

**SUMMARY TABLES AND GRAPHS OF THE  
BUSINESS NEW ZEALAND – KPMG COMPLIANCE COST SURVEY**

**September 2005**



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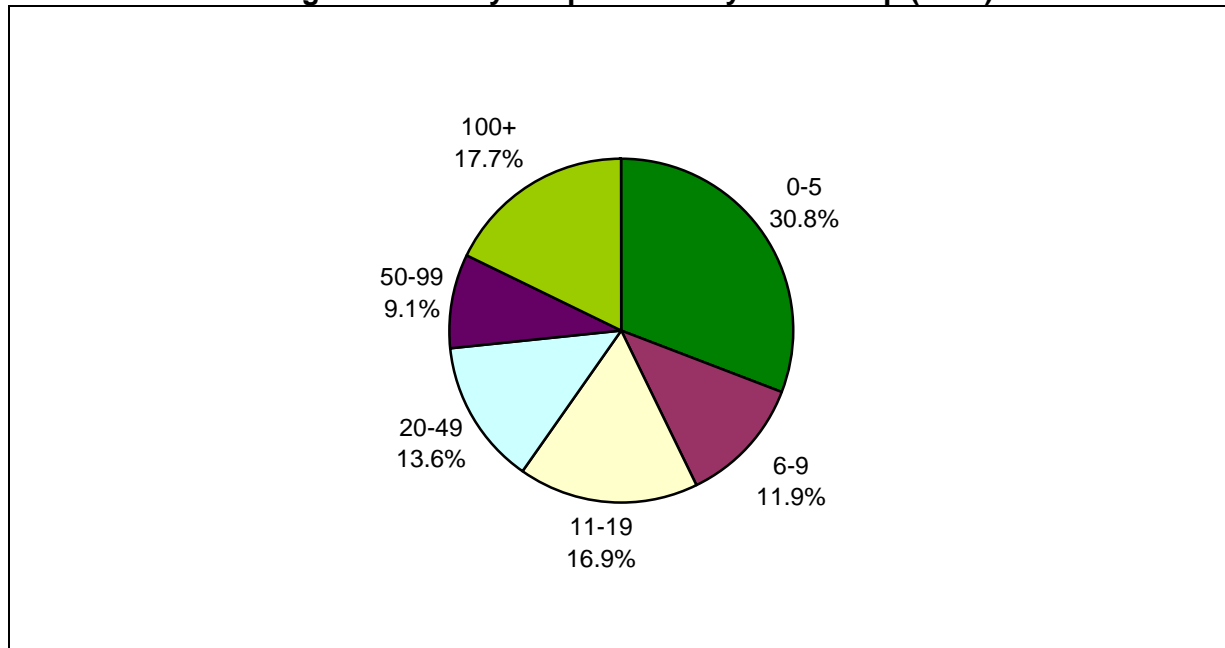
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## 2. RESPONDENT PROFILE

**Table 1: Respondents by Number of Full Time Equivalent Employees (2004 & 2005)**

Number of FTEs	Number of respondents 2005	Percent of total valid responses 2005	Number of respondents 2004	Percent of total valid responses 2004	Population (Business Demography Statistics 2003)
0-5	361	30.8%	213	22.4%	83.9%
6-9	140	11.9%	172	18.1%	7.3%
10-19	198	16.9%	188	19.8%	7.6%
20-49	159	13.6%	183	19.3%	0.7%
50-99	107	9.1%	92	9.7%	0.5%
100+	207	17.7%	101	10.6%	
<b>Total valid responses</b>	<b>1172</b>	<b>100.0%</b>	<b>949</b>	<b>100.0%</b>	<b>100.0%</b>

**Figure 1: Survey Respondents by FTE Group (2005)**



**Table 2: Respondents by Annual Turnover (excluding GST) (2004 & 2005)**

Annual turnover (Excluding GST)	Number of respondents 2005	Percent of total valid responses 2005	Number of respondents 2004	Percent of total valid responses 2004
\$99,999 or less	104	9.1%	37	4.0%
\$100,000-\$499,999	236	20.7%	159	17.3%
\$500,000-\$999,999	138	12.1%	126	13.7%
\$1,000,000-\$1,999,999	140	12.3%	157	17.1%
\$2,000,000-\$4,999,999	133	11.7%	185	20.1%
\$5,000,000-\$9,999,999	97	8.5%	86	9.4%
\$10,000,000-\$19,999,999	84	7.4%	61	6.6%
\$20,000,000-\$49,999,999	102	8.9%	62	6.7%
\$50,000,000+	107	9.4%	46	5.0%
<b>Total valid responses</b>	<b>1141</b>	<b>100.0%</b>	<b>919</b>	<b>100.0%</b>
Did not respond	31	-	30	-

**Table 3: Number of Years in Operation (2005)**

Number of years in operation	Number of respondents 2005	Percent of total valid responses 2005
1 year or less	45	3.9%
2-5 years	238	20.4%
6-10 years	200	17.2%
11-20 years	275	23.6%
21 years or more	408	35.0%
Total valid responses	1166	100.0%

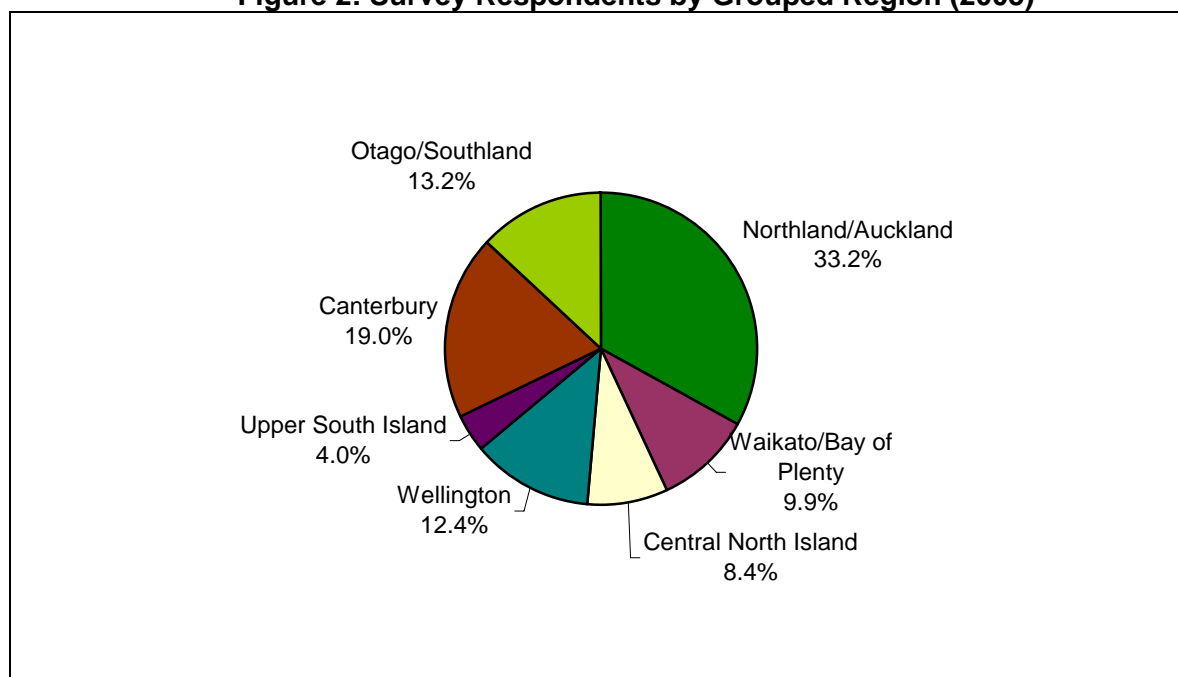
**Table 4: Respondents by Regional Council Area (2004 & 2005)**

Regional council area	Number of respondents (2005)	Percent of total valid responses (2005)	Number of respondents (2004)	Percent of total valid responses (2004)	Population (Business Demography Statistics - 2003)
Northland	20	1.7%	22	2.3%	3.4%
Auckland	368	31.5%	279	29.4%	35.3%
Waikato	56	4.8%	75	7.9%	8.8%
Bay of Plenty	60	5.1%	57	6.0%	6.2%
Gisborne	8	0.7%	5	0.5%	0.9%
Hawkes Bay	27	2.3%	16	1.7%	3.3%
Taranaki	20	1.7%	14	1.5%	2.3%
Manawatu-Wanganui	43	3.7%	27	2.8%	4.8%
Wellington	145	12.4%	67	7.1%	11.7%
Marlborough	12	1.0%	7	0.7%	1.2%
Nelson-Tasman	28	2.4%	23	2.4%	2.3%
West Coast	7	0.6%	8	0.8%	0.8%
Canterbury	222	19.0%	270	28.5%	12.0%
Otago	119	10.2%	59	6.2%	4.7%
Southland	35	3.0%	19	2.0%	2.2%
<b>Total valid responses</b>	<b>1170</b>	<b>100.0%</b>	<b>948</b>	<b>100.0%</b>	<b>100.0%</b>
Did not respond	2		1		--

**Table 5: Respondents by Grouped Region (2004 & 2005)**

Grouped region	Number of respondents (2005)	Percent of total valid responses (2005)	Number of respondents (2004)	Percent of total valid responses (2004)	Population (Business Demography Statistics - 2003)
Northland/Auckland	388	33.2%	301	31.8%	38.8%
Waikato/Bay of Plenty	116	9.9%	132	13.9%	15.0%
Central North Island (Gisborne, Hawkes Bay, Taranaki, & Manawatu-Wanganui)	98	8.4%	62	6.5%	11.4%
Wellington	145	12.4%	67	7.1%	11.7%
Upper South Island (Marlborough, Nelson-Tasman, & West Coast)	47	4.0%	38	4.0%	4.3%
Canterbury	222	19.0%	270	28.5%	12.0%
Otago/Southland	154	13.2%	78	8.2%	6.9%
<b>Total valid responses</b>	<b>1170</b>	<b>100.0%</b>	<b>948</b>	<b>100.0%</b>	<b>100.0%</b>
Did not respond	2		1		--

**Figure 2: Survey Respondents by Grouped Region (2005)**



**Table 6: Respondents by ANZSIC Group (2004 & 2005)**

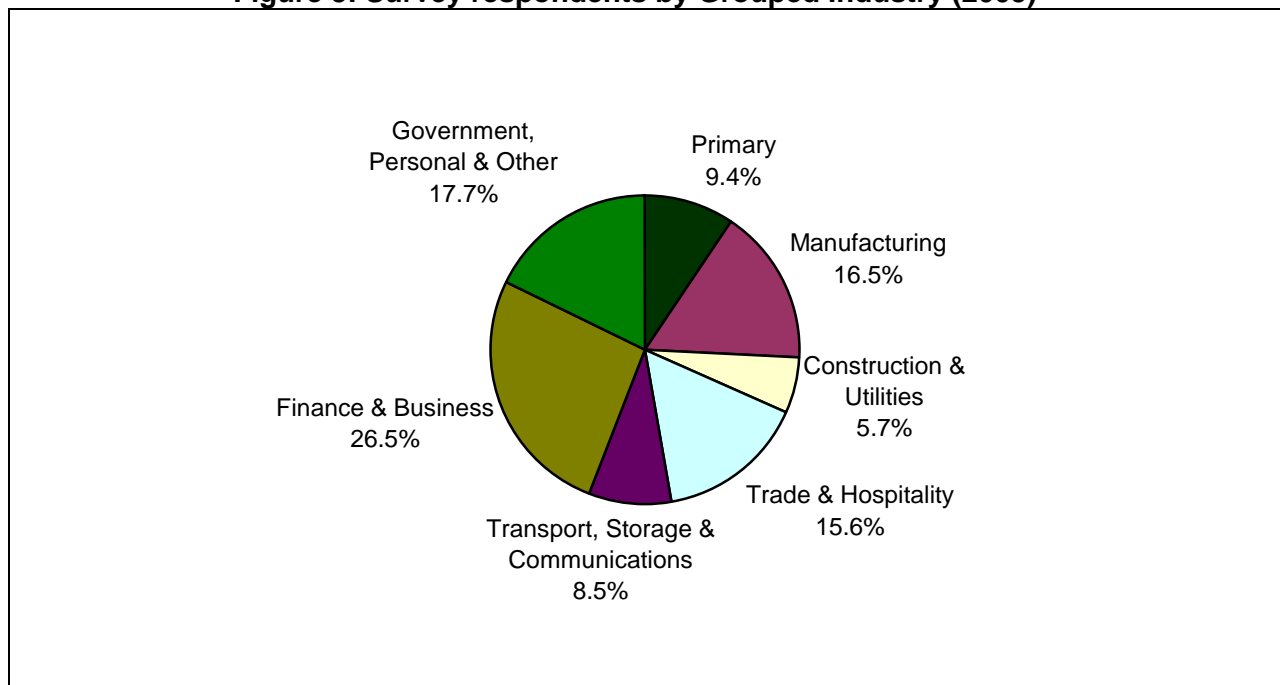
ANZSIC group	Number of respondents (2005)	Percent of total valid responses (2005)	Number of respondents (2004)	Percent of total valid responses (2004)	Population (Business Demography Statistics - 2003)
Agriculture	95	8.1%	44	4.6%	4.1%
Forestry, fishing, and mining	15	1.3%	17	1.8%	
Manufacturing	193	16.5%	224	23.6%	7.0%
Electricity, gas, and water	24	2.1%	17	1.8%	0.1%
Construction	43	3.7%	69	7.3%	11.4%
Wholesale trade	72	6.2%	65	6.9%	6.1%
Retail trade	92	7.9%	77	8.1%	12.2%
Accommodation, cafes, and restaurants	19	1.6%	24	2.5%	3.6%
Transport and storage	69	5.9%	48	5.1%	3.7%
Communication services	31	2.6%	17	1.8%	1.1%
Finance and insurance services	103	8.8%	35	3.7%	4.0%
Property and business services	207	17.7%	130	13.7%	31.2%
Government administration and defence	16	1.4%	7	0.7%	0.6%
Education, health, and community services	132	11.3%	134	14.1%	7.1%
Cultural, recreational, and personal services	58	5.0%	40	4.2%	7.9%
<b>Total valid responses</b>	<b>1170</b>	<b>100.0%</b>	<b>948</b>	<b>100.0%</b>	<b>100.0%</b>
Did not respond	2		1		



**Table 7: Respondents by Grouped Industries (2004 & 2005)**

Industry group	Number of respondents (2005)	Percent of total valid responses (2005)	Number of respondents (2004)	Percent of total valid responses (2004)	Population (Business Demography Statistics - 2003)
Primary (agriculture, forestry, fishing, and mining)	110	9.4%	61	6.4%	4.1%
Manufacturing	193	16.5%	224	23.6%	7.0%
Construction and utilities (construction, electricity, gas, and water)	67	5.7%	86	9.1%	11.5%
Trade and hospitality (Wholesale and retail trade, accommodation, cafes, and restaurants)	183	15.6%	166	17.5%	21.9%
Transport, storage, and communication	100	8.5%	65	6.9%	4.8%
Finance and business services (finance, insurance, property and business services)	310	26.5%	165	17.4%	35.2%
Government, personal and other services (government, defence, education, health, community, cultural, and personal services)	207	17.7%	181	19.1%	15.6%
<b>Total valid responses</b>	<b>1170</b>	<b>100.0%</b>	<b>948</b>	<b>100.0%</b>	<b>100.0%</b>
Did not respond	2		1		

**Figure 3: Survey respondents by Grouped Industry (2005)**



**Table 8: Average Respondent FTE Numbers by FTE Group (2004 & 2005)**

FTE Group	Average size of survey respondents (FTEs) - 2005	Median size of respondent (FTEs) - 2005	Average size of survey respondents (FTEs) - 2004	Median size of respondent (FTEs) - 2004	Average FTE size for Population (Business Demography Stats - 2003)
0-5	2.91	3.0	3.25	3.0	1.42
6-9	7.34	7.0	7.28	7.0	6.95
10-19	13.86	14.0	13.67	13.0	13.04
20-49	31.49	30.0	30.68	29.0	29.41
50-99	68.87	66.0	68.09	65.0	67.87
100+	705.38	198.0	463.58	200.0	240.84
<b>All sizes</b>	<b>139.26</b>	<b>13.0</b>	<b>66.65</b>	<b>13.0</b>	<b>4.72</b>

**Table 9: Average Respondent FTE Numbers by Grouped Industries (2004 & 2005)**

Grouped Industry	Average size of respondents (FTEs - 2005)	Median size of survey respondents (FTEs - 2005)	Average size of respondents (FTEs - 2004)	Median size of survey respondents (FTEs - 2004)	Average FTE size for Population (Business Demography Stats - 2003)
Primary	142.51	8.5	132.92	17.0	3.04
Manufacturing	76.89	24.0	46.09	16.0	10.99
Construction & utilities	198.21	26.0	65.86	22.0	3.32
Trade & hospitality	169.74	9.0	97.66	9.0	5.26
Transport, storage & communications	126.79	17.0	49.86	13.0	6.13
Finance & business services	144.07	8.0	36.50	7.0	2.25
Government, personal & other services	149.72	15.0	75.55	20.0	7.75
<b>All industries</b>	<b>139.48</b>	<b>13.0</b>	<b>66.65</b>	<b>13.0</b>	<b>4.72</b>

**Table 10: Average Respondent FTE Numbers by Grouped Regions (2004 & 2005)**

Grouped Region	Average size of respondents (FTEs - 2005)	Median size of survey respondents (FTEs - 2005)	Average size of respondents (FTEs - 2004)	Median size of survey respondents (FTEs - 2004)	Average FTE size for Population (Business Demography Stats - 2003)
Northland/Auckland	210.19	14.0	99.17	15.0	4.61
Waikato/Bay of Plenty	127.16	9.5	65.62	17.0	4.35
Central North Island	95.19	20.0	58.02	19.0	4.84
Wellington	260.77	16.0	54.61	35.0	5.10
Upper South Island	30.57	10.0	36.08	10.5	4.28
Canterbury	58.39	10.0	44.57	8.0	5.10
Otago/Southland	34.73	12.0	52.24	17.0	4.87
<b>New Zealand</b>	<b>139.43</b>	<b>13.0</b>	<b>66.65</b>	<b>13.0</b>	<b>4.72</b>

**Table 11: Average Respondent FTE Numbers by Grouped Years in Operation (2004 & 2005)**

Grouped Years in Operation	Average size of respondents (FTEs - 2005)	Median size of survey respondents (FTEs - 2005)	Average size of respondents (FTEs - 2004)	Median size of survey respondents (FTEs - 2004)
1 year or less	22.96	3.0	9.3	3.0
2 to 5 years	64.59	4.0	15.7	7.0
6 to 10 years	35.01	9.0	31.9	8.0
11 to 20 years	82.03	14.0	46.2	13.0
21 years or more	271.53	41.5	135.6	27.0
<b>All Years in Operation</b>	<b>134.43</b>	<b>13.0</b>	<b>66.65</b>	<b>13.0</b>

### 3. SUMMARY OF FINDINGS

#### 3.1 COMPLIANCE COST PRIORITIES

Figure 4: Compliance Cost Priorities (2005)

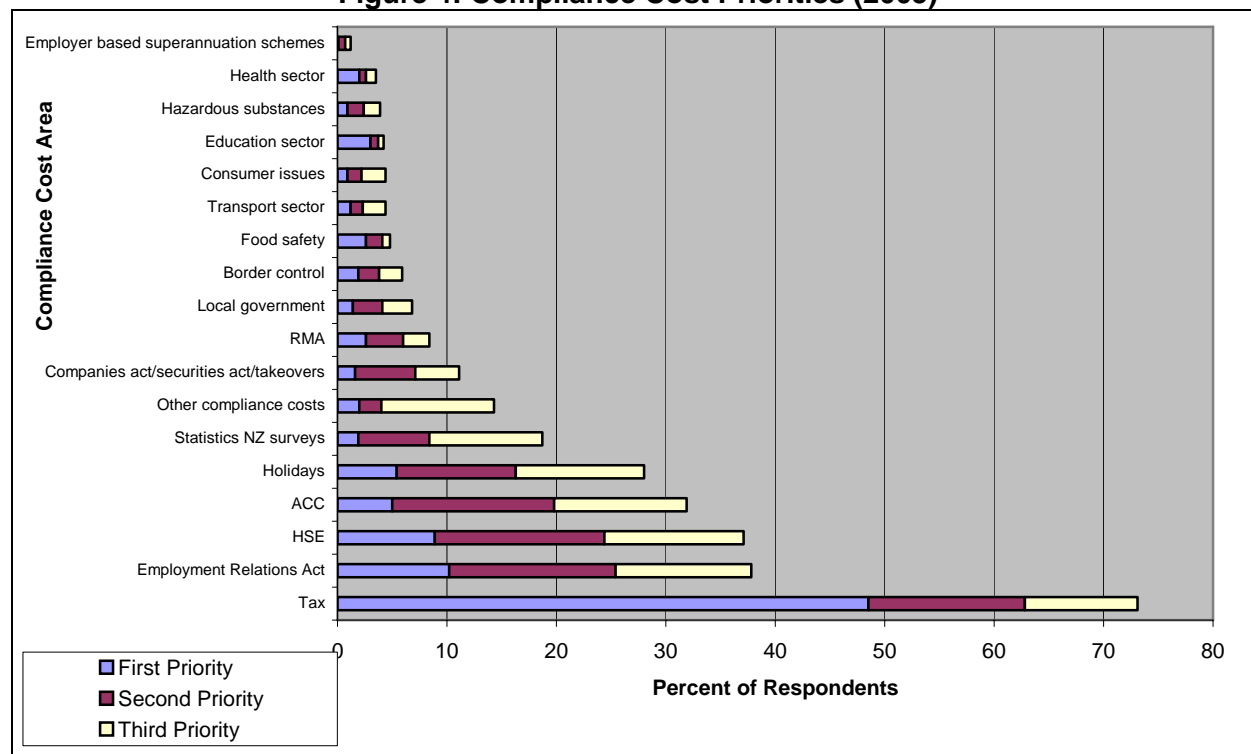


Table 12: Compliance Cost Priorities (2005)

Compliance cost area	First priority		Second priority		Third priority		Total (1,2,3)	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Tax	568	48.5%	168	14.3%	127	10.8%	863	73.6%
Employment Relations Act	120	10.2%	178	15.2%	145	12.4%	443	37.8%
HSE	104	8.9%	182	15.5%	149	12.7%	435	37.1%
ACC	59	5.0%	173	14.8%	142	12.1%	374	31.9%
Holidays	63	5.4%	128	10.9%	137	11.7%	328	28.0%
Statistics NZ surveys	22	1.9%	76	6.5%	121	10.3%	219	18.7%
Companies Act/securities Act/takeovers	19	1.6%	64	5.5%	47	4.0%	130	11.1%
RMA	30	2.6%	40	3.4%	28	2.4%	98	8.4%
Local government	16	1.4%	32	2.7%	32	2.7%	80	6.8%
Border control	22	1.9%	22	1.9%	25	2.1%	69	5.9%
Food safety	31	2.6%	17	1.5%	8	0.7%	56	4.8%
Transport sector	14	1.2%	13	1.1%	25	2.1%	52	4.4%
Consumer issues	11	0.9%	15	1.3%	26	2.2%	52	4.4%
Education sector	35	3.0%	8	0.7%	6	0.5%	49	4.2%
Hazardous substances	11	0.9%	18	1.5%	17	1.5%	46	3.9%
Health sector	23	2.0%	7	0.6%	10	0.9%	40	3.4%

Employer based superannuation schemes	1	0.1%	7	0.6%	6	0.5%	14	1.2%
Other compliance costs	23	2.0%	24	2.0%	121	10.3%	168	14.3%
<b>Total valid responses</b>	<b>1172</b>	<b>100.0%</b>	<b>1172</b>	<b>100.0%</b>	<b>1172</b>	<b>100.0%</b>	<b>3516</b>	<b>300.0%</b>

**Table 13: Top 5 Compliance Cost Priorities (2003, 2004 & 2005)**

Priority	Tax	HSE	ACC	ERA	Holidays
<b>First priority</b>					
2005	48.5%	8.9%	5.0%	10.2%	5.4%
2004	41.1%	13.1%	9.0%	10.0%	7.8%
2003	35.5%	22.8%	7.9%	10.5%	3.3%
<b>Second priority</b>					
2005	14.3%	15.5%	14.8%	15.2%	10.9%
2004	12.2%	19.7%	20.2%	15.4%	14.9%
2003	13.8%	25.0%	18.3%	20.3%	3.6%
<b>Third priority</b>					
2005	10.8%	12.7%	12.1%	12.4%	11.7%
2004	9.8%	14.8%	11.9%	15.1%	17.0%
2003	11.4%	17.1%	12.5%	16.8%	9.1%
<b>Combined priorities</b>					
2005	73.6%	37.1%	31.9%	37.8%	28.0%
2004	63.1%	47.6%	41.1%	40.5%	39.7%
2003	60.8%	64.9%	38.7%	47.6%	15.9%

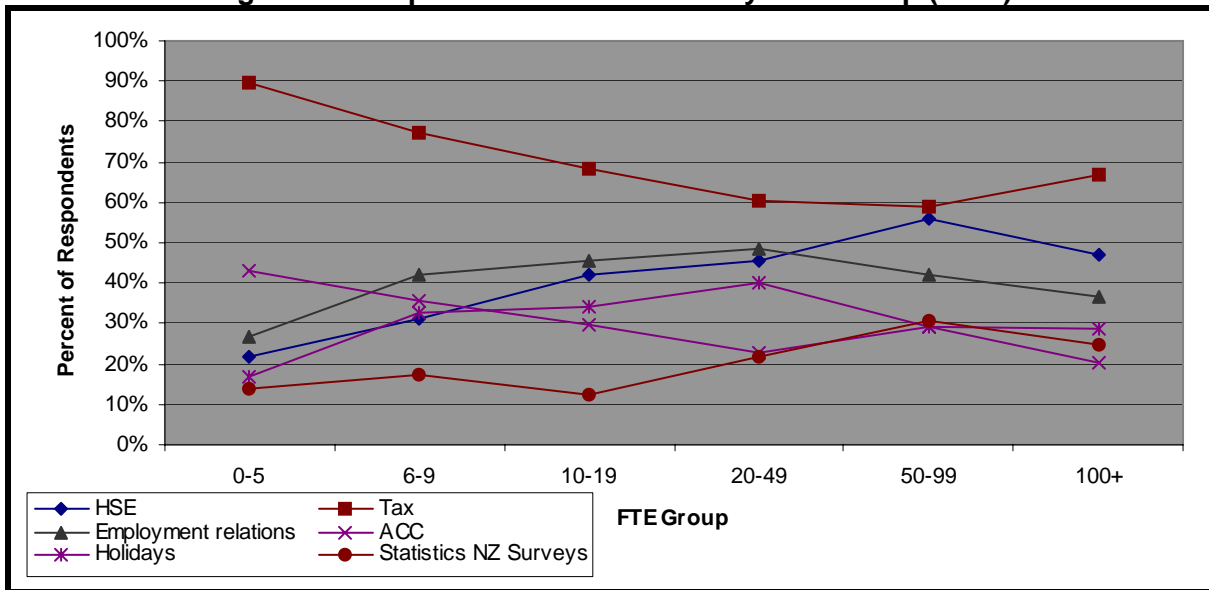
**Table 14: Compliance Cost Priorities by FTE Group (2005)**

Compliance cost area	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Tax	89.5%	77.1%	68.2%	60.4%	58.9%	66.7%	73.6%
Employment Relations Act	26.6%	42.1%	45.5%	48.4%	42.1%	36.7%	37.8%
Health & Safety in Employment Act	21.9%	31.4%	41.9%	45.3%	56.1%	46.9%	37.1%
ACC	43.2%	35.7%	29.8%	22.6%	29.0%	20.3%	31.9%
Holidays Act	16.6%	32.9%	34.3%	40.3%	29.0%	28.5%	28.0%
Statistics NZ Surveys	14.1%	17.1%	12.6%	22.0%	30.8%	24.6%	18.7%
Companies Act / Securities Act/Takeovers	15.0%	10.0%	11.6%	6.3%	6.5%	10.6%	11.1%
Resource Management Act	8.3%	5.0%	7.6%	6.3%	7.5%	13.5%	8.4%
Local Government	11.4%	3.6%	4.5%	2.5%	5.6%	7.2%	6.8%
Border Control & Biosecurity	5.5%	5.7%	6.1%	6.3%	9.3%	4.3%	5.9%
Food Safety	2.8%	6.4%	5.1%	4.4%	5.6%	6.8%	4.8%
Transport Sector	6.9%	2.1%	4.5%	3.1%	3.7%	2.9%	4.4%
Consumer Issues	7.2%	3.6%	4.5%	2.5%	0.9%	3.4%	4.4%
Education Sector	3.0%	5.7%	4.5%	4.4%	3.7%	4.8%	4.2%
Hazardous Substances & New Organisms	3.6%	5.7%	3.5%	5.0%	1.9%	3.9%	3.9%
Health Sector	2.8%	4.3%	2.5%	7.5%	1.9%	2.4%	3.4%
Employer Based Superannuation Schemes	0.3%	0.0%	1.0%	1.9%	0.9%	3.4%	1.2%
Other Compliance Costs	21.3%	11.4%	12.1%	10.7%	6.5%	13.0%	14.3%

**Table 15: Top Compliance Cost Priorities by FTE Group (2003, 2004 & 2005)**

Compliance cost area	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
<b>Tax</b>							
2005	89.5%	77.1%	68.2%	60.4%	58.9%	66.7%	73.6%
2004	83.6%	73.3%	63.8%	51.9%	43.5%	39.6%	63.1%
2003	73.5%	62.8%	65.5%	57.7%	50.6%	48.0%	60.8%
<b>HSE</b>							
2005	21.9%	31.4%	41.9%	45.3%	56.1%	46.9%	37.1%
2004	23.5%	41.3%	52.1%	61.7%	66.3%	58.4%	47.6%
2003	40.8%	55.2%	68.3%	76.6%	79.5%	72.0%	64.9%
<b>ACC</b>							
2005	43.2%	35.7%	29.8%	22.6%	29.0%	20.3%	31.9%
2004	49.3%	50.0%	44.1%	37.7%	27.2%	21.8%	41.1%
2003	42.1%	45.8%	36.4%	36.8%	36.6%	34.0%	38.7%
<b>Holidays</b>							
2005	16.6%	32.9%	34.3%	40.3%	29.0%	28.5%	28.0%
2004	29.6%	31.4%	45.2%	45.4%	46.7%	47.5%	39.6%
2003	10.9%	14.3%	14.6%	19.6%	25.8%	5.0%	15.9%
<b>ERA</b>							
2005	26.6%	42.1%	45.5%	48.4%	42.1%	36.7%	37.8%
2004	31.9%	47.1%	39.9%	42.6%	40.2%	44.6%	40.5%
2003	37.4%	44.8%	53.0%	47.8%	53.8%	51.0%	47.6%
<b>SNZ Surveys</b>							
2005	14.1%	17.1%	12.6%	22.0%	30.8%	24.6%	18.7%
2004	11.7%	8.1%	9.6%	10.4%	16.3%	9.9%	10.6%
2003	11.5%	6.8%	5.3%	8.5%	6.5%	8.0%	7.9%

**Figure 5: Compliance Cost Priorities by FTE Group (2005)**



**Table 16: Compliance Cost Priorities by Grouped Industry (2005)**

Compliance cost area	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
Tax	60.0%	68.9%	70.1%	79.8%	71.0%	89.4%	58.9%	73.7%
Employment Relations Act	30.0%	38.3%	35.8%	39.3%	36.0%	39.4%	39.6%	37.9%
Health & Safety in Employment Act	47.3%	59.6%	53.7%	35.5%	42.0%	16.8%	35.3%	37.2%
ACC	33.6%	30.1%	25.4%	29.0%	31.0%	39.0%	27.1%	31.9%
Holidays Act	20.0%	26.4%	16.4%	33.9%	27.0%	28.7%	31.4%	27.9%
Statistics NZ Surveys	18.2%	25.4%	16.4%	18.0%	12.0%	20.6%	14.0%	18.6%
Other Compliance Costs	3.6%	7.3%	19.4%	11.5%	11.0%	18.7%	22.7%	14.4%
Companies Act / Securities Act/Takeovers	4.5%	0.5%	11.9%	7.7%	7.0%	27.1%	5.3%	11.1%
Resource Management Act	21.8%	7.3%	16.4%	3.3%	9.0%	6.1%	6.8%	8.3%
Local Government	13.6%	2.1%	16.4%	3.8%	7.0%	6.5%	7.7%	6.8%
Border Control & Biosecurity	9.1%	10.9%	-	11.5%	11.0%	0.6%	1.4%	5.8%
Food Safety	10.0%	9.8%	-	8.7%	4.0%	0.3%	2.4%	4.8%
Transport Sector	6.4%	2.1%	9.0%	2.7%	20.0%	0.6%	3.9%	4.4%
Consumer Issues	4.5%	2.1%	3.0%	7.7%	5.0%	3.2%	5.8%	4.4%
Education Sector	3.6%	0.5%	1.5%	2.2%	2.0%	1.0%	16.4%	4.2%
Hazardous Substances & New Organisms	10.9%	7.3%	4.5%	3.8%	3.0%	0.6%	2.4%	3.9%
Health Sector	0.9%	1.0%	-	0.5%	1.0%	-	16.9%	3.4%
Employer Based Superannuation Schemes	1.8%	0.5%	-	1.1%	1.0%	1.3%	1.9%	1.2%

**Table 17: Top Compliance Cost Priorities by Grouped Industry (2003, 2004 & 2005)**

Compliance cost area	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
<b>Tax</b>								
2005	60.0%	68.9%	70.1%	79.8%	71.0%	89.4%	58.9%	73.7%
2004	52.5%	57.6%	60.5%	72.3%	66.2%	86.1%	44.2%	63.1%
2003	45.1%	57.1%	60.0%	71.1%	66.1%	75.9%	51.3%	60.8%
<b>HSE</b>								
2005	47.3%	59.6%	53.7%	35.5%	42.0%	16.8%	35.3%	37.2%
2004	55.7%	57.6%	68.6%	39.8%	50.8%	24.8%	49.7%	47.7%
2003	52.9%	79.6%	90.0%	56.2%	62.3%	42.6%	62.0%	64.9%
<b>ACC</b>								
2005	33.6%	30.1%	25.4%	29.0%	31.0%	39.0%	27.1%	31.9%
2004	31.1%	45.1%	41.9%	42.2%	44.6%	41.2%	37.0%	41.1%
2003	35.2%	38.1%	40.0%	38.8%	43.3%	37.1%	39.3%	38.7%
<b>Holidays</b>								
2005	20.0%	26.4%	16.4%	33.9%	27.0%	28.7%	31.4%	27.9%
2004	31.1%	37.9%	44.2%	41.6%	35.4%	40.6%	41.4%	39.7%
2003	3.9%	15.4%	4.0%	18.2%	20.8%	20.4%	18.7%	15.9%
<b>ERA</b>								
2005	30.0%	38.3%	35.8%	39.3%	36.0%	39.4%	39.6%	37.9%
2004	32.8%	44.2%	33.7%	38.6%	41.5%	43.0%	40.9%	40.5%
2003	33.4%	47.8%	36.0%	51.2%	41.4%	50.0%	53.4%	47.6%

**Table 18: Compliance Cost Priorities by Grouped Region (2005)**

Compliance cost area	Nthld/ Akl	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
Tax	80.4%	72.4%	63.3%	84.1%	59.6%	73.0%	59.7%	73.7%
Employment Relations Act	35.3%	38.8%	41.8%	39.3%	40.4%	36.5%	40.9%	37.9%
Health & Safety in Employment Act	34.0%	37.1%	48.0%	32.4%	38.3%	34.2%	46.8%	37.2%
ACC	30.7%	37.9%	28.6%	26.2%	29.8%	34.2%	35.1%	31.9%
Holidays Act	27.1%	25.9%	26.5%	22.8%	21.3%	28.8%	38.3%	27.9%
Statistics NZ Surveys	20.9%	13.8%	17.3%	20.7%	14.9%	20.3%	14.3%	18.6%
Companies Act / Securities Act/Takeovers	15.5%	6.9%	4.1%	18.6%	8.5%	9.0%	4.5%	11.1%
Resource Management	8.2%	11.2%	7.1%	6.2%	19.1%	7.2%	7.1%	8.3%
Local Government	7.5%	6.0%	8.2%	4.1%	14.9%	8.1%	3.2%	6.8%
Border Control & Biosecurity	5.2%	5.2%	6.1%	4.1%	8.5%	7.7%	5.8%	5.8%
Food Safety	3.6%	8.6%	9.2%	1.4%	6.4%	4.1%	5.8%	4.8%
Transport Sector	2.6%	6.0%	10.2%	2.1%	6.4%	4.5%	5.8%	4.4%
Consumer Issues	6.7%	3.4%	2.0%	4.8%	4.3%	4.5%	0.6%	4.4%
Education Sector	2.8%	1.7%	4.1%	3.4%	4.3%	6.3%	7.1%	4.2%
Hazardous Substances & New Organisms	1.8%	6.9%	7.1%	2.8%	4.3%	4.1%	5.8%	3.9%
Health Sector	1.8%	6.9%	3.1%	3.4%	4.3%	2.7%	5.8%	3.4%
Employer Based Superannuation Schemes	0.8%	-	2.0%	2.8%	-	1.4%	1.3%	1.2%
Other Compliance Costs	15.2%	11.2%	11.2%	20.7%	14.9%	13.5%	11.7%	14.4%

**Table 19: Top Compliance Cost Priorities by Grouped Region (2003, 2004 & 2005)**

Compliance cost area	Nthld/ Akl	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
<b>Tax</b>								
2005	80.4%	72.4%	63.3%	84.1%	59.6%	73.0%	59.7%	73.7%
2004	64.1%	59.1%	48.4%	49.3%	60.5%	74.8%	50.0%	63.1%
2003	64.9%	54.6%	50.9%	67.7%	60.0%	66.1%	48.2%	60.8%
<b>HSE</b>								
2005	34.0%	37.1%	48.0%	32.4%	38.3%	34.2%	46.8%	37.2%
2004	53.8%	56.1%	41.9%	44.8%	39.5%	36.7%	59.0%	47.7%
2003	69.5%	66.0%	69.4%	56.9%	55.0%	61.3%	58.8%	64.9%
<b>ACC</b>								
2005	30.7%	37.9%	28.6%	26.2%	29.8%	34.2%	35.1%	31.9%
2004	36.9%	44.7%	40.3%	26.9%	39.5%	47.4%	43.6%	41.1%
2003	34.7%	43.3%	39.0%	44.6%	45.0%	36.7%	42.3%	38.7%
<b>ERA</b>								
2005	35.3%	38.8%	41.8%	39.3%	40.4%	36.5%	40.9%	37.9%
2004	39.9%	42.4%	51.6%	50.7%	36.8%	37.8%	33.3%	40.5%
2003	48.9%	55.7%	50.8%	44.5%	30.0%	42.0%	48.2%	47.6%
<b>Holidays</b>								
2005	27.1%	25.9%	26.5%	22.8%	21.3%	28.8%	38.3%	27.9%
2004	39.2%	49.2%	37.1%	46.3%	36.8%	33.0%	46.2%	39.7%
2003	17.4%	26.0%	18.7%	12.3%	15.0%	9.9%	11.8%	15.9%

**Table 20: Compliance Cost Priorities by Grouped Years in Operation (2005)**

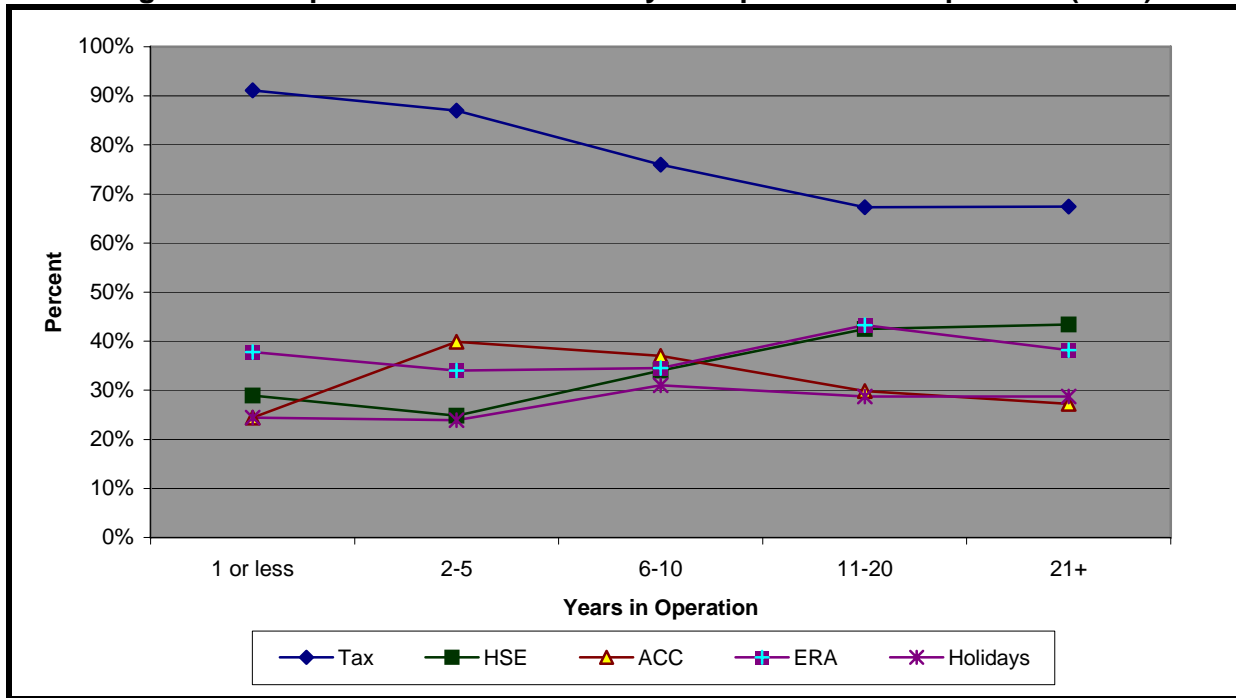
Compliance cost area	1 year or less	2 to 5 years	6 to 10 years	11 to 20 years	21 years or more	All years
Tax	91.1%	87.0%	76.0%	67.3%	67.4%	73.7%
Employment Relations Act	37.8%	34.0%	34.5%	43.3%	38.2%	37.9%
Health & Safety in Employment Act	28.9%	24.8%	34.0%	42.5%	43.4%	37.2%
ACC	24.4%	39.9%	37.0%	29.8%	27.2%	32.0%
Holidays Act	24.4%	23.9%	31.0%	28.7%	28.7%	28.0%
Statistics NZ Surveys	8.9%	9.7%	17.0%	18.5%	26.0%	18.7%
Companies Act / Securities Act/Takeovers	13.3%	15.5%	10.0%	9.1%	10.3%	11.1%
Resource Management Act	4.4%	5.0%	8.0%	8.7%	10.5%	8.3%
Local Government	8.9%	10.1%	3.5%	6.9%	5.9%	6.7%
Border Control & Biosecurity	2.2%	4.6%	5.5%	6.9%	6.4%	5.8%
Food Safety	6.7%	7.1%	4.5%	2.9%	4.7%	4.8%
Transport Sector	8.9%	4.6%	7.0%	2.5%	3.9%	4.5%
Consumer Issues	6.7%	8.0%	3.5%	4.0%	2.9%	4.5%
Education Sector	2.2%	4.2%	2.5%	4.4%	4.9%	4.1%
Hazardous Substances & New Organisms	2.2%	1.7%	5.0%	3.3%	5.1%	3.9%
Health Sector	-	2.5%	6.0%	3.6%	2.5%	3.3%
Employer Based Superannuation Schemes	-	0.4%	1.0%	1.5%	1.7%	1.2%
Other Compliance Costs	28.9	16.8	14.0%	16.0%	10.3%	14.3%

**Table 21: Top Compliance Cost Priorities by Grouped Years in Operation (2004 & 2005)**

Compliance cost area	1 year or less	2 to 5 years	6 to 10 years	11 to 20 years	21 years or more	All years
<b>Tax</b>						
2005	91.1%	87.0%	76.0%	67.3%	67.4%	73.7%
2004	81.3%	73.6%	71.8%	64.3%	49.8%	63.1%
<b>HSE</b>						
2005	28.9%	24.8%	34.0%	42.5%	43.4%	37.2%
2004	31.3%	38.0%	38.7%	47.7%	59.4%	47.6%
<b>ACC</b>						
2005	24.4%	39.9%	37.0%	29.8%	27.2%	32.0%
2004	40.6%	44.8%	50.3%	41.5%	33.7%	41.1%
<b>ERA</b>						
2005	37.8%	34.0%	34.5%	43.3%	38.2%	37.9%
2004	28.1%	41.7%	40.3%	39.9%	41.6%	40.5%
<b>Holidays</b>						
2005	24.4%	23.9%	31.0%	28.7%	28.7%	28.0%
2004	25.0%	41.7%	35.4%	39.9%	42.2%	39.6%



Figure 6: Compliance Cost Priorities by Grouped Years in Operation (2005)



## 3.2 HELPFULNESS OF CENTRAL AND LOCAL GOVERNMENT AGENCIES

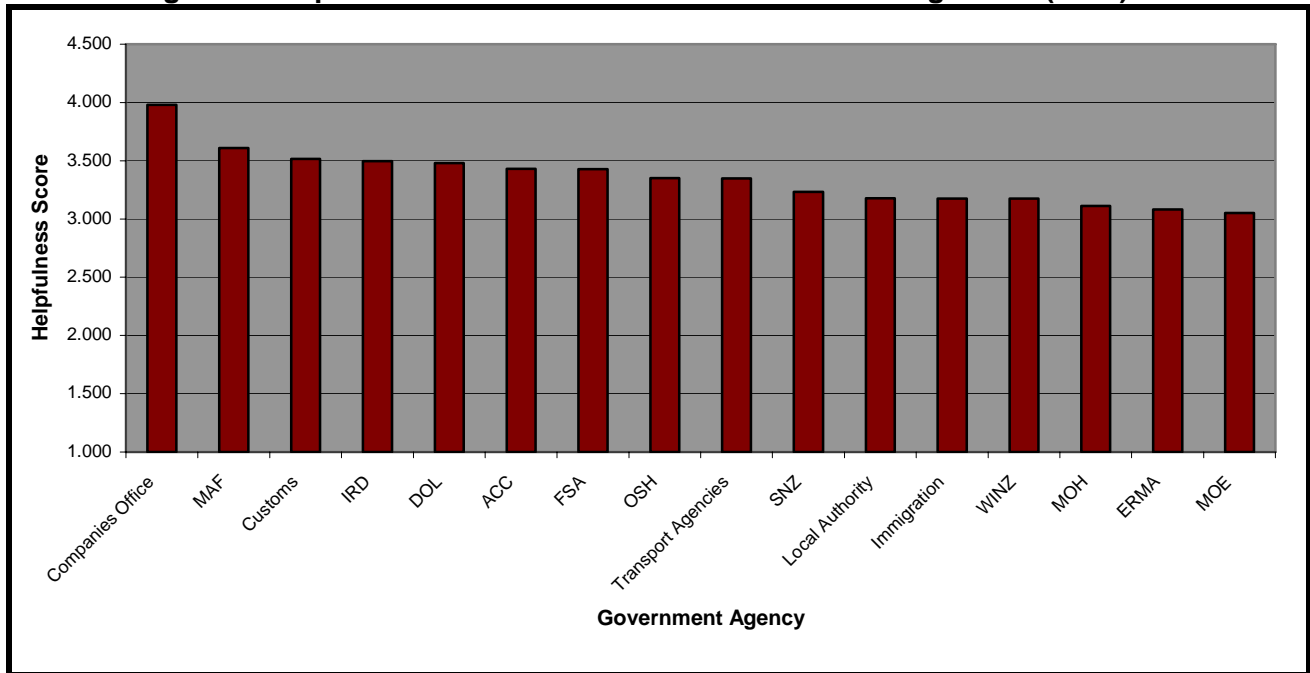
**Table 22: Contact with Government Agencies (2004 and 2005)**

Agency	2004: Respondents selecting 'yes' to contact		2005: Respondents selecting 'yes' to contact	
	Number	Number	Number	Percent
ACC	586	61.7%	762	65.0
Companies Office	424	44.6%	683	58.3
Department of Labour	353	37.2%	410	35.0
ERMA	124	13.1%	137	11.7
Food Safety Authority	120	12.6%	133	11.3
IRD	843	88.8%	1064	90.8
Local Authority	565	59.4%	671	57.3
Ministry of Agriculture & Forestry	190	20.0%	202	17.2
Ministry of Education	154	16.2%	174	14.8
Ministry of Health	160	16.8%	160	13.7
NZ Customs Service	340	35.8%	404	34.5
NZ Immigration Service	251	26.4%	307	26.2
Occupational Safety & Health	417	43.9%	416	35.5
Statistics NZ	502	52.9%	638	54.4
Transport agency	377	39.7%	415	35.4
Work and Income NZ	522	55.0%	593	50.6
Other	64	6.7%	68	5.8%

**Table 23: Helpfulness of Government Agencies (2005)**

Agency	Percentage breakdown of those respondents who answered 'yes' to contact (2005 Only)					
	Very Helpful (5)	Helpful (4)	Neither helpful nor unhelpful (3)	Un-Helpful (2)	Very Un-Helpful (1)	Helpfulness Score
Companies Office	29.1	45.4	20.8	3.8	0.9	3.981
MAF	13.4	43.6	35.1	6.4	1.5	3.609
Customs	12.9	42.8	31.2	9.2	4.0	3.515
IRD	12.9	44.2	27.5	10.5	4.9	3.496
DOL	13.2	40.5	31.0	12.0	3.4	3.480
ACC	10.2	40.8	34.5	10.6	3.8	3.430
FSA	10.5	38.3	38.3	9.0	3.8	3.429
OSH	9.6	40.1	31.5	13.2	5.5	3.351
Transport Agencies	9.4	37.8	35.7	12.3	4.8	3.347
SNZ	7.1	26.3	52.2	11.6	2.8	3.232
Local Authority	8.5	35.6	28.8	19.5	7.6	3.179
Immigration	11.4	32.2	29.3	16.6	10.4	3.176
WINZ	9.3	30.2	36.9	16.0	7.6	3.175
MOH	5.6	33.8	36.9	13.8	10.0	3.113
ERMA	5.8	26.3	46.7	12.4	8.8	3.080
MOE	6.3	28.2	36.2	23.0	6.3	3.052
Other	16.2	29.4	17.6	17.6	19.1	3.059

**Figure 7: Helpfulness Scores for Selected Government Agencies (2005)**



**Table 24: Grouping of Agencies by Perceived Helpfulness Scores (2004 & 2005)**

Excellent (+3.750)		Good (3.440-3.749)		Fair (3.126-3.439)		Poor (1.000-3.125)	
2005	2004	2005	2004	2005	2004	2005	2004
1 Companies Office	1 Companies Office	2 MAF 3 Customs 4 IRD 5 DOL	2 Customs 3 MAF 4 DOL 5 IRD	6 ACC 7 FSA 8 OSH 9 Transport Agencies 10 SNZ 11 Local Authorities 12 NZIS 13 WINZ	6 OSH 7 ACC 8 FSA 9 WINZ 10 Transport Agencies 11 MOH 12 Local Authorities 13 MOE 14 SNZ	14 MOH 15 ERMA 16 MOE	15 ERMA 16 NZIS

**Table 25: Net Result of the Percentages for Very Helpful-Very Unhelpful (2004 & 2005)**

Agency	2004	2005	Change from 2004
Companies Office	22.0%	28.2%	+6.2%
NZ Customs Service	7.7%	8.9%	+1.2%
Ministry of Agriculture & Forestry	5.8%	11.9%	+6.1%
Department of Labour	7.4%	9.8%	+2.4%
IRD	7.6%	8.0%	+0.4%
Occupational Safety & Health	5.0%	4.1%	-0.9%
ACC	5.1%	6.4%	+1.3%
Food Safety Authority	5.8%	6.7%	+0.9%
Work and Income NZ	3.6%	1.7%	-1.9%
Transport Agency	2.6%	4.6%	+2.0%
Ministry of Health	0.6%	-4.4%	-5.0%
Local Authority	0.2%	0.9%	+0.7%
Ministry of Education	0.0%	0.0%	+0.0%
Statistics NZ	-1.4%	4.3%	+5.7%
ERMA	0.0%	-3.0%	-3.0%
NZ Immigration Service	-8.3%	1.0%	+9.3%

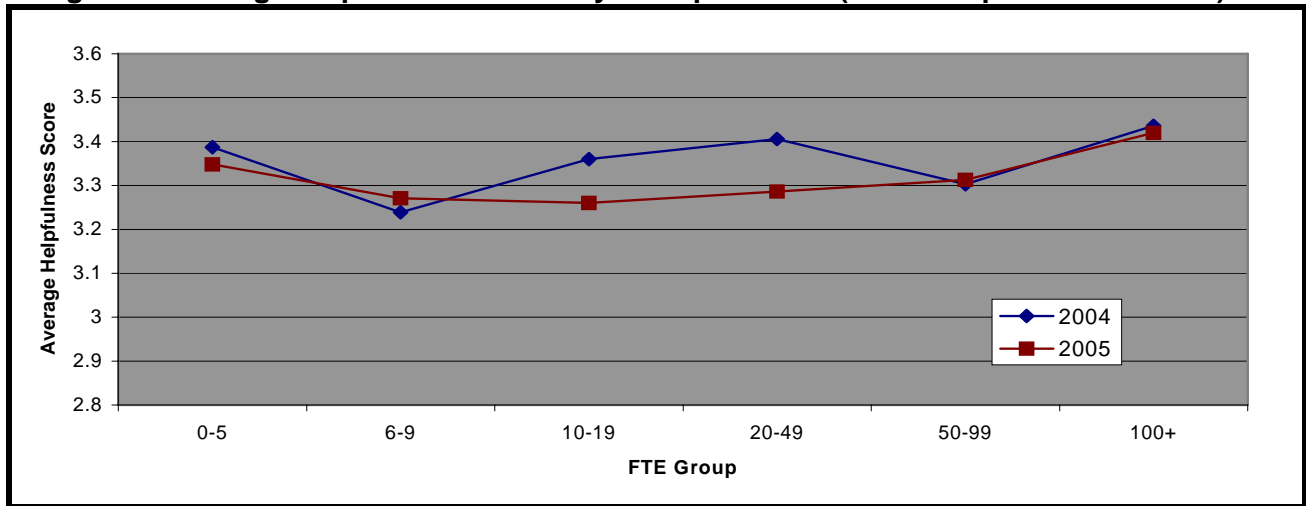
**Table 26: Contact with Agencies by FTE Group (2005)**

Agency	0-5	6-9	10-19	20-49	50-99	100+
ACC	49.9%	57.9%	70.7%	68.6%	80.4%	80.2%
Companies Office	57.1%	58.6%	52.0%	62.3%	63.6%	60.4%
Department of Labour	23.5%	39.3%	35.9%	36.5%	46.7%	44.0%
ERMA	4.4%	12.9%	10.1%	16.4%	14.0%	20.3%
Food Safety Authority	7.2%	13.6%	12.1%	10.1%	13.1%	16.4%
IRD	88.4%	87.9%	88.4%	94.3%	96.3%	93.7%
Local Authority	51.0%	58.6%	62.6%	55.3%	59.8%	62.3%
MAF	12.5%	15.7%	15.2%	20.8%	28.0%	20.3%
Min of Education	13.9%	15.7%	15.2%	11.3%	16.8%	17.4%
Min of Health	10.5%	15.0%	13.6%	18.2%	11.2%	15.9%
Customs	27.7%	23.6%	32.3%	35.8%	46.7%	48.3%
NZIS	21.9%	17.9%	22.7%	27.7%	35.5%	36.7%
OSH	15.0%	34.3%	34.3%	36.5%	60.7%	59.4%
Statistics NZ	39.6%	46.4%	53.0%	66.0%	69.2%	70.5%
Transport agencies	33.5%	34.3%	37.9%	32.7%	36.4%	38.6%
WINZ	40.2%	53.6%	55.6%	51.6%	58.9%	57.0%

**Table 27: Helpfulness of Government Agencies by FTE Group (2005)**

Agency	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
ACC	3.472	3.346	3.450	3.376	3.488	3.416	3.430
Companies Office	4.117	3.939	3.981	4.051	3.912	3.768	3.981
Department of Labour	3.635	3.545	3.352	3.328	3.460	3.505	3.480
ERMA	2.875	2.556	3.100	3.308	3.133	3.214	3.080
Food Safety Authority	3.423	3.158	3.458	3.063	3.357	3.765	3.429
IRD	3.649	3.561	3.429	3.487	3.350	3.351	3.496
Local Authority	3.141	3.146	3.194	3.250	3.281	3.140	3.179
Ministry of Agriculture & Forestry	3.600	3.591	3.433	3.394	3.633	3.905	3.609
Ministry of Education	3.080	2.955	2.700	3.056	3.333	3.222	3.052
Ministry of Health	2.842	2.952	3.074	3.000	3.667	3.455	3.113
NZ Customs Service	3.390	3.606	3.734	3.579	3.600	3.390	3.515
NZ Immigration Service	3.038	3.360	3.111	3.045	3.053	3.434	3.176
Occupational Safety & Health	3.500	3.063	3.074	3.448	3.523	3.415	3.351
Statistics NZ	3.350	3.138	3.143	3.295	3.216	3.185	3.232
Transport Agencies	3.479	3.375	3.240	3.154	3.077	3.488	3.347
Work & Income NZ	3.034	3.200	3.218	3.037	3.238	3.356	3.175
Other	3.292	3.111	2.727	3.000	2.000	3.125	3.059
<b>Average (all agencies)</b>	<b>3.348</b>	<b>3.271</b>	<b>3.260</b>	<b>3.286</b>	<b>3.313</b>	<b>3.420</b>	<b>3.336</b>

**Figure 8: Average Helpfulness Scores by Enterprise Size (FTE Groups – 2004 & 2005)**



**Table 28: Contact with Agencies by Grouped Industry (2005)**

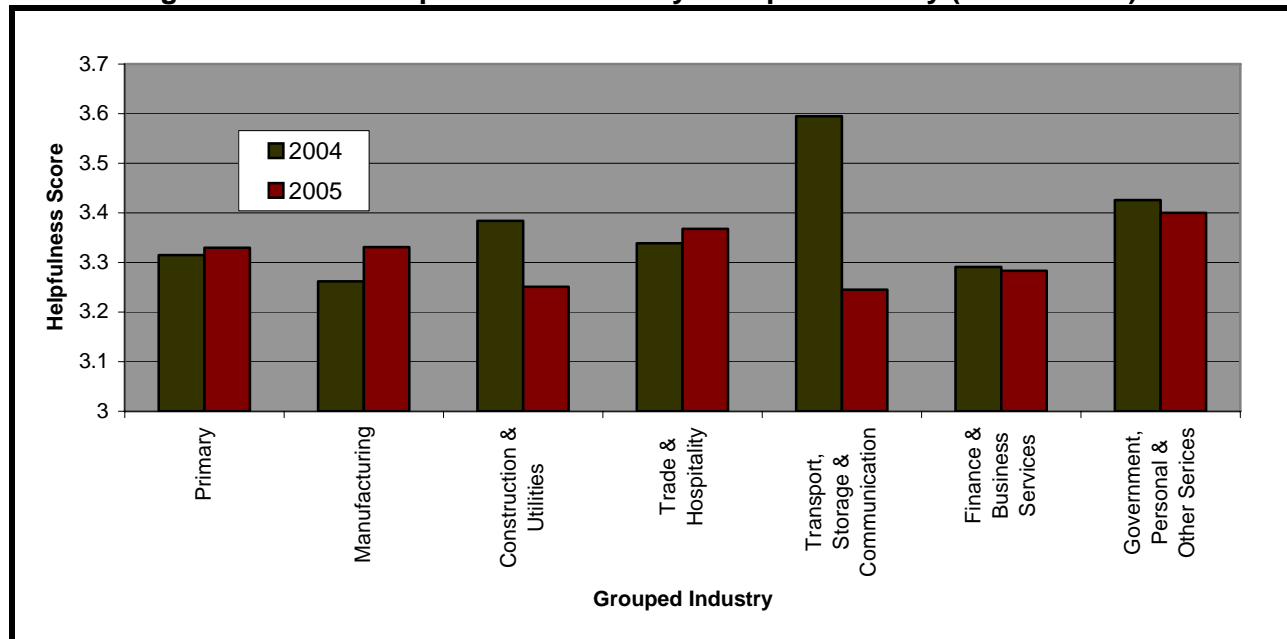
Agency	Primry	Manu- factng	Cnstrn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
ACC	70.9%	67.4%	65.7%	57.9%	64.0%	67.7%	62.3%
Companies Office	44.5%	40.4%	61.2%	61.2%	63.0%	80.3%	43.5%
Department of Labour	34.5%	38.9%	41.8%	31.1%	36.0%	30.6%	38.6%
ERMA	20.9%	18.1%	17.9%	12.0%	16.0%	3.2%	8.7%
Food Safety Authority	20.0%	13.5%	-	18.0%	10.0%	4.5%	13.5%
IRD	86.4%	84.5%	94.0%	92.3%	91.0%	95.8%	88.9%
Local Authority	69.1%	58.0%	70.1%	54.6%	52.0%	50.0%	61.4%
Ministry of Agriculture & Forestry	51.8%	26.9%	9.0%	15.3%	23.0%	5.8%	8.2%
Ministry of Education	11.8%	3.1%	14.9%	8.7%	15.0%	14.8%	32.9%
Ministry of Health	10.0%	9.3%	9.0%	6.6%	7.0%	8.7%	37.7%
NZ Customs Service	42.7%	56.5%	32.8%	45.4%	32.0%	20.0%	23.2%
NZ Immigration Service	30.0%	24.9%	35.8%	21.3%	19.0%	24.8%	31.9%
Occupational Safety & Health	42.7%	52.3%	58.2%	30.6%	46.0%	17.4%	34.8%
Statistics NZ	60.9%	53.4%	64.2%	51.9%	52.0%	56.5%	48.8%
Transport Agencies	52.7%	35.2%	50.7%	32.2%	63.0%	24.5%	27.1%
Work & Income NZ	44.5%	50.8%	47.8%	45.9%	49.0%	50.3%	59.4%

**Table 29: Helpfulness of Government Agencies by Grouped Industry (2005)**

Agency	Primry	Manu- factng	Cnstrn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
ACC	3.462	3.485	3.409	3.349	3.313	3.443	3.481	3.432
Companies Office	3.837	3.846	3.951	3.946	3.889	4.133	3.889	3.982
Department of Labour	3.316	3.267	3.571	3.491	3.583	3.516	3.650	3.484
ERMA	2.870	3.286	2.833	3.182	2.813	3.100	3.111	3.066
Food Safety Authority	2.955	3.577	-	3.697	3.200	3.286	3.500	3.429
IRD	3.537	3.331	3.222	3.556	3.374	3.582	3.576	3.495
Local Authority	3.461	3.223	3.043	3.030	3.000	3.032	3.394	3.179
Ministry of Agriculture & Forestry	3.561	3.615	3.833	3.571	3.696	3.556	3.647	3.607
Ministry of Education	3.308	2.833	2.800	2.875	3.133	2.826	3.235	3.052
Ministry of Health	3.182	3.389	2.667	3.000	3.714	2.815	3.141	3.113
NZ Customs Service	3.638	3.495	3.364	3.518	3.375	3.532	3.563	3.514

NZ Immigration Service	3.030	3.229	3.750	3.077	2.684	3.104	3.273	3.173
Occupational Safety & Health	3.340	3.327	3.436	3.393	3.109	3.241	3.556	3.352
Statistics NZ	3.209	3.097	3.209	3.421	3.077	3.251	3.277	3.234
Transport Agencies	3.397	3.368	3.324	3.458	3.365	3.316	3.196	3.348
Work & Income NZ	3.510	3.265	2.750	3.190	3.347	2.872	3.398	3.178
Other	3.000	3.000	2.857	3.500	2.500	3.200	2.920	3.059
<b>Average, all agencies</b>	<b>3.330</b>	<b>3.331</b>	<b>3.251</b>	<b>3.368</b>	<b>3.245</b>	<b>3.283</b>	<b>3.400</b>	

**Figure 9: Overall Helpfulness Scores by Grouped Industry (2004 & 2005)**



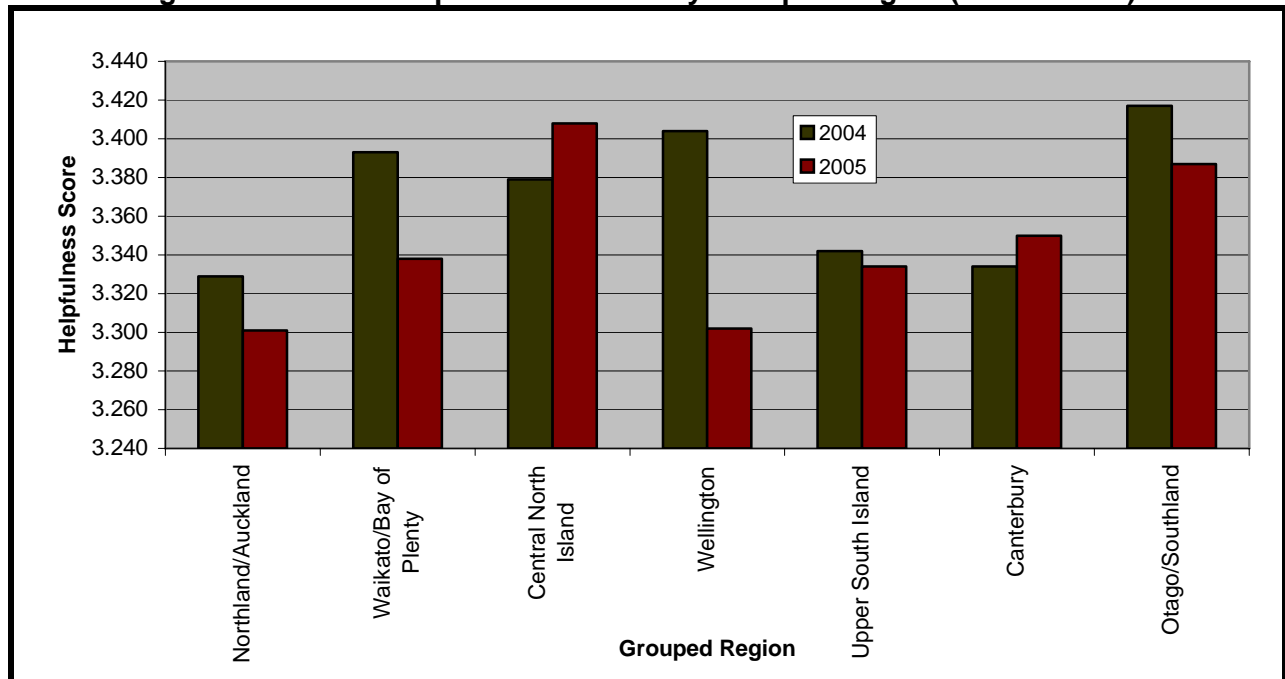
**Table 30: Contact with Agencies by Grouped Region (2005)**

Agency	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
ACC	62.1%	72.4%	77.6%	65.5%	74.5%	57.7%	66.2%
Companies Office	70.9%	54.3%	56.1%	63.4%	51.1%	51.4%	38.3%
Department of Labour	31.2%	37.1%	43.9%	33.1%	46.8%	31.1%	40.9%
ERMA	11.3%	15.5%	14.3%	10.3%	12.8%	9.9%	11.0%
Food Safety Authority	10.8%	12.1%	19.4%	3.4%	19.1%	10.8%	13.0%
IRD	93.6%	91.4%	93.9%	95.9%	83.0%	87.8%	83.1%
Local Authority	52.3%	62.1%	67.3%	47.6%	76.6%	53.2%	68.2%
Ministry of Agriculture & Forestry	14.9%	20.7%	25.5%	9.0%	27.7%	16.7%	20.1%
Ministry of Education	12.1%	12.9%	18.4%	16.6%	17.0%	16.2%	16.9%
Ministry of Health	10.1%	17.2%	25.5%	9.7%	8.5%	14.0%	16.9%
NZ Customs Service	36.1%	33.6%	37.8%	26.9%	40.4%	38.7%	27.9%
NZ Immigration Service	29.4%	19.8%	23.5%	23.4%	29.8%	26.6%	25.3%
Occupational Safety & Health	31.7%	38.8%	41.8%	31.7%	40.4%	34.2%	42.2%
Statistics NZ	56.2%	52.6%	59.2%	46.9%	66.0%	51.8%	55.2%
Transport Agencies	29.1%	43.1%	48.0%	27.6%	40.4%	36.9%	40.9%
Work & Income NZ	46.6%	54.3%	66.3%	46.9%	53.2%	46.4%	55.8%

**Table 31: Helpfulness of Government Agencies by Grouped Region (2005)**

Agency	Nthld/ Akl	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
ACC	3.415	3.571	3.382	3.337	3.143	3.523	3.471	3.432
Companies Office	4.044	3.968	4.036	3.957	4.083	3.860	3.898	3.982
Department of Labour	3.380	3.535	3.512	3.729	3.773	3.493	3.333	3.484
ERMA	3.159	3.111	3.143	3.200	3.167	2.773	2.941	3.066
Food Safety Authority	3.595	3.500	3.263	3.400	3.000	3.542	3.250	3.429
IRD	3.485	3.585	3.391	3.338	3.564	3.626	3.477	3.495
Local Authority	2.847	3.208	3.606	3.362	3.306	3.153	3.400	3.179
Ministry of Agriculture & Forestry	3.707	3.542	3.760	3.538	3.231	3.486	3.677	3.607
Ministry of Education	3.149	2.733	3.222	3.000	3.250	2.944	3.077	3.052
Ministry of Health	3.026	3.050	2.920	3.000	3.000	3.290	3.346	3.113
NZ Customs Service	3.379	3.462	3.514	3.513	3.947	3.558	3.721	3.514
NZ Immigration Service	2.982	3.043	3.217	3.500	3.857	3.119	3.333	3.173
Occupational Safety & Health	3.317	3.622	3.683	3.130	3.053	3.276	3.354	3.352
Statistics NZ	3.248	3.344	3.121	3.074	3.129	3.296	3.282	3.234
Transport Agencies	3.248	3.400	3.447	3.225	3.263	3.329	3.540	3.348
WINZ	3.088	3.063	3.215	3.162	3.320	3.184	3.384	3.178
Other	3.048	3.000	3.500	2.667	2.600	3.500	3.091	3.059
<b>Average (all agencies)</b>	<b>3.301</b>	<b>3.338</b>	<b>3.408</b>	<b>3.302</b>	<b>3.334</b>	<b>3.350</b>	<b>3.387</b>	

**Figure 10: Overall Helpfulness Scores by Grouped Region (2004 & 2005)**



**Table 32: Contact with Agencies by Grouped Years in Operation (2005)**

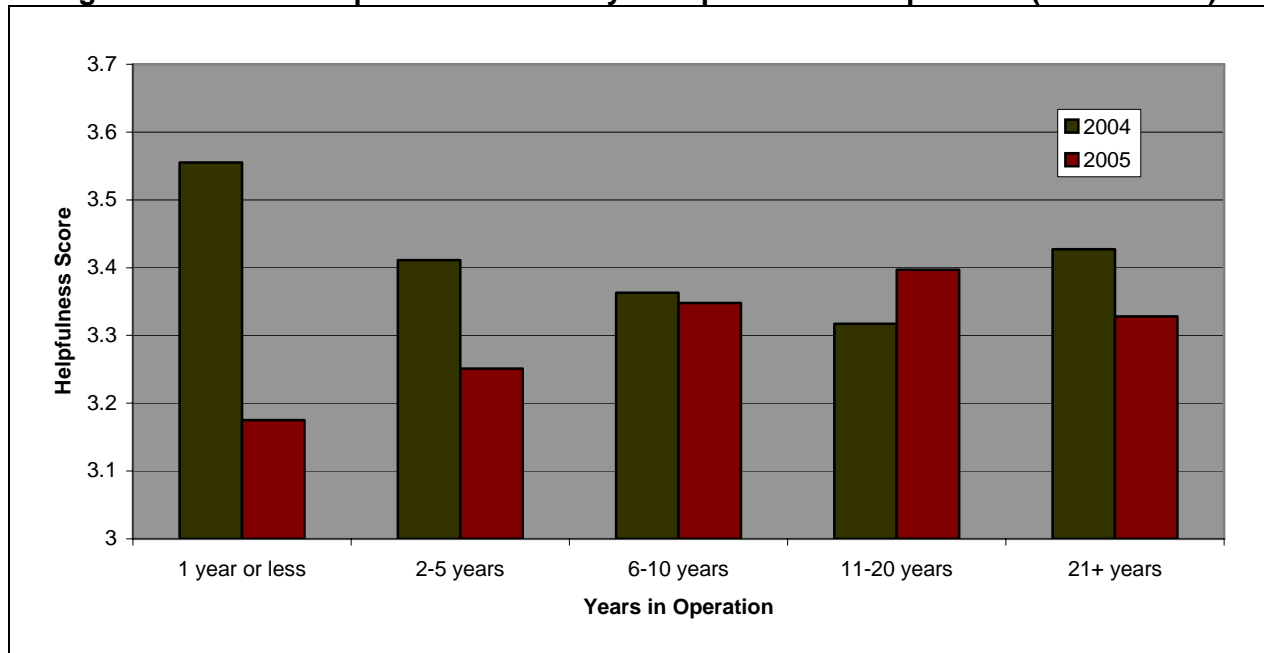
Agency	1 yr or less	2-5 yrs	6-10 yrs	11-20 yrs	21 yrs +
ACC	35.6%	58.4%	63.5%	67.3%	72.1%
Companies Office	75.6%	61.8%	55.5%	58.9%	55.9%
Department of Labour	33.3%	31.9%	34.0%	37.5%	36.0%
ERMA	4.4%	6.3%	9.0%	13.8%	15.4%
Food Safety Authority	6.7%	12.6%	8.5%	10.2%	13.5%
IRD	100.0%	92.4%	90.5%	89.8%	90.0%
Local Authority	53.3%	48.3%	51.0%	63.6%	61.8%
Ministry of Agriculture & Forestry	8.9%	11.8%	14.0%	17.5%	22.3%
Ministry of Education	11.1%	13.4%	14.0%	16.4%	15.2%
Ministry of Health	6.7%	8.4%	15.0%	16.7%	14.2%
NZ Customs Service	44.4%	26.1%	32.5%	36.7%	37.7%
NZ Immigration Service	28.9%	23.5%	26.0%	24.7%	28.4%
Occupational Safety & Health	13.3%	23.1%	29.0%	39.3%	45.8%
Statistics NZ	37.8%	40.3%	50.5%	56.4%	65.2%
Transport Agencies	31.1%	31.1%	35.5%	39.6%	36.0%
WINZ	28.9%	47.5%	52.5%	53.8%	52.0%

**Table 33: Helpfulness of Government Agencies by Grouped Years in Operation (2005)**

Agency	1 year or less	2 to 5 years	6 to 10 years	11 to 20 years	21 years or more	All years
ACC	3.563	3.302	3.535	3.470	3.415	3.431
Companies Office	4.029	3.980	4.000	4.062	3.908	3.981
Department of Labour	3.600	3.605	3.353	3.563	3.395	3.477
ERMA	2.500	3.133	2.778	3.289	3.032	3.074
Food Safety Authority	3.333	3.600	3.412	3.321	3.400	3.429
IRD	3.822	3.523	3.508	3.449	3.463	3.495
Local Authority	3.500	3.017	3.127	3.200	3.230	3.180
Ministry of Agriculture & Forestry	3.250	3.536	3.786	3.750	3.495	3.598
Ministry of Education	3.000	2.844	3.000	3.222	3.016	3.035
Ministry of Health	2.000	2.750	3.133	2.913	3.414	3.102
NZ Customs Service	3.500	3.274	3.508	3.584	3.565	3.512
NZ Immigration Service	3.077	3.018	3.173	3.221	3.224	3.170
Occupational Safety & Health	3.167	3.382	3.431	3.444	3.273	3.353
Statistics NZ	2.824	3.146	3.327	3.271	3.226	3.230
Transport Agencies	3.214	3.419	3.296	3.404	3.306	3.347
WINZ	3.000	2.956	3.162	3.318	3.217	3.178
Other	2.600	2.786	3.385	3.267	3.000	3.060
<b>Average (all agencies)</b>	<b>3.175</b>	<b>3.251</b>	<b>3.348</b>	<b>3.397</b>	<b>3.328</b>	



**Figure 11: Overall Helpfulness Scores by Grouped Years in Operation (2004 & 2005)**



**Table 34: Preferred Means of Communication by FTE Group (2005)**

Preferred Communication	0-5	6-9	10-19	20-49	50-99	100+	Total
Call centre	22.2%	18.6%	13.1%	11.3%	9.3%	12.1%	15.8%
Individual person-to-person contact	51.8%	57.1%	60.6%	61.0%	61.7%	61.4%	57.8%
Website	26.0%	24.3%	26.3%	27.7%	29.0%	26.6%	26.5%

**Table 35: Usage of the BIZ Info Website (2005)**

	0-5	6-9	10-19	20-49	50-99	100+	Total
Yes	42.7%	37.1%	31.8%	29.6%	24.3%	21.7%	33.0%
No	57.3%	62.9%	68.2%	70.4%	75.7%	78.3%	67.0%

**Table 36: Helpfulness of the BIZ Info Website (2005)**

	0-5	6-9	10-19	20-49	50-99	100+	Total
Very helpful	11.0%	11.5%	3.2%	10.6%	0%	6.7%	8.5%
Helpful	51.3%	57.7%	58.7%	61.7%	50.0%	48.9%	54.3%
Neither helpful or unhelpful	32.5%	23.1%	30.2%	23.4%	38.5%	40.0%	31.0%
Unhelpful	3.9%	5.8%	6.3%	4.3%	11.5%	4.4%	5.2%
Very unhelpful	1.3%	1.9%	1.6%	0%	0%	0%	1.0%

**Table 37: Overall Helpfulness Score of BIZ Info Website (2005)**

	0-5	6-9	10-19	20-49	50-99	100+	Total
Helpfulness Score	3.7	3.7	3.6	3.8	3.4	3.6	3.6

### 3.3 COMPLAINT COST TRENDS

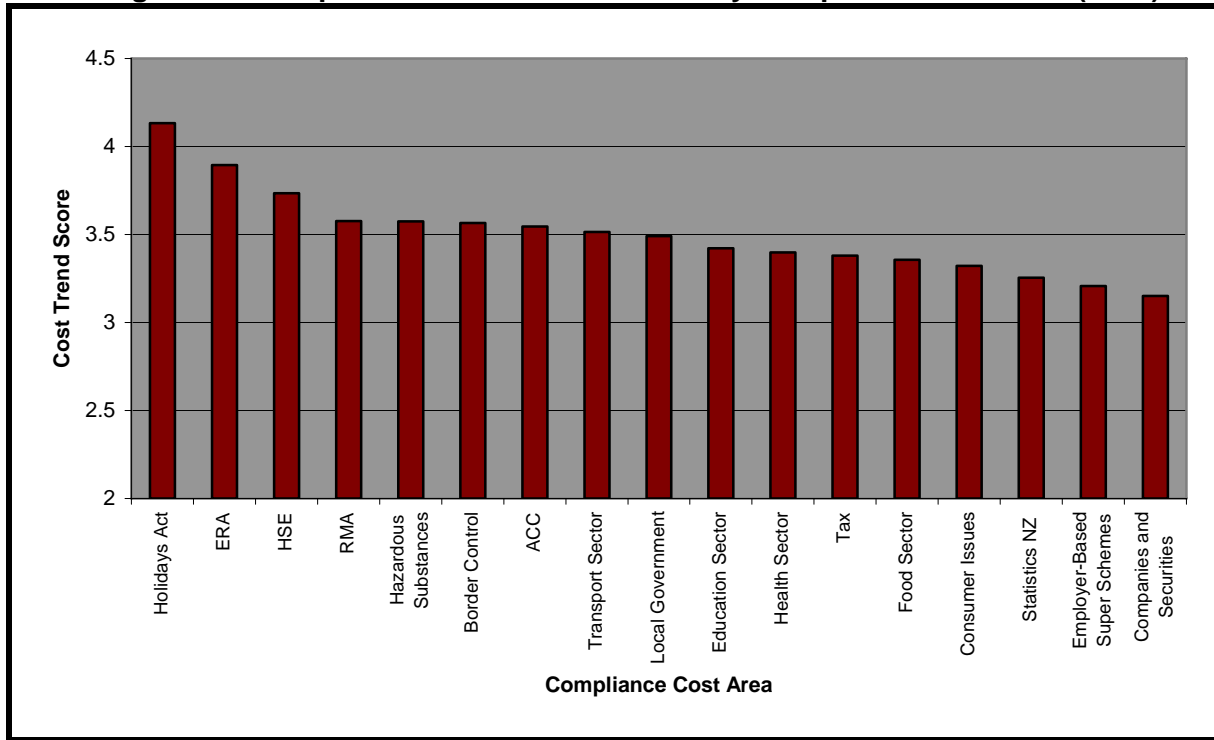
**Table 38: Compliance Cost Trends – Percent of Respondents Commenting (2004 & 2005)**

Compliance Cost Area	2004		2005	
	Number of respondents commenting	Percent of respondents commenting	Number of respondents commenting	Percent of respondents commenting
Tax – PAYE	908	95.7%	1086	92.7%
Tax – Fringe Benefit Tax	660	69.5%	821	70.1%
Tax – GST	936	98.6%	1140	97.3%
Tax – Provisional Tax	812	85.6%	987	84.2%
Tax – Other deductions	783	82.5%	975	83.2%
<i>Average, all tax</i>	820	86.4%	1002	85.5%
ACC	900	94.8%	1064	90.8%
Employer-based Super Schemes	319	33.6%	403	34.4%
Employment Relations Act	855	90.1%	986	84.1%
Health & Safety in Employment Act	860	90.6%	991	84.6%
Holidays Act	897	94.5%	1030	87.9%
Border Control	371	39.1%	401	34.2%
Hazardous Substances (HSNO)	444	46.8%	499	42.6%
Local Government	719	75.8%	824	70.3%
Resource Management Act	501	52.8%	578	49.3%
Companies and Securities	557	58.7%	743	63.4%
Consumer Issues	593	62.5%	677	57.8%
Education Sector	382	40.3%	409	34.9%
Food Sector	305	32.1%	344	29.4%
Health Sector	387	40.8%	382	32.6%
Statistics NZ	780	82.2%	967	82.5%
Transport Sector	500	52.7%	523	44.6%
Other Compliance Costs	314	33.1%	69	5.9%

**Table 39: Compliance Cost Trends over the Preceding 12 Months (2005)**

Compliance Cost Area	Large Rise (5)	Modest Rise (4)	No Change (3)	Modest Fall (2)	Large Fall (1)	Cost Trend Score
Tax – PAYE	3.9	31.2	60.9	3.8	0.3	3.349
Tax – Fringe Benefit Tax	6.6	33.9	55.3	3.8	0.5	3.426
Tax – GST	3.8	23.9	67.8	4.1	0.4	3.266
Tax – Provisional Tax	3.9	28.1	64.1	3.6	0.3	3.317
Tax – Other deductions	8.5	39.7	49.4	2.4	0.0	3.543
<i>Average, all Tax</i>	5.3	31.4	59.5	3.5	0.3	3.380
ACC	9.0	39.5	48.8	2.5	0.2	3.546
Employer-Based Super Schemes	2.5	17.4	78.2	2.0	0.0	3.207
Employment Relations Act	22.3	46.2	30.6	0.6	0.2	3.895
Health & Safety in Employment Act	15.1	44.9	38.7	1.1	0.1	3.735
Holidays Act	34.9	45.0	18.9	0.9	0.3	4.133
Border Control	14.5	29.7	53.9	1.5	0.5	3.565
Hazardous Substances	14.2	30.7	53.5	1.6	0.0	3.575
Local Government	10.3	31.1	56.4	1.9	0.2	3.491
Resource Management Act	13.8	32.9	51.0	1.9	0.3	3.577
Companies and Securities	3.2	17.2	72.1	6.6	0.8	3.151
Consumer Issues	4.7	25.4	67.8	1.6	0.4	3.321
Education Sector	9.8	25.2	62.6	2.0	0.5	3.421
Food Sector	8.7	22.1	65.7	3.2	0.3	3.357
Health Sector	9.7	24.1	62.8	3.1	0.3	3.398
Statistics NZ	3.8	24.0	67.2	4.0	0.9	3.255
Transport Sector	12.4	28.3	57.6	1.7	0.0	3.514
Other compliance costs	52.2	42.0	5.8	0.0	0.0	4.464

**Figure 12: Compliance Cost Trends Scores by Compliance Cost Area (2005)**



**Table 40: Grouping of Compliance Cost Area by Perceived Scores (2004 & 2005)**

Very Large Increase (Over 4.000)		Large Increase (3.500-3.999)		Modest Increase (3.000-3.499)		Decrease (1.000 – 2.999)	
2005	2004	2005	2004	2005	2004	2005	2004
1 Other Compliance Costs 2 Holidays Act	1 Holidays	3 ERA 4 HSE 5 RMA 6 HSNO 7 Border 8 ACC 9 Other Tax Deductions 10 Transport	2 ERA 3 Other Compliance Costs 4 HSE 5 Border 6 ACC 7 HSNO 8 Local Govt 9 Transport 10 RMA	11 Local Govt 12 FBT 13 Education 14 Health 15 Food 16 PAYE 17 Consumer 18 Prov Tax 19 GST 20 SNZ 21 Super 22 Company & Securities	11 Other Tax Deductions 12 Health 13 Food 14 PAYE 15 Prov Tax 16 FBT 17 Education 18 Consumer 19 GST 20 Stats NZ 21 Super 22 Company & Securities	Nil	Nil

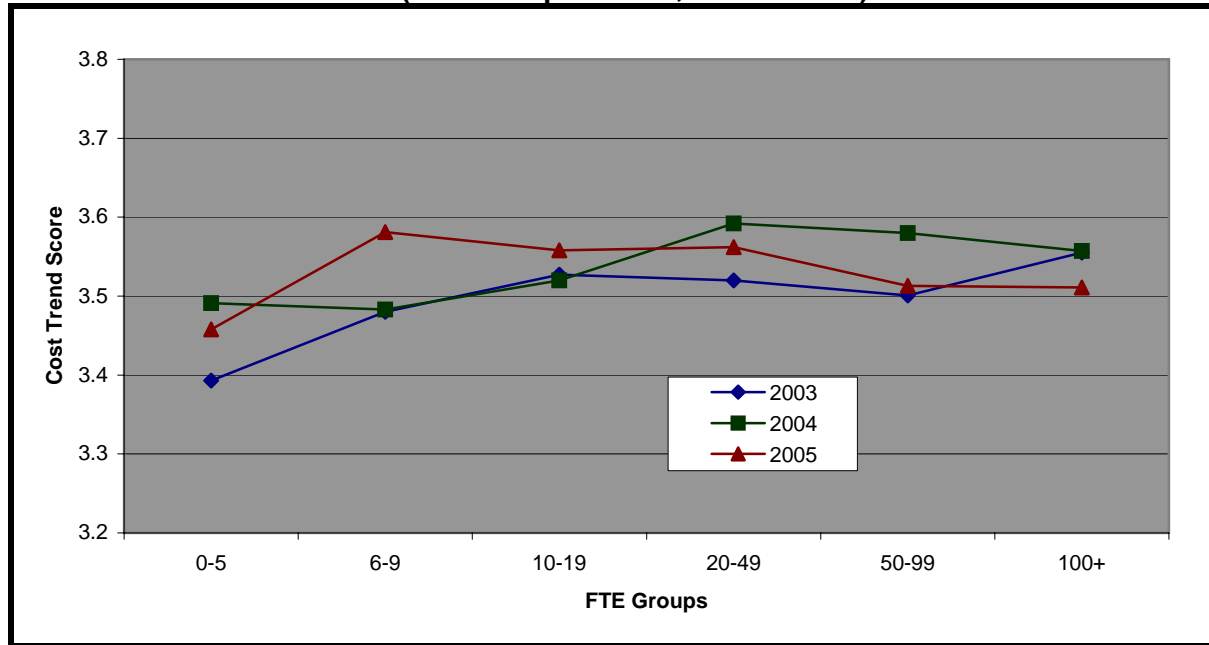
**Table 41: Change in Compliance Cost Trend Scores (2004 & 2005)**

Compliance Cost Area	2004	2005	Change	Increase or Decrease in Compliance Cost Trend Scores
Tax – PAYE	3.422	3.349	-0.073	Decrease
Tax – Fringe Benefit Tax	3.406	3.426	0.02	Increase
Tax – GST	3.282	3.266	-0.016	Decrease
Tax – Provisional Tax	3.414	3.317	-0.097	Decrease
Tax – Other deductions	3.487	3.543	0.056	Increase
<i>Average, all Tax</i>	<i>3.402</i>	<i>3.380</i>	<i>-0.022</i>	<i>Decrease</i>
ACC	3.602	3.546	-0.056	Decrease
Employer-Based Super Schemes	3.160	3.207	0.047	Increase
Employment Relations Act	3.998	3.895	-0.103	Decrease
Health & Safety in Employment Act	3.917	3.735	-0.182	Decrease
Holidays Act	4.322	4.133	-0.189	Decrease
Border Control	3.767	3.565	-0.202	Decrease
Hazardous substances (HSNO)	3.562	3.575	0.013	Increase
Local Government	3.546	3.491	-0.055	Decrease
Resource Management Act	3.511	3.577	0.066	Increase
Companies & securities	3.092	3.151	0.059	Increase
Consumer Issues	3.316	3.321	0.005	Increase
Education sector	3.391	3.421	0.03	Increase
Food sector	3.424	3.357	-0.067	Decrease
Health sector	3.450	3.398	-0.052	Decrease
Statistics NZ	3.204	3.255	0.051	Increase
Transport sector	3.520	3.514	-0.006	Decrease
Other compliance costs	3.969	4.464	0.495	Increase

**Table 42: Compliance Cost Trend Score by FTE Group (2005)**

Compliance Cost Area	0-5	6-9	10-19	20-49	50-99	100+	All sizes
Tax – PAYE	3.308	3.380	3.415	3.472	3.276	3.251	3.346
Tax – Fringe Benefit Tax	3.368	3.411	3.290	3.429	3.598	3.492	3.423
Tax – GST	3.263	3.281	3.321	3.297	3.264	3.188	3.267
Tax – Provisional Tax	3.299	3.500	3.337	3.290	3.266	3.238	3.315
Tax – Other deductions	3.468	3.583	3.575	3.587	3.598	3.513	3.544
<i>Average, all Tax</i>	<i>3.341</i>	<i>3.431</i>	<i>3.388</i>	<i>3.415</i>	<i>3.400</i>	<i>3.336</i>	<i>3.379</i>
ACC	3.535	3.614	3.630	3.487	3.638	3.438	3.546
Employer-Based Super Schemes	3.108	3.059	3.038	3.250	3.278	3.297	3.203
Employment Relations Act	3.751	3.902	4.043	3.993	3.814	3.899	3.899
Health & Safety in Employment Act	3.521	3.698	3.761	3.815	3.892	3.864	3.739
Holidays Act	3.917	4.157	4.073	4.245	4.229	4.296	4.133
Border Control	3.404	3.667	3.754	3.557	3.660	3.490	3.561
Hazardous substances (HSNO)	3.542	3.786	3.595	3.679	3.545	3.444	3.575
Local Government	3.493	3.620	3.556	3.439	3.341	3.478	3.493
Resource Management Act	3.573	3.662	3.667	3.563	3.426	3.573	3.580
Companies & securities	3.097	3.196	3.165	3.222	3.162	3.145	3.155
Consumer Issues	3.361	3.325	3.388	3.351	3.182	3.270	3.323
Education sector	3.330	3.620	3.562	3.302	3.410	3.372	3.418
Food sector	3.333	3.489	3.357	3.481	3.129	3.316	3.358
Health sector	3.265	3.542	3.418	3.661	3.237	3.333	3.398
Statistics NZ	3.202	3.153	3.237	3.286	3.269	3.389	3.257
Transport sector	3.667	3.569	3.595	3.459	3.407	3.327	3.514
Other compliance costs	4.280	4.571	4.500	4.500	4.667	4.625	4.464
<b>Average</b>	<b>3.458</b>	<b>3.581</b>	<b>3.558</b>	<b>3.562</b>	<b>3.513</b>	<b>3.511</b>	

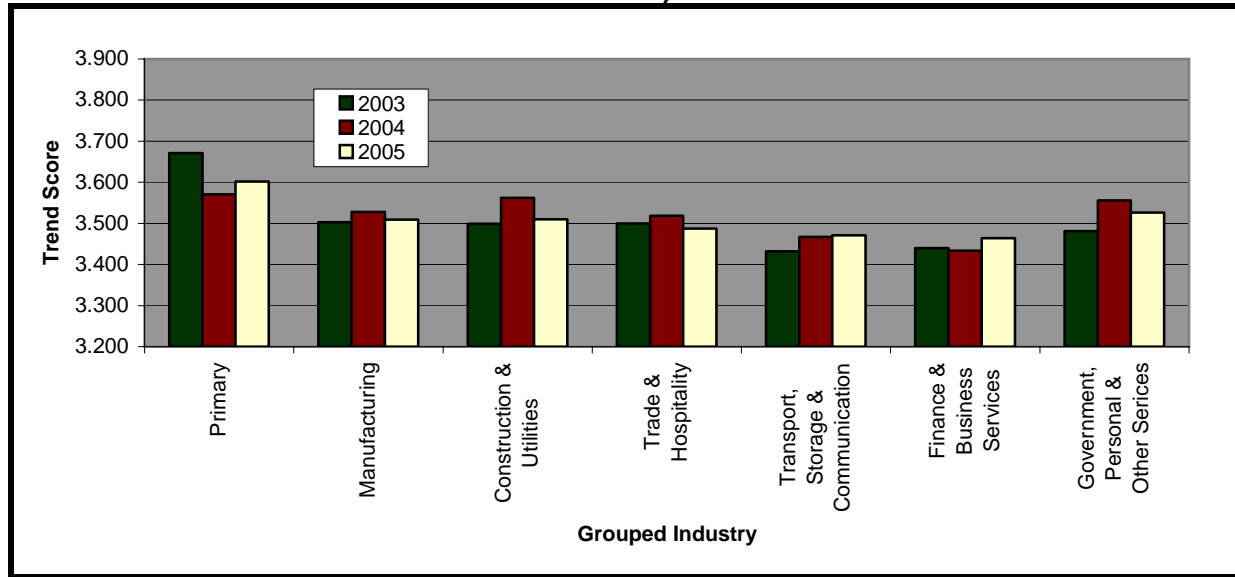
**Figure 13: Compliance Cost Trend Scores by Size of Enterprise  
(FTE Groups – 2003, 2004 & 2005)**



**Table 43: Compliance Cost Trend Scores by Grouped Industry (2005)**

Compliance Cost Area	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
Tax – PAYE	3.284	3.362	3.277	3.372	3.290	3.377	3.345	3.346
Tax – FBT	3.391	3.348	3.429	3.423	3.211	3.568	3.349	3.420
Tax – GST	3.224	3.185	3.258	3.232	3.188	3.381	3.264	3.266
Tax – Prov Tax	3.309	3.243	3.413	3.285	3.298	3.384	3.267	3.316
Tax – Other deductions	3.607	3.558	3.590	3.536	3.477	3.552	3.509	3.544
<i>Average, all Tax</i>	<i>3.363</i>	<i>3.339</i>	<i>3.393</i>	<i>3.369</i>	<i>3.293</i>	<i>3.452</i>	<i>3.347</i>	<i>3.378</i>
ACC	3.663	3.601	3.525	3.488	3.559	3.563	3.462	3.548
Employer Based Super Schemes	3.148	3.220	3.226	3.107	3.229	3.204	3.266	3.203
ERA	3.895	3.887	3.934	3.941	3.902	3.867	3.903	3.898
HSE	3.907	3.810	3.852	3.721	3.788	3.578	3.732	3.739
Holidays	4.213	4.147	4.000	4.208	4.170	4.071	4.123	4.132
Border Control	3.787	3.706	3.158	3.628	3.683	3.232	3.256	3.560
HSNO	4.012	3.645	3.600	3.529	3.420	3.155	3.429	3.576
Local Government	3.681	3.457	3.673	3.500	3.409	3.421	3.457	3.492
RMA	3.790	3.445	3.788	3.466	3.536	3.625	3.500	3.577
Companies & securities	3.067	3.085	3.125	3.123	3.152	3.202	3.213	3.152
Consumer Issues	3.444	3.241	3.250	3.317	3.258	3.345	3.389	3.324
Education sectors	3.235	3.254	3.393	3.340	3.297	3.269	3.798	3.418
Food sectors	3.655	3.414	3.077	3.410	3.259	3.179	3.270	3.358
Health sectors	3.372	3.125	3.353	3.319	3.147	3.183	3.848	3.399
SNZ	3.337	3.329	3.177	3.209	3.131	3.264	3.250	3.256
Transport sector	3.716	3.429	3.500	3.570	3.758	3.253	3.493	3.517
Other compliance costs	4.500	4.714	4.625	4.000	4.200	4.538	4.440	4.464
<b>Average</b>	<b>3.602</b>	<b>3.509</b>	<b>3.510</b>	<b>3.487</b>	<b>3.471</b>	<b>3.464</b>	<b>3.526</b>	

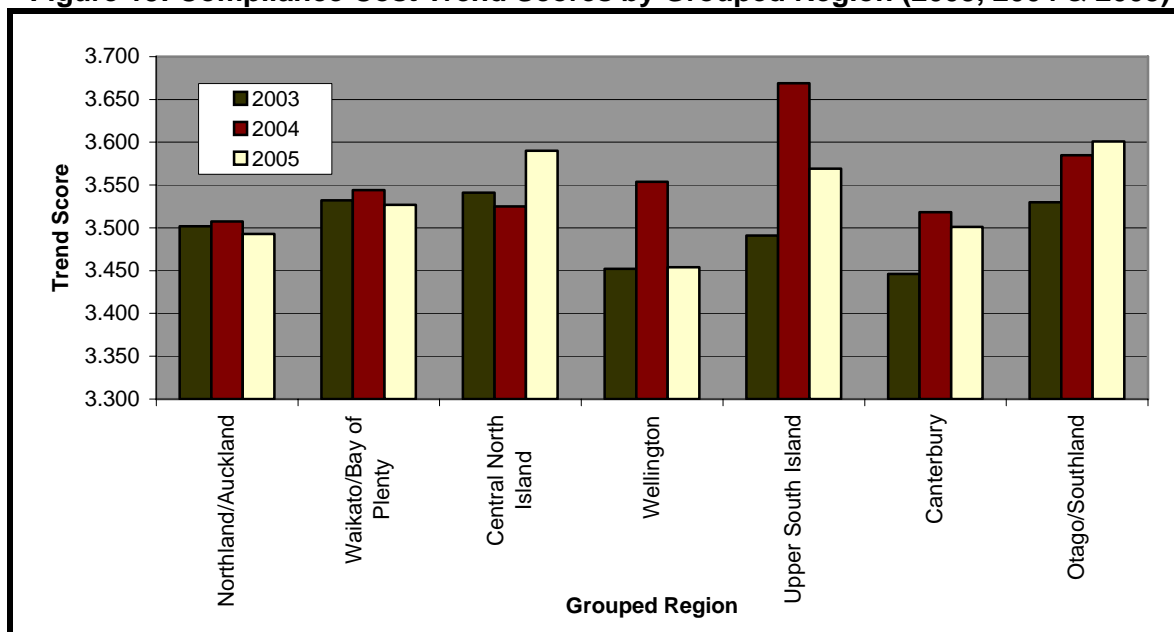
**Figure 14: Overall Compliance Cost Trend Scores by Grouped Industry (2003, 2004 & 2005)**



**Table 44: Compliance Cost Trend Scores by Grouped Region (2005)**

Compliance Cost Area	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
Tax – PAYE	3.304	3.352	3.355	3.338	3.302	3.387	3.403	3.346
Tax – FBT	3.463	3.361	3.500	3.490	3.581	3.308	3.344	3.420
Tax – GST	3.236	3.289	3.204	3.304	3.378	3.247	3.327	3.266
Tax – Prov Tax	3.293	3.353	3.259	3.342	3.250	3.367	3.307	3.316
Tax – Other deductions	3.460	3.602	3.635	3.516	3.639	3.562	3.623	3.544
<i>Average, all Tax</i>	<i>3.351</i>	<i>3.392</i>	<i>3.391</i>	<i>3.398</i>	<i>3.430</i>	<i>3.374</i>	<i>3.401</i>	<i>3.378</i>
ACC	3.500	3.532	3.629	3.444	3.690	3.564	3.655	3.548
Employer Based Super Schemes	3.208	3.048	3.250	3.407	3.000	3.171	3.156	3.203
ERA	3.901	3.870	3.943	3.875	4.026	3.824	3.970	3.898
HSE	3.752	3.690	3.798	3.716	3.756	3.699	3.775	3.739
Holidays	4.143	4.117	4.231	3.966	4.075	4.140	4.199	4.132
Border Control	3.515	3.565	3.676	3.514	3.353	3.600	3.638	3.560
HSNO	3.441	3.698	3.717	3.545	3.591	3.535	3.704	3.576
Local Government	3.498	3.517	3.388	3.370	3.541	3.459	3.638	3.492
RMA	3.605	3.578	3.483	3.511	3.920	3.514	3.596	3.577
Companies & securities	3.173	3.070	3.131	3.111	3.115	3.220	3.120	3.152
Consumer Issues	3.341	3.279	3.411	3.213	3.300	3.362	3.309	3.324
Education sectors	3.352	3.447	3.610	3.325	3.375	3.469	3.421	3.418
Food sectors	3.324	3.289	3.658	3.250	3.400	3.197	3.474	3.358
Health sectors	3.259	3.439	3.611	3.267	3.455	3.342	3.609	3.399
SNZ	3.249	3.268	3.282	3.266	3.325	3.202	3.291	3.256
Transport sector	3.401	3.481	3.776	3.360	3.654	3.500	3.654	3.517
Other compliance costs	4.429	4.750	4.429	3.857	4.800	4.353	5.000	4.464
<b>Average</b>	<b>3.493</b>	<b>3.527</b>	<b>3.590</b>	<b>3.454</b>	<b>3.569</b>	<b>3.501</b>	<b>3.601</b>	

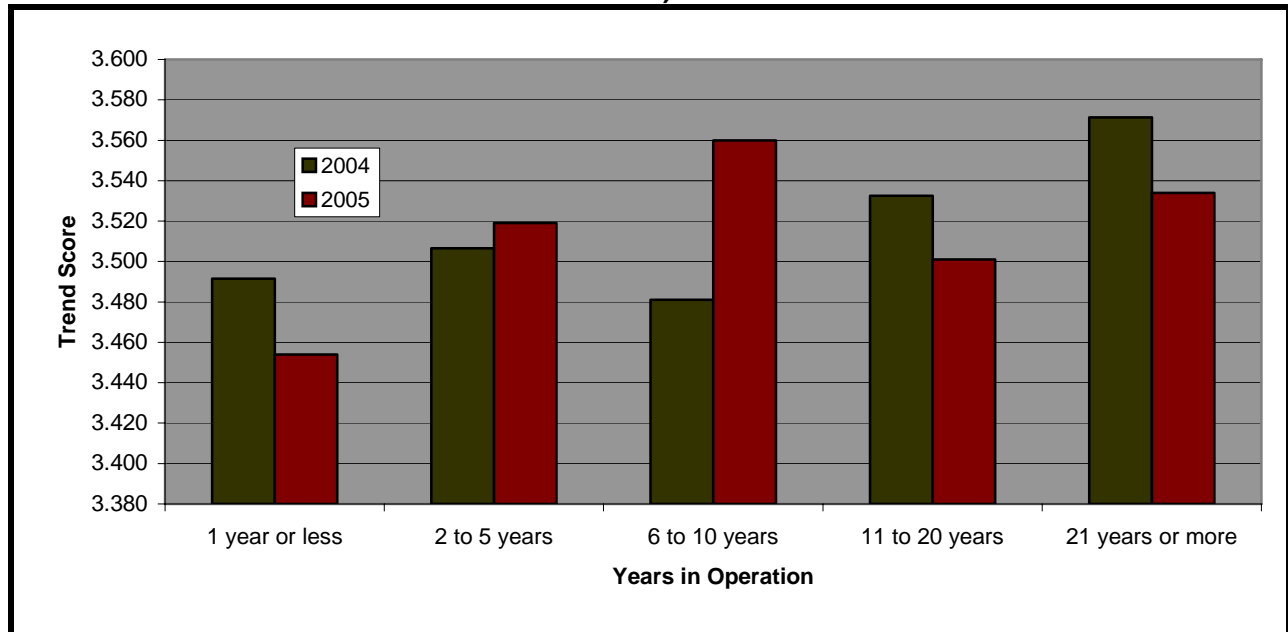
**Figure 15: Compliance Cost Trend Scores by Grouped Region (2003, 2004 & 2005)**



**Table 45: Compliance Cost Trend Scores by Grouped Years in Operation (2005)**

Compliance Cost Area	1 year or less	2 to 5 years	6 to 10 years	11 to 20 years	21 years or more	All Years
Tax – PAYE	3.515	3.374	3.363	3.352	3.306	3.346
Tax – Fringe Benefit Tax	3.500	3.379	3.450	3.381	3.449	3.422
Tax – GST	3.366	3.298	3.306	3.229	3.244	3.266
Tax – Provisional Tax	3.400	3.385	3.414	3.302	3.229	3.315
Tax – Other deductions	3.286	3.621	3.543	3.530	3.538	3.544
<i>Average, all Tax</i>	<i>3.413</i>	<i>3.411</i>	<i>3.415</i>	<i>3.359</i>	<i>3.353</i>	<i>3.379</i>
ACC	3.419	3.561	3.653	3.555	3.499	3.548
Employer-Based Super Schemes	3.182	3.188	3.075	3.247	3.215	3.200
Employment Relations Act	3.742	3.894	3.963	3.857	3.917	3.900
Health & Safety in Employment Act	3.677	3.607	3.752	3.713	3.815	3.739
Holidays Act	3.788	4.128	4.103	4.145	4.171	4.134
Border Control	3.429	3.367	3.544	3.598	3.614	3.563
HSNO	3.429	3.410	3.600	3.567	3.630	3.577
Local Government	3.480	3.526	3.463	3.493	3.491	3.492
Resource Management Act	3.688	3.543	3.596	3.596	3.569	3.580
Companies & securities	3.067	3.111	3.120	3.183	3.183	3.155
Consumer Issues	3.200	3.366	3.321	3.309	3.327	3.324
Education sector	3.250	3.371	3.478	3.421	3.423	3.418
Food sector	3.273	3.448	3.460	3.244	3.360	3.358
Health sector	3.200	3.386	3.460	3.405	3.380	3.397
Statistics NZ	3.259	3.265	3.250	3.203	3.288	3.257
Transport sector	3.500	3.605	3.732	3.457	3.435	3.515
Other compliance costs	4.333	4.583	4.667	4.231	4.667	4.471
<b>Average</b>	<b>3.454</b>	<b>3.519</b>	<b>3.560</b>	<b>3.501</b>	<b>3.534</b>	

**Figure 16: Overall Compliance Cost Trend Scores by Grouped Years in Operation (2004 & 2005)**



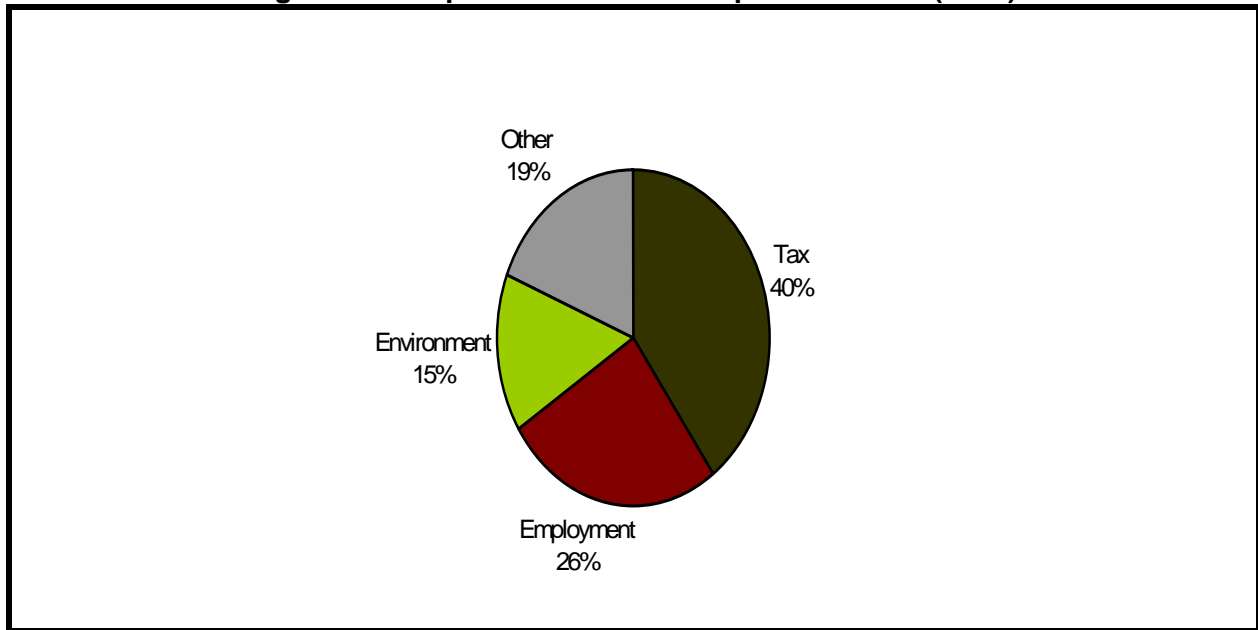


### 3.4 ESTIMATING TOTAL COMPLIANCE COSTS

**Table 46: Summary of Total Compliance Costs (2003, 2004 & 2005)**

	Tax	Employment	Environment	Other
<b>Mean annual hours spent within the enterprise</b>				
2003	243.0	550.3	167.0	260.9
2004	323.3	349.7	123.0	164.0
2005	328.9	441.5	140.4	245.8
<b>Average internal cost</b>				
2003 (hours at \$19.04 per hour)	\$4,627	\$10,478	\$3,181	\$4,968
2004 (hours at \$19.69 per hour)	\$6,366	\$7,734	\$2,422	\$3,229
2005 (hours at \$20.56 per hour)	\$6,762	\$9,077	\$2,887	\$5,054
<b>% of respondents that used external advice</b>				
2003	78.0%	55.8%	23.6%	19.5%
2004	77.0%	52.8%	17.0%	18.7%
2005	73.2%	45.5%	16.1%	18.3%
<b>Average external cost</b>				
2003	\$10,676	\$8,625	\$19,263	\$17,954
2004	\$11,296	\$6,740	\$17,515	\$11,692
2005	\$19,507	\$10,330	\$32,770	\$28,238
<b>Average total cost</b>				
2003	\$13,517	\$15,514	\$7,673	\$8,475
2004	\$14,909	\$10,428	\$5,387	\$5,351
2005	\$21,166	\$13,782	\$8,100	\$9,963
<b>Average total cost by average FTE size</b>				
2003	\$208	\$239	\$118	\$131
2004	\$224	\$156	\$81	\$80
2005	\$151	\$99	\$58	\$72
<b>Average total cost as % of turnover</b>				
2003	0.17%	0.19%	0.15%	0.10%
2004	0.11%	0.08%	0.06%	0.07%
2005	0.04%	0.02%	0.01%	0.02%
<b>% of total compliance costs</b>				
2003	29.9%	34.3%	17.0%	18.8%
2004	34.0%	25.9%	17.9%	22.2%
2005	40.0%	26.0%	15.3%	18.8%

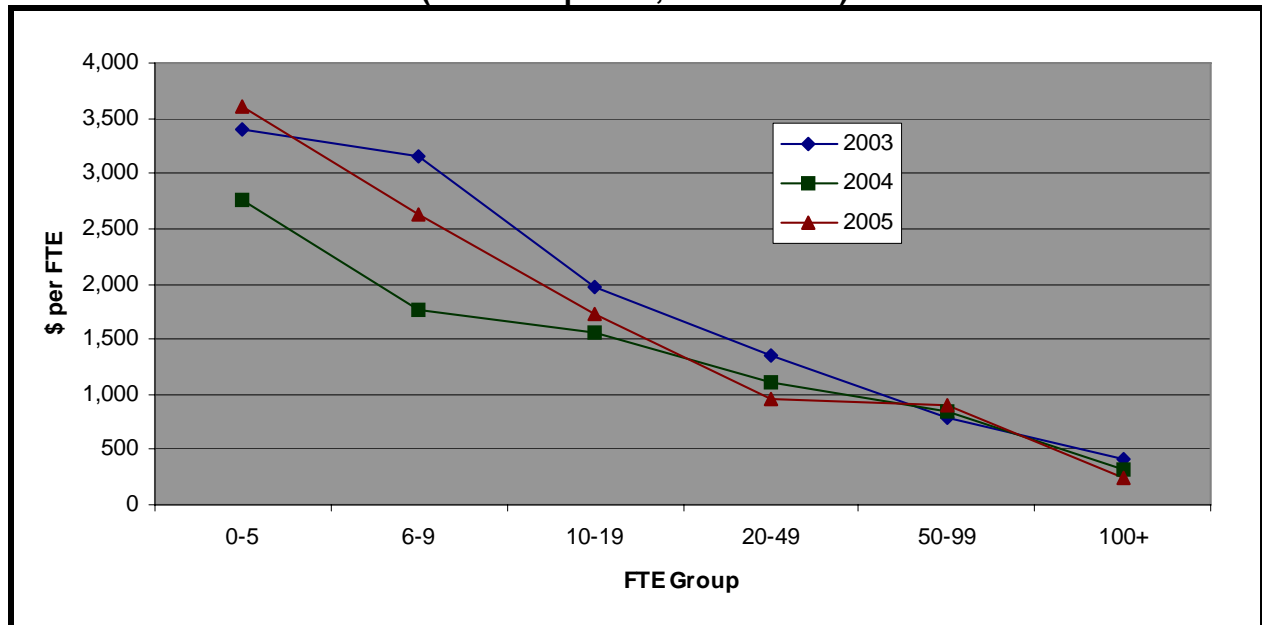
**Figure 17: Proportion of Total Compliance Costs (2005)**



**Table 47: Summary of Total Compliance Costs by FTE Group (2003, 2004 & 2005)**

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
<b>Mean annual hours spent within the enterprise</b>							
2003	271	654	743	1022	1376	4044	1221
2004	237	310	460	805	1475	4415	960
2005	303	573	576	704	1317	3918	1157
<b>Average internal cost</b>							
2003	\$5,161	\$12,451	\$14,147	\$19,467	\$26,203	\$79,303	\$23,254
2004	\$4,674	\$6,103	\$9,055	\$15,854	\$29,035	\$86,924	\$19,751
2005	\$6,230	\$11,781	\$11,841	\$14,482	\$27,082	\$80,556	\$23,780
<b>% of respondents that used external advice</b>							
2003	33.3%	45.7%	46.1%	47.0%	51.3%	58.7%	46.2%
2004	32.3%	39.7%	40.3%	45.5%	50.6%	49.6%	41.4%
2005	27.7%	39.1%	41.5%	40.9%	47.7%	48.8%	38.7%
<b>Average external cost</b>							
2003	\$21,610	\$26,873	\$31,429	\$63,226	\$57,068	\$116,783	\$56,518
2004	\$19,201	\$17,056	\$30,399	\$51,331	\$60,631	\$139,103	\$47,243
2005	\$19,003	\$22,942	\$31,551	\$37,153	\$81,465	\$273,461	\$90,845
<b>Average total cost</b>							
2003	\$10,793	\$22,682	\$26,103	\$41,445	\$53,142	\$144,346	\$45,179
2004	\$8,974	\$12,834	\$21,333	\$34,041	\$57,573	\$148,287	\$36,075
2005	\$10,487	\$19,258	\$23,903	\$29,997	\$61,972	\$174,755	\$53,011
<b>Average total cost by FTE</b>							
2003	\$3,404	\$3,150	\$1,970	\$1,359	\$783	\$415	\$696
2004	\$2,762	\$1,763	\$1,560	\$1,109	\$846	\$320	\$541
2005	\$3,604	\$2,623	\$1,724	\$952	\$899	\$247	\$380
<b>Average total cost as % of turnover</b>							
2003	1.13%	1.06%	1.09%	0.63%	0.37%	0.56%	0.61%
2004	0.70%	0.60%	0.72%	0.56%	0.36%	0.23%	0.32%
2005	1.31%	1.30%	0.54%	0.28%	0.42%	0.05%	0.09%

**Figure 18: Total Compliance Costs per Employee by Size of Enterprise (FTE Group 2003, 2004 & 2005)**

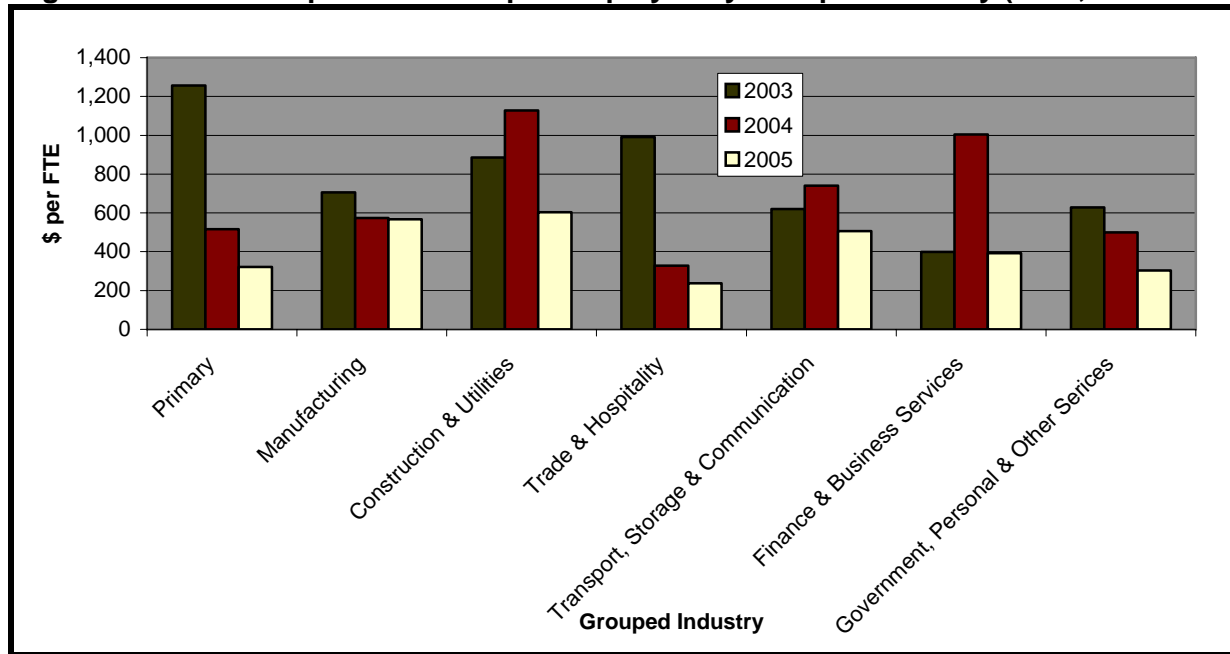


**Table 48: Summary of Total Compliance Costs by Grouped Industry (2003, 2004 & 2005)**

	Primry	Manu- factng	Cnstrn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
<b>Mean annual hours spent within the enterprise</b>							
2003	1,465.4	1,304.0	1,675.0	1,087.8	1,195.4	1,061.0	1,054.7
2004	1,547.0	668.0	1,688.8	645.4	950.7	1,123.9	1,057.6
2005	813.0	961.0	3011.0	829.0	991.0	1210.0	1228.0
<b>Average internal cost</b>							
2003	\$27,905	\$24,823	\$31,892	\$20,710	\$22,758	\$20,206	\$20,082
2004	\$30,468	\$13,154	\$33,253	\$12,708	\$18,720	\$22,130	\$20,825
2005	\$16,709	\$19,754	\$61,904	\$17,039	\$20,375	\$24,881	\$25,251
<b>% of respondents that used external advice</b>							
2003	56.9%	48.1%	45.0%	46.4%	45.7%	42.4%	42.2%
2004	52.6%	44.2%	48.8%	37.7%	44.2%	33.7%	39.9%
2005	37.8%	37.1%	39.5%	37.4%	39.4%	39.2%	42.0%
<b>Average external cost</b>							
2003	\$79,904	\$57,544	\$89,417	\$31,211	\$45,596	\$81,609	\$42,541
2004	\$65,234	\$27,368	\$119,825	\$80,431	\$46,417	\$41,098	\$56,670
2005	\$55,683	\$48,399	\$130,499	\$60,681	\$151,243	\$144,606	\$78,325
<b>Average total cost</b>							
2003	\$67,534	\$46,911	\$65,361	\$35,800	\$41,238	\$44,171	\$33,303
2004	\$65,402	\$26,439	\$74,342	\$32,035	\$36,904	\$36,616	\$37,695
2005	\$45,753	\$43,611	\$119,700	\$40,237	\$64,209	\$56,494	\$45,491

Average total cost by FTE							
2003	\$1,256	\$706	\$885	\$991	\$620	\$399	\$629
2004	\$516	\$574	\$1,128	\$328	\$740	\$1,004	\$500
2005	\$322	\$567	\$604	\$237	\$506	\$392	\$304
Average total cost as % of turnover							
2003	0.89%	0.49%	0.40%	0.34%	0.42%	0.96%	0.85%
2004	0.41%	0.24%	0.47%	0.16%	0.37%	0.37%	0.52%
2005	0.03%	0.21%	0.21%	0.05%	0.58%	0.15%	0.06%

**Figure 19: Total Compliance Costs per Employee by Grouped Industry (2003, 2004 & 2005)**

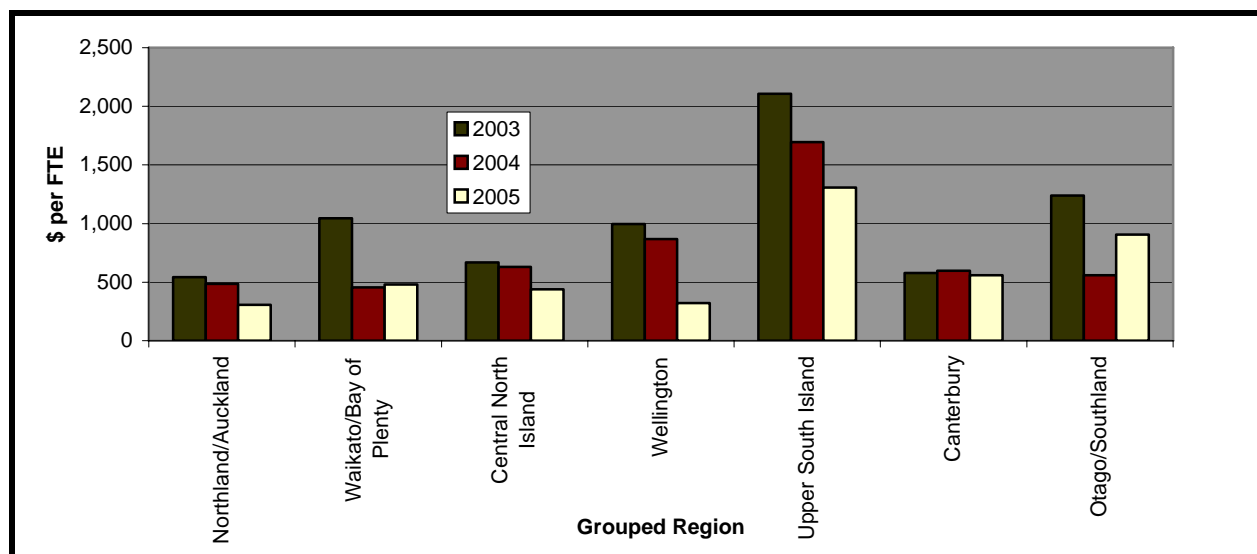


**Table 49: Summary of Total Compliance Costs by Grouped Region (2003, 2004 & 2005)**

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
<b>Mean annual hours spent within the enterprise</b>							
2003	1,269.9	1,373.0	2,058.0	1,303.0	1,775.2	625.1	1,145.0
2004	1,219.0	817.8	1,227.3	1,161.7	1,681.0	643.0	758.7
2005	1,243.0	1,143.0	1,051.0	1,800.0	1,208.0	878	819
<b>Average internal cost</b>							
2003	\$24,178	\$26,140	\$39,183	\$24,812	\$33,800	\$11,902	\$21,806
2004	\$23,994	\$16,103	\$24,165	\$22,874	\$33,107	\$12,667	\$14,938
2005	\$25,551	\$23,506	\$21,607	\$37,014	\$24,831	\$18,057	\$16,843
<b>% of respondents that used external advice</b>							
2003	48.0%	47.4%	45.9%	48.0%	52.2%	40.7%	52.1%
2004	41.3%	43.2%	42.0%	41.4%	58.6%	37.5%	42.9%
2005	38.9%	43.4%	50.9%	41.3%	42.5%	31.1%	37.6%

<b>Average external cost</b>							
2003	\$68,449	\$45,667	\$51,323	\$75,653	\$47,863	\$31,911	\$51,441
2004	\$72,785	\$31,252	\$90,494	\$72,009	\$55,978	\$46,536	\$43,064
2005	\$131,706	\$101,923	\$74,691	\$149,623	\$41,993	\$42,960	\$43,651
<b>Average total cost</b>							
2003	\$50,405	\$43,968	\$62,283	\$55,604	\$51,226	\$24,282	\$44,266
2004	\$48,060	\$29,998	\$36,667	\$47,331	\$60,773	\$26,169	\$29,223
2005	\$64,131	\$61,035	\$41,819	\$83,892	\$39,920	\$32,691	\$31,463
<b>Average total cost by FTE</b>							
2003	\$543	\$1,044	\$668	\$997	\$2,108	\$579	\$1,239
2004	\$485	\$457	\$631	\$867	\$1,696	\$598	\$559
2005	\$305	\$481	\$440	\$321	\$1,306	\$560	\$906
<b>Average total cost as % of turnover</b>							
2003	0.43%	0.71%	0.74%	0.88%	1.12%	0.46%	0.69%
2004	0.21%	0.22%	0.34%	0.47%	0.83%	0.49%	0.41%
2005	0.10%	0.05%	0.27%	0.05%	0.55%	0.22%	0.52%

**Figure 20: Total Compliance Costs per FTE by Grouped Region (2003, 2004 & 2005)**

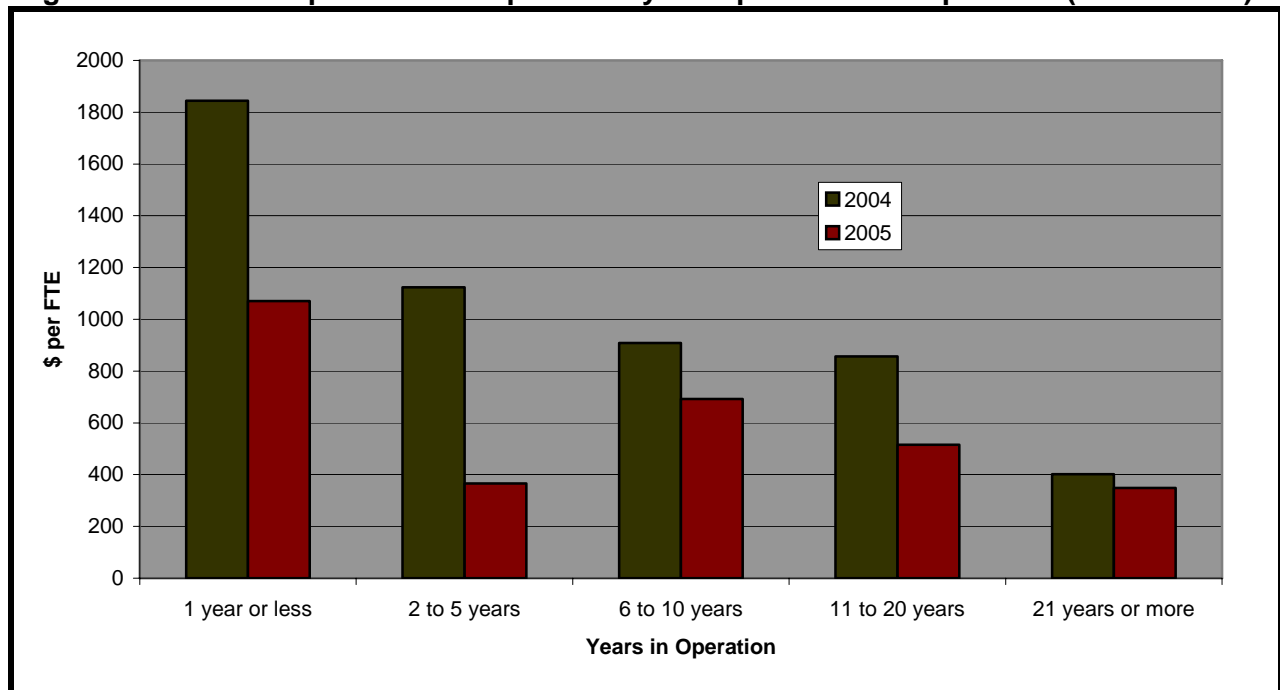


**Table 50: Summary of Total Compliance Costs by Grouped Years in Operation (2004 & 2005)**

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
<b>Mean annual hours spent within enterprise on total compliance costs</b>					
2004	471.8	398.7	750.0	1154.3	1333.0
2005	615.0	424.0	652.0	895.0	2069.0
<b>Average internal cost</b>					
2004	\$9,289	\$7,850	\$14,773	\$22,729	\$26,247
2005	\$12,649	\$8,716	\$13,401	\$18,398	\$42,529

<b>% of respondents that used external advice</b>					
2004	35.2	36.7	39.1	42.2	45.1
2005	36.1	33.0	38.8	39.4	42.0
<b>Average external cost</b>					
2004	\$18,343	\$30,281	\$51,456	\$44,509	\$70,887
2005	\$34,195	\$29,916	\$26,405	\$88,902	\$154,598
<b>Average total cost</b>					
2004	\$16,654	\$17,614	\$28,200	\$39,624	\$54,544
2005	\$24,542	\$23,664	\$24,252	\$42,254	\$94,648
<b>Average total cost by FTE</b>					
2004	\$1,844	\$1,123	\$908	\$857	\$402
2005	\$1,070	\$366	\$692	\$515	\$349
<b>Average total cost as % of turnover</b>					
2004	1.2%	0.53%	0.76%	0.36%	0.21%
2005	0.4%	0.04%	0.17%	0.05%	0.13%

**Figure 21: Total Compliance Costs per FTE by Grouped Years in Operation (2004 & 2005)**



### 3.4.1 TAX-RELATED COMPLIANCE COSTS

**Table 51: Summary Comparison for Tax Compliance Costs (2003, 2004 & 2005)**

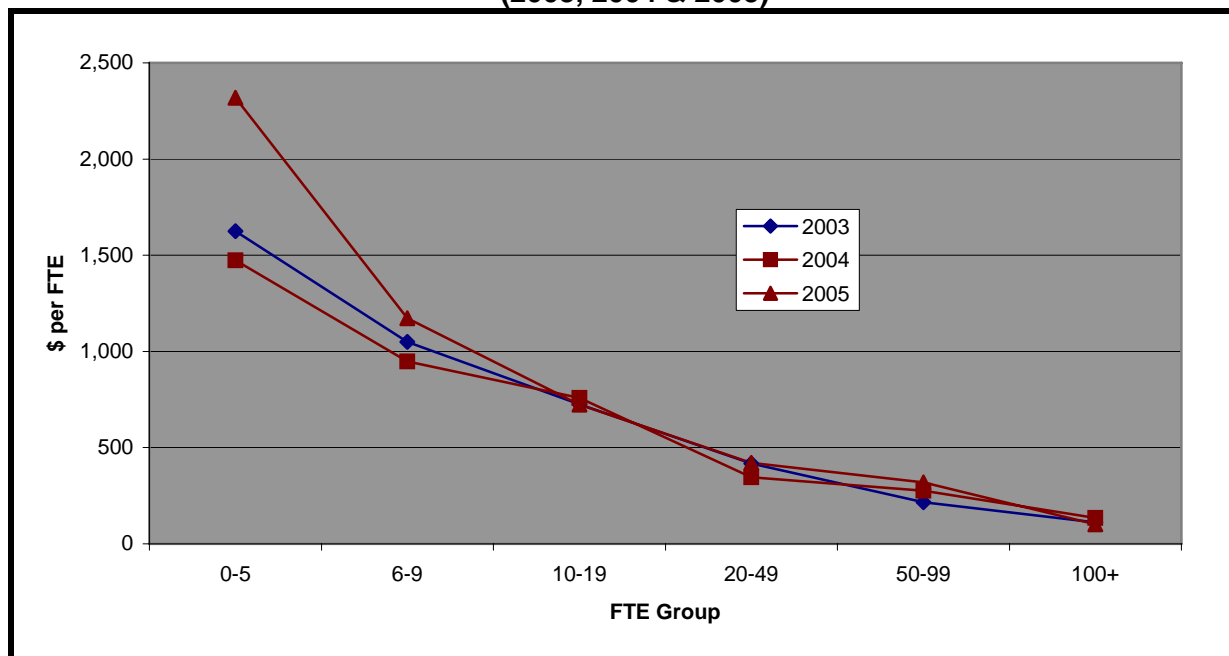
Overall trend (2005)	Increase		
Respondents answering this section (2005)	97.5%		
Internal cost trend (2005)	Small increase		
External cost trend (2005)	Large increase		
<b>Year</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Average total cost	\$13,517	\$14,909	\$21,166
Average total cost per FTE	\$208	\$224	\$151
Average mean annual hours spent within enterprise on tax (all sizes)	243	323	328.9
Average internal cost	\$4,627	\$6,366	\$6,762
Maximum annual hours spent by enterprise internally on tax*	40,000	110,000	100,000
Average external cost	\$10,676	\$11,296	\$19,501
Maximum annual amount spent by enterprise externally on tax*	\$550,000	\$500,000	\$2,228,163
Tax as a % of total compliance costs	29.9%	34%	40.0%
% of respondents who obtained information from Inland Revenue	78%	72%	82%
% of respondents who employed external tax advisers	79%	74%	73%
% of respondents who directly accessed tax legislation	42%	34%	48%
% of respondents who used other publications and advice	36%	30%	38%

**Table 52: Tax Compliance Costs by FTE Group (2003, 2004 & 2005)**

	<b>0-5</b>	<b>6-9</b>	<b>10-19</b>	<b>20-49</b>	<b>50-99</b>	<b>100+</b>	<b>All Sizes</b>
<b>Mean annual hours spent within enterprise on tax</b>							
2003	114.6	152.5	211.6	203.2	245.4	648.4	243.0
2004	122.2	122.0	137.2	172.2	265.0	1762.2	323.3
2005	204.0	218.0	180.1	177.4	281.5	918.3	328.9
<b>Average internal cost</b>							
2003	\$2,183	\$2,903	\$4,029	\$3,870	\$4,672	\$12,346	\$4,627
2004	\$2,406	\$2,402	\$2,701	\$3,391	\$5,218	\$34,698	\$6,366
2005	\$4,194	\$4,482	\$3,703	\$3,647	\$5,788	\$18,880	\$6,762
<b>% of respondents that used external advice</b>							
2003	74.3%	80.0%	76.2%	79.1%	78.0%	81.6%	77.9%
2004	77.0%	77.9%	76.6%	77.0%	80.4%	73.3%	77.0%
2005	66.9%	77.9%	75.8%	74.8%	71.0%	78.3%	73.2%
<b>Average external cost</b>							
2003	\$3,885	\$5,095	\$6,695	\$10,485	\$12,230	\$31,032	\$10,676
2004	\$3,112	\$5,862	\$10,368	\$9,458	\$17,120	\$39,612	\$11,296
2005	\$3,802	\$5,236	\$8,282	\$12,336	\$23,599	\$67,496	\$19,507
<b>Average total cost</b>							
2003	\$5,152	\$7,555	\$9,608	\$12,710	\$14,653	\$38,896	\$13,517
2004	\$4,788	\$6,901	\$10,366	\$10,614	\$18,802	\$62,543	\$14,909
2005	\$6,749	\$8,605	\$10,032	\$13,288	\$21,970	\$72,399	\$21,166
<b>Average total cost by FTE</b>							
2003	\$1,625	\$1,049	\$725	\$417	\$216	\$112	\$208
2004	\$1,473	\$948	\$758	\$346	\$276	\$135	\$224
2005	\$2,319	\$1,172	\$723	\$421	\$319	\$102	\$151

<b>Average total cost as % of turnover</b>							
2003	0.54%	0.35%	0.40%	0.17%	0.10%	0.13%	0.17%
2004	0.37%	0.32%	0.35%	0.17%	0.12%	0.07%	0.11%
2005	0.84%	0.58%	0.23%	0.12%	0.15%	0.02%	0.04%
<b>Tax as a % of total compliance costs</b>							
2003	47.7%	33.3%	36.8%	30.7%	27.6%	26.9%	29.9%
2004	53.4%	53.8%	48.6%	31.2%	32.7%	28.3%	34.0%
2005	64.4%	44.7%	42.0%	44.3%	35.5%	41.4%	39.9%

**Figure 22: Average Tax Compliance Costs per FTE by Size of Enterprise (2003, 2004 & 2005)**



**Table 53: Sources of External Tax Information and Advice by FTE Group (2003, 2004 & 2005)**

Source of Advice and/or Information	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
<b>IRD (e.g., publications, website, call centre)</b>							
2003	68.7%	82.9%	82.1%	74.2%	77.4%	83.0%	77.5%
2004	73.7%	73.3%	66.0%	67.8%	82.6%	76.2%	72.1%
2005	77.2%	76.4%	80.3%	80.5%	86.9%	91.8%	81.6%
<b>Legislation (e.g., Income Tax Act, GST Act)</b>							
2003	21.8%	39.0%	40.4%	45.5%	59.1%	58.0%	42.4%
2004	27.2%	27.3%	31.9%	33.9%	45.7%	53.5%	34.0%
2005	40.7%	42.9%	43.9%	47.2%	51.4%	64.7%	47.6%



<b>Out of house tax advisers, agents and intermediaries</b>							
2003	72.8%	75.2%	80.8%	79.8%	82.8%	81.0%	78.6%
2004	73.2%	70.9%	73.4%	77.0%	73.9%	76.2%	74.0%
2005	66.2%	71.4%	76.3%	73.6%	72.0%	81.2%	72.7%
<b>Other publications or advice</b>							
2003	25.2%	35.2%	35.7%	27.6%	49.5%	56.0%	36.3%
2004	26.3%	32.6%	26.1%	29.5%	29.3%	46.5%	30.5%
2005	33.0%	35.0%	37.9%	37.1%	43.0%	49.3%	38.4%

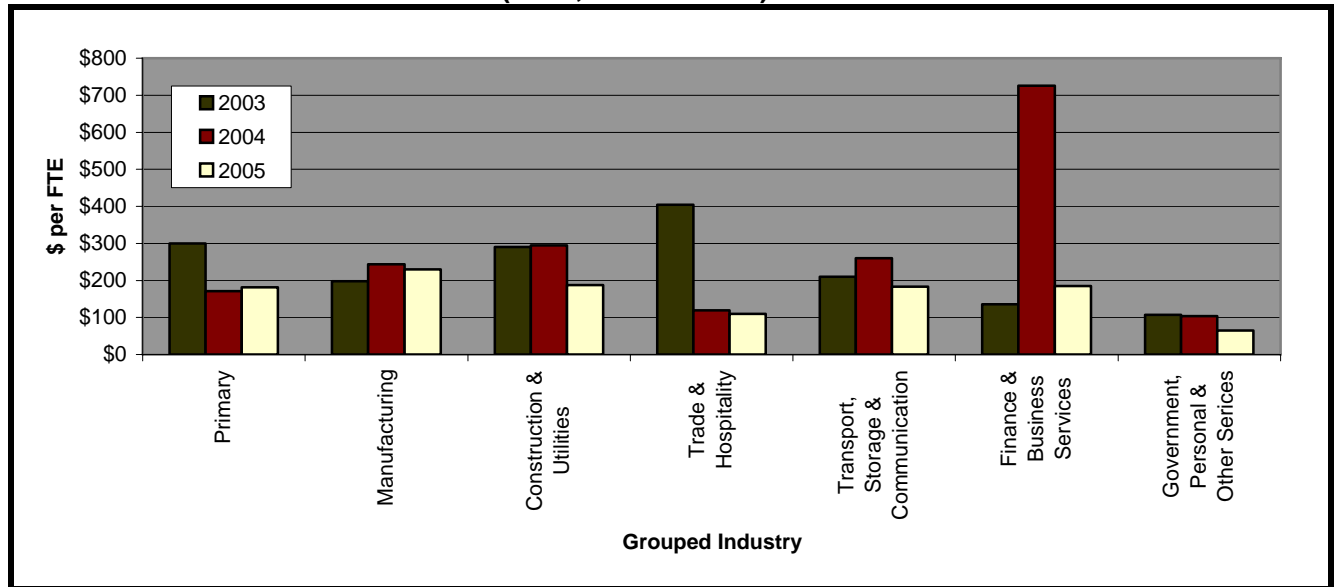
**Table 54: Cost of Preparing Annual Accounts Included in External Advice Cost Estimate (2003, 2004 & 2005)**

<b>FTE Group</b>	<b>Yes</b>	<b>No</b>
<b>0-5</b>		
2003	75.5%	24.5%
2004	75.7%	24.3%
2005	60.7%	39.3%
<b>6-9</b>		
2003	53.6%	46.4%
2004	68.6%	31.4%
2005	50.9%	49.1%
<b>10-19</b>		
2003	46.5%	53.5%
2004	56.5%	43.5%
2005	43.9%	56.1%
<b>20-49</b>		
2003	42.2%	57.8%
2004	43.6%	56.4%
2005	30.5%	69.5%
<b>50-99</b>		
2003	28.2%	71.8%
2004	32.5%	67.5%
2005	17.6%	82.4%
<b>100+</b>		
2003	25.3%	74.7%
2004	29.7%	70.3%
2005	19.6%	80.4%
<b>All sizes</b>		
<b>2003</b>	<b>46.7%</b>	<b>53.3%</b>
<b>2004</b>	<b>55.4%</b>	<b>44.6%</b>
<b>2005</b>	<b>40.8%</b>	<b>59.2%</b>

**Table 55: Tax Compliance Costs by Grouped Industry (2003, 2004 & 2005)**

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
<b>Mean annual hours spent within enterprise on Tax</b>							
2003	201.1	212.0	286.9	314.3	302.7	348.3	129.6
2004	386.0	162.4	385.2	136.1	236.2	900.7	148.4
2005	217.4	214.3	518.3	256.2	271.7	529.9	226.7
<b>Average internal cost</b>							
2003	\$3,829	\$4,036	\$5,462	\$5,983	\$5,762	\$6,632	\$2,468
2004	\$7,600	\$3,198	\$7,586	\$2,680	\$4,651	\$17,735	\$2,922
2005	\$4,470	\$4,406	\$10,656	\$5,267	\$5,586	\$10,895	\$4,661
<b>% of respondents that used external advice</b>							
2003	88.2%	79.1%	85.4%	85.0%	77.4%	78.7%	64.2%
2004	91.8%	82.1%	88.4%	81.9%	80.0%	76.4%	55.2%
2005	80.0%	79.8%	91.0%	82.5%	75.0%	66.1%	58.9%
<b>Average external cost</b>							
2003	\$13,042	\$10,800	\$18,207	\$9,548	\$10,384	\$9,902	\$7,981
2004	\$16,484	\$10,063	\$13,580	\$11,176	\$10,397	\$11,734	\$8,960
2005	\$26,077	\$16,323	\$30,090	\$16,304	\$22,835	\$23,709	\$8,553
<b>Average total cost</b>							
2003	\$16,056	\$13,138	\$21,690	\$14,593	\$13,950	\$15,033	\$5,658
2004	\$22,734	\$11,239	\$19,428	\$11,621	\$12,968	\$26,481	\$7,822
2005	\$25,873	\$17,689	\$37,152	\$18,689	\$23,188	\$26,649	\$9,742
<b>Average total cost by FTE</b>							
2003	\$300	\$198	\$290	\$404	\$210	\$136	\$107
2004	\$171	\$244	\$295	\$119	\$260	\$726	\$104
2005	\$182	\$230	\$187	\$110	\$183	\$185	\$65
<b>Average total cost as % of average turnover</b>							
2003	0.21%	0.14%	0.13%	0.14%	0.14%	0.33%	0.14%
2004	0.07%	0.10%	0.12%	0.06%	0.13%	0.27%	0.11%
2005	0.02%	0.09%	0.06%	0.02%	0.21%	0.07%	0.01%
<b>Tax as a % of total compliance costs</b>							
2003	23.8%	28.0%	33.2%	40.8%	33.8%	34.0%	17.0%
2004	15.5%	42.5%	26.1%	36.3%	35.1%	72.3%	20.8%
2005	56.5%	40.6%	31.0%	46.4%	36.1%	47.2%	21.4%

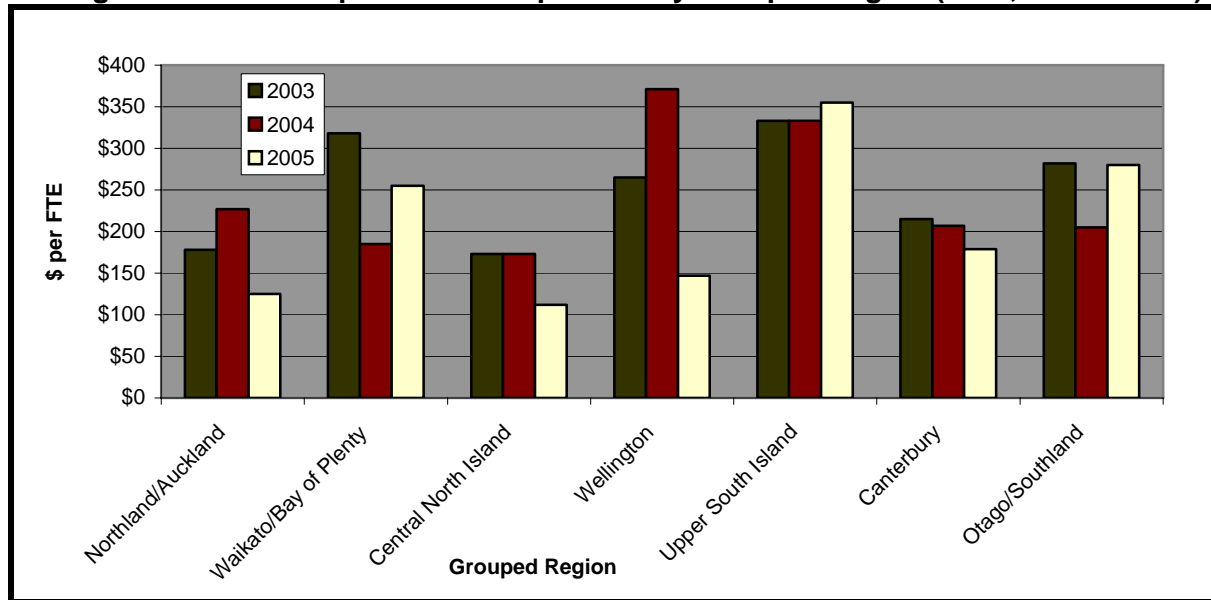
**Figure 23: Tax Compliance Costs per FTE by Grouped Industry (2003, 2004 & 2005)**



**Table 56: Sources of External Tax Information and Advice by Grouped Industry (2003, 2004 & 2005)**

Source of Advice and/or Information	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
<b>IRD (e.g., publications, website, call centre)</b>								
2003	72.5%	78.3%	84.0%	70.2%	75.5%	86.1%	76.7%	77.5%
2004	75.4%	63.8%	69.8%	73.5%	76.9%	78.2%	73.5%	72.0%
2005	70.0%	71.0%	85.1%	81.4%	83.0%	93.9%	77.3%	81.5%
<b>Legislation (e.g., Income Tax Act, GST Act)</b>								
2003	35.3%	38.9%	52.0%	29.8%	43.4%	51.2%	46.0%	42.4%
2004	29.5%	29.5%	37.2%	27.7%	36.9%	38.2%	40.3%	34.0%
2005	38.2%	32.1%	47.8%	44.3%	42.0%	67.1%	43.5%	47.6%
<b>Out of house tax advisers, agents and intermediaries</b>								
2003	92.2%	78.8%	86.0%	86.8%	84.9%	70.2%	62.7%	78.6%
2004	78.7%	83.9%	88.4%	72.9%	76.9%	74.5%	52.5%	73.9%
2005	71.8%	77.2%	85.1%	83.6%	75.0%	69.0%	59.4%	72.6%
<b>Other publications or advice</b>								
2003	31.4%	38.1%	50.0%	36.4%	28.3%	31.4%	34.7%	36.3%
2004	27.9%	25.4%	33.7%	30.1%	32.3%	37.0%	29.3%	30.4%
2005	30.0%	26.9%	38.8%	33.9%	36.0%	53.9%	35.3%	38.4%

**Figure 24: Tax Compliance Costs per FTE by Grouped Region (2003, 2004 & 2005)**



**Table 57: Tax Compliance Costs by Grouped Region (2003, 2004 & 2005)**

	<b>Nthld/ Akld</b>	<b>Waik/ BOP</b>	<b>Cent Nth Is</b>	<b>Wgtn</b>	<b>Upper Sth Is</b>	<b>Ctby</b>	<b>Otago/ Sthld</b>
<b>Mean annual hours spent within enterprise on Tax</b>							
2003	279.3	277.0	258.0	338.0	176.6	143.2	193.9
2004	552.5	209.6	291.4	418.0	192.9	172.2	167.0
2005	355.0	397.7	224.9	649.3	167.6	211.5	203.8
<b>Average internal cost</b>							
2003	\$5,317	\$5,274	\$4,914	\$6,440	\$3,362	\$2,727	\$3,692
2004	\$10,879	\$4,127	\$5,738	\$8,230	\$3,798	\$3,391	\$3,288
2005	\$7,299	\$8,177	\$4,624	\$13,350	\$3,446	\$4,348	\$4,190
<b>% of respondents that used external advice</b>							
2003	83.9%	74.0%	69.5%	76.6%	85.0%	73.3%	76.2%
2004	80.7%	77.3%	69.4%	71.6%	84.2%	76.3%	71.8%
2005	76.8%	76.7%	61.2%	66.2%	78.7%	71.6%	76.0%
<b>Average external cost</b>							
2003	\$12,460	\$10,402	\$15,473	\$10,046	\$5,013	\$8,008	\$7,792
2004	\$14,816	\$10,456	\$6,3601	\$16,809	\$9,748	\$7,810	\$10,368
2005	\$24,727	\$30,063	\$9,910	\$37,131	\$8,816	\$8,472	\$7,313
<b>Average total cost</b>							
2003	\$16,493	\$13,573	\$16,167	\$14,613	\$8,097	\$9,019	\$10,067
2004	\$22,534	\$12,128	\$10,047	\$20,272	\$12,007	\$9,205	\$10,732
2005	\$26,214	\$32,394	\$10,632	\$38,282	\$10,858	\$10,461	\$9,733
<b>Average total cost by FTE</b>							
2003	\$178	\$318	\$173	\$265	\$333	\$215	\$282
2004	\$227	\$185	\$173	\$371	\$333	\$207	\$205
2005	\$125	\$255	\$112	\$147	\$355	\$179	\$280
<b>Average total cost as % of turnover</b>							
2003	0.14%	0.22%	0.21%	0.23%	0.18%	0.17%	0.16%
2004	0.10%	0.09%	0.09%	0.20%	0.16%	0.10%	0.15%
2005	0.04%	0.03%	0.07%	0.02%	0.15%	0.07%	0.16%
<b>Tax as a % of total compliance costs</b>							
2003	32.7%	30.9%	26.0%	26.3%	15.8%	37.1%	22.7%
2004	44.3%	40.4%	27.4%	42.8%	17.2%	20.8%	36.7%
2005	40.9%	53.1%	25.4%	45.6%	27.2%	32.0%	30.9%

**Table 58: Sources of External Tax Information and Advice by Grouped Region (2003, 2004 & 2005)**

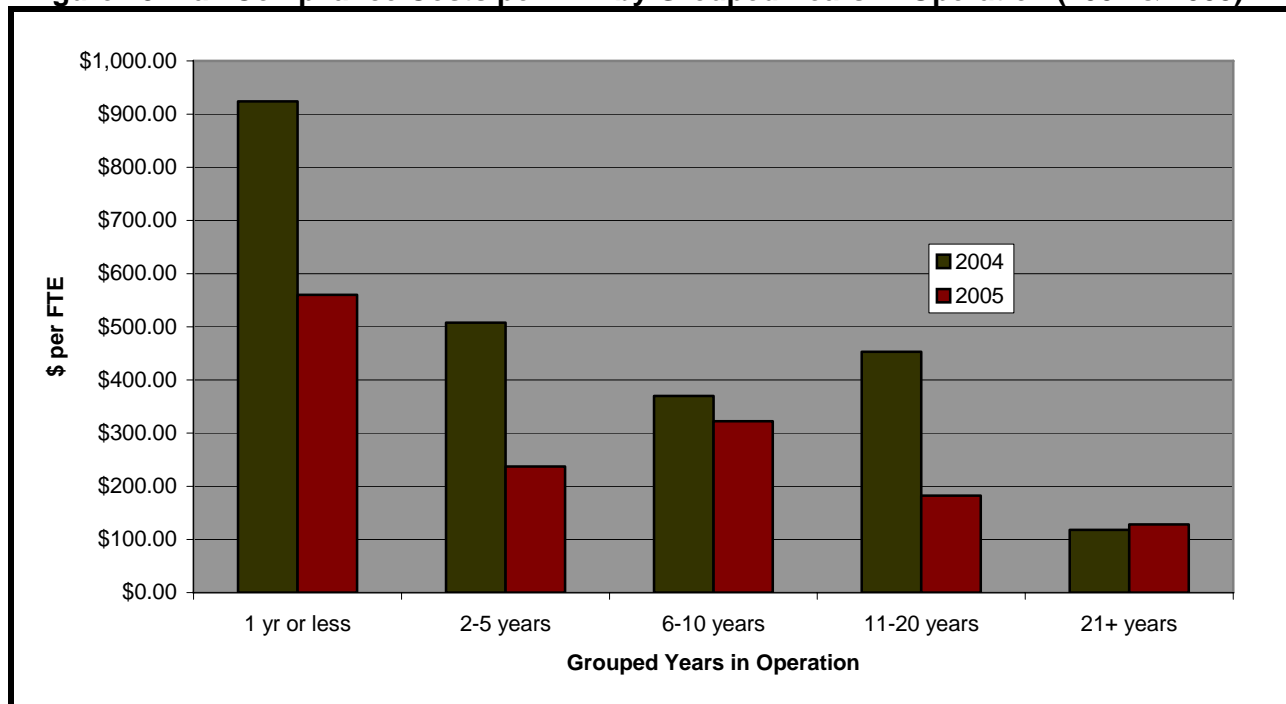
Source of Advice and/or Information	Nthld/Akld	Waik/BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/Sthld	NZ
<b>IRD (e.g., publications, website, call centre)</b>								
2003	81.2%	75.3%	74.6%	84.6%	65.0%	73.3%	76.5%	77.5%
2004	74.4%	68.9%	79.0%	74.6%	78.9%	69.6%	65.4%	72.0%
2005	85.6%	75.9%	89.8%	88.3%	72.3%	76.6%	74.0%	81.5%
<b>Legislation (e.g., Income Tax Act, GST Act)</b>								
2003	47.2%	45.4%	47.5%	38.5%	50.0%	34.7%	35.3%	42.4%
2004	36.5%	30.3%	37.1%	37.3%	50.0%	29.3%	33.3%	34.0%
2005	52.8%	42.2%	60.2%	49.7%	53.2%	40.1%	37.7%	47.6%
<b>Out of house tax advisers, agents and intermediaries</b>								
2003	81.2%	81.4%	64.4%	76.9%	70.0%	80.7%	77.6%	78.6%
2004	79.1%	73.5%	72.6%	68.7%	86.8%	70.0%	67.9%	73.9%
2005	75.3%	80.2%	69.4%	72.4%	78.7%	65.8%	70.8%	72.6%
<b>Other publications or advice</b>								
2003	39.4%	41.2%	37.3%	32.3%	20.0%	30.7%	37.6%	36.3%
2004	33.2%	31.1%	32.3%	23.9%	26.3%	31.9%	19.2%	30.4%
2005	42.8%	39.7%	39.8%	35.9%	44.7%	33.3%	33.1%	38.4%

**Table 59: Tax Compliance Costs by Grouped Years in Operation (2004 & 2005)**

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
<b>Mean annual hours spent within enterprise on Tax</b>					
2004	166.2	140.5	246.0	598.3	252.8
2005	320.1	163.4	237.4	256.4	523.9
<b>Average internal cost</b>					
2004	\$3,272	\$2,766	\$4,844	\$11,781	\$4,978
2005	\$6,581	\$3,360	\$4,881	\$5,272	\$10,771
<b>% of respondents that used external advice</b>					
2004	81.3%	76.7%	77.9%	81.0%	73.0%
2005	75.6%	70.6%	74.0%	73.8%	74.0%
<b>Average external cost</b>					
2004	\$6,240	\$6,787	\$9,000	\$11,566	\$15,597
2005	\$8,362	\$16,682	\$8,574	\$12,989	\$32,507

<b>Average total cost</b>					
2004	\$8,343	\$7,972	\$11,794	\$20,925	\$16,019
2005	\$12,852	\$15,316	\$11,289	\$14,965	\$34,762
<b>Average total cost by FTE</b>					
2004	\$924	\$508	\$370	\$453	\$118
2005	\$560	\$237	\$322	\$182	\$128
<b>Average total cost as % of turnover</b>					
2004	0.60%	0.24%	0.17%	0.19%	0.06%
2005	0.21%	0.03%	0.08%	0.02%	0.05%
<b>Tax as a % of total compliance costs</b>					
2004	50.1%	45.3%	19.7%	52.8%	29.4%
2005	52.4%	64.7%	46.5%	35.4%	36.7%

**Figure 25: Tax Compliance Costs per FTE by Grouped Years in Operation (2004 & 2005)**



### 3.4.2 EMPLOYMENT RELATED COMPLIANCE COSTS

**Table 60: Summary Comparison for Employment Compliance Costs (2003, 2004 & 2005)**

Overall trend (2005)	Increase		
Respondents answering this section (2005)	99.8%		
Internal cost trend (2005)	Increase		
External cost trend (2005)	Increase		
<b>Year</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Average total cost	\$15,514	\$10,428	\$13,782
Average total cost per FTE	\$239	\$156	\$99
Average mean annual hours spent within enterprise on employment costs (all sizes)	550.3	349.7	441.5
Average internal cost	\$10,478	\$7,734	\$9,077
Maximum annual hours spent by enterprise internally on employment costs	32,000	40,000	53,300
Average external cost	\$8,625	\$6,740	\$10,330
Maximum annual amount spent by enterprise externally on employment costs	\$400,000	\$200,000	\$2,000,000
Employment as a % of total compliance costs	34.3%	25.9%	26.0%
% of respondents who employed external employment advisers	55.9%	52.8%	45.5%

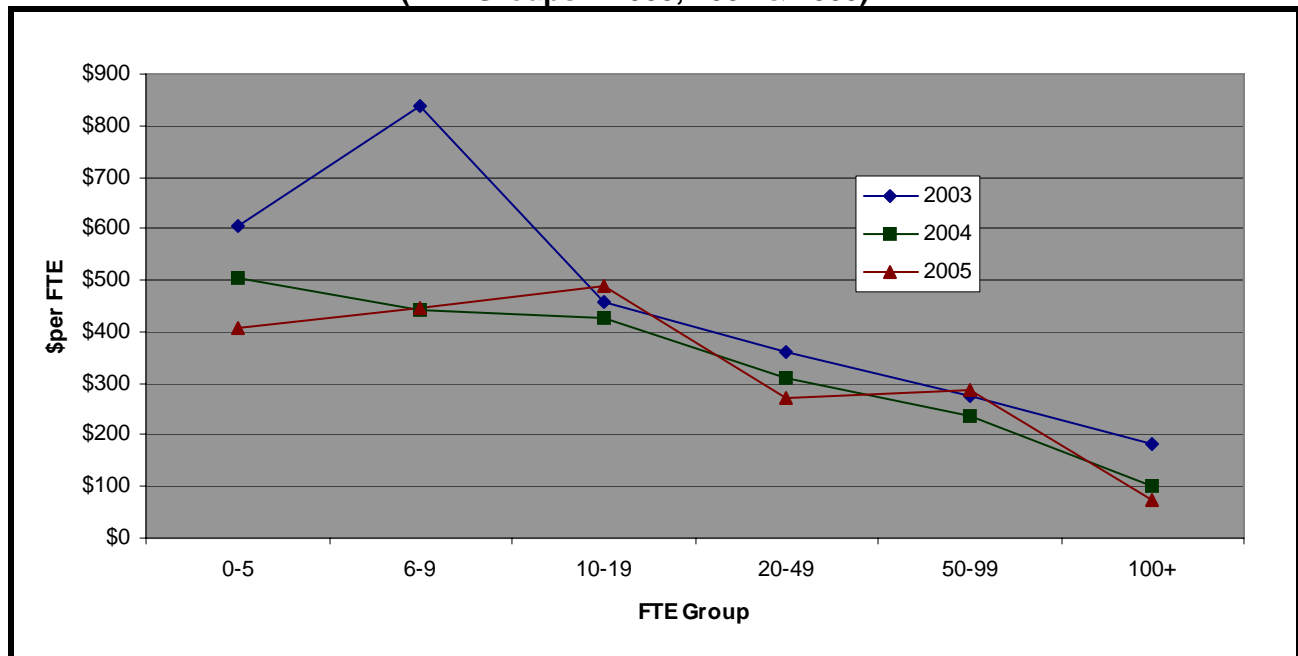
**Table 61: Employment Compliance Costs by FTE Group (2003, 2004 & 2005)**

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
<b>Mean annual hours spent within enterprise on Employment</b>							
2003	70.1	204.6	221.2	378.2	717.0	2197.0	550.3
2004	51.4	122.4	187.5	311.3	541.4	1590.4	349.7
2005	46.8	123.0	201.9	263.5	519.0	1677.4	441.5
<b>Average internal cost</b>							
2003	\$1,335	\$3,895	\$4,212	\$7,201	\$13,652	\$41,830	\$10,478
2004	\$1,012	\$2,410	\$3,692	\$6,129	\$10,660	\$31,315	\$7,734
2005	\$962	\$2,529	\$4,151	\$5,418	\$10,671	\$34,487	\$9,077
<b>% of respondents that used external advice</b>							
2003	29.1%	52.0%	54.0%	62.1%	69.7%	78.6%	55.9%
2004	32.9%	48.3%	51.1%	62.3%	70.7%	72.3%	52.7%
2005	20.8%	43.6%	54.0%	56.0%	73.8%	58.9%	45.5%
<b>Average external cost</b>							
2003	\$1,843	\$4,013	\$3,174	\$6,054	\$7,096	\$25,672	\$8,625
2004	\$1,932	\$1,702	\$4,191	\$5,473	\$7,731	\$21,340	\$6,740
2005	\$1,083	\$1,677	\$4,839	\$5,589	\$12,216	\$27,393	\$10,330
<b>Average total cost</b>							
2003	\$1,916	\$6,022	\$6,054	\$11,046	\$18,595	\$62,908	\$15,514
2004	\$1,635	\$3,210	\$5,823	\$9,536	\$16,182	\$47,040	\$10,428
2005	\$1,186	\$3,261	\$6,765	\$8,546	\$19,774	\$50,711	\$13,782
<b>Average total cost by FTE</b>							
2003	\$604	\$836	\$457	\$362	\$274	\$181	\$239
2004	\$504	\$441	\$426	\$311	\$238	\$101	\$156
2005	\$408	\$444	\$488	\$271	\$287	\$72	\$99
<b>Average total cost as % of turnover</b>							
2003	0.20%	0.28%	0.25%	0.15%	0.13%	0.21%	0.19%
2004	0.13%	0.15%	0.2%	0.16%	0.1%	0.05%	0.08%
2005	0.15%	0.22%	0.15%	0.08%	0.13%	0.02%	0.02%



Employment as % of total compliance costs							
2003	17.8%	26.5%	23.2%	26.7%	35.0%	43.6%	34.3%
2004	18.2%	25.0%	27.3%	28.0%	28.1%	25.2%	25.9%
2005	11.3%	16.9%	28.3%	28.5%	31.9%	29.0%	26.0%

**Figure 26: Employment Compliance Costs per FTE by Enterprise Size (FTE Groups – 2003, 2004 & 2005)**

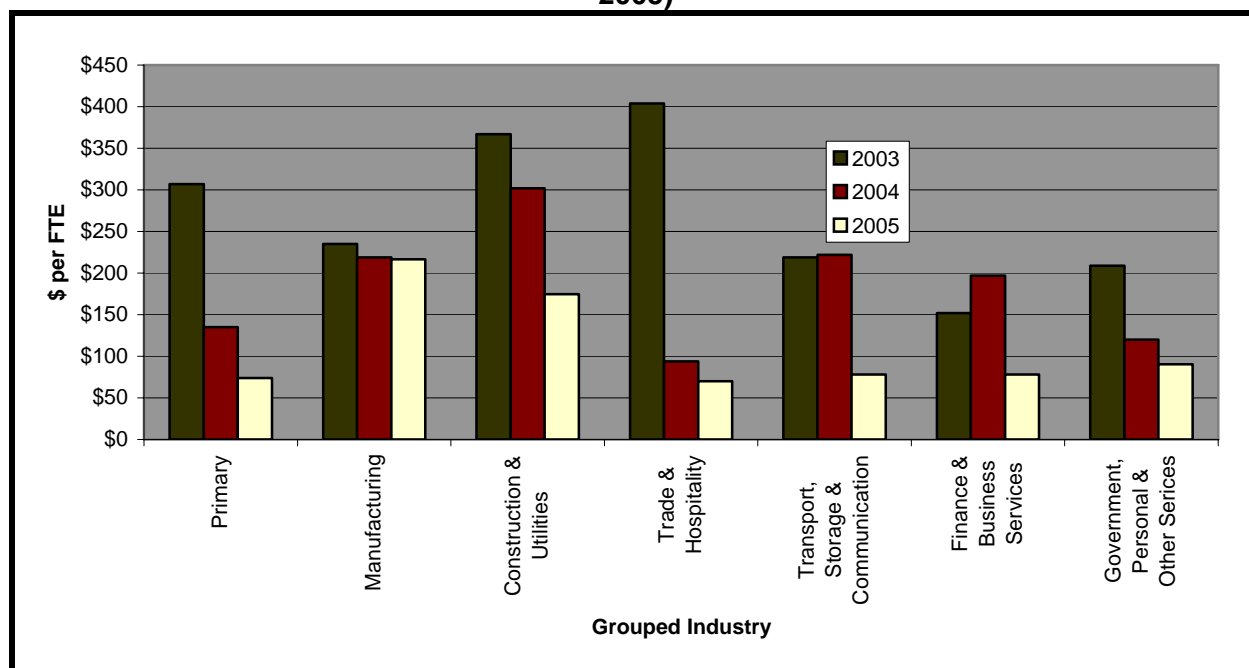


**Table 62: Employment Compliance Costs by Grouped Industry (2003, 2004 & 2005)**

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
<b>Mean annual hours spent within enterprise on Employment</b>							
2003	533.9	564.4	992.0	587.4	544.2	458.5	423.1
2004	519.0	360.6	756.7	299.7	355.7	172.1	290.8
2005	305.7	518.9	1342.6	366.4	316.6	331.7	443.9
<b>Average internal cost</b>							
2003	\$10,165	\$10,746	\$18,888	\$11,184	\$10,360	\$8,729	\$8,055
2004	\$10,219	\$7,100	\$14,899	\$5,901	\$7,004	\$3,389	\$5,726
2005	\$6,285	\$10,669	\$27,604	\$7,533	\$6,509	\$6,820	\$9,127
<b>% of respondents that used external advice</b>							
2003	66.0%	64.8%	61.7%	55.4%	55.8%	58.8%	47.5%
2004	57.4%	56.7%	62.8%	46.4%	53.8%	35.8%	62.4%
2005	43.6%	51.8%	50.7%	46.4%	49.0%	36.5%	49.3%
<b>Average external cost</b>							
2003	\$9,460	\$7,516	\$13,773	\$6,174	\$7,514	\$13,886	\$6,368
2004	\$6,216	\$5,237	\$8,208	\$7,220	\$7,171	\$10,362	\$5,446
2005	\$9,712	\$11,483	\$13,865	\$9,296	\$6,966	\$12,147	\$8,944

<b>Average total cost</b>							
2003	\$16,405	\$15,618	\$27,386	\$14,602	\$14,550	\$16,897	\$11,081
2004	\$15,567	\$10,078	\$19,921	\$9,199	\$11,051	\$7,185	\$9,043
2005	\$10,524	\$16,648	\$34,639	\$11,874	\$9,922	\$11,248	\$13,534
<b>Average total cost by FTE</b>							
2003	\$307	\$235	\$367	\$404	\$219	\$152	\$209
2004	\$135	\$219	\$302	\$94	\$222	\$197	\$120
2005	\$74	\$217	\$175	\$70	\$78	\$78	\$90
<b>Average total cost as % of turnover</b>							
2003	0.22%	0.16%	0.17%	0.14%	0.15%	0.36%	0.28%
2004	0.05%	0.09%	0.13%	0.04%	0.11%	0.07%	0.12%
2005	0.01%	0.08%	0.06%	0.02%	0.09%	0.03%	0.02%
<b>Employment as % of total compliance costs</b>							
2003	24.3%	33.3%	41.9%	40.8%	35.3%	38.3%	33.3%
2004	19.7%	38.1%	26.8%	28.7%	29.9%	19.6%	24.0%
2005	23.0%	38.2%	28.9%	29.5%	15.5%	19.9%	29.8%

**Figure 27: Employment Compliance Costs per FTE by Grouped Industry (2003, 2004 & 2005)**

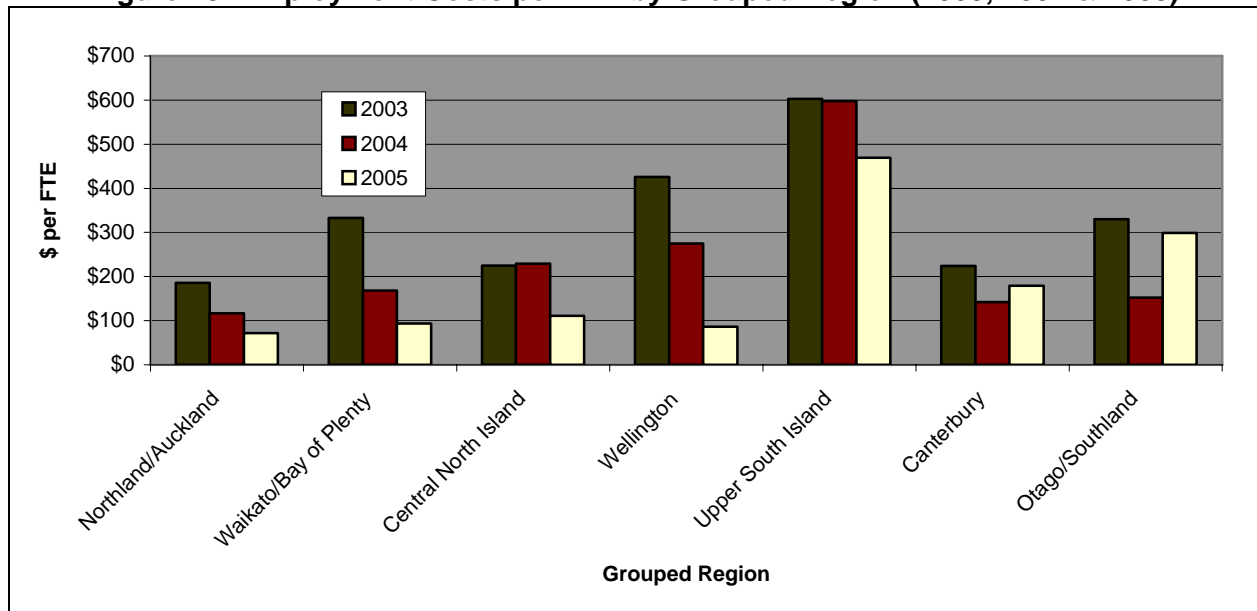


**Table 63: Employment Compliance Costs by Grouped Region (2003, 2004 & 2005)**

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
<b>Mean annual hours spent within enterprise on Employment</b>							
2003	619.3	582.4	893.2	617.2	516.8	297.8	429.3
2004	360.4	407.6	498.5	486.4	838.9	189.2	303.1
2005	467.6	378.4	358.3	728.5	542.1	332.1	339.0

<b>Average internal cost</b>							
2003	\$11,792	\$11,089	\$17,006	\$11,751	\$9,840	\$5,671	\$8,173
2004	\$7,096	\$8,026	\$9,815	\$9,577	\$16,518	\$3,726	\$5,968
2005	\$9,614	\$7,780	\$7,367	\$14,978	\$11,146	\$6,828	\$6,970
<b>% of respondents that used external advice</b>							
2003	60.0%	67.0%	55.2%	66.1%	68.4%	42.8%	64.2%
2004	53.5%	57.6%	54.8%	67.2%	65.8%	40.7%	62.8%
2005							
<b>Average external cost</b>							
2003	\$9,147	\$4,648	\$7,150	\$18,325	\$7,031	\$8,710	\$5,604
2004	\$8,349	\$5,097	\$6,211	\$8,061	\$7,284	\$6,447	\$3,367
2005	\$12,944	\$11,148	\$6,699	\$14,916	\$7,911	\$7,692	\$6,652
<b>Average total cost</b>							
2003	\$17,280	\$14,204	\$20,951	\$23,864	\$14,651	\$9,395	\$11,770
2004	\$11,555	\$11,036	\$13,290	\$14,993	\$21,577	\$6,309	\$7,936
2005	\$15,132	\$11,913	\$10,579	\$22,540	\$14,343	\$10,465	\$10,382
<b>Average total cost by FTE</b>							
2003	\$186	\$333	\$225	\$426	\$603	\$224	\$330
2004	\$117	\$168	\$229	\$275	\$598	\$142	\$152
2005	\$72	\$94	\$111	\$86	\$469	\$179	\$299
<b>Average total cost as % of turnover</b>							
2003	0.15%	0.23%	0.24%	0.38%	0.32%	0.18%	0.18%
2004	0.05%	0.08%	0.12%	0.15%	0.30%	0.10%	0.11%
2005	0.02%	0.01%	0.07%	0.01%	0.20%	0.07%	0.17%
<b>Employment as % of total compliance costs</b>							
2003	34.3%	32.3%	33.6%	42.9%	28.6%	38.7%	26.6%
2004	22.7%	36.8%	36.2%	31.7%	31.0%	21.8%	27.2%
2005	23.6%	19.5%	25.3%	26.9%	35.9%	32.0%	33.0%

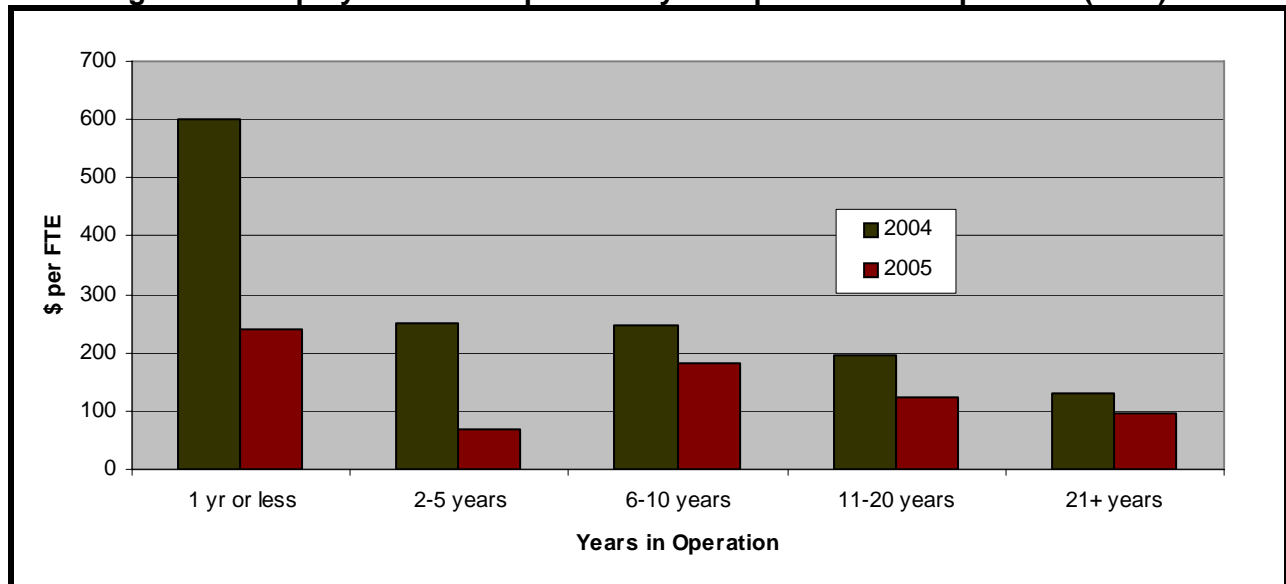
**Figure 28: Employment Costs per FTE by Grouped Region (2003, 2004 & 2005)**



**Table 64: Employment Compliance Costs by Grouped Years in Operation (2004 & 2005)**

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
<b>Mean annual hours spent within enterprise on Employment</b>					
2004	218.9	130.3	222.1	314.0	577.2
2005	138.8	118.1	205.0	335.5	854.3
<b>Average internal cost</b>					
2004	\$4,310	\$2,566	\$4,373	\$6,183	\$11,365
2005	\$2,854	\$2,428	\$4,215	\$6,898	\$17,564
<b>% of respondents that used external advice</b>					
2004	37.5%	44.2%	49.7%	53.5%	60.0%
2005	31.1%	35.3%	47.0%	49.6%	55.1%
<b>Average external cost</b>					
2004	\$3,098	\$3,160	\$4,934	\$5,134	\$10,812
2005	\$9,172	\$6,087	\$4,819	\$7,031	\$16,306
<b>Average total cost</b>					
2004	\$5,409	\$3,905	\$6,294	\$8,964	\$17,831
2005	\$5,503	\$4,474	\$6,407	\$10,259	\$26,259
<b>Average total cost by FTE</b>					
2004	\$599	\$249	\$248	\$194	\$132
2005	\$240	\$69	\$183	\$125	\$97
<b>Average total cost as % of turnover</b>					
2004	0.39%	0.12%	0.12%	0.08%	0.07%
2005	0.09%	0.01%	0.05%	0.01%	0.03%
<b>Employment as a % of total compliance costs</b>					
2004	32.5%	22.2%	18.9%	22.6%	32.7%
2005	22.4%	18.9%	26.4%	24.3%	27.7%

**Figure 29: Employment Costs per FTE by Grouped Years in Operation (2004)**



### 3.4.3 ENVIRONMENT RELATED COMPLIANCE COSTS

**Table 65: Summary Comparison for Environmental Compliance Costs (2003, 2004 & 2005)**

Overall trend (2005)	Increase		
Respondents answering this section (2005)	95.5%		
Internal cost trend (2005)	Small increase		
External cost trend (2005)	Large increase		
<b>Year</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Average total cost	\$7,673	\$5,387	\$8,100
Average total cost per FTE	\$118	\$81	\$58
Average mean annual hours spent within enterprise on Environmental costs (all sizes)	167.0	123.0	140.4
Average internal cost	\$3,181	\$2,422	\$2,887
Maximum annual hours spent by enterprise internally on environmental costs	10,000	10,400	50,000
Average external cost	\$19,263	\$17,515	\$32,770
Maximum annual amount spent by enterprise externally on environmental costs	\$1,800,000	\$800,000	\$2,000,000
Environmental costs as a % of total compliance costs	17.0%	17.9%	15.3%
% of respondents who employed external environmental advisers	23.6%	17.0%	16.1%

**Table 66: Environment Compliance Costs by FTE Group (2003, 2004 & 2005)**

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
<b>Mean annual hours spent within enterprise on Environment</b>							
2003	40.2	62.1	85.3	177.5	187.7	517	167.0
2004	11.5	15.5	47.0	115.2	396.0	459.0	123.0
2005	19.0	34.9	51.7	72.3	200.0	553.3	140.4
<b>Average internal cost</b>							
2003	\$766	\$1,183	\$1,624	\$3,380	\$3,574	\$12,159	\$3,181
2004	\$226	\$305	\$925	\$2,268	\$7,797	\$9,038	\$2,422
2005	\$391	\$718	\$1,063	\$1,486	\$4,112	\$11,376	\$2,887
<b>% of respondents that used external advice</b>							
2003	13.3%	20.5%	19.6%	20.2%	35.5%	39.7%	23.6%
2004	6.6%	12.8%	14.4%	20.8%	26.1%	36.0%	17.0%
2005	9.7%	14.3%	15.7%	11.3%	23.4%	29.1%	16.1%
<b>Average external cost</b>							
2003	\$13,539	\$10,431	\$13,380	\$9,358	\$29,711	\$29,416	\$19,263
2004	\$8,982	\$6,300	\$10,211	\$15,773	\$25,958	\$30,223	\$17,515
2005	\$11,271	\$9,382	\$13,172	\$11,417	\$20,483	\$81,686	\$32,770
<b>Average total cost</b>							
2003	\$2,571	\$3,323	\$4,248	\$5,207	\$14,129	\$21,305	\$7,673
2004	\$852	\$1,107	\$2,369	\$5,584	\$14,719	\$19,657	\$5,387
2005	\$1,536	\$2,087	\$3,190	\$2,821	\$8,635	\$13,588	\$8,100
<b>Average total cost by FTE</b>							
2003	\$811	\$462	\$321	\$171	\$208	\$61	\$118
2004	\$262	\$152	\$173	\$181	\$216	\$42	\$81
2005	\$528	\$284	\$230	\$90	\$125	\$19	\$58

Average total cost as % of turnover							
2003	0.27%	0.16%	0.18%	0.14%	0.10%	0.15%	0.15%
2004	0.07%	0.05%	0.08%	0.09%	0.09%	0.05%	0.06%
2005	0.19%	0.14%	0.07%	0.03%	0.06%	0.00%	0.01%
Environment costs as % of total compliance costs							
2003	23.8%	14.7%	16.3%	12.6%	26.6%	14.8%	17.0%
2004	9.5%	8.6%	11.1%	16.4%	25.6%	19.5%	17.9%
2005	14.6%	10.8%	13.3%	9.4%	13.9%	7.8%	15.3%

Figure 30: Environmental Costs per FTE by Enterprise Size (2003, 2004 & 2005)

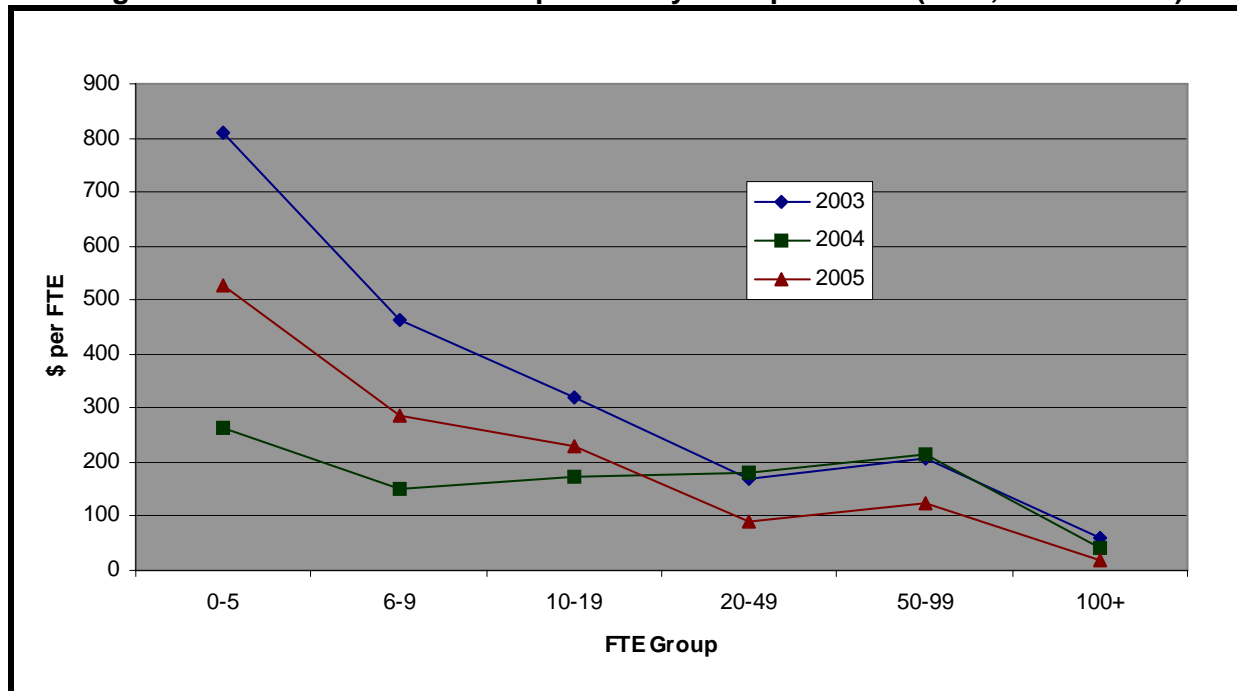
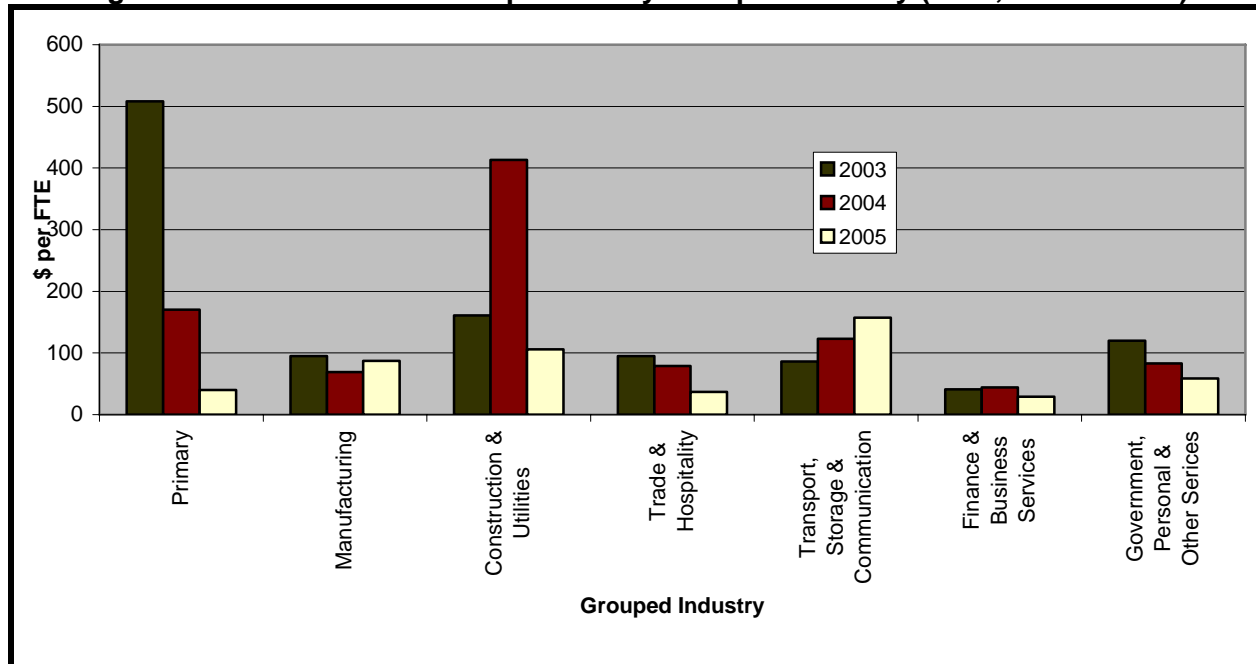


Table 67: Environment Compliance Costs by Grouped Industry (2003, 2004 & 2005)

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
<b>Mean annual hours spent within enterprise on Environment</b>							
2003	510.1	173.4	221.5	108.1	84.3	48.1	150.5
2004	503.3	82.2	370.0	121.0	157.2	20.2	133.2
2005	150.8	137.7	622.8	87.7	184.9	58.2	135.0
<b>Average internal cost</b>							
2003	\$9,712	\$3,301	\$4,217	\$2,058	\$1,606	\$917	\$2,866
2004	\$9,910	\$1,619	\$7,285	\$2,382	\$3,095	\$398	\$2,623
2005	\$3,100	\$2,831	\$12,805	\$1,803	\$3,802	\$1,197	\$2,776
<b>% of respondents that used external advice</b>							
2003	53.3%	24.2%	20.5%	20.7%	20.0%	12.3%	22.4%
2004	35.0%	20.5%	26.7%	12.7%	15.4%	8.5%	14.4%
2005	20.9%	23.3%	33.3%	15.8%	16.0%	6.1%	16.4%

<b>Average external cost</b>							
2003	\$34,831	\$12,522	\$37,812	\$6,583	\$20,669	\$29,244	\$15,502
2004	\$34,921	\$7,709	\$73,320	\$43,615	\$18,545	\$13,757	\$23,513
2005	\$12,690	\$16,004	\$27,447	\$29,245	\$97,973	\$47,632	\$37,523
<b>Average total cost</b>							
2003	\$27,512	\$6,328	\$11,253	\$3,420	\$5,740	\$4,522	\$6,346
2004	\$22,554	\$3,182	\$27,199	\$7,733	\$6,135	\$1,593	\$6,241
2005	\$5,709	\$6,722	\$20,953	\$6,265	\$19,950	\$4,184	\$8,772
<b>Average total cost by FTE</b>							
2003	\$508	\$95	\$161	\$95	\$86	\$41	\$120
2004	\$170	\$69	\$413	\$79	\$123	\$44	\$83
2005	\$40	\$87	\$106	\$37	\$157	\$29	\$59
<b>Average total cost as % of turnover</b>							
2003	0.36%	0.07%	0.07%	0.03%	0.06%	0.10%	0.16%
2004	0.07%	0.03%	0.17%	0.04%	0.06%	0.02%	0.09%
2005	0.00%	0.03%	0.04%	0.01%	0.18%	0.01%	0.01%
<b>Environment as % of total compliance costs</b>							
2003	40.7%	13.5%	17.2%	9.6%	13.9%	10.2%	19.1%
2004	15.4%	12.0%	36.6%	24.1%	16.6%	4.4%	16.6%
2005	12.5%	15.4%	17.5%	15.6%	31.1%	7.4%	19.3%

**Figure 31: Environment Costs per FTE by Grouped Industry (2003, 2004 & 2005)**

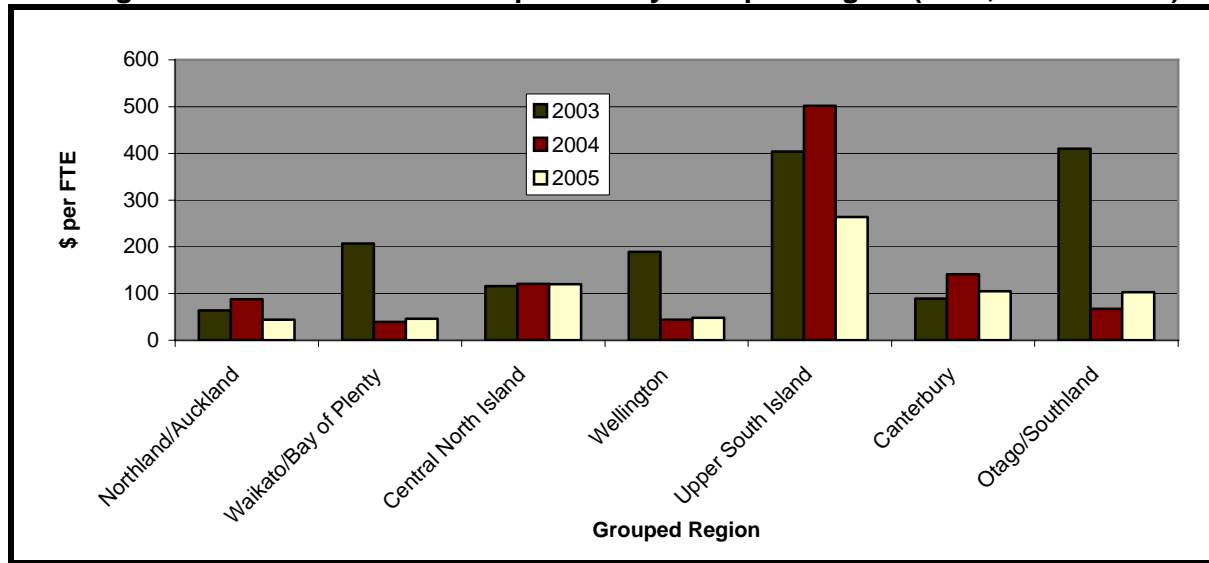


**Table 68: Environment Compliance Costs by Grouped Region (2003, 2004 & 2005)**

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
<b>Mean annual hours spent within enterprise on Environment</b>							
2003	128.2	227.0	352.2	160.0	284.1	86.3	227.0
2004	144.2	78.5	209.7	62.6	307.3	141.0	92.3
2005	143.8	113.2	216.2	195.0	202.0	132.7	51.2
<b>Average internal cost</b>							
2003	\$2,441	\$4,325	\$6,706	\$3,046	\$5,410	\$1,643	\$4,321
2004	\$2,839	\$1,546	\$4,129	\$1,233	\$6,051	\$2,776	\$1,817
2005	\$2,957	\$2,327	\$4,445	\$4,009	\$4,153	\$2,728	\$1,053
<b>% of respondents that used external advice</b>							
2003	22.9%	22.5%	28.3%	22.4%	29.4%	16.2%	35.4%
2004	17.3%	13.7%	22.6%	11.9%	36.8%	14.8%	19.2%
2005	14.2%	14.8%	20.4%	15.9%	19.1%	17.6%	16.2%
<b>Average external cost</b>							
2003	\$15,434	\$18,277	\$14,500	\$33,455	\$14,986	\$12,958	\$30,137
2004	\$34,596	\$7,600	\$12,490	\$9,394	\$33,115	\$22,854	\$9,157
2005	\$45,965	\$23,803	\$40,063	\$54,326	\$21,473	\$18,756	\$15,045
<b>Average total cost</b>							
2003	\$5,969	\$8,242	\$10,804	\$10,556	\$9,818	\$3,744	\$14,680
2004	\$8,725	\$2,580	\$7,042	\$2,426	\$17,686	\$6,306	\$3,504
2005	\$9,347	\$5,853	\$11,412	\$12,523	\$8,056	\$6,130	\$3,560
<b>Average total cost by FTE</b>							
2003	\$64	\$207	\$116	\$189	\$404	\$89	\$410
2004	\$88	\$39	\$121	\$44	\$502	\$141	\$67
2005	\$44	\$46	\$120	\$48	\$264	\$105	\$103
<b>Average total cost as a % of turnover</b>							
2003	0.05%	0.13%	0.12%	0.17%	0.21%	0.07%	0.23%
2004	0.04%	0.02%	0.07%	0.02%	0.24%	0.07%	0.05%
2005	0.02%	0.00%	0.07%	0.01%	0.11%	0.04%	0.06%
<b>Environment as a % of total compliance costs</b>							
2003	11.8%	18.7%	17.3%	19.0%	19.2%	15.4%	33.2%
2004	22.7%	8.6%	19.2%	5.1%	38.1%	14.3%	12.0%
2005	14.6%	9.6%	27.3%	14.9%	20.2%	18.8%	11.3%



**Figure 32: Environment Costs per FTE by Grouped Region (2003, 2004 & 2005)**



**Table 69: Environment Compliance Costs by Grouped Years in Operation (2004)**

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
<b>Mean annual hours spent within enterprise on Environment</b>					
2004	12.5	26.2	86.6	138.0	255.1
2005	24.4	57.2	54.2	133.9	246.7
<b>Average internal cost</b>					
2004	\$246	\$516	\$1,705	\$2,717	\$5,023
2005	\$502	\$1,176	\$1,114	\$2,753	\$5,072
<b>% of respondents that used external advice</b>					
2004	6.3%	7.4%	11.0%	18.6%	25.2%
2005	13.3%	10.5%	13.5%	15.6%	20.9%
<b>Average external cost</b>					
2004	\$2,725	\$3,468	\$26,831	\$19,644	\$29,792
2005	\$8,350	\$2,658	\$6,039	\$51,568	\$42,938
<b>Average total cost</b>					
2004	\$428	\$784	\$4,496	\$6,396	\$12,669
2005	\$1,695	\$1,437	\$1,977	\$10,507	\$13,900
<b>Average total cost by FTE</b>					
2004	\$47	\$50	\$69	\$138	\$93
2005	\$74	\$22	\$56	\$128	\$51
<b>Average total cost as % of turnover</b>					
2004	0.03%	0.02%	0.07%	0.06%	0.05%
2005	0.03%	0.00%	0.01%	0.01%	0.02%
<b>Environment as a % of total compliance costs</b>					
2004	2.6%	4.5%	15.4%	16.1%	23.2%
2005	6.9%	6.1%	8.2%	24.9%	14.7%

**Figure 33: Environment Costs per FTE by Grouped Years in Operation (2004 & 2005)**



### 3.4.4 OTHER RELATED COMPLIANCE COSTS

**Table 70: Summary Comparison for 'Other' Compliance Costs (2003, 2004 & 2005)**

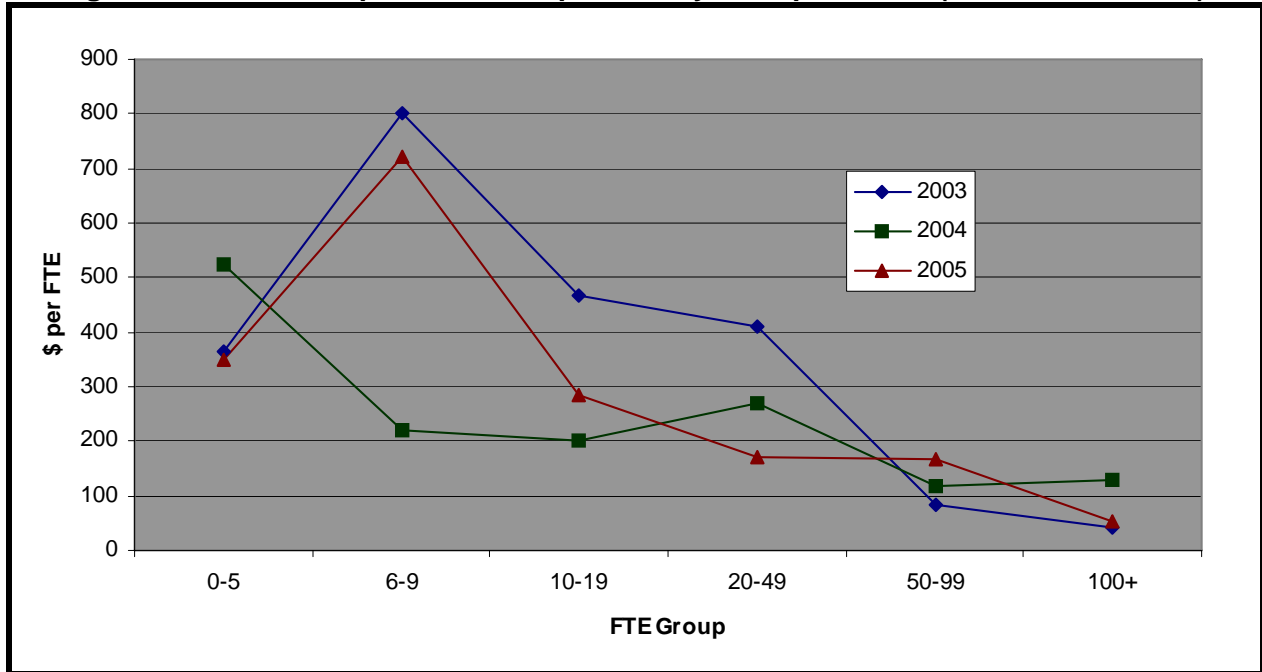
Overall trend (2005)	Increase		
Respondents answering this section (2005)	97.2%		
Internal cost trend (2005)	Increase		
External cost trend (2005)	Large increase		
<b>Year</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Average total cost	\$8,475	\$5,351	\$9,963
Average total cost per FTE	\$131	\$80	\$72
Average mean annual hours spent within enterprise on 'other' costs (all sizes)	260.9	164.0	245.8
Average internal cost	\$4,968	\$3,229	\$5,054
Maximum annual hours spent by enterprise internally on 'other' compliance costs	20,000	11,000	65,000
Average external cost	\$17,954	\$11,692	\$28,238
Maximum annual amount spent by enterprise externally on 'other' costs	\$800,000	\$3,840,000	\$1,000,000
'Other' costs as a % of total compliance costs	18.8%	22.2%	18.8%
% of respondents who employed external advisers	19.5%	18.7%	18.3%

**Table 71: Other Compliance Costs by FTE Group (2003, 2004 & 2005)**

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
<b>Mean annual hours spent within enterprise on Other Costs</b>							
2003	46.1	234.8	224.9	263.5	226.1	681.1	260.9
2004	52.3	50.1	88.2	206.5	272.2	603.0	164.0
2005	33.2	197.1	142.2	191.2	316.7	769.1	245.8
<b>Average internal cost</b>							
2003	\$877	\$4,470	\$4,282	\$5,016	\$4,305	\$12,968	\$4,968
2004	\$1,030	\$986	\$1,737	\$4,066	\$5,360	\$11,873	\$3,229
2005	\$683	\$4,052	\$2,924	\$3,931	\$6,511	\$15,813	\$5,054
<b>% of respondents that used external advice</b>							
2003	11.8%	17.9%	23.4%	20.0%	18.2%	27.0%	19.5%
2004	12.7%	19.8%	19.1%	21.9%	25.0%	16.8%	18.7%
2005	12.2%	18.6%	19.2%	18.9%	21.5%	25.6%	18.3%
<b>Average external cost</b>							
2003	\$2,343	\$7,334	\$8,180	\$37,329	\$8,031	\$30,663	\$17,954
2004	\$5,175	\$3,192	\$5,629	\$20,627	\$9,822	\$47,928	\$11,692
2005	\$2,847	\$6,647	\$5,258	\$7,811	\$25,167	\$96,886	\$28,238
<b>Average total cost</b>							
2003	\$1,154	\$5,782	\$6,193	\$12,482	\$5,765	\$21,237	\$8,475
2004	\$1,699	\$1,616	\$2,775	\$8,307	\$7,870	\$19,047	\$5,351
2005	\$1,016	\$5,305	\$3,916	\$5,342	\$11,593	\$38,057	\$9,963
<b>Average total cost by FTE</b>							
2003	\$364	\$803	\$467	\$409	\$85	\$61	\$131
2004	\$523	\$222	\$203	\$271	\$116	\$42	\$80
2005	\$349	\$723	\$283	\$170	\$168	\$54	\$72

Average total cost as % of turnover							
2003	0.12%	0.27%	0.26%	0.17%	0.04%	0.07%	0.10%
2004	0.13%	0.08%	0.09%	0.14%	0.05%	0.06%	0.07%
2005	0.13%	0.36%	0.09%	0.05%	0.08%	0.01%	0.02%

**Figure 34: Other Compliance Costs per FTE by Enterprise Size (2003, 2004 & 2005)**

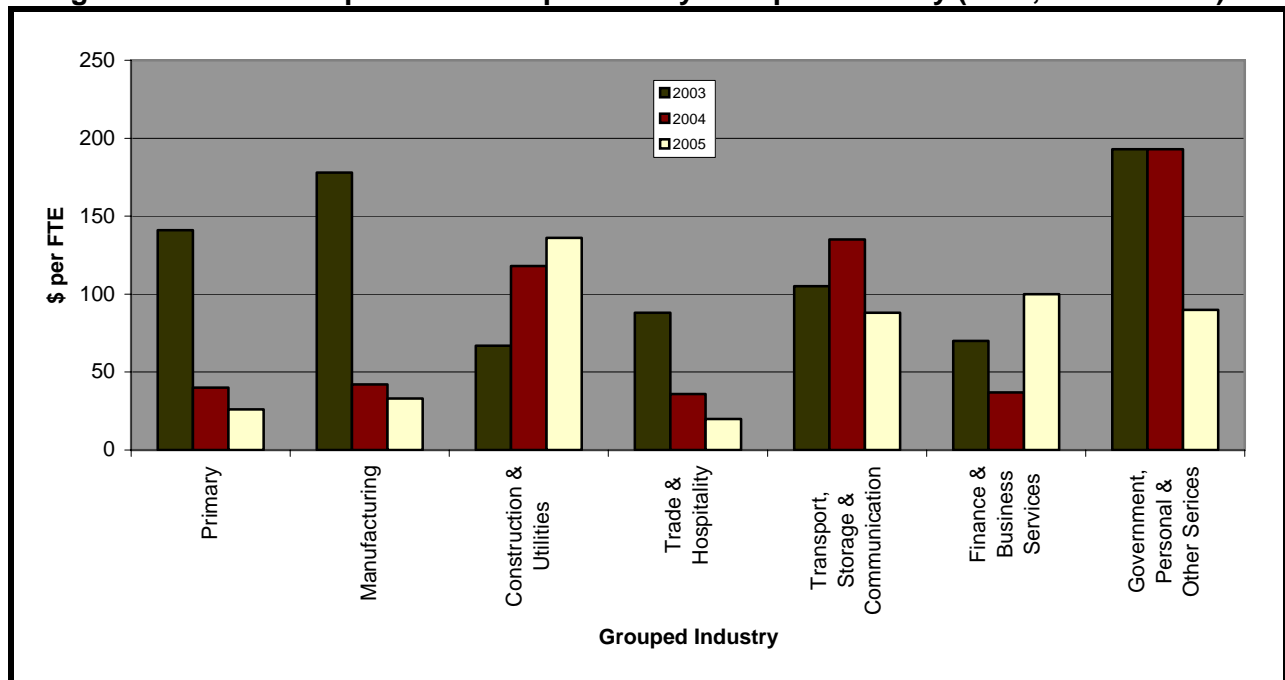


**Table 72: Other Compliance Costs by Grouped Industry (2003, 2004 & 2005)**

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
<b>Mean annual hours spent within enterprise on Other Costs</b>							
2003	220.5	354.0	174.7	78.0	264.2	206.3	351.5
2004	139.1	62.8	176.9	88.6	201.6	30.9	485.2
2005	138.8	89.9	527.2	118.5	217.8	290.3	422.5
<b>Average internal cost</b>							
2003	\$4,199	\$6,740	\$3,325	\$1,485	\$5,030	\$3,928	\$6,693
2004	\$2,739	\$1,237	\$3,483	\$1,745	\$3,970	\$608	\$9,554
2005	\$2,854	\$1,848	\$10,839	\$2,436	\$4,478	\$5,969	\$8,687
<b>% of respondents that used external advice</b>							
2003	14.9%	19.0%	8.7%	19.1%	28.0%	13.3%	27.8%
2004	26.2%	17.4%	17.4%	9.6%	27.7%	13.9%	27.6%
2005	10.9%	17.1%	26.9%	17.5%	29.0%	14.8%	21.3%
<b>Average external cost</b>							
2003	\$22,571	\$26,706	\$19,625	\$8,906	\$7,029	\$28,577	\$12,690
2004	\$7,613	\$4,359	\$24,717	\$18,420	\$10,304	\$5,245	\$18,751
2005	\$7,204	\$4,589	\$59,097	\$5,836	\$23,469	\$61,118	\$23,305

<b>Average total cost</b>							
2003	\$7,561	\$11,827	\$5,032	\$3,185	\$6,998	\$7,719	\$10,218
2004	\$4,547	\$1,940	\$7,794	\$3,482	\$6,750	\$1,357	\$14,589
2005	\$3,647	\$2,552	\$26,956	\$3,409	\$11,149	\$14,413	\$13,443
<b>Average total cost by FTE</b>							
2003	\$141	\$178	\$67	\$88	\$105	\$70	\$193
2004	\$40	\$42	\$118	\$36	\$135	\$37	\$193
2005	\$26	\$33	\$136	\$20	\$88	\$100	\$90
<b>Average total cost as % of turnover</b>							
2003	0.10%	0.12%	0.03%	0.03%	0.07%	0.17%	0.26%
2004	0.02%	0.02%	0.05%	0.02%	0.07%	0.01%	0.20%
2005	0.00%	0.01%	0.05%	0.00%	0.10%	0.04%	0.02%
<b>Other costs as a % of total compliance costs</b>							
2003	11.2%	25.2%	7.7%	8.9%	17.0%	17.5%	30.7%
2004	49.3%	7.3%	10.5%	10.9%	18.3%	3.7%	38.7%
2005	8.0%	5.9%	22.5%	8.5%	17.4%	25.5%	29.6%

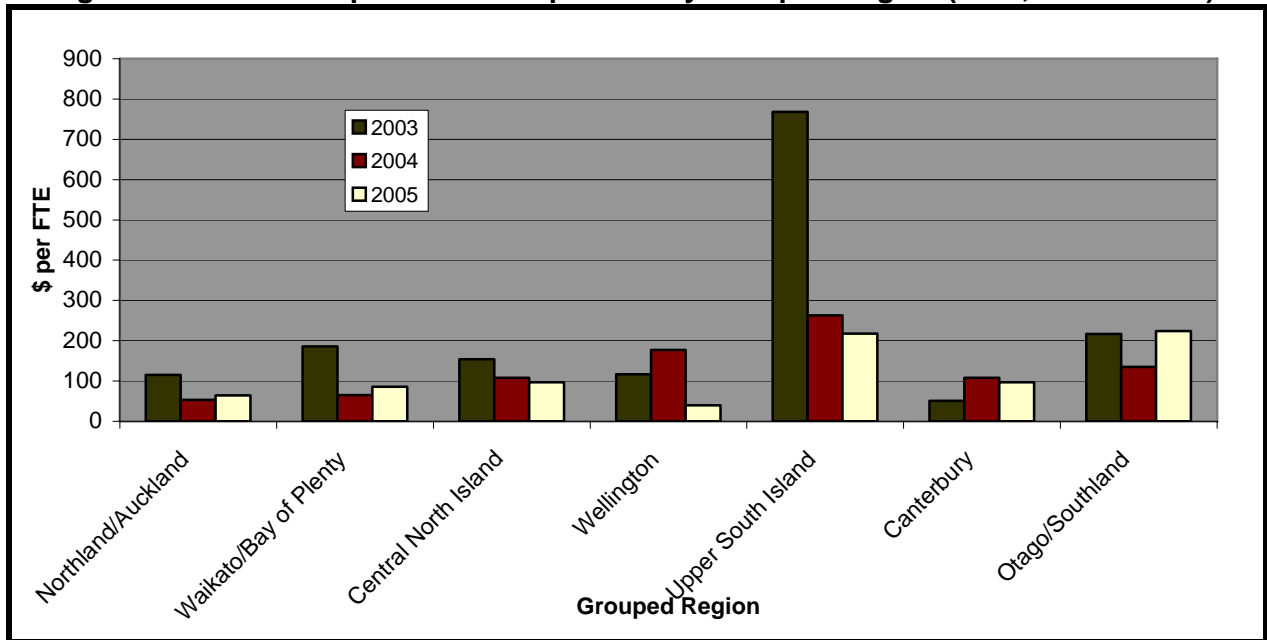
**Figure 35: Other Compliance Costs per FTE by Grouped Industry (2003, 2004 & 2005)**



**Table 73: Other Compliance Costs by Grouped Region (2003, 2004 & 2005)**

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
<b>Mean annual hours spent within enterprise on Other Costs</b>							
2003	243.1	286.3	554.5	187.8	797.7	97.8	295.2
2004	161.5	122.1	227.7	194.7	342.3	140.9	196.3
2005	276.3	254.0	251.5	227.5	296.0	202.0	225.2
<b>Average internal cost</b>							
2003	\$4,628	\$5,452	\$10,557	\$3,575	\$15,188	\$1,861	\$5,620
2004	\$3,180	\$2,404	\$4,483	\$3,834	\$6,740	\$2,774	\$3,865
2005	\$5,681	\$5,222	\$5,171	\$4,677	\$6,086	\$4,153	\$4,630
<b>% of respondents that used external advice</b>							
2003	19.2%	20.2%	26.8%	21.7%	16.7%	11.8%	26.9%
2004	13.6%	24.2%	21.0%	14.9%	47.4%	18.1%	17.9%
2005	16.8%	17.2%	23.5%	15.9%	17.0%	18.5%	22.1%
<b>Average external cost</b>							
2003	\$31,408	\$12,340	\$14,200	\$13,827	\$20,833	\$2,235	\$7,908
2004	\$15,024	\$8,099	\$8,192	\$37,745	\$5,831	\$9,425	\$20,172
2005	\$48,070	\$36,909	\$18,019	\$43,250	\$3,793	\$8,040	\$14,641
<b>Average total cost</b>							
2003	\$10,663	\$7,949	\$14,361	\$6,571	\$18,660	\$2,124	\$7,749
2004	\$5,246	\$4,254	\$6,288	\$9,640	\$9,503	\$4,349	\$7,051
2005	\$13,438	\$10,875	\$9,196	\$10,547	\$6,663	\$5,635	\$7,788
<b>Average total cost by FTE</b>							
2003	\$115	\$186	\$154	\$117	\$768	\$51	\$217
2004	\$53	\$65	\$108	\$177	\$263	\$108	\$135
2005	\$64	\$86	\$97	\$40	\$218	\$97	\$224
<b>Average total cost as % of turnover</b>							
2003	0.09%	0.13%	0.17%	0.10%	0.41%	0.04%	0.12%
2004	0.02%	0.03%	0.06%	0.10%	0.13%	0.22%	0.10%
2005	0.02%	0.01%	0.06%	0.01%	0.09%	0.04%	0.13%
<b>Other costs as a % of total compliance costs</b>							
2003	21.2%	18.1%	23.1%	11.8%	36.4%	8.7%	17.5%
2004	10.3%	14.2%	17.1%	20.4%	13.7%	43.1%	24.1%
2005	21.0%	17.8%	22.0%	12.6%	16.7%	17.2%	24.8%

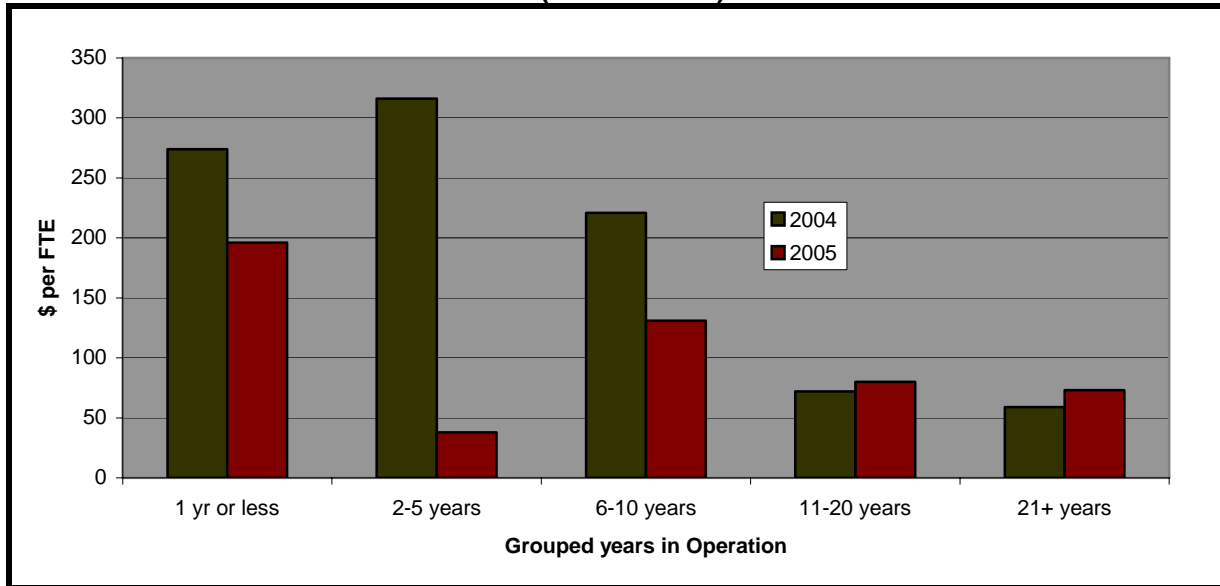
**Figure 36: Other Compliance Costs per FTE by Grouped Region (2003, 2004 & 2005)**



**Table 74: Other Compliance Costs by Grouped Years in Operation (2004 & 2005)**

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
<b>Mean annual hours spent within enterprise on other compliance costs</b>					
2004	74.2	101.7	195.6	104.0	247.9
2005	131.9	85.2	155.2	169.0	443.7
<b>Average internal cost</b>					
2004	\$1,461	\$2,002	\$3,851	\$2,048	\$4,881
2005	\$2,712	\$1,752	\$3,191	\$3,475	\$9,122
<b>% of respondents that used external advice</b>					
2004	15.6%	18.4%	17.7%	15.5%	22.2%
2005	24.4%	15.5%	20.5%	18.5%	17.9%
<b>Average external cost</b>					
2004	\$6,280	\$16,866	\$10,691	\$8,165	\$14,686
2005	\$8,311	\$4,489	\$6,973	\$17,314	\$62,847
<b>Average total cost</b>					
2004	\$2,474	\$4,953	\$5,616	\$3,339	\$8,025
2005	\$4,492	\$2,437	\$4,579	\$6,523	\$19,727
<b>Average total cost by FTE</b>					
2004	\$274	\$316	\$221	\$72	\$59
2005	\$196	\$38	\$131	\$80	\$73
<b>Average total cost as % of turnover</b>					
2004	0.18%	0.15%	0.40%	0.03%	0.03%
2005	0.07%	0.00%	0.03%	0.01%	0.03%
<b>Other compliance costs as a % of total compliance costs</b>					
2004	14.9%	28.1%	45.9%	8.4%	14.7%
2005	18.3%	10.3%	18.9%	15.4%	20.8%

**Figure 37: Other Compliance Costs per FTE by Grouped Years in Operation (2004 & 2005)**





## 3.5 Respondent Comments

We have collated and summarised the information provided by respondents at questions 3, 7, 12, 15 and 18. At questions 3 and 7 respondents were asked to provide a reason for giving their responses at questions 2 and 6 respectively. At questions 12, 15, 18 and 21 respondents were given the opportunity to provide additional comments regarding tax, employment, environment and other compliance costs.

We have paraphrased a number of responses to provide an overview of the general trends of the comments provided by respondents.

### **Question 3 –Helpfulness of Central and Local Government Agencies**

Section B of the survey was designed to obtain information on the perceived helpfulness of Central and Local Government Agencies.

At question 2 respondents were asked to indicate whether their enterprise had had contact with any of the government agencies listed and how helpful they had found them. To indicate the helpfulness respondents were asked to rate the agencies on a scale of 1-5, with 1=very helpful and 5=very unhelpful.

If a respondent indicated a rating of either 1=very helpful or 5=very unhelpful at question 2, they were asked to discuss the reason for giving that rating at question 3.

A total of 250 respondents provided a comment at question 3.

#### **General Perception**

As in 2004, there were a variety of comments, both positive and negative, in relation to a number of government agencies.

It was common for respondents to comment on the helpfulness of websites as they provided an efficient information resource.

#### **Accident Compensation Corporation (ACC)**

*Overall: mixed*

Respondents had a mixed view of the helpfulness of ACC.

Some respondents felt that the ACC system is not user friendly for employers, in particular, one respondent noted that it had taken five years for ACC to get the business onto the correct Premium Classification. There were a number of negative comments regarding the ACC call centre and the overall customer service of the organisation.

In contrast, one respondent noted, “We deal with ACC daily as an accredited provider in the Sensitive Claims area and we have managed to develop a purposeful and effective working relationship over a number of years”. A number of other respondents felt that ACC staff had acted proactively and had been very helpful in one case staff had offered and explained time payment options so that the organisation could delay payment without incurring any extra penalties.

## **Companies Office**

*Overall: positive*

We received a number of positive comments regarding the Companies Office website and call centre. For example, one respondent commented that, “the Companies office is very prompt and quick to resolve any issues. Their contact centre staff seems to have a good knowledge of all processes. The e-system is user-friendly and very quick in responding” while another stated that, “the Companies Office appear to have adopted the attitude to try to make their website and filing documents and applications as easy as possible.”

## **Department of Labour (DOL)**

*Overall: positive*

We received a number of positive comments on the helpfulness of the DOL website and fact sheets. In particular, one employer commented that DOL website, “has a section where you input your question and an answer is emailed to you. The information content was excellent and was provided almost instantaneously. It is an excellent service.”

In contrast, one respondent found DOL staff unhelpful and commented that they, “were unable to give us definite answers in relation to holiday pay calculations for which they are supposed to be the Govt agency with the knowledge. They also tend to be very quick to tell you that it isn’t their area and pass you onto another agency.”

## **Environmental Risk Management Authority (ERMA)**

*Overall: negative*

We received a number of negative comments on the helpfulness of ERMA. In particular, one respondent felt that the takeover of the dangerous goods regulations by ERMA was rushed and many of their employees had no idea of the latest environmental protection practices in commercial use. Respondents commented that while staff were helpful on a one-to-one basis problems with HSNO have resulted in a bad experience dealing with ERMA overall.

## **Food Safety Authority**

*Overall: negative*

Respondents generally seemed to find Food Safety Authority staff unhelpful, inconsistent and uninterested in the commercial implications of their interpretation of the law.

## **Inland Revenue Department (IRD)**

*Overall: negative*

Respondents seemed to have a negative view of Inland Revenue.

There was a general feeling that you may or may not get a helpful response from the call centre depending on the individual answering your call. Respondents noted that while it can be frustrating trying to get through on the telephone, it is even more frustrating to be passed from person to person to have a single question answered. This view is consistent with other comments that Inland Revenue staff seem to have a very narrow area of expertise.

A number of respondents commented that Inland Revenue seems to have a prevailing view that that the taxpayer is guilty unless they are able to prove they are innocent.

A number of respondents commented that they had received factually incorrect requests for information or noted that Inland Revenue was unwilling to amend an assessment when it had entered the incorrect figures into its own system.

### **Local Authorities**

*Overall: mixed*

Respondents had a mixed view of the helpfulness of local authorities and a few respondents commented that the service you receive depends on the individual, or the authority that you are dealing with. For example, one respondent commented that they had a very positive working relationship with the Marlborough District Council, while another commented that Gore are extremely helpful and work as a team while the Southland District Council are unhelpful, almost to the point of obstruction. One respondent commented that the WBOP District Council had been very helpful and had even assisted in setting up accommodation for seasonal workers.

### **Ministry of Agriculture and Forestry (MAF)**

*Overall: positive*

Respondents felt that MAF staff were helpful, in particular one respondent commented that staff at the Seed Bureau at Lincoln were very professional and helpful.

### **Ministry of Education (MOE)**

*Overall: negative*

It seems to be a common perception among respondents that the Ministry of Education is driven by politics alone. In particular, one respondent commented that, “the Ministry of Education is the epitome of bureaucracy, red tape and policy with absolutely no commercial vision or view of reality.”

### **Ministry of Health (MOH)**

*Overall: mixed*

One respondent commented that the Ministry of Health is always excellent to deal with while another felt that they were unrealistic over a chronic condition.

### **New Zealand Customs Service (Customs)**

*Overall: mixed*

We received a number of comments on how helpful customs staff are, in particular one respondent noted that Customs had helped to clarify what they needed to supply and provided guidance and information on the spot.

In contrast, one respondent commented that they found Customs unhelpful, as they could never get a clear answer on issues while another noted that Customs would not provide them with a step-by-step process or the name of a broker.

### **New Zealand Immigration Service (Immigration)**

*Overall: mixed*

We received a variety of comments on the helpfulness of Immigration.

Some respondents felt that Immigration seemed reluctant to provide any clear answers or to assist in the process. One respondent felt that Immigration appeared to actively block any employer trying to employ a person who needs to go through the immigration process.

However, others commented that Immigration was very helpful when they were recruiting overseas and were helpful in assisting them to bring employees into New Zealand.

### **Occupational Safety and Health (OSH)**

*Overall: negative*

The majority of comments on the helpfulness of OSH were negative. In particular, one respondent felt that OSH had “no idea about running a factory and were willing to shut machines down to feel self important.” Another commented that it was very difficult to ensure you comply with OSH requirements due to the fact that definitions are very vague and could be widely interpreted.

### **Statistics New Zealand**

*Overall: mixed*

A number of respondents commented that they found the Statistics New Zealand business surveys a frustrating waste of time and that there were too many of them.

We also received positive comments for example; one respondent commented “Statistics are consistently helpful whenever I call. Also their website is very user friendly.” Another respondent noted that they were impressed that Statistics flew in from Wellington and met with them to try to find ways of reducing the volume of building statistics they were required to supply.

### **Land Transport Safety Authority (LTSA)**

*Overall: positive*

Respondents commented that they had a good relationship with LTSA and that they provide prompt and informative advice in a non-bureaucratic manner.

### **Work and Income New Zealand (WINZ)**

*Overall: mixed*

We received positive and negative comments on the helpfulness of WINZ. In particular, one respondent commented that an employee in Thames, “bent over backwards to help and solved the

problem.” Another commented that WINZ staff at Manurewa had listened to their requirements and provided great staff.

However, we also received a number of negative comments, in particular a number of respondents felt that WINZ was very bureaucratic and that rules seemed to differ between agencies.

### **Question 7 – Change in Compliance Burden**

Section C of the survey was designed to obtain information on the change in the regulatory and compliance burden compared to 12 months ago.

At question 6, respondents were asked to indicate the degree of change they felt their enterprise has experienced in the regulatory and compliance burden compared to 12 months ago. To indicate the change respondents were asked to rate the compliance cost area on a scale of 1-5, with 1=large rise and 5=large fall.

If a respondent indicated a rating of either 1=large rise or 5=large fall at question 6, they were asked to discuss the reason for giving that rating at question 7.

A total of 205 respondents provided a comment at question 7. There were a variety of comments.

#### **General perception**

In general, respondents felt that there had been an overall increase in compliance costs. A number of respondents commented that a lot of legislation had taken effect in the past year resulting in increased compliance costs as businesses updated their policies, procedures and training.

Respondents seem to be increasingly frustrated by the constant legislative reform, in particular, one respondent noted that, “Every year the goal posts move making it harder to carry on with your normal business activities.”

#### **Accident Compensation Corporation (ACC)**

*Overall: increase*

Respondents felt that ACC compliance costs had increased. One respondent noted that accreditation set up costs for physios is \$20-\$30,000. A colleague had been through the scheme and it had cost approximately \$30,000 of his time. It was noted that he would not do it again if he had a choice, but it needs to be done unless they specialise in an area that is not dependent on ACC funding.

#### **Border Control Issues**

*Overall: increase*

A number of respondents felt that border control compliance costs had increased due to the additional costs associated with becoming registered to inspect and open inbound freight containers. One respondent noted that they had faced a huge cost increase in complying with staff certification requirements, time spent on export supervision and complying with new container loading regulations.

Another noted that, “Border controls (from an exporter’s perspective) is increasingly taking up management time and is also slowing down the time to deliver goods”.

### **Consumer Issues**

*Overall: increase*

Two respondents had faced increased costs in relation to Commerce Commission enquires. They noted that there is a significant cost to the business in preparing submissions, responses and subsequent investigations. If the claim is unproven there is no comeback to recover either legal or administrative costs of the investigation.

### **Employment Relations Act (ERA)**

*Overall: increase*

As in 2004, a large number of respondents felt that employment-related compliance costs had increased significantly during the past 12-months. In particular, respondents felt that they had faced huge compliance costs negotiating and reworking employment contracts and agreements as a result of the implementation of the Holidays Act 2003. Employers advised that they have had to update documents, change electronic payroll systems, payroll policies and spend time and money on staff education.

One respondent noted that, “Compliance with the continuing changes in employment law take up an inordinate amount of time to become educated in and to implement, in addition, the costs of having to implement this at multiple business sites...”

### **Education Sector**

*Overall: increase*

One respondent noted that they had faced increased compliance costs as a result of the new regulations for early childhood centres.

### **Hazardous Substances**

*Overall: increase*

A number of respondents commented on the increased workload and compliance costs associated with HSNO compliance.

One respondent commented that the extra workload generated by HSNO has resulted in them employing a full time person to handle these matters. Another respondent noted that the costs of training courses and manuals have imposed a substantial burden on business.

### **Holidays Act**

*Overall: increase*

As in 2004, respondents felt that there has been a significant rise in the costs associated with complying with their obligations under the Holidays Act.

In particular respondents noted that they faced increased costs in educating staff, paying for payroll staff to attend courses, updating employment contracts, purchasing payroll software updates (in a number of cases respondents have experienced significant problems with the new software which has resulted in additional stress and costs).

One respondent noted that, “Changes to the Holidays Act have meant at least a doubling or more (probably somewhere around 150% - 200% INCREASE) of the amount of time required for calculation of payments for leave (sick leave, annual holidays, parental leave - primarily in the annual holidays.”

A number of respondents felt that they were now required to retain a lot more information to enable them to calculate annual leave payments, for example details of Statutory holidays, sick or bereavement leave, and details of when alternative leave days have been taken.

### **Health and Safety in Employment Act (HSE)**

*Overall: increase*

A number of respondents felt that they were facing increasing costs to comply with OSH requirements with many now employing full time staff or consultants to ensure they are meeting the new requirements.

One respondent commented that, “Health and Safety legislation has created a monolithic system of controls/processes which are painful to maintain.”

### **Inland Revenue Department (IRD)**

*Overall: increase*

As in 2004, a number of respondents advised that they had faced increased PAYE compliance costs due to the fact that they are now required to pay PAYE deductions to Inland Revenue twice monthly. One respondent commented that, “Being changed from a small to large employer has caused a huge increase in time and resulted in less time to pay PAYE.” This change creates a huge burden both administratively and it is financially due to the cash-flow implications. In one case, the change was due to shareholder drawings changing to PAYE.

In contrast another respondent had experienced a, “large fall in compliance costs in relation to PAYE because we no longer engage employees. When required, we prefer (due to compliance difficulties) to engage contract help.”

A number of respondents felt that they had faced increased costs in relation to “other source deductions” such as Child Support payments, Court fines, student loans and tax in arrears. One employer noted that, “It is now unusual for an employee not to have a deduction from wages for a student loan, IRD arrears or Court fines.”

Respondents also commented on the costs associated with FBT and GST. In particular one respondent noted that their GST compliance costs had increased significantly as they had undertaken a lot of work on internal systems to ensure that their GST processes are robust and compliant.

## **Question 12 – Tax Compliance Costs**

Section D of the survey was designed to obtain information on the tax compliance costs faced by respondents.

Questions 8-11 asked various questions in relation to the internal and external tax compliance costs and question 12 asked respondents to provide any additional comments regarding tax related compliance costs.

A total of 171 respondents provided a comment at question 12.

### **General**

As in 2004, the most disliked taxes seemed to be PAYE, FBT, GST and Provisional tax.

In general most respondents commented that New Zealand's tax legislation was overly complex and due to the fact that it seemed to be constantly changing, tax compliance was very time consuming. One respondent commented that, "The cost is not in the hours taken to do the work but the hours taken to gain the knowledge. This is huge. This should be measured."

Many respondents felt that tax compliance was far too complex and was stifling growth in small businesses and suggested that, "Relief for smaller businesses from the unacceptably high tax compliance activities would lead to the release of resources to enable more effective performance including business expansion."

A number of respondents commented that their tax compliance costs had increased in the past year as they were relying more heavily on external advisors. One respondent commented that, "Taxation is becoming so complicated that to not employ an accountant is suicidal as penalties for incorrect compliance, assessments etc are prohibitive."

### **Pay As You Earn (PAYE)**

As in 2004, a number of respondents commented that PAYE compliance is very time consuming and expensive. Due to the fact that some respondents are now "large employers", they are required to pay PAYE deductions to Inland Revenue twice monthly. Accordingly, they have been required to install and implement new electronic payroll systems to meet legislative requirements.

A number of respondents commented that most of their in-house tax related costs are in relation to PAYE.

### **Fringe Benefit Tax (FBT)**

A number of respondents felt that FBT compliance costs are extremely high and that the FBT multi-rate calculation is far too complicated. One respondent felt that "It is cheaper just to pay the maximum FBT" while another commented that they have stopped providing fringe benefits to avoid the compliance costs associated with paying FBT.

A few respondents felt that we should revert to one rate based on 33% for FBT and Personal Income Tax.



### **Goods and Services Tax (GST)**

A number of respondents felt that the majority of the time they spend on their tax compliance is on GST-related matters. This suggests that GST is a substantial compliance cost to a number of businesses.

One respondent commented, “Dealing with GST is a daily occurrence and is an enormous burden with a large non-compliance risk.”

We received comments that being able to file GST returns on-line is useful.

As in 2004, we received a few suggestions to abolish all other taxes and retain GST but at a higher rate.

### **Provisional Tax**

A number of respondents commented on the high costs involved in planning for and calculating provisional tax payments. It was noted that it was important to devote a lot of time on this, as the financial cost of getting it wrong is potentially huge.

### **Other Source Deductions**

A large number of respondents felt that employee deductions such as child support, student loans and court fines place a huge burden on employers and that the requirement to withhold these deductions created a lot of extra compliance work.

## **Question 15 – Employment compliance costs**

Section E of the survey was designed to obtain information on the employment compliance costs faced by respondents.

Questions 13 and 14 asked various questions in relation to the internal and external employment compliance costs and question 15 asked respondents to provide any additional comments regarding employment related compliance costs.

A total of 150 respondents provided a comment at question 15.

### **General**

Respondents commented that employment-related compliance costs continue to be very high. There was general comment that there is a lot of pressure for businesses to keep up to date with any legislative changes and to ensure compliance in all areas for example the Employment Relations Act (“ERA”), the Holidays Act and OSH legislation.

One respondent noted that, “Employers continually have to spend more and more time on HR issues, purely because of the volume of legislation (approx 10 Acts) that has an impact on the HR of a business. It seems that we have moved from the ridiculous to the sublime!”

### **ACC**

A number of respondents commented on the high compliance costs associated with ACC. A few employers noted that they have spent a number of hours attending ACC disputes meetings over

the past year while another noted that, “ACC has become too cumbersome to understand therefore we have had to hand this over to our accountant thus increasing overheads.”

### **Employment Relations Act (ERA)**

A huge number of respondents commented on the high costs associated with complying with the ERA and changing legislation.

A number of respondents commented that they have faced huge employment relation compliance costs in the past year mainly in relation to updating employment contracts a number of times to ensure that they comply with current employment legislation. One respondent commented that, “Varying employment agreements twice in 12 months was a huge cost, particularly in the time of experts to write clauses and managers and staff to negotiate the changes.” A few respondents noted that they “employ independent contractors only now to minimise all the nonsense”.

Respondents noted that they had obtained information from a variety of external sources including:

- Employment lawyers;
- Restaurant Association of NZ;
- Federated Farmers advisors;
- Employers and Manufacturers Association;
- Website [www.ers.govt.nz](http://www.ers.govt.nz);
- Free phone service of the Employers Association;
- Canterbury Employers Chamber of Commerce; and
- BIZ Info Website.

### **Health and Safety in Employment Act (HSE)**

A number of respondents felt that they incurred high costs to ensure they are OSH compliant. For some respondents Health and Safety was the most “time consuming, worrying and expensive” employment related compliance cost.

One respondent felt that they spent a huge amount of time, “identifying hazards, conducting regular reviews, logging employee changes, keeping paper trail on Health & Safety and training staff” while another employer felt that they spent a lot of time keeping up to date on the health and safety legislation and the testing of this legislation in Court.

### **Holidays Act**

Many respondents felt that the Holidays Act 2003 was still a large employment-related compliance cost. For example, one respondent commented, “the Holidays Act 2003 remains a huge demand on time, calculating holidays, where no worker has regular hours, or days, of work!”

Respondents also commented on indirect costs, for example, the cost of implementing new software to deal with the changes, updating employment contracts and educating staff on the changes and new systems as well as the direct cost of the extra holiday pay they are required to pay.

## **Question 18 – Environment Compliance Costs**

Section F of the survey was designed to obtain information on environment-related compliance costs faced by respondents.

Questions 16 and 17 asked various questions in relation to the internal and external environment-related compliance costs and question 18 asked respondents to provide any additional comments regarding environment related compliance costs.

A total of 46 respondents provided a comment at question 18.

### **General**

The nature of any environment-related compliance costs depend on the nature of the enterprise. The majority of comments were in relation to the compliance costs associated with the Resource Management Act (“RMA”) and the Hazardous Substances and New Organisms Act (“HSNO”). In many instances, particularly with the RMA and the building code, the costs arose in relation to specific projects.

For example, one respondent commented that, “Biosecurity regulations, the HSNO Act and MAF policies are the bane of our nursery business and our horticulture industry. It is so restrictive and hinders the development of new plant varieties, the sale of existing varieties and their promotion to new overseas markets”.

### **Border Control**

A few respondents noted that there is often a significant compliance cost associated with import and export activity in the form of delays associated with MAF fumigating and inspecting sea containers. It was noted that no account is taken of the cost of these delays.

### **Building Warrant of Fitness**

A few respondents commented that building compliance (warrants of fitness) take a lot of time and money.

### **Hazardous Substances and New Organisms Act (HSNO)**

A number of respondents felt that the implementation of HSNO had created a lot of additional environment-related compliance costs and training needs.

One respondent felt that the “HSNO legislation is very poorly put together, and the resulting uncertainty and redoing of work as a result of deficiencies in the legislation impose a major cost on our business”.

### **Resource Management Act (RMA)**

Respondents feel that the RMA imposes high environment-related compliance costs and that excessive time and cost is required to prepare and maintain resource consents required under the RMA. A number of respondents commented that it was very time consuming to progress consent through the local government bureaucracy and one respondent noted that contracting jobs are put on hold waiting for resource consents to be approved.

## Question 21 – Other Compliance Costs

Section G of the survey was designed to obtain information on other compliance costs faced by respondents.

Questions 19 and 20 asked various questions in relation to the other internal and external compliance costs and question 21 asked respondents to provide any additional comments regarding other compliance costs.

A total of 178 respondents provided a comment at question 21 and we received a variety of responses.

### General

The most significant “other” compliance costs in order were:

1. Statistics New Zealand surveys;
2. Companies and Securities laws;
3. Health sector issues, such as audits, certification compliance, health and disability sector standards, Pharmac, District Health Boards;
4. Transport issues;
5. Consumers issues;
6. Education issues, such as dealing with the New Zealand Qualifications Authority audits and paperwork and the Tertiary Education Commission; and
7. Food safety and animal products compliance.

Other compliance cost areas mentioned were: annual accounts, NZX, Compliance with IFRS, EAP and health checks, Child Youth and Family compliance, Commerce Commission line of business threshold audits, Electricity information disclosure regulation audits, Commerce Commission investigations, Accreditation fees, Annual surveys of water craft and Maritime Security requirements and the Department of Courts.

## Question 22 – Your ideas

Section H of the survey was designed to obtain details of any ideas respondents might have to reduce compliance costs. Question 22 asked respondents to provide any ideas they might have to reduce compliance costs.

A total of 299 respondents provided a comment at question 22 and we received a variety of interesting responses. The following are the unedited version of all responses received:

(1) Lay off many Govt. staff who's job it is to promulgate new regulations and laws.---They will do themselves out of a job if they voluntarily stop. It would be like turkeys voting for Xmas! (2) Avoid new regs. and rules which are being put in place simply because some other countries, particularly in Europe, have them in place. For instance, stubble burning on farms.
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1. Do not change the law just to pander a particular group bur only if it is not working. 2. Give more business exposure to the beauracrats who have responsibility to decide on the law so the tehy are familiar with the practical difficulties
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1. To allow other insurance companies to provide ACC policies. to simplify ERA2004
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90% of the permit now require for the road if you are over width or overweight have been done without for many years, why do we need them now?
A flat tax rate or even a 1% transaction tax on ALL transactions without offsets would be wishful thinking.
A good accountant
A lot of legislation particularly from a tax viewpoint seems to tax a philosophical view that everyone is a cheat and into a major fraud. Therefore in an attempt to stop these cheats we all suffer. The law is simply too complex. To be brutal, even good accountants needs experts for relatively simple tax matters and that has to be stupid.
A new RMA A less combative IRD
A very extensive audit on the expenditure and levys of ACC. Some sensible staff need to be employed there they are a disgrace at present.
Abolish some taxes and agencies such as RMA, ACC.
Abolish terminal & provisional tax Make GST acctable inc wages
ACC charges should be paid monthly on declared remuneration through the IRD
ACC Workplace accident insurance must be open to competition. ACC is a sorry arse excuse for an insurer and should be privatised brought up to scratch and sold. That achieved a no claims discount system should be reintroduced to save the untold hours spent on the current crappy, self serving, WSMP scheme. IRD Needs to scrap the idiotic IR345 for those who file on line. GOVT Should stop changing the rules every few months eg ERA, Holidays Act as with each change we need to professionally rework our employee agreements at a huge cost
Affordable and coordinated audit/compliance standards are required.
Align provnl tax with GST returns
All government depts and local authority agencies need to heed what they are told about the costs of complying with them and not just introduce requirements and then leave it to business to absorb the costs of complying with often very poorly conceived initiatives that add nothing but bureaucratic jobs. Stop the 'make work' initiatives called reforming or restructuring being pursued by govt/local authorities that just give them something to do.
All government sectors should look at the company's office's achievements in reducing compliance.
All Govt agency reporting, Tax, Stats etc. coordinated one day a month, that day being an optional day for the enterprise. For H & S. That building site employees be individually registered, and with such registration, it is universally recognised for all building sites. (Accept need built in site specific issues
All new systems introduced by government agencies should be trialled before being implemented to large sectors, sector representatives should be involved in the design of new systems, it should not be left to the policy wonks in Wellington who know little if anything about the day-to-day intricacies of running a small business.
All the paper work is not necessary when applying for a building consent. Paper work does not achieve the result, workmanship and education will.
An account manager at the IRD so you don't end up talking with different people in a call centre who know less than I do.
Answer to question 27 would be all of these as we have a branch in every location named. The biggest of which is in Auckland.
Anything that makes it easier to comply makes it less expensive in terms of time and money, such as forms online, Biz Info. But for answers to those questions or assistance that are not online or over the phone, it is almost impossible to reach someone helpful, easier to just pay an advisor.

As much information as possible should be provided via Internet. Anything that can be done online should be. Get rid of \$1 charge for Company Searches. Great to see link Companies Office and IRD for new company formation.
As this govt. wishes to develop a free trade agreement with China maybe we should copy the regulatory environment they have relative to business!
Auditors fees should be paid by govt. Education required by govt paid by govt.
Basic commonsense legislation
Before changes are made to law, eg Holidays Act, the Govt needs to do a thorough examination of the compliance processes that are required. eg did anybody consider the additional compliance involved in the changes to the holidays act for employers whose employees are all on fixed salaries?
Being a charity we appreciate post paid envelopes
Better and more cost effective tools, maybe Government funded?
Better consistency and liaison between agencies. More clearly written legislation with less room for interpretation. Thorough training of staff in agencies such as LTSA so they know what they're talking about, and their agents such as Vehicle testing/registration - too much conflicting advice and interpretation. One set of calculations in holidays Act for all leave.
Better information sharing between government departments to reduce duplicate reporting
Better service from the appropriate agencies
Beurocrats! sort them out?
Broader use of external advisors therefore minimising the re-invention of the wheel by all members of a particular industry group.
Budget-announced changes to timing of GST & Prov tax payments will create additional significant peaks, which will have to be built into manning levels. i.e earlier payment of GST, and aligning all returns to balance date. Paying prov tax with GST will add significant financial pressure due to timing.
By making the financial impacts of bad policy fall back onto Govt Depts. There is no incentive for the Govt to do anything better.
By not voting National, so we go through another raft of changes...
Careers advisors in schools need to be fully trained and fully resourced to enable them to provide a professional and much needed service to school students. Schools need to be funded on the basis of numbers on the rolls AND outcomes, the main one of which should be paid gainful employment - we are struggling to have schools recommend a career in the trades as a viable career path to school students. Education providers are more interested in the dollar than in the needs of the students, and as a result students are being 'short changed' - "sold" inappropriate courses, which offer little if any hope of employment. The standard of school leavers coming onto the market is very poor and is an indication that there is much work to be done in bringing the education sector up to the level to meet the needs of industry which is desperately short of skilled workers which in turn is having a major negative effect on the development and growth of NZ. Employers need to be encouraged and enabled to employ staff and to upskill without fear of the current employment legislation should the employee not be 'fit' for the job.
Central government call centre to direct enquiries to all relevant departments/legislation. currently difficult to determine which regulations, etc. need to be taken into account for business.
Change government
Change the government :-)
Change the Government
Change the government

Change the government, scrap the employment relations act, clean up ACC & OSH, provide small business support for companies with 10-20 employees.
CHANGE THE GOVT!!!
Change the taxation base to a consumption based tax, i.e. Eliminate all taxes except GST.
Combine monthly tax returns.
Complete review of RMA required
Consistency between government departments, common customer number, reducing number of contacts required, aligning payment dates
Coordination of effort between government departments Simplification of compliance procedures Use of plain English.
Courses on specific tax matters eg deferred tax should be presented by ICANZ to reduce compliance cost
Cross referencing/combing govt. agencies - no need for IRD & WINZ #s Company Returns & Income Tax returns - combine them.
Cut down on Stats NZ surveys - they take up far too much time. Simplify the tax regime - Income tax & FBT in particular takes lot of working through.
Departments need to work better with small businesses, provision of training, guidelines rather than having to access through independent organisations with large costs involved.
Discount of 1% for prompt payment of GST/FBT/PAYE
Do not align due dates - it only causes bottlenecks. Improve Stats NZ surveys - they are hideously long and their management of them logistically is appalling. They never respond to letters and so many people deal with you - you never get the same person twice and no-one ever acknowledges letters and we have to report on a huge number of issues. Why????
do not get academics to start fiddling with accounting standards
Don't change the law. Changes are what wastes time. Also don't try to be perfect at employers cost. Any tax system will have minor inefficiencies
Dump ACC and get the free market back.
E filing of all tax returns
Elimination of FBT tax would help greatly. I suggest adopting the UK approach, which is tax the receiver of the benefit in the same way their salary is taxed.
Employ real people who have worked in the real world with practical experience to formulate legislation governing the various areas of concern. Legislation that works that doesn't have to look good.
Employers shouldn't be caught between the govt and winz/court arrears payments of its employees. its not our problem. Introductions of laws like smoke free should have hand outs/draft letters/stickers sent automatically to employers instead of employers having to work it all out themselves.
Establish a definition of a small enterprise, say turnover less the \$5m pa and allow such enterprises relief from as wide a range of compliance requirements as possible. eg: Lift the threshold for GST Returns Abolish FBT - surely the FBT tax take from small enterprises is not economic
Fair tax system for all concerned
FBT is a real issue. The change in tax rate made the 3-tier system very demanding. The car park issue is also one that caused a lot of compliance issues. The IRD need to be very clear about what is in and what is not. Cross border tax compliance is also a minefield.
FBT return ended December is due 20 January. This is our most difficult return (due to Christmas gifts) and busiest time of the year and no extension is given. Whereas PAYE for the period ended December is given an extension. Instead of FBT items should simply be non-deductible.

FBT return filing to be banished and included just with the companies income tax returns via the annual financial statements
Fewer and simpler rules, especially in respect to the RMA. Less State Nanny, more trust.
File PAYE/Ded less frequently - bi-monthly
Flat tax rate of e.g. 20% for everybody. De minimus limit for FBT of \$2000 pa per employee
Flat tax, or simpler tax regime. Clearer WHT rules.
For IRD to claim compliance costs have reduced is a joke -- thanks to computers not the Govt making the regulations less onerous
For me at this level of business it's just part of the business. It's the prompting that keeps these systems efficient.
For small operators a fit for purpose approach by the agencies would be more realistic rather than a one size fits all model
Found a useful tool for building employment agreements which can save time: <a href="http://www.ers.dol.govt.nz/relationships/builder/guide.asp">http://www.ers.dol.govt.nz/relationships/builder/guide.asp</a>
Fundamental assistance and understanding of situation from government agencies would make all the difference. I have never encountered anyone at said agencies that has any idea of running a business, and thus no understanding of our issues.
Further simplification of the tax system ie plain english tax laws. Lessening of penalties ect for minor infractions
Get advice early
Get people who are still practically involved at grass roots level to be on your committees. Too many are theoretical types.
get rid of the ridiculous laws regarding FBT that are a total waste of compliance time & \$ relating to the "little guy" - THE RULES REGARDING WHAT IS CLASSED AS A PERSONAL VEHICLE VS A BUSINESS VEHICLE ARE LUDICROUS - we are not multinationals!!!
Get rid of this government who is taxing everything that moves by regulation and stealth
Government needs to spend less time dreaming up all the different compliances small business have to comply with, in a lot of cases invented to justify some bodies job, and let us get on with our business. Seems like a lot of passing the buck onto the employer!! The amount of paperwork involved just to run a business is unbelievable.
GOVT DEPTS NEED TO COMMUNICATE MORE WITH EACH OTHER INSTEAD OF REFERING US FROM ONE TO ANOTHER AND SO ON. CONSISTANCY IN DEPTS IS ALSO NECESSARY. SAME DEPT, TWO DIFFERENT ANSWERS.
Greater use of internet for data collection Consultation by government departments with user groups when devising information collection systems.
GST returns should be able to be done 6 monthly by more businesses and Prov.Tax payments linked accordingly
Have assessors who all interpret the rules the same not several different interpretations from one organization
Have available as much web based advice and input as possible e.g. Stats NZ to have web based surveys rather than paper based surveys
Have better systems in place
Have national standards and apply them - no local interpretations



Having half a day with a fully qualified IRD tax agent to put all the forms together to their satisfaction.
Health & Safety requirements need to be more specific and structured. Most SME dont have specialist staff, but areas like OOS and Stress require experienced consultants to address the issues. If there were a checklist or list of specific practical steps provided in the requirements, this would save substantial time.
Health standards shouldn't be rigidly applied to community services
Holidays Act, Relevant Daily Pay etc not a simple calculation - our payroll package(s) couldn't initially be relied on to calculate eg Annual Leave accurately
Huge increase in number of Labour Inspectors required! however, this would not have been necessary if instigators of the Holidays Act 2003 had tested the proposals on our organisation, as the loopholes would, presumably, have been identified, avoided and rectified. Also, personal meetings should be arranged by government representatives, when there is an issue to be resolved.
I have absolutely no idea, and would it make any difference anyway?
I still don't understand why I have to collect the IRD's tax from my employees - the IRD should collect it directly from the Employee or pay me for collecting it for them. Alternatively I could pay them a lump sum for my weekly payroll, IRD deducts the tax and pays the balance to the Employee.
i think some of the compliance costs need not be there. If they are there we should not have to do them until the government is sure that all software providers have got it right and that the software works. So much of our time is dealing with software providers where the software does not met the compliance issues and we get penilalised
If an all-encompassing compliance check list could be developed- tick "yes" or "no". Random checks by Audit NZ.
If new legislation is introduced eg Building Code Compliance Requirements and new forms are needed to be submitted then best practice examples of such forms should be provided
If PAYE not being deducted in a business (because of compliance cost i.e. using contractors) then %10.00 could be added to GST to reduce end of year tax costs. Provisional tax is onerous and costly and i avoid it at all costs using other business structures. It is crippling cost wise for a small business trying to grow.
If the Government slowed down on their dictatorship course and stopped legislating in a reactive manner this may improve. This mis probably unable to be reasonably achieved.
If there isn't a problem don't try to fix it. (Sorry I know that isn't helpful, but it made me feel better.) Try to keep things simple for small employers/businesses
Improve Health & Safety and reduce ACC cost, absenteeism cost, etc
Improvement in clarity/readability of documentation, particularly ACC and Student loan
In the education sector we have compliance costs from the Ministry of Education, Tertiary Education Commission, NZQA and Industry Training Organisations - all require the same info, and charge us to provide it!
Include some hands on practical people when forming the various rules/regulations that small businesses need to follow...employing beurocrats (spelling??) to come up with new ideas and ways of doing things usually creates little benefit and wastes heaps of time and \$. Certainly have these ideas people in the pool, but involve the practical/hands on ones as a means of having the systems workable.
Increased on-line or emailed forms, returns and correspondence to reduce paperwork, postage and the manual handling and filing of information.
Increased web based service access
Increasing compliance costs on business are stifling initiative. It incurs much non-productive cost which cannot be recovered and seems to have been developed by bureaucrats who have not ever been at the coal

face trying to make a dollar.
IR6 able to be completed online
IRD to listen harder to practitioners in the field
It wouldn't matter what we put to reduce compliance costs the government would introduce some form of additional tax to take any savings away!
Its not too bad in New Zealand, its obvious that the Govt agencies are trying. The employment issue is another matter
<b>KEEP THINGS SIMPLE</b>
KISS information sharing between government departments to save repeating same information. Reducing piecemeal legislative change. Government to stop micro managing and give companies room to breath so that they can get on with business rather than spending a lot of time on government requirements. Dont create rules to manage all companies for the lowest common denominator but have harsh penalties for those that do operate at that level.
'Kiwi Card' for businesses whereby each business would have its own [and only one] number
Leave the companies to get on with their work
Legislation needs to be simplified so costs are easier to calculate with certainty eg FBT, ACC
Less and/or simpler tax, less forms and regulations to comply with that even the IRD gets mixed up
Less beaucratic form filling to complete. Improved attitude within IRD
Less complex employment & H & S laws. No room allowed for exercising common sense!
Less cumbersome paperwork from the government for imports. Quadruplicate type forms are time consuming.
Less detail required in Dept. Statistics Returns
Less government departments and civil servants
Less Government inevitably leads to less information. Whether this is a good thing becomes a value judgment
Less government interference in business - both local and central. Legislate for growth not on a knee jerk reaction.
Fewer obligations on small businesses with less than 5 staff. It is crippling us!
Less rules and regulations and more common sense use in work place compliance issues.
Let there be a system of reclaiming these costs with tax relief or change the attitudes of Govt depts to actually treat you as a customer so one does not feel so bad about not only paying but could work more as a team with them.
Level playing field between PTE, Polytec's.
Link prov tax payments to G.S.T returns, do away with FBT (jealousy tax). Link annual tax accounts to the payments of G.S.T i.e. do away with accrual accounting for business where the turnover is less than \$1,300,000. Do away with inconsistent penalties in the tax act
Longer-term and cross-sectorial contracts in the social service sector. We could present our whole service offer as a package to one Govt dept who then worked out which different gov depts appropriately contributed to achieve the outcomes.
Look at combining the number of tax returns into one document. Maybe a business activity return, covering GST, FBT, PAYE, Income Tax and Provisional Tax.
Lower govt costs in order to lower taxation.

Major areas of focus for me would be employment law, acc, and FBT. They all need to be streamlined by making them more straightforward. We do payroll for 25 companies, before Labour got in we did our own payroll and that was it! It's no longer simple. Most SME's cannot get expertise to do all things they need to do, so things like employment contracts just don't happen.
Major simplification of FBT return. Simplification/Clarification of leave calculation in Holidays Act.
Make FBT and entertainment tax simpler.
Make FBT easier.
Make forms and calculations as simple as possible.
Make it easier for business to start up in their first year.
Make it simpler.
Make Stats returns easier to match with management accounts.
Make the specification easier for the average person to understand.
Make things more simple and understandable both for the employer and the employee.
Making the ER act and H&S act more employer friendly to use. Better template contracts.
Modify RMA act. Leave the rating and local govt Acts alone for a while to let them settle.
MOE needs to realise that early childhood centres are usually small individual business run by volunteers - the volume of compliance is high and the people running centres usually do not have detailed knowledge of the regs - MOE either needs to increase admin funding or offer centralised solutions for meeting their requirements
Monitoring and accounting for holidays and holiday pay is time consuming, now seeking outside pay assistance as time spent internally outweighs the cost of external advisors
More forms on websites. GST form a great example of IRD progress. But is sadly only the last step in the process.
More in-depth yet plain-English information in respective websites; e-mail enquiry systems from websites where e-mails are actually responded.
More transparent help from agencies - arrogant public service type attitudes to be outlawed!!!
Move back from the "auditing" industry that has been created
Negate the requirement for outline plan for the installation of shade units when within the designated boundary distances.
Nil
Nil
No more govt initiatives -the saving programme they are promising assumes we will collect the money for them for free!
No new ideas - sorry :(
No payment should be required more than once monthly eg we now have to pay PAYE twice a month which is a pain to remember for a start and also because the bulk of our PAYE to pay is incurred from the 1 - 15 of the month anyway (salaries are paid on the 15th) so our second payment is minimal. Maybe the threshold for this to required should be increased to take into account the increases in wages over the last few years.
No resource management act, more cooperation from government agencies, less hiding behide privacy act.
Not for Profit Organisations can't move the cost and time anywhere

Not sure - as a business we have little choice but to pay taxes. For us there is a need to simplify the tax and compliance structures - reduce the number of taxes as there are many and not all are very transparent and to reduce the tax rates or apply it to value creating options to provide growth and/or more working capital for investment growth. Business compliance is continually increasing as our politicians think of new ways to bring funds in. To higher compliance will reduce the nations ability to compete.
NZ Trade & Enterprise need to be given some discretion without fear of repercussions if ventures are not always successful.
NZIS need to better train their officers in the correct interpretation of policy. They also need to learn that agents do know what they are talking about and should be prepared to listen to alternative points of view. We spend far too much time returning documents incorrectly rejected, passports with incorrect labels, arguing policy detail which visa officers should know.
One tax form once a month. If telecom can place all their service costs on one invoice why can't the government.
Our country would be better served if you concentrated on raising compliance standards rather than lowering costs.
Payment of PAYE by automatic payment to coincide with pay frequency.
Plain English interpretation of the intention and requirements of the legislation, so you can understand what and why you are doing something and you should know that you are complying. Websites are great but most gov't ones still do not make it easy to find what you are after (or to know that what you have found is right!).
Practical application vs a means of making money for Govt and Local Authorities. Far too bureaucratic.
Provide a summary of the areas where compliance is an issue - that is, issue a monthly update on what changes in law or requirements have occurred, guidelines and help to meet those changes, etc.
Provide agencies that can work with businesses to revise their policies, procedures and agreements without additional expense. On-line templates are a waste of resource because they are not specific enough and without the required knowledge a lot of businesses won't be comfortable adapting them for their business.
Provide greater discretion to staff monitoring compliance so they can operate a "common sense" approach rather than follow a process, which may not be appropriate.
Providing on-line access to tax agents for IRD and ACC information. IRD on-line access is good but the next step is where agents can make the transfers would be even better. A similar system at ACC would also help.
Provisional tax - impossible to predict income - unfair penalties - cf Cullen & his unpredicted surplus.
Provisional tax is an awful system, - make it more like PAYE; pay each month based on revenue less expenses for that month multiplied by the relevant tax rate; if rates change with annual income, that is simple too - start at the lower rate, then as revenue less expenses hits each threshold simply pay tax at that rate for the month; with a final simple 'wash-up' if required at year end. Also introduce a flat tax, and remove expenses; simplify compliance for businesses and administration for IRD; and increase business success, the economy, and likely raise total tax take.
Put the cost of companies tax up by 0.5% to cover all compliance costs associated with your particular industry.
Put the onus on the government to do its own work.
Raise amounts for assets to be expensed to \$1000 for simplicity - the depreciation amounts aren't worth the costs for me or IRD.
Raise threshold for bi monthly PAYE.
Recurring PAYE forms could be filed as a standard form (and paid by auto payment).

Reduce "Red Tape".
Reduce company and personal tax. Abolish provisional tax.
Reduce company tax burden. Remove onerous employment related expenses
Reduce frequency of return filing for small businesses. Align dates of return filing. Promote use of electronic filing where ever-possible Pre-assign "account managers" to deal potential queries to avoid call centre mazes.
Reduce new unnecessary legislation.
Reduce number of surveys to 1 per year.
Reduce paper work. For example a pesticides registration package 10 yrs ago was 10 papers; registration today is at least 150 pages.
Reduce tax explain and train the ppsr act properly to the consumer, too hard to understand and implement. Get us using more internet services with training.
Reduce the bureaucracy and streamline where possible.
Reduce the duplication of compliances.
Reduce the level and growth of the Public Service.
Reduce the number of central government FTEs. Create threshold levels (business activity basis) below, which an SME can operate w/o full compliance.
Reduce the number of public sector staff employed to collect information not used for other than political purposes.
Reduce the red tape Endorse self-policing.
Reduce the size of the State Sector.
Reducing the onus on employers to do everything absolutely correctly when doing performance management; employee can make as many mistakes as they almost with no impact. Simplifying H&S requirements. I have local body and private consultant telling me different requirements. The requirements in some cases are very reasonable but in others just excessive. No understanding of cost vs risk.
Reduction of what seems to be requests for information that do not seem to have a lot of value
Reform of RMA coupled with central government not continuing to impose responsibilities on local government that have neither the qualified personnel or the time to interpret and apply.
Remove GST.
Remove tax on tax agencies WINZ collecting income taxes from beneficiaries, so that better service can be provided to the organisations earning revenue and ultimately paying the taxes, and doing the collection process.
Remove the need to follow procedures that ensure we don't get held to ransom by former employees at a later date. We should be able to move someone on who is not working out. We often achieve this but have to spend alot of time and money to make sure we do things "right". Employees ad their Lawyers know that if they come back with a claim for under \$5000 they can expect to get paid off as the balance is tipped too far in favour of the employee from decisions coming out of the courts. They also know the cost of defending ones business from frivolous claims will be > \$5k... some many employers just pay up rather than go to the time and expense of seeing a proper result come from a court!
Repeal Holidays Act and return to basic calculations previously in place for sick leave etc
Repeated Stats surveys to have pre-printed answers from previous years.
Restore some commonsense to the requirements of health & safety, ie let grown-up adult employees take on a degree of responsibility for their own safety. Simplify the tax laws so that lay people can understand what is required. Put the RMA into perspective so that it commonsense prevails, the process is simplified

so progress can be achieved.
Rethink the RMA Process.
Return ACC to private enterprise. ACC is the biggest problem facing us. DO NOT ALLOW the proposed change to the tax act re alignment of GST and prov tax THIS WILL INCREASE NOT DECREASE WORK.
Return ownership to industry.
Review the Holidays Act to help reduce the cost of compliance (e.g. weekly requirement for complicated holiday entitlement and pay calculations).
Revise the RMA it is out dated and un sustainable not to mention counter productive and, at best, stifling.
See above.
Simple tax rules. Tax is a big stress - never sure if we are doing it correctly, huge stress of being audited
Simplification of taxation compliance cost for small business
Simplification of taxes e.g. Entertainment Expenses either 100% deductible or not at all. Get rid of FBT.
Simplify GST and FBT.
Simplify employment regulations.
Simplify FBT & Entertainment rules. Cease the w/h tax for building industry labour contactors.
Simplify H & S compliance for small businesses.
Simplify holidays act, make it easier to terminate staff, remove the burden of student/liable parent etc from the business owner.
Simplify local government procedures.
Simplify tax laws. RMA is very detailed needing another layer of prof. consultants.
Simplify tax rates i.e. no 39 cent Enable termination of employment without all the compliance that the labour government has introduced.
Simplify the rules.
Simplify the tax system.
Simplify the whole tax system and reduce amount of unnecessary legislation.
Simplify: For every new regulation wipe two old ones. For every 2 pages of rules and amendments reduce it to 1 page.
Simplifying the tax system to have just 2 core taxes (ie income tax and paye) and have just one simple tax return a year. Penalties regime needs simplifying too - too cumbersome.
Simply Acts and Payment Requirements.
Simply Holidays Act re daily rate of pay for Sick/ Holidays. Only request Stats info from materially large organisations. Or request annually and average over the quarters as not a lot of changes between quarters.
Small Business Enterprises with minimum staff should not have to complete all these returns, especially statistics returns etc.
Small businesses are hit disproportionately harder than large enterprises. Govt departments should take back in a lot of the work that has devolved to the business sector.
Small businesses could be combined when looking at issues such as accreditation, so that all procedures/protocols are provided on a template. With small adjustments to these for each business, compliance in the health sector would more readily meet the standards. This would significantly reduce the time that had to be spent producing appropriate paper work individually.
Some form of subsidised / free accounting assistance scheme for small businesses, specialising in tax and GST matters - something like a business equivalent of Citizens Advice Bureau.

Sorry not really able to reduce costs stated above within my industry.
Standards requirements should be more defined, as auditors have to guess if you are complying.
Statistics NZ surveys are completely onerous and time consuming and small businesses do not have time to complete them!
Statistics returns electronic, removing manual adding etc.
Stats surveys on-line filing.
Stop changing tax tables. Reduce tax as a company to offset cost of collecting tax for government
Stop making Employers responsible for everything. We are not care givers, parents, social workers
Stop moving the goal posts for the employment agreements. every time new rules are set in place we have to get advise on what to legally have in the agreement, then get it rewritten and go through the whole thing again with our staff.
Stop regulating everything in this country.
Streamline consultation processes Make sure Govt advisers are trained before new legislation is implemented
Streamline employment grievance procedures they are just a gravy train for lawyers & officials
Streamline Hol pay calc Slower pace of change generally - let us get over one issue before another comes in (e.g. 2x major holidays / employment changes in a short space of time)
Streamlining compliance issues relating to employment, health & safety and RMA...
Structures, templates and training should be the responsibility of the various govt departments. We should not have to hire a 'Consultant' to complete our statutory requirements.
Support the introduction of thresholds for compliance such as proposed for FBT from 1/4/06.
Tax - adopt a scheme similar to Australia's BAS to have all Taxes accounted for in a central statement.
Tax deduction for compliance cost based on the number of employees.
Tax simplification - taxes should be levied on consumption rather than on income.
Tax/Wages - all returns/ compliance issues could be completed electronically. I am aware that a number already are - GST etc, however these could be improved by having easier (more effective) electronic interface. (i.e. business enters key data, with electronic system completing all calculations required.) This system could also be used/provide to pay employees.
The costs and the related time involved in complying with them are directly attributable to the excessive increase in laws that the bureaucracy have inflicted on us. It is as if we can't be trusted to run our own affairs or the well-being of our staff.
The Early Childhood Regulations cover a wide variety of regulatory areas. However, the government has introduced some major changes already and is still in the process of reviewing certain regulations. The Early Childhood Council is the best organisation to contact about this issue.
The education sector is overly controlled and duplication takes place between govt agencies.
The Employment legislation is overly skewed towards the employee.
The Employment Relations Act protects employees from bad or unfair employers. But those types of employers are a minority. What about all us employers that want the best for our staff and our business. The way things are structured, I am forced to treat my staff as suspects for an employment relations issue unfairly - but I have to cover myself as 1 employee has the ability to cripple my company and adversely affect the employment of the rest of my staff. That is what I find so unfair. In hindsight - 3 years ago, if I knew all the employment relations "issues" before going into this current business - there is no way I would have gone ahead. I personally feel its just not worth it and if I could get out I would. Small Business's make up a huge proportion of the NZ business sector and we are the ones who are affected the most.

<p>The funding of govt activity on a user pays basis is flawed. Funding should be done by taxing those who benefit the most from their belonging to the community. The best measure of this benefit is wealth; this wealth is generally exhibited as property ownership. All taxes should be eliminated and replaced with a single rates based tax. Administration is simple and efficient avoidance is impossible. The result is equitable and efficient, Not only would many government staff be released from an unenviable role of TAX collector but business would require significantly less administration, no ACC, PAYE, FBT, GST no deadlines no penalties no frustration no confusion. In addition it would avoid the wasteful practice of investing in property for capital gain over time and a tax dodge this is an inefficient use of a most valuable resource.</p>
<p>The Government should pay employers to do PAYE - a percentage of the take should be considered.</p>
<p>The rules for employing labour are too complex for a small business employer to spend the time understanding it all.</p>
<p>The tax system needs to be simplified to act more on the honesty of the user. The fact is there are more honest people than dishonest. Work out the cost of that not the cost of the losses and how about getting stuck into them not pampering to them.</p>
<p>The time spent on compliance, by small businesses is a larger % in comparison to the medium to large businesses</p>
<p>There has to be a revolution in thinking at Central Government level to rein in beaucracy to set the tenor for all other regulatory bodies.</p>
<p>There has to be more specific guidelines offered in department publications, or alternatively call centre staff need to be more informed or given authority to give direct yes/no answers to questions.</p>
<p>There is a strong need for the FBT regime to be simplified.</p>
<p>There is still much to be done in regard to Statistics information and I question the value of collecting info on Numbers getting super, or health benefits, and on FBT &amp; motor vehicles etc. Overall however the Statistics Dept have improved on their information collecting and the time involved. The worst feature of this type of activity is that in many fields employers have to provide data e.g. import/export information, and incur costs in doing so, and then if we wish to access ant info associated with that data we are charged for the privilege of doing so which seems to be somewhat inequitable. It is very much a one-way street. One particular compliance cost - and excessive cost to the employee - is complying with attachment orders from the Courts. In the first instance the charges levied by the Courts in this area of enforcement are grossly excessive. Secondly they are imposed before any attempt is made to arrange for employees to enter into payment arrangements. Yet after enforcement proceedings are taken, the Courts have no difficulty finding the worker. While the easy answer is that they should have paid in the first instance, most of them have no conception it often seems that fines are outstanding so they incur extra excessive "penalties" which they pay via the attachment orders. This has occurred not only with our transient staff but also with those who have been employed long term. In the end result there is large compliance issues for an employer no only in the physical collection &amp; remittance but more particularly in trying to ascertain in the first instance whether such monies are really due and trying to assist the employee in meeting the burden. Generally representations have to be made to have teh weekly amounts modified to such sums as an employee can realistically afford.</p>
<p><b>THERE NEEDS TO BE A SERIOUS REVIEW OF THE TAXES, REGULATIONS AND OTHER COMPLIANCE MATTERS TO SEE IF THERE ARE ALTERNATIVES.</b></p>
<p>This is normal business cost depending on size of the company.</p>
<p>To do as much online as possible.</p>
<p>Too many central and local authorities not communicating with each other. A One Stop Shop would be nice.</p>



Too much time is spent on FBT returns, tax returns for CFC operations.
Training of staff before employment in the H & S Act, IEA, First Aid connecting to NZQA etc.
Under the RMA's Notified consents process - so-called affected persons often request the payment of Koha to obtain their approval (Pakeha and Maori). This is wrong and invites corruptive practices. It's also starting to become endemic - something needs to be done about it as this is a hidden compliance cost for many developers. We refuse to pay and this leads to convoluted Council and Environment Court Hearings, which exceed in costs the amounts that were originally being requested for the consents. What do you do?
Undertake a comprehensive review of the resource management act. Provide adequate staffing to allow matters top be processed through the courts. Eliminate beauraucratic procedures in local authorities.
Undue & large compliance requirements imposed on small business organisations.
Use accounting reports to post GST report.
Use direct taxation to cover the costs.
Use Insurance to cover low risk factors.
Use more electronic forms - especially Dept of Statistics.
Vote Libertarianz <a href="http://www.lp.org.nz">www.lp.org.nz</a> .
We can generate PAYE and GST returns in-house from our computer applications. It seems unnecessarily time consuming to copy the information by hand on to official IRD forms. It would be great if we could send IRD the returns that are generated from our systems. I have looked at using ir-file - but it seems quite complicated to learn to use for the size of our returns.
We don't really have a huge issue with this at our work.
We have a comprehensive food safety systems "self audit" facility in house. I would like to see other compliance matters (e.g. HSNO, OSH, Fire Safety) added to the self audit list
We moved all our manufacturing and most of our warehousing overseas 2 years ago because of these costs.
We spend a huge amount of time advising clients on meeting minimum compliance standards in tax and employment. We are increasing doing low level work for clients because the risks for them are so great - thereby increasing their compliance costs. Changing the timing of tax payments does not lessen the compliance costs.
Web access and forms are excellent for dealing with IRD. Good to extend to other areas.
Web based food safety programs, which outline basic fundamental faced by all food handlers, which could then be tailored to the individual business.
Where there is compliance cost is generally because legislation is complicated or it is not part of natural business process. So address the source first before addressing the cost of compliance. There is too much compliance, which constrain business and life in NZ.
Why cannot Statistics NZ returns be completed via the web?
Wipe FBT
Yes, as far as tax goes why can't we pay pur income tax based on our GST amounts all at the same time we pay GST instead of Prov Tax. This would allow more accurate cash flows and enable us to forecast better without having to wait until annual returns are filed and get stung with UOMI no matter how carefully we plan - if you grow you are penalised and we have expanded at a rate of 50% each year so it does hit hard. We would be better able to cope with payments on a once monthly Or two monthly basis.

## 3.6 METHODOLOGY

### Purpose of the Survey

The purpose of this survey is to measure compliance cost perceptions and trends over time. The three surveys undertaken thus far have been in an environment where there has been much discussion on the need to reduce the compliance burden, particularly on small and medium sized enterprises.

### Target Population

The target population was identified as any New Zealand enterprise, since the aim of the survey was to collect information on business compliance costs in New Zealand.

Business New Zealand has an appropriately broad sub-population base on which to conduct a survey on business compliance costs through the member enterprises of its four regional associations (Employers' and Manufacturers' Association (Northern); Employers' and Manufacturers' Association (Central); Canterbury Employers' Chambers of Commerce; and Otago Southland Employers' Association). It also has over 55 affiliated industry groups from which the survey can also be sent out to. For the 2005 survey, the survey was also sent out for dissemination amongst four industry groups, as well as the New Zealand Institute of Chartered Accountants, KPMG taxmail recipients and Business Mentors New Zealand

### Questionnaire Design, Consultation, and Testing

#### Definition Used

In all three questionnaires we have used the following definition of compliance costs:

*Compliance costs are the administrative and paperwork costs businesses incur when meeting a regulatory obligation. They include the costs of:*

- *Collecting taxes and rates for central and local government (but not the actual amounts of taxes or rates);*
- *Requirements to submit information to the Government.*
- *Obligations imposed on businesses to benefit others (e.g., consumer rights, health and safety, border control, etc).*

*Compliance costs can be both tangible and intangible and they can also be non-monetary, e.g. time spent dealing with paperwork as well as stress and anxiety. They can also include the time and costs of any disputes, the time taken to prepare and make applications (e.g., for permits or consents) and the subsequent wait for decisions to be made on them.*

It is important to note that the survey definition excludes the additional wage and salary costs from increases in minimum entitlements under employment-related legislation. This is

particularly relevant for the 2004 survey, which fell shortly after major changes were made to the Holidays Act.

### **Changes in the 2005 survey**

After the 2003 compliance costs report was released, Business New Zealand undertook to review the questionnaire in the lead up to the 2004 survey, which overall, increased the size of the questionnaire from 19 to 29 questions. The 2005 survey is largely similar to 2004, with the main changes involving:

- The removal of a question asking the change in turnover from the previous accounting year. The 2004 survey found there was little difference in any of the variables by change in turnover, which meant the question was not warranted for future inclusion
- The inclusion of a question asking respondents whether they had had contact with the BIZ info website and if so, how helpful they found it to be. This question was included as the website is run through New Zealand Trade and Enterprise, and it's aim is to provide information to help run businesses better.

### **Delivery of the Survey**

Like the 2003 and 2004 surveys, Business New Zealand decided to use a web-based delivery option.

A high proportion of businesses currently have e-mail and Internet access and Business New Zealand has found that the web-based option is user-friendly and results in a relatively high response rate. Importantly, a web-based survey also has considerable time and cost advantages over phone or paper-based surveys. Business New Zealand decided not to have a paper based version available in 2005, given the extremely low usage of this format in previous years. The URL addresses for the survey were set up using the Employers' and Manufacturers' Association (Central) web-survey system.

### **Data Capture and Confidentiality**

The regional associations and other industry groups were assigned the task of sending the survey into the field by e-mailing the URL links to their members. The survey was sent out to the population of the regional associations with e-mail access.

The regional associations sent an e-mail message to each participant informing them of the background and aims of the survey, along with a URL link to the survey and a unique identification number that the respondent would input when completing the survey.

Only the regional association/industry group and the respondent knew what their identification number was and the relationship between the number and the enterprise was not disclosed to any other party, including either Business New Zealand or KPMG. After respondents submitted their responses over the web, the data was automatically transferred to a data capture system, run by an independent IT contractor.

To avoid respondents submitting information more than once, a cookie control was set up by the IT contractor, which automatically stored a random code to the respondent's PC. If the respondent tried to submit the survey again, they would be taken to the URL link that informed them that they had already completed the survey. As the code was random, it did not have any connection with a respondent's identification number and the cookie code was not retained on any database, so further assuring the confidentiality of respondents.

Considering the length of the survey and the burden this might have placed on some respondents, Business NZ also provided incentives for participation, which involved those submitting a response being entered into a prize draw.

### **Field Time**

The survey was conducted over a two-week period from 1 August to 12 August 2005. The timing of the 2005 survey was somewhat later than the 2003 and 2004 surveys because of the Business NZ Election Survey that was in the field during the June/July period. To avoid respondent burden, it was decided that the Compliance Cost Survey be administered at a later date. After the initial e-mail was sent out by the regional associations to notify the respondents of the survey and provide them with a link to the website, reminder e-mails and phone calls were made by the respective regional associations and industry groups to those who had not yet completed the survey.

### **Final Dataset**

1172 responses were received for the 2005 survey. After the survey was closed, the raw dataset was sent to Business New Zealand, with the data compiled and analysed by Business New Zealand staff using SPSS statistical software.

### **Limitations to the Dataset**

The survey was conducted within the population of members of Business New Zealand's four regional associations, as well as selected industry groups. As such, it is not a fully representative sample of New Zealand enterprises as set out in Statistics New Zealand's Business Demography Statistics.

For example, the number of respondents has a bias towards medium and large sized enterprises with relatively fewer micro or small enterprises, although the proportion of micro-small enterprises has continued to increase. In terms of industry sector, manufacturing was significantly over-represented while property and business services were significantly under-represented. Regionally, the South Island was over-represented, while the lower half of the North Island was under-represented.

However, while these limitations may impact upon the overall results, the breakdowns by enterprise size, industry, and region nevertheless provide credible data for even those areas that were under-represented. For example, even though only 30.8% of respondents had five or fewer employees (compared to 84% of the population), this still constituted 361 respondents. The

proportion of respondents with 0-9 FTEs was also higher in 2005 (42.7%), than 2004 (40.5%) and 2003 (33.2%).

In summary, the important point to note is that the survey results are indicative rather than conclusive.

## 3.7 SURVEY FORM

Business|NZ



### **BUSINESS NEW ZEALAND – KPMG COMPLIANCE COST SURVEY**

#### **Statement of Purpose**

Most businesses accept that a certain degree of regulation and associated compliance cost requirements are necessary. However, if they are overly complex and onerous they can create significant costs. This is particularly so for small businesses, which face disproportionately higher compliance costs and penalties for non-compliance. According to the 2001 Report of the Ministerial Panel on Business Compliance Costs, high compliance costs stifle innovation, hinder competitiveness, deter compliance, and discourage firms from growing and taking on more staff.

Business New Zealand, in conjunction with KPMG, is undertaking an annual compliance cost survey of the business community with its four founder members, the Employers' and Manufacturers' Association (Northern), Employers' and Manufacturers' Association (Central), Canterbury Employers' Chamber of Commerce and Otago-Southland Employers' Association), as well as a range of Industry Groups. Business New Zealand provides coordination and analysis of the survey, while Employers and Manufacturers' Association (Central) is providing technical support for the survey. The survey is also supported by the Business in the Community Ltd.

This will be the third annual compliance cost survey conducted. The results of this survey will be critical for our ability to monitor compliance cost trends and will enable us to better advocate for a more business friendly policy and regulatory environment, including lower compliance costs.

The responses you provide will not be attributed to any business and will be kept strictly confidential. Everyone who correctly inputs their allocated id number will go into the draw to win either the first prize of \$1,000 worth of Travel Vouchers, or the second prize of a case of wine.

We would be grateful if you can complete the survey by 15 August 2005

Thank you for taking the time to complete this survey.

Phil O'Reilly  
Chief Executive

Alan Isaac  
National Chairman

KPMG issue real-time information on key tax updates and changes that effect business in their taxmail electronic publication. If you or your business is interested in receiving these electronic updates, or you are interested in looking back at key tax changes and Government announcements over the last 12 months please visit [www.taxmail.co.nz](http://www.taxmail.co.nz)

Business NZ and KPMG acknowledge the support of the following organisations in being involved in the Business NZ KPMG Compliance Cost Survey for 2005:

Employers & Manufacturers Association Northern  
Canterbury Employers' Chamber of Commerce  
Employers & Manufacturers Association Central  
Otago Southland Employers Association  
Business Mentors New Zealand  
Federated Farmers of New Zealand  
Meat Industry Association of New Zealand  
New Zealand Retailers Association  
Road Transport Forum New Zealand  
New Zealand Institute of Chartered Accountants

Please take a moment to read the following section before completing the survey.

### **Definition of Compliance Costs**

Compliance costs are the administrative and paperwork costs businesses incur when meeting a regulatory obligation. They include the costs of:

- Collecting taxes and rates for central and local government (but *not* the actual amounts of tax or rates);
- Requirements to submit information to the Government; and
- Obligations imposed on businesses to benefit others (e.g., consumer rights, health & safety, border control etc).

Compliance costs can be both tangible and intangible and they can also be non-monetary, e.g. time spent dealing with paperwork as well as stress and anxiety. They can also include the time and costs of any disputes, the time taken to prepare and make applications (e.g., for permits or consents) and the subsequent wait for decisions to be made on them.

For the purpose of this survey, please exclude the cost of preparing your enterprise's end of year financial accounts.

**This survey should take around 15 minutes to complete.**

## COMPLIANCE COST SURVEY - 2005

Please enter your respondent identifier number/code from the e-mail that informed you of this survey.

\_\_\_\_\_

### Section A. Compliance Cost Priorities

1. Please select in priority order the *three* most significant compliance cost areas facing your enterprise.

Compliance Cost	Priority (Please insert 1, 2 and 3 to indicate your 3 selections)
ACC	
Border Control & Biosecurity	
Companies Act/Securities Act/Takeovers	
Consumer Issues	
Education Sector	
Employer Based Superannuation Schemes	
Employment Relations Act	
Food Safety	
Hazardous Substances & New Organisms	
Health Sector	
Health & Safety in Employment Act	
Holidays Act	
Local Government	
Resource Management Act	
SNZ Surveys	
Tax	
Transport Sector	
Other Compliance Costs	

### Section B. Helpfulness of Central and Local Government Agencies



2. Please indicate whether in the past 12 months your enterprise has had contact with the following central and local government agencies (e.g. individual person-to-person contact, call centre or websites) and how helpful you have found them.

Agency	Have you had contact with this agency over the past 12 months?	If yes, how helpful did you find the agency?				Very unhelpful
		Very helpful	Helpful	Neither helpful or unhelpful	Un-helpful	
Accident Compensation Corporation	Yes/No	1	2	3	4	5
Companies Office	Yes/No	1	2	3	4	5
Department of Labour	Yes/No	1	2	3	4	5
Environmental Risk Management Authority	Yes/No	1	2	3	4	5
Food Safety Authority	Yes/No	1	2	3	4	5
Inland Revenue Department	Yes/No	1	2	3	4	5
Local Authority	Yes/No	1	2	3	4	5
Ministry of Agriculture & Forestry	Yes/No	1	2	3	4	5
Ministry of Education	Yes/No	1	2	3	4	5
Ministry of Health	Yes/No	1	2	3	4	5
New Zealand Customs Service	Yes/No	1	2	3	4	5
New Zealand Immigration Service	Yes/No	1	2	3	4	5
Occupational	Yes/No	1	2	3	4	5

Safety & Health Service						
Statistics NZ	Yes/No	1	2	3	4	5
Transport Agencies (i.e., CAA, LTSA, MSA)	Yes/No	1	2	3	4	5
Work and Income NZ	Yes/No	1	2	3	4	5
Other (please specify)		1	2	3	4	5

3. If you have indicated a rating of 1 (very helpful) or 5 (very unhelpful) with any of the government agencies mentioned in question two above, please feel free to discuss the reason why you allocated these ratings in the box below:
4. What is your preferred means of communication with Governmental Agencies? (Please select one only)
- Call Centre
  - Individual person-to-person contact
  - Website
5. Have you ever used the Biz info website port?  
Yes  
No

If yes, please indicate how helpful you have found the Biz Info website port to be:  
Very helpful  
Helpful  
Neither helpful or unhelpful  
Unhelpful  
Very unhelpful

### Section C. Change in Compliance Burden

6. Please estimate the degree of change you feel that your enterprise has experienced in the regulatory and compliance burden compared to 12 months ago, with respect to (please circle one number for each compliance area):

Compliance Cost Area	Degree of change in regulatory and compliance burden over past 12 months				
	Large Rise	Modest Rise	No Change	Modest Fall	Large Fall
Tax Compliance Costs					
• PAYE	1	2	3	4	5
• FBT	1	2	3	4	5

• GST	1	2	3	4	5
• Provisional Tax	1	2	3	4	5
• Other source deductions (e.g., student loans, demands for deductions from IRD, child support etc)	1	2	3	4	5
<b>Employment Compliance Costs</b>					
Accident Compensation and Rehabilitation	1	2	3	4	5
Employer Based Superannuation Schemes	1	2	3	4	5
Employment Relations Act	1	2	3	4	5
Health & Safety in Employment Act	1	2	3	4	5
Holidays Act	1	2	3	4	5
<b>Environmental Compliance Costs</b>					
Border Control & Biosecurity	1	2	3	4	5
Hazardous Substances & New Organisms Act	1	2	3	4	5
Local Government and Rating	1	2	3	4	5
Resource Management Act	1	2	3	4	5
<b>Other Compliance Costs</b>					
Companies Act/Securities Act/Takeovers	1	2	3	4	5
Consumer Issues	1	2	3	4	5
Education Sector	1	2	3	4	5
Food Standards	1	2	3	4	5
Health Sector	1	2	3	4	5
Statistics NZ Surveys	1	2	3	4	5
Transport Sector	1	2	3	4	5
Other compliance costs (please specify the most significant one)	1	2	3	4	5

7. If you have indicated a rating of 1 (large rise) or 5 (large fall) with any of the compliance costs areas mentioned in question six above, please feel free to discuss the reason why you allocated these ratings in the box below:

#### Section D. Estimating Tax Compliance Costs

8. What sources of *external* information and/or advice on **tax matters** has your enterprise accessed over the past 12 months? (Please select any source that applies)

- IRD (e.g., through their publications, website, call centre).
- Legislation (e.g., Income Tax Act, GST Act etc).
- Out of house tax advisers, agents or intermediaries.
- Other publications/advice.
- No external information/or advice

9. About how much time *within your enterprise* (i.e., both staff and employer) was spent on **tax-related** compliance matters over the past 12 months?

- Total hours: \_\_\_\_\_

10. Did your enterprise employ *out-of-house* **tax** advisers/ agents/intermediaries over the past 12 months?

- Yes
- No (please go to Section E – Estimating Employment Compliance Costs)

If **yes**, please provide an estimate of the annual cost of this work. \$ \_\_\_\_\_

11. Does the amount in your answer to question 9 include the cost of preparing your enterprise's annual accounts?

- Yes
- No

12. Do you have any additional comments regarding tax-related compliance costs? (e.g. which tax-related compliance matters take up the majority of your time and cost?)

### **Section E. Estimating Employment Compliance Costs**

13. About how much time *within your enterprise* (i.e., both staff and employer) was spent on **employment-related** compliance matters (e.g. employment relations, holidays, health and safety, ACC etc) over the past 12 months?

- Total hours: \_\_\_\_\_

14. Did your enterprise employ *out-of-house* advisers on **employment-related** compliance issues (e.g. employment relations, holidays, health and safety, ACC etc) over the past 12 months?

- Yes
- No (please go to Section F – Estimating Environmental Compliance Costs)

If **yes**, please provide an estimate of the annual cost of this work. \$ \_\_\_\_\_

15. Do you have any additional comments regarding employment-related compliance costs? (e.g. which employment-related compliance matters take up the majority of your time and cost?)

#### **Section F. Estimating Environmental Compliance Costs**

16. About how much time *within your enterprise* (i.e., both staff and employer) was spent on meeting on **environment-related** compliance matters (e.g., RMA, local authority requirements, HSNO, border control etc) over the past 12 months?

- Total hours: \_\_\_\_\_

17. Did your enterprise employ *out-of-house* advisers on **environment-related** compliance issues (e.g., RMA, local authority requirements, HSNO, border control etc) over the past 12 months?

- Yes
- No (please go to Section G – Estimating Other Compliance Costs)

If **yes**, please provide an estimate of the annual cost of this work. \$ \_\_\_\_\_

18. Do you have any additional comments regarding environment-related compliance costs? (e.g. which environmental-related compliance matters take up the majority of your time and cost?)

#### **Section G. Estimating Other Compliance Costs**

19. About how much time *within your enterprise* (i.e., both staff and employer) was spent on meeting government requirements with respect to **other** compliance matters (e.g., Statistics NZ surveys, health sector, education sector, transport sector, consumer issues, Companies Act/Securities Act etc) over the past 12 months?

- Total hours: \_\_\_\_\_

20. Did your enterprise employ one or more *out-of-house* advisers on **other** compliance matters (e.g., Statistics NZ surveys, health sector, education sector, transport sector, consumer issues, Companies Act/Securities Act etc) over the past 12 months?

- Yes
- No

If **yes**, please provide an estimate of the annual cost of this work. \$ \_\_\_\_\_

21. Of the 'other' compliance costs you have provided information for in Section G, which would be the most significant compliance cost for your business?

**Section H. Your Ideas**

22. Compliance cost reduction is the key goal for this survey. If you have any ideas on how this can reasonably be achieved, please provide your comments below:

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**Section I. About Your Business**

23. How many years has your enterprise been in operation? (if less than one year, please state the number of months).

24. How many full time people (i.e. those who work 30 or more hours per week) work in your enterprise, including owners?

\_\_\_\_\_

25. How many part time people (i.e. those who work less than 30 hours per week) work in your enterprise, including owners?

\_\_\_\_\_

26. What was your enterprise's approximate turnover (excluding GST) for your last accounting year?

\$ \_\_\_\_\_

27. In which region is your enterprise predominantly located? (please choose one region only)

- Northland
- Auckland
- Waikato
- Bay of Plenty

- Gisborne
- Hawkes Bay
- Taranaki
- Manawatu-Wanganui
- Wellington
- Marlborough
- Nelson-Tasman
- West Coast
- Canterbury
- Otago
- Southland

28. In which industry is your enterprise primarily involved? (please choose one industry only)

- Agriculture
- Forestry, Fishing and Mining
- Manufacturing
- Electricity, Gas and Water
- Construction
- Wholesale Trade
- Retail Trade
- Accommodation, Cafes and Restaurants
- Transport and Storage
- Communication Services
- Finance and Insurance Services
- Property and Business Services
- Government Administration and Defence
- Education, Health and Community Services
- Cultural, Recreation, and Personal Services
- Other (please specify)\_\_\_\_\_

Thank you very much for completing the survey.