

Reference: 20200162

8 June 2020

Dear [REDACTED]

Thank you for your Official Information Act request, received on 1 May 2020. You requested:

I'm interested in the modelling underpinning the interest free loan scheme which the Government is extending to small businesses.

Specifically, I would like to request:

- 1. Any advice on the cost of the scheme, including the expected rate of loan failure and the number of businesses the Government expects to take up the scheme.*
- 2. Any advice on moral hazard related to the scheme.*
- 3. Any advice on costs related to otherwise healthy firms choosing to finance through the Government at low interest rates instead of commercial banks.*

Information publicly available

The information you have requested will soon be made available. Several proactive releases of information are planned for the advice provided to the Government on the economic impact of COVID-19. This information will include some of the material in scope of your request.

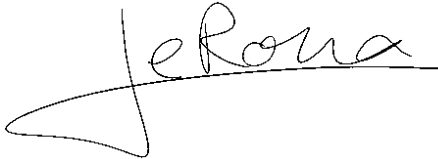
The first information release was published on the Department of Cabinet and Prime Minister website on Friday 8 May: covid19.govt.nz/resources/key-documents-and-legislation/proactive-release/. Several further releases are planned over the coming weeks.

Accordingly, I have refused your request for these documents under section 18(d) of the Official Information Act – the information requested is or will soon be publicly available.

If any of the specific information you requested is not covered by the proactive release, please feel free to make a new Official Information Act request to the Treasury.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

A handwritten signature in black ink that reads "Jean Le Roux". The signature is written in a cursive style with a large, sweeping initial "J" that extends to the left and underlines the rest of the name.

Jean Le Roux

Manager, Transitions, Regions, and Economic Development