



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

October 2007

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2. RESPONDENT PROFILE

Table 1: Respondents by Number of Full Time Equivalent Employees (2006 & 2007)

Number of FTEs	Number of respondents (2007)	Percent of total valid responses (2007)	Number of respondents (2006)	Percent of total valid responses (2006)	Population (Business Demography Statistics 2003)
0-5	524	39.3%	579	41.4%	83.9%
6-9	257	19.3%	246	17.6%	7.3%
10-19	242	18.1%	191	13.6%	7.6%
20-49	176	13.2%	196	14.0%	
50-99	64	4.8%	76	5.4%	0.7%
100+	71	5.3%	112	8.0%	0.5%
Total valid responses	1334	100.0%	1400	100.0%	100.0%

Figure 1: Survey Respondents by FTE Group (2007)

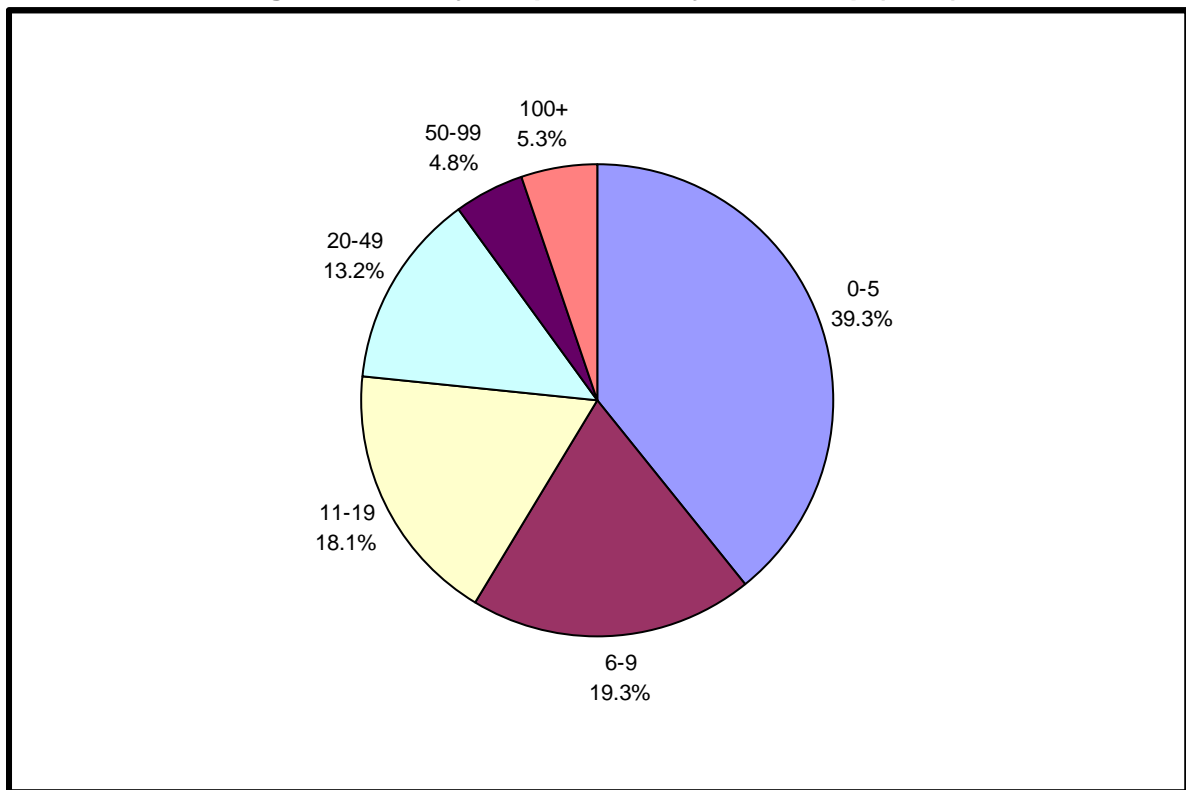


Table 2: Respondents by Annual Turnover (excluding GST) (2006 & 2007)

Annual turnover (Excluding GST)	Number of respondents (2007)	Percent of total valid responses (2007)	Number of respondents (2006)	Percent of total valid responses (2006)
\$99,999 or less	84	6.5%	107	7.9%
\$100,000-\$499,999	346	26.6%	331	24.5%
\$500,000-\$999,999	237	18.2%	242	17.9%
\$1,000,000-\$1,999,999	205	15.8%	209	15.5%
\$2,000,000-\$4,999,999	183	14.1%	167	12.4%
\$5,000,000-\$9,999,999	95	7.3%	86	6.4%
\$10,000,000-\$19,999,999	59	4.5%	86	6.4%
\$20,000,000-\$49,999,999	59	4.5%	67	5.0%
\$50,000,000+	33	2.5%	56	4.1%
Total valid responses	1301	100.0%	1351	100.0%
Did not respond	33	-	49	-

Table 3: Number of Years in Operation (2007)

Number of years in operation	Number of respondents	Percent of total valid responses
1 year or less	65	4.9%
2-5 years	277	20.8%
6-10 years	233	17.5%
11-20 years	348	26.1%
21 years or more	409	30.7%
Total valid responses	1332	100.0%
Did not respond	2	-

Table 4: Respondents by Regional Council Area (2006 & 2007)

Regional council area	Number of respondents (2007)	Percent of total valid responses (2007)	Number of respondents (2006)	Percent of total valid responses (2006)	Population (Business Demography Statistics - 2003)
Northland	50	3.7%	44	3.1%	3.4%
Auckland	345	25.9%	429	30.7%	35.3%
Waikato	128	9.6%	135	9.6%	8.8%
Bay of Plenty	104	7.8%	96	6.9%	6.2%
Gisborne	12	0.9%	17	1.2%	0.9%
Hawkes Bay	43	3.2%	49	3.5%	3.3%
Taranaki	22	1.6%	43	3.1%	2.3%
Manawatu-Wanganui	44	3.3%	53	3.8%	4.8%
Wellington	128	9.6%	172	12.3%	11.7%
Marlborough	17	1.3%	16	1.1%	1.2%
Nelson-Tasman	35	2.6%	34	2.4%	2.3%
West Coast	20	1.5%	6	0.4%	0.8%
Canterbury	257	19.3%	169	12.1%	12.0%
Otago	99	7.4%	100	7.1%	4.7%
Southland	30	2.2%	36	2.6%	2.2%
Total valid responses	1334	100.0%	1399	100.0%	100.0%
Did not respond	0	-	1	-	-

Table 5: Respondents by Grouped Region (2006 & 2007)

Grouped region	Number of respondents (2007)	Percent of total valid responses (2007)	Number of respondents (2006)	Percent of total valid responses (2006)	Population (Business Demography Statistics - 2003)
Northland/Auckland	395	29.6%	473	33.8%	38.8%
Waikato/Bay of Plenty	232	17.4%	231	16.5%	15.0%
Central North Island (Gisborne, Hawkes Bay, Taranaki, & Manawatu- Wanganui)	121	9.1%	162	11.6%	11.4%
Wellington	128	9.6%	172	12.3%	11.7
Upper South Island (Marlborough, Nelson- Tasman, & West Coast)	72	5.4%	56	4.0%	4.3%
Canterbury	257	19.3%	169	12.1%	12.0
Otago/Southland	129	9.7%	136	9.7%	6.9%
Total valid responses	1334	100.0%	1399	100.0%	100.0%
Did not respond	0	-	1	-	-

Figure 2: Survey Respondents by Grouped Region (2007)

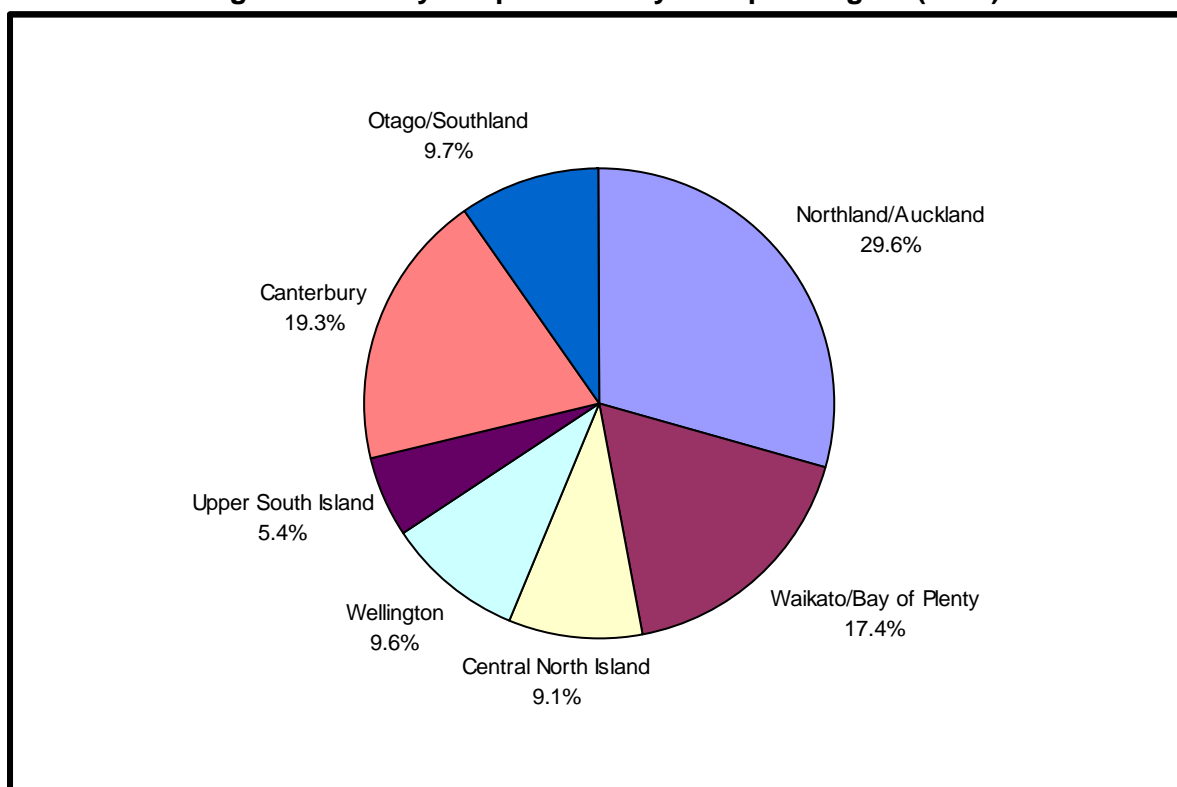


Table 6: Respondents by ANZSIC Group (2006 & 2007)

ANZSIC group	Number of respondents (2007)	Percent of total valid responses (2007)	Number of respondents (2006)	Percent of total valid responses (2006)	Population (Business Demography Statistics - 2003)
Agriculture	142	10.6%	149	10.7%	4.1%
Forestry, fishing, and mining	11	0.8%	11	0.8%	
Manufacturing	167	12.5%	174	12.4%	7.0%
Electricity, gas, and water	25	1.9%	42	3.0%	0.1%
Construction	114	8.5%	149	10.7%	11.4%
Wholesale trade	81	6.1%	71	5.1%	6.1%
Retail trade	275	20.6%	224	16.0%	12.2%
Accommodation, cafes, and restaurants	76	5.7%	29	2.1%	3.6%
Transport and storage	107	8.0%	78	5.6%	3.7%
Communication services	25	1.9%	38	2.7%	1.1%
Finance and insurance services	25	1.9%	64	4.6%	4.0%
Property and business services	114	8.5%	163	11.7%	31.2%
Government administration and defence	3	0.2%	7	0.5%	0.6%
Education, health, and community services	138	10.3%	140	10.0%	7.1%
Cultural, recreational, and personal services	31	2.3%	60	4.3%	7.9%
Total valid responses	1334	100.0	1399	100.0%	100.0%
Did not respond	0		1		

Table 7: Respondents by Grouped Industries (2006 & 2007)

Industry group	Number of respondents (2007)	Percent of total valid responses (2007)	Number of respondents (2006)	Percent of total valid responses (2006)	Population (Business Demography Statistics - 2003)
Primary (agriculture, forestry, fishing, and mining)	153	11.5%	160	11.4%	4.1%
Manufacturing	167	12.5%	174	12.4%	7.0%
Construction and utilities (construction, electricity, gas, and water)	139	10.4%	191	13.7%	11.5%
Trade and hospitality (Wholesale and retail trade, accommodation, cafes, and restaurants)	432	32.4%	324	23.2%	21.9%
Transport, storage, and communication	132	9.9%	116	8.3%	4.8%
Finance and business services (finance, insurance, property and business services)	139	10.4%	227	16.2%	35.2%
Government, personal and other services (government, defence, education, health, community, cultural, and personal services)	172	12.9%	207	14.8%	15.6%
Total valid responses	1334	100.0%	1399	100.0	100.0%
Did not respond	0		1		

Figure 3: Survey respondents by Grouped Industry (2007)

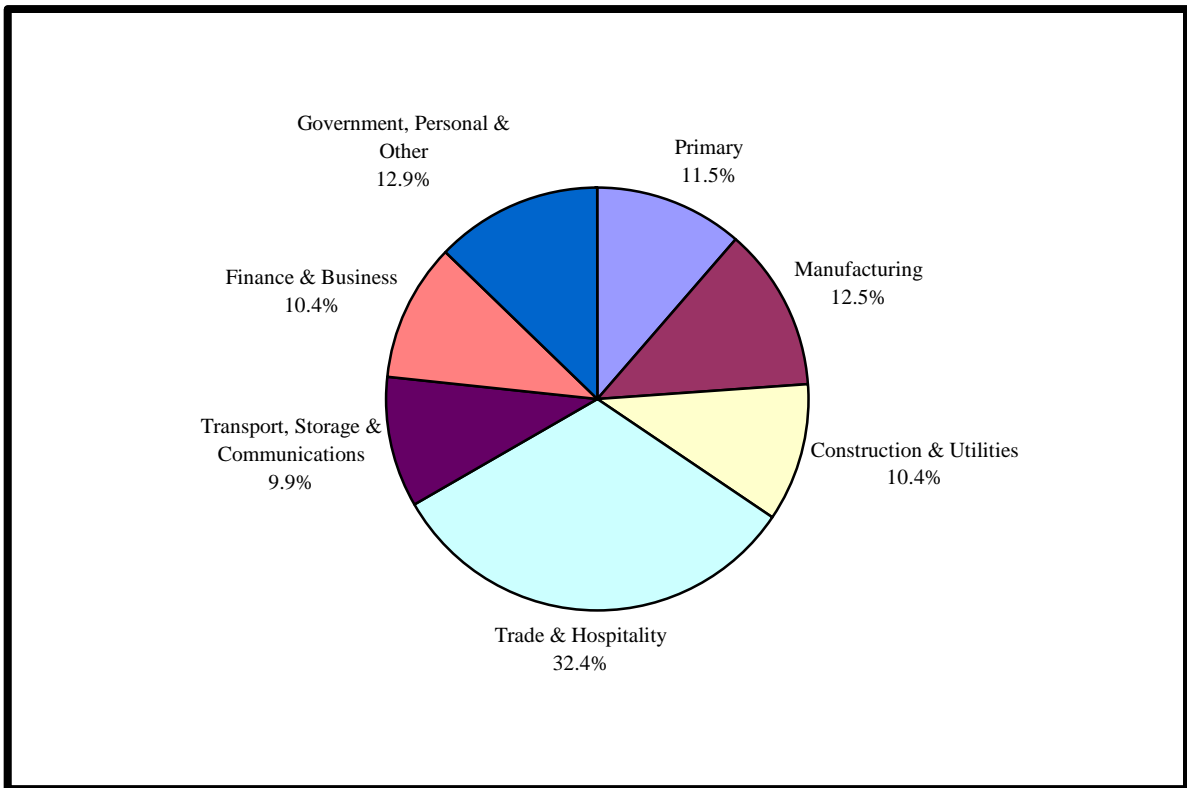


Table 8: Average Respondent FTE Numbers by FTE Group (2006 & 2007)

FTE Group	Average size of survey respondents (FTEs) - 2007	Median size of respondent (FTEs) - 2007	Average size of survey respondents (FTEs) - 2006	Median size of respondent (FTEs) - 2006	Average FTE size for Population (Business Demography Stats - 2003)
0-5	3.10	3.0	3.01	3.0	1.42
6-9	7.26	7.0	7.47	7.5	6.95
10-19	13.46	13.0	13.77	13.5	13.04
20-49	30.84	29.0	29.83	27.0	29.41
50-99	69.20	67.0	69.93	67.3	67.87
100+	307.65	175.0	537.8	205.0	240.84
All sizes	28.82		55.43	7.3	4.72

Table 9: Average Respondent FTE Numbers by Grouped Industries (2006 & 2007)

Grouped Industry	Average size of respondents (FTEs - 2007)	Median size of survey respondents (FTEs - 2007)	Average size of respondents (FTEs - 2006)	Median size of survey respondents (FTEs - 2006)	Average FTE size for Population (Business Demography Stats - 2003)
Primary	14.84	4.0	48.84	4.0	3.04
Manufacturing	32.56	14.0	65.30	18.3	10.99
Construction & utilities	30.38	9.0	40.92	7.0	3.32
Trade & hospitality	18.38	7.0	31.37	6.0	5.26
Transport, storage & communications	31.51	7.0	120.04	9.0	6.13
Finance & business services	68.01	6.0	24.65	5.5	2.25
Government, personal & other services	28.88	10.0	101.09	11.0	7.75
All industries	28.82	7.0	55.47	7.5	4.72

Table 10: Average Respondent FTE Numbers by Grouped Regions (2006 & 2007)

Grouped Region	Average size of respondents (FTEs - 2007)	Median size of survey respondents (FTEs - 2007)	Average size of respondents (FTEs - 2006)	Median size of survey respondents (FTEs - 2006)	Average FTE size for Population (Business Demography Stats - 2003)
Northland/Auckland	44.09	8.0	93.32	8.5	4.61
Waikato/Bay of Plenty	23.77	8.0	47.37	8.0	4.35
Central North Island	13.35	5.0	26.05	5.5	4.84
Wellington	24.24	9.0	46.47	9.5	5.10
Upper South Island	16.17	6.0	17.07	5.8	4.28
Canterbury	23.09	7.0	21.84	5.0	5.10
Otago/Southland	28.73	8.0	41.63	8.0	4.87
New Zealand	28.82	7.0	55.47	7.5	4.72

Table 11: Average Respondent FTE Numbers by Grouped Years in Operation (2006 & 2007)

Grouped Years in Operation	Average size of respondents (FTEs - 2007)	Median size of survey respondents (FTEs - 2007)	Average size of respondents (FTEs - 2006)	Median size of survey respondents (FTEs - 2006)
1 year or less	9.12	4.0	4.00	2.5
2 to 5 years	7.47	4.0	19.83	4.0
6 to 10 years	13.99	7.0	18.04	6.0
11 to 20 years	26.36	9.0	31.33	9.8
21 years or more	57.10	13.0	119.68	13.5
All Years in Operation	28.86	7.0	55.43	7.3

3. SUMMARY OF FINDINGS

3.1 COMPLIANCE COST PRIORITIES

Figure 4: Compliance Cost Priorities (2007)

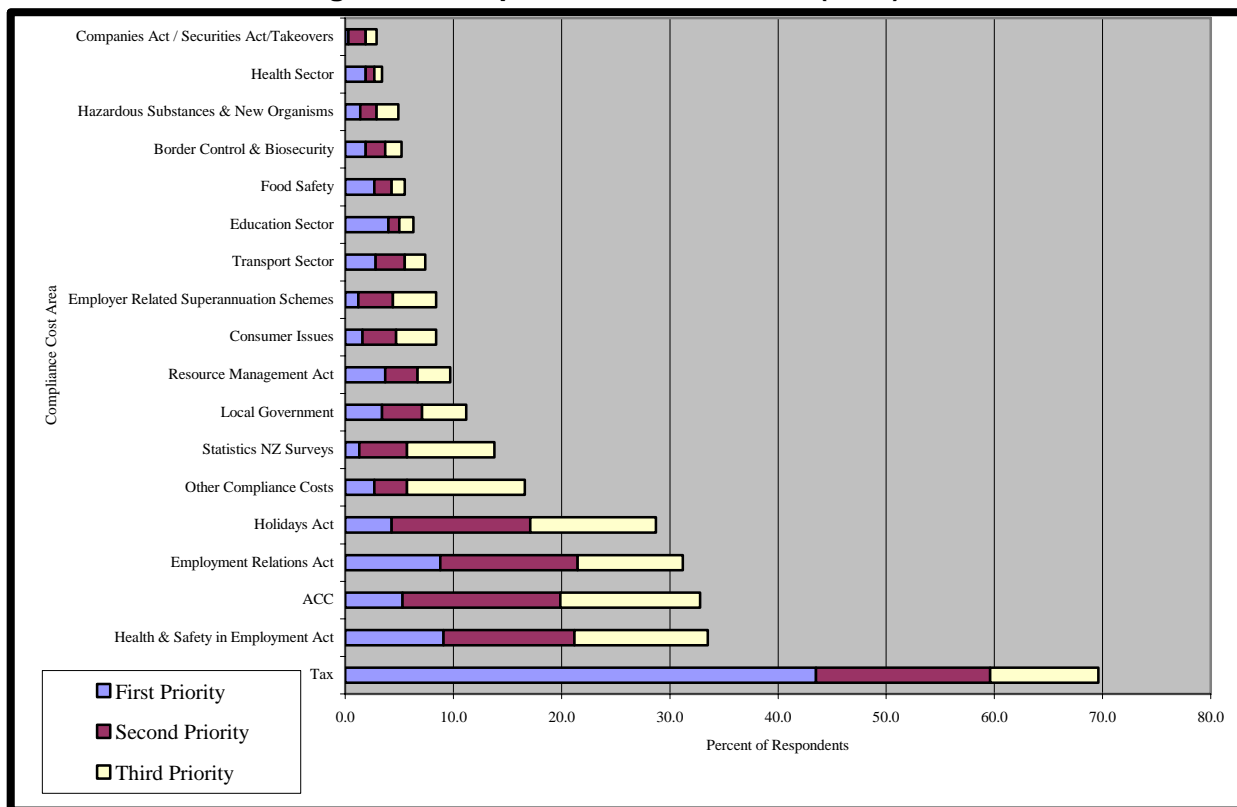


Table 12: Compliance Cost Priorities (2007)

Compliance cost area	First priority		Second priority		Third priority		Total (1,2,3)	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Tax	580	43.5	215	16.1	134	10.0	929	69.6%
Health & Safety in Employment Act	121	9.1	162	12.1	164	12.3	447	33.5%
ACC	71	5.3	195	14.6	172	12.9	438	32.8%
Employment Relations Act	117	8.8	170	12.7	129	9.7	416	31.2%
Holidays Act	58	4.3	171	12.8	155	11.6	384	28.8%
Other Compliance Costs	36	2.7	40	3.0	145	10.9	221	16.6%
Statistics NZ Surveys	17	1.3	59	4.4	108	8.1	184	13.8%
Local Government	45	3.4	50	3.7	55	4.1	150	11.2%
Resource Management Act	50	3.7	40	3.0	40	3.0	130	9.7%
Consumer Issues	22	1.6	41	3.1	50	3.7	113	8.5%
Employer Related Superannuation Schemes	16	1.2	43	3.2	53	4.0	112	8.4%
Transport Sector	38	2.8	36	2.7	26	1.9	100	7.5%
Education Sector	54	4.0	13	1.0	18	1.3	85	6.4%
Food Safety	36	2.7	22	1.6	16	1.2	74	5.5%
Border Control & Biosecurity	25	1.9	24	1.8	20	1.5	69	5.2%

Hazardous Substances & New Organisms	19	1.4	20	1.5	27	2.0	66	4.9%
Health Sector	25	1.9	11	0.8	9	0.7	45	3.4%
Companies Act / Securities Act/Takeovers	4	0.3	22	1.6	13	1.0	39	2.9%
Total	1334	100.0	1334	100.0	1334	100.0	4002	300.0%

Table 13: Top 5 Compliance Cost Priorities (2005-2007)

Priority	Tax	HSE	ERA	ACC	Holidays
First priority					
2007	43.5%	9.1%	8.8%	5.3%	4.3%
2006	45.5%	9.8%	9.4%	6.4%	4.5%
2005	48.5%	8.9%	10.2%	5.0%	5.4%
Second priority					
2007	16.1%	12.1%	12.7%	14.6%	12.8%
2006	16.3%	13.8%	15.1%	15.5%	9.5%
2005	14.3%	15.5%	15.2%	14.8%	10.9%
Third priority					
2007	10.0%	12.3%	9.7%	12.9%	11.6%
2006	11.1%	11.8%	11.9%	14.2%	10.9%
2005	10.8%	12.7%	12.4%	12.1%	11.7%
Combined priorities					
2007	69.6%	33.5%	31.2%	32.8%	28.8%
2006	72.9%	35.4%	36.5%	36.1%	24.9%
2005	73.6%	37.1%	37.8%	31.9%	28.0%

Table 14: Compliance Cost Priorities by FTE Group (2007)

Compliance cost area	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Tax	80.0%	70.0%	69.8%	55.7%	53.1%	40.8%	69.6%
Health & Safety in Employment Act	22.9%	27.2%	37.6%	46.6%	64.1%	60.6%	33.5%
ACC	39.7%	31.1%	28.9%	26.1%	28.1%	22.5%	32.8%
Employment Relations Act	21.4%	35.8%	33.9%	40.3%	42.2%	45.1%	31.2%
Holidays Act	23.5%	32.3%	33.1%	36.9%	23.4%	25.4%	28.8%
Other Compliance Costs	20.2%	16.3%	12.4%	16.5%	10.9%	9.9%	16.6%
Statistics NZ Surveys	13.5%	15.2%	12.0%	14.8%	14.1%	14.1%	13.8%
Local Government	13.7%	12.8%	10.3%	6.3%	9.4%	4.2%	11.2%
Resource Management Act	10.3%	9.3%	7.0%	5.7%	18.8%	18.3%	9.7%
Consumer Issues	11.8%	10.9%	6.6%	3.4%	0.0%	1.4%	8.5%
Employer Related Superannuation Schemes	9.5%	3.9%	10.3%	10.8%	3.1%	8.5%	8.4%
Transport Sector	9.9%	5.8%	5.8%	5.1%	7.8%	7.0%	7.5%
Education Sector	5.0%	7.0%	9.9%	5.7%	4.7%	5.6%	6.4%
Food Safety	3.6%	5.4%	4.5%	8.5%	9.4%	12.7%	5.5%
Border Control & Biosecurity	4.4%	7.0%	5.4%	3.4%	4.7%	8.5%	5.2%
Hazardous Substances & New Organisms	5.3%	4.7%	4.5%	6.3%	1.6%	4.2%	4.9%
Health Sector	1.9%	3.9%	5.0%	4.5%	3.1%	4.2%	3.4%
Companies Act / Securities Act/Takeovers	3.2%	1.2%	2.9%	3.4%	1.6%	7.0%	2.9%

Table 15: Top Compliance Cost Priorities by FTE Group (2005-2007)

Compliance cost area	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Tax							
2007	80.0%	70.0%	69.8%	55.7%	53.1%	40.8%	69.6%
2006	83.1%	73.2%	70.2%	62.8%	57.9%	51.8%	72.9%
2005	89.5%	77.1%	68.2%	60.4%	58.9%	66.7%	73.6%
ERA							
2007	21.4%	35.8%	33.9%	40.3%	42.2%	45.1%	31.2%
2006	25.2%	40.2%	43.5%	49.5%	43.4%	47.3%	36.5%
2005	26.6%	42.1%	45.5%	48.4%	42.1%	36.7%	37.8%
ACC							
2007	39.7%	31.1%	28.9%	26.1%	28.1%	22.5%	32.8%
2006	45.8%	39.8%	30.4%	22.4%	22.4%	19.6%	36.0%
2005	43.2%	35.7%	29.8%	22.6%	29.0%	20.3%	31.9%
HSE							
2007	22.9%	27.2%	37.6%	46.6%	64.1%	60.6%	33.5%
2006	24.4%	39.8%	38.2%	40.8%	50.0%	58.0%	35.4%
2005	21.9%	31.4%	41.9%	45.3%	56.1%	46.9%	37.1%
Holidays							
2007	23.5%	32.3%	33.1%	36.9%	23.4%	25.4%	28.8%
2006	16.9%	28.5%	36.1%	31.6%	27.6%	25.9%	24.9%
2005	16.6%	32.9%	34.3%	40.3%	29.0%	28.5%	28.0%
SNZ Surveys							
2007	13.5%	15.2%	12.0%	14.8%	14.1%	14.1%	13.8%
2006	12.1%	11.8%	14.1%	16.8%	21.1%	17.0%	13.9%
2005	14.1%	17.1%	12.6%	22.0%	30.8%	24.6%	18.7%

Figure 5: Compliance Cost Priorities by FTE Group (2007)

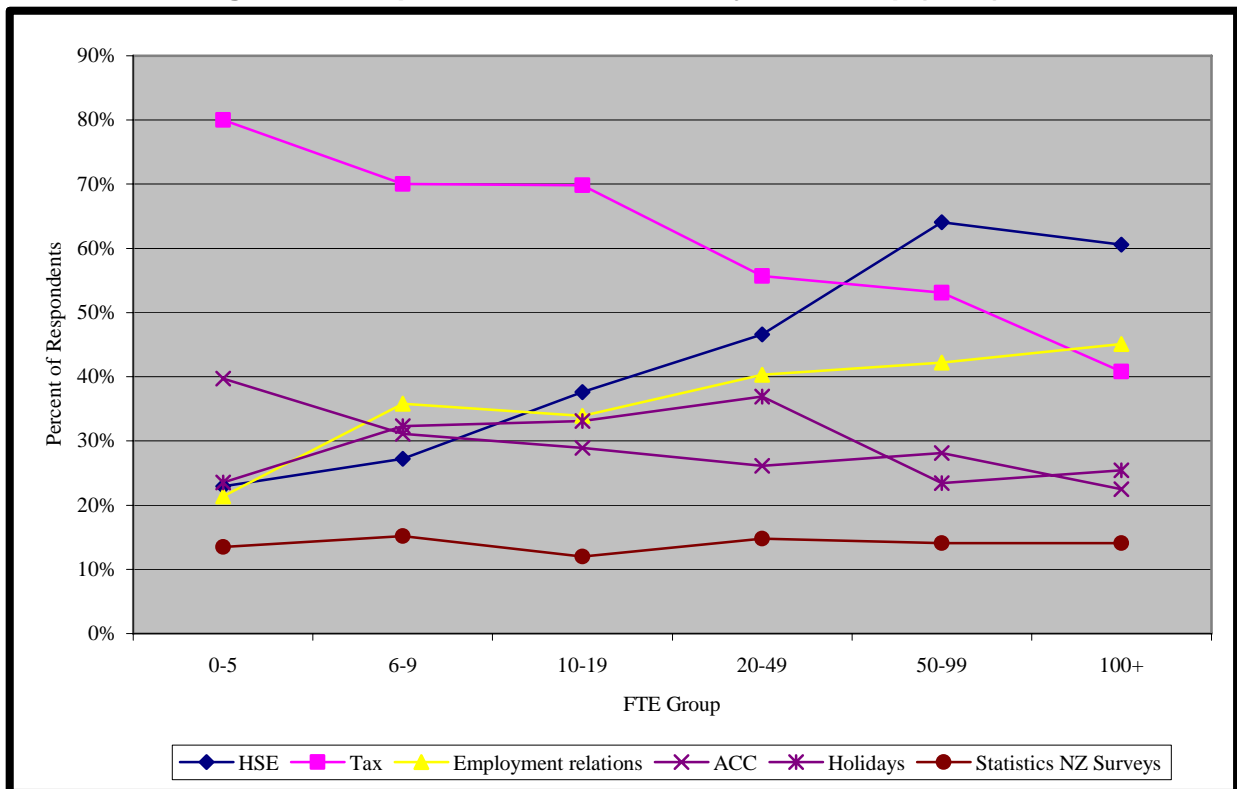


Table 16: Compliance Cost Priorities by Grouped Industry (2007)

Compliance cost area	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
Tax	65.4%	64.7%	66.2%	74.5%	69.7%	84.9%	56.4%	69.6%
Health & Safety in Employment Act	37.9%	54.5%	56.8%	21.8%	35.6%	15.1%	33.1%	33.5%
ACC	36.6%	33.5%	38.1%	29.4%	37.9%	34.5%	27.9%	32.8%
Employment Relations Act	24.2%	30.5%	19.4%	37.0%	29.5%	36.7%	29.7%	31.2%
Holidays Act	15.0%	29.3%	22.3%	36.8%	22.7%	30.9%	28.5%	28.8%
Other Compliance Costs	9.8%	10.2%	21.6%	16.2%	15.2%	18.7%	25.0%	16.6%
Statistics NZ Surveys	14.4%	15.6%	7.2%	14.6%	11.4%	22.3%	9.9%	13.8%
Local Government	24.8%	6.6%	23.7%	11.1%	3.0%	5.0%	5.2%	11.2%
Resource Management Act	35.9%	9.0%	18.0%	4.4%	3.0%	3.6%	4.1%	9.7%
Consumer Issues	1.3%	1.2%	7.9%	16.2%	3.0%	10.8%	5.2%	8.5%
Employer Related Superannuation Schemes	2.0%	9.0%	5.8%	9.3%	6.1%	18.0%	7.6%	8.4%
Transport Sector	2.0%	2.4%	7.9%	3.5%	45.5%	1.4%	2.9%	7.5%
Education Sector	0.7%	0.0%	2.2%	1.2%	2.3%	4.3%	39.0%	6.4%
Food Safety	5.2%	10.2%	0.0%	10.6%	1.5%	0.7%	0.0%	5.5%
Border Control & Biosecurity	7.2%	10.2%	0.0%	7.4%	6.1%	0.0%	0.6%	5.2%
Hazardous Substances & New Organisms	15.7%	12.0%	0.7%	2.8%	4.5%	0.0%	1.7%	4.9%
Health Sector	0.0%	1.2%	0.0%	0.9%	0.0%	0.0%	22.7%	3.4%
Companies Act / Securities Act/Takeovers	2.0%	0.0%	2.2%	2.3%	3.0%	12.9%	0.6%	2.9%

Table 17: Top Compliance Cost Priorities by Grouped Industry (2005-2007)

Compliance cost area	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
Tax								
2007	65.4%	64.7%	66.2%	74.5%	69.7%	84.9%	56.4%	69.6%
2006	70.6%	69.0%	75.4%	76.5%	70.7%	89.0%	53.1%	72.8%
2005	60.0%	68.9%	70.1%	79.8%	71.0%	89.4%	58.9%	73.7%
ERA								
2007	24.2%	30.5%	19.4%	37.0%	29.5%	36.7%	29.7%	31.2%
2006	21.3%	41.4%	23.0%	43.2%	32.8%	39.2%	45.4%	36.5%
2005	30.0%	38.3%	35.8%	39.3%	36.0%	39.4%	39.6%	37.9%
ACC								
2007	36.6%	33.5%	38.1%	29.4%	37.9%	34.5%	27.9%	32.8%
2006	42.5%	28.2%	41.9%	34.9%	43.1%	41.0%	24.2%	36.0%
2005	33.6%	30.1%	25.4%	29.0%	31.0%	39.0%	27.1%	31.9%
HSE								
2007	37.9%	54.5%	56.8%	21.8%	35.6%	15.1%	33.1%	33.5%
2006	29.4%	51.7%	61.8%	24.4%	39.7%	19.4%	34.3%	35.4%
2005	47.3%	59.6%	53.7%	35.5%	42.0%	16.8%	35.3%	37.2%
Holidays								
2007	15.0%	29.3%	22.3%	36.8%	22.7%	30.9%	28.5%	28.8%
2006	11.9%	24.7%	14.1%	34.3%	25.9%	28.2%	26.6%	24.9%
2005	20.0%	26.4%	16.4%	33.9%	27.0%	28.7%	31.4%	27.9%

Table 18: Compliance Cost Priorities by Grouped Region (2007)

Compliance cost area	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
Tax	74.7%	63.8%	71.9%	78.9%	63.9%	70.8%	54.3%	69.6%
Health & Safety in Employment Act	32.4%	41.4%	33.9%	26.6%	34.7%	27.6%	40.3%	33.5%
ACC	29.9%	33.2%	28.9%	32.0%	37.5%	36.2%	36.4%	32.8%
Employment Relations Act	32.2%	39.2%	33.1%	34.4%	13.9%	24.1%	32.6%	31.2%
Holidays Act	27.6%	28.9%	30.6%	26.6%	44.4%	26.8%	27.9%	28.8%
Other Compliance Costs	17.2%	10.8%	12.4%	18.8%	18.1%	20.2%	18.6%	16.6%
Statistics NZ Surveys	16.2%	10.3%	14.0%	13.3%	19.4%	13.6%	10.1%	13.8%
Local Government	8.9%	12.5%	12.4%	8.6%	13.9%	13.6%	11.6%	11.2%
Resource Management Act	6.6%	12.1%	8.3%	3.1%	19.4%	13.6%	10.1%	9.7%
Consumer Issues	6.3%	8.2%	6.6%	13.3%	6.9%	9.3%	11.6%	8.5%
Employer Related Superannuation Schemes	10.9%	4.7%	5.0%	10.9%	5.6%	8.6%	9.3%	8.4%
Transport Sector	8.4%	6.9%	7.4%	4.7%	4.2%	8.9%	7.8%	7.5%
Education Sector	8.4%	9.1%	9.1%	3.9%	1.4%	3.5%	3.9%	6.4%
Food Safety	5.6%	4.7%	9.1%	4.7%	5.6%	3.9%	7.8%	5.5%
Border Control & Biosecurity	5.8%	2.2%	5.0%	7.8%	2.8%	7.0%	3.9%	5.2%
Hazardous Substances & New Organisms	2.8%	7.8%	9.1%	4.7%	1.4%	3.9%	7.0%	4.9%
Health Sector	2.3%	3.4%	2.5%	3.1%	6.9%	3.1%	6.2%	3.4%
Companies Act / Securities Act/Takeovers	4.1%	0.9%	0.8%	4.7%	0.0%	5.1%	0.8%	2.9%

Table 19: Top Compliance Cost Priorities by Grouped Region (2005-2007)

Compliance cost area	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
Tax								
2007	74.7%	63.8%	71.9%	78.9%	63.9%	70.8%	54.3%	69.6%
2006	75.3%	70.6%	72.8%	77.3%	76.8%	72.8%	61.0%	72.8%
2005	80.4%	72.4%	63.3%	84.1%	59.6%	73.0%	59.7%	73.7%
ERA								
2007	32.2%	39.2%	33.1%	34.4%	13.9%	24.1%	32.6%	31.2%
2006	38.7%	42.0%	30.9%	38.4%	32.1%	28.4%	36.0%	36.5%
2005	35.3%	38.8%	41.8%	39.3%	40.4%	36.5%	40.9%	37.9%
ACC								
2007	29.9%	33.2%	28.9%	32.0%	37.5%	36.2%	36.4%	32.8%
2006	35.7%	32.5%	43.8%	30.8%	37.5%	38.5%	36.0%	36.0%
2005	30.7%	37.9%	28.6%	26.2%	29.8%	34.2%	35.1%	31.9%
HSE								
2007	32.4%	41.4%	33.9%	26.6%	34.7%	27.6%	40.3%	33.5%
2006	35.5%	40.7%	30.9%	37.2%	33.9%	27.2%	39.7%	35.4%
2005	34.0%	37.1%	48.0%	32.4%	38.3%	34.2%	46.8%	37.2%
Holidays								
2007	27.6%	28.9%	30.6%	26.6%	44.4%	26.8%	27.9%	28.8%
2006	24.3%	23.8%	24.1%	29.1%	16.1%	23.7%	30.1%	24.9%
2005	27.1%	25.9%	26.5%	22.8%	21.3%	28.8%	38.3%	27.9%

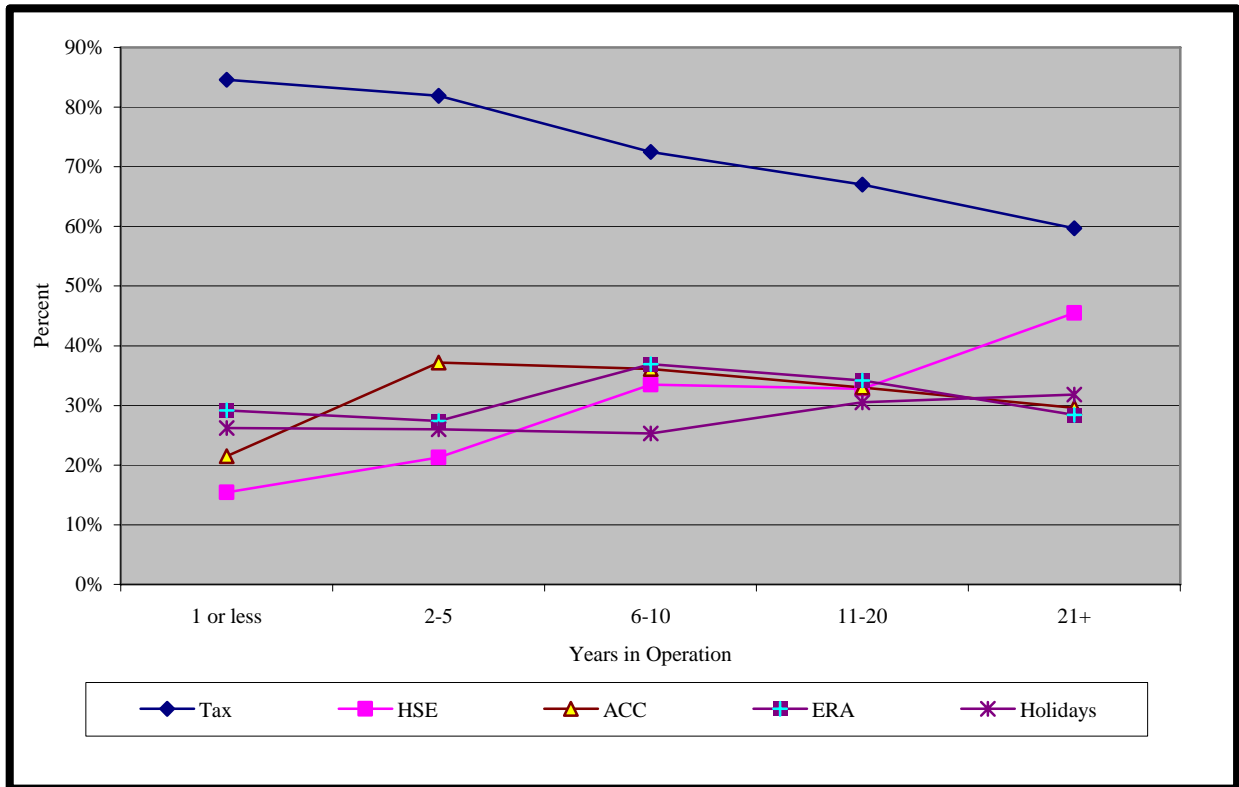
Table 20: Compliance Cost Priorities by Grouped Years in Operation (2007)

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	84.6%	81.9%	72.5%	67.0%	59.7%	69.7%
Health & Safety in Employment Act	15.4%	21.3%	33.5%	32.8%	45.5%	33.6%
ACC	21.5%	37.2%	36.1%	33.0%	29.6%	32.8%
Employment Relations Act	29.2%	27.4%	36.9%	34.2%	28.4%	31.2%
Holidays Act	26.2%	26.0%	25.3%	30.5%	31.8%	28.8%
Other Compliance Costs	26.2%	21.7%	11.2%	16.1%	14.9%	16.5%
Statistics NZ Surveys	7.7%	11.2%	13.3%	11.5%	18.6%	13.7%
Local Government	13.8%	10.5%	9.4%	12.4%	11.5%	11.3%
Resource Management Act	4.6%	7.2%	7.3%	10.1%	13.4%	9.8%
Consumer Issues	16.9%	11.9%	10.3%	6.6%	5.4%	8.5%
Employer Related Superannuation Schemes	12.3%	8.7%	10.7%	7.8%	6.8%	8.4%
Transport Sector	9.2%	11.6%	6.0%	7.5%	5.1%	7.4%
Education Sector	9.2%	5.4%	8.2%	7.5%	4.6%	6.4%
Food Safety	4.6%	5.8%	4.7%	5.7%	5.6%	5.5%
Border Control & Biosecurity	3.1%	2.2%	4.3%	7.5%	6.1%	5.2%
Hazardous Substances & New Organisms	6.2%	4.3%	5.2%	3.2%	6.6%	5.0%
Health Sector	7.7%	2.5%	3.0%	2.9%	3.9%	3.4%
Companies Act / Securities Act/Takeovers	1.5%	3.2%	2.1%	4.0%	2.4%	2.9%

Table 21: Top Compliance Cost Priorities by Grouped Years in Operation (2005-2007)

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						
2007	84.6%	81.9%	72.5%	67.0%	59.7%	69.7%
2006	79.2%	82.0%	80.5%	69.4%	65.1%	72.9%
2005	91.1%	87.0%	76.0%	67.3%	67.4%	73.7%
ERA						
2007	29.2%	27.4%	36.9%	34.2%	28.4%	31.2%
2006	30.2%	33.8%	35.5%	38.8%	37.6%	36.5%
2005	37.8%	34.0%	34.5%	43.3%	38.2%	37.9%
ACC						
2007	21.5%	37.2%	36.1%	33.0%	29.6%	32.8%
2006	39.6%	42.4%	41.4%	31.5%	32.1%	36.0%
2005	24.4%	39.9%	37.0%	29.8%	27.2%	32.0%
HSE						
2007	15.4%	21.3%	33.5%	32.8%	45.5%	33.6%
2006	22.6%	23.7%	33.6%	39.4%	41.6%	35.4%
2005	28.9%	24.8%	34.0%	42.5%	43.4%	37.2%
Holidays						
2007	26.2%	26.0%	25.3%	30.5%	31.8%	28.8%
2006	28.3%	21.6%	23.4%	23.2%	28.5%	24.9%
2005	24.4%	23.9%	31.0%	28.7%	28.7%	28.0%

Figure 6: Compliance Cost Priorities by Grouped Years in Operation (2007)



3.2 HELPFULNESS OF CENTRAL AND LOCAL GOVERNMENT AGENCIES

Table 22: Contact with Government Agencies (2006 and 2007)

Agency	2007: Respondents selecting 'yes' to contact		2006: Respondents selecting 'yes' to contact	
	Number	Percent	Number	Percent
Accident Compensation Corporation (ACC)	757	56.7%	841	60.1%
Companies Office (CO)	525	39.4%	639	45.6%
Department of Labour (DoL)	449	33.7%	507	36.2%
Environmental Risk Management Authority (ERMA)	100	7.5%	139	9.9%
Food Safety Authority (FSA)	148	11.1%	154	11.0%
Inland Revenue Department (IRD)	1179	88.4%	1247	89.1%
Local Authority (LA)	811	60.8%	901	64.4%
Ministry of Agriculture & Forestry (MAF)	177	13.3%	204	14.6%
Ministry of Education (MoE)	140	10.5%	190	13.6%
Ministry of Health (MoH)	142	10.6%	187	13.4%
New Zealand Customs Service (NZCS)	380	28.5%	418	29.9%
New Zealand Immigration Service (NZIS)	255	19.1%	313	22.4%
Occupational Safety & Health (OSH)	335	25.1%	433	30.9%
Statistics New Zealand (SNZ)	609	45.7%	743	53.1%
Transport Agency (TA)	536	40.2%	520	37.1%
Work and Income New Zealand (WINZ)	607	45.5%	655	46.8%
Other	105	7.9%	90	6.4%

Table 23: Helpfulness of Government Agencies (2007)

Agency	Percentage breakdown of those respondents who answered 'yes' to contact (2007 Only)					
	Very Helpful (5)	Helpful (4)	Neither helpful nor unhelpful (3)	Un-Helpful (2)	Very Un-Helpful (1)	Helpfulness Score
CO	23.7%	42.5%	29.4%	2.9%	1.5%	3.840
NZCS	15.5%	45.9%	27.9%	7.9%	2.8%	3.635
DoL	13.6%	42.0%	30.9%	9.2%	4.3%	3.516
TA	12.5%	42.5%	32.2%	9.5%	3.3%	3.513
IRD	12.0%	43.6%	30.5%	10.3%	3.6%	3.500
FSA	10.8%	41.4%	35.7%	10.2%	1.9%	3.490
MAF	11.4%	41.6%	31.9%	14.1%	1.1%	3.481
OSH	10.8%	44.2%	31.9%	8.2%	5.0%	3.477
ACC	10.5%	39.6%	35.5%	8.1%	6.4%	3.399
ERMA	11.8%	29.4%	42.0%	9.2%	7.6%	3.286
WINZ	9.9%	34.8%	33.5%	15.6%	6.2%	3.267
SNZ	8.2%	24.8%	53.9%	8.9%	4.2%	3.240
MoE	7.1%	38.7%	33.5%	12.3%	8.4%	3.239
MoH	9.2%	32.0%	35.3%	14.4%	9.2%	3.176
LA	8.4%	34.6%	30.7%	17.0%	9.3%	3.160
NZIS	9.3%	31.2%	30.5%	18.6%	10.4%	3.104
Other	19.3%	18.4%	26.3%	17.5%	18.4%	3.026

Figure 7: Helpfulness Scores for Selected Government Agencies (2007)

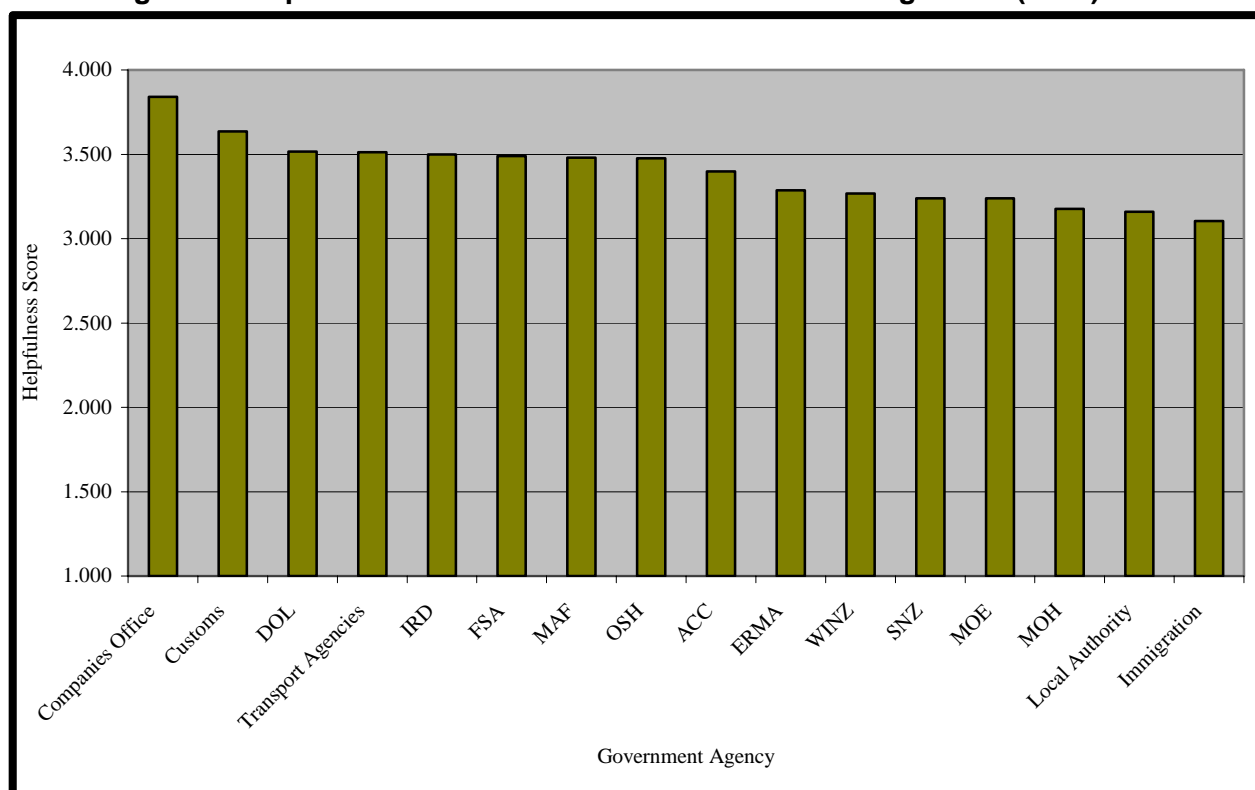


Table 24: Grouping of Agencies by Perceived Helpfulness Scores (2006 & 2007)

Excellent (3.750+)		Good (3.440-3.749)		Fair (3.126-3.439)		Poor (1.000-3.125)	
2007	2006	2007	2006	2007	2006	2007	2006
1 CO	1 CO	2 NZCS 3 DoL 4 TA 5 IRD 6 FSA 7 MAF 8 OSH	2 NZCS 3 MAF 4 DoL 5 IRD 6 OSH	9 ACC 10 ERMA 11 WINZ 12 SNZ 13 MoE 14 MoH 15 LA	7 FSA 8 TA 9 ACC 10 MoE 11 WINZ 12 SNZ 13 NZIS 14 LA 15 MoH	16 NZIS	16 ERMA

Table 25: Net Result of the Percentages for Very Helpful-Very Unhelpful (2006 & 2007)

Agency	2007	2006	Change from 2006
CO	22.2%	21.7%	0.5
NZCS	12.7%	8.9%	3.8
MAF	10.3%	8.8%	1.5
DoL	9.3%	8.7%	0.6
IRD	8.4%	7.1%	1.4
OSH	5.8%	6.0%	-0.2
NZFSA	8.9%	6.5%	2.4
TA	9.2%	4.6%	4.6
ACC	4.1%	4.4%	-0.3
MoE	-1.3%	5.8%	-7.1
WINZ	3.7%	2.6%	1.1
SNZ	4%	-0.1%	4.1
NZIS	-1.1%	2.9%	-4
LA	-0.9%	-0.2%	-0.7
MoH	0.0%	2.7%	-2.7
ERMA	4.2%	-0.7%	4.9
Other	0.9%	4.5%	-3.6

Table 26: Contact with Agencies by FTE Group (2007)

Agency	0-5	6-9	10-19	20-49	50-99	100+
ACC	46.2%	54.5%	59.5%	68.2%	78.1%	85.9%
CO	35.9%	35.0%	41.7%	42.0%	45.3%	60.6%
DoL	21.0%	31.5%	42.1%	42.6%	67.2%	53.5%
ERMA	5.0%	7.0%	6.2%	11.9%	10.9%	18.3%
FSA	7.8%	10.5%	10.7%	15.9%	14.1%	23.9%
IRD	85.5%	85.2%	91.3%	92.0%	93.8%	97.2%
LA	57.3%	61.5%	60.7%	64.2%	73.4%	64.8%
MAF	10.1%	11.3%	12.4%	17.0%	25.0%	26.8%
MoE	8.8%	12.1%	10.7%	10.8%	14.1%	12.7%
MoH	7.8%	11.7%	10.3%	13.6%	15.6%	16.9%
NZCS	26.1%	28.8%	24.4%	29.5%	40.6%	45.1%
NZIS	12.4%	10.9%	20.2%	29.5%	39.1%	50.7%
OSH	12.2%	20.6%	27.7%	32.4%	62.5%	76.1%
SNZ	35.3%	45.1%	48.8%	55.1%	64.1%	73.2%
TA	40.5%	37.0%	41.7%	38.6%	43.8%	45.1%
WINZ	32.1%	45.9%	49.2%	59.7%	73.4%	70.4%

Table 27: Helpfulness of Government Agencies by FTE Group (2007)

Agency	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
CO	3.933	3.787	3.796	3.740	3.875	3.791	3.840
NZCS	3.757	3.613	3.441	3.673	3.464	3.583	3.635
DoL	3.537	3.500	3.524	3.519	3.409	3.575	3.516
TA	3.512	3.670	3.392	3.571	3.400	3.406	3.513
IRD	3.615	3.557	3.348	3.472	3.230	3.362	3.500
NZFSA	3.444	3.567	3.333	3.679	3.364	3.500	3.490
MAF	3.534	3.032	3.367	3.677	3.882	3.556	3.481
OSH	3.642	3.218	3.333	3.552	3.667	3.481	3.477
ACC	3.312	3.497	3.382	3.480	3.327	3.459	3.399
ERMA	3.382	2.900	3.500	3.125	3.667	3.357	3.286
WINZ	3.279	3.328	3.109	3.250	3.383	3.380	3.267
SNZ	3.316	3.215	3.118	3.220	3.286	3.308	3.240
MoE	3.019	3.176	3.333	3.524	3.455	3.500	3.239
MoH	3.133	3.303	2.920	3.269	3.364	3.154	3.176
LA	3.295	3.112	3.000	3.211	2.936	3.043	3.160
NZIS	3.239	3.161	3.041	2.981	3.138	3.028	3.104
Other	3.316	3.286	2.792	2.533	3.000	2.625	3.026
All Agencies	3.427	3.348	3.278	3.381	3.403	3.359	3.373

Figure 8: Average Helpfulness Scores by Enterprise Size (FTE Groups – 2005, 2006 & 2007)

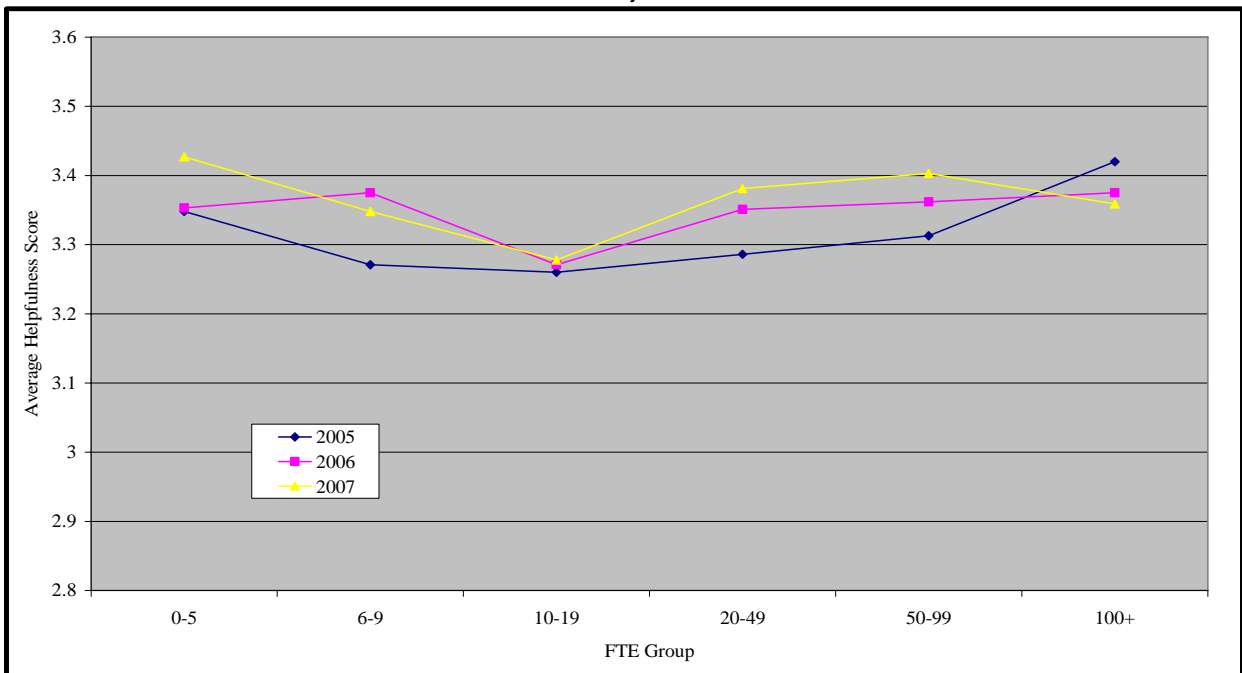


Table 28: Contact with Agencies by Grouped Industry (2007)

Agency	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
ACC	58.8%	70.1%	66.9%	49.1%	64.4%	49.6%	52.9%
CO	26.1%	34.1%	45.3%	38.2%	35.6%	69.8%	32.6%
DoL	22.9%	40.1%	42.4%	30.8%	32.6%	30.9%	40.1%
ERMA	17.6%	12.6%	9.4%	5.3%	5.3%	2.9%	2.9%
FSA	16.3%	15.0%	2.2%	14.4%	6.8%	2.9%	11.6%
IRD	85.6%	84.4%	88.5%	88.7%	87.9%	92.8%	90.7%
LA	81.0%	59.3%	84.9%	58.8%	43.9%	46.8%	54.1%
MAF	30.7%	24.0%	2.9%	11.3%	18.2%	5.0%	3.5%
MoE	7.2%	4.2%	8.6%	3.7%	4.5%	10.8%	42.4%
MoH	3.3%	8.4%	2.9%	7.4%	8.3%	5.8%	39.5%
NZCS	30.1%	50.9%	15.8%	32.9%	31.1%	14.4%	14.0%
NZIS	6.3%	19.8%	23.0%	16.9%	11.4%	23.7%	25.6%
OSH	19.0%	40.1%	43.9%	19.2%	24.2%	17.3%	22.7%
SNZ	56.2%	46.7%	43.2%	41.7%	34.8%	55.4%	47.7%
TA	60.1%	34.1%	56.8%	29.9%	75.0%	21.6%	29.1%
WINZ	28.1%	47.3%	42.4%	46.5%	43.2%	40.3%	65.1%

Table 29: Helpfulness of Government Agencies by Grouped Industry (2007)

Agency	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
CO	3.902	3.444	3.859	3.953	3.857	3.898	3.759	3.840
NZCS	3.532	3.640	3.500	3.703	3.683	3.636	3.462	3.635
DoL	3.543	3.583	3.431	3.576	3.444	3.214	3.620	3.516
TA	3.559	3.250	3.582	3.523	3.636	3.323	3.481	3.513
IRD	3.573	3.350	3.508	3.507	3.440	3.581	3.532	3.500
FSA	3.280	3.385	3.000	3.641	3.400	3.200	3.609	3.490
MAF	3.574	3.571	3.500	3.385	3.304	3.125	4.000	3.481
OSH	3.400	3.529	3.635	3.424	3.387	3.231	3.538	3.477
ACC	3.385	3.308	3.362	3.429	3.368	3.333	3.576	3.399
ERMA	3.346	3.160	3.000	3.500	3.182	2.600	3.778	3.286
WINZ	3.442	3.363	3.213	3.266	3.172	2.842	3.425	3.267
SNZ	3.136	3.076	3.254	3.296	3.283	3.321	3.272	3.240
MoE	2.667	2.909	3.143	3.150	2.714	3.125	3.493	3.239
MoH	3.000	3.105	3.167	3.200	3.000	3.111	3.235	3.176
LA	3.224	3.100	3.158	3.121	3.138	3.061	3.326	3.160
NZIS	3.240	2.892	3.147	3.093	3.412	3.029	3.128	3.104
Other	2.625	2.818	2.625	3.200	3.000	2.900	3.462	3.026
Average, all agencies	3.319	3.264	3.299	3.410	3.319	3.208	3.511	

Figure 9: Overall Helpfulness Scores by Grouped Industry (2005, 2006 & 2007)

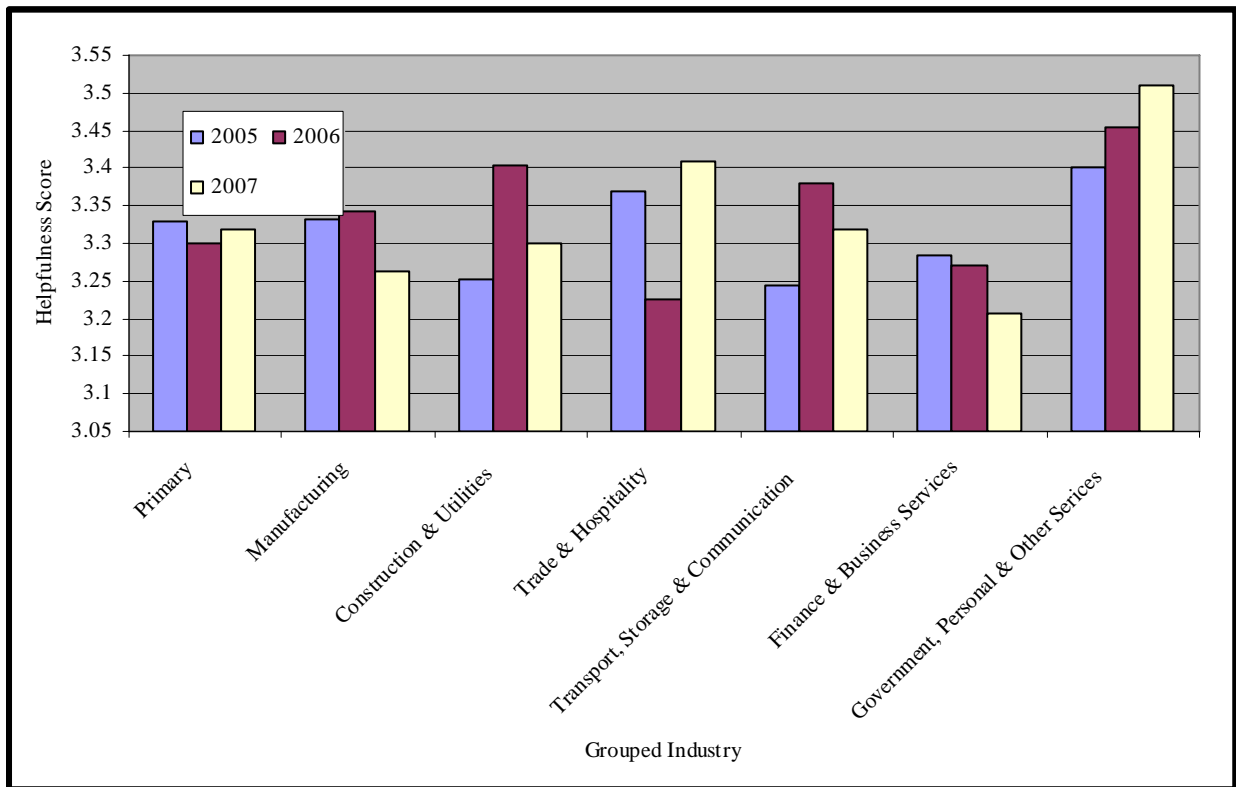


Table 30: Contact with Agencies by Grouped Region (2007)

Agency	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
ACC	52.4%	60.3%	55.4%	53.1%	65.3%	59.1%	58.9%
CO	44.1%	33.2%	21.5%	51.6%	33.3%	45.1%	32.6%
DoL	34.7%	42.7%	28.9%	34.4%	33.3%	31.1%	23.3%
ERMA	7.6%	8.6%	6.6%	4.7%	5.6%	9.3%	6.2%
FSA	9.9%	9.1%	16.5%	9.4%	8.3%	10.5%	17.8%
IRD	89.6%	87.9%	88.4%	93.0%	91.7%	86.0%	83.7%
LA	51.4%	65.5%	76.9%	51.6%	69.4%	60.7%	70.5%
MAF	13.4%	12.9%	15.7%	12.5%	9.7%	12.8%	14.7%
MoE	11.6%	12.5%	12.4%	7.8%	6.9%	10.1%	7.0%
MoH	9.4%	12.1%	13.2%	7.8%	6.9%	9.7%	16.3%
NZCS	30.9%	26.7%	19.8%	28.1%	23.6%	35.4%	21.7%
NZIS	22.3%	19.0%	13.2%	15.6%	11.1%	19.5%	22.5%
OSH	24.1%	29.7%	22.3%	33.6%	23.6%	21.4%	22.5%
SNZ	48.9%	45.7%	43.8%	48.4%	38.9%	42.0%	45.7%
TA	35.7%	45.7%	53.7%	25.0%	40.3%	41.6%	43.4%
WINZ	43.5%	50.9%	53.7%	39.1%	41.7%	42.0%	49.6%

Table 31: Helpfulness of Government Agencies by Grouped Region (2007)

Agency	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
CO	3.728	3.875	4.037	4.044	3.852	3.881	3.682	3.840
NZCS	3.606	3.813	3.615	3.595	3.611	3.634	3.448	3.635
DOL	3.486	3.683	3.459	3.532	3.481	3.451	3.364	3.516
TA	3.380	3.651	3.591	3.515	3.552	3.486	3.517	3.513
IRD	3.482	3.500	3.664	3.630	3.224	3.443	3.541	3.500
FSA	3.333	3.435	3.667	3.667	3.750	3.571	3.391	3.490
MAF	3.304	3.581	3.579	3.706	2.875	3.600	3.579	3.481
OSH	3.423	3.544	3.429	3.628	3.722	3.509	3.129	3.477
ACC	3.316	3.563	3.478	3.377	3.383	3.373	3.333	3.399
ERMA	3.462	3.364	3.091	3.286	3.667	3.000	3.111	3.286
WINZ	3.045	3.441	3.394	3.020	3.129	3.435	3.406	3.267
SNZ	3.242	3.213	3.113	3.406	3.214	3.227	3.250	3.240
MoE	3.000	3.406	3.389	3.182	3.857	3.107	3.667	3.239
MoH	3.000	3.276	3.063	2.909	3.714	3.296	3.286	3.176
LA	2.909	3.209	3.430	3.448	3.360	3.152	3.066	3.160
NZIS	2.806	3.289	3.333	3.429	3.100	3.288	3.067	3.104
Other	3.211	2.563	3.625	2.727	2.000	3.208	2.923	3.026
Average (all agencies)	3.278	3.436	3.468	3.418	3.382	3.392	3.339	

Figure 10: Overall Helpfulness Scores by Grouped Region (2005, 2006 & 2007)

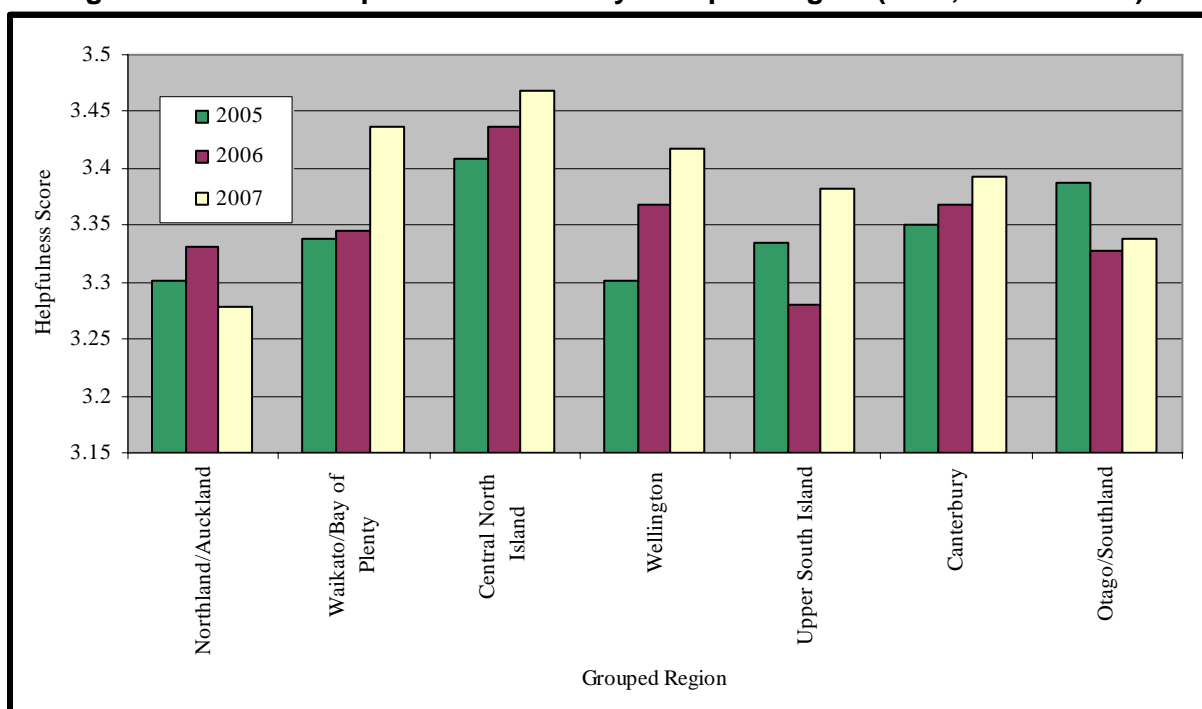


Table 32: Contact with Agencies by Grouped Years in Operation (2007)

Agency	1 yr or less	2-5 yrs	6-10 yrs	11-20 yrs	21 yrs +
ACC	43.1%	49.1%	55.4%	58.6%	63.3%
CO	56.9%	41.2%	36.9%	38.5%	37.7%
DoL	29.2%	31.8%	36.9%	32.8%	34.7%
ERMA	0.0%	5.4%	6.9%	6.9%	11.0%
FSA	10.8%	9.7%	12.4%	10.3%	11.7%
IRD	89.2%	91.3%	88.4%	88.8%	86.1%
LA	53.8%	54.9%	59.2%	58.0%	69.2%
MAF	4.6%	6.9%	9.9%	16.1%	18.6%
MoE	15.4%	9.7%	10.3%	10.9%	10.0%
MoH	7.7%	10.1%	12.0%	9.8%	11.5%
NZCS	21.5%	22.7%	25.8%	29.6%	34.2%
NZIS	7.7%	18.1%	16.3%	19.8%	22.5%
OSH	18.5%	15.5%	21.0%	24.7%	35.2%
SNZ	36.9%	40.1%	34.8%	44.8%	57.7%
TA	33.8%	37.9%	39.1%	42.8%	41.3%
WINZ	29.2%	44.8%	48.9%	48.9%	43.8%

Table 33: Helpfulness of Government Agencies by Grouped Years in Operation (2007)

Agency	1 year or less	2 to 5 years	6 to 10 years	11 to 20 years	21 years or more	All years
Companies Office	3.846	3.880	3.843	3.862	3.789	3.840
Customs	3.647	3.703	3.609	3.689	3.573	3.635
DoL	3.318	3.500	3.396	3.583	3.577	3.516
Transport Agencies	3.917	3.458	3.641	3.461	3.468	3.513
IRD	3.593	3.474	3.490	3.505	3.506	3.500
FSA	3.625	3.500	3.581	3.300	3.574	3.494
MAF	3.500	3.190	3.333	3.508	3.587	3.481
OSH	3.429	3.444	3.440	3.435	3.524	3.475
ACC	3.379	3.331	3.450	3.438	3.383	3.399
ERMA	3.333	3.421	3.300	3.207	3.271	3.286
WINZ	3.000	3.177	3.207	3.246	3.412	3.265
SNZ	3.160	3.372	3.060	3.308	3.205	3.240
MoE	2.769	2.897	3.462	3.279	3.432	3.239
MoH	2.714	3.033	3.621	3.237	3.020	3.176

Local Authority	3.342	3.123	3.216	3.074	3.187	3.159
Immigration	2.750	3.135	2.846	3.151	3.188	3.104
Other	3.375	3.235	2.867	2.946	3.000	3.026
Average (all agencies)	3.335	3.346	3.374	3.366	3.394	

Figure 11: Overall Helpfulness Scores by Grouped Years in Operation (2005, 2006 & 2007)

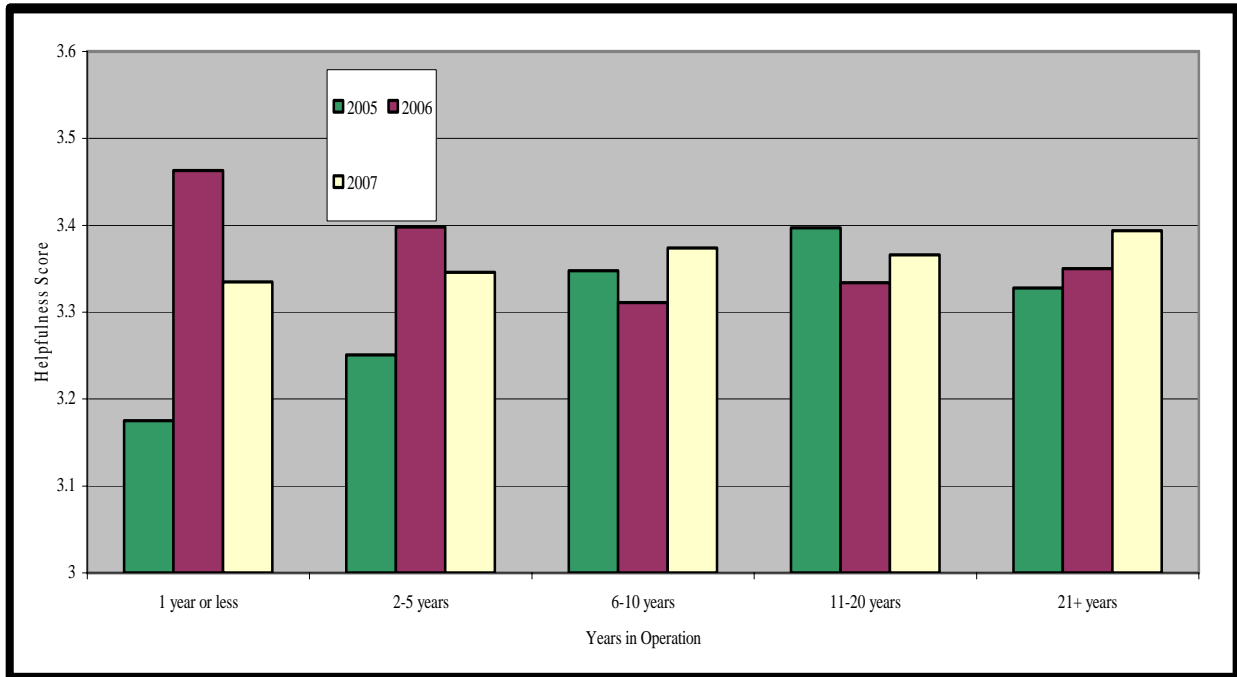


Table 34: Government's Helpfulness in terms of Compliance Issues associated with KiwiSaver (2007)

Rating of the Government	0-5	6-9	10-19	20-49	50-99	100+	Total
Very helpful	1.9%	1.9%	0.8%	3.4%	4.7%	4.2%	2.2%
Helpful	21.9%	24.1%	29.3%	29.5%	20.3%	25.4%	24.8%
Neither helpful or unhelpful	58.0%	46.3%	42.6%	36.9%	40.6%	29.6%	47.8%
Unhelpful	11.5%	16.0%	18.6%	22.2%	21.9%	25.4%	16.3%
Very unhelpful	6.7%	11.7%	8.7%	8.0%	12.5%	15.5%	8.9%

Figure 12: Overall Government's Helpfulness in terms of Compliance Issues associated with KiwiSaver (2007)

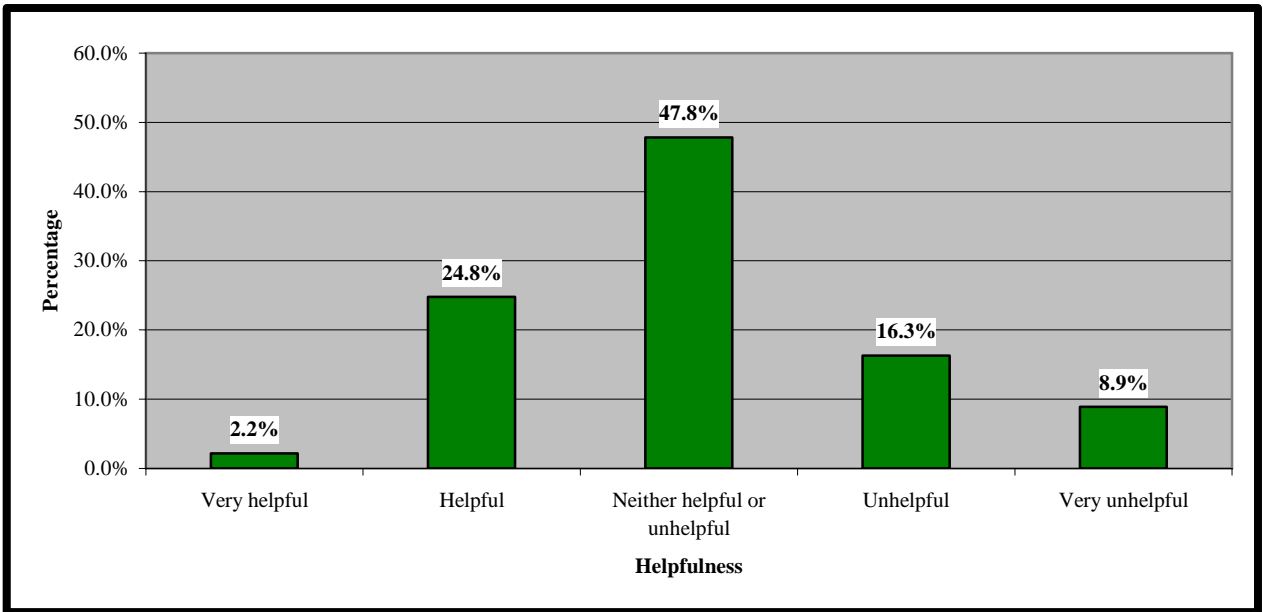
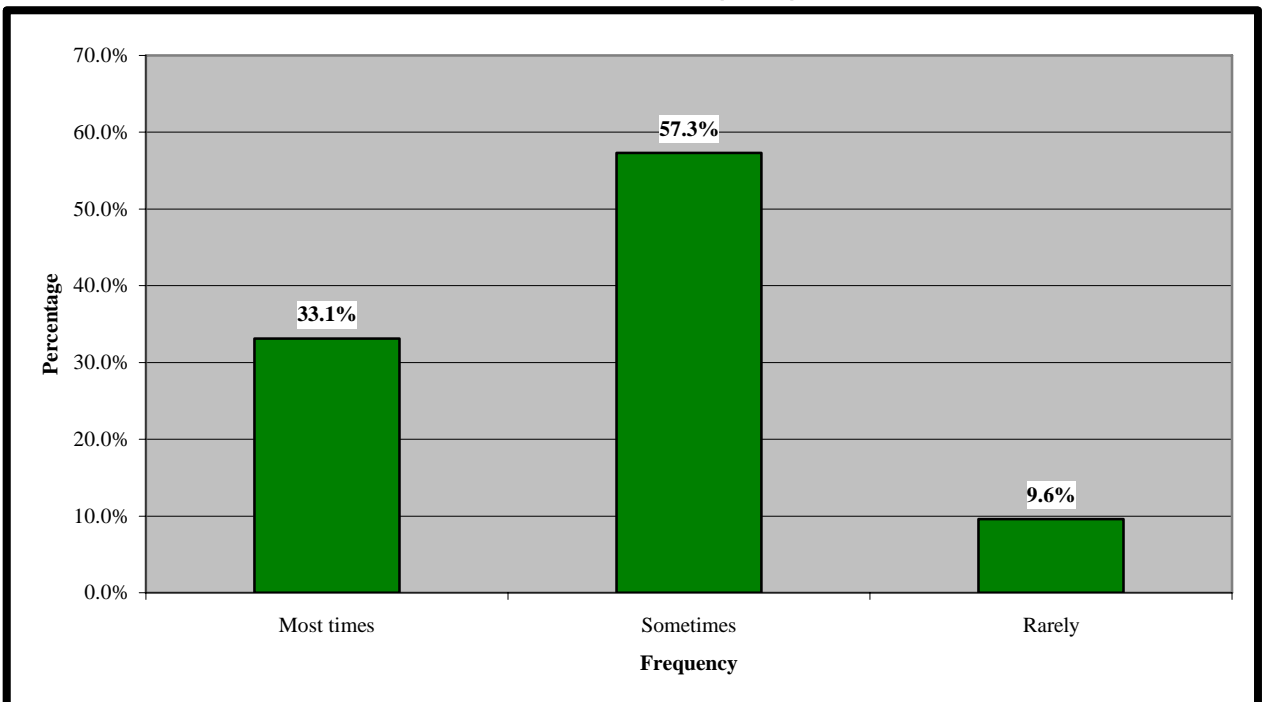


Table 35: Frequency of Businesses finding Exact Information required on Government Websites (2007)

Frequency	0-5	6-9	10-19	20-49	50-99	100+	Total
Most times	31.9%	31.1%	34.7%	35.8%	35.9%	35.2%	33.1%
Sometimes	57.4%	58.0%	55.4%	58.0%	53.1%	62.0%	57.3%
Rarely	10.7%	10.9%	9.9%	6.3%	10.9%	2.8%	9.6%

Figure 13: Overall Frequency of Businesses finding Exact Information required on Government Websites (2007)



3.3 COMPLIANCE COST TRENDS

Table 36: Compliance Cost Trends – Percent of Respondents Commenting (2006 & 2007)

Compliance Cost Area	2007		2006	
	Number of respondents commenting	Percent of respondents commenting	Number of respondents commenting	Percent of respondents commenting
Tax – PAYE	1223	91.7%	1274	91.0%
Tax – Fringe Benefit Tax	751	56.3%	840	60.0%
Tax – GST	1308	98.1%	1366	97.6%
Tax – Provisional Tax	1220	91.5%	1253	89.5%
Tax – Other deductions	1038	77.8%	1092	78.0%
<i>Average, all tax</i>	<i>1108</i>	<i>83.1%</i>	<i>1165</i>	<i>83.2%</i>
ACC	1214	91.0%	1279	91.4%
Employer Related Superannuation Schemes	758	56.8%	447	31.9%
Employment Relations Act	1066	79.9%	1123	80.2%
Health & Safety in Employment Act	1123	84.2%	1189	84.9%
Holidays Act	1180	88.5%	1224	87.4%
Border Control	451	33.8%	458	32.7%
Hazardous Substances & New Organisms (HSNO)	573	43.0%	601	42.9%
Local Government	986	73.9%	1034	73.9%
Resource Management Act	673	50.4%	732	52.3%
Companies and Securities	647	48.5%	769	54.9%
Consumer Issues	831	62.3%	830	59.3%
Education Sector	511	38.3%	545	38.9%
Food Sector	445	33.4%	425	30.4%
Health Sector	502	37.6%	518	37.0%
Statistics NZ	1056	79.2%	1121	80.1%
Transport Sector	712	53.4%	741	52.9%
Other Compliance Costs	593	44.5%	535	38.2%

Table 37: Compliance Cost Trends over the Preceding 12 Months (2007)

Compliance Cost Area	Large Rise (5)	Modest Rise (4)	No Change (3)	Modest Fall (2)	Large Fall (1)	Cost Trend Score
Tax – PAYE	6.1%	35.5%	55.7%	2.5%	0.3%	3.445
Tax – Fringe Benefit Tax	2.5%	20.8%	74.0%	2.1%	0.5%	3.226
Tax – GST	3.9%	25.1%	68.0%	2.8%	0.3%	3.295
Tax – Provisional Tax	6.4%	27.6%	63.4%	2.2%	0.3%	3.375
Tax – Other deductions	8.2%	32.9%	56.7%	2.0%	0.2%	3.468
<i>Average, all Tax</i>	<i>5.4%</i>	<i>28.4%</i>	<i>63.6%</i>	<i>2.3%</i>	<i>0.3%</i>	<i>3.362</i>
ACC	7.8%	30.5%	58.8%	2.8%	0.1%	3.432
Employer Related Super Schemes	29.2%	29.4%	39.7%	1.2%	0.5%	3.855
Employment Relations Act	11.4%	37.0%	49.7%	1.5%	0.4%	3.576
Health & Safety in Employment Act	7.8%	33.7%	57.1%	1.4%	0.0%	3.479
Holidays Act	28.1%	49.7%	21.0%	0.9%	0.2%	4.047
Border Control	8.0%	26.6%	62.7%	2.2%	0.4%	3.395
HSNO	10.5%	27.7%	59.9%	1.7%	0.2%	3.466
Local Government	15.4%	32.3%	50.3%	1.7%	0.3%	3.608
Resource Management Act	14.9%	29.7%	53.2%	1.5%	0.7%	3.565
Companies and Securities	2.3%	11.4%	83.8%	2.2%	0.3%	3.133
Consumer Issues	4.2%	26.7%	67.3%	1.8%	0.0%	3.333
Education Sector	7.2%	26.0%	64.8%	1.6%	0.4%	3.382
Food Sector	7.0%	27.9%	64.3%	0.9%	0.0%	3.409
Health Sector	6.6%	23.3%	67.9%	1.4%	0.8%	3.335
Statistics NZ	3.2%	20.5%	72.7%	3.2%	0.3%	3.232
Transport Sector	13.2%	30.9%	55.3%	0.6%	0.0%	3.567
Other compliance costs	18.9%	52.4%	27.0%	0.7%	1.0%	3.875

Figure 14: Compliance Cost Trends Scores by Compliance Cost Area (2007)

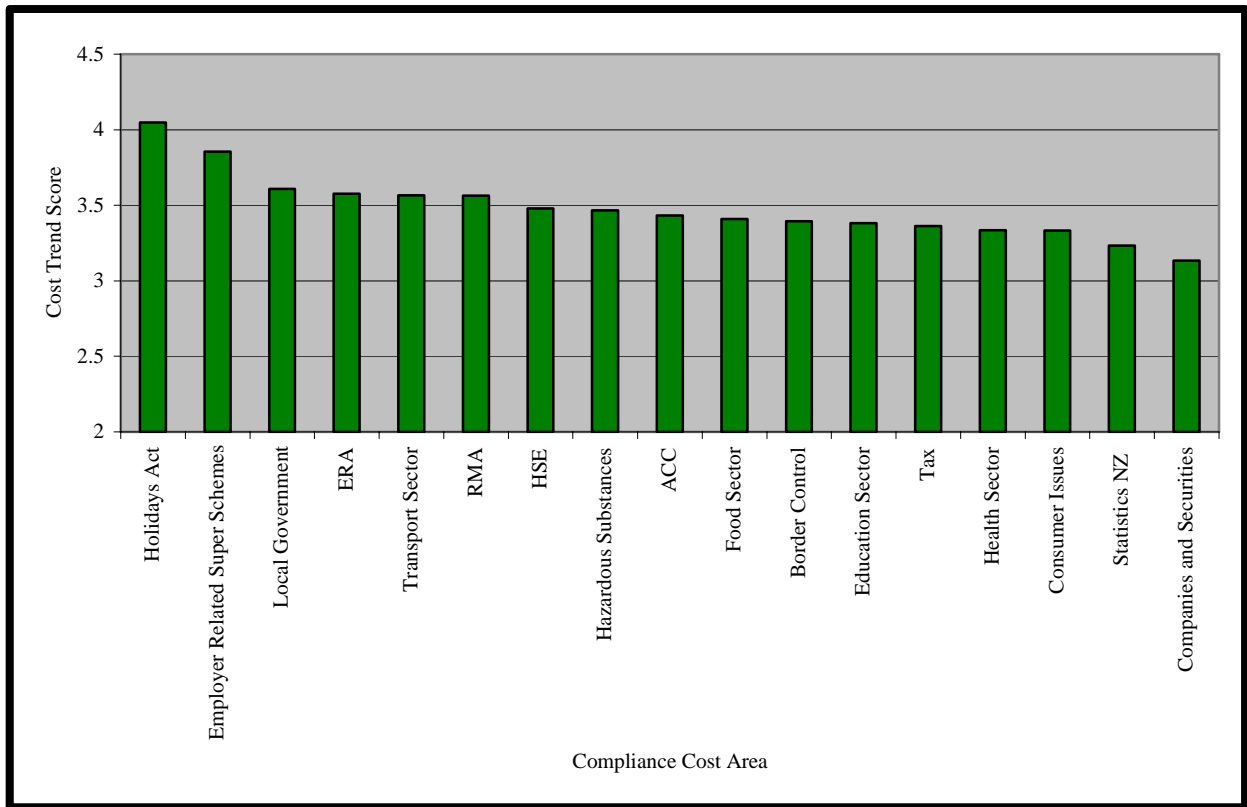


Table 38: Grouping of Compliance Cost Area by Perceived Scores (2006 & 2007)

Very Large Increase (4.000+)		Large Increase (3.500-3.999)		Modest Increase (3.000-3.499)		Decrease (1.000 – 2.999)	
2007	2006	2007	2006	2007	2006	2007	2006
1 Holidays Act	1 Holidays Act	2 Other Compliance Costs 3 ERSS 4 Local Govt 5 ERA 6 Transport 7 RMA	2 Other Compliance Costs 3 ERA 4 RMA 5 HSE 6 HSNO 7 Local Govt 8 Transport 9 ACC 10 Other Tax Deductions	8 HSE 9 Other Tax Deductions 10 HSNO 11 PAYE 12 ACC 13 Food Sector 14 Border 15 Education 16 Prov Tax 17 Health 18 Consumer 19 GST 20 SNZ 21 FBT 22 Company & Securities	11 FBT 12 Border 13 Prov Tax 14 Education 15 Food 16 PAYE 17 Health 18 Consumer 19 GST 20 SNZ 21 Company & Securities 22 ERSS	Nil	Nil

Table 39: Change in Compliance Cost Trend Scores (2006 & 2007)

Compliance Cost Area	2007	2006	Change	Increase or Decrease in Compliance Cost Trend Scores
Tax – PAYE	3.449	3.433	0.016	Increase
Tax – Fringe Benefit Tax	3.224	3.486	-0.262	Decrease
Tax – GST	3.298	3.317	-0.019	Decrease
Tax – Provisional Tax	3.373	3.455	-0.082	Decrease
Tax – Other deductions	3.469	3.523	-0.054	Decrease
<i>Average, all Tax</i>	<i>3.363</i>	<i>3.443</i>	<i>-0.080</i>	<i>Decrease</i>
ACC	3.431	3.525	-0.094	Decrease
Employer Related Super Schemes	3.856	3.159	0.697	Increase
Employment Relations Act	3.575	3.744	-0.169	Decrease
Health & Safety in Employment Act	3.479	3.658	-0.179	Decrease
Holidays Act	4.043	4.008	0.035	Increase
Border Control	3.393	3.462	-0.069	Decrease
HSNO	3.466	3.644	-0.178	Decrease
Local Government	3.608	3.642	-0.034	Decrease
Resource Management Act	3.566	3.697	-0.131	Decrease
Companies & securities	3.132	3.182	-0.050	Decrease
Consumer Issues	3.333	3.356	-0.023	Decrease
Education sector	3.380	3.449	-0.069	Decrease
Food sector	3.413	3.438	-0.025	Decrease
Health sector	3.335	3.415	-0.080	Decrease
Statistics NZ	3.228	3.27	-0.042	Decrease
Transport sector	3.567	3.609	-0.042	Decrease
Other compliance costs	3.875	3.849	0.026	Increase

Table 40: Compliance Cost Trend Score by FTE Group (2007)

Compliance Cost Area	0-5	6-9	10-19	20-49	50-99	100+	All sizes
Tax – PAYE	3.379	3.478	3.563	3.471	3.355	3.338	3.445
Tax – Fringe Benefit Tax	3.163	3.161	3.290	3.214	3.451	3.274	3.226
Tax – GST	3.315	3.327	3.324	3.207	3.270	3.183	3.295
Tax – Provisional Tax	3.396	3.445	3.376	3.264	3.393	3.227	3.375
Tax – Other deductions	3.307	3.514	3.551	3.497	3.656	3.543	3.468
<i>Average, all Tax</i>	<i>3.312</i>	<i>3.385</i>	<i>3.421</i>	<i>3.331</i>	<i>3.425</i>	<i>3.313</i>	<i>3.362</i>
ACC	3.396	3.435	3.511	3.392	3.460	3.457	3.432
Employer Related Super Schemes	3.840	3.844	3.917	3.808	3.542	4.161	3.855
Employment Relations Act	3.483	3.561	3.568	3.696	3.619	3.757	3.576
Health & Safety in Employment Act	3.388	3.455	3.480	3.530	3.730	3.690	3.479
Holidays Act	3.890	4.108	4.134	4.087	4.125	4.225	4.047
Border Control	3.354	3.348	3.468	3.351	3.591	3.475	3.395
HSNO	3.524	3.374	3.481	3.391	3.528	3.500	3.466
Local Government	3.678	3.610	3.684	3.369	3.561	3.576	3.608
Resource Management Act	3.641	3.543	3.624	3.280	3.571	3.708	3.565
Companies & securities	3.127	3.068	3.154	3.124	3.156	3.268	3.133
Consumer Issues	3.332	3.346	3.430	3.188	3.432	3.260	3.333
Education sector	3.310	3.477	3.500	3.308	3.409	3.226	3.382
Food sector	3.357	3.500	3.471	3.257	3.696	3.351	3.409
Health sector	3.354	3.400	3.333	3.145	3.577	3.281	3.335
Statistics NZ	3.233	3.243	3.221	3.154	3.246	3.403	3.232
Transport sector	3.586	3.544	3.603	3.470	3.658	3.568	3.567
Other compliance costs	3.754	3.983	3.929	3.904	3.889	4.148	3.875
Average	3.446	3.489	3.528	3.414	3.542	3.528	

Figure 15: Compliance Cost Trend Scores by Size of Enterprise (FTE Groups – 2005-2007)

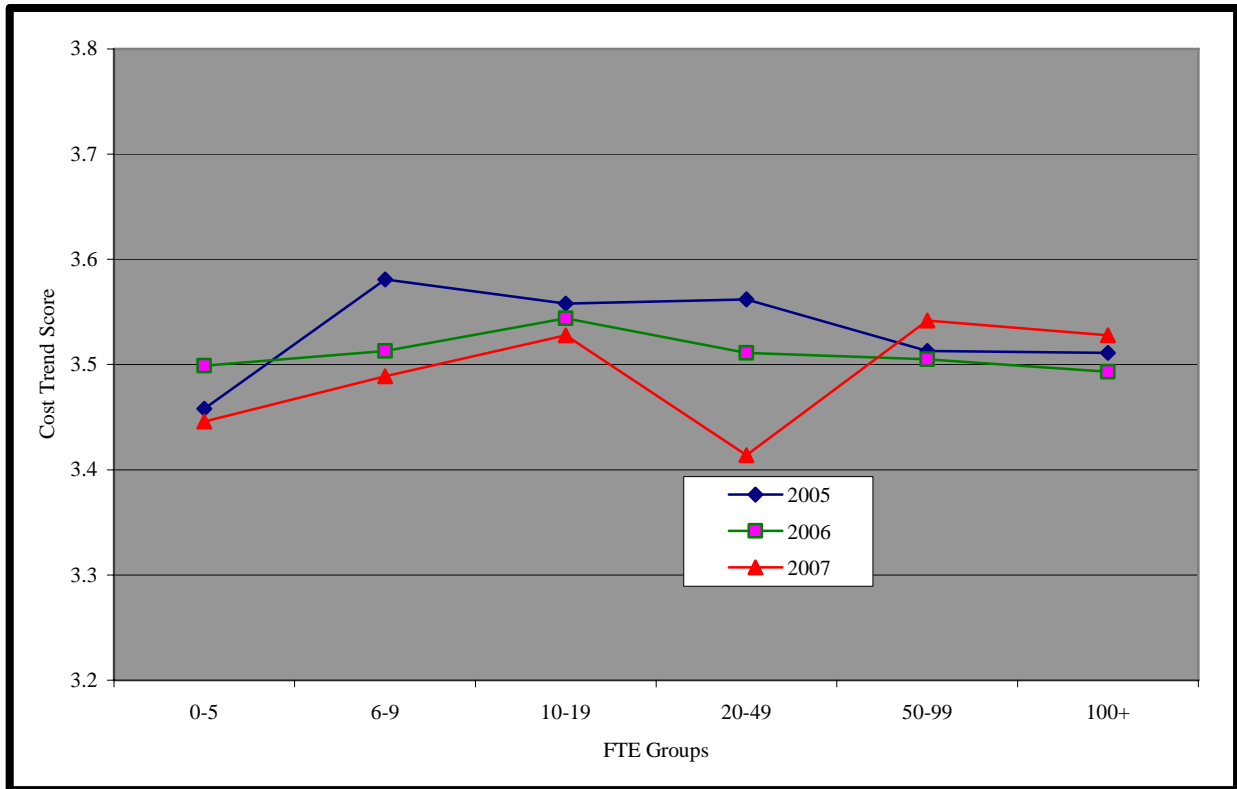


Table 41: Compliance Cost Trend Scores by Grouped Industry (2007)

Compliance Cost Area	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
Tax – PAYE	3.493	3.399	3.433	3.455	3.534	3.442	3.368	3.445
Tax – FBT	3.138	3.207	3.224	3.193	3.289	3.340	3.234	3.226
Tax – GST	3.322	3.189	3.326	3.340	3.238	3.319	3.259	3.295
Tax – Prov Tax	3.352	3.287	3.368	3.382	3.405	3.530	3.313	3.375
Tax – Other deductions	3.505	3.413	3.571	3.485	3.490	3.357	3.446	3.468
<i>Average, all Tax</i>	<i>3.362</i>	<i>3.299</i>	<i>3.384</i>	<i>3.371</i>	<i>3.391</i>	<i>3.398</i>	<i>3.324</i>	<i>3.362</i>
ACC	3.600	3.400	3.561	3.396	3.543	3.311	3.300	3.432
Employer Related Super Schemes	3.753	3.832	3.736	3.932	3.773	4.077	3.739	3.855
ERA	3.636	3.630	3.528	3.608	3.479	3.445	3.606	3.576
HSE	3.630	3.510	3.659	3.426	3.590	3.278	3.357	3.479
Holidays	4.066	4.051	4.056	4.092	4.168	3.860	3.980	4.047
Border Control	3.388	3.560	3.242	3.507	3.364	3.032	3.000	3.395
HSNO	3.958	3.516	3.276	3.327	3.383	3.059	3.213	3.466
Local Government	3.957	3.472	3.856	3.599	3.346	3.383	3.446	3.608
RMA	3.944	3.500	3.726	3.436	3.298	3.444	3.388	3.565
Companies & securities	3.185	3.119	3.147	3.102	3.019	3.277	3.063	3.133
Consumer Issues	3.361	3.234	3.341	3.389	3.191	3.370	3.301	3.333
Education sectors	3.455	3.129	3.246	3.157	3.243	3.289	3.952	3.382
Food sectors	3.429	3.481	3.100	3.544	3.241	3.097	3.333	3.409
Health sectors	3.370	3.262	3.163	3.280	3.158	3.222	3.629	3.335
SNZ	3.383	3.182	3.157	3.280	3.221	3.167	3.131	3.232
Transport sector	3.648	3.417	3.593	3.476	3.991	3.271	3.362	3.567
Other compliance costs	3.966	3.864	4.074	3.845	3.722	3.746	3.935	3.875
Average	3.570	3.439	3.472	3.466	3.440	3.378	3.425	

Figure 16: Overall Compliance Cost Trend Scores by Grouped Industry (2005-2007)

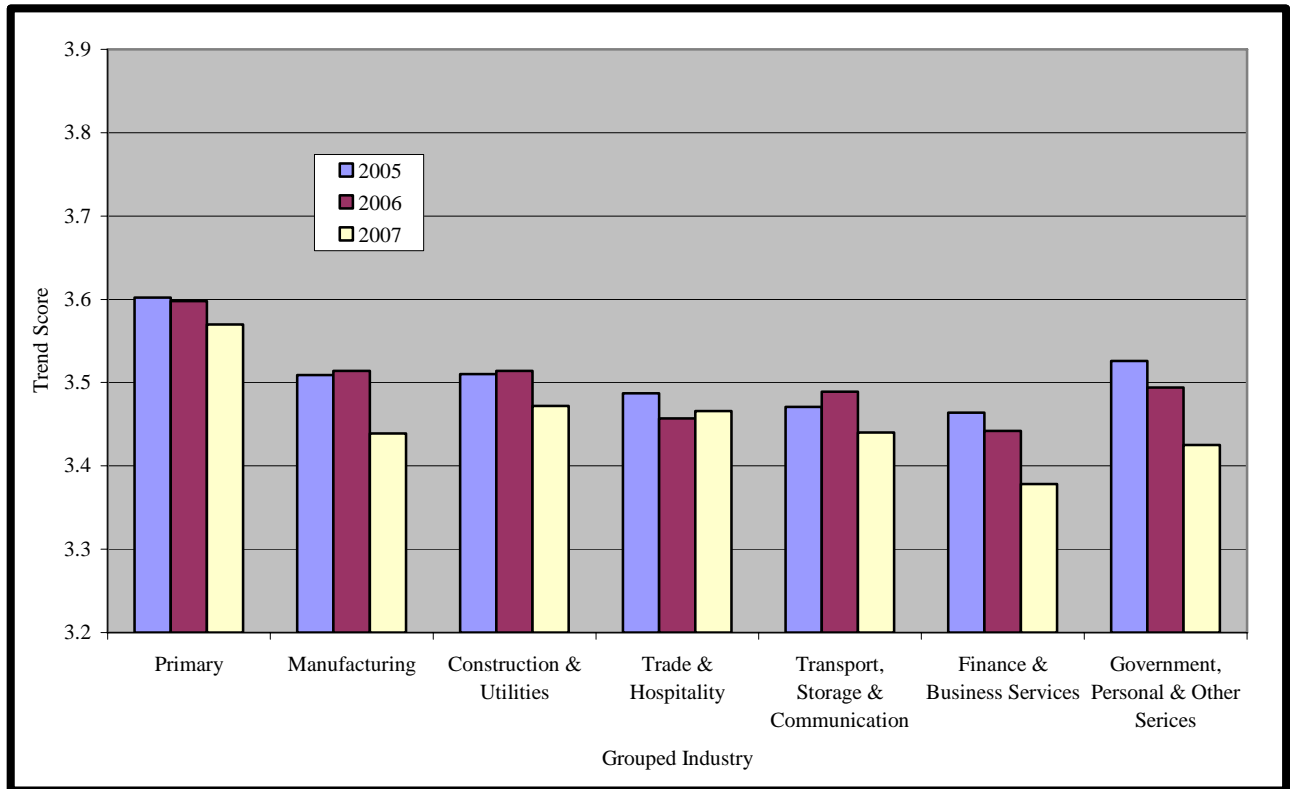


Table 42: Compliance Cost Trend Scores by Grouped Region (2007)

Compliance Cost Area	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
Tax – PAYE	3.466	3.435	3.440	3.426	3.333	3.454	3.462	3.445
Tax – FBT	3.230	3.256	3.203	3.147	3.179	3.267	3.197	3.226
Tax – GST	3.335	3.291	3.311	3.280	3.254	3.265	3.264	3.295
Tax – Prov Tax	3.376	3.357	3.330	3.408	3.424	3.394	3.351	3.375
Tax – Other deductions	3.491	3.508	3.402	3.469	3.531	3.398	3.480	3.468
<i>Average, all Tax</i>	<i>3.380</i>	<i>3.370</i>	<i>3.337</i>	<i>3.346</i>	<i>3.344</i>	<i>3.356</i>	<i>3.351</i>	<i>3.362</i>
ACC	3.394	3.412	3.487	3.407	3.358	3.485	3.492	3.432
Employer Related Super Schemes	3.912	3.850	3.850	3.961	3.861	3.788	3.712	3.855
ERA	3.556	3.660	3.663	3.451	3.625	3.538	3.567	3.576
HSE	3.441	3.604	3.505	3.373	3.526	3.397	3.563	3.479
Holidays	4.037	4.139	4.119	3.838	3.952	4.064	4.070	4.047
Border Control	3.380	3.313	3.349	3.450	3.813	3.410	3.370	3.395
HSNO	3.327	3.464	3.554	3.364	3.690	3.443	3.701	3.466
Local Government	3.552	3.644	3.606	3.602	3.509	3.689	3.612	3.608
RMA	3.508	3.605	3.514	3.453	3.794	3.641	3.527	3.565
Companies & securities	3.120	3.108	3.021	3.203	3.125	3.157	3.176	3.133
Consumer Issues	3.336	3.331	3.346	3.293	3.450	3.277	3.407	3.333
Education sectors	3.351	3.505	3.483	3.333	3.429	3.315	3.275	3.382
Food sectors	3.358	3.342	3.510	3.425	3.526	3.370	3.538	3.409
Health sectors	3.346	3.300	3.441	3.310	3.250	3.255	3.446	3.335
SNZ	3.213	3.212	3.284	3.190	3.327	3.236	3.264	3.232
Transport sector	3.683	3.580	3.481	3.370	3.500	3.536	3.557	3.567
Other compliance costs	3.966	3.919	3.806	3.636	3.941	3.829	3.839	3.875
Average	3.472	3.493	3.487	3.427	3.518	3.464	3.494	

Figure 17: Compliance Cost Trend Scores by Grouped Region (2005-2007)

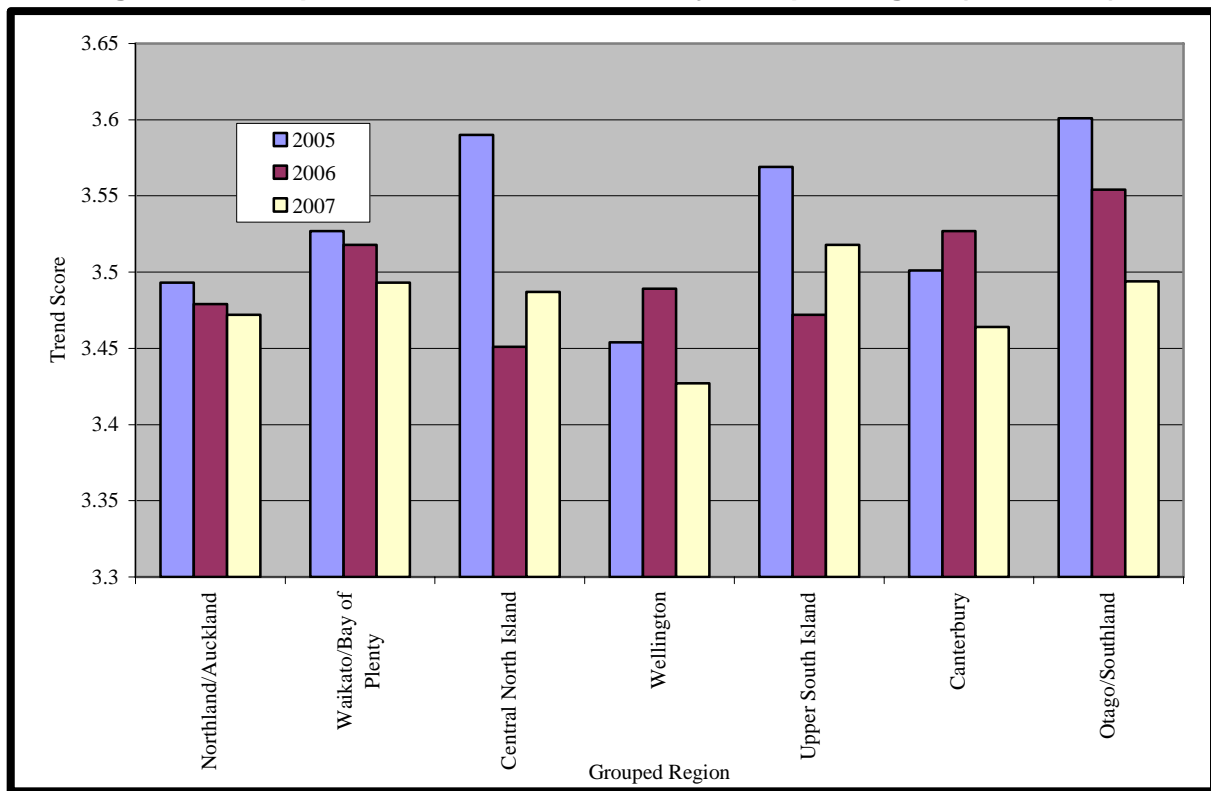
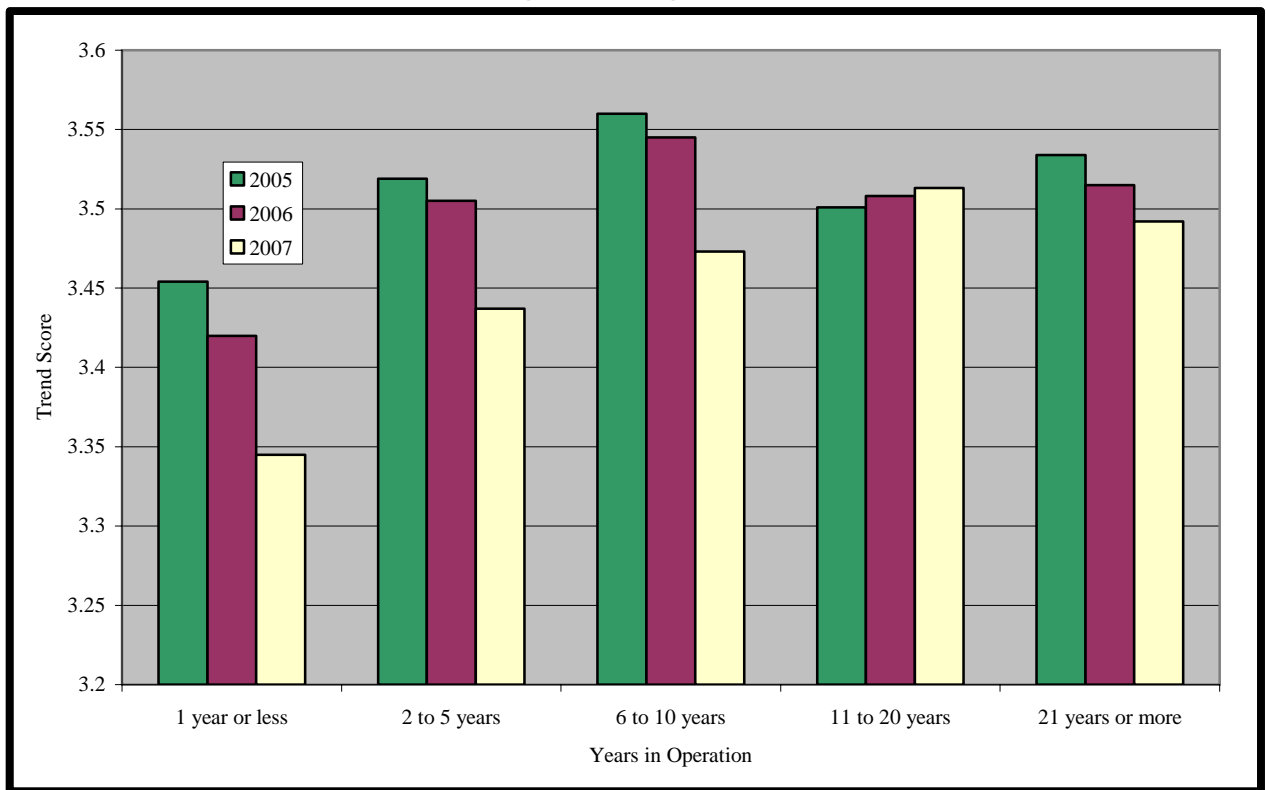


Table 43: Compliance Cost Trend Scores by Grouped Years in Operation (2007)

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	3.360	3.463	3.465	3.485	3.398	3.444
Tax – Fringe Benefit Tax	3.207	3.144	3.315	3.219	3.234	3.226
Tax – GST	3.355	3.338	3.304	3.238	3.302	3.296
Tax – Provisional Tax	3.370	3.498	3.419	3.307	3.330	3.376
Tax – Other deductions	3.308	3.420	3.492	3.498	3.478	3.468
<i>Average, all Tax</i>	3.320	3.373	3.399	3.349	3.348	3.362
ACC	3.294	3.340	3.441	3.487	3.457	3.432
Employer-Related Super Schemes	3.622	3.882	3.886	3.924	3.800	3.856
Employment Relations Act	3.391	3.478	3.602	3.601	3.624	3.577
Health & Safety in Employment Act	3.295	3.364	3.492	3.465	3.572	3.479
Holidays Act	3.896	4.031	4.052	4.038	4.087	4.049
Border Control	3.063	3.190	3.420	3.487	3.457	3.396
HSNO	3.222	3.320	3.362	3.529	3.561	3.467
Local Government	3.371	3.635	3.558	3.690	3.583	3.608
Resource Management Act	3.286	3.530	3.468	3.635	3.606	3.565
Companies & securities	3.241	3.128	3.069	3.156	3.139	3.133
Consumer Issues	3.268	3.361	3.323	3.374	3.299	3.334
Education sector	3.167	3.304	3.432	3.488	3.359	3.382
Food sector	3.286	3.358	3.375	3.442	3.459	3.411
Health sector	3.263	3.272	3.361	3.350	3.360	3.336
Statistics NZ	3.184	3.206	3.237	3.231	3.250	3.232
Transport sector	3.556	3.517	3.509	3.635	3.578	3.568
Other compliance costs	3.588	3.836	3.811	4.000	3.891	3.876
Average	3.345	3.437	3.473	3.513	3.492	

Figure 18: Overall Compliance Cost Trend Scores by Grouped Years in Operation (2004-2007)



3.4 ESTIMATING TOTAL COMPLIANCE COSTS

Table 44: Summary of Total Compliance Costs (2005-2007)

	Tax	Employment	Environment	Other
Mean annual hours spent within the enterprise				
2005	328.9	441.5	140.4	245.8
2006	274.2	270.9	94.6	212.2
2007	138.3	186.6	95.0	119.8
Average internal cost				
2005 (hours at \$20.56 per hour)	\$6,762	\$9,077	\$2,887	\$5,054
2006 (hours at \$21.63 per hour)	\$5,931	\$5,860	\$2,046	\$4,590
2007 (hours at \$22.63 per hour)	\$3,130	\$4,223	\$2,150	\$2,710
% of respondents that used external advice				
2005	73.2%	45.5%	16.1%	18.3%
2006	81.4%	41.4%	16.1%	19.3%
2007	78.2%	37.3%	15.7%	16.2%
Average external cost				
2005	\$19,507	\$10,330	\$32,770	\$28,238
2006	\$12,170	\$7,274	\$20,367	\$23,308
2007	\$10,844	\$5,893	\$21,685	\$20,941
Average total cost				
2005	\$21,166	\$13,782	\$8,100	\$9,963
2006	\$15,716	\$8,747	\$5,195	\$8,574
2007	\$11,592	\$6,418	\$5,499	\$6,069
Average total cost by average FTE size				
2005	\$151	\$99	\$58	\$72
2006	\$284	\$158	\$94	\$155
2007	\$402	\$223	\$191	\$211
Average total cost as % of turnover				
2005	0.04%	0.02%	0.01%	0.02%
2006	0.10%	0.06%	0.03%	0.06%
2007	0.17%	0.10%	0.08%	0.09%
% of total compliance costs				
2005	40.0%	26.0%	15.3%	18.8%
2006	41.1%	22.9%	13.6%	22.4%
2007	39.2%	21.7%	18.6%	20.5%

Figure 19: Proportion of Total Compliance Costs (2007)

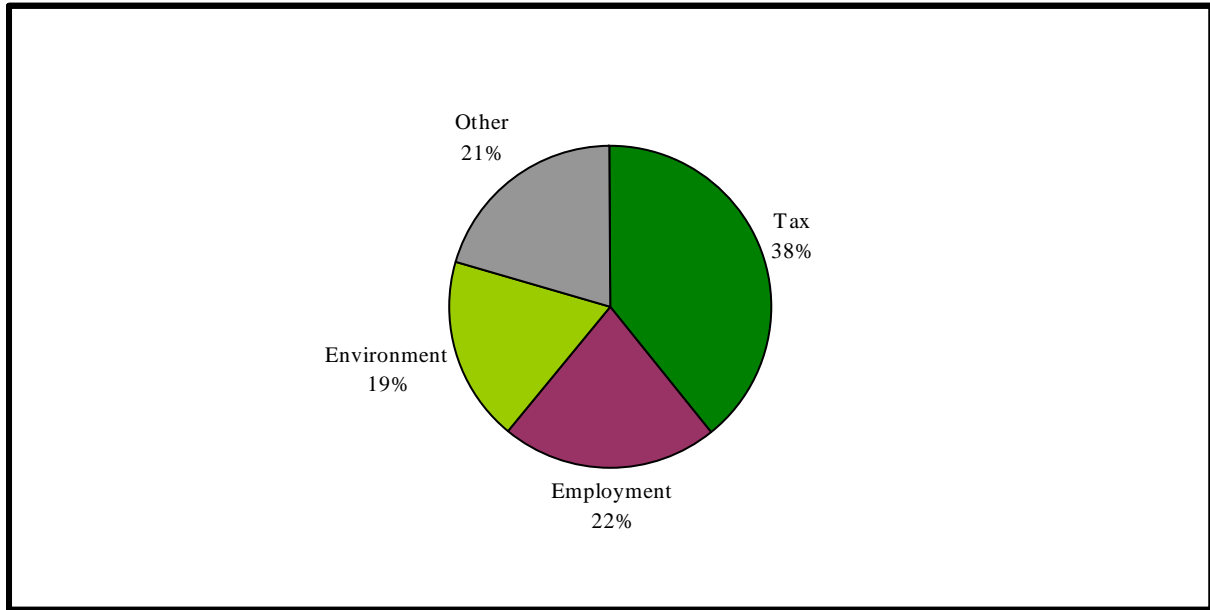


Table 45: Summary of Total Compliance Costs by FTE Group (2005-2007)

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Mean annual hours spent within the enterprise							
2005	303	573	576	704	1317	3918	1157
2006	238	563	524	996	1244	4352	852
2007	155	367	502	675	1584	2857	540
Average internal cost							
2005	\$6,230	\$11,781	\$11,841	\$14,482	\$27,082	\$80,556	\$23,780
2006	\$5,145	\$12,180	\$11,324	\$21,546	\$26,910	\$94,122	\$18,427
2007	\$3,498	\$8,305	\$11,369	\$15,278	\$35,843	\$64,643	\$12,213
% of respondents that used external advice							
2005	27.7%	39.1%	41.5%	40.9%	47.7%	48.8%	38.7%
2006	33.0%	39.0%	41.8%	45.2%	49.3%	54.7%	39.6%
2007	30.1%	38.6%	37.8%	40.6%	47.3%	58.1%	36.9%
Average external cost							
2005	\$19,003	\$22,942	\$31,551	\$37,153	\$81,465	\$273,461	\$90,845
2006	\$16,762	\$19,310	\$41,096	\$53,213	\$102,140	\$268,925	\$63,119
2007	\$16,280	\$28,250	\$44,818	\$86,968	\$86,815	\$223,005	\$59,363
Average total cost							
2005	\$10,487	\$19,258	\$23,903	\$29,997	\$61,972	\$174,755	\$53,011
2006	\$10,096	\$19,680	\$25,405	\$42,148	\$69,403	\$215,284	\$38,232
2007	\$7,390	\$17,339	\$24,753	\$40,327	\$63,825	\$192,738	\$29,578
Average total cost by FTE							
2005	\$3,604	\$2,623	\$1,724	\$952	\$899	\$247	\$380
2006	\$3,353	\$2,636	\$1,845	\$1,412	\$993	\$401	\$691
2007	\$2,384	\$2,389	\$1,839	\$1,307	\$922	\$627	\$1,026
Average total cost as % of turnover							
2005	1.31%	1.30%	0.54%	0.28%	0.42%	0.05%	0.09%
2006	1.41%	1.16%	0.84%	0.47%	0.33%	0.15%	0.25%
2007	1.37%	1.34%	0.60%	0.56%	0.39%	0.27%	0.44%

Figure 20: Total Compliance Costs per Employee by Size of Enterprise (FTE Group 2005-2007)

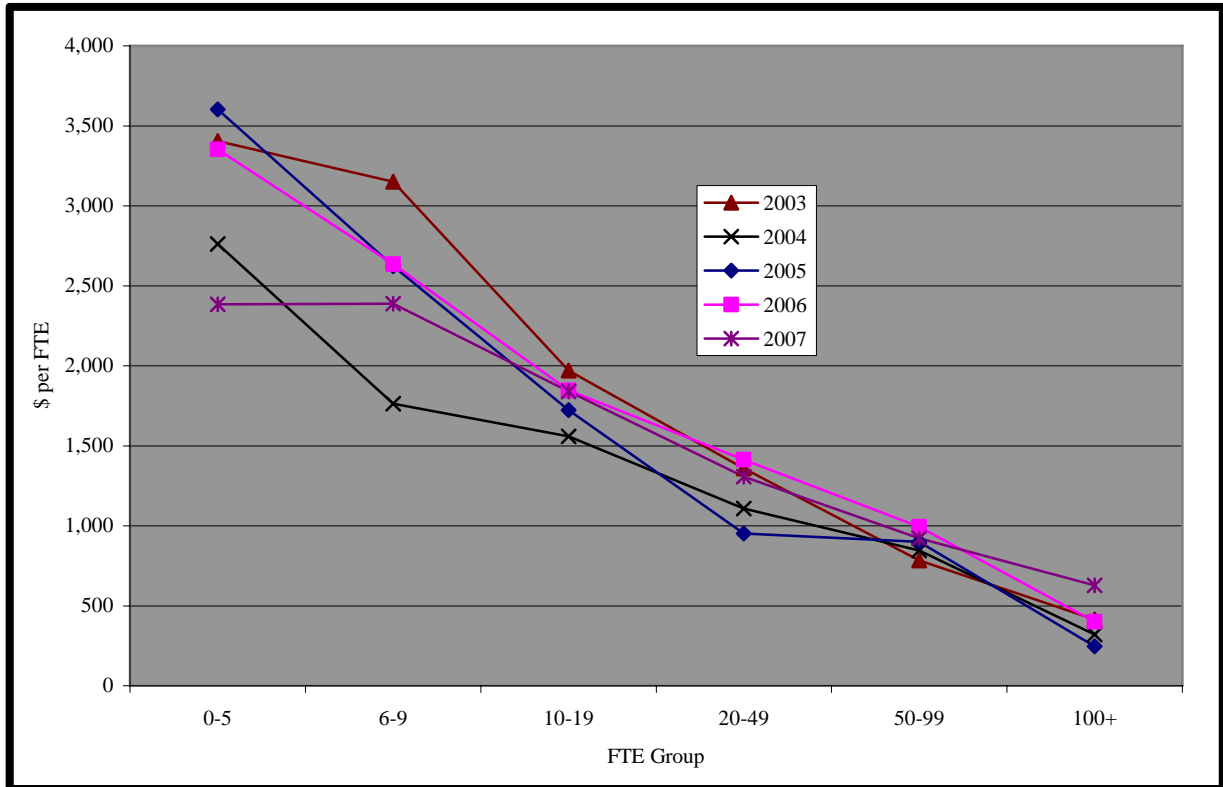


Table 46: Summary of Total Compliance Costs by Grouped Industry (2005-2007)

	Primry	Manu- factng	Cnstrn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
Mean annual hours spent within the enterprise							
2005	813.0	961.0	3011.0	829.0	991.0	1210.0	1228.0
2006	480.2	1244.5	777.4	425.3	506.9	1326.8	1035.3
2007	553.8	551.3	870.6	315.3	540.8	583.2	776.0
Average internal cost							
2005	\$16,709	\$19,754	\$61,904	\$17,039	\$20,375	\$24,881	\$25,251
2006	\$10,387	\$26,919	\$16,815	\$9,199	\$10,964	\$28,700	\$22,394
2007	\$12,532	\$12,475	\$19,701	\$7,134	\$12,237	\$13,196	\$17,561
% of respondents that used external advice							
2005	37.8%	37.1%	39.5%	37.4%	39.4%	39.2%	42.0%
2006	41.9%	48.3%	40.8%	37.8%	40.6%	33.4%	38.3%
2007	37.8%	42.8%	41.2%	35.3%	35.1%	35.3%	33.3%
Average external cost							
2005	\$55,683	\$48,399	\$130,499	\$60,681	\$151,243	\$144,606	\$78,325
2006	\$29,517	\$43,517	\$111,813	\$32,466	\$111,106	\$105,291	\$67,094
2007	\$35,265	\$40,780	\$125,269	\$27,008	\$80,618	\$123,937	\$42,098
Average total cost							
2005	\$45,753	\$43,611	\$119,700	\$40,237	\$64,209	\$56,494	\$45,491
2006	\$26,098	\$48,340	\$47,019	\$19,324	\$36,994	\$27,039	\$41,207
2007	\$26,416	\$28,702	\$57,418	\$15,723	\$31,606	\$47,438	\$29,551

Average total cost by FTE							
2005	\$322	\$567	\$604	\$237	\$506	\$392	\$304
2006	\$534	\$740	\$1,149	\$616	\$308	\$1,097	\$408
2007	\$1,779	\$882	\$1,889	\$855	\$1,003	\$697	\$1,023
Average total cost as % of turnover							
2005	0.03%	0.21%	0.21%	0.05%	0.58%	0.15%	0.06%
2006	0.23%	0.17%	0.19%	0.18%	0.29%	0.33%	0.31%
2007	0.69%	0.33%	0.55%	0.39%	0.42%	0.27%	1.13%

Figure 21: Total Compliance Costs per Employee by Grouped Industry (2005-2007)

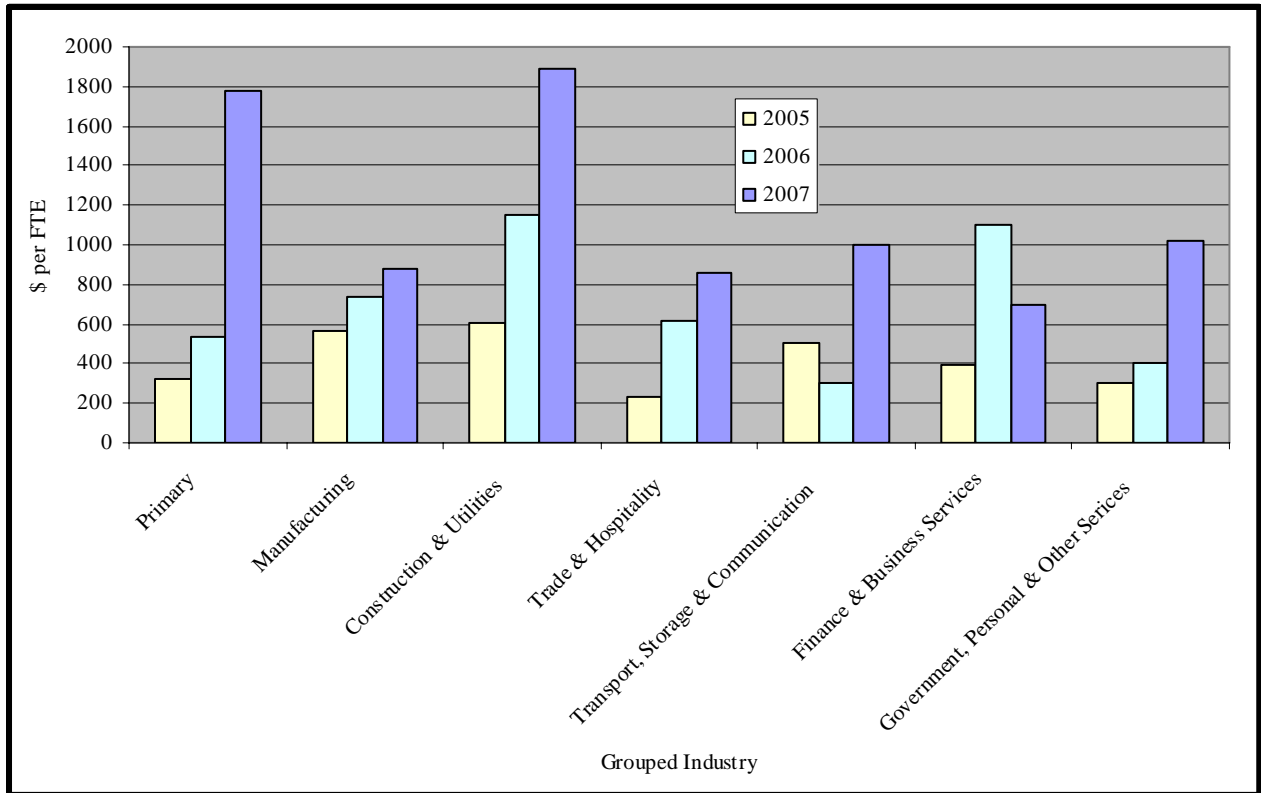


Table 47: Summary of Total Compliance Costs by Grouped Region (2005-2007)

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
Mean annual hours spent within the enterprise							
2005	1,243.0	1,143.0	1,051.0	1,800.0	1,208.0	878	819
2006	873.8	1160.5	569.6	810.3	708.4	483.1	879
2007	529.3	693.6	317.1	571.3	559.7	440.6	658.7
Average internal cost							
2005	\$25,551	\$23,506	\$21,607	\$37,014	\$24,831	\$18,057	\$16,843
2006	\$18,901	\$25,102	\$12,321	\$17,527	\$15,323	\$10,450	\$19,013
2007	\$11,977	\$15,695	\$7,175	\$12,928	\$12,669	\$9,969	\$14,904
% of respondents that used external advice							
2005	38.9%	43.4%	50.9%	41.3%	42.5%	31.1%	37.6%
2006	39.6%	42.1%	35.8%	40.0%	36.2%	38.9%	41.8%
2007	37.4%	38.1%	36.6%	33.8%	33.7%	35.7%	40.4%
Average external cost							
2005	\$131,706	\$101,923	\$74,691	\$149,623	\$41,993	\$42,960	\$43,651
2006	\$87,584	\$57,544	\$35,591	\$67,088	\$22,670	\$42,578	\$46,331
2007	\$71,158	\$50,509	\$13,718	\$141,101	\$98,085	\$47,735	\$29,768
Average total cost							
2005	\$64,131	\$61,035	\$41,819	\$83,892	\$39,920	\$32,691	\$31,463
2006	\$44,343	\$46,368	\$22,734	\$46,609	\$23,458	\$23,287	\$33,711
2007	\$33,596	\$30,867	\$12,630	\$46,631	\$30,594	\$22,923	\$26,626
Average total cost by FTE							
2005	\$305	\$481	\$440	\$321	\$1,306	\$560	\$906
2006	\$475	\$980	\$873	\$1,003	\$1,374	\$1,067	\$810
2007	\$762	\$1,299	\$946	\$1,924	\$1,892	\$991	\$927
Average total cost as % of turnover							
2005	0.10%	0.05%	0.27%	0.05%	0.55%	0.22%	0.52%
2006	0.18%	0.24%	0.32%	0.52%	0.73%	0.40%	0.32%
2007	0.29%	0.63%	0.57%	0.64%	0.92%	0.43%	0.64%

Figure 22: Total Compliance Costs per FTE by Grouped Region (2005-2007)

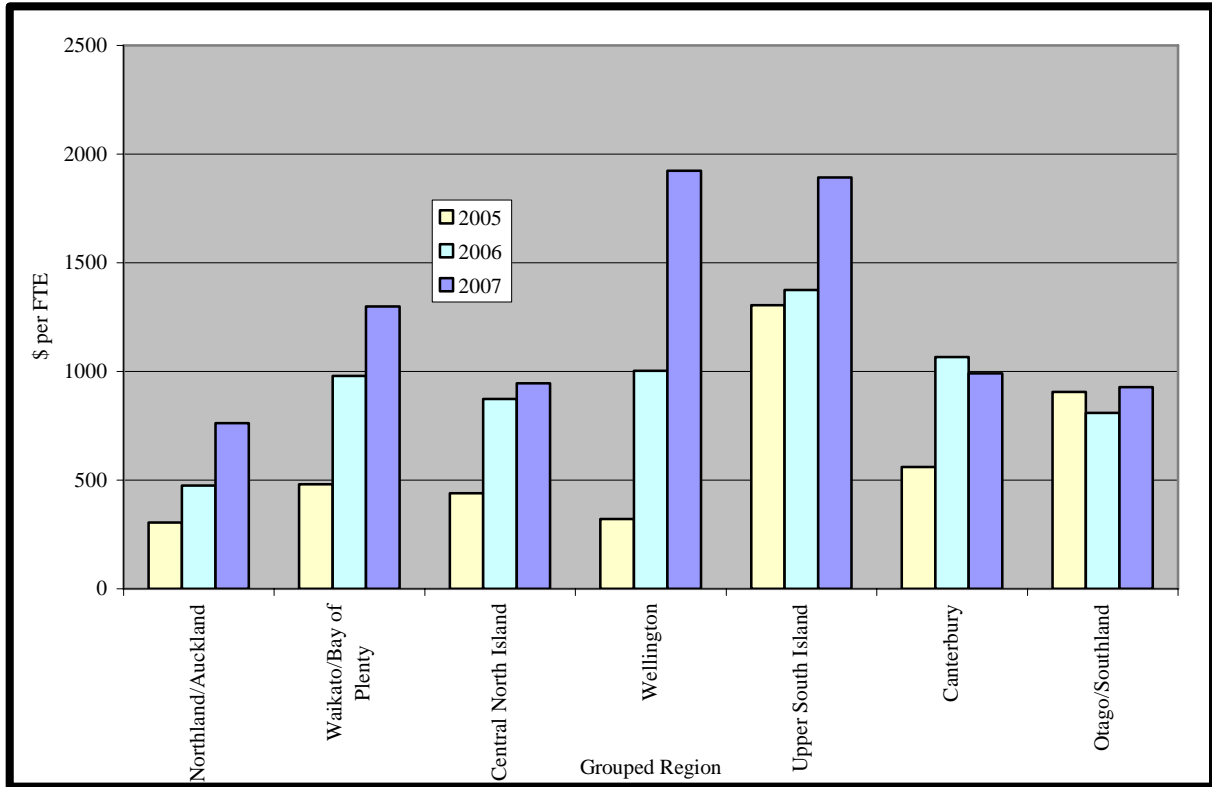
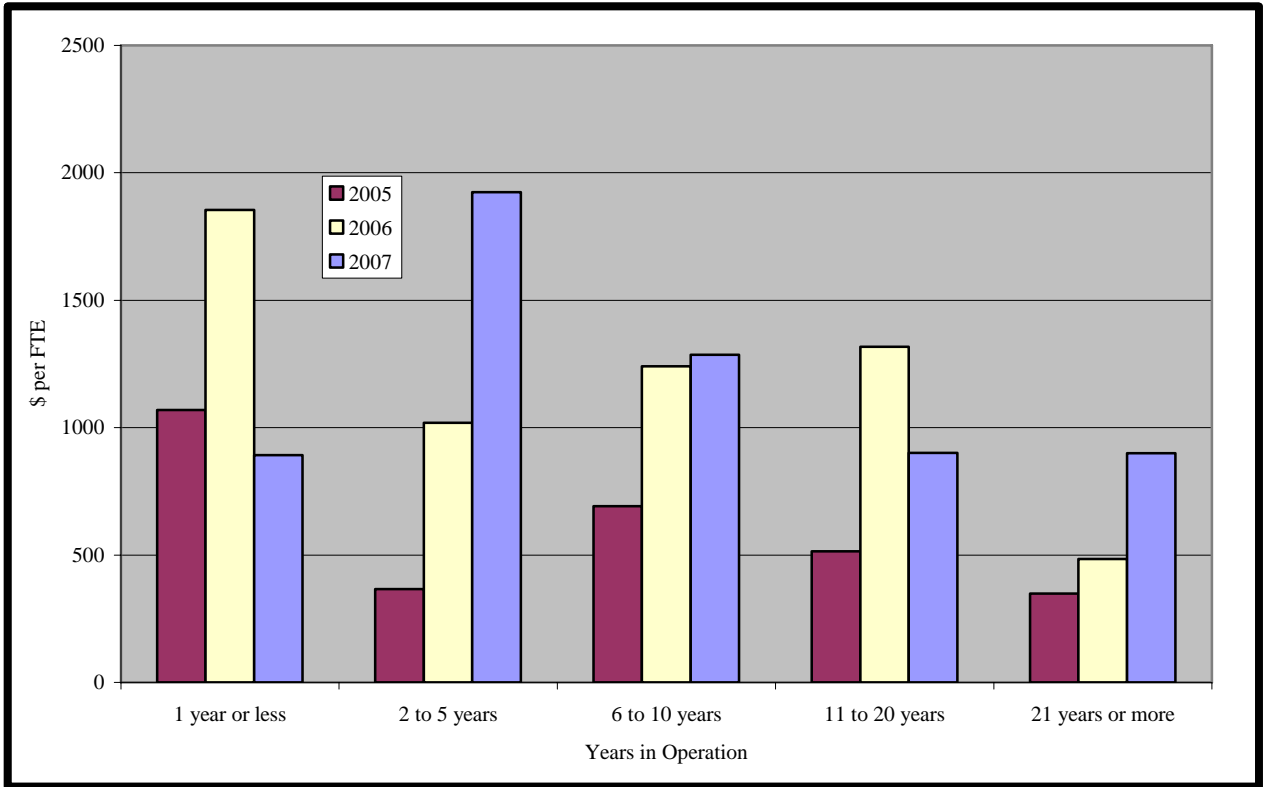


Table 48: Summary of Total Compliance Costs by Grouped Years in Operation (2005-2007)

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
Mean annual hours spent within enterprise on total compliance costs					
2005	615.0	424.0	652.0	895.0	2069.0
2006	126.8	588.1	624.5	729.7	1219.5
2007	182.3	323.1	419.0	549.6	805.9
Average internal cost					
2005	\$12,649	\$8,716	\$13,401	\$18,398	\$42,529
2006	\$2,742	\$12,718	\$13,507	\$15,785	\$26,376
2007	\$4,124	\$7,314	\$9,484	\$12,437	\$18,238
% of respondents that used external advice					
2005	36.1%	33.0%	38.8%	39.4%	42.0%
2006	31.1%	35.5%	39.2%	41.0%	42.0%
2007	29.2%	34.8%	33.2%	36.3%	41.9%
Average external cost					
2005	\$34,195	\$29,916	\$26,405	\$88,902	\$154,598
2006	\$17,962	\$23,282	\$24,410	\$85,685	\$86,606
2007	\$12,989	\$20,048	\$28,084	\$58,687	\$94,306
Average total cost					
2005	\$24,542	\$23,664	\$24,252	\$42,254	\$94,648
2006	\$7,412	\$20,188	\$22,382	\$41,277	\$58,153
2007	\$8,130	\$14,365	\$17,997	\$23,745	\$51,387
Average total cost by FTE					

2005	\$1,070	\$366	\$692	\$515	\$349
2006	\$1,854	\$1,019	\$1,240	\$1,317	\$485
2007	\$892	\$1,924	\$1,286	\$901	\$899
Average total cost as % of turnover					
2005	0.4%	0.04%	0.17%	0.05%	0.13%
2006	1.17%	0.67%	0.54%	0.36%	0.18%
2007	1.21%	1.10%	0.60%	0.41%	0.36%

Figure 23: Total Compliance Costs per FTE by Grouped Years in Operation (2005-2007)



3.4.1 TAX-RELATED COMPLIANCE COSTS

Table 49: Summary Comparison for Tax Compliance Costs (2005-2007)

Overall trend (2007)	Decrease		
Respondents answering this section (2007)	100.0%		
Internal cost trend (2007)	Decrease		
External cost trend (2007)	Decrease		
Year	2005	2006	2007
Average total cost	\$21,166	\$15,716	\$11,592
Average total cost per FTE	\$151	\$284	\$402
Average mean annual hours spent within enterprise on tax (all sizes)	328.9	274.2	138.3
Average internal cost	\$6,762	\$5,931	\$3,130
Maximum annual hours spent by enterprise internally on tax*	100,000	15,000	5,000
Average external cost	\$19,501	\$12,170	\$10,844
Maximum annual amount spent by enterprise externally on tax*	\$2,228,163	\$1,000,000	\$1,000,000
Tax as a % of total compliance costs	39.9%	41.1%	39.2%
% of respondents who obtained information from Inland Revenue	81.6%	78.6%	75.9%
% of respondents who employed external tax advisers	72.7%	76.0%	72.7%
% of respondents who directly accessed tax legislation	47.6%	37.6%	30.0%
% of respondents who used other publications and advice	38.4%	32.3%	29.2%

Table 50: Tax Compliance Costs by FTE Group (2005-2007)

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Mean annual hours spent within enterprise on tax							
2005	204.0	218.0	180.1	177.4	281.5	918.3	328.9
2006	126.0	352.2	141.0	371.9	328.9	887.9	274.2
2007	67.8	127.8	152.9	139.6	256.2	537.0	138.3
Average internal cost							
2005	\$4,194	\$4,482	\$3,703	\$3,647	\$5,788	\$18,880	\$6,762
2006	\$2,725	\$7,618	\$3,050	\$8,044	\$7,114	\$19,205	\$5,931
2007	\$1,535	\$2,892	\$3,461	\$3,160	\$5,797	\$12,152	\$3,130
% of respondents that used external advice							
2005	66.9%	77.9%	75.8%	74.8%	71.0%	78.3%	73.2%
2006	80.1%	82.9%	84.3%	82.7%	77.3%	80.4%	81.4%
2007	78.1%	79.0%	76.4%	77.8%	79.7%	81.7%	78.2%
Average external cost							
2005	\$3,802	\$5,236	\$8,282	\$12,336	\$23,599	\$67,496	\$19,507
2006	\$3,875	\$5,764	\$9,122	\$12,454	\$24,849	\$68,083	\$12,170
2007	\$3,015	\$5,898	\$8,939	\$13,057	\$16,739	\$78,851	\$10,844
Average total cost							
2005	\$6,749	\$8,605	\$10,032	\$13,288	\$21,970	\$72,399	\$21,166
2006	\$5,803	\$12,369	\$10,690	\$18,148	\$26,077	\$71,483	\$15,716
2007	\$3,883	\$7,550	\$10,258	\$13,323	\$19,136	\$76,566	\$11,592
Average total cost by FTE							
2005	\$2,319	\$1,172	\$723	\$421	\$319	\$102	\$151
2006	\$1,928	\$1,656	\$776	\$608	\$373	\$133	\$284
2007	\$1,253	\$1,040	\$762	\$432	\$276	\$249	\$402
Average total cost as % of turnover							
2005	0.84%	0.58%	0.23%	0.12%	0.15%	0.02%	0.04%
2006	0.81%	0.73%	0.35%	0.20%	0.12%	0.05%	0.10%
2007	0.72%	0.58%	0.25%	0.18%	0.12%	0.11%	0.17%

Tax as a % of total compliance costs							
2005	64.4%	44.7%	42.0%	44.3%	35.5%	41.4%	39.9%
2006	57.5%	62.9%	42.1%	43.1%	37.6%	33.2%	41.1%
2007	52.5%	43.5%	41.4%	33.0%	30.0%	39.7%	39.2%

Figure 24: Average Tax Compliance Costs per FTE by Size of Enterprise (2005-2007)

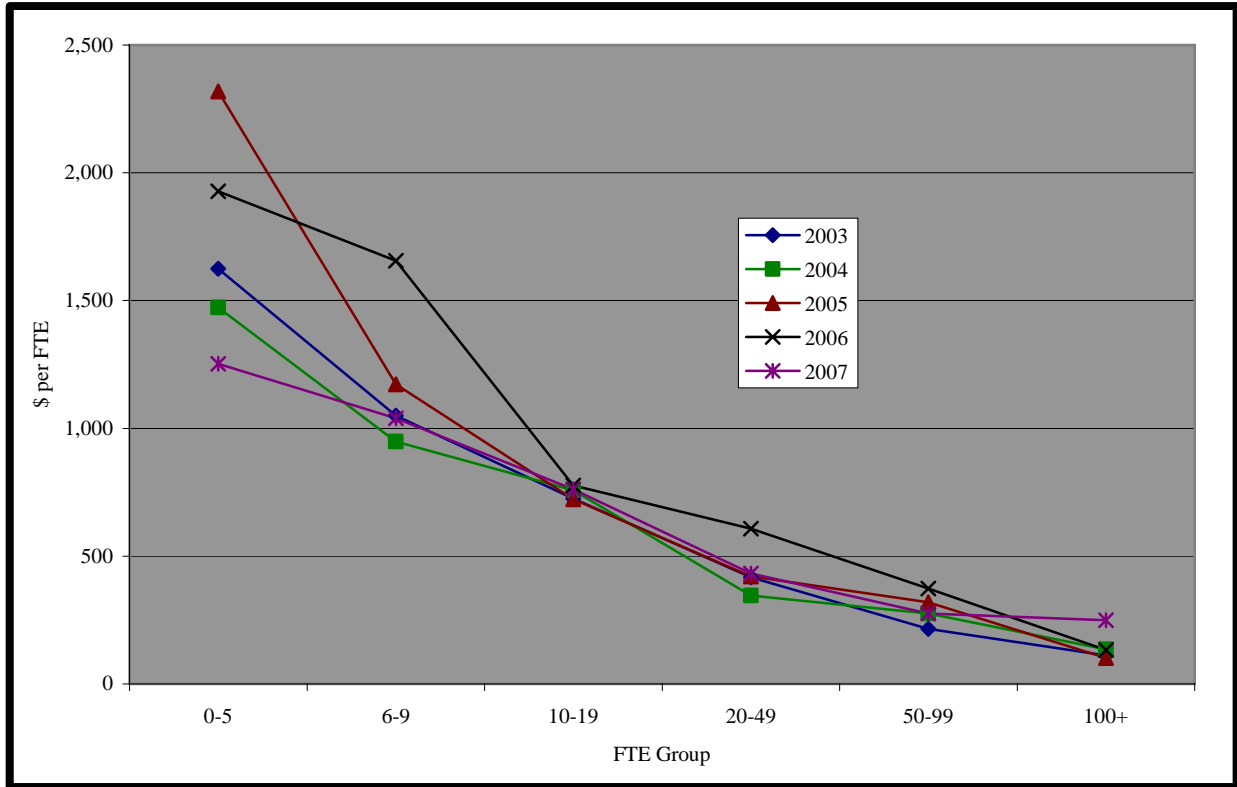


Table 51: Sources of External Tax Information and Advice by FTE Group (2005-2007)

Source of Advice and/or Information	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
IRD (e.g., publications, website, call centre)							
2005	77.2%	76.4%	80.3%	80.5%	86.9%	91.8%	81.6%
2006	74.3%	79.7%	78.5%	82.7%	77.6%	92.9%	78.6%
2007	73.1%	76.7%	76.0%	79.5%	70.3%	90.1%	75.9%
Legislation (e.g., Income Tax Act, GST Act)							
2005	40.7%	42.9%	43.9%	47.2%	51.4%	64.7%	47.6%
2006	30.7%	34.1%	33.5%	43.4%	53.9%	67.0%	37.6%
2007	19.3%	27.6%	35.1%	36.9%	51.6%	63.4%	30.0%
Out of house tax advisers, agents and intermediaries							
2005	66.2%	71.4%	76.3%	73.6%	72.0%	81.2%	72.7%
2006	73.1%	75.2%	75.9%	80.1%	82.9%	81.3%	76.0%
2007	68.3%	75.5%	75.6%	71.0%	78.1%	84.5%	72.7%
Other publications or advice							
2005	33.0%	35.0%	37.9%	37.1%	43.0%	49.3%	38.4%
2006	26.9%	31.3%	28.3%	41.8%	40.8%	46.4%	32.3%
2007	24.0%	25.7%	32.6%	31.8%	42.2%	50.7%	29.2%

Table 52: Cost of Preparing Annual Accounts Included in External Advice Cost Estimate (2005-2007)

FTE Group	Yes	No
0-5		
2005	60.7%	39.3%
2006	65.8%	34.2%
2007	73.8%	26.2%
6-9		
2005	50.9%	49.1%
2006	61.4%	38.6%
2007	73.9%	26.1%
10-19		
2005	43.9%	56.1%
2006	47.6%	52.4%
2007	60.9%	39.1%
20-49		
2005	30.5%	69.5%
2006	46.7%	53.3%
2007	56.9%	43.1%
50-99		
2005	17.6%	82.4%
2006	30.0%	70.0%
2007	39.2%	60.8%
100+		
2005	19.6%	80.4%
2006	15.5%	84.5%
2007	25.9%	74.1%
All sizes		
2005	40.8%	59.2%
2006	53.9%	46.1%
2007	64.9%	35.1%

Table 53: Tax Compliance Costs by Grouped Industry (2005-2007)

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
Mean annual hours spent within enterprise on Tax							
2005	217.4	214.3	518.3	256.2	271.7	529.9	226.7
2006	176.0	267.5	202.4	120.2	121.7	845.1	122.5
2007	142.9	134.1	161.7	124.5	115.0	225.3	101.7
Average internal cost							
2005	\$4,470	\$4,406	\$10,656	\$5,267	\$5,586	\$10,895	\$4,661
2006	\$3,807	\$5,786	\$4,378	\$2,600	\$2,632	\$18,280	\$2,650
2007	\$3,234	\$3,035	\$3,659	\$2,816	\$2,603	\$5,098	\$2,302
% of respondents that used external advice							
2005	80.0%	79.8%	91.0%	82.5%	75.0%	66.1%	58.9%
2006	88.1%	88.4%	89.5%	82.7%	82.8%	75.3%	66.7%
2007	85.6%	82.0%	84.9%	79.2%	75.8%	80.6%	59.9%
Average external cost							
2005	\$26,077	\$16,323	\$30,090	\$16,304	\$22,835	\$23,709	\$8,553
2006	\$13,091	\$12,966	\$12,475	\$6,720	\$13,045	\$20,990	\$8,944

2007	\$8,936	\$10,065	\$16,820	\$6,495	\$9,348	\$25,353	\$7,495
Average total cost							
2005	\$25,873	\$17,689	\$37,152	\$18,689	\$23,188	\$26,649	\$9,742
2006	\$15,320	\$17,038	\$15,546	\$8,092	\$12,978	\$10,043	\$8,440
2007	\$10,885	\$11,291	\$17,938	\$7,943	\$9,685	\$25,527	\$6,747
Average total cost by FTE							
2005	\$182	\$230	\$187	\$110	\$183	\$185	\$65
2006	\$314	\$261	\$380	\$258	\$108	\$407	\$83
2007	\$733	\$347	\$590	\$432	\$307	\$375	\$234
Average total cost as % of average turnover							
2005	0.02%	0.09%	0.06%	0.02%	0.21%	0.07%	0.01%
2006	0.13%	0.06%	0.06%	0.07%	0.10%	0.12%	0.06%
2007	0.28%	0.13%	0.17%	0.20%	0.13%	0.15%	0.26%
Tax as a % of total compliance costs							
2005	56.5%	40.6%	31.0%	46.4%	36.1%	47.2%	21.4%
2006	58.7%	35.2%	33.1%	41.9%	35.1%	37.1%	20.5%
2007	41.2%	39.3%	31.2%	50.5%	30.6%	53.8%	22.8%

Figure 25: Tax Compliance Costs per FTE by Grouped Industry (2005-2007)

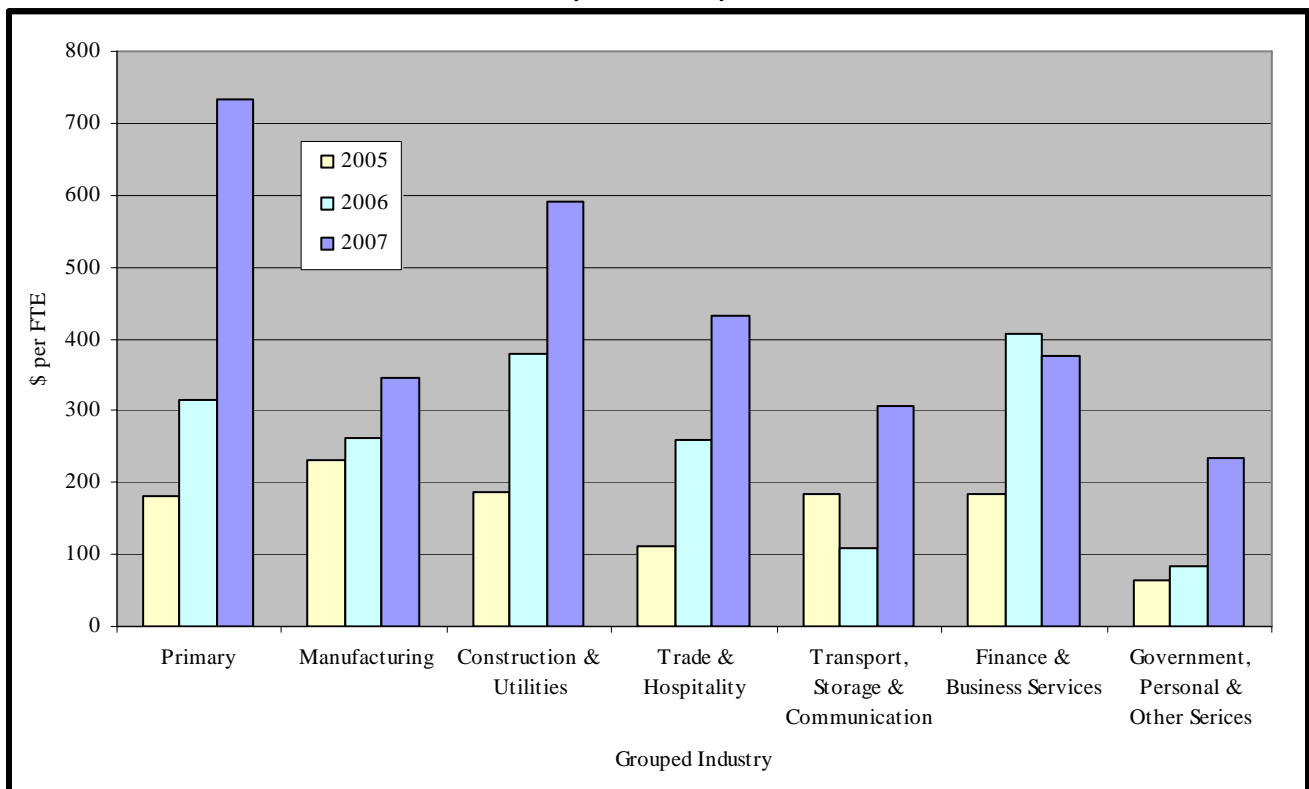


Table 54: Sources of External Tax Information and Advice by Grouped Industry (2005-2007)

Source of Advice and/or Information	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
IRD (e.g., publications, website, call centre)								
2005	70.0%	71.0%	85.1%	81.4%	83.0%	93.9%	77.3%	81.5%
2006	67.5%	76.4%	74.9%	76.9%	82.8%	91.6%	78.7%	78.6%
2007	72.5%	67.7%	69.8%	76.6%	81.0%	86.3%	77.9%	75.9%
Legislation (e.g., Income Tax Act, GST Act)								
2005	38.2%	32.1%	47.8%	44.3%	42.0%	67.1%	43.5%	47.6%
2006	28.8%	33.9%	35.6%	30.6%	37.1%	62.6%	33.8%	37.6%
2007	24.2%	27.5%	35.3%	25.5%	31.8%	44.6%	31.4%	30.0%
Out of house tax advisers, agents and intermediaries								
2005	71.8%	77.2%	85.1%	83.6%	75.0%	69.0%	59.4%	72.6%
2006	80.0%	79.9%	78.0%	72.8%	73.3%	85.0%	64.7%	76.0%
2007	75.8%	80.2%	77.7%	67.4%	78.0%	85.6%	57.6%	72.7%
Other publications or advice								
2005	30.0%	26.9%	38.8%	33.9%	36.0%	53.9%	35.3%	38.4%
2006	25.6%	33.9%	27.2%	24.1%	31.0%	53.7%	30.9%	32.3%
2007	32.0%	25.7%	25.9%	25.9%	30.3%	42.4%	29.6%	29.2%

Figure 26: Tax Compliance Costs per FTE by Grouped Region (2005-2007)

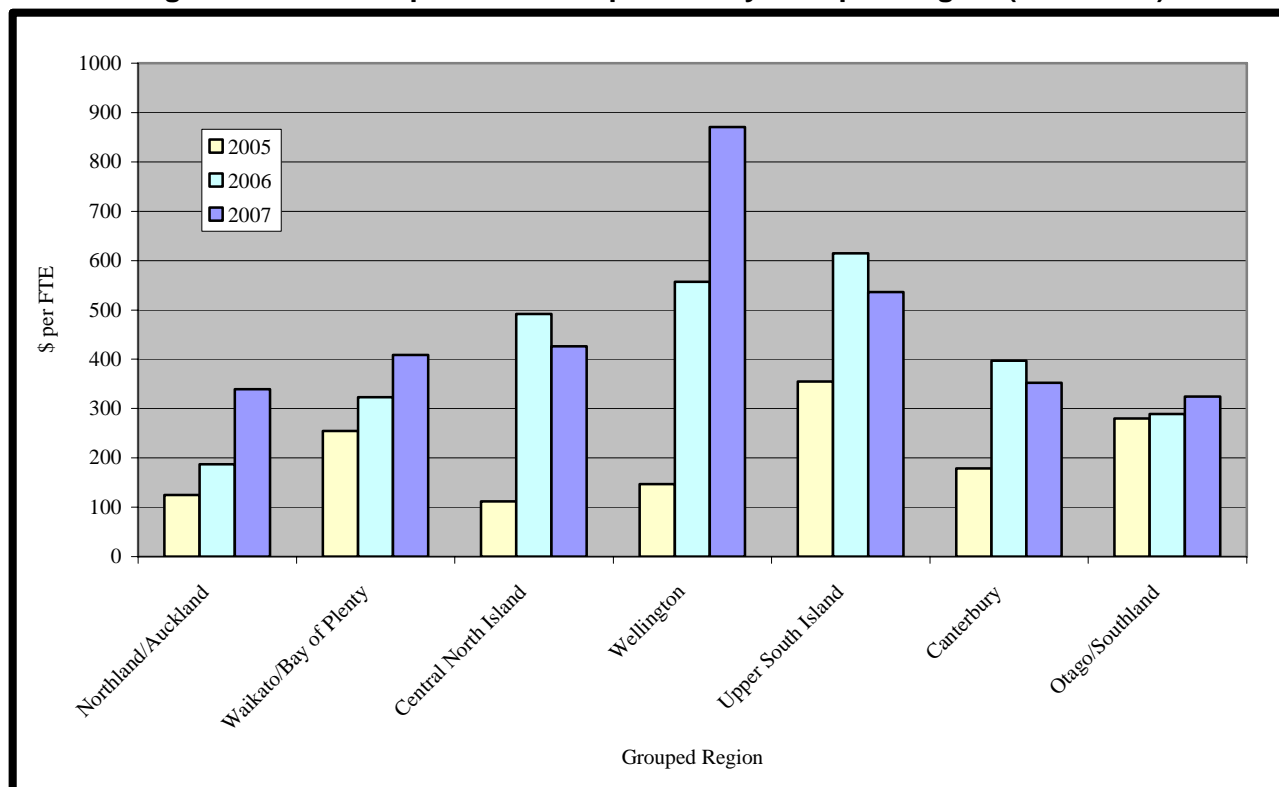


Table 55: Tax Compliance Costs by Grouped Region (2005-2007)

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
Mean annual hours spent within enterprise on Tax							
2005	355.0	397.7	224.9	649.3	167.6	211.5	203.8
2006	317.2	205.7	279.6	359.4	245.9	152.5	290.7
2007	163.8	141.7	102.8	155.4	86.6	125.4	125.3
Average internal cost							
2005	\$7,299	\$8,177	\$4,624	\$13,350	\$3,446	\$4,348	\$4,190
2006	\$6,861	\$4,449	\$6,048	\$7,774	\$5,319	\$3,299	\$6,288
2007	\$3,706	\$3,206	\$2,327	\$3,517	\$1,960	\$2,837	\$2,835
% of respondents that used external advice							
2005	76.8%	76.7%	61.2%	66.2%	78.7%	71.6%	76.0%
2006	79.7%	83.5%	80.2%	80.8%	83.9%	83.4%	82.4%
2007	80.0%	76.7%	82.6%	77.3%	73.6%	77.4%	76.0%
Average external cost							
2005	\$24,727	\$30,063	\$9,910	\$37,131	\$8,816	\$8,472	\$7,313
2006	\$13,424	\$13,170	\$8,583	\$22,597	\$6,173	\$6,486	\$7,105
2007	\$14,133	\$8,484	\$4,060	\$22,754	\$9,109	\$6,847	\$8,532
Average total cost							
2005	\$26,214	\$32,394	\$10,632	\$38,282	\$10,858	\$10,461	\$9,733
2006	\$17,419	\$15,282	\$12,818	\$25,904	\$10,500	\$8,665	\$12,035
2007	\$14,941	\$9,715	\$5,682	\$21,116	\$8,665	\$8,138	\$9,317
Average total cost by FTE							
2005	\$125	\$255	\$112	\$147	\$355	\$179	\$280
2006	\$187	\$323	\$492	\$557	\$615	\$397	\$289
2007	\$339	\$409	\$426	\$871	\$536	\$352	\$324
Average total cost as % of turnover							
2005	0.04%	0.03%	0.07%	0.02%	0.15%	0.07%	0.16%
2006	0.07%	0.08%	0.18%	0.29%	0.33%	0.15%	0.11%
2007	0.13%	0.20%	0.26%	0.29%	0.26%	0.15%	0.22%
Tax as a % of total compliance costs							
2005	40.9%	53.1%	25.4%	45.6%	27.2%	32.0%	30.9%
2006	39.3%	33.0%	56.4%	55.6%	44.8%	37.2%	35.7%
2007	33.7%	21.0%	25.0%	45.3%	36.9%	34.9%	27.6%

Table 56: Sources of External Tax Information and Advice by Grouped Region (2005-2007)

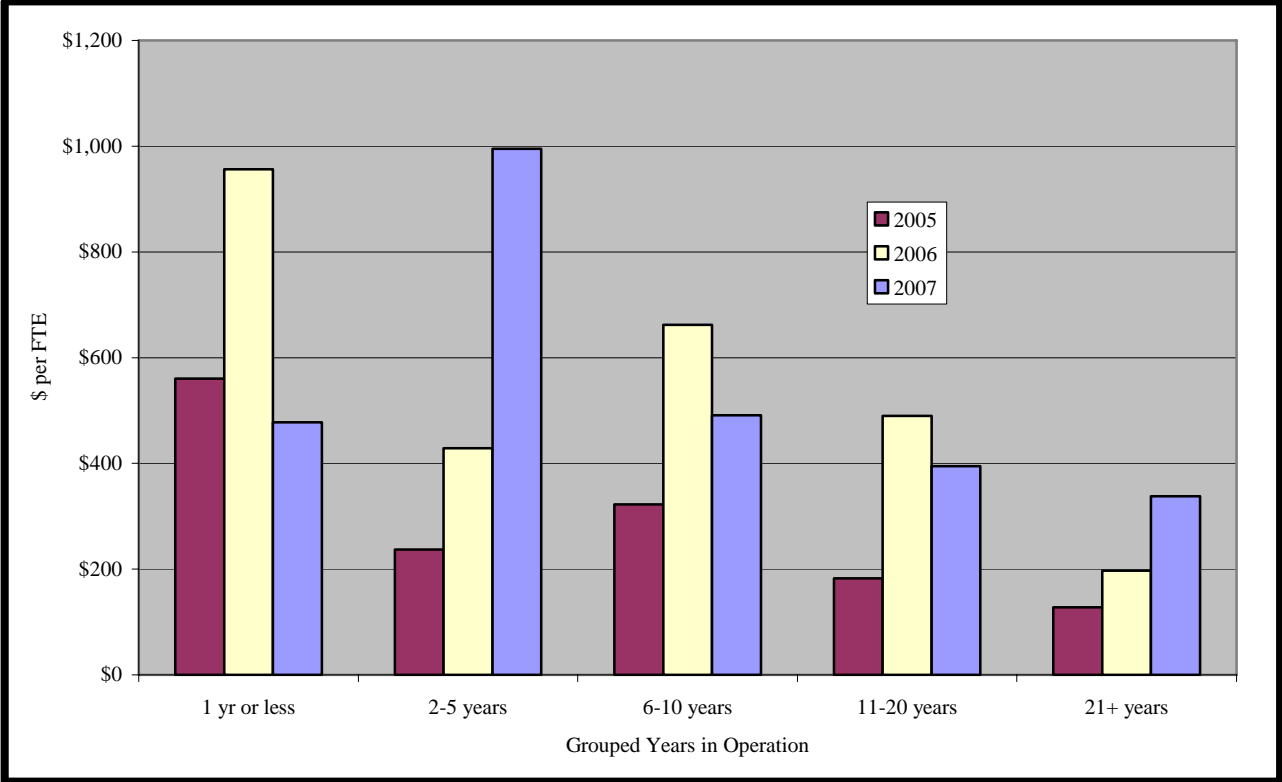
Source of Advice and/or Information	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
IRD (e.g., publications, website, call centre)								
2005	85.6%	75.9%	89.8%	88.3%	72.3%	76.6%	74.0%	81.5%
2006	82.9%	77.9%	77.2%	77.3%	76.8%	74.6%	74.3%	78.6%
2007	77.0%	79.3%	74.4%	78.9%	75.0%	73.2%	71.3%	75.9%
Legislation (e.g.,								

Income Tax Act, GST Act)								
2005	52.8%	42.2%	60.2%	49.7%	53.2%	40.1%	37.7%	47.6%
2006	40.2%	37.2%	34.0%	40.1%	33.9%	34.3%	36.8%	37.6%
2007	30.4%	32.3%	29.8%	32.0%	30.6%	28.8%	24.8%	30.0%
Out of house tax advisers, agents and intermediaries								
2005	75.3%	80.2%	69.4%	72.4%	78.7%	65.8%	70.8%	72.6%
2006	76.1%	75.3%	73.5%	76.7%	75.0%	84.0%	69.9%	76.0%
2007	76.5%	72.0%	74.4%	78.9%	55.6%	72.4%	65.1%	72.7%
Other publications or advice								
2005	42.8%	39.7%	39.8%	35.9%	44.7%	33.3%	33.1%	38.4%
2006	32.6%	32.5%	34.6%	36.0%	25.0%	30.8%	28.7%	32.3%
2007	30.1%	29.7%	29.7%	28.9%	29.2%	31.1%	21.7%	29.2%

Table 57: Tax Compliance Costs by Grouped Years in Operation (2005-2007)

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
Mean annual hours spent within enterprise on Tax					
2005	320.1	163.4	237.4	256.4	523.9
2006	50.5	190.8	299.4	239.7	360.0
2007	72.3	122.1	96.5	130.5	190.8
Average internal cost					
2005	\$6,581	\$3,360	\$4,881	\$5,272	\$10,771
2006	\$1,091	\$4,127	\$6,476	\$5,185	\$7,785
2007	\$1,637	\$2,764	\$2,184	\$2,954	\$4,318
% of respondents that used external advice					
2005	75.6%	70.6%	74.0%	73.8%	74.0%
2006	77.4%	83.5%	82.0%	82.6%	79.4%
2007	70.8%	83.4%	76.0%	76.7%	78.5%
Average external cost					
2005	\$8,362	\$16,682	\$8,574	\$12,989	\$32,507
2006	\$3,532	\$5,316	\$6,833	\$12,444	\$20,099
2007	\$3,847	\$5,619	\$6,168	\$9,762	\$19,091
Average total cost					
2005	\$12,852	\$15,316	\$11,289	\$14,965	\$34,762
2006	\$3,823	\$8,506	\$11,947	\$15,359	\$23,617
2007	\$4,359	\$7,429	\$6,869	\$10,416	\$19,302
Average total cost by FTE					
2005	\$560	\$237	\$322	\$182	\$128
2006	\$956	\$429	\$662	\$490	\$197
2007	\$478	\$995	\$491	\$395	\$338
Average total cost as % of turnover					
2005	0.21%	0.03%	0.08%	0.02%	0.05%
2006	0.60%	0.28%	0.29%	0.13%	0.07%
2007	0.65%	0.57%	0.23%	0.18%	0.14%
Tax as a % of total compliance costs					
2005	52.4%	64.7%	46.5%	35.4%	36.7%
2006	51.6%	42.1%	53.4%	37.2%	40.6%
2007	53.6%	51.7%	38.2%	43.9%	37.6%

Figure 27: Tax Compliance Costs per FTE by Grouped Years in Operation (2005-2007)



3.4.2 EMPLOYMENT RELATED COMPLIANCE COSTS

Table 58: Summary Comparison for Employment Compliance Costs (2005-2007)

Overall trend (2007)	Decrease		
Respondents answering this section (2007)	100%		
Internal cost trend (2007)	Decrease		
External cost trend (2007)	Decrease		
Year	2005	2006	2007
Average total cost	\$13,782	\$8,747	\$6,418
Average total cost per FTE	\$99	\$158	\$223
Average mean annual hours spent within enterprise on employment costs (all sizes)	441.5	270.9	186.6
Average internal cost	\$9,077	\$5,860	\$4,223
Maximum annual hours spent by enterprise internally on employment costs	53,300	40,000	6,720
Average external cost	\$10,330	\$7,274	\$5,893
Maximum annual amount spent by enterprise externally on employment costs	\$2,000,000	\$120,000	\$200,000
Employment as a % of total compliance costs	26.0%	22.9%	21.7%
% of respondents who employed external employment advisers	45.5%	41.4%	37.3%

Table 59: Employment Compliance Costs by FTE Group (2005-2007)

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Mean annual hours spent within enterprise on Employment							
2005	46.8	123.0	201.9	263.5	519.0	1677.4	441.5
2006	45.7	110.2	155.7	221.4	452.3	1944.3	270.9
2007	39.3	91.6	177.3	287.2	603.4	1024.2	186.6
Average internal cost							
2005	\$962	\$2,529	\$4,151	\$5,418	\$10,671	\$34,487	\$9,077
2006	\$988	\$2,384	\$3,368	\$4,789	\$9,783	\$42,055	\$5,860
2007	\$889	\$2,072	\$4,013	\$6,500	\$13,656	\$23,177	\$4,223
% of respondents that used external advice							
2005	20.8%	43.6%	54.0%	56.0%	73.8%	58.9%	45.5%
2006	24.3%	40.2%	47.1%	57.1%	69.7%	75.9%	41.4%
2007	21.6%	40.1%	42.1%	49.4%	64.1%	73.2%	37.3%
Average external cost							
2005	\$1,083	\$1,677	\$4,839	\$5,589	\$12,216	\$27,393	\$10,330
2006	\$1,727	\$2,632	\$3,837	\$7,750	\$10,405	\$22,785	\$7,274
2007	\$1,739	\$2,340	\$3,464	\$6,394	\$8,598	\$23,671	\$5,893
Average total cost							
2005	\$1,186	\$3,261	\$6,765	\$8,546	\$19,774	\$50,711	\$13,782
2006	\$1,377	\$3,426	\$5,116	\$9,059	\$16,903	\$58,533	\$8,747
2007	\$1,261	\$3,010	\$5,473	\$9,661	\$19,164	\$40,513	\$6,418
Average total cost by FTE							
2005	\$408	\$444	\$488	\$271	\$287	\$72	\$99
2006	\$457	\$459	\$372	\$304	\$242	\$109	\$158
2007	\$407	\$415	\$407	\$313	\$277	\$132	\$223
Average total cost as % of turnover							
2005	0.15%	0.22%	0.15%	0.08%	0.13%	0.02%	0.02%
2006	0.19%	0.20%	0.17%	0.10%	0.08%	0.04%	0.06%
2007	0.23%	0.23%	0.13%	0.13%	0.12%	0.06%	0.10%
Employment as % of total compliance costs							

2005	11.3%	16.9%	28.3%	28.5%	31.9%	29.0%	26.0%
2006	13.6%	17.4%	20.1%	21.5%	24.4%	27.2%	22.9%
2007	17.1%	17.4%	22.1%	24.0%	30.0%	21.0%	21.7%

Figure 28: Employment Compliance Costs per FTE by Enterprise Size (FTE Groups – 2005-2007)

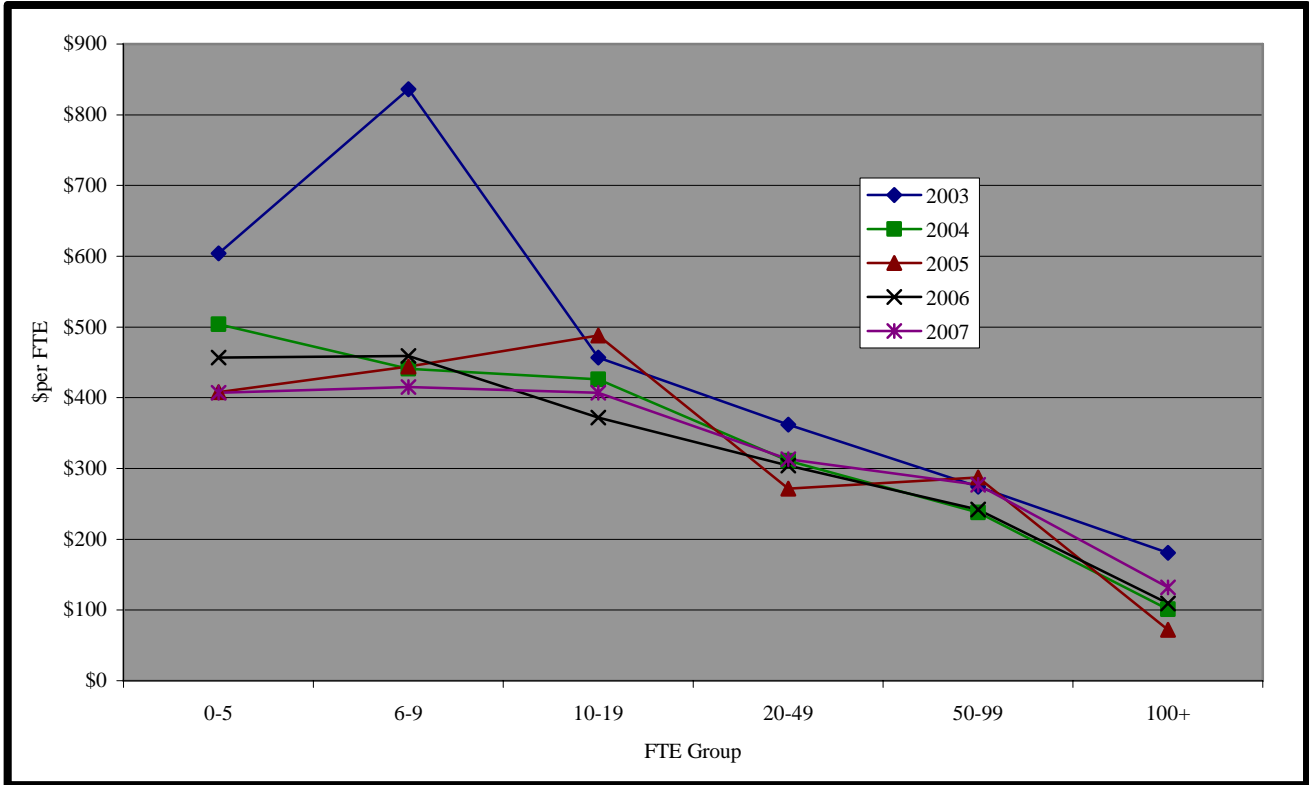


Table 60: Employment Compliance Costs by Grouped Industry (2005-2007)

	Primry	Manu- factng	Cnstrn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
Mean annual hours spent within enterprise on Employment							
2005	305.7	518.9	1342.6	366.4	316.6	331.7	443.9
2006	176.5	682.1	221.7	192.7	202.4	230.4	249.3
2007	154.3	255.1	251.5	113.2	213.2	194.3	254.2
Average internal cost							
2005	\$6,285	\$10,669	\$27,604	\$7,533	\$6,509	\$6,820	\$9,127
2006	\$3,818	\$14,754	\$4,795	\$4,168	\$4,378	\$4,984	\$5,392
2007	\$3,492	\$5,773	\$5,692	\$2,561	\$4,824	\$4,397	\$5,752
% of respondents that used external advice							
2005	43.6%	51.8%	50.7%	46.4%	49.0%	36.5%	49.3%
2006	34.0%	56.1%	36.6%	40.7%	44.0%	37.4%	43.5%
2007	28.1%	50.3%	38.8%	35.9%	33.3%	38.1%	37.8%
Average external cost							
2005	\$9,712	\$11,483	\$13,865	\$9,296	\$6,966	\$12,147	\$8,944
2006	\$5,265	\$9,052	\$5,943	\$4,911	\$10,684	\$7,990	\$8,370
2007	\$6,642	\$5,033	\$9,533	\$3,169	\$9,603	\$8,299	\$5,494
Average total cost							

2005	\$10,524	\$16,648	\$34,639	\$11,874	\$9,922	\$11,248	\$13,534
2006	\$5,540	\$19,644	\$6,972	\$5,992	\$8,614	\$7,975	\$8,950
2007	\$5,359	\$8,275	\$9,396	\$3,698	\$8,025	\$7,561	\$7,828
Average total cost by FTE							
2005	\$74	\$217	\$175	\$70	\$78	\$78	\$90
2006	\$113	\$301	\$170	\$191	\$72	\$324	\$89
2007	\$361	\$254	\$309	\$201	\$255	\$111	\$271
Average total cost as % of turnover							
2005	0.01%	0.08%	0.06%	0.02%	0.09%	0.03%	0.02%
2006	0.05%	0.07%	0.03%	0.06%	0.07%	0.10%	0.07%
2007	0.14%	0.09%	0.09%	0.09%	0.11%	0.04%	0.30%
Employment as % of total compliance costs							
2005	23.0%	38.2%	28.9%	29.5%	15.5%	19.9%	29.8%
2006	21.2%	40.6%	14.8%	31.0%	23.3%	29.5%	21.7%
2007	20.3%	28.8%	16.4%	23.5%	25.4%	15.9%	26.5%

Figure 29: Employment Compliance Costs per FTE by Grouped Industry (2005-2007)

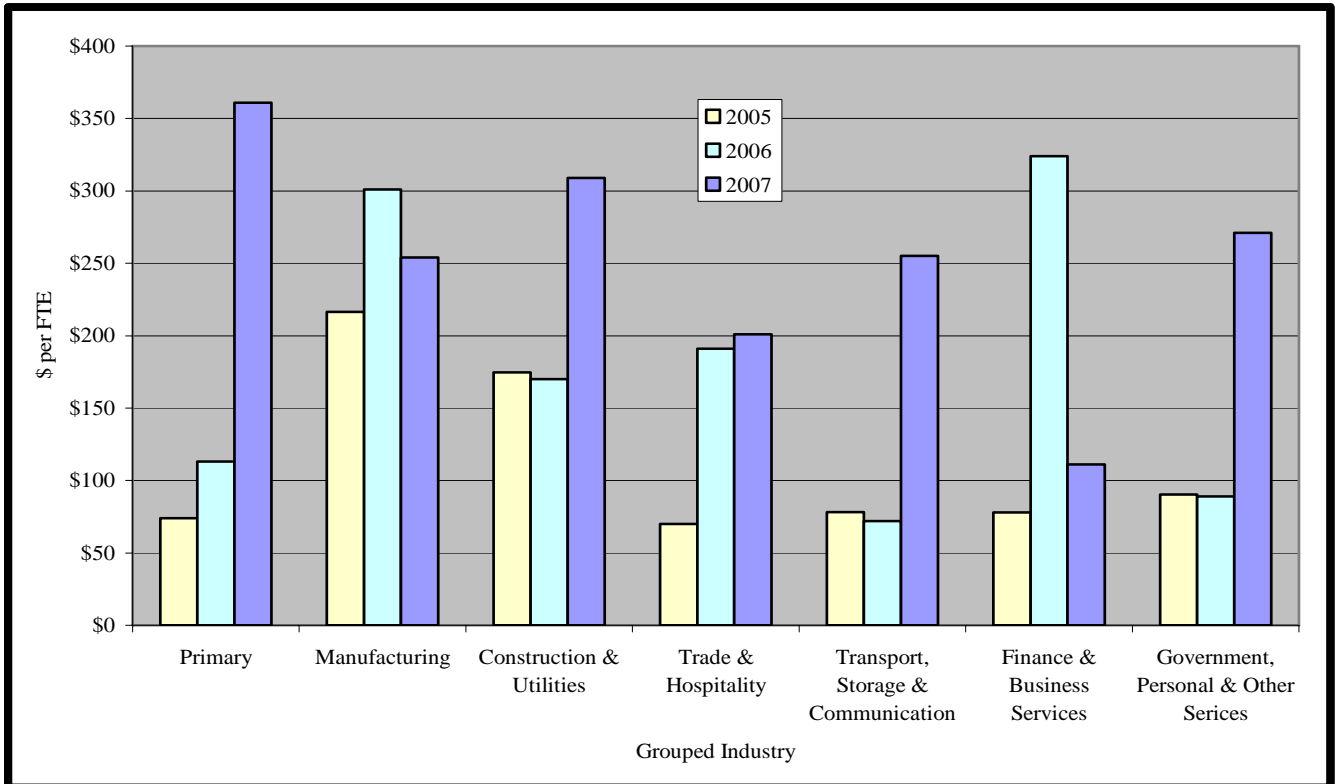


Table 61: Employment Compliance Costs by Grouped Region (2005-2007)

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
Mean annual hours spent within enterprise on Employment							
2005	467.6	378.4	358.3	728.5	542.1	332.1	339.0
2006	275.8	493.6	123.8	242.7	114.7	127.3	328.9
2007	178.6	241.0	101.3	202.0	160.0	166.6	232.8
Average internal cost							

2005	\$9,614	\$7,780	\$7,367	\$14,978	\$11,146	\$6,828	\$6,970
2006	\$5,966	\$10,677	\$2,678	\$5,250	\$2,481	\$2,753	\$7,114
2007	\$4,040	\$5,454	\$2,292	\$4,572	\$3,622	\$3,770	\$5,269
% of respondents that used external advice							
2005	43.4%	39.7%	53.1%	51.7%	42.6%	49.1%	53.9%
2006	42.9%	43.3%	38.1%	47.7%	33.9%	32.5%	43.4%
2007	36.7%	43.5%	34.7%	35.9%	34.7%	33.1%	41.9%
Average external cost							
2005	\$12,944	\$11,148	\$6,699	\$14,916	\$7,911	\$7,692	\$6,652
2006	\$8,990	\$6,698	\$3,468	\$9,621	\$5,330	\$5,062	\$5,261
2007	\$5,942	\$6,723	\$3,777	\$11,389	\$4,948	\$4,900	\$3,177
Average total cost							
2005	\$15,132	\$11,913	\$10,579	\$22,540	\$14,343	\$10,465	\$10,382
2006	\$9,710	\$13,489	\$3,834	\$9,724	\$4,289	\$4,270	\$9,357
2007	\$6,207	\$8,381	\$3,603	\$8,666	\$5,340	\$5,390	\$6,599
Average total cost by FTE							
2005	\$72	\$94	\$111	\$86	\$469	\$179	\$299
2006	\$104	\$285	\$147	\$209	\$251	\$196	\$225
2007	\$141	\$353	\$270	\$358	\$330	\$233	\$230
Average total cost as % of turnover							
2005	0.02%	0.01%	0.07%	0.01%	0.20%	0.07%	0.17%
2006	0.04%	0.07%	0.05%	0.11%	0.13%	0.07%	0.09%
2007	0.06%	0.17%	0.16%	0.12%	0.16%	0.10%	0.16%
Employment as % of total compliance costs							
2005	23.6%	19.5%	25.3%	26.9%	35.9%	32.0%	33.0%
2006	21.9%	29.1%	16.9%	20.9%	18.3%	18.3%	27.8%
2007	14.0%	18.1%	15.8%	18.6%	22.8%	23.1%	19.6%

Figure 30: Employment Costs per FTE by Grouped Region (2005-2007)

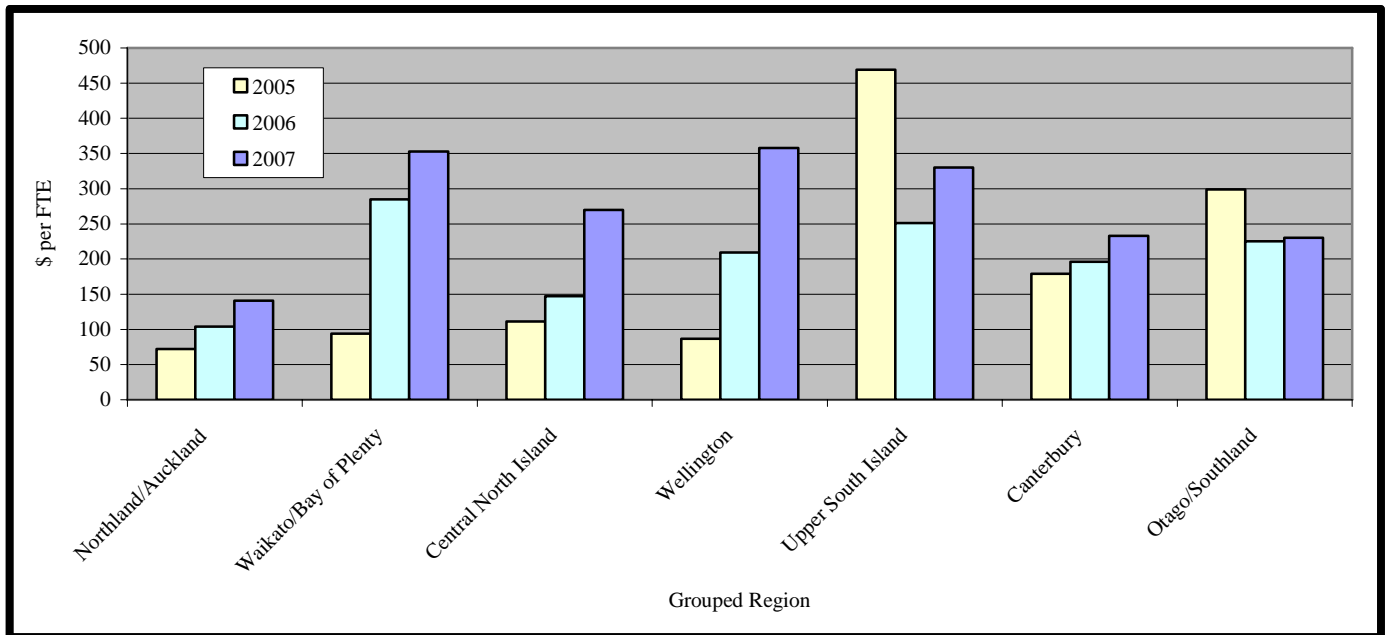
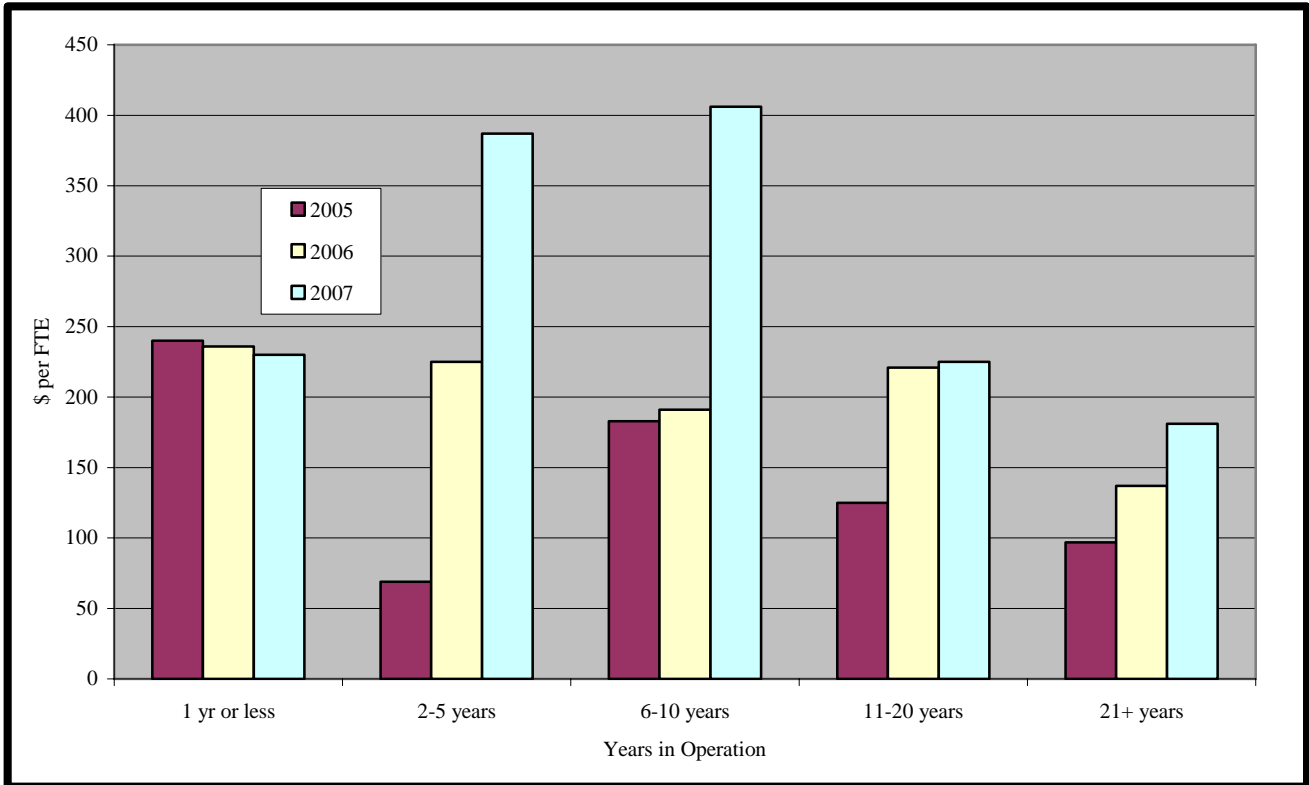


Table 62: Employment Compliance Costs by Grouped Years in Operation (2005-2007)

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
Mean annual hours spent within enterprise on Employment					
2005	138.8	118.1	205.0	335.5	854.3
2006	26.9	155.1	107.8	189.9	513.8
2007	55.2	87.5	176.8	181.2	285.7
Average internal cost					
2005	\$2,854	\$2,428	\$4,215	\$6,898	\$17,564
2006	\$582	\$3,354	\$2,331	\$4,108	\$11,113
2007	\$1,248	\$1,980	\$4,002	\$4,101	\$6,465
% of respondents that used external advice					
2005	31.1%	35.3%	47.0%	49.6%	55.1%
2006	26.4%	30.2%	39.2%	43.5%	49.4%
2007	29.2%	28.5%	30.9%	39.7%	46.0%
Average external cost					
2005	\$9,172	\$6,087	\$4,819	\$7,031	\$16,306
2006	\$1,469	\$3,799	\$3,049	\$6,732	\$10,968
2007	\$2,903	\$3,225	\$5,446	\$4,641	\$8,449
Average total cost					
2005	\$5,503	\$4,474	\$6,407	\$10,259	\$26,259
2006	\$942	\$4,461	\$3,451	\$6,919	\$16,353
2007	\$2,097	\$2,888	\$5,685	\$5,941	\$10,348
Average total cost by FTE					
2005	\$240	\$69	\$183	\$125	\$97
2006	\$236	\$225	\$191	\$221	\$137
2007	\$230	\$387	\$406	\$225	\$181
Average total cost as % of turnover					
2005	0.09%	0.01%	0.05%	0.01%	0.03%
2006	0.15%	0.15%	0.08%	0.06%	0.05%
2007	0.31%	0.22%	0.19%	0.10%	0.07%
Employment as a % of total compliance costs					
2005	22.4%	18.9%	26.4%	24.3%	27.7%
2006	12.7%	22.1%	15.4%	16.8%	28.1%
2007	25.8%	20.1%	31.6%	25.0%	20.1%

Figure 31: Employment Costs per FTE by Grouped Years in Operation (2005-2007)



3.4.3 ENVIRONMENT RELATED COMPLIANCE COSTS

Table 63: Summary Comparison for Environmental Compliance Costs (2005-2007)

Overall trend (2007)	Increase		
Respondents answering this section (2007)	100%		
Internal cost trend (2007)	Increase		
External cost trend (2007)	Increase		
Year	2005	2006	2007
Average total cost	\$8,100	\$5,195	\$5,499
Average total cost per FTE	\$58	\$94	\$191
Average mean annual hours spent within enterprise on Environmental costs (all sizes)	140.4	94.6	95.0
Average internal cost	\$2,887	\$2,046	\$2,150
Maximum annual hours spent by enterprise internally on environmental costs	50,000	200,000	10,000
Average external cost	\$32,770	\$20,367	\$21,685
Maximum annual amount spent by enterprise externally on environmental costs	\$2,000,000	\$500,000	\$500,000
Environmental costs as a % of total compliance costs	15.3%	13.6%	18.6%
% of respondents who employed external environmental advisers	16.1%	16.1%	15.7%

Table 64: Environment Compliance Costs by FTE Group (2005-2007)

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Mean annual hours spent within enterprise on Environment							
2005	19.0	34.9	51.7	72.3	200.0	553.3	140.4
2006	24.2	35.6	54.5	126.1	129.2	576.7	94.6
2007	25.9	64.0	64.9	102.0	208.3	700.2	95.0
Average internal cost							
2005	\$391	\$718	\$1,063	\$1,486	\$4,112	\$11,376	\$2,887
2006	\$523	\$770	\$1,179	\$2,728	\$2,795	\$12,474	\$2,046
2007	\$586	\$1,449	\$1,469	\$2,308	\$4,714	\$15,846	\$2,150
% of respondents that used external advice							
2005	9.7%	14.3%	15.7%	11.3%	23.4%	29.1%	16.1%
2006	12.4%	14.6%	14.7%	17.9%	26.3%	31.3%	16.1%
2007	9.9%	17.1%	16.9%	17.0%	21.9%	39.4%	15.7%
Average external cost							
2005	\$11,271	\$9,382	\$13,172	\$11,417	\$20,483	\$81,686	\$32,770
2006	\$5,267	\$7,576	\$14,446	\$23,814	\$34,572	\$61,500	\$20,367
2007	\$8,594	\$16,919	\$8,835	\$48,463	\$32,985	\$37,446	\$21,685
Average total cost							
2005	\$1,536	\$2,087	\$3,190	\$2,821	\$8,635	\$13,588	\$8,100
2006	\$1,151	\$1,879	\$3,221	\$6,844	\$11,553	\$29,496	\$5,195
2007	\$1,439	\$4,346	\$2,893	\$10,569	\$7,171	\$30,614	\$5,499
Average total cost by FTE							
2005	\$528	\$284	\$230	\$90	\$125	\$19	\$58
2006	\$382	\$252	\$234	\$229	\$165	\$55	\$94
2007	\$464	\$599	\$215	\$343	\$104	\$100	\$191
Average total cost as % of turnover							
2005	0.19%	0.14%	0.07%	0.03%	0.06%	0.00%	0.01%
2006	0.16%	0.11%	0.11%	0.08%	0.06%	0.02%	0.03%
2007	0.27%	0.34%	0.07%	0.15%	0.04%	0.04%	0.08%
Environment costs as % of total compliance costs							

2005	14.6%	10.8%	13.3%	9.4%	13.9%	7.8%	15.3%
2006	11.4%	9.5%	12.7%	16.2%	16.6%	13.7%	13.6%
2007	19.5%	25.1%	11.7%	26.2%	11.2%	15.9%	18.6%

Figure 32: Environmental Costs per FTE by Enterprise Size (2005-2007)

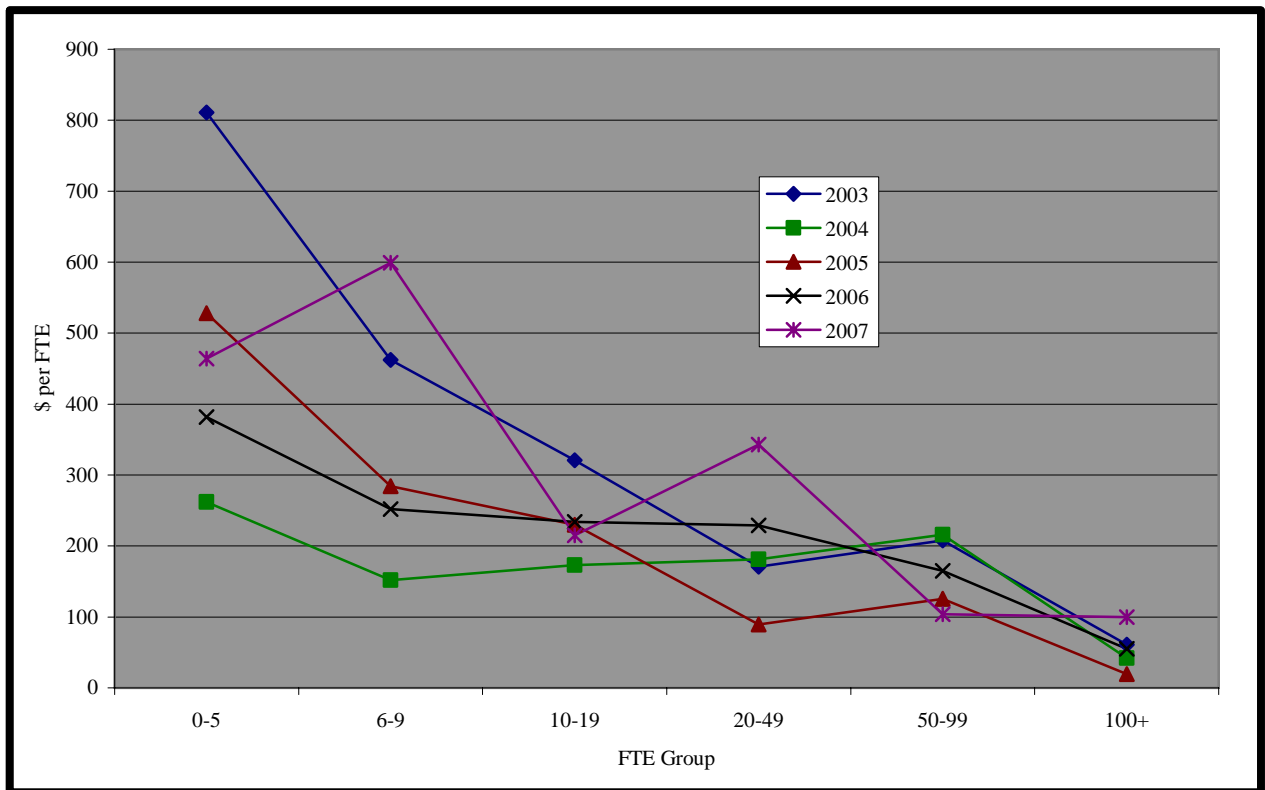


Table 65: Environment Compliance Costs by Grouped Industry (2005-2007)

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
Mean annual hours spent within enterprise on Environment							
2005	150.8	137.7	622.8	87.7	184.9	58.2	135.0
2006	78.4	190.6	163.2	38.3	124.1	40.4	95.6
2007	187.6	111.1	303.3	47.0	74.3	32.2	16.0
Average internal cost							
2005	\$3,100	\$2,831	\$12,805	\$1,803	\$3,802	\$1,197	\$2,776
2006	\$1,696	\$4,123	\$3,530	\$828	\$2,684	\$874	\$2,068
2007	\$4,244	\$2,515	\$6,863	\$1,064	\$1,681	\$728	\$362
% of respondents that used external advice							
2005	20.9%	23.3%	33.3%	15.8%	16.0%	6.1%	16.4%
2006	28.1%	27.0%	19.4%	11.1%	12.1%	7.0%	15.0%
2007	26.8%	24.6%	22.3%	11.6%	12.9%	7.2%	11.0%
Average external cost							
2005	\$12,690	\$16,004	\$27,447	\$29,245	\$97,973	\$47,632	\$37,523
2006	\$5,763	\$13,327	\$23,390	\$9,569	\$72,600	\$34,837	\$30,670
2007	\$14,120	\$17,461	\$57,109	\$4,893	\$40,122	\$37,800	\$11,744
Average total cost							
2005	\$5,709	\$6,722	\$20,953	\$6,265	\$19,950	\$4,184	\$8,772

2006	\$3,228	\$7,665	\$7,861	\$1864	\$10,820	\$3,329	\$6,364
2007	\$8,028	\$6,802	\$18,777	\$1,630	\$6,849	\$3,448	\$1,591
Average total cost by FTE							
2005	\$40	\$87	\$106	\$37	\$157	\$29	\$59
2006	\$66	\$117	\$192	\$59	\$90	\$135	\$63
2007	\$541	\$209	\$618	\$89	\$217	\$51	\$55
Average total cost as % of turnover							
2005	0.00%	0.03%	0.04%	0.01%	0.18%	0.01%	0.01%
2006	0.03%	0.03%	0.03%	0.02%	0.08%	0.04%	0.05%
2007	0.21%	0.08%	0.18%	0.04%	0.09%	0.02%	0.06%
Environment as % of total compliance costs							
2005	12.5%	15.4%	17.5%	15.6%	31.1%	7.4%	19.3%
2006	12.4%	15.9%	16.7%	9.6%	29.2%	12.3%	15.4%
2007	30.4%	23.7%	32.7%	10.4%	21.7%	7.3%	5.4%

Figure 33: Environment Costs per FTE by Grouped Industry (2005-2007)

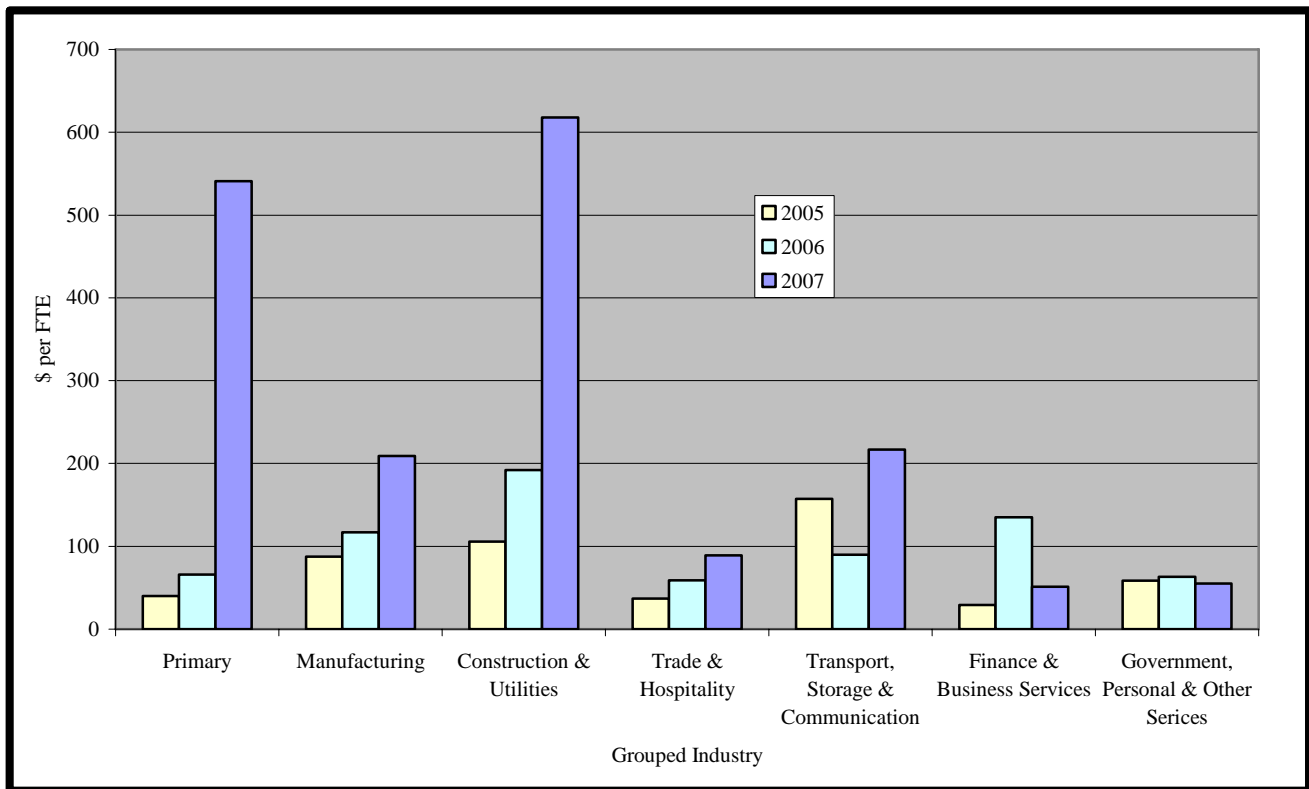


Table 66: Environment Compliance Costs by Grouped Region (2005-2007)

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
Mean annual hours spent within enterprise on Environment							
2005	143.8	113.2	216.2	195.0	202.0	132.7	51.2
2006	107.9	120.9	74.3	28.4	164.6	116.3	56.9
2007	90.9	119.0	23.1	61.8	223.2	96.3	91.0
Average internal cost							
2005	\$2,957	\$2,327	\$4,445	\$4,009	\$4,153	\$2,728	\$1,053

2006	\$2,334	\$2,615	\$1,607	\$614	\$3,560	\$2,516	\$1,231
2007	\$2,057	\$2,693	\$522	\$1,398	\$5,052	\$2,178	\$2,058
% of respondents that used external advice							
2005	14.2%	14.8%	20.4%	15.9%	19.1%	17.6%	16.2%
2006	17.8%	19.0%	6.8%	11.0%	10.7%	20.7%	19.9%
2007	14.7%	15.9%	11.6%	7.8%	16.7%	18.7%	23.3%
Average external cost							
2005	\$45,965	\$23,803	\$40,063	\$54,326	\$21,473	\$18,756	\$15,045
2006	\$26,253	\$21,108	\$14,275	\$4,758	\$9,100	\$17,171	\$21,354
2007	\$29,288	\$10,843	\$3,691	\$48,501	\$19,192	\$26,454	\$13,218
Average total cost							
2005	\$9,347	\$5,853	\$11,412	\$12,523	\$8,056	\$6,130	\$3,560
2006	\$6,727	\$6,562	\$2,494	\$1,139	\$4,374	\$6,011	\$5,343
2007	\$6,357	\$4,423	\$949	\$5,187	\$8,250	\$6,913	\$5,030
Average total cost by FTE							
2005	\$44	\$46	\$120	\$48	\$264	\$105	\$103
2006	\$72	\$139	\$96	\$25	\$256	\$275	\$128
2007	\$144	\$186	\$71	\$214	\$510	\$299	\$175
Average total cost as a % of turnover							
2005	0.02%	0.00%	0.07%	0.01%	0.11%	0.04%	0.06%
2006	0.03%	0.03%	0.04%	0.01%	0.14%	0.10%	0.05%
2007	0.06%	0.09%	0.04%	0.07%	0.25%	0.13%	0.12%
Environment as a % of total compliance costs							
2005	14.6%	9.6%	27.3%	14.9%	20.2%	18.8%	11.3%
2006	15.2%	14.2%	11.0%	2.4%	18.6%	25.8%	15.8%
2007	18.9%	14.3%	7.5%	11.1%	27.0%	30.2%	18.9%

Figure 34: Environment Costs per FTE by Grouped Region (2005-2007)

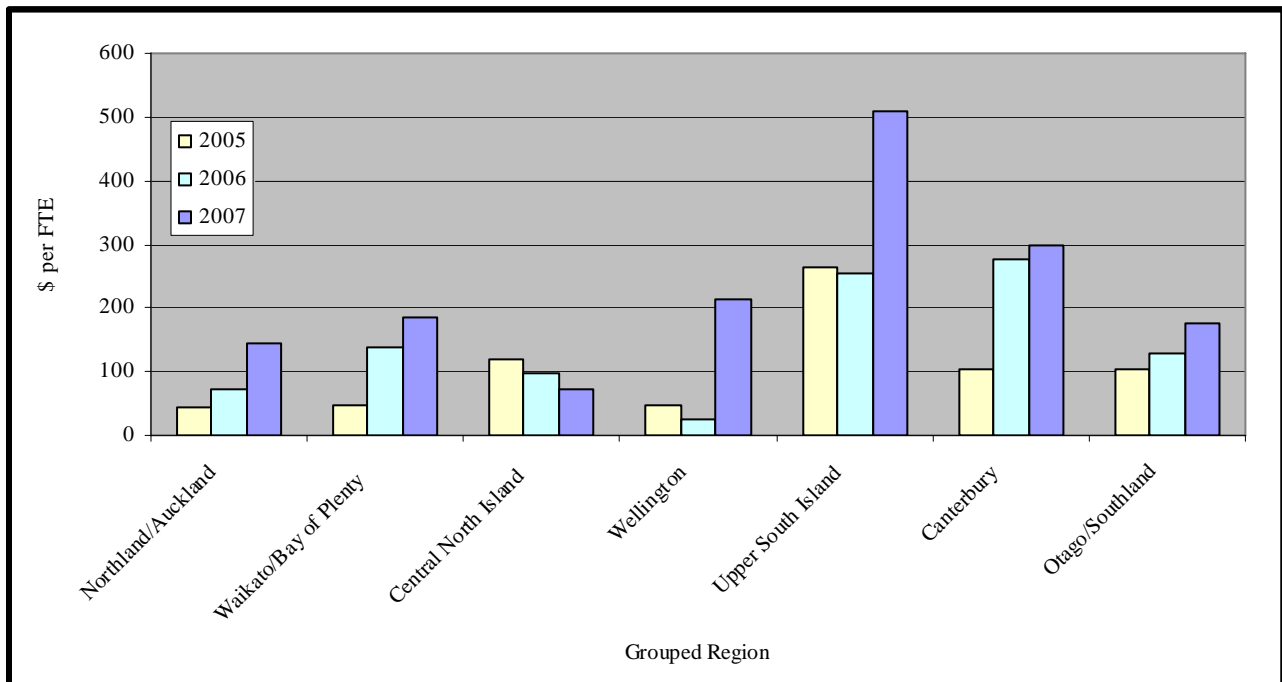
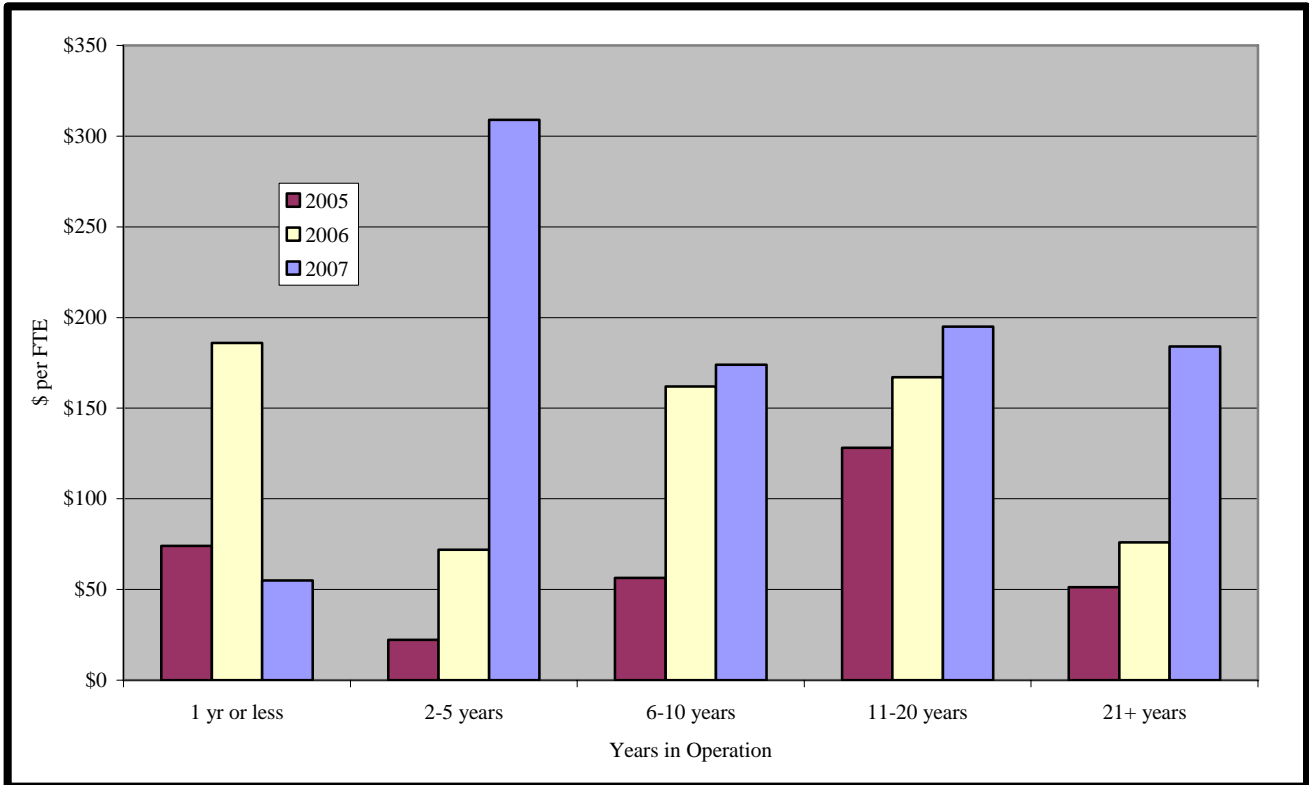


Table 67: Environment Compliance Costs by Grouped Years in Operation (2005-2007)

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
Mean annual hours spent within enterprise on Environment					
2005	24.4	57.2	54.2	133.9	246.7
2006	26.0	29.2	78.5	73.0	165.3
2007	13.3	49.1	49.0	116.9	147.1
Average internal cost					
2005	\$502	\$1,176	\$1,114	\$2,753	\$5,072
2006	\$562	\$631	\$1,698	\$1,579	\$3,575
2007	\$301	\$1,112	\$1,110	\$2,645	\$3,329
% of respondents that used external advice					
2005	13.3%	10.5%	13.5%	15.6%	20.9%
2006	7.5%	12.9%	14.5%	17.1%	19.2%
2007	4.6%	13.0%	13.7%	13.5%	22.0%
Average external cost					
2005	\$8,350	\$2,658	\$6,039	\$51,568	\$42,938
2006	\$2,375	\$6,060	\$9,188	\$22,930	\$29,784
2007	\$4,333	\$9,226	\$9,673	\$19,247	\$33,093
Average total cost					
2005	\$1,695	\$1,437	\$1,977	\$10,507	\$13,900
2006	\$742	\$1,419	\$2,918	\$5,242	\$9,151
2007	\$501	\$2,311	\$2,438	\$5,134	\$10,530
Average total cost by FTE					
2005	\$74	\$22	\$56	\$128	\$51
2006	\$186	\$72	\$162	\$167	\$76
2007	\$55	\$309	\$174	\$195	\$184
Average total cost as % of turnover					
2005	0.03%	0.00%	0.01%	0.01%	0.02%
2006	0.12%	0.05%	0.07%	0.05%	0.03%
2007	0.07%	0.18%	0.08%	0.09%	0.07%
Environment as a % of total compliance costs					
2005	6.9%	6.1%	8.2%	24.9%	14.7%
2006	10.0%	7.0%	13.0%	12.7%	15.7%
2007	6.2%	16.1%	13.5%	21.6%	20.5%

Figure 35: Environment Costs per FTE by Grouped Years in Operation (2005-2007)



3.4.4 OTHER RELATED COMPLIANCE COSTS

Table 68: Summary Comparison for 'Other' Compliance Costs (2005-2007)

Overall trend (2007)				Decrease
Respondents answering this section (2007)				100%
Internal cost trend (2007)				Decrease
External cost trend (2007)				Decrease
Year	2005	2006	2007	
Average total cost	\$9,963	\$8,574	\$6,069	
Average total cost per FTE	\$72	\$155	\$211	
Average mean annual hours spent within enterprise on 'other' costs (all sizes)	245.8	212.2	119.2	
Average internal cost	\$5,054	\$4,590	\$2,710	
Maximum annual hours spent by enterprise internally on 'other' compliance costs	65,000	40,000	11,440	
Average external cost	\$28,238	\$23,308	\$20,941	
Maximum annual amount spent by enterprise externally on 'other' costs	\$1,000,000	\$2,000,000	\$3,000,000	
'Other' costs as a % of total compliance costs	18.8%	22.4%	20.5%	
% of respondents who employed external advisers	18.3%	19.3%	16.2%	

Table 69: Other Compliance Costs by FTE Group (2005-2007)

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Mean annual hours spent within enterprise on Other Costs							
2005	33.2	197.1	142.2	191.2	316.7	769.1	245.8
2006	42.0	65.1	172.3	276.7	333.7	942.6	212.2
2007	21.5	83.6	107.2	146.3	516.0	595.1	119.8
Average internal cost							
2005	\$683	\$4,052	\$2,924	\$3,931	\$6,511	\$15,813	\$5,054
2006	\$909	\$1,408	\$3,727	\$5,985	\$7,218	\$20,388	\$4,590
2007	\$488	\$1,892	\$2,426	\$3,310	\$11,676	\$13,468	\$2,710
% of respondents that used external advice							
2005	12.2%	18.6%	19.2%	18.9%	21.5%	25.6%	18.3%
2006	15.0%	18.3%	20.9%	23.0%	23.7%	31.3%	19.3%
2007	10.9%	18.3%	15.7%	18.2%	23.4%	38.0%	16.2%
Average external cost							
2005	\$2,847	\$6,647	\$5,258	\$7,811	\$25,167	\$96,886	\$28,238
2006	\$5,893	\$3,338	\$13,691	\$9,195	\$32,314	\$116,557	\$23,308
2007	\$2,932	\$3,093	\$23,580	\$19,054	\$28,493	\$83,037	\$20,941
Average total cost							
2005	\$1,016	\$5,305	\$3,916	\$5,342	\$11,593	\$38,057	\$9,963
2006	\$1,765	\$2,006	\$6,378	\$8,097	\$14,870	\$55,772	\$8,574
2007	\$807	\$2,433	\$6,129	\$6,774	\$18,354	\$45,045	\$6,069
Average total cost by FTE							
2005	\$349	\$723	\$283	\$170	\$168	\$54	\$72
2006	\$586	\$269	\$463	\$271	\$213	\$104	\$155
2007	\$260	\$335	\$455	\$220	\$265	\$146	\$211
Average total cost as % of turnover							
2005	0.13%	0.36%	0.09%	0.05%	0.08%	0.01%	0.02%
2006	0.25%	0.12%	0.21%	0.09%	0.07%	0.04%	0.06%
2007	0.15%	0.19%	0.15%	0.09%	0.11%	0.06%	0.09%
Other costs as a % of total compliance costs							
2005	9.7%	27.5%	16.4%	17.8%	18.7%	21.8%	18.8%
2006	17.5%	10.2%	25.1%	19.2%	21.4%	25.9%	22.4%
2007	10.9%	14.0%	24.8%	16.8%	28.8%	23.4%	20.5%

Figure 36: Other Compliance Costs per FTE by Enterprise Size (2005-2007)

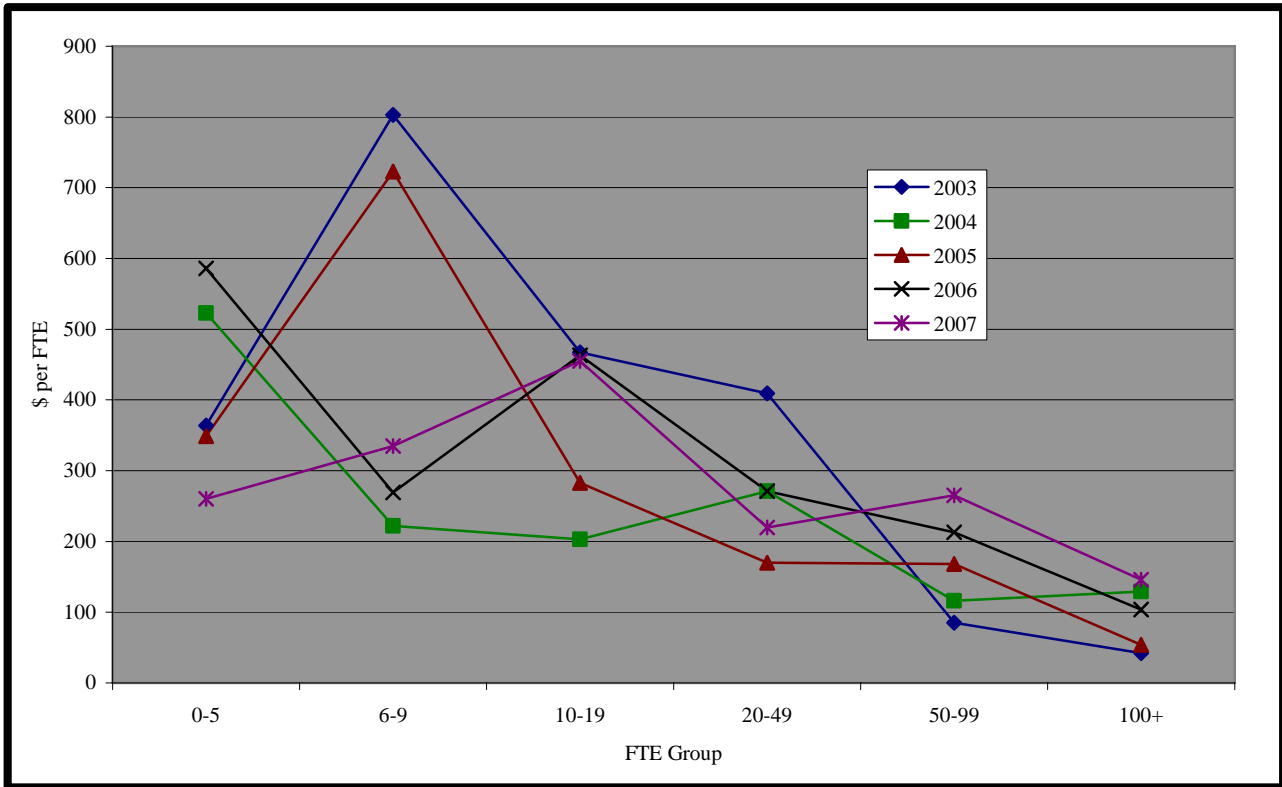


Table 70: Other Compliance Costs by Grouped Industry (2005-2007)

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
Mean annual hours spent within enterprise on Other Costs							
2005	138.8	89.9	527.2	118.5	217.8	290.3	422.5
2006	49.3	104.3	190.1	74.1	58.7	210.9	567.9
2007	69.0	51.0	154.1	30.6	138.3	131.4	404.1
Average internal cost							
2005	\$2,854	\$1,848	\$10,839	\$2,436	\$4,478	\$5,969	\$8,687
2006	\$1,066	\$2,256	\$4,112	\$1,603	\$1,270	\$4,562	\$12,284
2007	\$1,562	\$1,152	\$3,487	\$693	\$3,129	\$2,973	\$9,145
% of respondents that used external advice							
2005	10.9%	17.1%	26.9%	17.5%	29.0%	14.8%	21.3%
2006	17.5%	21.8%	17.8%	16.7%	23.3%	13.7%	28.0%
2007	10.5%	14.4%	18.7%	14.6%	18.2%	15.1%	24.4%
Average external cost							
2005	\$7,204	\$4,589	\$59,097	\$5,836	\$23,469	\$61,118	\$23,305
2006	\$5,398	\$8,172	\$70,005	\$11,266	\$14,777	\$41,474	\$19,110
2007	\$5,567	\$8,221	\$41,807	\$12,451	\$21,545	\$52,485	\$17,365
Average total cost							
2005	\$3,647	\$2,552	\$26,956	\$3,409	\$11,149	\$14,413	\$13,443
2006	\$2,010	\$3,993	\$16,640	\$3,376	\$4,582	\$5,692	\$17,453
2007	\$2,144	\$2,334	\$11,307	\$2,452	\$7,047	\$10,902	\$13,385

Average total cost by FTE							
2005	\$26	\$33	\$136	\$20	\$88	\$100	\$90
2006	\$41	\$61	\$407	\$108	\$38	\$231	\$173
2007	\$144	\$72	\$372	\$133	\$224	\$160	\$463
Average total cost as % of turnover							
2005	0.00%	0.01%	0.05%	0.00%	0.10%	0.04%	0.02%
2006	0.02%	0.01%	0.07%	0.03%	0.04%	0.07%	0.13%
2007	0.06%	0.03%	0.11%	0.06%	0.09%	0.06%	0.51%
Other costs as a % of total compliance costs							
2005	8.0%	5.9%	22.5%	8.5%	17.4%	25.5%	29.6%
2006	7.7%	8.3%	35.4%	17.5%	12.4%	21.1%	42.4%
2007	8.1%	8.1%	19.7%	15.6%	22.3%	23.0%	45.3%

Figure 37: Other Compliance Costs per FTE by Grouped Industry (2005-2007)

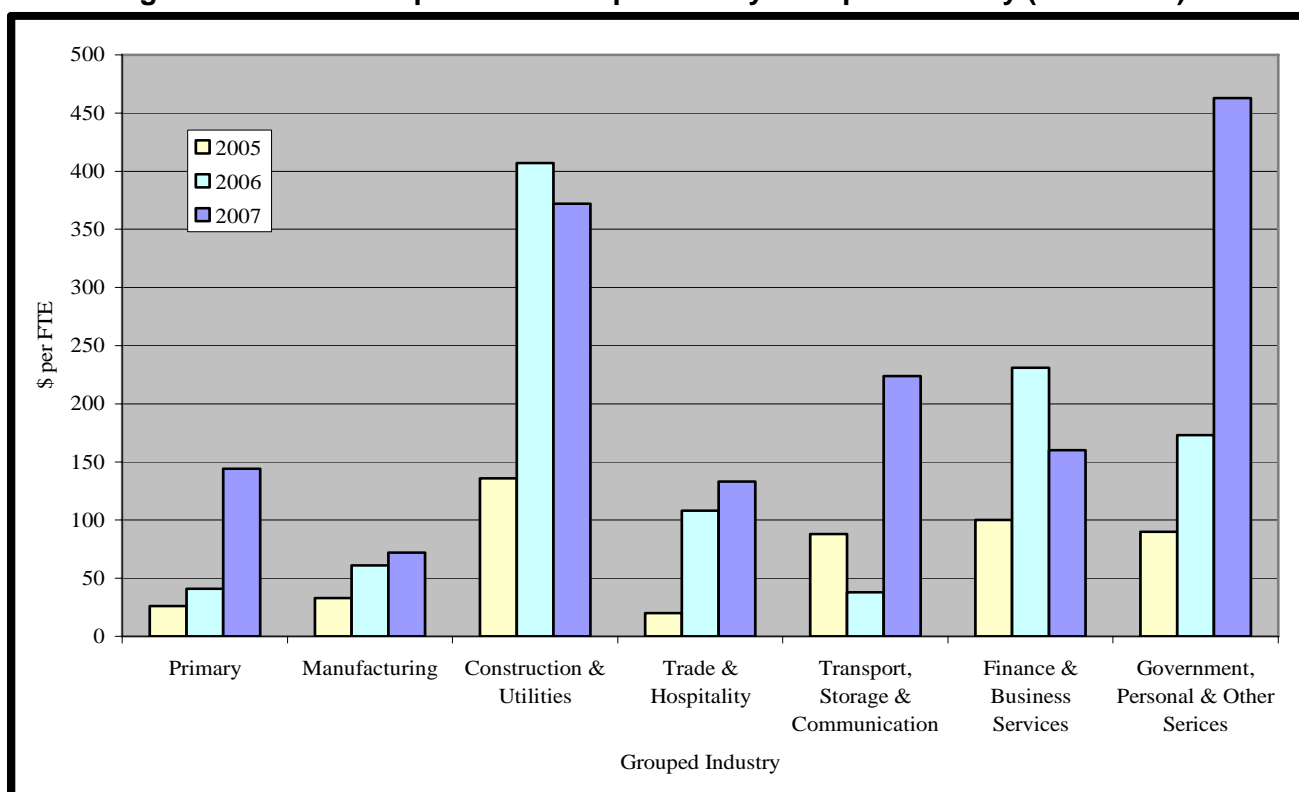


Table 71: Other Compliance Costs by Grouped Region (2005-2007)

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
Mean annual hours spent within enterprise on Other Costs							
2005	276.3	254.0	251.5	227.5	296.0	202.0	225.2
2006	172.9	340.3	91.9	179.8	183.2	87.0	202.5
2007	96.0	191.9	89.9	152.1	89.9	52.3	209.6
Average internal cost							
2005	\$5,681	\$5,222	\$5,171	\$4,677	\$6,086	\$4,153	\$4,630
2006	\$3,740	\$7,361	\$1,988	\$3,889	\$3,963	\$1,882	\$4,380
2007	\$2,174	\$4,342	\$2,034	\$3,441	\$2,035	\$1,184	\$4,742

% of respondents that used external advice							
2005	16.8%	17.2%	23.5%	15.9%	17.0%	18.5%	22.1%
2006	17.8%	22.5%	17.9%	20.3%	16.1%	18.9%	21.3%
2007	18.0%	16.4%	17.4%	14.1%	9.7%	13.6%	20.2%
Average external cost							
2005	\$48,070	\$36,909	\$18,019	\$43,250	\$3,793	\$8,040	\$14,641
2006	\$38,917	\$16,568	\$9,265	\$30,112	\$2,067	\$13,859	\$12,611
2007	\$21,795	\$24,459	\$2,190	\$58,457	\$64,836	\$9,534	\$4,841
Average total cost							
2005	\$13,438	\$10,875	\$9,196	\$10,547	\$6,663	\$5,635	\$7,788
2006	\$10,487	\$11,035	\$3,588	\$9,842	\$4,295	\$4,341	\$6,976
2007	\$6,091	\$8,348	\$2,396	\$11,662	\$8,339	\$2,482	\$5,680
Average total cost by FTE							
2005	\$64	\$86	\$97	\$40	\$218	\$97	\$224
2006	\$112	\$233	\$138	\$212	\$252	\$199	\$168
2007	\$138	\$351	\$179	\$481	\$516	\$107	\$198
Average total cost as % of turnover							
2005	0.02%	0.01%	0.06%	0.01%	0.09%	0.04%	0.13%
2006	0.04%	0.06%	0.05%	0.11%	0.13%	0.08%	0.07%
2007	0.05%	0.17%	0.11%	0.16%	0.25%	0.05%	0.14%
Other costs as a % of total compliance costs							
2005	21.0%	17.8%	22.0%	12.6%	16.7%	17.2%	24.8%
2006	23.6%	23.8%	15.8%	21.1%	18.3%	18.6%	20.7%
2007	18.1%	27.0%	19.0%	25.0%	27.3%	10.8%	21.3%

Figure 38: Other Compliance Costs per FTE by Grouped Region (2005-2007)

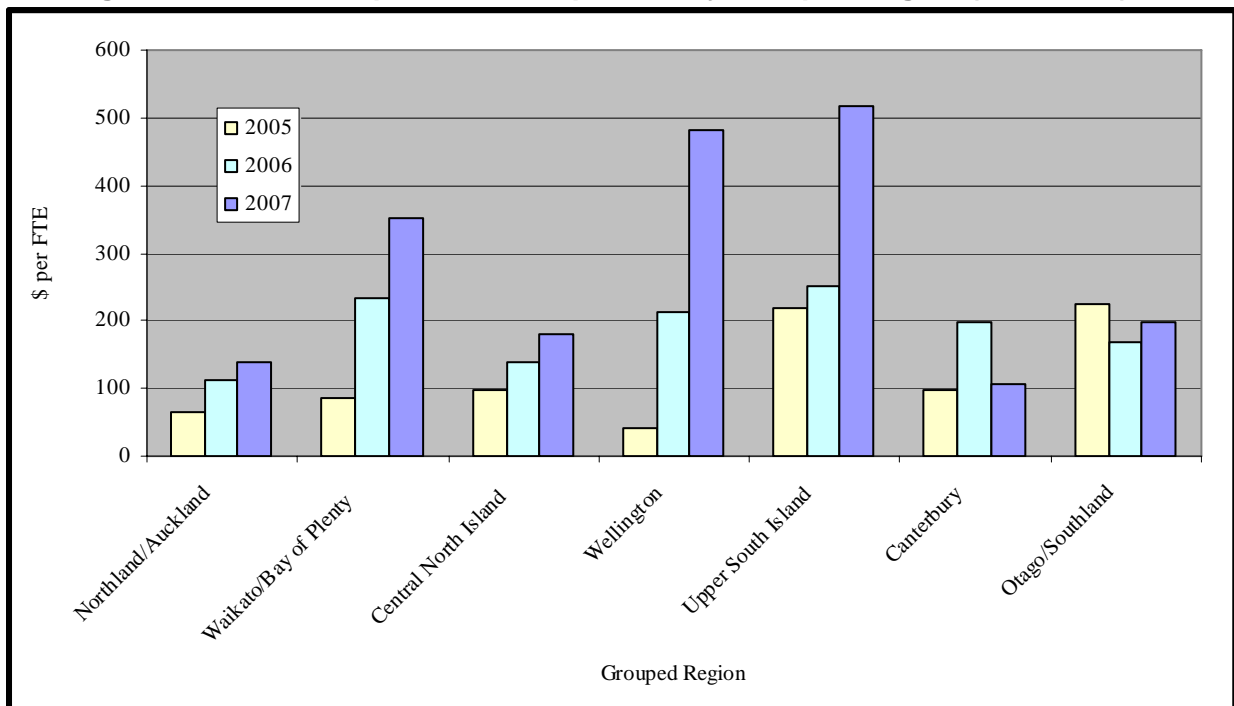
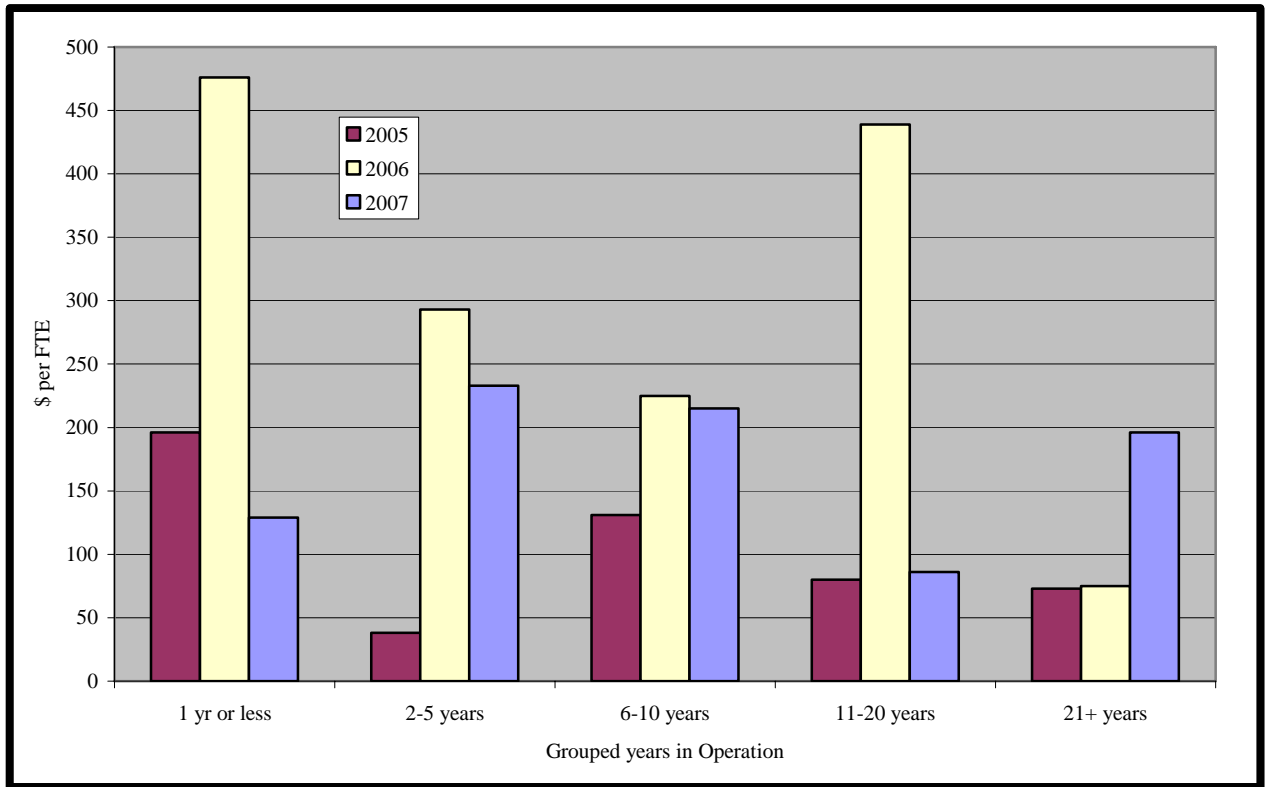


Table 72: Other Compliance Costs by Grouped Years in Operation (2005-2007)

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
Mean annual hours spent within enterprise on other compliance costs					
2005	131.9	85.2	155.2	169.0	443.7
2006	23.4	213.0	138.8	227.1	180.4
2007	41.5	64.4	96.7	121.0	182.3
Average internal cost					
2005	\$2,712	\$1,752	\$3,191	\$3,475	\$9,122
2006	\$507	\$4,606	\$3,002	\$4,913	\$3,903
2007	\$938	\$1,458	\$2,188	\$2,737	\$4,126
% of respondents that used external advice					
2005	24.4%	15.5%	20.5%	18.5%	17.9%
2006	13.2%	15.5%	21.1%	20.9%	20.1%
2007	12.3%	14.4%	12.0%	15.2%	21.0%
Average external cost					
2005	\$8,311	\$4,489	\$6,973	\$17,314	\$62,847
2006	\$10,586	\$8,107	\$5,340	\$43,579	\$25,755
2007	\$1,906	\$1,978	\$6,797	\$25,037	\$33,673
Average total cost					
2005	\$4,492	\$2,437	\$4,579	\$6,523	\$19,727
2006	\$1,905	\$5,802	\$4,066	\$13,757	\$9,032
2007	\$1,173	\$1,737	\$3,005	\$2,254	\$11,207
Average total cost by FTE					
2005	\$196	\$38	\$131	\$80	\$73
2006	\$476	\$293	\$225	\$439	\$75
2007	\$129	\$233	\$215	\$86	\$196
Average total cost as % of turnover					
2005	0.07%	0.00%	0.03%	0.01%	0.03%
2006	0.30%	0.19%	0.10%	0.12%	0.03%
2007	0.18%	0.13%	0.10%	0.04%	0.08%
Other compliance costs as a % of total compliance costs					
2005	18.3%	10.3%	18.9%	15.4%	20.8%
2006	25.7%	28.7%	18.2%	33.3%	15.5%
2007	14.4%	12.1%	16.7%	9.5%	21.8%

Figure 39: Other Compliance Costs per FTE by Grouped Years in Operation (2005-2007)



3.5 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 67 affiliated industry groups from which the survey can also be sent out to. For the 2007 survey, the survey was sent out for dissemination amongst four industry groups, as well as the New Zealand Institute of Chartered Accountants, KPMG taxmail recipients, Business Mentors New Zealand, Buy NZ Made and 23 industry groups.

Questionnaire Design, Consultation, and Testing

Definition Used

In all four 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 2007 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 2007 survey is largely similar to surveys conducted from 2004-2006, with the main changes involving:

- The removal of the questions relating to the number of times a respondent contacted Government Agency call centres over the last year, as well as whether they obtained a suitable answer without the need for follow-up contacts. This question was to be asked only for one year, as it was felt the answers from year-to-year would be largely the same.
- A change in the wording of the option 'Employer Based Superannuation Schemes' to 'Employer Related Superannuation Schemes' for questions concerning compliance cost priorities and change in compliance cost burden. This was done so that employers were more likely to recognise that KiwiSaver compliance costs should be allocated in that option.
- The inclusion of a question asking to rate the Government's helpfulness in terms of the compliance issues associated with KiwiSaver for their business. As KiwiSaver was introduced on 1 July, the inclusion of the question was timely given KiwiSaver would be one of the main compliance issues for businesses leading into its introduction.
- The inclusion of a question that asked whether businesses generally found Government websites useful in terms of finding the exact information they required. As last years question in this section was focussed on call centres, it was decided to focus on another area where businesses typically contact Government agencies. There were also two follow-up questions that asked respondents to list those Government websites they found to be consistently be the most helpful and the most problematic.
- The inclusion of a question that asked if respondents were prepared to participate in answering more detailed questions about a particular area of compliance. This question had been asked during the initial first years of the survey, but was dropped after few Government agencies decided to take up the offer. Upon request of some agencies during the last year, we have once more included the question.

Delivery of the Survey

Like all previous surveys, Business New Zealand continued to use a web-based delivery option for the 2007 survey.

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 to provide a paper copy of the survey for 2007, as we found the increased number of respondents that came from the industry associations often did not have access to high speed internet, therefore a paper version was the optimal way in which to fill in the survey. Overall, Business New Zealand received 1334 completed questionnaires.

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 three-week period from 9 July to 29 July 2007. The timing of the 2007 survey was almost identical to the 2006 survey. Although the timing of the 2007 survey was not intended to take into account the introduction of KiwiSaver (introduced 1 July) it is probable that employers were able to ascertain to a better extent the full compliance issues regarding the preliminary steps to implement KiwiSaver before filling in the survey.

Final Dataset

1334 responses were received for the 2007 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 and region, demographic results continue to become more in line with overall business population demographics.

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 39.3% of respondents had five or fewer employees (compared to 84% of the population), this still constituted 524 respondents. The proportion of respondents with 0-9 FTEs in 2007 (58.6%) was similar to that in 2006 (59.0%), and much higher than for 2005 (42.7%), 2004 (40.5%) and 2003 (33.2%).

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

3.6 SURVEY FORM



BUSINESS NEW ZEALAND – KPMG COMPLIANCE COST SURVEY

Statement of Purpose

Business New Zealand, in conjunction with KPMG, undertake 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. 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 Business Mentors New Zealand, as well as various industry groups.

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.

This will be the fifth 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.

Thank you for taking the time to complete this survey.

Phil O'Reilly
Chief Executive
Business New Zealand

Jan Dawson
National Chairman
KPMG

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

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 involves 29 questions, and should take around 20 minutes to complete

Note: Where a question is marked with an * this means that a response is required to allow the survey to be completed.

COMPLIANCE COST SURVEY - 2007

Please enter your respondent identifier number/code from the e-mail that informed you of this survey (for example KPMG001 or EMAN001).

Section A. Compliance Cost Priorities

1. Please select in priority order the **three** most significant compliance cost areas facing your enterprise over the last 12 months.

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 Related 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 helpful	Helpful	Neither helpful or unhelpful	Un-helpful	Very 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 Safety & Health Service	Yes/No	1	2	3	4	5
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. Overall, how would you rate Government’s helpfulness in terms of the compliance issues associated with KiwiSaver for your business?

- Very helpful
- Helpful
- Neither helpful or unhelpful
- Unhelpful
- Very unhelpful

5. Do you generally find Government websites useful in terms of finding the exact information you require?

- Most times
- Sometimes
- Rarely

5a Please list any Government websites that you have consistently found to be a problem to source information from:

5b Please list any Government websites that you have consistently found to be helpful to source information from:

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
Employment Compliance Costs					
Accident Compensation and Rehabilitation	1	2	3	4	5
Employer Related 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
Environmental Compliance Costs					
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
Other Compliance Costs					
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 6 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. 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 10 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. 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, KiwiSaver 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. \$ _____

14. 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. 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. 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 (e.g. tax, employment, health & safety), please provide your comments below:

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)_____

29. Finally, would you be prepared to participate in answering some more detailed questions about a particular area of compliance costs? (e.g. You may receive through us on a confidential basis some questions from Government Agencies)

- Yes
- No

Thank you very much for completing the survey.