



# Annual Enterprise Survey

# Table of Contents

<a href="#">Annual Enterprise Survey</a> .....	3
<a href="#">Annual Enterprise Survey</a> .....	3
<a href="#">Methodology</a> .....	3
<a href="#">Sampling Procedure</a> .....	4

# Annual Enterprise Survey

## Annual Enterprise Survey

The purpose of this data collection is to provide high-level information regarding the Annual Enterprise Survey (AES). The AES provides statistics on the financial performance and financial position of New Zealand businesses, covering most areas of economic activity. Published values exclude Goods and Services Tax (GST).

## Methodology

### Data sources

Data used in the AES is compiled from sources that include:

- a sample survey of business financial data,
- business financial data from Inland Revenue (IR10),
- not-for-profit data from Charities Services, which is a branch of the Department of Internal Affairs.

### Population

The target population is all economically significant enterprises that operate within New Zealand, see ([economically significant enterprises](#)).

Some industries are excluded on statistical grounds due to the difficulty of collecting the data from respondents. The industry exclusions are listed below:

- superannuation funds (K633000\*)
- residential property operators (L671100\*)
- foreign government representation (O755200\*)
- religious services (S954000\*)
- private households employing staff and undifferentiated goods and service-producing activities of households for own use (S960100-300\*)

\*The Australian and New Zealand Standard Industrial Classification 2006 (ANZSIC06).

Non-market government units were excluded from the AES population in AES 2015, and all published time series were revised to exclude this activity. (Non-market government units include central government institutions, funded social insurance schemes and local government institutions - Institutional Sector 3). This is because coverage of non-market government data was incomplete within the AES and made interpretation of the AES data more difficult by mixing sector data. Similar data is available from other sources.

For data on non-market government units see [Government finance statistics](#)

The target population for the AES provides information which covers a 12-month period, with the balance date (ie, last day of the financial year) falling between 1 October and 30 September of the following year. For example, the AES 2020 financial year covers balance dates from 1 October 2019 to 30 September 2020.

Predominant balance dates for AES by the New Zealand Standard Industrial Output Categories (NZSIOC) are available on request. These balance dates are determined by total income. With increasing use of administrative data, more estimation of balance date is occurring in some industries, therefore this data should be used with caution.

### Survey design

The AES is the principal collection vehicle for data used in compiling New Zealand's national accounts. The data collected feeds into calculating the economy's Gross Domestic Product (GDP), through the current price annual industry accounts, which are compiled within an input-output framework.

The AES collects financial data for most industries operating in New Zealand's economy. The AES industries are based on ANZSIC06. The AES is designed predominantly at the four-digit ANZSIC level (109 industries). We can produce data at lower levels (subject to confidentiality constraints) but it may have considerably higher sample errors. Limited analysis is done at this level.

The population for the AES is selected from the Stats NZ Business Register.

The Business Register is a database of all known individual, private, and public sector businesses and organisations engaged in producing goods and services in New Zealand that meet significance criteria. The Business Register provides a consistent reference to standard classifications, which helps to integrate statistical outputs. The register also provides links to all economic and financial survey data, and the tax system, which means a more effective use of tax data that reduces respondent load.

The structure of each business on the Business Register consists of an enterprise, a kind-of-activity unit (KAU), and a geographic unit. Collectively, they are referred to as statistical units. Larger or more complex businesses may have several statistical units. Each statistical unit is given an industry classification based on its predominant activity. Different divisions of a company may be spread across several industries, depending on how the company is structured. By definition, a KAU is engaged in predominantly one activity for which a single set of accounting records is available and it is the KAU which is the collection unit for the AES.

We use a stratified sample design to select the AES sample from units on the Business Register. Each industry contains between one and four strata, defined by size of turnover (sourced from GST information) rolling mean employment, and /or total assets. Each industry has a full-coverage stratum made up of large units with significant economic activity within their industry group. Some strata contain a sample of medium-sized units, which are weighted to represent non-sampled units. For example, a unit may have a weight of five, meaning it represents itself and four other businesses. Medium-sized businesses have less chance of being selected, and consequently when selected have larger weights that represent more units. Most industries have a tax stratum for smaller units, where IR10 information is used instead of a postal survey response.

The population and sample are designed, quality assured and primarily output at the New Zealand Standard Output Classification (NZSIOC) level 4 which is derived from the Australian and New Zealand Standard Industrial Classification 2006 (ANZSIC06).

The wide range of activities undertaken by New Zealand businesses means we need to have different types of questionnaires. All questionnaires capture financial performance and position information, but the format and the wording of the questionnaires are tailored to suit different groups of businesses. For further information see "Questionnaire & Forms" in each year's DataInfo+ collection.

The AES is designed to measure industry levels for a given year. Incremental improvements in measurement, sample design, classification, and data collection may influence the inter-period movements, particularly over longer time periods. We work to minimise the impact of these changes and to present a consistent time series in the published tables.

## Sampling Procedure

### Statistical Unit

A statistical unit is the level at which a survey can be designed and forms the basis of sample selection. For the AES this is the kind-of-activity unit (KAU).

(A 'KAU' is a subdivision of an enterprise consisting of a set of one or more activity units for which a single set of accounting records is available.)

### Collection Unit

A collection unit is the level at which statistics are collected. For the AES, this is the same as the statistical unit and is the kind-of-activity unit (KAU). The selection unit (enterprise) may contain many KAUs, meaning that if an enterprise is selected then all of its KAUs will be included in the AES.

### Selection Unit

A selection unit is the level at which a respondent to the survey is selected. For the AES this is the enterprise unit.

(An 'enterprise' is generally described as a legal entity operating in New Zealand. For example, it can be a company, partnership, trust, estate, incorporated society, voluntary organisation or self-employed individual.)

### Under Coverage

Businesses that are not economically significant are not selected into the AES.

The working definition for 'economic significance' is that if an enterprise fulfils any one of the following conditions, then it is classified as economically significant:

- The Enterprise has greater than \$30,000 Annual GST expenses or sales. (To avoid existing enterprises repeatedly changing their economic significance indicator, a buffer zone of \$25,000 to \$35,000 has been established).
- The Enterprise has more than 3 paid employees (This is rolling mean employment which is measured as the twelve-month moving average of the monthly employee-count figure).
- The Enterprise is in a GST exempt industry, other than residential property leasing and rental.
- The Enterprise is part of a Business Register (BR) group.
- The Enterprise is a new GST registration and has registered for Salaries and Wages PAYE.
- The Enterprise is a new GST registration and is part of a IRD GST group return.
- The Enterprise has a geographic unit classified to agriculture, it is alive on the BR, and it is classified as economically significant. (Typically, these units will be registered for GST and/or have paid employees).
- IR10 income is greater than \$40,000 annually.

For industry exclusions see 'Population' section for more information.