

A wage subsidy was set up to support people to remain connected to their jobs during COVID-19.

We wanted to see how the wage subsidies were distributed across the population and the kinds of jobs that were supported.

This report updates all the information provided in our initial report while adding additional information using data to 11 September 2020. All wage subsidies were closed to new applications by this date and the vast majority of applications had been completed.

Overall, 62% of jobs (excluding sole traders) were supported by at least one wage subsidy

Of all jobs that received a wage subsidy, 32% were supported by two or more wage subsidies – where jobs were supported by two or more of the Wage Subsidy, Wage Subsidy Extension or Resurgence Wage Subsidy.

Jobs in some industries were much more likely to require support, or be supported by multiple wage subsidies

The construction industry had the highest proportion of jobs supported by at least one wage subsidy (106% - this is higher than 100% as discussed in the Data Considerations section below).

The arts and recreation services industry had the highest proportion of jobs supported by more than one of the wage subsidies. Over half (56%) of all unique arts and recreation services jobs supported by a wage subsidy were supported by two or more wage subsidies.

The accommodation and food industry had the second highest proportion of jobs supported by at least one wage subsidies (103% - this is higher than 100% as discussed in the Data Considerations section above). Of all accommodation jobs supported by a wage subsidy just under half (46%) were supported by two or more wage subsidies.

Employees in Auckland were more likely to require wage subsidy support

Employees in Auckland had the highest proportion of supported jobs (68%). This was the highest of all the regions even prior to the August 2020 resurgence, but the return to Alert Level 3 in Auckland resulted in a further increase. Of all jobs in Auckland that were supported by a wage subsidy, 41% received two or more wage subsidies - the highest rate across all regions.

A greater proportion of employed males were supported (69%) than females (54%)

This appears to be a function of industries where males and females tend to be highly represented. For example, males make up the majority of people employed in some industries that had a high proportion of jobs supported by a wage subsidy such as construction, wholesale trade, transport, post and warehousing. Whereas females make up the majority of people receiving wage subsidies in some industries with very low proportions of jobs supported such as healthcare, social services, education and training.

The proportion of jobs supported by a wage subsidy was the highest for younger employees

This may be due to the types of jobs and industries that young people are more likely to be employed in. However young people aged under 20 only make up less than 100k out of the 1.52m jobs supported by a wage subsidy. This is because they only make up 6% of all jobs.

A greater proportion of Asian employees were supported (70%) than other ethnic groups

This is driven by Asian employees making up a much higher proportion (38%) of jobs supported in the accommodation and food services industry, where nearly all jobs are supported, than they do in any other industry. Additionally, 64% of all Asian employees supported were in Auckland which is the region with the highest proportion of all employees supported.

Jobs from small businesses were more likely to require wage subsidy support

Employees of small businesses (those with 1 - 19 employees) were more likely to have received a wage subsidy than employees from larger businesses. This likelihood decreased as the business size increased. Similarly, employees of small businesses were more likely to receive support from more than one of the wage subsidies than employees from larger business.

Wage subsidy timeline

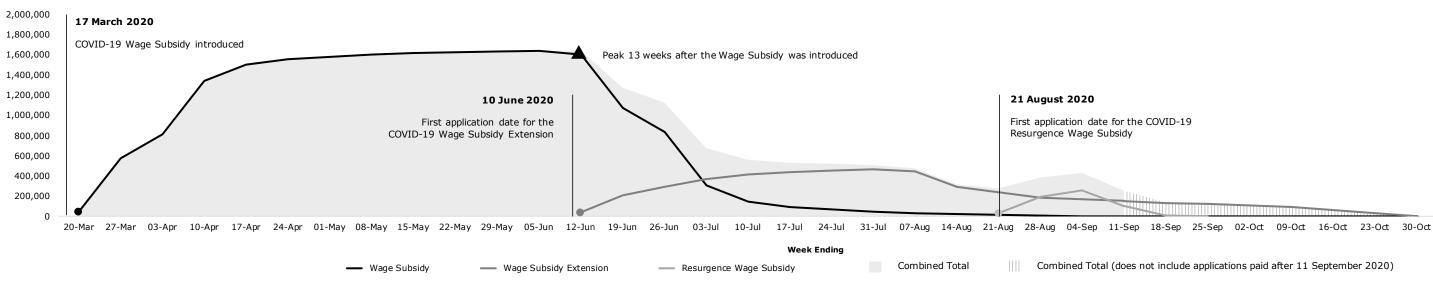
The following shows a timeline of the wage subsidies:

- 17 March 2020. The **Wage Subsidy opened** for applications from employers, including self-employed people, across New Zealand who experienced at least a 30% decline in revenue over a month related to COVID-19. It provided eligible employers a lumpsum payment for each employee, to help pay and retain employees for a 12-week period.
- 9 June 2020. The Wage Subsidy closed.
- 10 June 2020. The Wage Subsidy Extension opened for applications from employers, including selfemployed people, across New Zealand who experienced at least a 40% decline in revenue over a month related to COVID-19. It provided eligible employers a lumpsum payment for each employee, to help pay and retain employees for an 8-week period.
- 21 August 2020. The Resurgence Wage Subsidy opened for applications from employers, including self-employed people, across New Zealand who experienced at least a 40% decline in revenue over two weeks related to COVID-19. It provided eligible employers a lumpsum payment for each employee, to help pay and retain employees for a 2-week period.
- 1 September 2020. The Wage Subsidy Extension closed.
- 3 September 2020. The **Resurgence Wage Subsidy** closed.

Our initial report <u>"Who was supported by the wage subsidy and extension?" used data to 24 July 2020</u>, which was prior to Auckland moving back to Alert Level 3 on 12 August 2020 and before the release of the Resurgence Wage Subsidy (applications opened on 21 August 2020).

See the end of this report for information on the methodology, data considerations, key definitions and further additional information.

Number of unique jobs supported (applications approved and paid, including sole traders)



Proportion of unique jobs supported by at least one of the wage subsidies (excluding sole traders)

The following 3 pages show the number of unique jobs supported by wage subsidies. This includes the Wage Subsidy, Wage Subsidy Extension and the Resurgence Wage Subsidy.

Calculation: Proportion of Unique Jobs Supported



The following charts give breakdowns for the 1.52m unique jobs supported by at least one of the wage subsidies:

For unique jobs supported by at least one of the wage subsidies, the proportions by 1, 2 or 3 WAGE SUBSIDIES

1 Subsidy		2 Subsidies	All 3 Subsidies	
	68%	21%	11%	
	1,036,050 unique jobs	319,641 unique jobs	<i>161,706</i>	

For unique jobs supported by at least one of the wage subsidies, the proportions by EMPLOYEE GENDER*

Female	Male			
	43% 650,937 unique jobs	57% 858,906 unique jobs		

NZ European 59%

860,289 unique jobs

For unique jobs supported by at least one of the wage subsidies, the proportions by BUSINESS SIZE

Small (1-19 employees)	Medium (20-99 employees)	Large (100+ employees)	Māori	Pacific People	Asian	
47%	24%	29%	14%	6%	199	
710,529 unique jobs	364,998 unique jobs	441,870 unique jobs	200,778	92,874	283,347 un	

The IDI currently uses sex and gender interchangeably to derive this variable. Until recently most IDI data supplies have not contained gender diverse data, but as more datasets start to include expressions of gender diversity these will be coded appropriately and will become more visible throughout the IDI.

Data up to 11 September 2020

Combined Total (does not include applications paid after 11 September 2020)

4. DATA CONSIDERATIONS

Multiple data sources have been combined to determine the variables below. Different approaches may lead to different results. For example, Stats NZ's Employment Indicator count of jobs is lower (resulting in a supported proportion of 68%).

Some employees paid a Wage Subsidy are not included in Inland Revenue data. For example, some business owners could apply as employees. Excluding these would decrease the proportion supported to 54%. Refunds (past or future) have not been allowed

Despite these considerations, relativities between ages, gender, ethnic groups, business size, industries and regions are expected to be broadly similar.

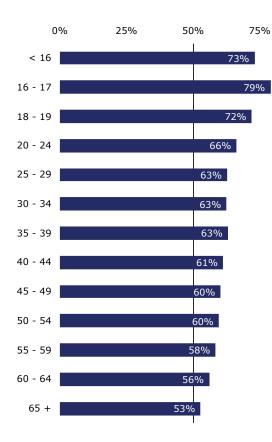
For unique jobs supported by at least one of the wage subsidies, the proportions by EMPLOYEE ETHNIC GROUP

Other
<mark>2</mark> %
32,9 <mark>4</mark> 3

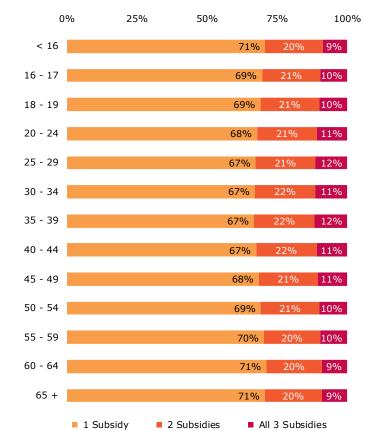
EMPLOYEE AGE

Proportion of unique jobs supported by at least one of the wage subsidies, within each group

100%

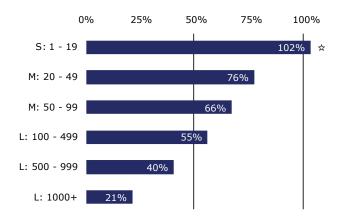


For unique jobs supported by at least one of the wage subsidies, the proportions by 1, 2 or 3 **WAGE SUBSIDIES**



BUSINESS SIZE (Number of employees)*

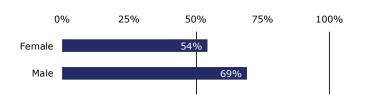
Proportion of unique jobs supported by at least one of the wage subsidies, within each group



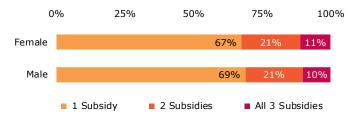
- * Based on the number of unique employees paid a wage, salary or withholding payment in the month of March 2020 for each employer.
- ☆ This is above 100% for the data considerations identified above.

EMPLOYEE GENDER *

Proportion of unique jobs supported by at least one of the wage subsidies, within each group

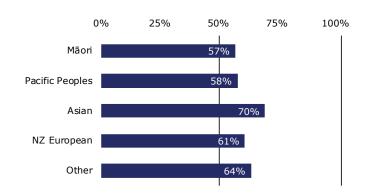


For unique jobs supported by at least one of the wage subsidies, the proportions by 1, 2 or 3 **WAGE SUBSIDIES**

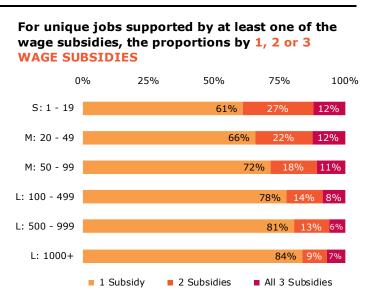


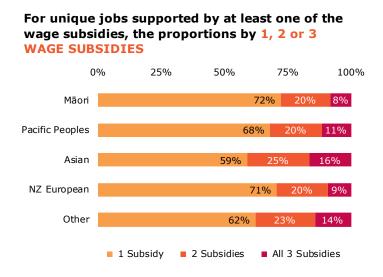
EMPLOYEE ETHNIC GROUP

Proportion of unique jobs supported by at least one of the wage subsidies, within each group



* The IDI currently uses sex and gender interchangeably to derive this variable. Until recently most IDI data supplies have not contained gender diverse data, but as more datasets start to include expressions of gender diversity these will be coded appropriately and will become more visible throughout the IDI.





INDUSTRY

Proportion and number of unique jobs supported by at least one of the wage subsidies, within each group For unique jobs supported by at least one of the wage subsidies, the proportions by 1, 2 or 3 WAGE SUBSIDIES 0% 50% 100% 0% 0% 50% 100% 213,600 8% Construction 182,700 Accommodation and Food services 73,100 Other services 87% 35,900 Rental, Hiring and Real Estate 91,700 Wholesale Trade 76,600 Transport, Post and Warehousing 76% 36,800 Arts and recreation 74% 174,500 Manufacturing 74% 163,100 Retail Trade 98,800 Admin and support services 68% 134,800 Professional, science and technical services 66% 3,700 Minina 62% 7,100 Electricity, Gas, Water and Waste Services 38% 44,100 Agriculture 36% 14,800 Information and media 35% Financial and Insurance 23,800 85% 11% 4% Health care and social services 66,500 6% Education and training 40,200 Public administration and safety 6% 9,200

 \star These are above 100% for the data considerations highlighted above.

For unique jobs supported by at least one of the wage subsidies, the proportions by BUSINESS SIZE 50% 1000/

For unique jobs supported by at least one of the wage subsidies, the proportions by EMPLOYEE ETHNIC GROUP nº// 500

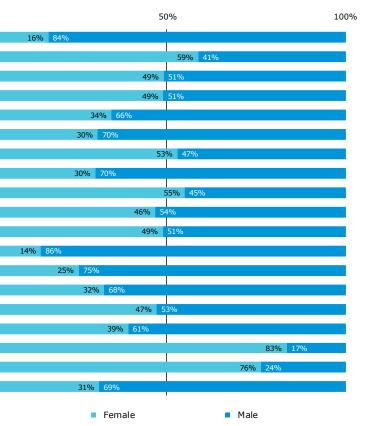
All 3 Subsidies

2 Subsidies

1 Subsidy

09	% 509	/o	100% 0%	5	50%
Construction		59% 23% 19%	17%	6% 13% 63%	
Accommodation and Food services	52%	28% 20%	14% 5%	38%	
Other services		75% 15% 10%	12% 5%	17% 66%	
Rental, Hiring and Real Estate		63% 19% 18%	10% 4%	18% 68%	
Wholesale Trade	40%	31% 29%	10% 6%	17% 66%	
Transport, Post and Warehousing	28% 22%	50%	18%	11% 15% 56%	
Arts and recreation	42%	27% 31%	16% 6	% 11% 67%	
Manufacturing	33% 32%	35%	15%	9% 17% 58%	
Retail Trade	41%	19% 40%	12% 5%	23% 60%	
Admin and support services	30% 18% 539	6	17%	14% 22%	47%
Professional, science and technical services	52%	26% 22%	8% 3%	8% 71%	
Mining	23% 23% 54%		20	% <mark>2% 3% 74</mark> %	
Electricity, Gas, Water and Waste Services	28% 21% 5	1%		24% 9% 10% 57%	
Agriculture		<u>61%</u> <u>30%</u> 9%		24% 4% 9% 63%	
Information and media	37% 16%	47%	10% 4%	17% 68%	
Financial and Insurance	34% 12% 54%		13% 7%	18% 61%	
Health care and social services	50%	28% 22%	10% 4%	19% 67%	
Education and training	39%	26% 35%	12% 6%	19% 63%	
Public administration and safety	22% 19% 59%		20ª	6 13% 17%	50%
Small (1-19 e)	mployees) Medium (20-99 employees)	 Large (100+ employees) 	■ Māori	Pacific Peoples	Asian

* The IDI currently uses sex and gender interchangeably to derive this variable. Until recently most IDI data supplies have not contained gender diverse data, but as more datasets start to include expressions of gender diversity these will be coded appropriately and will become more visible throughout the IDI.



For unique jobs supported by at least one of the wage subsidies, the proportions by EMPLOYEE GENDER*

100% 439 Other NZ European

EMPLOYEE LOCATION BY REGIONAL COUNCIL

Proportion and number of unique jobs supported by at least one of the wage subsidies, within each group

For unique jobs supported by at least one of the wage subsidies, the proportions by 1, 2 or 3 WAGE SUBSIDIES 0% 50% 100% 9% 71%

2 Subsidies

70%

73%

79%

76%

74%

74%

77%

76%

72%

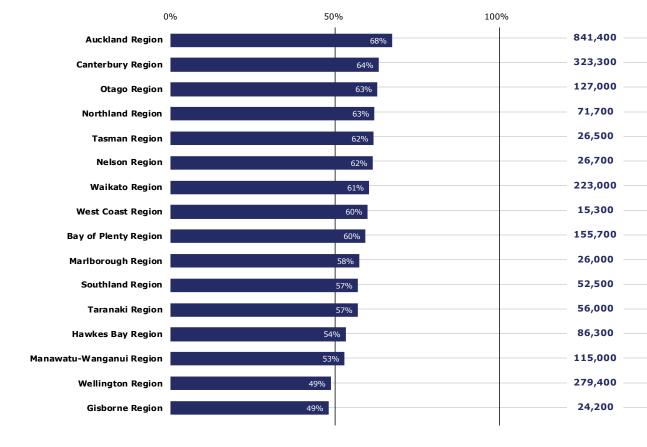
81%

80%

79%

79%

All 3 Subsidies



For unique jobs supported by at least one of the wage subsidies, the proportions by BUSINESS SIZE

For unique jobs supported by at least one of the wage subsidies, the proportions by EMPLOYEE ETHNIC GROUP 50%

0%

11%

5%

6%

8%

5%

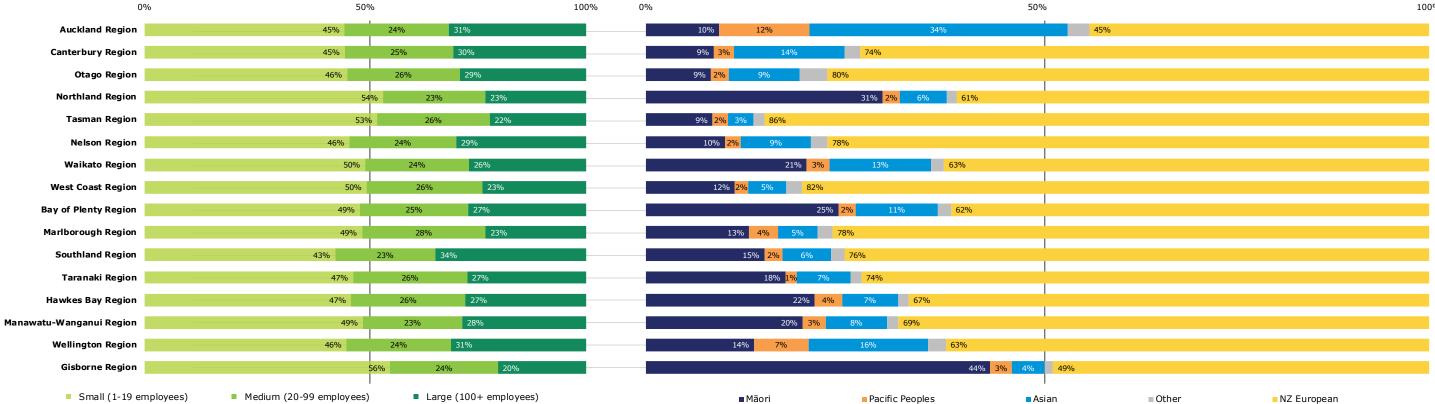
4%

6%

5%

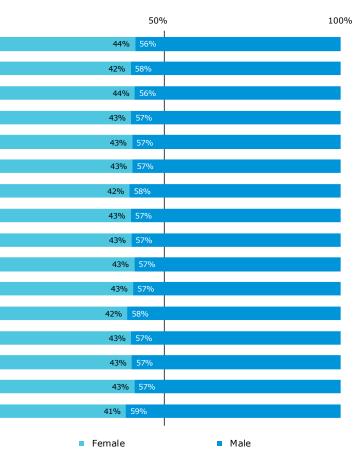
5%

10%



1 Subsidy

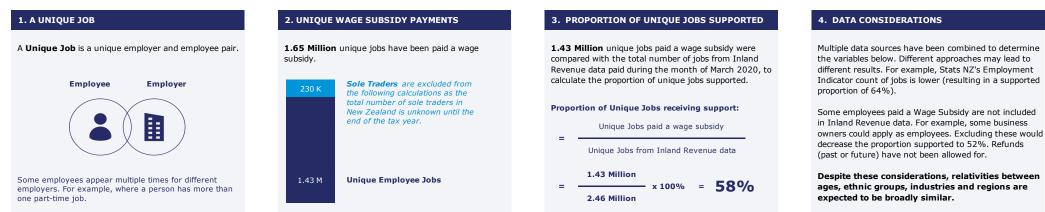
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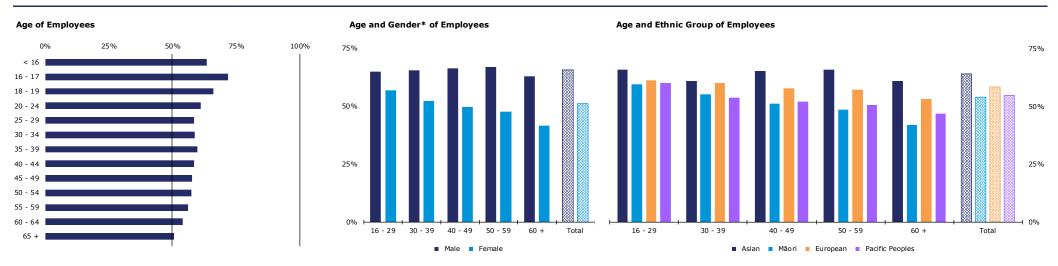
For unique jobs supported by at least one of the wage subsidies, the proportions by **EMPLOYEE GENDER***

100%

Calculation

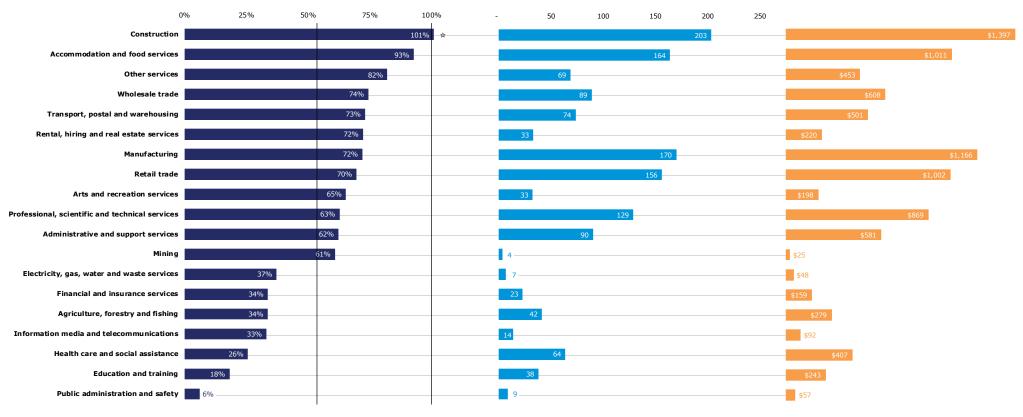


PROPORTION OF UNIQUE JOBS SUPPORTED BY THE WAGE SUBSIDY



Industry

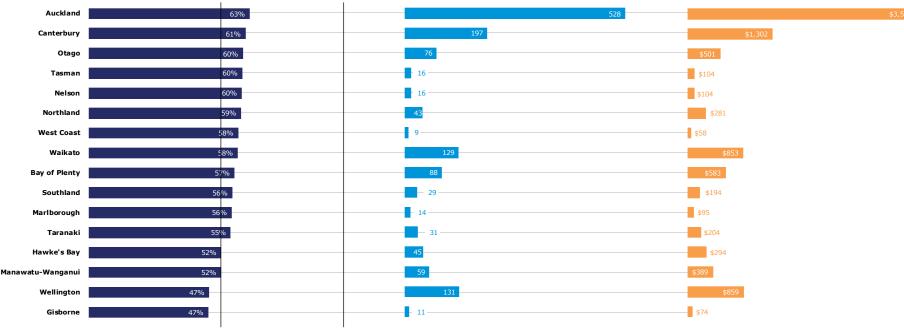




 \pm This is above 100% for the reasons identified above.

Regional Councils of Employees

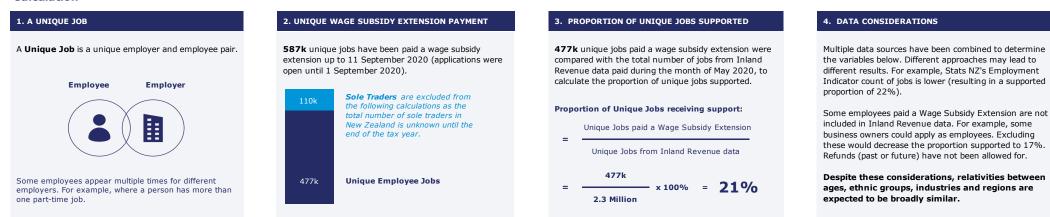
Proportion of Unique Jobs supported by the Wage Subsidy					Number of U	Number of Unique Jobs supported by the Wage Subsidy (Thousands)				Payments (Millions \$)	
0%	25%	50%	75%	100%	-	150	300	450	600		



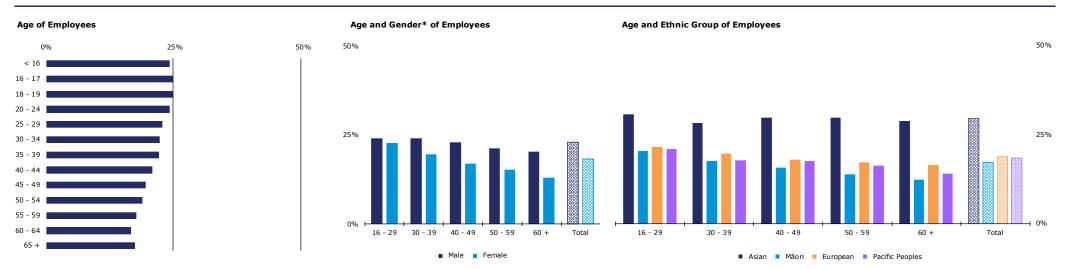
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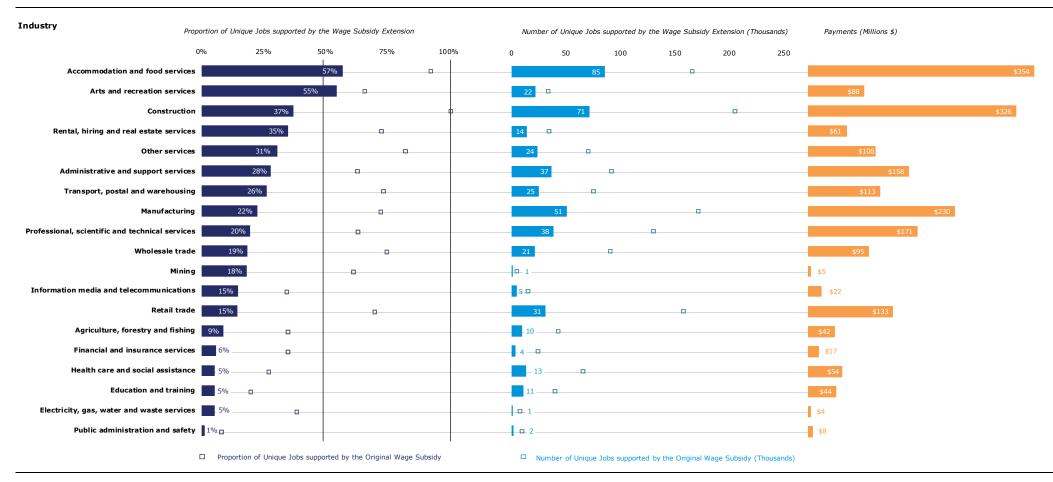
Proportion Of Unique Jobs Supported By The Wage Subsidy Extension

Calculation



PROPORTION OF UNIQUE JOBS SUPPORTED BY THE WAGE SUBSIDY EXTENSION





Regional Councils of Employees

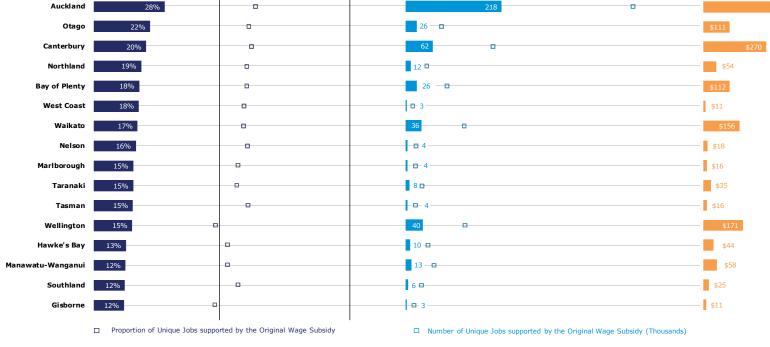
Proportion of Unique Jobs supported by the Wage Subsidy Extension

Number of Unique Jobs supported by the Wage Subsidy Extension (Thousands) Payments (Millions \$)

200

0% 25% 50% 75% 100%

600

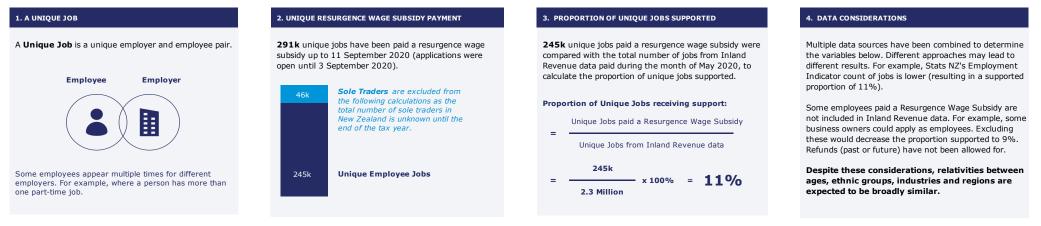


0

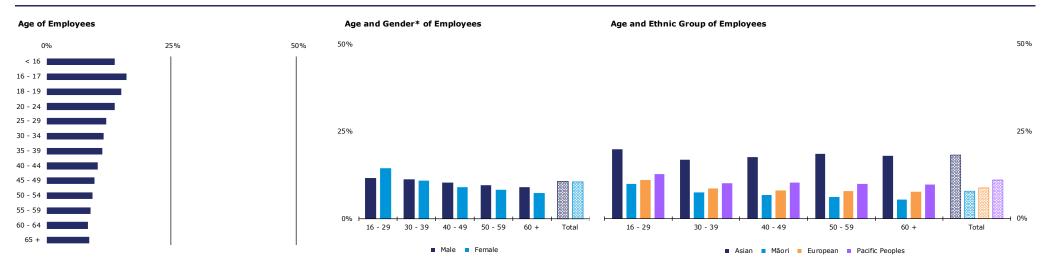
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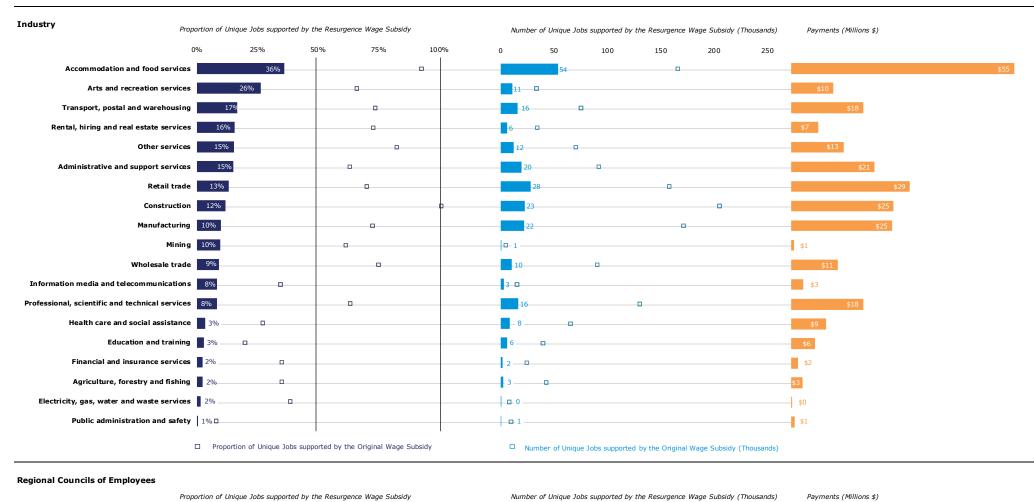
Proportion Of Unique Jobs Supported By The Resurgence Wage Subsidy

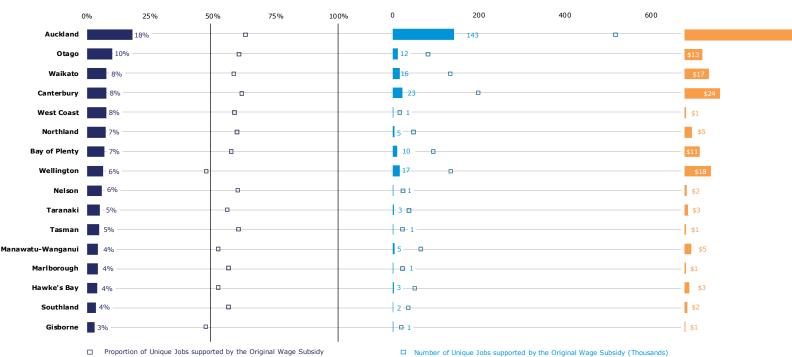
Calculation



PROPORTION OF UNIQUE JOBS SUPPORTED BY THE RESURGENCE WAGE SUBSIDY







The IDI currently uses sex and gender interchangeably to derive this variable. Until recently most IDI data supplies have not contained gender diverse data, but as more datasets start to include expressions of gender diversity these will be coded appropriately and will become more visible throughout the IDI.

Methodology

This report provides information on all applications that were approved and paid to employers for their employees. Most of the analysis does not include those who applied as sole traders as information on the total number of sole traders in New Zealand will not be available until after annual tax returns are filed.

Data collected to administer the Wage Subsidy, Wage Subsidy Extension and Resurgence Wage Subsidy has been supplemented with additional information from the IDI. The IDI is a large anonymised research database maintained by Stats NZ and contains data about life events, like education, industry, region, demographics, income, benefits, migration, justice, and health. It comes from government agencies, Stats NZ surveys, and non-government organisations (NGOs).

Overall, there is a high level of consistency between the different sources of information but, as this information was not all originally collected to understand the support provided by the wage subsidies, there are some inconsistencies when matching applications to employers and employee details.

Data considerations

There is no single source of information for the variables analysed in this report, so we use multiple sources. Different analysis approaches may lead to slightly different results. The sources of information used were appropriate for this analysis.

There is also no single agreed method across the sector for analysing these results. For example, Stats NZ uses a different method for counting unique jobs, which results in lower counts. Using its Employment Indicators method would increase the proportion supported. The methods applied were appropriate for this analysis. There were a small number of jobs and employees that could not be allocated to valid variables in this analysis (for example, a small number could not be allocated to a valid industry). We have excluded those with "unknown" variables from the graphs in this report but included them in the published tables. This means that the sum of the figures in each graph may be slightly less than the total.

There are some Wage Subsidy, Wage Subsidy Extension and Resurgence Wage Subsidy applications for employees not included in the Inland Revenue data. For example, some business owners could apply as employees and some businesses could apply for casual employees. Excluding these would decrease the proportion supported. By including these, for example, the construction industry has a reported proportion of 106%.

We have not allowed for any past refunds or any future possible refunds.

Despite these considerations, the relativities between ages, gender, ethnic groups, industries, business size and regions are expected to be broadly similar. Overall, the information used, and the approach taken, is appropriate for this analysis.

Detail behind the calculations

The proportion of unique jobs supported by a wage subsidy is calculated by taking the number of unique jobs paid a wage subsidy, divided by the number of unique jobs from the Inland Revenue data.

The proportion of unique jobs supported has been calculated for unique jobs supported by at least one of the wage subsidies, as well as individually for each of the Wage Subsidy, the Wage Subsidy Extension and the Resurgence Wage Subsidy. Inland Revenue data for March 2020 was used for the proportion supported by at least one wage subsidy, and the proportion supported by the Wage Subsidy. Data for May 2020 was used for

the Wage Subsidy Extension and Resurgence Wage Subsidy. The information has been analysed by age, gender, ethnic group, industry, business size and region.

This data is sourced from:

- the 14 September 2020 COVID Wage Subsidy dataset which records who received the Wage Subsidy, Wage Subsidy Extension and Resurgence Wage Subsidy;
- the June 2020 ad hoc Employer Monthly Schedule dataset (Inland Revenue data) to determine the total number of paid jobs; and
- the July 2020 IDI refresh for determining demographic, industry and location details for people in the groups above.

Key definitions

Unique jobs are defined as unique combinations of an employer and employee from the Wage Subsidy or Inland Revenue data. Employees can work for more than one employer – for example, a person with two part-time jobs – so each of these jobs is counted in the total count.

Unique jobs paid a wage subsidy is taken from the Wage Subsidy data. It only includes applications that have been paid. It does not include sole trader applications.

Unique jobs from the Inland Revenue data only includes those paid a wage, salary or withholding payment. Sole traders are not included, as this information will not be fully available until their tax returns are submitted.

Age, gender, ethnic group and region for each of these employees are sourced from the IDI's anonymised derived details table.

- If a person has more than one ethnicity recorded, then we allocated them to the first matching ethnic group in the following list: Māori, Pacific Peoples, Asian, NZ European, Other, Unknown.
- The IDI currently uses sex and gender interchangeably for linking purposes and to derive variables in IDI central tables. Until recently most IDI data supplies have not contained gender diverse data, but as more datasets start to include expressions of gender diversity these will be coded appropriately and will become more visible throughout the IDI.

Industry is calculated at the Permanent Business Number level for each employee and based on the ANZSIC06 industry classification standard. The industry is selected from the following sources in this order:

- 1. If the employee's industry is available in the Inland Revenue data, then use the most recent industry. If this is not available, then use:
- 2. The most recent industry for the employer in the Inland Revenue data. If this is not available, then use:
- 3. The most recent industry from the ACC customer data for the employer. If this is not available, then use:
- 4. The most recent industry for the employer from the businesses register table.
- 5. If none of the above four steps returns an industry, then they are classified as "Unknown industry".

Business Size calculated using the Inland Revenue data. It is calculated as the number of unique employees that were paid a wage, salary or withholding payment by each employer during that month.

Alignment with other reporting

The information in this report aligns with previous reporting from MSD but may differ in some respects because:

- reports were generated at different dates
- other reports may include additional supports such as the COVID-19 Income Relief Payment or Essential Worker Leave Support

This report includes updates to the information previously published in <u>"Who was supported by the wage</u> <u>subsidy and extension?" published on 20 August 2020 and using data to 24 July 2020</u> but also provides a combined view of all wage subsidies.

Additional information

What other support is available?

This report only considers the Wage Subsidy, Wage Subsidy Extension and Resurgence Wage Subsidy. It does not consider any of the other supports available including:

- the COVID-19 Income Relief Payment (CIRP)
- the COVID-19 Leave Support Scheme
- the Essential Worker Leave Support Scheme

Information about other supports can be found <u>here</u>.

What to do if you suspect fraud?

You can check the <u>COVID-19 wage subsidies - Employer Search website</u> to see if your employer received the subsidy. If you haven't received a payment, and you haven't been able to find out from your employer whether you were included in their application then you can check <u>here</u> to find out whether or not you were included in your employer's application.

Why does this analysis not show the Tourism Sector?

The tourism sector has been adversely impacted by the COVID-19 pandemic and consequential border closures. This sector is not captured as a single industry within ANZSIC06, but crosses across multiple industries such as Accommodation and Retail Trade.

There is no comparable information available to identify which businesses receive income from tourism. However, the <u>Wage Subsidy Business Survey</u> found that 30 percent of Wage Subsidy Survey respondents received income from tourism.

This survey also provides interesting insights into other aspects of the Wage Subsidy including information on businesses who identify as Māori or Pacific businesses.

Statistics New Zealand IDI Disclaimer

IDI Data

The results in this report are not official statistics They have been created for research purposes from the Integrated Data Infrastructure (IDI), managed by Stats NZ.

The opinions, findings, recommendations, and conclusions expressed in this report are those of the author(s), not Stats NZ or individual data suppliers.

Access to the anonymised data used in this study was provided by Stats NZ under the security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business, or organisation, and the results in this report have been confidentialised to protect these groups from identification and to keep their data safe.

Careful consideration has been given to the privacy, security, and confidentiality issues associated with using administrative and survey data in the IDI. Further detail can be found in the privacy impact assessment for the Integrated Data Infrastructure available from <u>www.stats.govt.nz</u>.

Inland Revenue Data

The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994. This tax data must be used only for statistical purposes, and no individual information may be published or disclosed in any other form, or provided to Inland Revenue for administrative or regulatory purposes.

Any person who has had access to the unit record data has certified that they have been shown, have read, and have understood section 81 of the Tax Administration Act 1994, which relates to secrecy. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data's ability to support Inland Revenue's core operational requirements.