



11 June 2024



Dear 

Thank you for your request made under the Official Information Act 1982 (OIA), received on 25 May 2024. You requested the following (numbered for ease of response):

1. *I would like ird to confirm how many small business loans granted in 2020,*
2. *how many defaulted,*
3. *how many incorrectly applied,*
4. *how many written off,*
5. *and how many under payment arrangements.*

*I need full statistical data on small business loan schemes in 2020.*

### **Small Business Cashflow (Loan) Scheme**

The Small Business Cashflow (Loan) Scheme (SBCS) was introduced to assist small businesses who had been impacted by Covid-19. To be eligible for the loan, applicants were required to meet certain eligibility criteria and make a declaration to this effect. The SBCS applications opened on the 12 May 2020, initially for a period of one month however it was subsequently extended to 31 December 2023. The extension included an interest free period of 2 years with loans due to be repaid from day 1 of year 3. If a loan was repaid within the 2-year period, no interest was applied.

If a loan remained unpaid at the end of the 2-year period, recipients were issued a loan repayment schedule one month prior to the loan repayments becoming due. The repayment schedule spread the remaining balance equally across the 3 years remaining in the loan contract. The loan period itself, being 5 years.

### **Questions 1 and 3**

Inland Revenue has released the number of applications accepted, and declined (incorrectly applied) for the SBCS in our 2021 Annual report, which are publicly available at [Inland Revenue | Te Tari Taake Annual Report 2021 \(ird.govt.nz\)](https://www.ird.govt.nz/annual-report-2021). The number of loans granted can be found on page 27 of the report, and the number of declines can be found on page 36.

Your request for the number of loans granted and the number of loans incorrectly applied for is therefore refused under section 18(d) of the OIA, as this information is publicly available.

**Question 2**

For the period from when the SBCS applications opened on 12 May 2020 to 31 December 2020, there were 192 defaulted loans.

**Question 4**

The first SBCS write-offs occurred from October 2020. Some common reasons for write-offs include companies being struck off, serious hardship, liquidation, bankruptcy, and the final distribution of estates.

Please see the table attached as **Appendix A** for a monthly breakdown of the most recent data available on write-offs of the SBCS loans since they were introduced in 2020.

**Question 5**

As of June 2024, we have no Loan repayment plans for the period 12 May 2020 to 31 December 2020. This is largely due to the loans not being required to start being repaid until 2 years after a loan was issued.

**Right of review**

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: [CommissionersCorrespondence@ird.govt.nz](mailto:CommissionersCorrespondence@ird.govt.nz).

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz).

If you choose to have an internal review, you can still ask the Ombudsman for a review.

**Publishing of OIA response**

We intend to publish our response to your request on Inland Revenue's website ([www.ird.govt.nz](http://www.ird.govt.nz)) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Yours sincerely



Raelene Stewart

**Group Lead, Customer Compliance Services - Micro Business**

## Appendix A

<b>SBCS loan write-off by month</b>	
<b>Month</b>	<b>Amount (\$)</b>
Oct-20	11,600
Nov-20	157
Dec-20	92
Jan-21	6,000
Feb-21	11,800
Mar-21	17,200
Apr-21	39,000
Jun-21	41,293
Jul-21	11,800
Aug-21	79,633
Sep-21	55,200
Oct-21	798,451
Nov-21	387,113
Dec-21	296,614
Jan-22	401,875
Feb-22	460,711
Mar-22	774,373
Apr-22	248,170
May-22	393,793
Jun-22	294,129
Jul-22	604,266
Aug-22	669,521
Sep-22	1,265,396
Oct-22	853,855
Nov-22	581,256
Dec-22	462,258
Jan-23	794,764

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**SBCS loan write-off by month**

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Feb-23	468,850
Mar-23	869,403
Apr-23	522,239
May-23	768,576
Jun-23	574,537
Jul-23	1,023,388
Aug-23	1,397,525
Sep-23	1,210,281
Oct-23	935,130
<b>Total</b>	<b>17,330,250</b>

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