



National Accounts (Income and Expenditure): Year ended March 2013

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Methodology

Period-specific information

Expanded set of provisional estimates

This release contains provisional estimates of income, expenditure, and saving for each of the six sectors of the economy for the year ended March 2012. This is the first time we are publishing provisional estimates for the following sectors: producer enterprises, financial intermediaries, and non-profit institutions serving households.

Complete sector account tables are available for the March 2013 year for these sectors: government, household, and rest of the world.

Provisional estimates of gross operating surplus and compensation of employees for the March 2013 year are provided for producer enterprises, financial intermediaries, and non-profit institutions serving households. We were unable to compile full March 2013 year sector account tables for these three sectors due to the limited availability of data.

As the next section highlights, provisional estimates will be revised in future releases.

Transactions related to the Canterbury earthquakes

In the [National Accounts: Year ended March 2011](#), capital stock estimates were adjusted to reflect the destruction of assets caused by the Canterbury earthquakes. We review this adjustment each year as more information becomes available. To confront the adjustment we used new and updated data, which gave no reason to alter the adjustment. As a result, no alterations were made to the capital stock adjustment this year.

After the Canterbury earthquakes, Christchurch was divided into zones. The red-zone was declared unstable, and building on it would be difficult. The government purchased red-zoned land and properties (subject to the option chosen by the property owner). As a result, capital transfers can be seen flowing from government to households. This is also reflected in increased net purchases of land by government. These transactions have mostly affected the 2012 March year. The March 2013 year has also been affected to a lesser extent.

See [Accounting for the economic effects of the 2010/11 Canterbury earthquakes in New Zealand's national accounts](#) for more information on the capital stock adjustment and other economic effects of the Canterbury earthquakes.

Published figures

Figures for the March 2012 and 2013 years are provisional. Note that data may not sum to stated totals due to rounding.

National Accounts (Income and Expenditure): Year ended March 2014 will provide provisional estimates for the March 2014 year and revised estimates for March 2012 and 2013 years.

The revisions will result from more up-to-date information becoming available, including updated data from the [Annual Enterprise Survey: 2012 financial year \(provisional\)](#) and initial inclusion of detailed results from the 2013 Annual Enterprise Survey.

Statistics for the years up to 2011 are consistent with [National Accounts \(Industry Benchmarks\): Year ended March 2011](#).

Improved presentation

In addition to the 12 sector account tables published in November 2012, and the summary sector account tables for the 2010 to 2012 March years (see section Summary analysis tables by institutional sector), this release also includes a new table on household spending.

'Household final consumption expenditure by item' (table 2.12) contains a further breakdown of household final consumption expenditure. This table shows household final consumption expenditure split into 12 types of consumption (eg clothing and footwear, transport, communication).

Revisions

This release contains revisions arising from new and more up-to-date information. It incorporates the [National Accounts \(Industry Benchmarks\): Year ended March 2011](#) statistics and new and improved information, which has resulted in revisions to the entire time series.

Major changes in this release were signalled in the information paper [Revisions to New Zealand's macroeconomic accounts to December 2013](#).

The key changes are:

- spending by international visitors to New Zealand
- imports of low-value goods purchased directly by households.

Spending by international visitors to New Zealand

We have improved our methodologies for estimating expenditure by international visitors to New Zealand. The changes are:

- moving the International Visitors Survey (IVS) to an online collection from a face-to-face interview
- improving the coverage of the IVS
- incorporating improved estimates of international students' living costs.

Statistics NZ has worked closely with the Ministry of Business, Innovation and Employment (MBIE), the Ministry of Education, and Education New Zealand to come up with results that can be agreed across government. This means all government organisations will publish consistent data.

These improvements will result in revisions to New Zealand's current account, household consumption expenditure, and household saving.

We estimate exports of education-related travel using tuition-fee data from the Export Education Levy, combined with an estimate for international students' living costs. Business and other personal travel are estimated using data from the IVS, which MBIE runs.

Methodology changes to the International Visitors Survey

The IVS has changed from a face-to-face interview conducted at airport departure gates, to an online survey emailed to visitors once they return home. Research suggests that expenditure is often under-reported in face-to-face surveys.

Changes were made to both the questionnaire and the survey coverage. Respondents are now asked to estimate their total expenditure by cash, credit card, and debit card, rather than by compiling a total estimate based on spending on different items like food, accommodation, and activities.

The survey also now includes expenditure by travellers using business and first class lounges, and those departing from Queenstown airport (alongside Auckland, Wellington, and Christchurch).

MBIE conducted a dual run of the face-to-face and online methodologies for the IVS from January 2013 to July 2013. We've used results from this dual survey and revised data back to 1983. Quarterly data will be released with the balance of payments and quarterly GDP publications on 18 and 19 December 2013, respectively.

See MBIE's [IVS commentary](#) for more information on the effect of changes to the IVS.

Spending by international students in New Zealand

Education New Zealand commissioned a study into the economic impact of export education during 2012/13. This study followed a similar study in 2008, the results of which we did not fully implement at the time.

We have used the benchmarks produced as part of the 2008 and 2012/13 studies to revise our exports of education related travel series back to 2004. This incorporates the improved estimates of international students' living costs.

See the [Economic impact of international education 2012/13](#) for more information.

Impact of changes to the IVS and improved estimates of international student living costs

The main effect of the updated IVS and improved estimates of international student living costs is an increase in exports of travel services, which will increase the current account balance and household saving.

Exports of travel services are split between business travel and personal travel (which includes education-related travel). Revisions to business travel are lower than those to personal travel and increase industry output and the production measure of GDP. The increase in exports of personal travel results in a decrease of household expenditure and therefore an increase in household saving.

Imports of low-value goods purchased directly by households

A time series for low value imports of goods purchased directly by households is included in this release, from 2000 to 2013. Household imports of goods have increased in recent years as a result of consumers changing their spending patterns towards online purchasing, including direct purchases from overseas businesses.



Spending on imports of goods valued at less than \$1,000 has been an area of known undercoverage in balance of payments and national accounts data. There is limited information available from NZ Customs administrative data on the value of imports under \$1,000, and a high level of misreporting.

The series for low-value imports directly purchased by households is in table 2.12 of this release.

Impact of the low-value estimate throughout the accounts

The revision to low-value imports will have a flow-on effect to other variables, particularly household consumption and saving. By including these activities, that were previously not included in the national accounts or balance of payments data, imports of

goods increases. This upwards revision has a negative effect on the current account balance. This also flows through as an increase in the expenditure measure of GDP, with an increase for household consumption expenditure (HCE).

This increase in HCE results in a decrease in household savings and subsequently national saving. Supply-use balancing is unaffected, as the increase for goods imported is balanced with an increase in HCE.

Methodology for calculating imports of low-value goods

The 2013 estimate for low-value goods purchased directly by households is based on the New Zealand Online Importation of Goods and Services survey conducted by Inland Revenue in May and June 2013. We used the results of this survey to derive an economy-wide estimate for online household imports of tangible goods. It is envisaged that IR will publish the full results of their survey early in 2014.

We took the 2013 estimate as a benchmark to create a current-price time series of this spending back to the March 2000 year. The current price time series of this household activity was compiled using changes in the number of low-value parcels, and we applied a customised price index to the 2013 benchmark of this activity.

We sourced parcel time series data from the New Zealand Customs Service. It includes the number of parcels that were valued at less than \$1,000 and imported across the following parcel types:

- simplified import entries
- electronic cargo information
- parcels and express mail.

The customised price index used information about the top four countries that goods were imported from. This included price indexes from these countries on the types of goods purchased, along with exchange rates for those countries.

The Inland Revenue survey also included imports of intangibles, such as software and other downloads, which was estimated at \$265 million for 2013. We will be conducting further work to include intangibles in future releases.

Low-value exports continue to be excluded from the national accounts and the balance of payments. These are very small in volumes and expected to be significantly smaller in value than low-value imports.

Improvements to net capital stock measurement

We have revised the net capital stock chain-volume series by asset type and by sector. The revisions are small and represent an improvement to the chaining method, as the chain-volume totals are now consistent across all tables (by asset type, sector and industry).

Improved methodology for measuring investment in residential building

Following the Canterbury earthquakes the level of non-consented residential building work is likely to have increased. However, our previous method for measuring investment in residential buildings using building consent data did not adequately capture non-consented residential building activity.

In order to better capture this rebuild activity an adjustment has been made to the March 2012 year provisional estimate for investment in residential buildings. This adjustment has been compiled using initial Annual Enterprise Survey (AES) data for 2012, confronted in a supply use framework. The result is an \$800 million adjustment to increase private residential building investment in the March 2012 year.

We will continue to apply this adjustment in future years as updated AES data becomes available. This is likely to result in revisions to provisional estimates in this series going forward.

For information on the effect of this improvement on growth rates in the construction industry, see [Improvements to gross domestic product in 2013](#).

Revisions to capital transfers relating to the Canterbury earthquakes

We have revised our data on capital transfers in the sector accounts in 2011 and 2012 to include updated information on insurance relating to the Canterbury earthquakes. Updated information was sourced from the Earthquake Commission, Canterbury Earthquake Recovery Authority, and the Treasury's central government financial reporting system.

Revisions to National Accounts (Industry Benchmarks)

The revisions result from balancing the production and expenditure estimates of gross domestic product (GDP) within a supply and use framework. Before balancing, updated and new benchmarks (mainly based on the 2010 and 2011 annual economic surveys) were adopted for the production-based estimates. In addition, updated and new information from other data sources was included.

Revisions to balance of payments

The [Balance of Payments and International Investment Position: June 2013](#) quarter release included revisions to overseas investment income, which are included in this release. Revisions of note were: updated Inland Revenue data from the latest tax returns for companies, individuals, and other relevant units changes to the economic measurement of business profit.

Variables

Concepts

National Accounts - Total Concepts

Name	Description
Actual collective consumption	value of the collective (as opposed to individual) consumption services provided to a community by general government (central and local). This is equal to final consumption expenditure minus the value of social transfers in kind.
Actual final consumption	goods and services acquired by households, whether purchased by them directly, or by government or non-profit institutions on their behalf.
Actual individual consumption	household consumption of goods and services acquired by purchase, government transfer, or private non-profit services to households. All private non-profit services are treated as individual consumption (social transfers in kind).
Additions to fixed assets (Annual Enterprise Survey)	These are the purchase of fixed assets (including land) plus capital works by own employees. Revaluations are excluded.
Adjustment for net-equity on pension funds	In the household sector accounts we treat contributions to and pensions from privately funded schemes as current transfers that affect disposable income. However, logically they should be seen as 'acquisition and disposal of financial assets' as the pension reserves are owned by the households with claims on them (this is recognised in the financial accounts and balance sheets). To reconcile these two approaches we need to add back pension contributions to, and subtract pension receipts from, household disposable income. This means measured saving will reflect any change in households' net equity in pension funds. We make the opposite adjustment to pension providers' use of income accounts.
Adjustment for net-equity on pension funds (National Accounts - Income and Expenditure)	In the household sector accounts we treat contributions to and pensions from privately funded schemes as current transfers that affect disposable income. However, logically they should be seen as 'acquisition and disposal of financial assets' as the pension reserves are owned by the households with claims on them (this is recognised in the financial accounts and balance sheets). To reconcile these two approaches we need to add back pension contributions to, and subtract pension receipts from, household disposable income. This means measured saving will reflect any change in households' net equity in pension funds. We make the opposite adjustment to pension providers' use of income accounts.
Amortisation	is the gradual writing-off of the value of an asset over time. It is charged on intangible assets such as software.
Assets	represent a store of value, and can be a source of income or generate economic benefit when used. Assets are either current or non-current.
Australian and New Zealand Standard Industrial Classification 1996 (ANZSIC96)	Developed for use in Australia and New Zealand for the production and analysis of industry statistics. This classification is used to allocate enterprises undertaking similar productive activities to the same industry. It has been progressively replaced by the Australian and New Zealand Standard Industrial Classification 2006 (ANZSIC06).
Australian and New Zealand Standard Industrial Classification 2006 (ANZSIC06)	Developed for use in Australia and New Zealand for the production and analysis of industry statistics. This classification is used to allocate enterprises undertaking similar productive activities to the same industry.
Average annual growth rate (Productivity Measures Statistics)	reflects the average increase (or decrease) in a variable across a period of time. Rates are calculated as geometric means, which take account of the compounding of growth rates over time. Arithmetic averages give higher growth rates and would lead to a different index figure for the latest year when applied to the base year.

Balance of payments	New Zealand's balance of payments statements are records of the value of New Zealand's transactions in goods, services, income and transfers with the rest of the world, and the changes in New Zealand's financial claims on (assets), and liabilities to, the rest of the world.
Balance on the external current account	excess of current receipts over current disbursements
Balance sheets	measure the values of stocks of assets or liabilities. They are typically compiled at the beginning and end of the accounting period.
Basic prices	The price received by the producer exclusive of indirect taxes (less subsidies), and transport and trade margins. That is, the ex-plant price.
Business investment	measures the investment of producers in land improvements; non-residential building; other construction; transport equipment; weapons systems; plant, machinery, and equipment; and intangibles (mining exploration, research and development, and computer software).
Capacity utilisation	is the difference between the potential and actual use of an input. Capacity utilisation is high when actual output is close to potential output because the most use is being made of labour and capital. In the productivity measures produced by Statistics NZ, it is assumed that capital and labour are utilised at a constant rate over time.
Capital account	records all transactions of non-financial assets, and how these are financed after net capital transfers have been accounted for. Net lending is the balancing item of the capital account.
Capital deepening	is a positive growth in the capital-to-labour ratio. See also 'contribution of capital deepening'.
Capital income	is that part of the cost of producing gross domestic product (GDP) that consists of gross payments to capital. It represents the value added by capital in production, and is equivalent to the gross operating surplus less, the labour income of working proprietors, plus the capital proportion of taxes, less subsidies on production.
Capital productivity	is measured as a ratio of output to capital input. The ratio is derived by dividing the index of the chain-volume measure of GDP by an index of capital services. Capital productivity reflects not only the contribution of capital to changes in production, but also the contribution by labour and other factors affecting production.
Capital services	reflects the amount of 'service' each asset provides during a period. For each asset, the services provided in a period are directly proportional to the asset's productive capital value in the period. As an asset ages and its efficiency declines so does the productive capital value and the services the asset provides. Capital services is the appropriate measure of capital input in production analysis.
Capital shallowing	A decline in the capital-to-labour ratio.
Capital transactions	relate to establishing or owning an asset. Capital transactions must be linked to a particular purpose. For example, charges for development work (eg building new subdivisions or buildings) to cover additional infrastructure costs incurred by government.
Capital transfer	a transaction in which one institutional unit provides a capital asset to another unit without receiving anything in return.
Capital transfer (National Accounts - Income and Expenditure)	involves the transfer of ownership of fixed assets or the transfer of funds linked to them without any counterpart transactions. Also includes insurance claims arising from exceptional events.
Capital transfers from the rest of the world, net	The excess of capital transfers by non-residents to New Zealand residents over the value of similar transfers by residents to non-residents. Capital transfers are unrequited transfers in cash or in kind which are not considered by the recipient as adding to current income, nor by the donor as reducing current income. Examples are unilateral transfers of capital goods, legacies, investment grants, and transfers of migrants' funds. In the New Zealand System of National Accounts (NZSNA) it has only been possible to separately identify some of these flows since 1984/85, otherwise they have been included in current transfers to/from the rest of the world.
Capital-to-labour ratio	is a measure of the capital input index divided by the labour input index.

Central government	the organisational units of central government responsible for such functions as taxation, law and order, and defence, and those responsible for advancing the economic and social well-being of the country. Central government enterprises are excluded.
Central government enterprises	state-owned enterprises and other central government institutions that operate on a market basis.
Chain volume measures	Annually-reweighted chain Laspeyres volume indexes referenced to the current-price values in a chosen reference year (ie the year when the quarterly chain volume measures sum to the current-price annual values). Chain Laspeyres volume measures are compiled by linking together (compounding) movements in volumes, calculated using the average prices of the previous financial year, and applying the compounded movements to the current-price estimates of the reference year.
Chain-volume series expressed in 2009/10 prices (National Accounts - Quarterly)	are best described as annually reweighted, chained Laspeyres volume indexes. Series are expressed in 2009/10 dollars rather than as index numbers, since this has the advantage of showing the relative size of each component. Volume series were first expressed in 2009/10 prices in Gross Domestic Product: September 2014 quarter. Previously, we used 1995/96 prices.
Change in inventories	the change in the value of inventories of raw materials, work-in-progress, and finished goods, over a given period. The change is measured in the appropriate prices in the market at the time additions and withdrawals are made.
Change in inventories (National Accounts - Income and Expenditure)	the change in the value of inventories of raw materials, work-in-progress, and finished goods, over a given period. The value of change in inventories excludes the effect of price change over the holding period.
Characteristic tourism industry	An industry that "...would either cease to exist in its present form, producing its present product(s) or would be significantly affected if tourism were to cease". Organisation for Economic and Cultural Development (OECD)
Classification of Functions of Government (COFOG)	the Classification of Functions of Government is a detailed classification of the functions, or socioeconomic objectives, that government units aim to achieve through various outlays.
Compensation of employees	the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the employee during the accounting period. It has two sub-components: wages and salaries; and employers' social contributions. Compensation of employees is not payable for unpaid work undertaken voluntarily, including the work done by members of a household within an unincorporated enterprise owned by the same household. Compensation of employees excludes any taxes payable by the employer on the wage and salary bill (eg payroll tax, fringe benefits tax).
Compensation of employees	the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the employee during the accounting period. It has two sub-components: wages and salaries; and employers' social contributions, which includes contributions paid on employees' behalf to superannuation funds, private pension schemes, the Accident Compensation Corporation, casualty and life insurance schemes, and redundancy payments. Compensation of employees is not payable for unpaid work undertaken voluntarily, including the work done by members of a household within an unincorporated enterprise owned by the same household. Compensation of employees excludes any taxes payable by the employer on the wage and salary bill (eg payroll tax, fringe benefits tax).
Compensation of employees to/from the rest of the world	In principle, these items cover the compensation residents of one country earn from employment in another where, because their stay is for a period of less than 12 months, they are classed as non-resident. In practice, data available does not permit estimates of these items.
Compensation of employees to/from the rest of the world	these items cover the compensation residents of one country earn from employment in another where, because their stay is for a period of less than 12 months, they are classed as non-resident.

Compulsory Fees	These are payments made to either central or local government by households for regulatory services eg passport fees and dog licence fees. The payments are obligatory and unavoidable, and their value bears no relation to the cost of providing the service.
Consumption of fixed capital	This measures the decline in value of fixed assets used in production, as a result of physical deterioration and normal obsolescence.
Contribution of capital deepening	is the growth in the capital-to-labour ratio, weighted by capital's share of total income. Given that capital's share of total income is always less than 100 percent, the contribution of capital deepening is always less than the growth in capital deepening. It is used for growth accounting for labour productivity
Contribution of capital input	is the growth in the capital input index, weighted by capital's share of total income. Given that capital's share of total income is always less than 100 percent, the contribution of capital input is always less than the growth in capital input. It is used for growth accounting for output.
Contribution of labour input	is the growth in the labour input index, weighted by labour's share of total income. Given that labour's share of total income is always less than 100 percent, the contribution of labour input is always less than the growth in labour input. It is used for growth accounting for output.
Current assets	are short-term assets or those readily converted to cash. Examples include: cash and bank deposits, stocks held, short-term accounts receivable, pre-payments, Treasury bills, and short-term loans.
Current grants, subsidies, and donations income	include grants, subsidies, and levies from central government, and other local authorities and organisations. Grants treated as equity contributions are not included.
Current liabilities	are short-term debts due to be paid within the next twelve months. These include short-term loans, short-term provision for employee entitlements, short-term accounts payable, and pre-payments.
Current operations	relate to the provision of core services by local authorities.
Current ratio	Current ratio is current assets divided by current liabilities.
Current transfer	a transaction in which one unit provides goods, a service, or an asset to another unit for the purposes of current expense without receiving anything in return.
Current transfers (National Accounts - Income and Expenditure)	Transfers are secondary incomes in which one institutional unit provides goods, a service, or an asset to another unit without receiving anything in return. Current transfers do not relate to fixed assets or financial assets.
Current transfers from the rest of the world, net	These items cover all current transfers other than investment income.
Depreciation	is the gradual writing-off over time of the value of physical asset such as infrastructural assets, restricted assets, buildings, mobile equipment, and other plant, machinery and office equipment.
Development and financial contributions	Development contributions are charges developers pay for development work (such as subdivisions or buildings) to cover additional infrastructure costs incurred by councils. Financial contributions are charges that fund local authorities' management of natural and physical resources.
Direct tourism value add	The value added by producers from the production of goods and services that are sold directly to tourists. This results in a measure of the contribution of tourism to GDP that is consistent with that measured for other industries in the economy.
Disposable income	the balancing item in the secondary distribution of income account. It is derived from the balance of primary incomes of the institutional sector by: adding all current transfers (except social transfers in kind) receivable by that unit or sector, and subtracting all current transfers (except social transfers in kind) payable by that unit or sector.
Dissaving	results when consumption is greater than income.
Dividends	Dividends are actual distributions to owners paid by incorporated enterprises, including imputation credits and tax payable by dividend recipients. Under accruals, dividends should be recorded when they are declared rather than when they are paid.
Domestic tourism expenditure	Comprises household, business and government tourist expenditure.

Domestic tourist	A New Zealand resident who travels within New Zealand but outside their usual environment. While travelling they do not stay in any one place for more than 12 months.
Durable goods	are goods that are not consumed in one use (eg appliances and electronic goods).
Earnings attributable to insurance and pensions policy holder	Insurance and pension providers maintain reserves to meet future claims and benefits. The earnings are attributable to the policy holders or beneficiaries, and we record them this way in the national accounts.
Economically Significant Enterprise	<p>An enterprise which meets at least one of the following criteria:</p> <ul style="list-style-type: none"> • has greater than \$30,000 annual GST expenses or sales; • has RME greater than three (see below for a definition of RME) • is in a GST-exempt industry except residential property leasing and rental; • is part of a group of enterprises; • is a new GST registration that is compulsory, special or forced (this means the business is expected to exceed the \$30,000 boundary.); • is registered for GST and is involved in agriculture or forestry.
Employee costs ((Local Authority Statistics and Local Authority Financial Statistics))	are the gross earnings of all paid employees of the local authority. Includes overtime, sick and holiday pay, severance and redundancy payments, levies paid to the Accident Compensation Corporation, and employer contributions to superannuation schemes.
Employee count (EC)	Employee count (EC) is head count of salary and wage earners sourced from taxation data. EC data is available on a monthly basis. This is mostly employees but can include a small number of working proprietors (who pay themselves a salary or wage).
Employee expenses	are the gross earnings of all paid employees. Includes overtime, sick and holiday pay, severance and redundancy payments, levies paid to the Accident Compensation Corporation (ACC), and employer contributions to superannuation schemes. Wages and salaries paid to employees, which were involved in own account capital formation, are no longer included in employee expenses.
Enterprise	a business or service entity operating in New Zealand, including a company, partnership, trust, estate, incorporated society, producer board, local or central government organisation, voluntary organisation, or self-employed individual. An enterprise makes financing and distributive decisions on behalf of its group of firms. It can operate at one or several locations.

Entrepreneurial income (National Accounts - Income and Expenditure)	<p>Entrepreneurial income consists of the operating surplus, plus property income receivable, less property income payable, of unincorporated businesses (ie businesses owned and operated by individuals or partnerships). We also include the salaries and wages of working proprietors of private companies – which we treat as operating surplus in the New Zealand national accounts because they are more in the nature of profit withdrawals than payments to paid employees in return for their labour.</p> <p>Entrepreneurial income in the household sector accounts is split into 'farm' and 'non-farm' entrepreneurial income. We derive farm entrepreneurial income from the annual agriculture industry estimates. Table 1 lists the sources and methods for estimating the components for each agriculture industry. We split their income and expenditure estimates for into two institutional sectors – '1111 Private corporate producer enterprises' and '1121 Private non-corporate producer enterprises', based on ownership proportions derived from the Annual Enterprise Survey (AES) and IR10 tax data.</p> <p>We include all operating surplus and property income of the 1121 Private non-corporate units in the agriculture industry in the entrepreneurial income estimates. For 1111 Private producer enterprises, only salaries and wages of working proprietors of closely held private companies and cooperatives are within the scope of entrepreneurial income estimation. The non-farm estimates for entrepreneurial income are based mainly on AES data.</p>
Entrepreneurial income (National Accounts - Income and Expenditure)	<p>an enterprise's operating surplus (or mixed income), plus property income receivable on the assets owned by the enterprise, less interest payable on the enterprise's liabilities and rents payable on land or other tangible non-produced assets rented by the enterprise. Entrepreneurial income in the household sector accounts is split into 'farm' and 'non-farm' entrepreneurial income.</p>
Equity	<p>Equity refers to the provision of funds by an investor, in exchange for an ownership interest in a company. Ordinary shares are an example of equity capital.</p>
Equity accounted investments	<p>a balance sheet asset covering government equity in state-owned enterprises and market operating crown entities</p>
Expenditure approach to GDP (GDP (E))	<p>The expenditure approach to GDP (also known as gross domestic expenditure or GDE) measures the final purchases of goods and services produced in the New Zealand domestic territory. Exports are added to domestic consumption, as they represent goods and services produced in New Zealand, while imports are subtracted. Imports represent goods and services produced by other economies.</p>
Expense (Government Finance Statistics)	<p>a decrease in net worth resulting from a transaction.</p>
Exports of goods and services	<p>All goods and services produced by New Zealand residents and purchased by the rest of the world. Exports of merchandise are valued free-on-board (f.o.b.).</p>
External account	<p>The external account shows the links between the New Zealand economy and the rest of the world. This account distinguishes current and capital flows. Reinvested earnings are displayed as memorandum items of investment income.</p>
Final consumption expenditure	<p>Final consumption expenditure; Private Households - All outlays on consumer goods and services, including expenditure on durables such as motor vehicles and furniture and the imputed rent of owner-occupied dwellings. Households consist of New Zealand resident individuals and families and consumption expenditure relates to their outlays both within New Zealand and overseas.</p> <p>Final consumption expenditure; General (Central and Local) Government Services and Private Non-Profit Services to Households - Total current expenditure by these producers less the value of any sales or own account capital formation (that is, the total net current costs incurred in providing the services).</p>

Final consumption expenditure (FCE)	Private FCE is the sum of household spending on consumer goods and services, and the spending on non-capital items by private non-profit organisations serving households. General government FCE includes both central and local government spending on non-capital goods and services.
Financial account	In the macroeconomic accounts we capture economic depreciation of fixed assets as consumption of fixed capital (CoFC). This term distinguishes depreciation reported in financial accounts from CoFC, which incorporates other economic concepts. A major conceptual difference is that CoFC accounts for the effect of outdated technology as well as wear and tear. See "Measuring capital stock in the New Zealand economy" for more about how we calculate CoFC.
Financial assets	consist of financial claims, monetary gold, and special drawing rights allocated by the International Monetary Fund (IMF). Examples include: cash and bank deposits, stocks held, short-term accounts receivable, pre-payments, Treasury bills, and short-term loans.
Financial intermediate services indirectly measured (FISIM)	FISIM is one way that banks and similar institutions charge for services. FISIM is derived from interest received and paid by banking service providers, and is measured indirectly because the value is not explicit within actual interest flows. This represents the value of the services associated with loans and deposits. Further details of the FISIM concept can be found in the FISIM in the national accounts report.
Fixed assets	assets that are used repeatedly or continuously in the production processes for more than one year, and cannot easily be converted into cash. Examples of fixed assets are land, buildings, other construction, motor vehicles, and plant and machinery.
Former measured sector (Productivity Statistics)	this is similar to the measured sector but has a narrower industry coverage, but longer time series. It includes industries AA1-KK1 and RS1. The series are available from 1978.
GDP income measure	this approach directly measures the income received by the owners of the factors of production. These represent the returns to the labour and capital employed such as wages, salaries, and profits.
GDP production measure	total market value of goods and services produced in New Zealand, minus the cost of goods and services used in the production process.
Goods for resale	Goods acquired for the purpose of reselling and without further processing or transformation.
Goods-producing industries	this industry grouping consists of the manufacturing; electricity, gas, water, and waste services; and construction industries.
Goods-producing sector	Includes manufacturing, electricity, gas, and water supply, and construction.
Government revenue (Crown Research Institute Statistics)	includes revenue received from the former Ministry of Research, Science and Technology, and the Foundation for Research, Science and Technology. The Ministry of Research, Science and Technology, and the Foundation for Research, Science and Technology is now part of the Ministry of Business, Innovation and Employment.
Gross disposable income (National Accounts - Income and Expenditure)	Gross disposable income is the total primary and secondary income receipts less the total primary and secondary income payments. This is the income available for final consumption and saving.
Gross domestic product (GDP)	is the total market value of goods and services produced in New Zealand within a given period, after deducting the cost of goods and services used up in the process of production, but before deducting allowances for the consumption of fixed capital. Thus, GDP is 'at market prices'. It is equivalent to gross national expenditure, plus exports of goods and services, less imports of goods and services.
Gross domestic product (GDP) expenditure measure	the main component is final purchases of goods and services provided in the New Zealand domestic territory. Exports are added to domestic consumption as they represent goods and services produced in New Zealand, while imports are subtracted. Imports represent goods and services produced by other economies.

Gross fixed capital formation	The outlays of producers on durable fixed assets, such as buildings, motor vehicles, plant and machinery, hydro-electric construction, roading, and improvements to land. In measuring the outlays, sales of similar goods are deducted. Land is excluded from gross fixed capital formation. Included is the value of construction work done by a firm's own employees. The term "gross" indicates that consumption of fixed capital has not been deducted from the value of the outlays.
Gross mixed income	is where the balancing item on a businesses' inputs and outputs contains an element of labour remuneration that cannot be separately identified from the return to the owner.
Gross national disposable income (GNDI)	is the income received (less income payable) by New Zealand residents, from both domestic and overseas sources, after taking account of income redistribution by way of international transfers, or gross national income plus net international transfers.
Gross National Expenditure	The total final expenditure within a given period on goods and services by New Zealand residents (ie excluding goods and services used up during the process of production).
Gross national income	all income received by New Zealand residents as a result of participating in a production process (domestic or foreign) or as a result of the assets they own. This income consists of remuneration of employees, interest, dividends, taxes, and subsidies related to production, and imports.
Gross National Product (GNP)	The income accruing within a given period to New Zealand residents from their services in supplying factors of production in New Zealand and overseas, plus net indirect taxes, and before the deduction of allowances for the consumption of fixed capital.
Gross Operating Surplus	This is a residual item, being gross output at producer's values less the sum of intermediate consumption, compensation of employees, and taxes on production and imports net of subsidies. It is approximately equal to accounting profit before the deduction of direct taxes, dividends, depreciation, interest paid and bad debts, and before the addition of interest and dividends received.
Gross operating surplus and gross mixed income	represents the sum of gross operating surplus and gross mixed income.
Gross operating surplus - owner occupied dwellings	This item represents the surplus, inclusive of interest paid and consumption of fixed capital, from the notional activity of the operation of owner-occupied dwellings.
Gross output at producer's values	<p>Gross output at producer's values; Market Production Groups - The total market value including commodity taxes of all goods and services produced during the year, including stocks of work-in-progress. Included is the production of goods and services for sale in the market, and for capital formation on own account.</p> <p>Gross output at producer's values; Non-market Production Groups - These producers may sell a proportion of their output in the market, and such receipts are included in total output.</p> <p>Most of the services produced, however, represent unmarketed output and are valued at cost price. This assumption is necessary because there is no other basis for valuation. In both cases, an adjustment has been made to gross output for goods and services that have been provided to employees free of charge, or at a markedly reduced cost. These goods and services (or fringe benefits) have been revalued at the cost of production and are included in gross output. A similar amount is included in compensation of employees.</p>
Gross saving (National Accounts - Income and Expenditure)	Gross saving is gross disposable income after deducting final consumption. This represents the resources available for investment.
Growth accounting	decomposes the growth rate of an industry's output into the part due to the increase in factors of production (labour and capital) – and that which cannot be accounted for by changes in labour and capital utilisation. This residual growth in output that can't be accounted for is known as multifactor productivity (the extent to which an industry is getting more output from the same amount of inputs).

Growth cycle	is the span of years between the peak of one cycle and the peak of a following cycle. Peaks are determined using statistical techniques, and are chosen to represent high points in capacity utilisation of the economy. Productivity is best analysed over growth cycles, as annual movements can be volatile and don't usually represent true changes to the underlying production function.
GST on production	<p>The Goods and Services Tax (GST) was introduced on 1 October 1986 and is imposed on all goods and services supplied in New Zealand, other than exempt supply. Registered suppliers of taxable goods and services pay GST on their intermediate purchases but credit may be claimed for this tax. As a result of this credit-offset mechanism, the final expense of GST levied on the supplies of registered producers is, in general, borne by the domestic consumer. GST is not a cost to businesses unless the business deals in or purchases exempt goods and services, provides employee fringe benefits, or does not register. The New Zealand System of National Accounts (NZSNA) reflects these valuations.</p> <p>The transactions of registered producers are recorded excluding GST while those of final consumers (including producers of exempt goods and services) are recorded at actual market prices. The potential imbalance between the value of goods and services produced and the value ultimately consumed is removed by including the item "GST on production" in the GDP account. This item produces a measure of the amount of GST included in the valuation of the final demand categories.</p>
Household consumption expenditure (HCE)	<p>covers all outlays on consumer goods and services, including expenditure on durables such as motor vehicles and furniture, payments made by the government on behalf of households, and the imputed rent of owner-occupied dwellings. Households consist of New Zealand-resident individuals and families and consumption expenditure relates to their outlays both within New Zealand and overseas.</p> <p>As much of the source data used records total spending in New Zealand, final consumption expenditure of households is derived as follows: Final consumption expenditure in the domestic market plus expenditure overseas by New Zealand residents minus expenditure in New Zealand by foreign residents.</p> <p>Final consumption expenditure by New Zealand resident households Included is expenditure on: new durable and non-durable goods, excluding dwellings services and second-hand goods, reduced by the value of sales by households of similar goods. Transactions directly between households net out (e.g. garage sales) and for transactions between households through a dealer, only the dealer's margin plus any associated transfer costs are included (e.g. second-hand cars).</p>
Household Labour Force Survey (HLFS)	Statistics NZ's quarterly Household Labour Force Survey (HLFS) produces a range of statistics on the employed, unemployed, and those not in the labour force. The target population of the HLFS is the civilian, usually resident, non-institutionalised population aged 15 years and over. It therefore excludes people in non-private dwellings such as hospitals and prisons, visitors from overseas who are staying for less than 12 months, the armed forces, overseas diplomats in New Zealand, and people living on offshore islands (except Waiheke Island). The HLFS provides the FTE figures that are used in this release to calculate incidence rates.
Household sector	<p>Household sector New Zealand-resident individuals, families, whānau, hapū, and subsidiary iwi (not rūnanga iwi) in their role as final consumers and as owners of factors of production.</p>
Implicit price deflators (IPDs)	provide a broad measure of price change for total economic activity and each of the expenditure components of Gross Domestic Product (GDP)

Import duties and other unallocated indirect taxes	These indirect taxes are levied on the purchaser of the taxed commodity and not on the seller so they are not recorded in the production accounts as a charge against the value of output. Consequently when GDP is derived by consolidating production accounts, the indirect taxes excluded must be added on. Import duties also appear as part of intermediate and final consumption, and stamp duty on purchases of land and buildings forms part of gross fixed capital formation.
Imports of Goods And Services	All goods and services produced by the rest of the world and purchased by New Zealand residents. Imports of merchandise are valued at cost, including insurance and freight (c.i.f.).
Imports of goods and services (National Accounts - Income and Expenditure)	all goods and services produced by the rest of the world and purchased by New Zealand residents. Imports of merchandise are valued at value for duty (the Customs value of imported goods, which excludes New Zealand duties and taxes, and excludes the freight and insurance costs associated with the international transit).
Income and outlay account	records factor incomes and the subsequent redistributive flows not associated with production. Saving is derived as the residual and represents the part of disposable income that is not spent on final consumption of goods and services.
Income approach to GDP (GDP (I))	The income approach to GDP measures the income received by the owners of the factors of production. These represent the returns to the labour and capital employed (eg wages, salaries, and profits).
Income Tax	Income tax is the taxes on incomes and profits paid (net of refunds) to government.
Increase in Stocks	In the tables, this transaction is termed the value of the Physical Increase in Stocks to distinguish it from the book value changes recorded in most business accounting records. It is equivalent to the book value change less a stock valuation adjustment which removes the capital gains and losses that may arise through holding stocks purchased at prices either higher or lower than those ruling during the period of account. The value of the physical increase in stocks effectively values the change in stocks at the average prices for the period
Index	is a simple way of expressing, in percentage terms, the change in some variable from a given point-in-time to another point-in-time.
Indirect Taxes	Taxes which are assessed on producers in respect of the production, sale, purchase and use of goods and services, and which add to the market prices of those goods and services. Includes sales tax, local authority rates, import and excise duties, fringe benefits tax, and also registration fees such as motor vehicle registration, which are paid by producers. In the consolidated accounts of the nation this figure includes goods and services tax.
Indirect tourism value add	The value added generated from the purchase of goods that are subsequently resold to tourists, or the purchase of goods and services used in producing products that are sold directly to tourists. Producers of both these products have no direct relationship with the tourist.
Institutional sector classification (NZISC96)	This classification is no longer in use in National Accounts from November 2017. Series have been backdated to incorporate the new Statistical Classification for Institutional Sectors. This is a hierarchical classification which groups together enterprises who play a similar role in the economic process, and who can be expected to have similar reactions to market, fiscal and monetary policy stimuli. At the highest level there are 6 categories: producers, financial intermediaries, government, private non-profit organisations serving households, household sand rest of world
Institutional sector	the five broad economic sectors that make up the total economy, as classified under the Statistical Classification for Institutional Sectors: non-financial businesses (sector 1), financial businesses (sector 2), general government (sector 3), non-profit institutions serving households (sector 4) and households (sector 5). A sector for the rest of the world (sector 6), exists for transactions between New Zealand resident units and non-residents. Institutional sectors group transactors in the economy according to their broad economic role.

Institutional unit	an entity that is capable, in its own right, of owning assets, incurring liabilities, and engaging in economic activities and in transactions with other entities. There are two main types of institutional unit: ? persons or groups of persons in the form of households ? legal or social entities whose existence is recognised by law or society independently of the persons, or other entities, that may own or control them. Legal or social entities that engage in economic activities in their own right – such as corporations, private non-profit organisations serving households, or government units – are institutional units as they are responsible and accountable for the economic decisions or actions they take. Institutional units are allocated to sector according to the nature of the economic activity they undertake.
Insurance liabilities	represents the present value of expected future payment of claims. Includes ACC liabilities and earthquake-related insurance liabilities.
Intangible fixed assets	A subset of nonfinancial, produced fixed assets including assets such as exploration, computer software, and research and development.
Intangible fixed assets	A subset of nonfinancial, produced fixed assets including assets such as exploration, computer software, and research and development.
Interest	Interest is the amount that a debtor is liable to pay to a creditor in a given time period without reducing the amount of principal outstanding. There are many kinds of financial instruments apart from traditional deposits, securities, and loans. Interest on these instruments may be paid in various different ways. In the macroeconomic accounts, we record interest continuously on an accrual basis, not according to the amount paid or due to be paid. The amount of interest payable to, or receivable from, financial intermediaries includes two elements: the true interest and the cost of providing services for which no explicit charges are made. We regard the cost of services as sales output (known as FISIM), and record it as such in the production accounts.
Interest expenditure	interest charged on public debt and other liabilities.
Interest income	includes interest earned from deposits, short-term and long-term investments, loans and other interest-bearing investments
Intermediate consumption	The value of non-durable goods and services used in production. Valuation is at purchaser's values.
Intermediate consumption (National Accounts - Income and Expenditure)	value of all goods and services consumed as inputs during the production process excluding fixed assets whose consumption is recorded as consumption of fixed capital.
International tourism expenditure	Comprises both international visitors' and international students' expenditure.
International tourist	A person who travels to a country other than that in which they have their usual residence, and outside their usual environment. While travelling, they do not stay in any one place for more than 12 months.
Inventories	are a class of produced non-financial assets consisting of: stocks of outputs that are still held by the units that produced them before being further processed, sold, delivered to other units, or used in any other ways; and stocks of products acquired from other units that are intended to be used for intermediate consumption or for resale without further processing.
Investment income from the rest of the world	Earnings of New Zealand residents on their investments overseas that are received by New Zealanders or retained overseas.
Investment income to the rest of the world	Earnings of foreign residents on their investments in New Zealand that are paid out to foreign residents or retained in New Zealand.
Investments	the commitment of money or capital to the purchase of financial instruments or other assets to gain profitable returns in the form of interest, income (dividends), or appreciation (capital gains) of the value of the instrument. It includes investments in financial assets such as listed shares, securities other than shares such as bonds and debentures, notes issued and preferred stocks, as well as financial derivatives.
Kind of Activity Unit (KAU)	an enterprise subdivision that is engaged in predominantly one activity and for which a single set of accounting records is available.

Labour income	is the part of the cost of producing GDP that consists of gross payments to labour. It represents the value added by labour in production, and is equivalent to compensation of employees, plus the labour income of working proprietors, plus the labour proportion of taxes, less subsidies on production.
Labour input index	is an index of the weighted number of hours paid in the measured sector. It is created by weighting together the industry-level labour volume series using labour income weights.
Labour productivity	is measured as a ratio of output to labour input. Labour productivity estimates are indexes of real GDP per hour paid. Labour productivity reflects the contribution of labour to changes in product per labour unit, but is also influenced by the contribution of capital and other factors affecting production.
Labour volume series (LVS)	is an estimate of the total number of hours paid in paid employment per week for the whole economy or a given industry.
LEED: Linked Employer-Employee Data	is an integration project that brings together Inland Revenue administrative data with Statistics NZ's Business Frame data, to provide employment statistics by industry and region. LEED data is available at the geographic unit level.
Liabilities	are debts that establish an obligation to provide economic benefits to another party that holds the corresponding financial claims.
Liabilities structures (Annual Enterprise Survey)	Liability structures are shareholders' funds divided by total capital and liabilities.
Local Authorities	are city councils, district councils, unitary authorities, and regional councils in New Zealand.
Local government	refers to the non-trading organisations of local government that are responsible for the general administration of territorial authorities in New Zealand. They are responsible for various activities related to roading, transportation, water supply, planning and regulation, culture, and recreation and sports facilities. Local government enterprises are excluded.
Local government enterprises	local authority trading enterprises and trading divisions of local authorities.
Low-value imports (National Accounts)	are imports of goods purchased directly by New Zealand households that have a value of less than \$1,000. We estimate these separately as they are not captured in the administrative data used to measure imports of goods.
Margin on sale of goods for resale (Annual Enterprise Survey)	Margin on sales of goods for resale are sales of goods not further processed less purchases of goods bought for resale, as a percentage of sales of goods not further processed.
Market entity	provides goods or services at prices that are economically significant.
Market output	is output sold at economically significant prices or otherwise disposed of on the market
Measured sector	The industry coverage of the productivity statistics is defined as the 'measured sector'. It consists of industries for which estimates of inputs and outputs are independently derived in volume terms. Industries for which real value added in the national accounts is largely measured using input methods, such as number of employees, are excluded. These are mainly government non-market industries that provide services, (eg administration, health, and education), free or at nominal charges.
Multifactor productivity (MFP)	Estimates are indexes of real GDP per combined unit of labour and capital. They are derived by dividing chain-volume estimates of market sector GDP by a combined measure of hours paid and capital services. An increase in value is referred to as technical change or efficiency growth. However, it is more accurately interpreted as some combination of technological progress, efficiency gains, deviations from constant returns to scale, unobserved changes in capacity utilisation, or departures from economy-wide long-run equilibrium. MFP is essentially a residual, and so also captures the impact of unobserved inputs on production.
National disposable income	The total income of New Zealand residents from all sources available for final consumption or saving, and after net payment of current transfers to the rest of the world..

National income	This aggregate is equivalent to gross national product after the deduction of allowances for consumption of fixed capital. It is a measure of income accruing to New Zealanders from supplying factors of production in New Zealand and overseas, plus taxes on production and imports
Net acquisition of foreign financial assets	The change in actual claims by New Zealanders on non-residents. It relates to the purchase, less the sale, of financial claims, such as those described below for the net incurrence of foreign liabilities. It also includes changes in New Zealand's holdings of special drawing rights in its reserve position at the International Monetary Fund, and in the assets of the New Zealand banking system.
Net capital stock	The depreciated value of fixed assets valued at current replacement cost. It is derived as accumulated investment less accumulated consumption of fixed capital. It can be thought of as the value of the flow of services that assets in existence can produce over the remainder of their service lives.
Net capital stock	The depreciated value of fixed assets valued at current replacement cost. It is derived as accumulated investment less accumulated consumption of fixed capital. It can be thought of as the value of the flow of services that assets in existence can produce over the remainder of their service lives.
Net capital taxes (National Accounts - Income and Expenditure)	Net capital taxes are those levied at irregular and very infrequent intervals on the values of the assets or net worth owned by institutional units, or on the values of assets transferred between institutional units as a result of legacies, gifts, or other transfers.
Net capital transfers (National Accounts - Income and Expenditure)	Net capital transfers are transactions (either cash or in kind) in which: ownership of an asset (other than cash or inventories) transfers from one institutional unit to another, or cash is transferred so the recipient can acquire another asset, or funds realised by disposing of another asset are transferred. The asset may be a fixed or financial asset. In practice, capital transfers tend to be large, infrequent, and irregular. They do not affect disposable income. Capital transfers are unrequited and they do not add to current income for the recipient, or reduce income for the donor. They are designed to finance accumulation and only indirectly to influence consumption through changing the recipient or donor's wealth or assets. Examples are unilateral transfers, or capital goods, legacies, and investment grants.
Net equity position	is the difference between the value of assets and liabilities.
Net financial worth	is equal to the total value of all financial assets less the total value of all liabilities. It is an important component of total net worth.
Net incurrence of foreign liabilities	The change in actual indebtedness of New Zealanders to non-residents. It relates to the issue, less the redemption, of financial claims, such as currency and transferable deposits, bonds, corporate equities, loans, and long term trade credits. Changes in the holdings of paid-up capital of companies, and changes in inter-company indebtedness are also included.
Net lending to the rest of the world	The excess of New Zealand's net acquisition of financial assets over its net incurrence of liabilities, recorded in the National Capital Account
Net lending/borrowing (National Accounts - Income and Expenditure)	Net/lending borrowing is the balancing item of the capital account. A surplus represents funds available to lend to other sectors, and a deficit represents borrowing needed to fund investment.
Net lending/borrowing position	is an indicator of the financial impact of government activity on the rest of the economy. It shows a government's financing requirement and is calculated as the net operating balance less the net acquisition of non-financial assets. A positive net lending/borrowing position indicates a net lending position. After accounting for all operating transactions and their net acquisition of non-financial assets, a government is still in surplus and has funds it can invest or lend. A negative net lending/borrowing position indicates a net borrowing position. After accounting for all operating transactions and their net acquisition of non-financial assets, a government will need to borrow (or run down its financial investments) to fund all its expenditure.

Net non-life insurance premiums (National Accounts - Income and Expenditure)	The total non-life insurance premiums net of the service charge includes general insurance and health insurance only. We treat the service charge as sales output and record it in the production account.
Net operating balance	is the change in the net worth of government due to transactions, rather than to provisions and valuation or other changes. It is equal to total operating income less total operating expenses, and is important when measuring the ongoing sustainability of government operations. Provisions and valuation or other changes are treated as other economic flows in government finance statistics rather than transactions.
Net purchases of land (National Accounts - Income and Expenditure)	Land is the ground, including the soil covering it and any associated surface waters, over which ownership rights are enforced; major improvements that cannot be physically separated from the land itself are included. Land excludes: any buildings or other structures situated on it or running through it; cultivated crops, trees, and animals; subsoil assets; non-cultivated biological resources; and water resources below the ground.
Net saving and net worth (National Accounts - Income and Expenditure)	<p>Saving is a derived variable, at the broadest level, that we estimate as:</p> <p>Income receivable, less income payable, less consumption of fixed capital.</p> <p>The sum of the savings of the domestic sectors (all sectors excluding the rest of the world) equals national saving. In addition to the income variables (described in the 'income and outlay' section above), gross operating surplus is a major income variable in the domestic sectors. In the household sector, we include compensation of employees as the largest component of total income receivable.</p> <p>If we produced the full set of institutional accounts, including balance sheets, we could derive an estimate of net worth. Net worth is, for example, the market value of a sector's stock of assets less the market value of its stock of liabilities (capital gains). However, wealth estimates are outside the current scope of the institutional sector accounts.</p> <p>Saving excludes these items that affect net worth:</p> <ul style="list-style-type: none"> ? capital gains (or holding gains), which reflect changes in the prices of existing assets and therefore do not represent additions to real stock of produced assets ? capital transfers, which reflect changes in ownership of existing assets ? events such as the 2010/11 Christchurch earthquakes, which result in changes in the real stock of existing assets but do not reflect an economic transaction.
Net saving – corporations	equal to the gross income receivable by corporations less income payable and consumption of fixed capital. Income receivable by corporations includes gross operating surplus, property income, and current transfers.
Net saving – general government	the surplus of general government gross income over current use of income. Current use of income includes final consumption expenditure and current transfers.
Net saving – households	equal to gross household disposable income less household final consumption expenditure and consumption of fixed capital. Household saving is estimated as the balancing item in the household income and outlay account.
Net worth	is the difference between the total value of all assets and the total value of all liabilities.
New Zealand System of National Accounts (NZSNA)	New Zealand System of National Accounts is a comprehensive accounting framework based on an international standard, the 2008 System of National Accounts. The structure and content of the NZSNA transforms the countless economic transactions that take place each day into a framework, to analyse and compare important economic variables over time.

Nominal industry (bank service charge)	<p>A large proportion of the income of banks and financial institutions consists of an excess of interest and other property income over payments rather than from direct charges for services. As New Zealand System of National Accounts (NZSNA) records this income in the income and outlay accounts rather than as an item of gross output in the production account, operating surplus would be negative.</p> <p>To overcome this a service charge is imputed, equal to net interest and other property income. Conceptual problems of how to allocate the charge to the users of services provided by financial institutions, (such as whether to allocate on the basis of the number or value of loan transactions), are overcome by creating a nominal industry which pays the total charge. The nominal industry has no gross output and makes a negative contribution to GDP.</p> <p>Its negative operating surplus counteracts the increased operating surplus of all other industries which are not recorded as paying any of the imputed bank service charge.</p>
Non-current assets	can be fixed assets, such as infrastructure, land and buildings, or long-term investments, long-term receivable, and long-term loans.
Non-current liabilities	are obligations to pay off debt due in more than 12 months. These include term debt and other non-current liabilities like long-term provision for employee entitlements, long-term accounts payable, and long-term provision for landfill aftercare.
Non-durable goods	are goods that are either consumed immediately in one use or within three years.
Non-financial assets	all economic assets other than financial assets. These can be fixed assets, such as infrastructure and buildings, inventories, valuables, or non-produced assets.
Non-life insurance claims (National Accounts - Income and Expenditure)	Non-life insurance claims are those accrued by insurance providers on general and health policies.
Non-operating transactions (Local Authority Statistics and Local Authority Financial Statistics)	mainly arise from valuation changes. This means that local authorities have re-assessed the value of their assets and liabilities.
Non-tourism-specific industry	Any industry that is not a tourism-characteristic industry or a tourism-related industry. However, a non-tourism-specific industry may still sell some of its products to tourists.
Operating deficit	occurs as a result of operating expenditure exceeding operating income.
Operating expenditure (Local Authority Statistics and Local Authority Financial Statistics)	is the amount spent on providing core services.
Operating expenses (Crown Research Institute Statistics)	a company's expenses related to the production of its goods and services.
Operating income (Crown Research Institute Statistics)	a company's income from the goods and services it provides.
Operating income (Local Authority Statistics and Local Authority Financial Statistics)	is funding earned to provide core services.
Operating profit before income tax	Total income less total expenditure (excluding non-operating items) plus change in stocks.
Operating surplus	This is a residual item, being gross output at producer's values less the sum of intermediate consumption, compensation of employees, consumption of fixed capital, and indirect taxes net of subsidies. It is approximately equal to accounting profit before the deduction of direct taxes, dividends, interest paid and bad debts, and before the addition of interest and dividends received. The residual occurs as a result of operating income exceeding operating expenses.
Other assets (Crown Research Institute Statistics)	includes intangible and deferred assets.
Other comprehensive income	are non-operating transactions, such as bad debts recovered, provisions, and valuation changes (this means that Crown Research Institutes have re-assessed the value of their assets and liabilities).

Other current transfers	These include all transfers of income not specifically included in other categories of the household income and outlay account. The transfers are made from current income of households and add to the current income of recipients for such purposes as consumption or production expenditure, eg gifts, net casualty insurance premiums and insurance claims.
Other current transfers to/from the rest of the world	Conceptually, these items cover all current transfers other than property and entrepreneurial income. However, in practice, it has not been possible to identify all these transfers separately, and the figures are deficient in two respects. First, not all current transfers can be identified. In particular, those associated with insurance transactions are omitted, since all insurance flows are recorded as either exports or imports of services. Second, it has proved difficult to distinguish between current and capital transfers to the rest of the world, and in the NZSNA some of these transactions are treated as current.
Other non-market output	is output consisting of goods and services produced by government or non-profit institutions serving households for free, or at prices that are not economically significant. Such output may be produced because it may be technically impossible to charge individuals for collective services (eg defence), it may be technically impossible to charge individuals for collective services (eg defence), goods and services are not charged for as a matter of social or economic policy (eg health services).
Other operating expenses (Crown Research Institute Statistics)	includes donations, royalties and patent fees, business insurance premiums, fringe benefit tax, local authority rates, other local or central government fees and levies, and other operating costs.
Other operating income (Crown Research Institute Statistics)	a company's income from the goods and services it provides.
Other taxes (National Accounts - Income and Expenditure)	The other taxes component consists of a wide array of taxes, fines, and levies (eg motor vehicle registration).
Output	value of goods and services produced during a time period, regardless of whether they are produced for sale or own use.
Own final use	is output retained for own use by the owners of the enterprises in which they are produced (eg own account capital formation, the imputed rent of owner occupied dwellings, owner-builders' construction work, and the output of private households with employed persons)
Pension fund benefits (National Accounts - Income and Expenditure)	Pension fund benefits are payable to households by enterprises administering privately funded pension schemes, and Government Superannuation Fund (GFS) benefits.
Pension fund contributions (National Accounts - Income and Expenditure)	Households make pension fund payments (or contributions) to enterprises administering privately funded pension schemes, plus GSF contributions.
Population (Annual Enterprise Survey)	<p>The target population for AES is all economically significant businesses operating within New Zealand. However, some industries are excluded on pragmatic grounds. The Australian and New Zealand Standard Industrial Classification 2006 (ANZSIC06) industry exclusions are:</p> <ul style="list-style-type: none"> • 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). <p>Superannuation funds (K633000) are included in the population. However, they are excluded from the release tables.</p>

Primary income	<p>income directly linked to the production process:</p> <ul style="list-style-type: none"> - compensation of employees - gross operating surplus - entrepreneurial income - net taxes on production - property income (rent on natural resources, interest, dividends, and earnings attributed to insurance policyholders). <p>Primary incomes exclude social contribution and benefits, and current taxes on income, wealth, and other current transfers.</p>
Primary sector\ Primary Industries	Includes agriculture, forestry, fishing, and mining.
Private corporate producer enterprises	a subgroup that includes incorporated enterprises, co-operatives, and business associations that are recognised as independent legal entities through registration under acts of Parliament.
Private non-corporate producer enterprises	a subgroup that includes unincorporated enterprises, partnerships, and sole proprietorships engaged in a measurable amount of productive activity. In practice, this means that only enterprises that keep accounts adequate for taxation purposes are included. Where adequate accounts are not kept, production is generally an extension of the owner's household activity, and is therefore included in sector 5 (households).
Private non-profit organisations serving households	non-market non-profit organisations that provide goods or services to households, either free or at prices or fees that are not economically significant, and usually mainly provide services to their own members (eg trade unions, professional or learned societies, consumers' associations, and political parties).
Producer enterprises	enterprises (whether incorporated or unincorporated) that are mainly engaged in producing goods and services in New Zealand and selling these at market prices. They include all entities operating in New Zealand, irrespective of where the owners reside.
Production account	has two parts: non-market and market. These two parts record the current value of goods and services produced, and the costs associated in producing them. Key items measured in this account are services for own use (for non-market activity) and value added (for market activity).
Production approach to GDP (GDP (P))	The production approach to GDP measures the total value of goods and services produced in New Zealand, after deducting the cost of goods and services used in the production process. This is also known as the value-added approach.
Productive capital stock	is a measure of productive capacity that forms the basis for the measure of capital services. Productive capital stock estimates are derived as the written-down value of each asset its efficiency decline due to age. This stock is measured in units of 'standardised efficiency'.
Property and entrepreneurial income to/from the rest of the world	The property income component of these items is defined above (excluding any imputed interest which is entirely a resident-to-resident flow). The entrepreneurial income refers to the actual withdrawals of income from enterprises operating overseas, such as overseas branches of New Zealand companies. Retained earnings are excluded from these flows.
Property income	<p>Property income refers to transfers of income accruing to the owners of financial assets, intangible assets such as patents, copyrights and concessions, and mineral rights. This income is mainly in the form of interest, dividends and royalties.</p> <p>In the household income and outlay account, interest received is split between "actual" and "imputed". Imputed interest consists of the earnings of life insurance and pension funds which are imputed to households who, following the UNSNA guidelines, are considered to be the owners of the fund's assets. This imputed interest flow is then reinvested, via savings, in householders' financial assets, namely "net equity in life insurance reserves and pension funds".</p>

Property income (National Accounts - Income and Expenditure)	<p>Property income is often referred to as investment income. This includes income received from owning financial assets, land, and other intangible non-produced assets. It consists of:</p> <ul style="list-style-type: none"> - interest - corporations' distributed income (dividends and withdrawals from income of unincorporated businesses) - reinvested earnings on direct foreign investment - property income attributed to insurance policy holders - rent on land and natural assets. <p>Total property income is the sum of all five components, less an adjustment for financial intermediation services indirectly measured (FISIM).</p>
Purchase of intangible assets from the rest of the world, net	<p>The value of purchases by residents from non-residents of intangible assets, less sales of such assets by residents to non-residents. Examples of these types of assets are mineral rights, fishing quotas, patents, copyrights, and trademarks. In the NZSNA, flows associated with this item are not distinguishable in the source data and consequently are included in exports/imports of goods and services.</p>
Purchasers' Price	<p>The amount paid by the purchaser inclusive of indirect taxes (less subsidies), trade margins (wholesale and retail) and transport costs. That is, the price for commodities supplied to the purchaser.</p>
Purchases and other operating expenses	<p>Purchases and operating expenditure are something obtained, especially for a price in money or its equivalent. The following are included: , purchases of goods, fuels, and materials (whether for production or resale) ,general expenses (eg advertising, freight, insurance, motor vehicle, rates, rent, repairs, utilities) , management fees and payments to other businesses or divisions , payments to welfare and superannuation schemes (eg ACC, KiwiSaver) , royalties and patent fees. While these are excluded: , interest, dividends, donations, and bad debts , excise duty, fringe benefit tax, and road user charges , extraordinary items (eg exchange rate losses, losses on sales of fixed assets) , depreciation.</p>
Purchases of non-produced non-financial assets from the rest of the world, net	<p>Purchases of non-produced non-financial assets from the rest of the world, net purchase or sale of intangible, non-financial assets such as patents, copyrights, trademarks, franchises, and licences; and acquisition of land by a government or international organisation, or the disposal of land.</p>
Quick ratio (Annual Enterprise Survey)	<p>Quick ratios refer to current assets less closing stocks divided by current liabilities.</p>
Rates	<p>includes all forms of rates, such as uniform annual general charges, water rates, and targeted rates. Targeted rates are those that enable a council to apply a special purpose rate to particular properties, such as waste-water, sewerage, or town centre rates. Rates collected on behalf of other local authorities (such as regional councils) are not included.</p>
Real gross national disposable income (RGNDI)	<p>measures the real purchasing power of national disposable income, taking into account changes in the terms of trade, and real gains or losses from net investment and transfer income with the rest of the world. Effectively, it is a measure of the volume of goods and services New Zealand residents have command over.</p>
Regulatory income and petrol tax	<p>includes fees and fines. Examples of fees include parking fines, building consents, and dog registration. Admission and parking charges are excluded from this category as they are treated as sales of goods and services.</p>
Reinvested earnings on direct investment in New Zealand	<p>Earnings of foreign residents on their investments in New Zealand and that are retained in New Zealand.</p>
Reinvested earnings on overseas direct investment	<p>Earnings of New Zealand residents on their investments overseas (eg share equity, deposits, and other financial instruments) and that are retained overseas.</p>

Rent on natural assets (National Accounts - Income and Expenditure)	In recent years, most rent payments on natural resources have been from energy royalties and Crown forest licences, with payments generally coming from producer enterprises to central government.
Rental prices	Also referred to as the 'user cost of capital'. It is the unit cost for the use of an asset for one period. That is, the price for employing or obtaining one unit of capital services. The rental price for an asset is determined by its price index when new, its rate of economic depreciation, the average tax rate on production within the industry, and an exogenous real rate of return (set at 4 percent).
Return on total assets (Annual Enterprise Survey)	Surplus before income tax divided by total assets
Return to equity (Annual Enterprise Survey)	Return on equity is surplus before income tax divided by shareholders' funds .
Revenue (Government Finance Statistics)	an increase in net worth resulting from a transaction.
Rolling mean employment (RME)	Rolling mean employment (RME) is the twelve month moving average of the monthly employee-count figure.
Sales and other operating income (Quarterly Local Authority Survey)	includes admission charges, water sold by meter, and other miscellaneous operating income. It does not include sales of goods and services charged within the authority (such as overheads).
Sales of Goods and Services	Goods and materials manufactured from purchased materials; includes repairs and other services provided and sales of goods purchased for resale.
Saving	The residual item in both the national and household income and outlay accounts after all current receipts and disbursements have been accounted for.
Saving ratio	Represents the household sector's saving as a percentage of household net disposable income.
Secondary income	covers redistribution in the form of current transfers, including current taxes on wealth and income, social security, and pension transfers.
Securities	are securities other than shares are negotiable financial instruments serving as evidence that units have obligations to settle by means of providing cash, a financial instrument, or some other item of economic value. Examples include bills, bonds and debentures, commercial paper, negotiable certificates of deposit and tradable depository receipts.
Services (National Accounts)	are products other than tangible goods. Services result from production activity that changes the conditions of the consuming units, or makes the exchange of products or financial assets possible.
Services for own use	the non-market production of services for consumption within the same unit. For the household sector, this includes the value of services provided to households by paid domestic staff.
Social assistance benefits (National Accounts - Income and Expenditure)	Social assistance benefits are education, welfare, and other benefits paid to individuals and households. They include unemployment benefit, domestic purposes benefit, New Zealand Superannuation, and disability allowances.
Social assistance grants	Includes all monetary benefits paid to individuals and households by public authorities, private non-profit organisations and private enterprises, eg unemployment benefits, national superannuation and education scholarships.
Social benefits	transfers in cash or kind to protect the entire population, or specific segments of it, against certain social risks. Examples of social benefits include providing medical services and unemployment compensation.
Social security benefits (National Accounts - Income and Expenditure)	Social insurance benefits are payable in cash to households by social security funds. These consist of receipts from, and contributions to, ACC.
Social security benefits and contributions	These consist of receipts from, and contributions to, the Accident Compensation Corporation (ACC) which is classified as a social security fund.

Social security contributions	actual or imputed receipts from either employers on behalf of their employees or from employees, on their own behalf, that secure entitlement to social benefits for the contributors, their dependants, or their survivors. The contributions may be voluntary or compulsory.
Social security contributions (National Accounts - Income and Expenditure)	Social security contributions are paid by employers to the Accident Compensation Corporation (ACC), which we classify as a social security fund.
Social transfers in kind	goods and services provided by general government and non-profit institutions serving households that are delivered to individual households. Examples include health and education services.
Statistical classification for institutional sectors	The main purpose of classifying statistics by institutional sectors is to provide information that supports economic analysis and macroeconomic management. This is done by grouping economic units that have similar roles and which respond to economic events and interventions in a similar manner. At the highest level there are 6 categories: on-financial businesses, financial businesses, general government, non-profit institutions serving households, households, and rest of the world.
Statistical Discrepancy	In the New Zealand System of National Accounts (NZSNA) we estimate the items making up GDP and expenditure on GDP independently, using diverse data sources. The combination of survey and other measurement and timing errors in the various components results in a difference between the estimates, known as the statistical discrepancy. The discrepancy is outside our GDP and expenditure on GDP calculations.
Subsidies	Grants made by Government to market-oriented producers who regard the transfers as an addition to income from current production. These grants include payments to ensure a guaranteed price, or to enable market prices of goods and services to be held below the cost of production. Transfers made by local authorities out of rates receipts to finance the losses of their trading departments, and deliberately incurred losses of government trading organisations are also included.
Subsidies (National Accounts - Income and Expenditure)	government grants to market-oriented producers who regard the transfers as an addition to income from current production. These payments may be intended to influence levels of production, the prices at which outputs are sold, or the remuneration of the institutional units engaged in production.
Supply and use framework	Framework within the national accounts that we use to confront and reconcile the annual production and expenditure estimates of GDP. The approach also provides the basis for checking consistency of the measures of the supply and use of goods and services, which are estimated from different statistical sources.
Surplus before income tax (Annual Enterprise Survey)	Surplus before income tax is total income less total expenditure plus change in stocks.
Surplus of the nation on current transactions	The excess in the External Transactions Account of current receipts over current disbursements.
Surplus per rolling mean employment (Annual Enterprise Survey)	Surplus per rolling mean employment (RME) is surplus before income tax divided by rolling mean employment.
Tangible fixed assets	Tangible fixed assets A subset of nonfinancial, produced fixed assets including assets such as houses, other buildings and structures, machinery and equipment, and cultivated assets.
Tangible non-produced assets	Tangible non-produced assets land, subsoil assets, non-cultivated biological resources, and water resources. Environmental assets over which ownership rights have not, or cannot, be enforced, such as international waters or air space, are excluded.
Taxes on production and imports	are assessed on producers for the production, sale, purchase, and use of goods and services, and which add to their market prices. Taxes include sales tax, local authority rates, import and excise duties, and fringe benefit tax. In the consolidated accounts of the nation we include goods and services tax.

Taxes on the use of goods	These are levies, designed primarily to raise revenue, made by Government on the possession or use of goods by households. They include motor vehicle registration and licence fees.
Term debt	is debt due to be paid after the next 12 months.
Total assets	is the total of the business's current assets; fixed assets (including those operated by a business under finance lease arrangements (hire purchases); intangibles (e.g. goodwill, brands and trademarks); other non-current assets (e.g. shares in associated or subsidiary companies, other shares, long term loans).
Total income	The part of the cost of producing GDP that consists of gross payments to factors of production (labour and capital). It represents the value added by these factors in the process of production and is equivalent to current-price GDP.
Tourism demand	GST-exclusive expenditure made by, or on behalf of, a tourist before, during, and after a trip. Tourism demand is equivalent to tourism expenditure, excluding GST
Tourism expenditure	Spending by, or on behalf of, a tourist before, during, and after a trip. This expenditure occurs either on the trip, or is travel related. The trip must be taken outside the usual environment of the tourist. This expenditure includes goods and services tax (GST).
Tourism Industry	The producing units belonging to tourism characteristic activities and other establishments not belonging to these activities but identified as serving principally visitors. World Tourism Organisation
Tourism intermediate consumption	The goods and services used in the process of production of products sold to tourists
Tourism output	The value of goods and services purchased by tourists, excluding imports sold directly to tourists. It is derived from tourism demand by removing the imports sold directly to tourists by retailers and comprises the following components:
Tourism product ratio	The proportion of the total supply of a product or service that is consumed by tourists. It provides the means of classifying tourism products as outlined below.
Tourism Ratio	A tourism ratio represents the proportion of total supply of an industry, attributable to tourism demand. Organisation for Economic and Cultural Development (OECD)
Tourism value added	The 'value' a producer adds to the raw material goods and services and/or transformed goods it purchases in the process of production.
Tourism-characteristic product	is an item that would cease to exist in meaningful quantity, or for which the level of consumption would be significantly reduced, in the absence of tourists. A product is classified as a tourism-characteristic product if at least 25 percent of its production is purchased by tourists, or at least 25 percent of the industry's output is purchased by tourists, or the industry's output includes a tourism-characteristic product.
Tourist	Any person travelling to a place other than their usual environment for less than 12 months and whose main purpose is other than the exercise of an activity remunerated from within the place visited.
Transaction	an economic flow that is an interaction between institutional units by mutual agreement or through the operation of law, or an action within an institutional unit that is analytically useful to treat like a transaction such as the consumption of fixed capital.
Usual environment	The place or places a person occupies within their regular routine of life (except places visited for leisure or recreational activities only).
Value added (National Accounts - Income and Expenditure)	income formed in the production process. Value added equals output minus intermediate consumption. Value added is the income available to reward the production factors involved.
Value added (National Accounts)	is the amount added to goods and services by the contributions of capital and labour (ie the value of output after the cost of bought-in materials and services has been deducted).
Vested assets	involve the transfer of ownership or control of assets by a third party to local authorities. Includes the transfer of roads and land from developers, or special purpose (restricted use) transfers such as reserve land.