 	Audit is complete

out of scope

From: out of scope
Sent: Friday, 1 October 2021 3:42 PM
To: 9(2)(a)
Subject: Wage Subsidy Scheme August21 #2 - The Farmers Trading Company IR 9(2)(ba)(i)

Hi out of scope Thank you talking to me today in relation to your Wage Subsidy August 2021 application #2.

As advised I require more information before I can advance your application. The questions highlighted in yellow require your response:

What evidence can you show us that your business has had, or you are predicting will have, at least a 40% decline in revenue over the period 31 August 2021 to 13 September 2021 for Wage Subsidy Aug21#2, when compared to a typical 14-day consecutive period of revenue in the six weeks immediately prior to the move to Alert Level 4 on 17 August 2021?

What dates have you used in your comparative period?

What was the total revenue generated by your business during this period? – Please provide evidence of this.

For information on the wage subsidy, please refer to the following link <https://www.workandincome.govt.nz/covid-19/wage-subsidy/who-can-get-it.html> and go to the sub heading '**Decline in Revenue**'

Remember - You are required to retain documentation in the event this application is reviewed at a later date.

I look forward to hearing from you.

Regards

out of scope

**Investigation Officer, Intervention Services, Southern
Ministry of Social Development**

9(2)(a)

Address: Invercargill Service Centre 33 Gala Street Invercargill 9810.

Postal Address: P B 90102 | Invercargill 9840

out of scope

From: out of scope 9(2)(a)
Sent: Friday, 1 October 2021 3:55 PM
To: out of scope
Subject: RE: Wage Subsidy Scheme August21 #2 - The Farmers Trading Company IR 9(2)(ba)(i)

Hi out of scope

Thanks, Ill will get this information back to you as soon as possible,

Kind regards

out of scope

HR Manager Operations
The Farmers Trading Company Limited
DDI: 9(2)(a)
MOB 9(2)(a)
www.farmers.co.nz



From: out of scope 9(2)(a)
Sent: Friday, 1 October 2021 3:42 p.m.
To: out of scope 9(2)(a)
Subject: Wage Subsidy Scheme August21 #2 - The Farmers Trading Company IR 9(2)(ba)(i)

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I look forward to hearing from you.

Regards

out of scope

Investigation Officer, Intervention Services, Southern
Ministry of Social Development

From: out of scope
To: out of scope
Subject: RE: The Farmers Trading Company - 9(2)(ba)(i)
Date: Thursday, 9 September 2021 2:18:28 pm
Attachments: [image001.png](#)
[image002.png](#)

I have approved this application in EES.

Cheers

out of scope
Investigator | Fraud Intervention Services
153 St Hill Street, Wanganui
9(2)(a)



From: out of scope 9(2)(a)
Sent: Thursday, 9 September 2021 2:16 PM
To: out of scope 9(2)(a)
Subject: The Farmers Trading Company - 9(2)(ba)(i)

Hi out of scope

Pre-payment assessment for the above company is completed, please can you approve the application.

Thanks

out of scope

Yours sincerely
out of scope | **Wage Subsidy Assessor | Ministry of Social Development**
9(2)(a)

| W: www.msd.govt.nz

L 10 Anglesea Tower, 218 Anglesea Street, Hamilton 3204 | PO Box 19381, Hamilton 3244

From: out of scope
To:
Subject: FW: Wage Subsidy Scheme August21 #2 - The Farmers Trading Company IR 9(2)(ba)(i)
Date: Tuesday, 5 October 2021 9:29:11 am
Attachments: [image001.png](#)
9(2)(ba)(i)

From: out of scope 9(2)(a)
Sent: Monday, 4 October 2021 4:27 PM
To: out of scope 9(2)(a)
Subject: Fwd: Wage Subsidy Scheme August21 #2 - The Farmers Trading Company IR 9(2)(ba)(i)

Hi Steph received today from Farmers , thanks

out of scope

Sent from my iPhone

Begin forwarded message:

From: out of scope 9(2)(a)
Date: 4 October 2021 at 2:00:11 PM NZDT
To: out of scope 9(2)(a)
Subject: RE: Wage Subsidy Scheme August21 #2 - The Farmers Trading Company
IR 9(2)(ba)(i)

Afternoon out of scope ,

Please see Farmers responses to your questions below,

Let me know if you require any additional information.

Kind regards

out of scope
HR Manager Operations
The Farmers Trading Company Limited
DDI: 9(2)(a)
MOB: 9(2)(a)
<http://www.farmers.co.nz>

From: out of scope 9(2)(a)
Sent: Friday, 1 October 2021 3:42 p.m.
To: out of scope 9(2)(a)
Subject: Wage Subsidy Scheme August21 #2 - The Farmers Trading Company IR
9(2)(ba)(i)

Hi [out of scope] Thank you talking to me today in relation to your Wage Subsidy August 2021 application #2.

As advised I require more information before I can advance your application. The questions highlighted in yellow require your response:

What evidence can you show us that your business has had, or you are predicting will have, at least a 40% decline in revenue over the period 31 August 2021 to 13 September 2021 for Wage Subsidy Aug21#2, when compared to a typical 14-day consecutive period of revenue in the six weeks immediately prior to the move to Alert Level 4 on 17 August 2021?

Please refer to the attached spreadsheet that sets out the decline in revenue for the period 31 August to 13 September 2021. The comparison period is taken from a 14 day average over the 6 weeks from 6 July to 16 August 2021.

What dates have you used in your comparative period?

As above.

What was the total revenue generated by your business during this period? – Please provide evidence of this.

9(2)(ba)(i) Please provide evidence of this See attached spreadsheet.

For information on the wage subsidy, please refer to the following link <https://www.workandincome.govt.nz/covid-19/wage-subsidy/who-can-get-it.html> and go to the sub heading 'Decline in Revenue'

Remember - You are required to retain documentation in the event this application is reviewed at a later date.

I look forward to hearing from you.

Regards

out of scope

Investigation Officer, Intervention Services, Southern

Ministry of Social Development

9(2)(a)

9(2)(a)

Address: Invercargill Service Centre 33 Gala Street Invercargill 9810.

Postal Address: P B 90102 | Invercargill 9840

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From: out of scope
To: out of scope
Subject: RE: The Farmers Trading Company - Aug 21 Wage subsidy application
Date: Thursday, 9 September 2021 12:38:59 pm
Attachments: [image001.png](#)
9(2)(ba)(i)

Afternoon out of scope

Please see our reply below in red,

Happy to discuss if you have any further questions?

Kind regards

out of scope

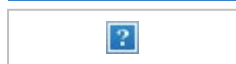
HR Manager Operations

The Farmers Trading Company Limited

DDI: 9(2)(a)

MOB: 9(2)(a)

www.farmers.co.nz



From: out of scope 9(2)(a)

Sent: Wednesday, 8 September 2021 11:50 a.m.

To: out of scope 9(2)(a)

Subject: The Farmers Trading Company - Aug 21 Wage subsidy application

Dear out of scope

I am sending this email further to our discussion regarding the August 2021, Wage Subsidy application you have submitted. In order to advance the application as quickly as possible, I require more information.

The questions highlighted in yellow below require your response:

What evidence can you show us that your business has had, or you are predicting will have, at least a 40% decline in revenue over the period 17 August to 30 August 2021, when compared to a typical 14-day consecutive period of revenue in the six weeks immediately prior to the move to Alert Level 4 on 17 August 2021?

Please refer to the attached spreadsheet that sets out the decline in revenue for the period 17 August to 30 August 2021. The comparison period is taken from a 14 day average over the 6 weeks from 6 July to 16 August 2021.

How is that revenue decline attributable to the move to Alert Level 4 on 17 August 2021?

All of our physical retail stores were closed during this period.

What dates have you used in your comparative period?

As above

Who calculated the revenue decline information?

The Finance team calculated the decline information.

Tell me how you worked this out? Please provide these calculations and evidence of the revenue generated by your business in the comparative 14 day period.

Calculation provided in attached spreadsheet. We are externally audited by PwC. The systems generating the sales numbers set out in the calculations come from our retail and finance IT systems that PwC test and rely on for the annual audit.

Tell us about active steps you've taken to mitigate the impact of the move to Alert Level 4 on 17 August 2021. Give specific examples and outcomes.

We have continued to operate our online store selling essential items only. We have approached our bank for additional seasonal funding and await the outcome of this. In addition we are negotiating rent relief with landlords, we have an agreement with the IRD to defer certain tax payments and have employees WFH where possible and are managing cash flows as tightly as we can.

(includes but not limited to engaging with your bank, drawing on your cash reserves as appropriate, making an insurance claim, IRD loans, other government assistance, moved to online, employees WFH).

For information on the wage subsidy, please refer to the following link <https://www.workandincome.govt.nz/covid-19/wage-subsidy/who-can-get-it.html> and go to the sub heading '**Decline in Revenue**'

Remember - You are required to retain documentation in the event this application is reviewed at a later date.

Once I have received your response I expect to be in a position to advance your application.

I look forward to hearing from you.

Yours sincerely

out of scope | **Wage Subsidy Assessor | Ministry of Social Development**

9(2)(a)

E: 9(2)(a) | W: www.msd.govt.nz

L 10 Anglesea Tower, 218 Anglesea Street, Hamilton 3204 | PO Box 19381, Hamilton 3244

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From: out of scope
To: 9(2)(a)
Subject: The Farmers Trading Company - Aug 21 Wage subsidy application
Date: Wednesday, 8 September 2021 11:50:00 am

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How is that revenue decline attributable to the move to Alert Level 4 on 17 August 2021?

What dates have you used in your comparative period?

Who calculated the revenue decline information?

Tell me how you worked this out? Please provide these calculations and evidence of the revenue generated by your business in the comparative 14 day period.

Tell us about active steps you've taken to mitigate the impact of the move to Alert Level 4 on 17 August 2021. Give specific examples and outcomes.

(includes but not limited to engaging with your bank, drawing on your cash reserves as appropriate, making an insurance claim, IRD loans, other government assistance, moved to online, employees WFH).

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I look forward to hearing from you.

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out of scope | **Wage Subsidy Assessor | Ministry of Social Development**

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