

# Who received the Wage Subsidy and Wage Subsidy Extension?

## Purpose

This report describes the volume and proportion of jobs supported by the Wage Subsidy and Wage Subsidy Extension. These are shown by age, sex, ethnic group, industry and region, based on data to 24 July 2020.

## Background

Data collected by MSD to administer the Wage Subsidy has been supplemented with anonymised information from the Integrated Data Infrastructure (IDI). This has allowed us to create a more complete understanding of who received support by age, sex, ethnic group, industry and region.

The Wage Subsidy was developed and delivered in a very short time to ensure adequate support for employers and their employees. This urgency required a trade-off to ensure timely payments to employers, at the expense of systems to enable comprehensive reporting. Initial reporting was therefore limited to information captured by MSD during the application process (which, for example, did not include demographic information of employees because the payment was for employers, and capturing employee demographic information, particularly for large employers, would have made the application process arduous, and could be considered duplicative as that information is already held by Inland Revenue).

Applications for the Wage Subsidy Extension are currently open until 1 September 2020. The proportion of jobs supported by the Wage Subsidy Extension are therefore expected to increase as future applications are submitted and paid.

## Methodology

This report provides information on all applications that were approved and paid to employers for their employees. It 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 and Wage Subsidy Extension 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 Subsidy and Extension, 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 and Wage Subsidy Extension 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, the construction industry has a reported proportion of 101%.

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

Despite these considerations, the relativities between ages, ethnic groups, industries 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 jobs supported by the Wage Subsidy or Wage Subsidy Extension is calculated by taking the number of unique jobs paid a wage subsidy, divided by the number of unique jobs in the Inland Revenue data during March 2020 (May 2020 for Wage Subsidy Extension). This is analysed by age, sex, ethnic group, industry and region.

This data is sourced from:

- the 27 July 2020 COVID Wage Subsidy dataset which records who received the Wage Subsidy or Wage Subsidy Extension;
- 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, sex, 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.

**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”.

## 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
- the Wage Subsidy and Wage Subsidy Extension may be combined in other reports

## Some key insights

The period covered by the original Wage Subsidy has substantially ceased, as applications were open from 17 March to 9 June 2020. The payment covered 12 weeks, therefore only a small number of applicants are still covered by the original subsidy.

Overall, 58% of jobs (excluding sole-traders) received support from the original Wage Subsidy. This has decreased to 16% for the Wage Subsidy Extension.

Applications for the Wage Subsidy Extension are currently open until 1 September 2020. The proportion of jobs supported by the Wage Subsidy Extension are therefore expected to increase as future applications are submitted and paid. The Wage Subsidy Extension provides support to cover 8 weeks, so will cover up to 26 October 2020.

The proportions differ by age, sex, industry and region.

- A greater proportion of employed males have been supported (65% for the Wage Subsidy and 18% for the Wage Subsidy Extension).
- A greater proportion of Asian employees have been supported (64% for the Wage Subsidy and 22% for the Wage Subsidy Extension).
- The construction industry had the highest proportion of supported jobs from the Wage Subsidy (101% - this is higher than 100% as discussed in the Data Considerations section above).
- The arts and recreation services industry had the highest proportion of supported jobs from the Wage Subsidy Extension (48%).
- The accommodation industry had the second highest proportion of supported jobs from both the Wage Subsidy (93%) and Wage Subsidy Extension (46%).
- Auckland had the highest proportion of supported jobs (63% for the Wage Subsidy and 20% for the Wage Subsidy Extension)

## Additional information

### What other support is available?

This report only considers the Wage Subsidy and Wage Subsidy Extension. 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 [here](#).

**What to do if you suspect fraud?**

You can check the [Wage Subsidy Employer Search website](#) 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 [here](#) 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 [Wage Subsidy Business Survey](#) 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.



## Calculation

### 1. A UNIQUE JOB

A **Unique Job** is a unique employer and employee pair.



Some employees appear multiple times for different employers. For example, where a person has more than one part-time job.

### 2. UNIQUE WAGE SUBSIDY PAYMENTS

**1.65 Million** unique jobs have been paid a wage subsidy.

**230 K** *Sole Traders* are excluded from the following calculations as the total number of sole traders in New Zealand is unknown until the end of the tax year.

**1.43 M** **Unique Employee Jobs**

### 3. PROPORTION OF UNIQUE JOBS SUPPORTED

**1.43 Million** unique jobs paid a wage subsidy were compared with the total number of jobs from Inland Revenue data paid during the month of March 2020, to calculate the proportion of unique jobs supported.

**Proportion of Unique Jobs receiving support:**

$$= \frac{\text{Unique Jobs paid a wage subsidy}}{\text{Unique Jobs from Inland Revenue data}} \times 100\% = \frac{1.43 \text{ Million}}{2.46 \text{ Million}} \times 100\% = \mathbf{58\%}$$

### 4. DATA CONSIDERATIONS

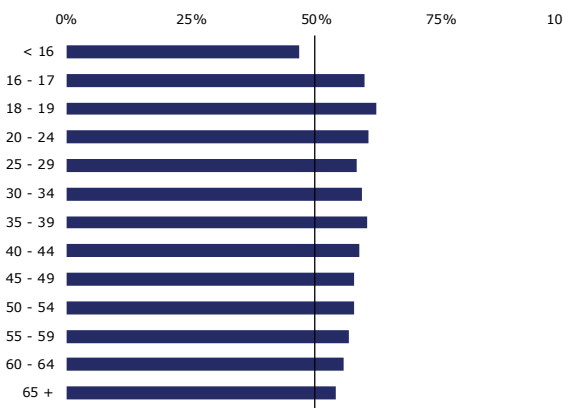
Multiple data sources have been combined to determine the variables below. Different approaches may lead to different results. For example, Stats NZ's Employment Indicator count of jobs is lower (resulting in a supported proportion of 64%).

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 51%. Refunds (past or future) have not been allowed for.

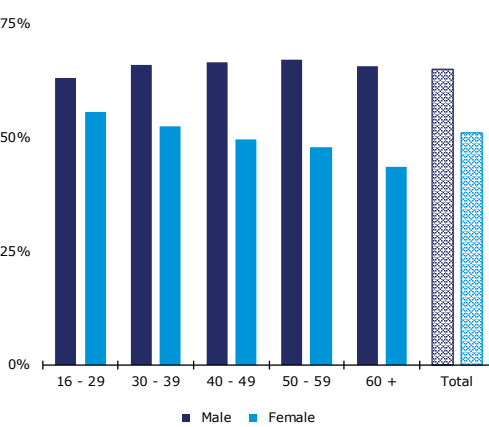
**Despite these considerations, relativities between ages, ethnic groups, industries and regions are expected to be broadly similar.**

## PROPORTION OF UNIQUE JOBS SUPPORTED BY THE WAGE SUBSIDY

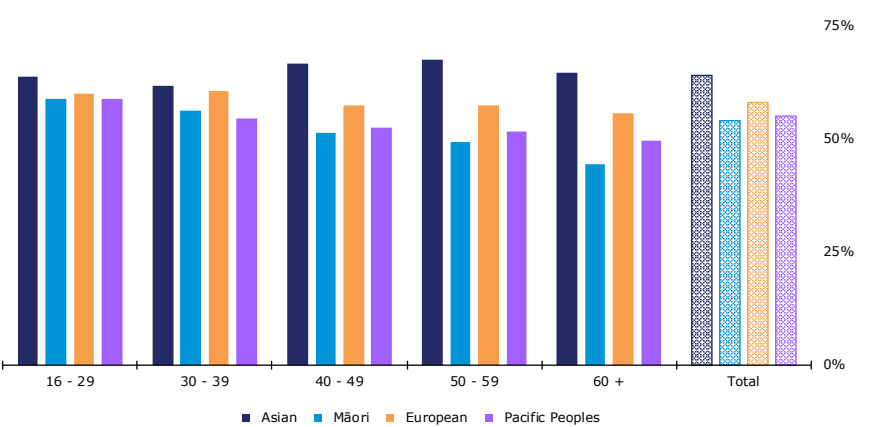
### Age of Employees



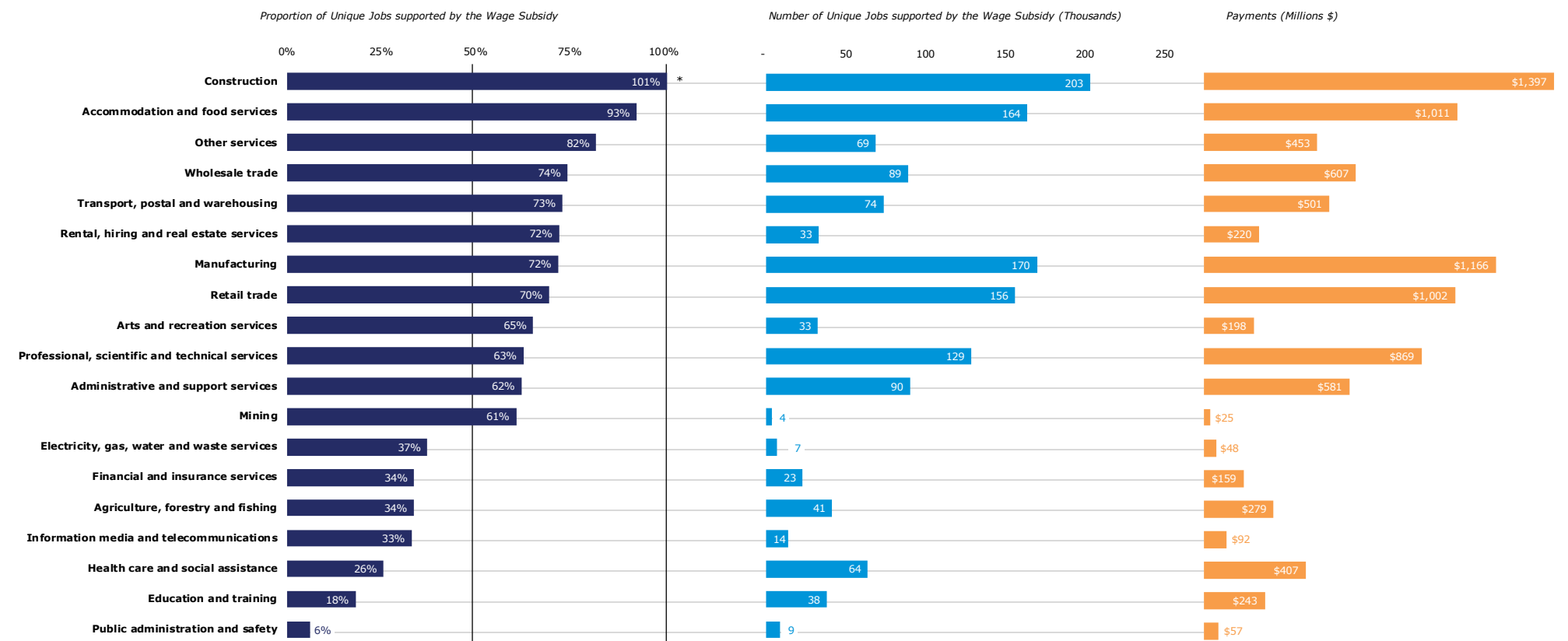
### Age and Sex of Employees



### Age and Ethnic Group of Employees

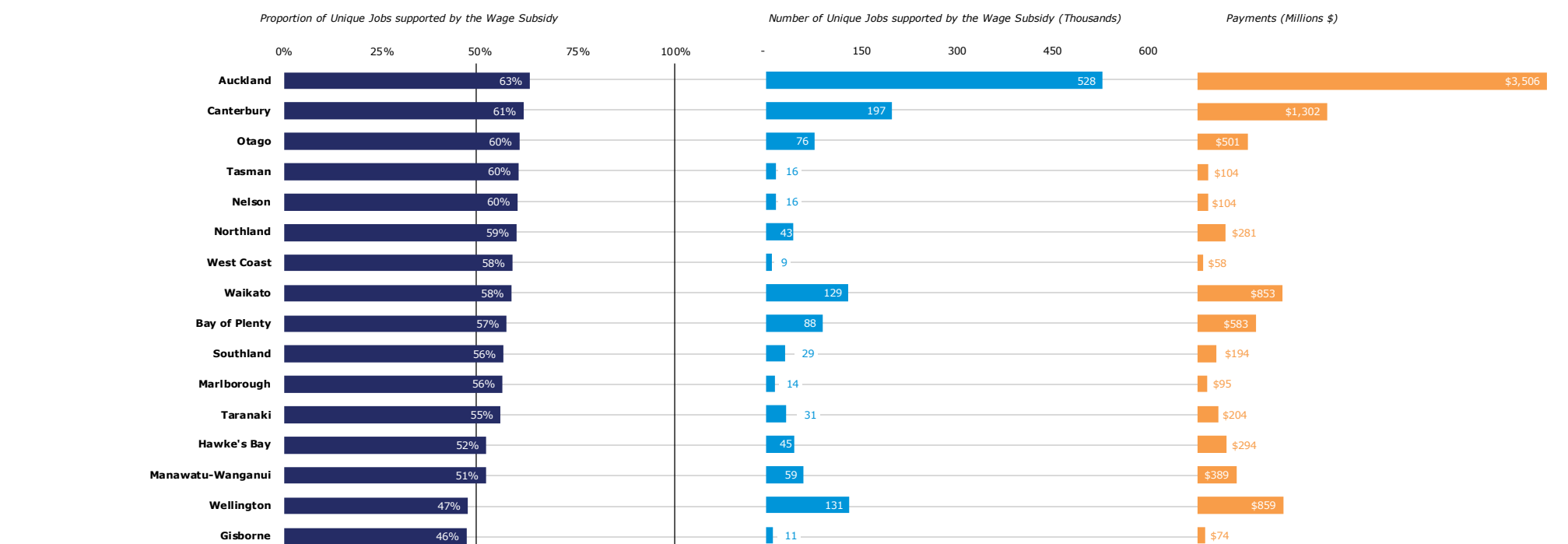


### Industry



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

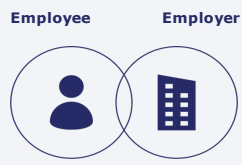
### Regional Councils of Employees



## Calculation

### 1. A UNIQUE JOB

A **Unique Job** is a unique employer and employee pair.



Some employees appear multiple times for different employers. For example, where a person has more than one part-time job.

### 2. UNIQUE WAGE SUBSIDY EXTENSION PAYMENT

**450k** unique jobs have been paid a wage subsidy extension up to 24 July 2020 (applications are open until 1 September 2020).

**80k**

*Sole Traders are excluded from the following calculations as the total number of sole traders in New Zealand is unknown until the end of the tax year.*

**370k** Unique Employee Jobs

### 3. PROPORTION OF UNIQUE JOBS SUPPORTED

**370k** unique jobs paid a wage subsidy extension were compared with the total number of jobs from Inland Revenue data paid during the month of May 2020, to calculate the proportion of unique jobs supported.

**Proportion of Unique Jobs receiving support:**

$$\frac{\text{Unique Jobs paid a Wage Subsidy Extension}}{\text{Unique Jobs from Inland Revenue data}} = \frac{370k}{2.30 \text{ Million}} \times 100\% = 16\%$$

### 4. DATA CONSIDERATIONS

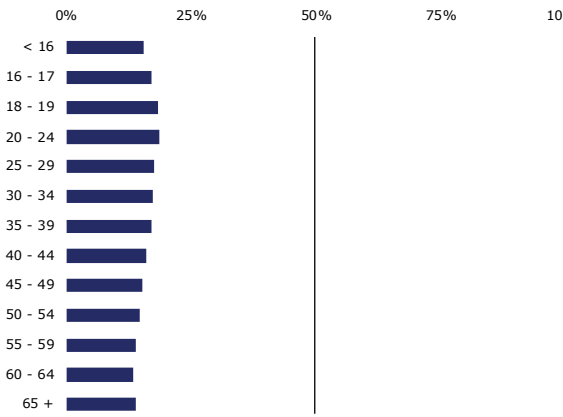
Multiple data sources have been combined to determine the variables below. Different approaches may lead to different results. For example, Stats NZ's Employment Indicator count of jobs is lower (resulting in a supported proportion of 17%).

Some employees paid a Wage Subsidy Extension are not included in Inland Revenue data. For example, some business owners could apply as employees. Excluding these would decrease the proportion supported to 13%. Refunds (past or future) have not been allowed for.

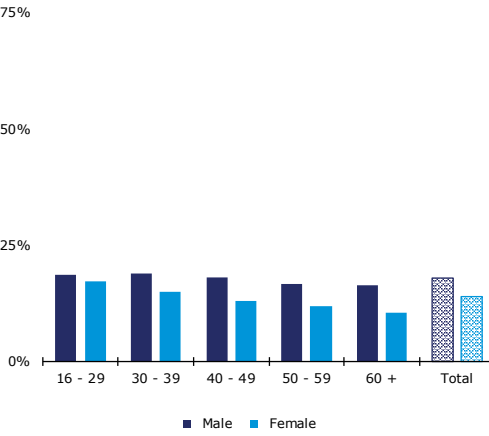
**Despite these considerations, relativities between ages, ethnic groups, industries and regions are expected to be broadly similar.**

## PROPORTION OF UNIQUE JOBS SUPPORTED BY THE WAGE SUBSIDY EXTENSION

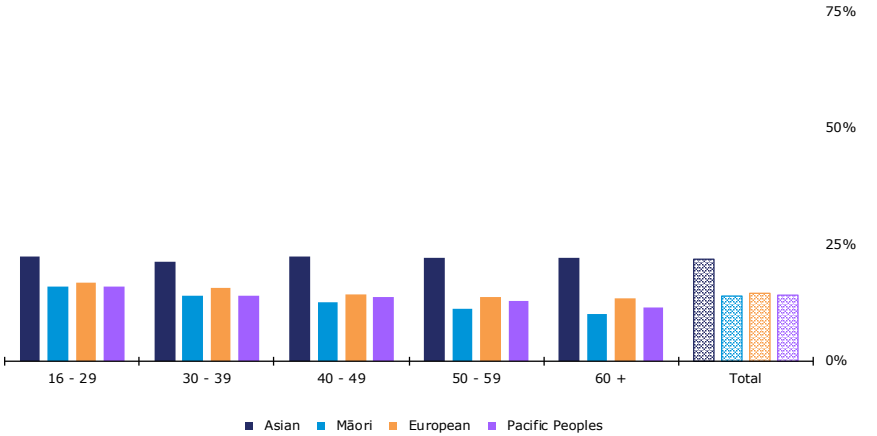
### Age of Employees



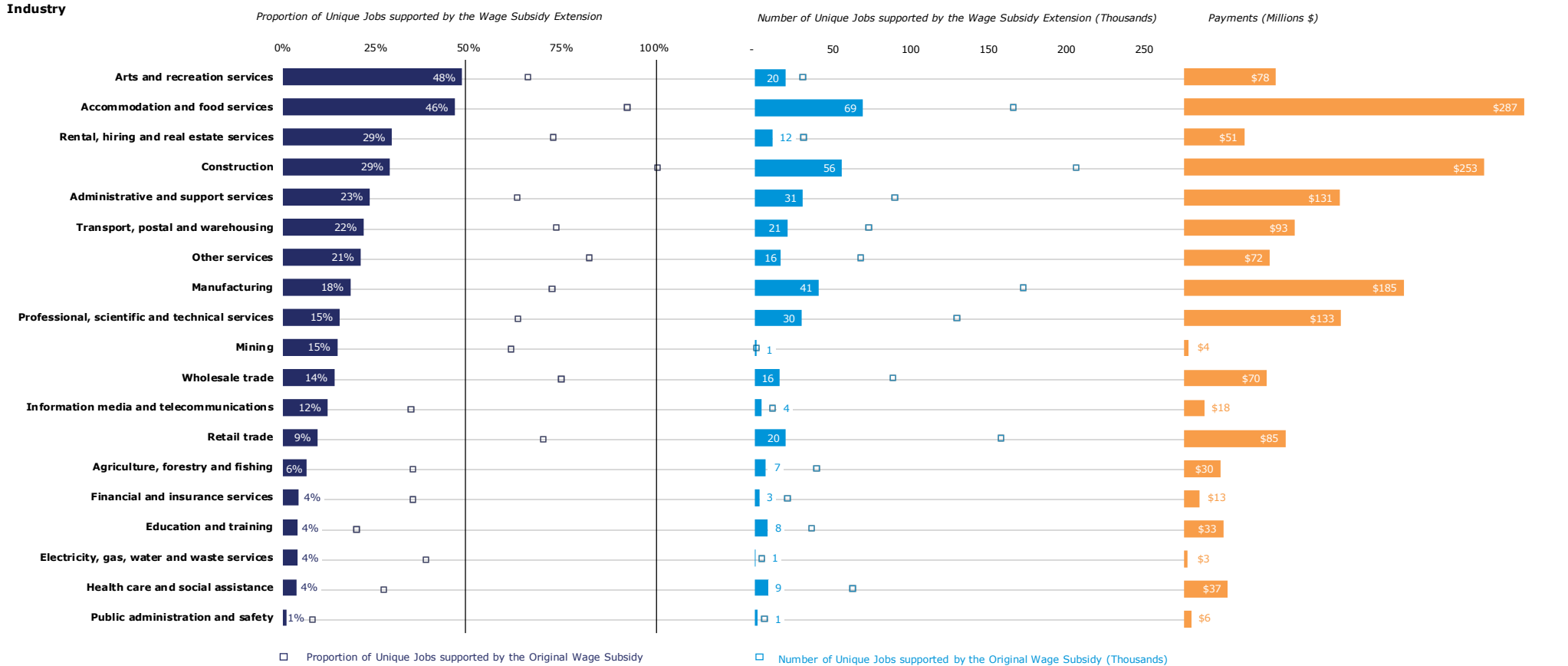
### Age and Sex of Employees



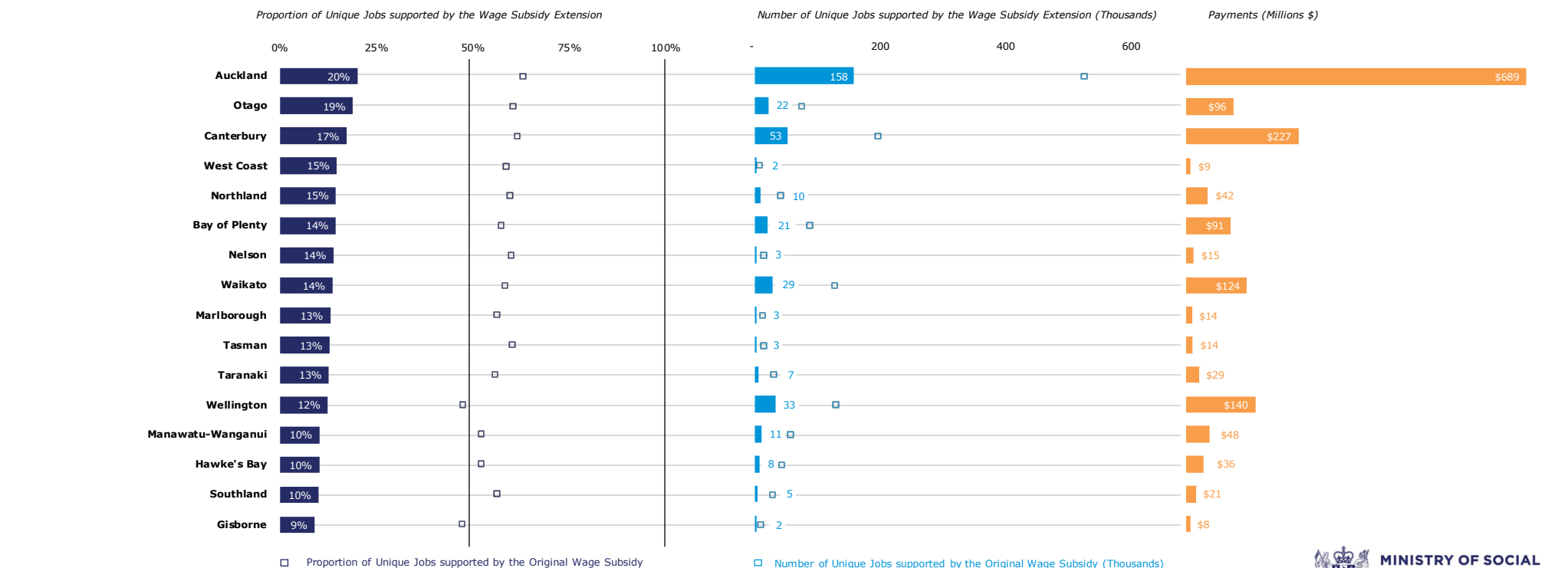
### Age and Ethnic Group of Employees



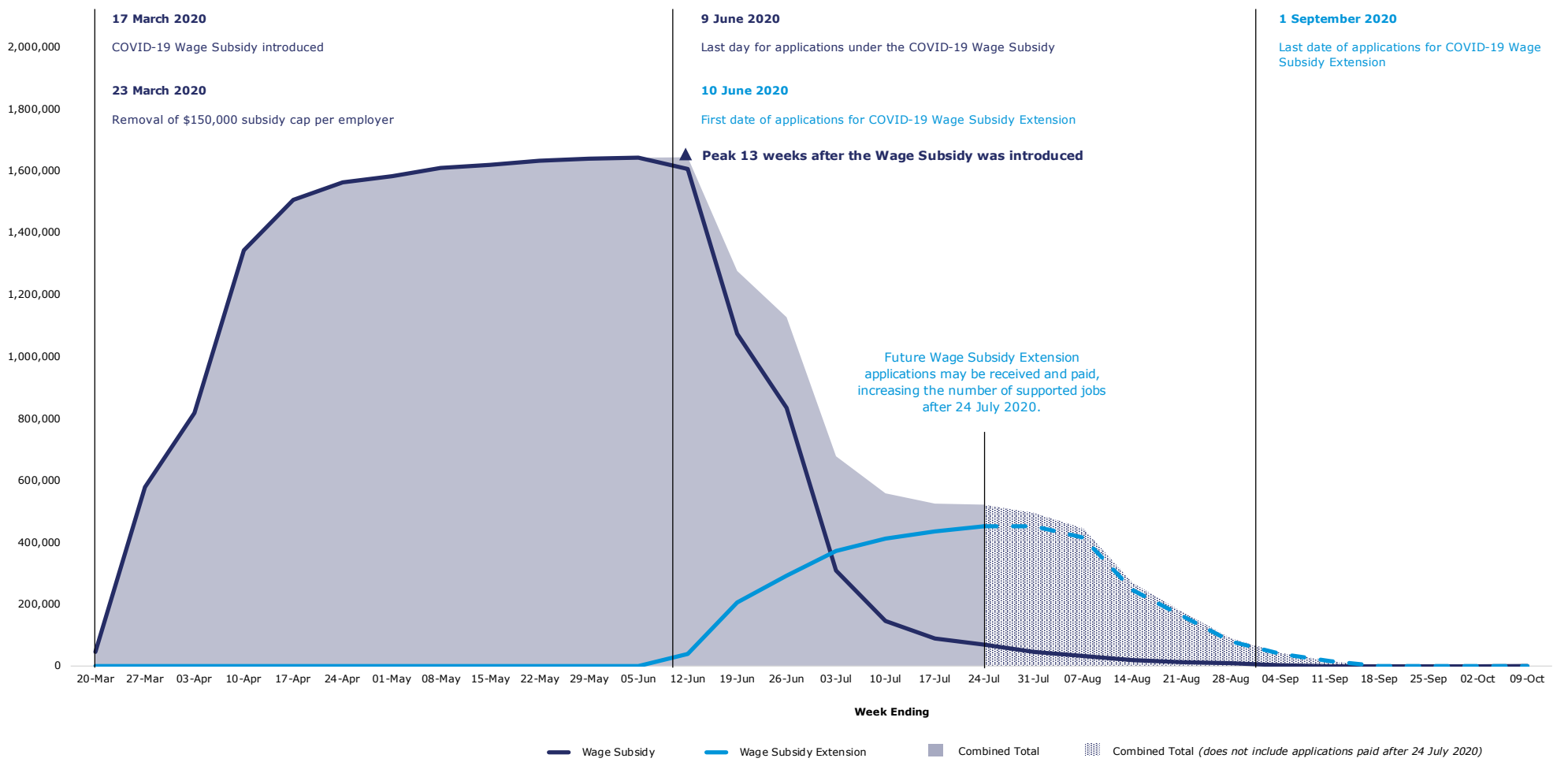
### Industry



### Regional Councils of Employees



# NUMBER OF JOBS SUPPORTED (APPLICATIONS APPROVED AND PAID)



## 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 Statistics New Zealand.

The opinions, findings, recommendations, and conclusions expressed in this report are those of the author(s), not Statistics NZ.

Access to the anonymised data used in this study was provided by Statistics 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 [www.stats.govt.nz](http://www.stats.govt.nz).

### Inland Revenue Data

The results are based in part on tax data supplied by Inland Revenue to Statistics 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.