

Business Data Collection – initial data
release:
June, September, and, December 2016
quarters



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Purpose

This paper introduces the Business Data Collection, which provides a measure of sales, purchases, salaries and wages, and profit for businesses across most industry sectors in New Zealand. We are releasing the experimental series so customers can familiarise themselves with the methods used, the likely appearance of the data, and provide feedback.

Your feedback required

We'd like to receive comments about these series. Feedback could lead to improvements to methodology, or additional information being released.

We'd like your feedback about:

- how useful this information is
- how you would like the data to be presented (eg What level of detail would you like to see? Are you most interested in the relationship between variables, or the time series?)
- which industries you would like to see published
- **the measure of profit that best suits your needs (ie 'operating profit' or 'earnings before interest and tax').**

[Go to Business Data Collection](#) on our Innovation site to give your feedback.

Background

In 2015, Stats NZ was granted funding to extend the range of financial statistics we produce, including the introduction of a quarterly income measure of GDP (GDPI). To support this, we need to collect measures of sales, purchases, salaries and wages, and profits from businesses in New Zealand.

In line with Stats NZ's 'administrative data first' approach, we are using administrative data to derive these figures wherever possible, and only substituting survey data when the available administrative data is not fit for purpose (typically for large and complex units). Goods and Services Tax (GST) data will be used to model sales and purchases, and Employee Monthly Schedule (EMS) data will be used to model salaries and wages.

Introduction to new series

We started collecting data for the Business Data Collection in the June 2016 quarter. This release contains the three quarters of data we have collected to date: June 2016, September 2016, and December 2016.

Data is in current prices and is not adjusted for seasonal effects.

Variables

Sales – modelled from GST sales data; supplemented with data collected via questionnaire for large and complex businesses.

Purchases – modelled from GST purchases data; supplemented with data collected via questionnaire for large and complex businesses.

Salaries and wages – modelled from EMS data; supplemented with data collected via questionnaire for large and complex businesses.

Operating profit – derived from the sales, purchases, and salary and wages variables as follows:

$$\text{Operating profit} = \text{Sales} - (\text{purchases} + \text{salaries \& wages})$$

Earnings before interest and tax (EBIT) – collected directly from large businesses via questionnaire, and proxied by the operating profit (see above) for all other businesses.

Conceptual differences between modelled and surveyed data

Salaries and wages

The questionnaire asks respondents to exclude the value of salaries and wages paid to working proprietors. This value is included in the EMS salaries and wages figure.

Earnings before interest and tax

The EBIT figure collected from large businesses will take account of items such as depreciation, revaluations, donations, government grants, and subsidies. These items are not included in the administrative data (GST and EMS) used for smaller businesses.

Publication level

This initial release of data is at ‘NZSIOC Level 2’ – a relatively high-level industry grouping, covering 31 industries. We may be able to release data at a lower level in the future.

Industries in parentheses are not included in this publication. Information about out-of-scope industries is given in the next section.

(AA1)	(Agriculture)
AA2	Forestry and Logging
AA3	Fishing, Aquaculture and Agriculture, Forestry, and Fishing Support Services
BB1	Mining
CC1	Food, Beverage, and Tobacco Product Manufacturing
CC2	Textile, Leather, Clothing, and Footwear Manufacturing
CC3	Wood and Paper Products Manufacturing
CC4	Printing
CC5	Petroleum, Chemical, Polymer, and Rubber Product Manufacturing
CC6	Non-Metallic Mineral Product Manufacturing
CC7	Metal Product Manufacturing
CC8	Transport Equipment, Machinery, and Equipment Manufacturing
CC9	Furniture and Other Manufacturing
DD1	Electricity, Gas, Water, and Waste Services
EE1	Construction
FF1	Wholesale Trade
(GH1)	(Retail Trade)
(GH2)	(Accommodation and Food Services)
II1	Transport, Postal, and Warehousing
JJ1	Information Media and Telecommunications
(KK1)	(Financial and Insurance Services)
LL1	Rental, Hiring, and Real Estate Services
(LL2)	(Owner-Occupied Property Operation)
MN1	Professional, Scientific, and Technical Services
MN2	Administrative and Support Services
(OO1)	(Local Government Administration)

- (002) (Central Government Administration, Defence, and Public Safety)
- PP1 Education and Training
- QQ1 Health Care and Social Assistance
- RS1 Arts and Recreation Services
- RS2 Other Services

Out-of-scope industries

A number of industries are not included within the scope of the Business Data Collection. These are industries where the National Accounts use a different indicator (eg Agriculture), industries where sales and purchases are not a significant part of operating surplus (eg Financial and Insurance Services), and industries that are entirely dominated by Government units (eg Local Government Administration).

The Retail Trade and Accommodation industries are not currently collected as part of the Business Data Collection. Retail and Accommodation sales and inventories data is currently collected by the Retail Trade Survey. Quarterly purchases, salaries and wages, and profit are not currently collected for Retail Trade and Accommodation. However, we anticipate having these industries in the Business Data Collection later in 2017, including measures of purchases, salaries and wages, and profit.

Industries with significant non-market activity (eg Healthcare and Social Assistance, and Education) are included in this initial release of data, but please note that they do not include data for businesses classified to the government institutional sector.

Confidentiality

The data has been checked for confidentiality. Confidentiality has been applied in a small number of cases to the Earnings before Interest and Tax (EBIT) variable. It has been applied when the differences between EBIT and Operating profit can be attributed to a small number of units.

Out-of-scope activity

Businesses classified to the government and non-profit institutional sectors are excluded from all industries except Manufacturing (C) and Wholesaling (F), and the components of the MN and RS service industries that have been previously published.

Ongoing releases

We intend to publish each additional quarter of data on this Innovation site as it becomes available. The first year-on-year comparisons of the unadjusted data will be possible when the June 2017 quarter is released (expected to be in September 2017).

Data Quality

Data likely to change: These estimates are a work-in-progress. The methodology is still being refined, and the data cannot be fully analysed until we have collected additional quarters of data for comparison.

This data should not be considered final, and we advise against using the data in decision-making.

These estimates are produced using a trial system so there will be some minor differences when compared with Stats NZ releases such as the Economic Survey of Manufacturing and the Wholesale Trade Survey.

Caveats and future developments

GST data enhancements

Some businesses file gross GST values rather than just the GST sales value on the services they provide. This commonly occurs for units involved in commission-based wholesaling, travel agents, and freight-forwarders. We have developed methods to model net sales and purchases values for gross-filers involved in commission-based wholesaling. Additional work is required to extend these methods to the other affected industries within the Business Data Collection. Revisions to the affected industries may be significant.

EMS data enhancements

We are investigating ways to improve the quality of the Employee Monthly Schedule as a data source for the BDC:

- We are investigating the impact that pay periods (which do not necessarily line up with our quarterly cycle) have on the quality of the Employee Monthly Schedule data.
- We are looking at ways to better identify and handle group EMS filers (where one business files to Inland Revenue on behalf of a number of businesses).

Retail and Accommodation industries to be included

As mentioned above, we anticipate having the Retail and Accommodation industries incorporated into the Business Data Collection later in 2017, including measures of purchases, salaries and wages, and profit.

Seasonal adjustment timeframe

The BDC data will be seasonally adjusted (where appropriate) once we have sufficient data points available.