



16 January 2026

Dear [REDACTED]

Thank you for your requests made under the Official Information Act 1982 (OIA), received on 2 December 2025. In response to an earlier OIA (26OIA1530), you've asked some follow up questions. The questions and responses are below.

Question: You told me that as of Oct 21 \$447m of loans are in default, how many businesses (loan customers) does that represent?

This represents 31,371 customers.

Question: You told me that between 1 March and 21 Oct \$18,447,421 was written off. How much has been written off in total, since the scheme began?

Question: What is the total amount of debt written off by IRD related to the Small Biz Cashflow Loans (you've told me that it was \$18,447,421 for the period March 1 to Oct 21); I'm looking for a total figure to date, or to Oct 21 is fine?

As at 21 October 2025, the total amount written off for the Small Business Cashflow (Loan) Scheme (SBC) is \$64,983,534.

Question: You told me that a marketing campaign commenced in March 2025 to raise awareness of the loan term expiry and encourage repayment. What has the cost of this been to date?

In the 2024/25 financial year, Inland Revenue spent \$60,000 on advertising and marketing campaigns for SBC to raise awareness of the 5-year loan term expiry and to encourage repayments.

For the 2025/26 financial year, we have not run an advertising campaign, however there have been some social media posts reminding customers of the SBC loan. Inland Revenue does not hold information that breaks down the social media spend for individual campaigns. Social media activity is often delivered through a mix of in-house activity and external advertising agency support, and costs are not tracked in a way that can be reliably attributed to specific campaigns. As a result, it is not possible to separate or quantify the social media component for each campaign. Accordingly, this part of your request is refused under section 18(g) of the OIA, as the information requested is not held by the department.

Question: You also told me that since Feb 2025 an outbound calling campaign has been targeting customers behind on repayments and in default. What has the cost of this campaign been to date? And how many FTEs does IRD have working on it?

The outbound campaign started with 12 FTEs in February 2025 and increased to 15 FTEs in March 2025. The cost of the campaign includes the cost of the FTEs. The FTEs also worked on other tax related tasks.

Inland Revenue does not hold data that breaks down FTE work by task, project, or workstream. Accordingly, your request for the cost of the outbound calling campaign is refused under 18(g) of the OIA.

Question: What has been the total cost to administer the scheme to date?

The administration of this scheme is integrated into Inland Revenue's core business activities. Costs for administering the SBC are not separately recorded or reported. Accordingly, this part of your request is refused under section 18(g) of the OIA.

Question: You've said that the consequences for non-payment include default interest of 14%, and the possibility of legal action. What legal action has IRD been taking against borrowers who are in default?

Normal debt recovery processes apply to SBC defaults. This includes contacting customers to set up repayment plans and deductions (under section 157 of the Tax Administration Act 1994) from the customer's bank account or salary and wages. On a case-by-case basis, the Commissioner may also consider other legal actions, e.g. liquidation, bankruptcy and prosecution actions for cases involved with fraud.

Question: Are these defaulted loans (\$447m as of Oct 21) already having an effect on the number of company insolvencies, liquidation and bankruptcies (ie are they pushing them higher)?

Out of the 31,371 customers with loans in default, 681 customers are insolvent. We do not hold information regarding the effect of the defaulted loans on the number of insolvencies. Accordingly, this part of your request is refused under section 18(g) of the OIA.

Question: Can you please clarify: are the loans in repayment plans (either active or behind schedule) also considered to be in default? I want to understand if either category constitute defaulted loans.

Loans in active repayment plans are not considered to be in default (i.e. no default interest is charged). However, if a customer falls behind on their repayment obligations, we will reach out to provide support and help them get back on track. If the customer fails to make payment after these contact attempts, the loan will be classified as in default.

Question: As the number and value of these defaulted loans is increasing rapidly, are they expected (all else being equal) to put upward pressure on the number of company insolvencies, liquidation and bankruptcies in the coming year – I note that half of all repayment plans are behind schedule, and you've noted the possibility for legal action as a consequence of non-payment?

Overdue tax debt is a significant issue that becomes more challenging during tough economic times. We are happy to work with customers to agree repayment arrangements that are suitable for their financial situation. To date, Inland Revenue has not put customers into

liquidation/bankruptcy purely because of loan debt. However, if the customer has other tax debt, then other collection methods may be more appropriate. Legal action is considered on a case-by-case basis.

Question: You've told me that the total loan balance is \$748m, and the total loan debt in default is \$447m; is it correct to infer that the difference between those two numbers, \$301m, essentially represents the balance of loans made under the scheme, which have not yet reached their 5-year term and come due?

The \$301 million represents the amount owed by customers who are on active repayment plans. Some customers may have negotiated an extension to their loan term to more than 5 years.

Question: The scheme appears to have closed at the end of 2023; is it correct that some loans will not reach the end of their term until the end of 2028? If otherwise, can you tell me when the last of these loans will come due?

Loan applications closed on 31 December 2023. However, a small number of loans were not processed until early 2024. Therefore, those loans will not reach the end of their term until early 2029. There are also customers with re-negotiated repayment plans extending their loan term up to 10 years.

Right of review

If you disagree with my decision on your OIA request, you have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the OIA. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (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.

Thank you again for your request.

Yours sincerely



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