



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

September 2006

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2. RESPONDENT PROFILE

Table 1: Respondents by Number of Full Time Equivalent Employees (2005 & 2006)

Number of FTEs	Number of respondents (2006)	Percent of total valid responses (2006)	Number of respondents (2005)	Percent of total valid responses (2005)	Population (Business Demography Statistics 2003)
0-5	579	41.4%	361	30.8%	83.9%
6-9	246	17.6%	140	11.9%	7.3%
10-19	191	13.6%	198	16.9%	7.6%
20-49	196	14.0%	159	13.6%	
50-99	76	5.4%	107	9.1%	0.7%
100+	112	8.0%	207	17.7%	0.5%
Total valid responses	1400	100.0%	1172	100.0%	100.0%

Figure 1: Survey Respondents by FTE Group (2006)

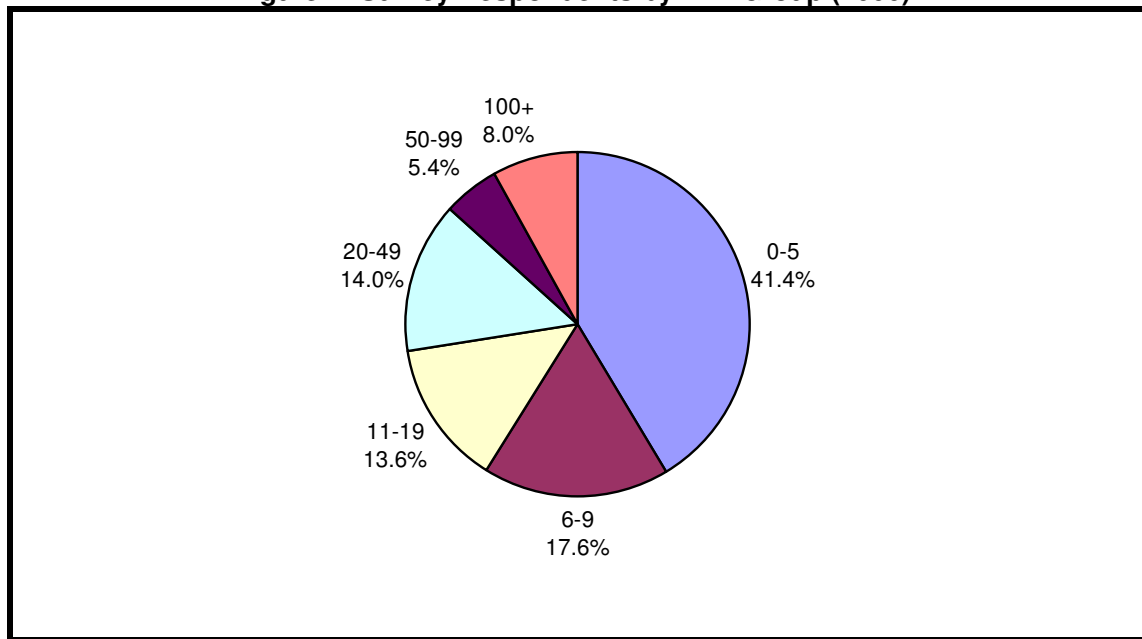


Table 2: Respondents by Annual Turnover (excluding GST) (2005 & 2006)

Annual turnover (Excluding GST)	Number of respondents (2006)	Percent of total valid responses (2006)	Number of respondents (2005)	Percent of total valid responses (2005)
\$99,999 or less	107	7.9%	104	9.1%
\$100,000-\$499,999	331	24.5%	236	20.7%
\$500,000-\$999,999	242	17.9%	138	12.1%
\$1,000,000-\$1,999,999	209	15.5%	140	12.3%
\$2,000,000-\$4,999,999	167	12.4%	0133	11.7%
\$5,000,000-\$9,999,999	86	6.4%	97	8.5%
\$10,000,000-\$19,999,999	86	6.4%	84	7.4%
\$20,000,000-\$49,999,999	67	5.0%	102	8.9%
\$50,000,000+	56	4.1%	107	9.4%
Total valid responses	1351	100.0%	1141	100.0%
Did not respond	49	-	31	-

Table 3: Number of Years in Operation (2006)

Number of years in operation	Number of respondents	Percent of total valid responses
1 year or less	53	3.8%
2-5 years	278	19.9%
6-10 years	256	18.3%
11-20 years	340	24.3%
21 years or more	473	33.8%
Total valid responses	1400	100.0%

Table 4: Respondents by Regional Council Area (2005 & 2006)

Regional council area	Number of respondents (2006)	Percent of total valid responses (2006)	Number of respondents (2005)	Percent of total valid responses (2005)	Population (Business Demography Statistics - 2003)
Northland	44	3.1%	20	1.7%	3.4%
Auckland	429	30.7%	368	31.5%	35.3%
Waikato	135	9.6%	56	4.8%	8.8%
Bay of Plenty	96	6.9%	60	5.1%	6.2%
Gisborne	17	1.2%	8	0.7%	0.9%
Hawkes Bay	49	3.5%	27	2.3%	3.3%
Taranaki	43	3.1%	20	1.7%	2.3%
Manawatu-Wanganui	53	3.8%	43	3.7%	4.8%
Wellington	172	12.3%	145	12.4%	11.7%
Marlborough	16	1.1%	12	1.0%	1.2%
Nelson-Tasman	34	2.4%	28	2.4%	2.3%
West Coast	6	0.4%	7	0.6%	0.8%
Canterbury	169	12.1%	222	19.0%	12.0%
Otago	100	7.1%	119	10.2%	4.7%
Southland	36	2.6%	35	3.0%	2.2%
Total valid responses	1399	100.0%	1170	100.0%	100.0%
Did not respond	1		2		-

Table 5: Respondents by Grouped Region (2005 & 2006)

Grouped region	Number of respondents (2006)	Percent of total valid responses (2006)	Number of respondents (2005)	Percent of total valid responses (2005)	Population (Business Demography Statistics - 2003)
Northland/Auckland	473	33.8%	388	33.2%	38.8%
Waikato/Bay of Plenty	231	16.5%	116	9.9%	15.0%
Central North Island (Gisborne, Hawkes Bay, Taranaki, & Manawatu-Wanganui)	162	11.6%	98	8.4%	11.4%
Wellington	172	12.3%	145	12.4%	11.7
Upper South Island (Marlborough, Nelson-Tasman, & West Coast)	56	4.0%	47	4.0%	4.3%
Canterbury	169	12.1%	222	19.0%	12.0
Otago/Southland	136	9.7%	154	13.2%	6.9%
Total valid responses	1399	100.0%	1170	100.0%	100.0%
Did not respond	1	-	2		-

Figure 2: Survey Respondents by Grouped Region (2006)

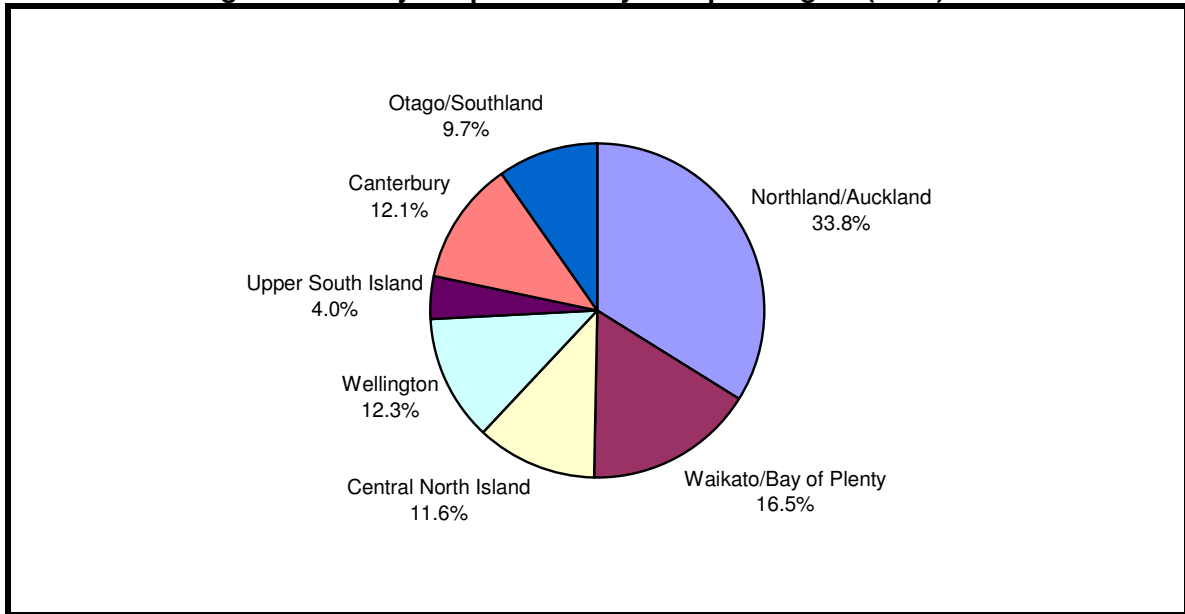


Table 6: Respondents by ANZSIC Group (2005 & 2006)

ANZSIC group	Number of respondents (2006)	Percent of total valid responses (2006)	Number of respondents (2005)	Percent of total valid responses (2005)	Population (Business Demography Statistics - 2003)
Agriculture	149	10.7%	95	8.1%	4.1%
Forestry, fishing, and mining	11	0.8%	15	1.3%	
Manufacturing	174	12.4%	193	16.5%	7.0%
Electricity, gas, and water	42	3.0%	24	2.1%	0.1%
Construction	149	10.7%	43	3.7%	11.4%
Wholesale trade	71	5.1%	72	6.2%	6.1%
Retail trade	224	16.0%	92	7.9%	12.2%
Accommodation, cafes, and restaurants	29	2.1%	19	1.6%	3.6%
Transport and storage	78	5.6%	69	5.9%	3.7%
Communication services	38	2.7%	31	2.6%	1.1%
Finance and insurance services	64	4.6%	103	8.8%	4.0%
Property and business services	163	11.7%	207	17.7%	31.2%
Government administration and defence	7	0.5%	16	1.4%	0.6%
Education, health, and community services	140	10.0%	132	11.3%	7.1%
Cultural, recreational, and personal services	60	4.3%	58	5.0%	7.9%
Total valid responses	1399	100.0%	1170	100.0%	100.0%
Did not respond	1		2		

Table 7: Respondents by Grouped Industries (2005 & 2006)

Industry group	Number of respondents (2006)	Percent of total valid responses (2006)	Number of respondents (2005)	Percent of total valid responses (2005)	Population (Business Demography Statistics - 2003)
Primary (agriculture, forestry, fishing, and mining)	160	11.4%	110	9.4%	4.1%
Manufacturing	174	12.4%	193	16.5%	7.0%
Construction and utilities (construction, electricity, gas, and water)	191	13.7%	67	5.7%	11.5%
Trade and hospitality (Wholesale and retail trade, accommodation, cafes, and restaurants)	324	23.2%	183	15.6%	21.9%
Transport, storage, and communication	116	8.3%	100	8.5%	4.8%
Finance and business services (finance, insurance, property and business services)	227	16.2%	310	26.5%	35.2%
Government, personal and other services (government, defence, education, health, community, cultural, and personal services)	207	14.8%	207	17.7%	15.6%
Total valid responses	1399	100.0	1170	100.0%	100.0%
Did not respond	1		2		

Figure 3: Survey respondents by Grouped Industry (2006)

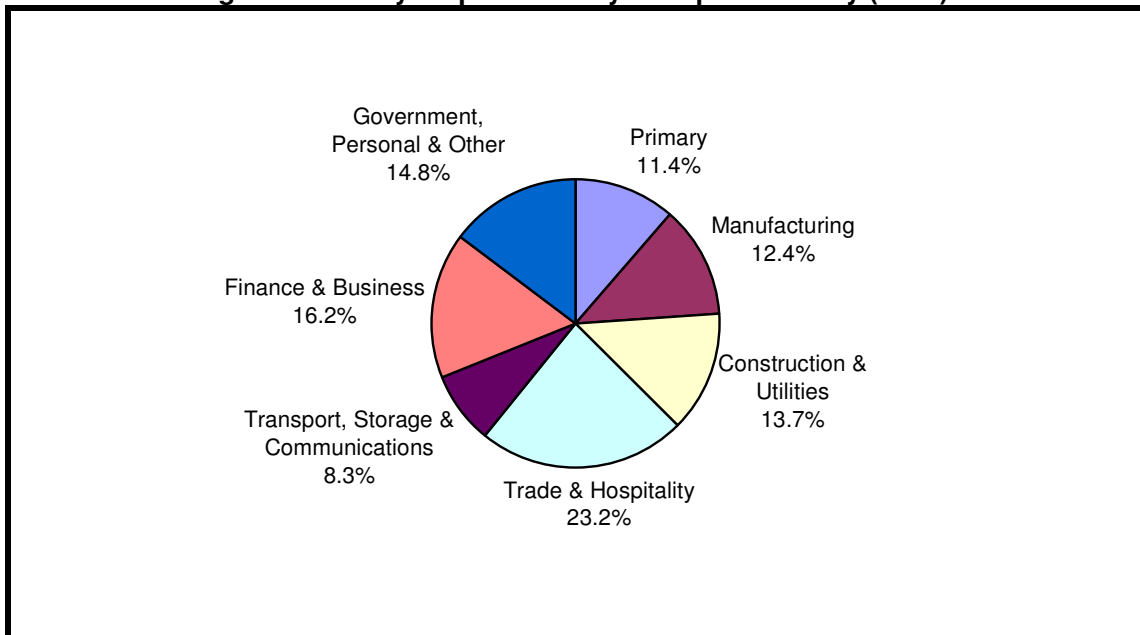


Table 8: Average Respondent FTE Numbers by FTE Group (2005 & 2006)

FTE Group	Average size of survey respondents (FTEs) - 2006	Median size of respondent (FTEs) - 2006	Average size of survey respondents (FTEs) - 2005	Median size of respondent (FTEs) - 2005	Average FTE size for Population (Business Demography Stats - 2003)
0-5	3.01	3.0	2.91	3.0	1.42
6-9	7.47	7.5	7.34	7.0	6.95
10-19	13.77	13.5	13.86	14.0	13.04
20-49	29.83	27.0	31.49	30.0	29.41
50-99	69.93	67.3	68.87	66.0	67.87
100+	537.8	205.0	705.38	198.0	240.84
All sizes	55.43	7.3	139.26	13.0	4.72

Table 9: Average Respondent FTE Numbers by Grouped Industries (2005 & 2006)

Grouped Industry	Average size of respondents (FTEs - 2006)	Median size of survey respondents (FTEs - 2006)	Average size of respondents (FTEs - 2005)	Median size of survey respondents (FTEs - 2005)	Average FTE size for Population (Business Demography Stats - 2003)
Primary	48.84	4.0	142.51	8.5	3.04
Manufacturing	65.30	18.3	76.89	24.0	10.99
Construction & utilities	40.92	7.0	198.21	26.0	3.32
Trade & hospitality	31.37	6.0	169.74	9.0	5.26
Transport, storage & communications	120.04	9.0	126.79	17.0	6.13
Finance & business services	24.65	5.5	144.07	8.0	2.25
Government, personal & other services	101.09	11.0	149.72	15.0	7.75
All industries	55.47	7.5	139.48	13.0	4.72

Table 10: Average Respondent FTE Numbers by Grouped Regions (2005 & 2006)

Grouped Region	Average size of respondents (FTEs - 2006)	Median size of survey respondents (FTEs - 2006)	Average size of respondents (FTEs - 2005)	Median size of survey respondents (FTEs - 2005)	Average FTE size for Population (Business Demography Stats - 2003)
Northland/Auckland	93.32	8.5	210.19	14.0	4.61
Waikato/Bay of Plenty	47.37	8.0	127.16	9.5	4.35
Central North Island	26.05	5.5	95.19	20.0	4.84
Wellington	46.47	9.5	260.77	16.0	5.10
Upper South Island	17.07	5.8	30.57	10.0	4.28
Canterbury	21.84	5.0	58.39	10.0	5.10
Otago/Southland	41.63	8.0	34.73	12.0	4.87
New Zealand	55.47	7.5	139.43	13.0	4.72

Table 11: Average Respondent FTE Numbers by Grouped Years in Operation (2005 & 2006)

Grouped Years in Operation	Average size of respondents (FTEs - 2006)	Median size of survey respondents (FTEs - 2006)	Average size of respondents (FTEs - 2005)	Median size of survey respondents (FTEs - 2005)
1 year or less	4.00	2.5	22.96	3.0
2 to 5 years	19.83	4.0	64.59	4.0
6 to 10 years	18.04	6.0	35.01	9.0
11 to 20 years	31.33	9.8	82.03	14.0
21 years or more	119.68	13.5	271.53	41.5
All Years in Operation	55.43	7.3	134.43	13.0

3. SUMMARY OF FINDINGS

3.1 COMPLIANCE COST PRIORITIES

Figure 4: Compliance Cost Priorities (2006)

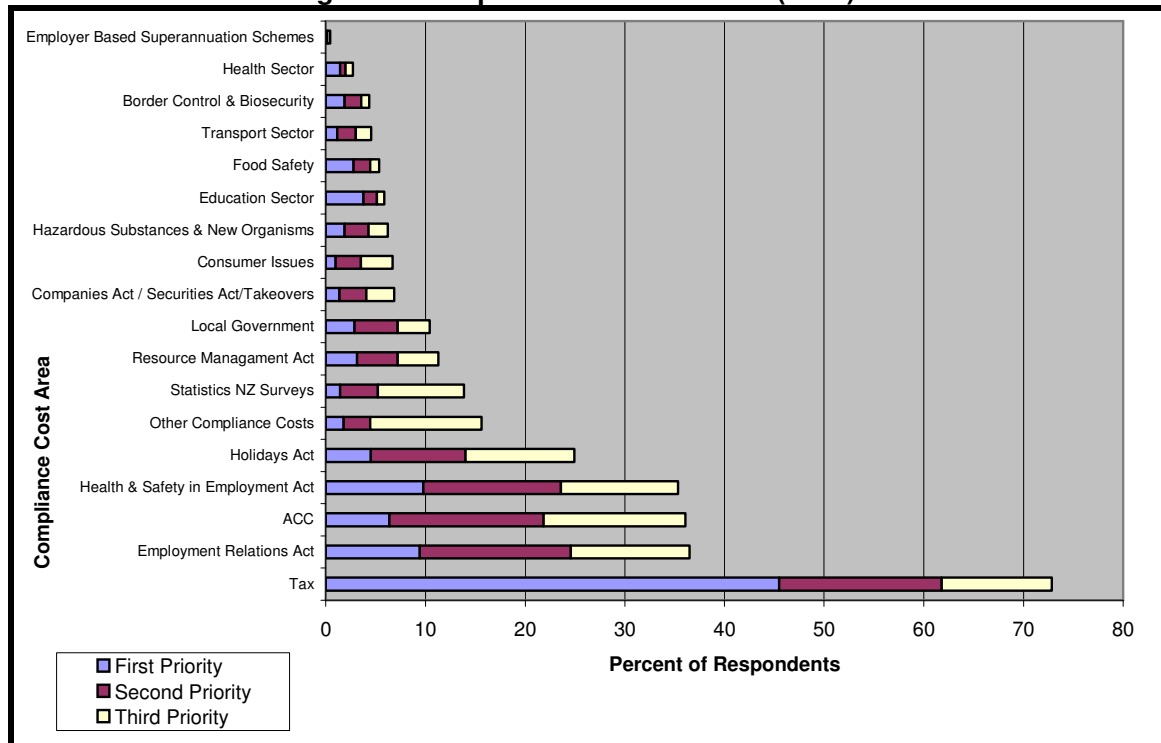


Table 12: Compliance Cost Priorities (2006)

Compliance cost area	First priority		Second priority		Third priority		Total (1,2,3)	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Tax	637	45.5%	228	16.3%	155	11.1%	1020	72.9%
Employment Relations Act	132	9.4%	212	15.1%	167	11.9%	511	36.5%
ACC	89	6.4%	217	15.5%	199	14.2%	505	36.1%
Health & Safety in Employment Act	137	9.8%	193	13.8%	165	11.8%	495	35.4%
Holidays Act	63	4.5%	133	9.5%	153	10.9%	349	24.9%
Other Compliance Costs	25	1.8%	37	2.6%	157	11.2%	219	15.6%
Statistics NZ Surveys	20	1.4%	53	3.8%	121	8.6%	194	13.9%
Resource Management Act	44	3.1%	57	4.1%	57	4.1%	158	11.3%
Local Government	40	2.9%	61	4.4%	45	3.2%	146	10.4%
Companies Act / Securities Act/Takeovers	19	1.4%	38	2.7%	39	2.8%	96	6.9%
Consumer Issues	14	1.0%	35	2.5%	45	3.2%	94	6.7%
Hazardous Substances & New Organisms	26	1.9%	34	2.4%	27	1.9%	87	6.2%
Education Sector	53	3.8%	19	1.4%	10	0.7%	82	5.9%
Food Safety	39	2.8%	23	1.6%	13	0.9%	75	5.4%
Transport Sector	16	1.1%	26	1.9%	22	1.6%	64	4.6%
Border Control & Biosecurity	26	1.9%	24	1.7%	11	0.8%	61	4.4%

Health Sector	20	1.4%	8	0.6%	10	0.7%	38	2.7%
Employer Based Superannuation Schemes	0	0.0%	2	0.1%	4	0.3%	6	0.4%
Total valid responses	1400	100%	1400	100%	1400	100%	4200	300%

Table 13: Top 5 Compliance Cost Priorities (2003-2006)

Priority	Tax	ERA	ACC	HSE	Holidays
First priority					
2006	45.5%	9.4%	6.4%	9.8%	4.5%
2005	48.5%	10.2%	5.0%	8.9%	5.4%
2004	41.1%	10.0%	9.0%	13.1%	7.8%
2003	35.5%	10.5%	7.9%	22.8%	3.3%
Second priority					
2006	16.3%	15.1%	15.5%	13.8%	9.5%
2005	14.3%	15.2%	14.8%	15.5%	10.9%
2004	12.2%	15.4%	20.2%	19.7%	14.9%
2003	13.8%	20.3%	18.3%	25.0%	3.6%
Third priority					
2006	11.1%	11.9%	14.2%	11.8%	10.9%
2005	10.8%	12.4%	12.1%	12.7%	11.7%
2004	9.8%	15.1%	11.9%	14.8%	17.0%
2003	11.4%	16.8%	12.5%	17.1%	9.1%
Combined priorities					
2006	72.9%	36.5%	36.1%	35.4%	24.9%
2005	73.6%	37.8%	31.9%	37.1%	28.0%
2004	63.1%	40.5%	41.1%	47.6%	39.7%
2003	60.8%	47.6%	38.7%	64.9%	15.9%

Table 14: Compliance Cost Priorities by FTE Group (2006)

Compliance cost area	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Tax	83.1%	73.2%	70.2%	62.8%	57.9%	51.8%	72.9%
Employment Relations Act	25.2%	40.2%	43.5%	49.5%	43.4%	47.3%	36.5%
ACC	45.8%	39.8%	30.4%	22.4%	22.4%	19.6%	36.0%
Health & Safety in Employment Act	24.4%	39.8%	38.2%	40.8%	50.0%	58.0%	35.4%
Holidays Act	16.9%	28.5%	36.1%	31.6%	27.6%	25.9%	24.9%
Statistics NZ Surveys	12.1%	11.8%	14.1%	16.8%	21.1%	17.0%	13.9%
Resource Management Act	12.3%	9.3%	9.4%	10.7%	10.5%	15.2%	11.3%
Local Government	13.6%	11.8%	6.8%	7.1%	6.6%	5.4%	10.4%
Companies Act / Securities Act/Takeovers	7.8%	4.1%	4.2%	6.1%	6.6%	14.3%	6.9%
Consumer Issues	10.5%	3.7%	3.7%	4.6%	3.9%	4.5%	6.7%
Hazardous Substances & New Organisms	6.9%	6.1%	5.8%	6.6%	6.6%	2.7%	6.2%
Education Sector	5.4%	5.7%	8.9%	7.1%	2.6%	3.6%	5.9%
Food Safety	4.1%	5.7%	4.2%	8.2%	7.9%	7.1%	5.4%
Transport Sector	5.9%	4.1%	3.1%	3.1%	3.9%	4.5%	4.6%
Border Control & Biosecurity	4.8%	2.0%	4.7%	5.1%	5.3%	4.5%	4.4%
Health Sector	1.7%	1.2%	4.2%	2.6%	6.6%	6.3%	2.7%
Employer Based Superannuation Schemes	0.0%	0.0%	0.5%	1.0%	3.9%	0.0%	0.4%
Other Compliance Costs	19.5%	13.0%	12.0%	13.8%	13.2%	12.5%	15.6%

Table 15: Top Compliance Cost Priorities by FTE Group (2003-2006)

Compliance cost area	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Tax							
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%
2004	83.6%	73.3%	63.8%	51.9%	43.5%	39.6%	63.1%
2003	73.5%	62.8%	65.5%	57.7%	50.6%	48.0%	60.8%
ERA							
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%
2004	31.9%	47.1%	39.9%	42.6%	40.2%	44.6%	40.5%
2003	37.4%	44.8%	53.0%	47.8%	53.8%	51.0%	47.6%
ACC							
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%
2004	49.3%	50.0%	44.1%	37.7%	27.2%	21.8%	41.1%
2003	42.1%	45.8%	36.4%	36.8%	36.6%	34.0%	38.7%
HSE							
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%
2004	23.5%	41.3%	52.1%	61.7%	66.3%	58.4%	47.6%
2003	40.8%	55.2%	68.3%	76.6%	79.5%	72.0%	64.9%
Holidays							
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%
2004	29.6%	31.4%	45.2%	45.4%	46.7%	47.5%	39.6%
2003	10.9%	14.3%	14.6%	19.6%	25.8%	5.0%	15.9%
SNZ Surveys							
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%
2004	11.7%	8.1%	9.6%	10.4%	16.3%	9.9%	10.6%
2003	11.5%	6.8%	5.3%	8.5%	6.5%	8.0%	7.9%

Figure 5: Compliance Cost Priorities by FTE Group (2006)

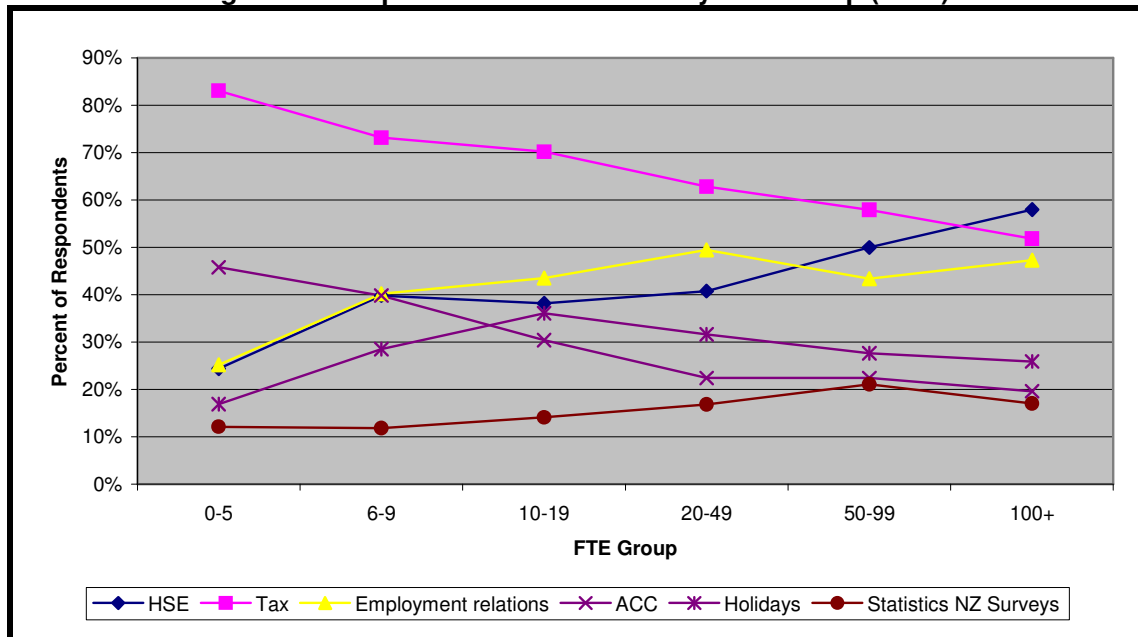


Table 16: Compliance Cost Priorities by Grouped Industry (2006)

Compliance cost area	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
Tax	70.6%	69.0%	75.4%	76.5%	70.7%	89.0%	53.1%	72.8%
Employment Relations Act	21.3%	41.4%	23.0%	43.2%	32.8%	39.2%	45.4%	36.5%
ACC	42.5%	28.2%	41.9%	34.9%	43.1%	41.0%	24.2%	36.0%
Health & Safety in Employment Act	29.4%	51.7%	61.8%	24.4%	39.7%	19.4%	34.3%	35.4%
Holidays Act	11.9%	24.7%	14.1%	34.3%	25.9%	28.2%	26.6%	24.9%
Statistics NZ Surveys	16.9%	21.8%	7.3%	13.0%	11.2%	15.0%	12.6%	13.9%
Resource Management Act	33.1%	8.0%	19.9%	4.0%	6.0%	8.4%	6.8%	11.3%
Local Government	18.8%	6.3%	17.8%	8.0%	5.2%	6.6%	11.6%	10.4%
Companies Act / Securities Act/Takeovers	1.3%	1.1%	3.1%	3.1%	6.9%	24.2%	6.3%	6.9%
Consumer Issues	1.9%	3.4%	6.3%	15.4%	2.6%	4.8%	3.9%	6.6%
Hazardous Substances & New Organisms	22.5%	10.3%	2.1%	5.2%	5.2%	0.9%	1.9%	6.2%
Education Sector	1.3%	0.6%	2.1%	0.3%	0.0%	2.2%	33.3%	5.9%
Food Safety	7.5%	12.1%	0.0%	11.4%	0.9%	0.4%	1.9%	5.4%
Transport Sector	3.8%	2.3%	2.1%	3.1%	32.8%	0.9%	0.0%	4.6%
Border Control & Biosecurity	6.9%	5.7%	0.5%	8.3%	6.9%	1.8%	0.0%	4.4%
Health Sector	0.6%	1.7%	1.0%	0.9%	0.0%	0.9%	13.0%	2.7%
Employer Based Superannuation Schemes	0.0%	0.6%	0.0%	0.0%	0.0%	0.9%	1.4%	0.4%
Other Compliance Costs	10.0%	10.9%	21.5%	13.9%	10.3%	16.3%	23.7%	15.7%

Table 17: Top Compliance Cost Priorities by Grouped Industry (2003-2006)

Compliance cost area	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
Tax								
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%
2004	52.5%	57.6%	60.5%	72.3%	66.2%	86.1%	44.2%	63.1%
2003	45.1%	57.1%	60.0%	71.1%	66.1%	75.9%	51.3%	60.8%
ERA								
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%
2004	32.8%	44.2%	33.7%	38.6%	41.5%	43.0%	40.9%	40.5%
2003	33.4%	47.8%	36.0%	51.2%	41.4%	50.0%	53.4%	47.6%
ACC								
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%
2004	31.1%	45.1%	41.9%	42.2%	44.6%	41.2%	37.0%	41.1%
2003	35.2%	38.1%	40.0%	38.8%	43.3%	37.1%	39.3%	38.7%
HSE								
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%
2004	55.7%	57.6%	68.6%	39.8%	50.8%	24.8%	49.7%	47.7%
2003	52.9%	79.6%	90.0%	56.2%	62.3%	42.6%	62.0%	64.9%
Holidays								
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%
2004	31.1%	37.9%	44.2%	41.6%	35.4%	40.6%	41.4%	39.7%
2003	3.9%	15.4%	4.0%	18.2%	20.8%	20.4%	18.7%	15.9%

Table 18: Compliance Cost Priorities by Grouped Region (2006)

Compliance cost area	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
Tax	75.3%	70.6%	72.8%	77.3%	76.8%	72.8%	61.0%	72.8%
Employment Relations Act	38.7%	42.0%	30.9%	38.4%	32.1%	28.4%	36.0%	36.5%
ACC	35.7%	32.5%	43.8%	30.8%	37.5%	38.5%	36.0%	36.0%
Health & Safety in Employment Act	35.5%	40.7%	30.9%	37.2%	33.9%	27.2%	39.7%	35.4%
Holidays Act	24.3%	23.8%	24.1%	29.1%	16.1%	23.7%	30.1%	24.9%
Statistics NZ Surveys	15.2%	12.6%	15.4%	9.9%	12.5%	16.6%	11.8%	13.9%
Resource Management Act	7.6%	13.0%	10.5%	9.9%	10.7%	20.1%	13.2%	11.3%
Local Government	8.2%	10.0%	12.3%	9.3%	19.6%	11.8%	12.5%	10.4%
Companies Act / Securities Act/Takeovers	10.8%	3.9%	2.5%	9.9%	3.6%	5.9%	2.2%	6.9%
Consumer Issues	6.6%	4.3%	7.4%	8.7%	8.9%	8.3%	4.4%	6.6%
Hazardous Substances & New Organisms	4.7%	7.8%	7.4%	5.2%	3.6%	5.3%	11.0%	6.2%
Education Sector	5.9%	7.8%	6.2%	1.7%	8.9%	6.5%	5.1%	5.9%
Food Safety	4.0%	7.4%	8.0%	4.1%	10.7%	3.0%	6.6%	5.4%
Transport Sector	4.9%	4.3%	3.7%	1.7%	1.8%	6.5%	7.4%	4.6%
Border Control & Biosecurity	5.3%	4.8%	3.1%	2.9%	1.8%	6.5%	2.2%	4.4%
Health Sector	3.0%	2.6%	1.9%	2.9%	3.6%	1.8%	3.7%	2.7%
Employer Based Superannuation Schemes	0.2%	0.4%	0.0%	1.7%	0.0%	0.6%	0.0%	0.4%
Other Compliance Costs	14.2%	11.7%	19.1%	19.2%	17.9%	16.6%	16.9%	15.7%

Table 19: Top Compliance Cost Priorities by Grouped Region (2003-2006)

Compliance cost area	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
Tax								
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%
2004	64.1%	59.1%	48.4%	49.3%	60.5%	74.8%	50.0%	63.1%
2003	64.9%	54.6%	50.9%	67.7%	60.0%	66.1%	48.2%	60.8%
ERA								
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%
2004	39.9%	42.4%	51.6%	50.7%	36.8%	37.8%	33.3%	40.5%
2003	48.9%	55.7%	50.8%	44.5%	30.0%	42.0%	48.2%	47.6%
ACC								
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%
2004	36.9%	44.7%	40.3%	26.9%	39.5%	47.4%	43.6%	41.1%
2003	34.7%	43.3%	39.0%	44.6%	45.0%	36.7%	42.3%	38.7%
HSE								
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%
2004	53.8%	56.1%	41.9%	44.8%	39.5%	36.7%	59.0%	47.7%
2003	69.5%	66.0%	69.4%	56.9%	55.0%	61.3%	58.8%	64.9%
Holidays								
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%
2004	39.2%	49.2%	37.1%	46.3%	36.8%	33.0%	46.2%	39.7%
2003	17.4%	26.0%	18.7%	12.3%	15.0%	9.9%	11.8%	15.9%

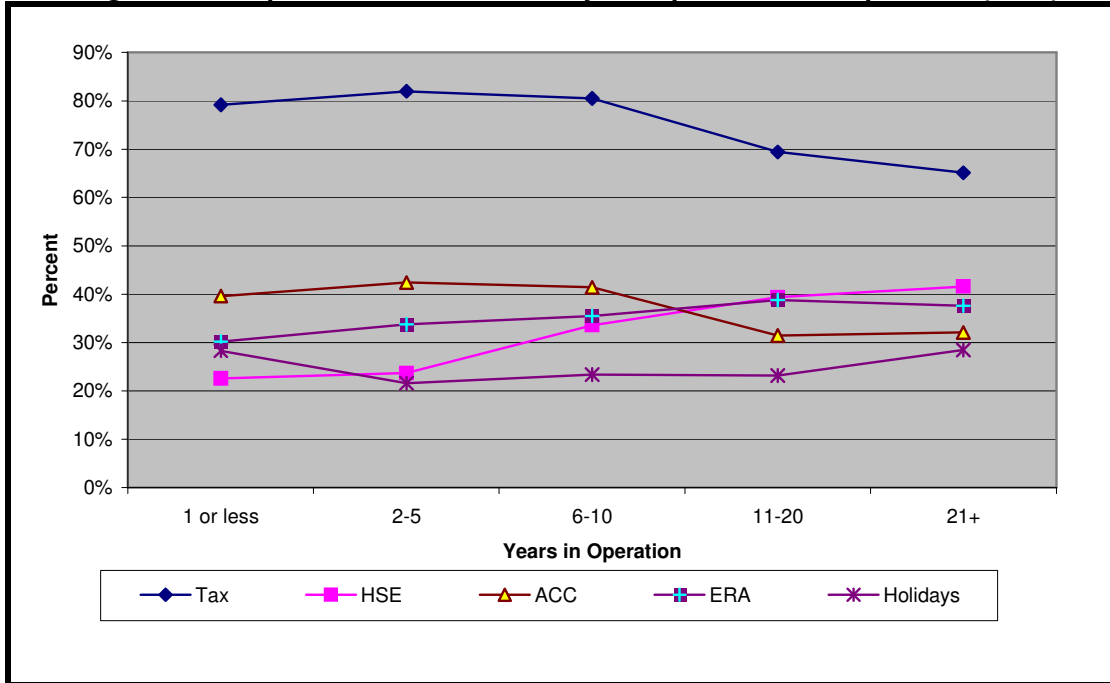
Table 20: Compliance Cost Priorities by Grouped Years in Operation (2006)

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	79.2%	82.0%	80.5%	69.4%	65.1%	72.9%
Employment Relations Act	30.2%	33.8%	35.5%	38.8%	37.6%	36.5%
ACC	39.6%	42.4%	41.4%	31.5%	32.1%	36.0%
Health & Safety in Employment Act	22.6%	23.7%	33.6%	39.4%	41.6%	35.4%
Holidays Act	28.3%	21.6%	23.4%	23.2%	28.5%	24.9%
Statistics NZ Surveys	7.5%	6.5%	12.1%	14.7%	19.2%	13.9%
Resource Management Act	9.4%	12.6%	11.3%	8.8%	12.5%	11.3%
Local Government	13.2%	12.6%	9.4%	9.7%	9.9%	10.4%
Companies Act / Securities Act/Takeovers	7.5%	8.6%	4.7%	8.2%	5.9%	6.9%
Consumer Issues	13.2%	10.8%	6.3%	5.3%	4.9%	6.7%
Hazardous Substances & New Organisms	1.9%	3.2%	4.3%	5.6%	9.9%	6.2%
Education Sector	0.0%	5.8%	7.0%	8.5%	4.0%	5.9%
Food Safety	9.4%	5.8%	5.5%	4.7%	5.3%	5.4%
Transport Sector	1.9%	7.6%	5.1%	3.2%	3.8%	4.6%
Border Control & Biosecurity	3.8%	3.6%	3.1%	6.5%	4.0%	4.4%
Health Sector	0.0%	2.9%	2.3%	2.1%	3.6%	2.7%
Employer Based Superannuation Schemes	0.0%	0.0%	0.4%	0.3%	0.8%	0.4%
Other Compliance Costs	32.1%	16.5%	14.1%	20.0%	11.0%	15.6%

Table 21: Top Compliance Cost Priorities by Grouped Years in Operation (2004, 2005 & 2006)

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						
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%
2004	81.3%	73.6%	71.8%	64.3%	49.8%	63.1%
ERA						
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%
2004	28.1%	41.7%	40.3%	39.9%	41.6%	40.5%
ACC						
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%
2004	40.6%	44.8%	50.3%	41.5%	33.7%	41.1%
HSE						
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%
2004	31.3%	38.0%	38.7%	47.7%	59.4%	47.6%
Holidays						
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%
2004	25.0%	41.7%	35.4%	39.9%	42.2%	39.6%

Figure 6: Compliance Cost Priorities by Grouped Years in Operation (2006)



3.2 HELPFULNESS OF CENTRAL AND LOCAL GOVERNMENT AGENCIES

Table 22: Contact with Government Agencies (2005 and 2006)

Agency	2006: Respondents selecting 'yes' to contact		2005: Respondents selecting 'yes' to contact	
	Number	Percent	Number	Percent
Accident Compensation Corporation (ACC)	841	60.1%	762	65.0%
Companies Office (CO)	639	45.6%	683	58.3%
Department of Labour (DoL)	507	36.2%	410	35.0%
Environmental Risk Management Authority (ERMA)	139	9.9%	137	11.7%
Food Safety Authority (FSA)	154	11.0%	133	11.3%
Inland Revenue Department (IRD)	1247	89.1%	1064	90.8%
Local Authority (LA)	901	64.4%	671	57.3%
Ministry of Agriculture & Forestry (MAF)	204	14.6%	202	17.2%
Ministry of Education (MoE)	190	13.6%	174	14.8%
Ministry of Health (MoH)	187	13.4%	160	13.7%
New Zealand Customs Service (NZCS)	418	29.9%	404	34.5%
New Zealand Immigration Service (NZIS)	313	22.4%	307	26.2%
Occupational Safety & Health (OSH)	433	30.9%	416	35.5%
Statistics New Zealand (SNZ)	743	53.1%	638	54.4%
Transport Agency (TA)	520	37.1%	415	35.4%
Work and Income New Zealand (WINZ)	655	46.8%	593	50.6%
Other	90	6.4%	68	5.8%

Table 23: Helpfulness of Government Agencies (2006)

Agency	Percentage breakdown of those respondents who answered 'yes' to contact (2006 Only)					
	Very Helpful (5)	Helpful (4)	Neither helpful nor unhelpful (3)	Un-Helpful (2)	Very Un-Helpful (1)	Helpfulness Score
CO	23.4	44.7	24.5	5.8	1.7	3.821
NZCS	12.2	44.7	31.1	8.6	3.3	3.538
MAF	11.3	43.1	34.3	8.8	2.5	3.520
DOL	13	42.6	30.8	9.3	4.3	3.507
IRD	11.5	43.1	31.1	9.9	4.4	3.474
OSH	11.1	41.3	33.7	8.8	5.1	3.446
FSA	9.1	39.6	39	9.7	2.6	3.429
TA	10.2	41.5	33.8	8.8	5.6	3.419
ACC	10.7	37.1	37.1	8.7	6.3	3.372
MOE	12.1	31.6	35.3	14.7	6.3	3.284
WINZ	9	34.9	33.5	16.2	6.4	3.239
SNZ	5	28.8	52.1	9	5.1	3.195
NZIS	14.1	30.4	26.2	18.2	11.2	3.179
LA	8.7	35.1	30.4	16.9	8.9	3.178
MOH	9.7	26.3	43	14	7	3.177
ERMA	6.5	32.4	34.5	19.4	7.2	3.115
Other	16.7	25.6	20	25.6	12.2	3.089

Figure 7: Helpfulness Scores for Selected Government Agencies (2006)

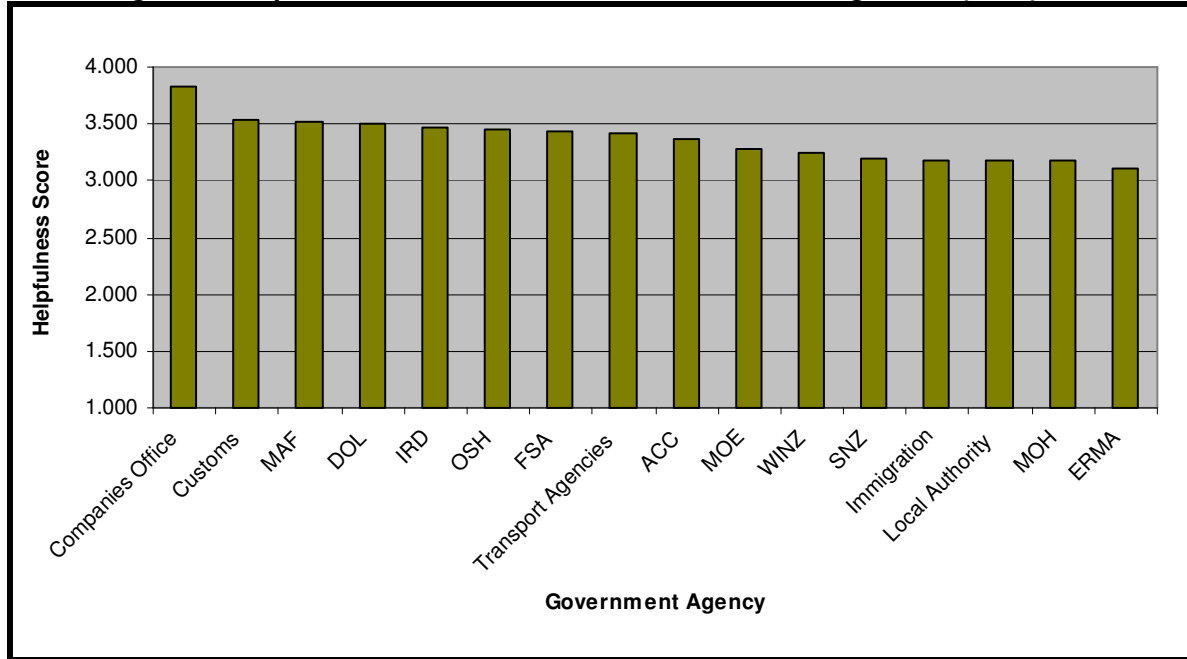


Table 24: Grouping of Agencies by Perceived Helpfulness Scores (2005 & 2006)

Excellent (+3.750)		Good (3.440-3.749)		Fair (3.126-3.439)		Poor (1.000-3.125)	
2006	2005	2006	2005	2006	2005	2006	2005
1 CO	1 CO	2 NZCS 3 MAF 4 DoL 5 IRD 6 OSH	2 MAF 3 NZCS 4 IRD 5 DoL	7 FSA 8 TA 9 ACC 10 MoE 11 WINZ 12 SNZ 13 NZIS 14 LA 15 MoH	6 ACC 7 FSA 8 OSH 9 TA 10 SNZ 11 LA 12 NZIS 13 WINZ	16 ERMA	14 MoH 15 ERMA 16 MoE

Table 25: Net Result of the Percentages for Very Helpful-Very Unhelpful (2005 & 2006)

Agency	2006	2005	Change from 2005
CO	21.7%	28.2%	-6.5
NZCS	8.9%	8.9%	0.0
MAF	8.8%	11.9%	-3.1
DoL	8.7%	9.8%	-1.1
IRD	7.1%	8.0%	-0.9
OSH	6.0%	4.1%	+1.9
FSA	6.5%	6.7%	-0.2
TA	4.6%	4.6%	0.0
ACC	4.4%	6.4%	-2.0
MoE	5.8%	0.0%	+5.8
WINZ	2.6%	1.7%	+0.9
SNZ	-0.1%	4.3%	-4.4
NZIS	2.9%	1.0%	+1.9
LA	-0.2%	0.9%	-1.1
MoH	2.7%	-4.4%	+7.1
ERMA	-0.7%	-3.0%	+2.3
Other	4.5%	-2.9%	+7.4

Table 26: Contact with Agencies by FTE Group (2006)

Agency	0-5	6-9	10-19	20-49	50-99	100+
ACC	51.6%	60.2%	60.7%	63.8%	75.0%	85.7%
CO	41.6%	43.1%	42.4%	45.4%	57.9%	69.6%
DoL	24.7%	36.6%	39.3%	47.4%	56.6%	56.3%
ERMA	7.6%	6.5%	8.9%	15.8%	17.1%	16.1%
FSA	8.5%	9.3%	9.9%	15.3%	15.8%	18.8%
IRD	84.6%	90.2%	94.2%	92.3%	93.4%	92.0%
LA	62.0%	67.1%	62.3%	68.4%	64.5%	67.0%
MAF	14.7%	9.3%	10.5%	20.4%	22.4%	17.0%
MoE	12.6%	11.4%	17.8%	17.3%	10.5%	11.6%
MoH	9.8%	8.9%	17.8%	20.4%	13.2%	21.4%
NZCS	23.8%	22.4%	34.6%	37.2%	48.7%	43.8%
NZIS	15.0%	16.7%	24.6%	33.7%	32.9%	42.0%
OSH	19.2%	29.3%	26.7%	46.9%	44.7%	65.2%
SNZ	42.5%	46.7%	63.9%	66.3%	67.1%	70.5%
TA	32.6%	39.8%	38.7%	40.3%	38.2%	45.5%
WINZ	35.9%	47.6%	58.1%	60.7%	55.3%	51.8%

Table 27: Helpfulness of Government Agencies by FTE Group (2006)

Agency	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
CO	3.842	3.849	3.753	3.798	3.886	3.782	3.821
NZCS	3.507	3.564	3.530	3.534	3.514	3.633	3.538
MAF	3.529	3.478	3.350	3.525	3.706	3.526	3.520
DOL	3.559	3.600	3.507	3.473	3.535	3.286	3.507
IRD	3.564	3.518	3.467	3.304	3.211	3.437	3.474
OSH	3.432	3.472	3.333	3.435	3.559	3.479	3.446
FSA	3.449	3.652	3.053	3.567	3.667	3.143	3.429
TA	3.450	3.316	3.230	3.557	3.621	3.451	3.419
ACC	3.282	3.453	3.325	3.376	3.421	3.552	3.372
MoE	3.164	3.357	3.618	3.412	3.000	2.769	3.284
WINZ	3.309	3.197	3.180	3.193	3.190	3.310	3.239
SNZ	3.163	3.243	3.066	3.192	3.353	3.329	3.195
NZIS	3.138	3.268	3.149	2.985	3.120	3.511	3.179
LA	3.220	3.127	3.101	3.164	3.000	3.351	3.178
MoH	3.140	3.455	3.235	3.103	3.300	3.000	3.177
ERMA	3.114	2.875	2.412	3.355	3.077	3.611	3.115
Other	3.143	2.952	3.308	3.000	3.000	3.200	3.089
All Agencies	3.353	3.375	3.271	3.351	3.362	3.375	3.352

Figure 8: Average Helpfulness Scores by Enterprise Size (FTE Groups – 2004, 2005 & 2006)

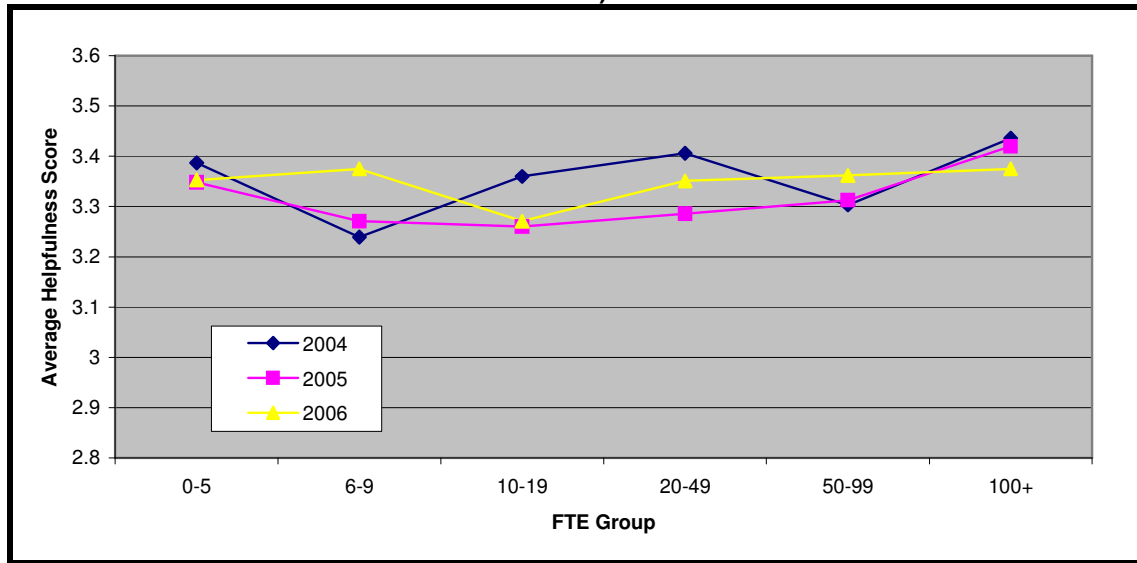


Table 28: Contact with Agencies by Grouped Industry (2006)

Agency	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
ACC	65.6%	67.8%	71.2%	46.9%	56.9%	66.1%	54.6%
CO	28.1%	43.7%	44.5%	39.5%	47.4%	71.4%	42.0%
DoL	26.3%	42.0%	41.9%	34.0%	33.6%	29.5%	46.4%
ERMA	15.6%	21.8%	10.5%	7.7%	8.6%	4.8%	4.8%
FSA	11.9%	18.4%	2.1%	18.2%	6.9%	2.6%	12.6%
IRD	83.8%	94.3%	86.9%	86.4%	89.7%	95.6%	87.4%
LA	83.8%	64.4%	80.1%	61.1%	46.6%	51.5%	64.3%
MAF	36.9%	23.0%	4.2%	16.4%	18.1%	6.6%	3.9%
MoE	7.5%	6.3%	8.4%	6.2%	4.3%	14.5%	44.9%
MoH	8.8%	11.5%	4.2%	9.9%	9.5%	9.7%	38.6%
NZCS	31.9%	53.4%	18.8%	37.3%	32.8%	17.6%	18.4%
NZIS	21.3%	23.6%	12.0%	17.9%	29.3%	27.8%	29.0%
OSH	27.5%	47.7%	46.1%	19.1%	32.8%	23.8%	30.9%
SNZ	57.5%	56.3%	50.3%	48.8%	49.1%	58.1%	53.1%
TA	51.9%	40.2%	49.2%	31.8%	63.8%	20.3%	24.2%
WINZ	36.3%	51.7%	34.0%	41.7%	38.8%	49.3%	72.0%

Table 29: Helpfulness of Government Agencies by Grouped Industry (2006)

Agency	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
CO	3.889	3.855	3.800	3.654	3.709	3.975	3.805	3.821
NZCS	3.627	3.581	3.389	3.438	3.500	3.675	3.684	3.540
MAF	3.627	3.400	3.750	3.453	3.619	3.533	3.250	3.520
DOL	3.190	3.452	3.713	3.364	3.487	3.537	3.667	3.507
IRD	3.507	3.415	3.452	3.496	3.356	3.488	3.533	3.473
OSH	3.523	3.265	3.580	3.387	3.526	3.296	3.578	3.446
FSA	3.158	3.469	4.000	3.407	3.750	3.333	3.462	3.429
TA	3.181	3.614	3.426	3.330	3.662	3.239	3.520	3.419
ACC	3.419	3.552	3.504	3.270	3.303	3.207	3.381	3.372
MOE	2.833	3.273	3.125	2.900	3.400	2.939	3.570	3.284
WINZ	3.121	3.289	3.277	3.274	3.000	2.910	3.510	3.236
SNZ	3.163	3.214	3.146	3.171	2.947	3.280	3.309	3.195
NZIS	3.206	3.098	3.391	3.172	3.353	2.921	3.317	3.179
LA	3.209	3.143	3.353	3.066	3.019	2.957	3.398	3.178
MOH	2.929	3.053	2.875	3.156	3.273	3.136	3.288	3.177
ERMA	3.200	3.158	3.300	2.840	3.000	3.091	3.200	3.115
Other	3.333	3.000	2.800	2.455	3.571	3.067	3.258	3.089
Average, all agencies	3.301	3.343	3.405	3.225	3.381	3.270	3.455	

Figure 9: Overall Helpfulness Scores by Grouped Industry (2004, 2005 & 2006)

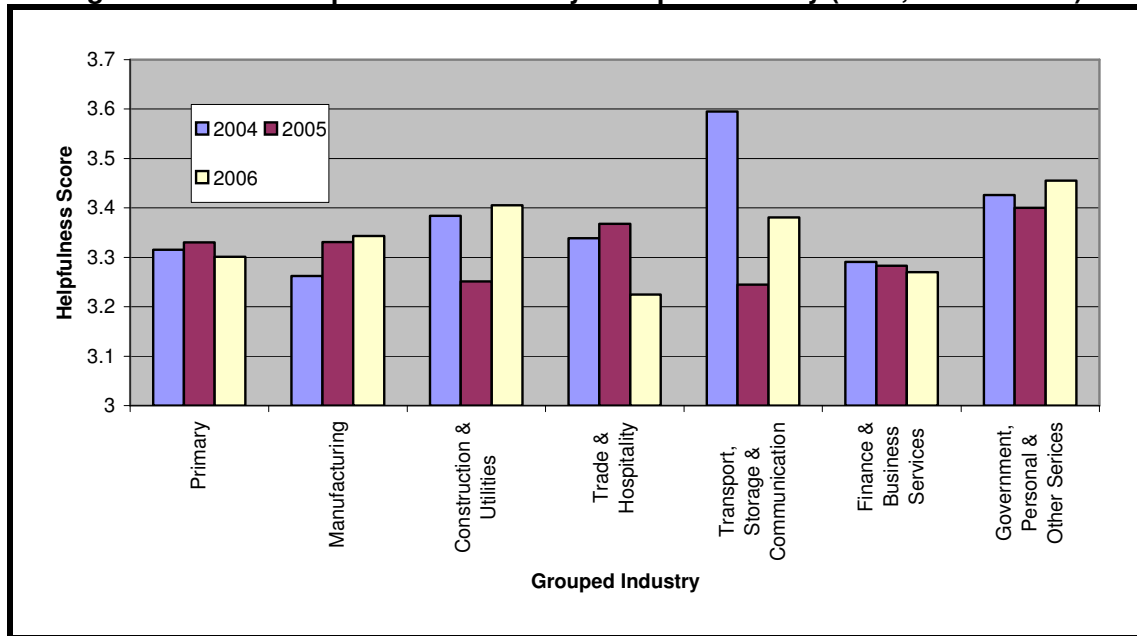


Table 30: Contact with Agencies by Grouped Region (2006)

Agency	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
ACC	60.5%	62.3%	55.6%	53.5%	66.1%	63.9%	61.0%
CO	53.1%	46.8%	36.4%	52.9%	44.6%	34.9%	33.1%
DoL	35.7%	41.6%	32.7%	37.8%	35.7%	29.0%	40.4%
ERMA	10.8%	10.8%	11.7%	8.1%	12.5%	5.9%	9.6%
FSA	10.4%	12.6%	12.3%	8.7%	10.7%	9.5%	14.0%
IRD	90.7%	88.7%	85.2%	88.4%	91.1%	90.5%	86.8%
LA	56.7%	70.1%	72.2%	54.7%	73.2%	64.5%	80.9%

MAF	12.9%	18.6%	17.9%	8.1%	14.3%	16.6%	15.4%
MoE	11.2%	14.3%	16.7%	13.4%	16.1%	17.2%	11.8%
MoH	14.6%	13.9%	17.3%	13.4%	5.4%	10.1%	11.0%
NZCS	31.1%	31.6%	27.8%	31.4%	23.2%	26.6%	29.4%
NZIS	29.8%	21.2%	16.7%	19.2%	12.5%	16.6%	20.6%
OSH	29.6%	36.8%	26.5%	29.7%	30.4%	22.5%	43.4%
SNZ	55.2%	54.5%	45.7%	54.1%	53.6%	49.7%	55.1%
TA	34.5%	47.2%	39.5%	29.1%	33.9%	30.8%	46.3%
WINZ	43.8%	53.7%	48.1%	49.4%	48.2%	41.4%	46.3%

Table 31: Helpfulness of Government Agencies by Grouped Region (2006)

Agency	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
CO	3.873	3.787	4.000	3.667	3.600	3.780	3.867	3.821
NZCS	3.490	3.658	3.800	3.556	3.462	3.333	3.450	3.540
MAF	3.475	3.605	3.655	3.500	3.000	3.607	3.381	3.520
DOL	3.426	3.479	3.717	3.400	3.450	3.653	3.618	3.507
IRD	3.437	3.512	3.558	3.408	3.392	3.516	3.500	3.473
OSH	3.329	3.553	3.465	3.451	3.647	3.447	3.492	3.446
FSA	3.531	3.483	3.550	3.600	3.333	3.063	3.158	3.429
TA	3.472	3.339	3.328	3.380	3.632	3.577	3.349	3.419
ACC	3.323	3.403	3.378	3.261	3.389	3.481	3.451	3.372
MOE	3.434	3.212	3.407	2.913	3.667	3.172	3.250	3.284
WINZ	3.150	3.145	3.256	3.412	3.296	3.304	3.333	3.236
SNZ	3.161	3.190	3.230	3.366	3.200	3.083	3.200	3.195
NZIS	2.936	3.245	3.519	3.273	4.000	3.357	3.464	3.179
LA	2.836	3.290	3.586	3.191	2.854	3.349	3.355	3.178
MOH	3.265	3.031	3.179	2.913	2.000	3.529	3.333	3.177
ERMA	3.275	2.880	3.474	3.357	2.571	3.000	2.538	3.115
Other	3.238	3.067	2.333	3.615	3.286	3.000	2.833	3.089
Average (all agencies)	3.332	3.346	3.437	3.368	3.281	3.368	3.328	

Figure 10: Overall Helpfulness Scores by Grouped Region (2004, 2005 & 2006)

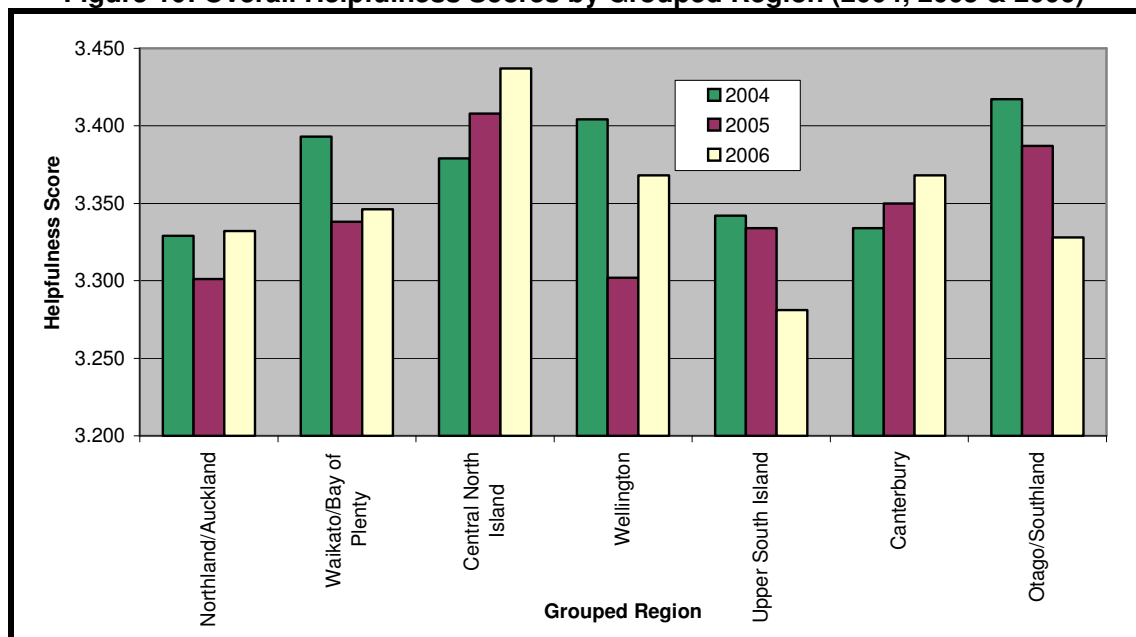


Table 32: Contact with Agencies by Grouped Years in Operation (2006)

Agency	1 yr or less	2-5 yrs	6-10 yrs	11-20 yrs	21 yrs +
ACC	47.2%	58.3%	58.6%	60.3%	63.2%
CO	58.5%	45.0%	46.9%	44.7%	44.6%
DoL	34.0%	32.4%	35.2%	40.0%	36.6%
ERMA	3.8%	6.5%	8.6%	9.7%	13.5%
FSA	9.4%	10.1%	9.4%	11.2%	12.5%
IRD	92.5%	92.4%	87.5%	87.9%	88.4%
LA	50.9%	58.6%	64.1%	67.9%	66.8%
MAF	1.9%	12.2%	10.9%	16.5%	18.0%
MoE	9.4%	14.0%	14.1%	15.3%	12.3%
MoH	9.4%	11.2%	12.9%	14.4%	14.6%
NZCS	24.5%	24.8%	26.2%	30.6%	34.9%
NZIS	15.1%	24.8%	23.0%	20.9%	22.4%
OSH	22.6%	20.1%	31.6%	32.4%	36.8%
SNZ	37.7%	45.3%	52.0%	52.1%	60.7%
TA	24.5%	30.6%	39.5%	37.1%	41.2%
WINZ	39.6%	46.0%	44.1%	50.3%	46.9%

Table 33: Helpfulness of Government Agencies by Grouped Years in Operation (2006)

Agency	1 year or less	2 to 5 years	6 to 10 years	11 to 20 years	21 years or more	All years
CO	3.548	3.912	3.900	3.682	3.863	3.821
NZCS	3.154	3.478	3.463	3.548	3.618	3.538
MAF	4.000	3.471	3.393	3.625	3.506	3.520
DOL	3.556	3.689	3.678	3.368	3.428	3.507
IRD	3.612	3.543	3.527	3.431	3.416	3.474
OSH	3.833	3.232	3.593	3.445	3.420	3.446
FSA	3.800	3.429	3.292	3.474	3.424	3.429
TA	3.462	3.318	3.317	3.460	3.487	3.419
ACC	3.480	3.309	3.322	3.376	3.421	3.372
MOE	3.400	3.359	3.333	3.288	3.190	3.284
WINZ	3.571	3.386	3.097	3.199	3.225	3.239
SNZ	3.000	3.357	3.053	3.186	3.209	3.195
NZIS	3.000	3.261	3.085	3.000	3.311	3.179
LA	3.259	3.227	3.067	3.199	3.187	3.178
MOH	3.200	3.067	3.424	3.224	3.072	3.177
ERMA	4.000	3.056	3.136	3.212	3.047	3.115
Other	3.000	3.667	2.600	2.966	3.120	3.089
Average (all agencies)	3.463	3.398	3.311	3.334	3.350	

Figure 11: Overall Helpfulness Scores by Grouped Years in Operation (2004, 2005 & 2006)

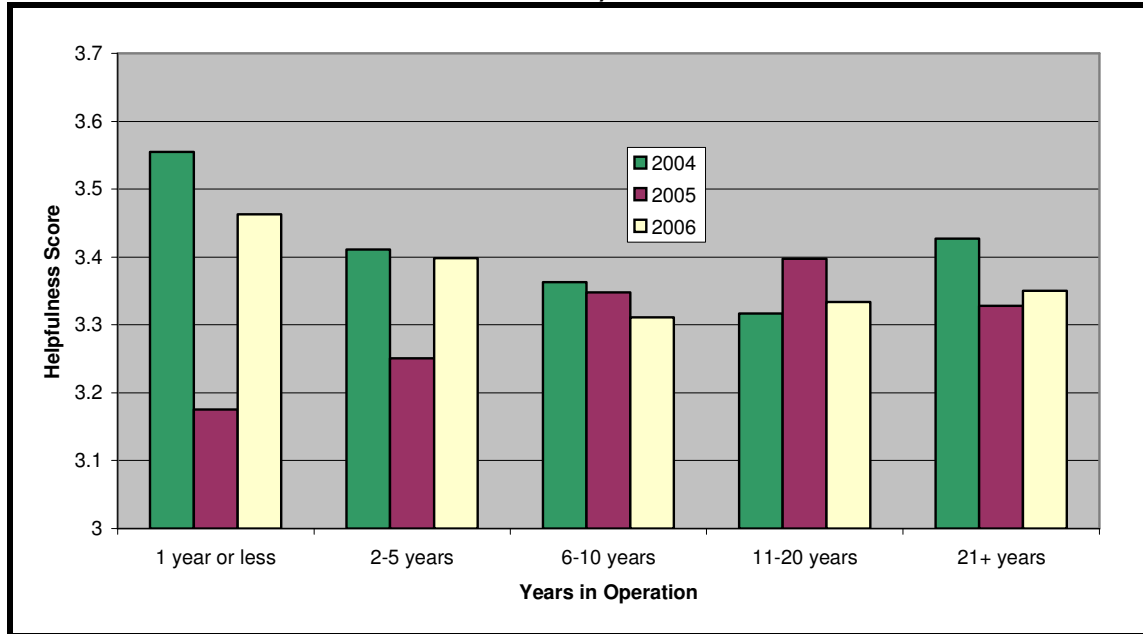


Table 34: Number of Times Respondents Contacted Call Centres (2006)

Number of Times Called Call Centre	0-5	6-9	10-19	20-49	50-99	100+	Total
Never	18.3%	17.9%	14.7%	13.8%	14.5%	17.9%	16.9%
1-2	25.4%	23.6%	18.3%	14.8%	11.8%	8.9%	20.6%
3-5	29.9%	26.0%	26.2%	27.6%	32.9%	32.1%	28.7%
6-9	10.2%	14.2%	17.8%	15.8%	13.2%	13.4%	13.1%
10+	16.2%	18.3%	23.0%	28.1%	27.6%	27.7%	20.7%

Table 35: Suitable Answer from Call Centres (2006)

Suitable Answer from Call Centre	0-5	6-9	10-19	20-49	50-99	100+	Total
Yes	67.0%	56.7%	61.3%	60.4%	56.9%	51.1%	61.6%
No	33.0%	43.3%	38.7%	39.6%	43.1%	48.9%	38.4%

3.3 COMPLIANCE COST TRENDS

Table 36: Compliance Cost Trends – Percent of Respondents Commenting (2005 & 2006)

Compliance Cost Area	2006		2005	
	Number of respondents commenting	Percent of respondents commenting	Number of respondents commenting	Percent of respondents commenting
Tax – PAYE	1274	91.0%	1086	92.7%
Tax – Fringe Benefit Tax	840	60.0%	821	70.1%
Tax – GST	1366	97.6%	1140	97.3%
Tax – Provisional Tax	1253	89.5%	987	84.2%
Tax – Other deductions	1092	78.0%	975	83.2%
<i>Average, all tax</i>	<i>1165</i>	<i>83.2%</i>	<i>1002</i>	<i>85.5%</i>
ACC	1279	91.4%	1064	90.8%
Employer-based Super Schemes	447	31.9%	403	34.4%
Employment Relations Act	1123	80.2%	986	84.1%
Health & Safety in Employment Act	1189	84.9%	991	84.6%
Holidays Act	1224	87.4%	1030	87.9%
Border Control	458	32.7%	401	34.2%
Hazardous Substances (HSNO)	601	42.9%	499	42.6%
Local Government	1034	73.9%	824	70.3%
Resource Management Act	732	52.3%	578	49.3%
Companies and Securities	769	54.9%	743	63.4%
Consumer Issues	830	59.3%	677	57.8%
Education Sector	545	38.9%	409	34.9%
Food Sector	425	30.4%	344	29.4%
Health Sector	518	37.0%	382	32.6%
Statistics NZ	1121	80.1%	967	82.5%
Transport Sector	741	52.9%	523	44.6%
Other Compliance Costs	535	38.2%	69	5.9%

Table 37: Compliance Cost Trends over the Preceding 12 Months (2006)

Compliance Cost Area	Large Rise (5)	Modest Rise (4)	No Change (3)	Modest Fall (2)	Large Fall (1)	Cost Trend Score
Tax – PAYE	6.0	34.9	56.0	2.7	0.3	3.433
Tax – Fringe Benefit Tax	10.0	32.1	54.8	2.7	0.4	3.486
Tax – GST	4.8	25.1	67.0	3.1	0.1	3.317
Tax – Provisional Tax	7.6	32.6	57.5	2.2	0.2	3.455
Tax – Other deductions	8.2	38.1	51.8	1.7	0.1	3.523
<i>Average, all Tax</i>	<i>7.3</i>	<i>32.6</i>	<i>57.4</i>	<i>2.5</i>	<i>0.2</i>	<i>3.443</i>
ACC	8.6	38.0	50.9	2.3	0.2	3.525
Employer-Based Super Schemes	3.8	11.6	81.7	2.5	0.4	3.159
Employment Relations Act	15.8	44.2	38.5	1.5	0.1	3.744
Health & Safety in Employment Act	12.5	42.6	43.4	1.3	0.1	3.658
Holidays Act	26.4	48.9	23.8	0.8	0.2	4.008
Border Control	10.9	27.5	59.0	2.0	0.7	3.462
Hazardous Substances	18.0	31.1	48.9	1.3	0.7	3.644
Local Government	16.6	33.2	48.3	1.6	0.3	3.642
Resource Management Act	18.9	34.0	45.5	1.1	0.5	3.697
Companies and Securities	2.6	16.5	77.5	3.3	0.1	3.182
Consumer Issues	4.2	29.5	64.3	1.8	0.1	3.356
Education Sector	11.2	26.6	58.7	2.9	0.6	3.449
Food Sector	8.5	28.9	60.9	1.4	0.2	3.438
Health Sector	9.5	26.6	60.8	2.1	1.0	3.415
Statistics NZ	3.3	24.1	69.5	2.5	0.6	3.270
Transport Sector	15.5	32.9	49.3	1.6	0.7	3.609
Other compliance costs	17.9	52.3	27.7	1.1	0.9	3.849

Figure 12: Compliance Cost Trends Scores by Compliance Cost Area (2006)

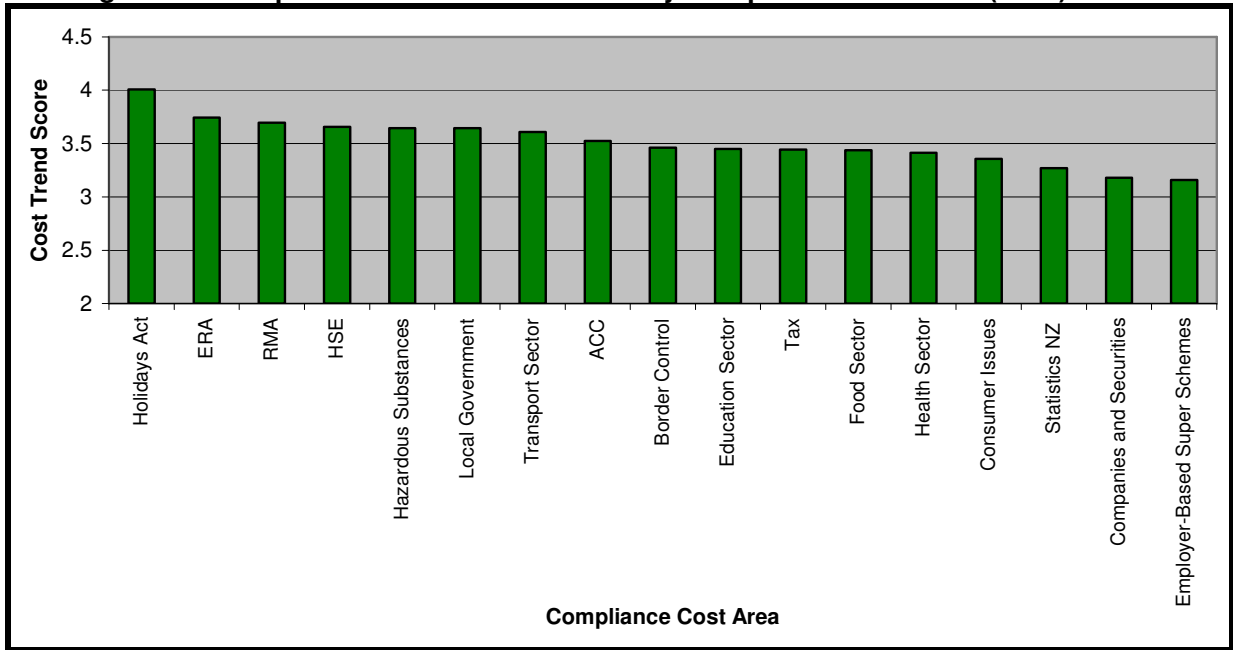


Table 38: Grouping of Compliance Cost Area by Perceived Scores (2005 & 2006)

Very Large Increase (Over 4.000)		Large Increase (3.500-3.999)		Modest Increase (3.000-3.499)		Decrease (1.000 – 2.999)	
2006	2005	2006	2005	2006	2005	2006	2005
1 Holidays Act	1 Other Compliance Costs 2 Holidays Act	2 Other Compliance Costs 3 ERA 4 RMA 5 HSE 6 HSNO 7 Local Govt 8 Transport 9 ACC 10 Other Tax Deductions	3 ERA 4 HSE 5 RMA 6 HSNO 7 Border 8 ACC 9 Other Tax Deductions 10 Transport	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 Super	11 Local Govt 12 FBT 13 Education 14 Health 15 Food 16 PAYE 17 Consumer 18 Prov Tax 19 GST 20 SNZ 21 Super 22 Company & Securities	Nil	Nil

Table 39: Change in Compliance Cost Trend Scores (2005 & 2006)

Compliance Cost Area	2006	2005	Change	Increase or Decrease in Compliance Cost Trend Scores
Tax – PAYE	3.433	3.349	0.084	Increase
Tax – Fringe Benefit Tax	3.486	3.426	0.06	Increase
Tax – GST	3.317	3.266	0.051	Increase
Tax – Provisional Tax	3.455	3.317	0.138	Increase
Tax – Other deductions	3.523	3.543	-0.02	Decrease
<i>Average, all Tax</i>	<i>3.443</i>	<i>3.380</i>	<i>0.063</i>	<i>Increase</i>
ACC	3.525	3.546	-0.021	Decrease
Employer-Based Super Schemes	3.159	3.207	-0.048	Decrease
Employment Relations Act	3.744	3.895	-0.151	Decrease
Health & Safety in Employment Act	3.658	3.735	-0.077	Decrease
Holidays Act	4.008	4.133	-0.125	Decrease
Border Control	3.462	3.565	-0.103	Decrease
Hazardous substances (HSNO)	3.644	3.575	0.069	Increase
Local Government	3.642	3.491	0.151	Increase
Resource Management Act	3.697	3.577	0.12	Increase
Companies & securities	3.182	3.151	0.031	Increase
Consumer Issues	3.356	3.321	0.035	Increase
Education sector	3.449	3.421	0.028	Increase
Food sector	3.438	3.357	0.081	Increase
Health sector	3.415	3.398	0.017	Increase
Statistics NZ	3.27	3.255	0.015	Increase
Transport sector	3.609	3.514	0.095	Increase
Other compliance costs	3.849	4.464	-0.615	Decrease

Table 40: Compliance Cost Trend Score by FTE Group (2006)

Compliance Cost Area	0-5	6-9	10-19	20-49	50-99	100+	All sizes
Tax – PAYE	3.404	3.448	3.561	3.420	3.408	3.382	3.436
Tax – Fringe Benefit Tax	3.377	3.403	3.605	3.524	3.652	3.576	3.487
Tax – GST	3.342	3.335	3.346	3.275	3.197	3.222	3.314
Tax – Provisional Tax	3.474	3.475	3.580	3.310	3.301	3.415	3.452
Tax – Other deductions	3.466	3.564	3.575	3.566	3.560	3.472	3.527
<i>Average, all Tax</i>	<i>3.413</i>	<i>3.445</i>	<i>3.533</i>	<i>3.419</i>	<i>3.424</i>	<i>3.413</i>	<i>3.443</i>
ACC	3.486	3.600	3.541	3.560	3.514	3.468	3.525
Employer-Based Super Schemes	3.148	3.042	3.116	3.171	3.273	3.271	3.159
Employment Relations Act	3.542	3.790	3.811	3.849	3.945	3.856	3.740
Health & Safety in Employment Act	3.725	3.642	3.525	3.646	3.533	3.600	3.644
Holidays Act	3.755	4.093	4.145	4.057	4.263	4.259	4.005
Border Control	3.533	3.316	3.397	3.611	3.429	3.319	3.461
Hazardous substances (HSNO)	3.711	3.633	3.525	3.646	3.533	3.600	3.637
Local Government	3.739	3.677	3.586	3.487	3.621	3.494	3.642
Resource Management Act	3.730	3.706	3.689	3.619	3.680	3.694	3.695
Companies & securities	3.094	3.176	3.219	3.154	3.316	3.357	3.182
Consumer Issues	3.372	3.390	3.460	3.289	3.200	3.292	3.359
Education sector	3.498	3.429	3.517	3.464	3.240	3.220	3.450
Food sector	3.452	3.351	3.458	3.556	3.385	3.391	3.440
Health sector	3.388	3.418	3.511	3.388	3.346	3.419	3.415
Statistics NZ	3.277	3.204	3.235	3.261	3.343	3.392	3.269
Transport sector	3.718	3.638	3.604	3.533	3.429	3.268	3.610
Other compliance costs	3.758	3.951	3.959	3.861	3.950	3.889	3.852
Average	3.499	3.513	3.544	3.511	3.505	3.493	

**Figure 13: Compliance Cost Trend Scores by Size of Enterprise
(FTE Groups – 2003-2006)**

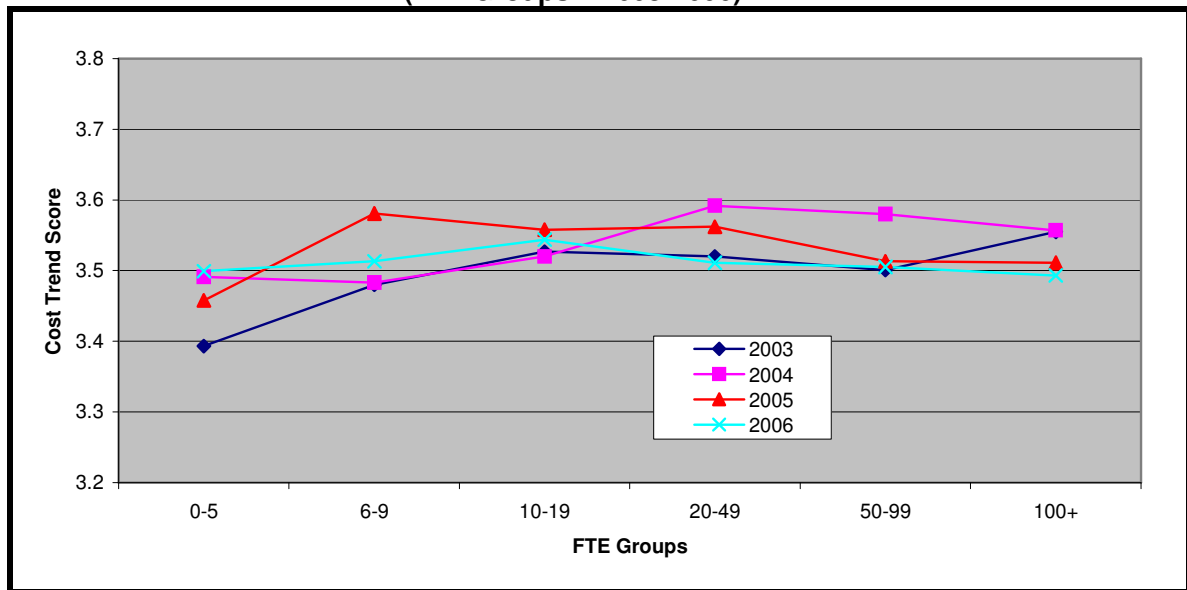


Table 41: Compliance Cost Trend Scores by Grouped Industry (2006)

Compliance Cost Area	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other	All Ind
Tax – PAYE	3.443	3.386	3.511	3.408	3.439	3.542	3.337	3.436
Tax – FBT	3.458	3.607	3.292	3.397	3.466	3.719	3.391	3.487
Tax – GST	3.314	3.225	3.267	3.325	3.327	3.443	3.268	3.314
Tax – Prov Tax	3.428	3.389	3.511	3.384	3.527	3.564	3.385	3.452
Tax – Other deductions	3.620	3.526	3.682	3.427	3.516	3.540	3.462	3.526
<i>Average, all Tax</i>	<i>3.453</i>	<i>3.427</i>	<i>3.453</i>	<i>3.388</i>	<i>3.455</i>	<i>3.562</i>	<i>3.369</i>	<i>3.443</i>
ACC	3.676	3.563	3.648	3.416	3.552	3.537	3.389	3.525
Employer Based Super Schemes	3.156	3.179	3.088	3.144	3.100	3.198	3.203	3.159
ERA	3.658	3.794	3.699	3.744	3.832	3.695	3.770	3.740
HSE	3.763	3.787	3.894	3.528	3.677	3.433	3.634	3.662
Holidays	3.953	4.071	3.976	4.028	4.020	3.934	4.038	4.005
Border Control	3.614	3.557	3.349	3.541	3.341	3.170	3.282	3.461
HSNO	4.099	3.726	3.377	3.571	3.411	3.333	3.414	3.644
Local Government	3.899	3.564	3.908	3.474	3.587	3.500	3.605	3.642
RMA	3.913	3.566	3.992	3.463	3.492	3.595	3.674	3.695
Companies & securities	3.134	3.130	3.176	3.114	3.274	3.279	3.168	3.182
Consumer Issues	3.367	3.301	3.375	3.412	3.328	3.303	3.358	3.359
Education sectors	3.500	3.145	3.453	3.210	3.079	3.289	4.008	3.450
Food sectors	3.629	3.576	3.067	3.517	3.357	3.233	3.338	3.440
Health sectors	3.397	3.371	3.267	3.333	3.279	3.283	3.694	3.415
SNZ	3.309	3.340	3.191	3.275	3.352	3.222	3.244	3.269
Transport sector	3.944	3.586	3.615	3.525	3.805	3.333	3.284	3.610
Other compliance costs	3.875	3.922	3.966	3.815	4.000	3.577	3.916	3.854
Average	3.598	3.514	3.514	3.457	3.489	3.442	3.494	

Figure 14: Overall Compliance Cost Trend Scores by Grouped Industry (2003-2006)

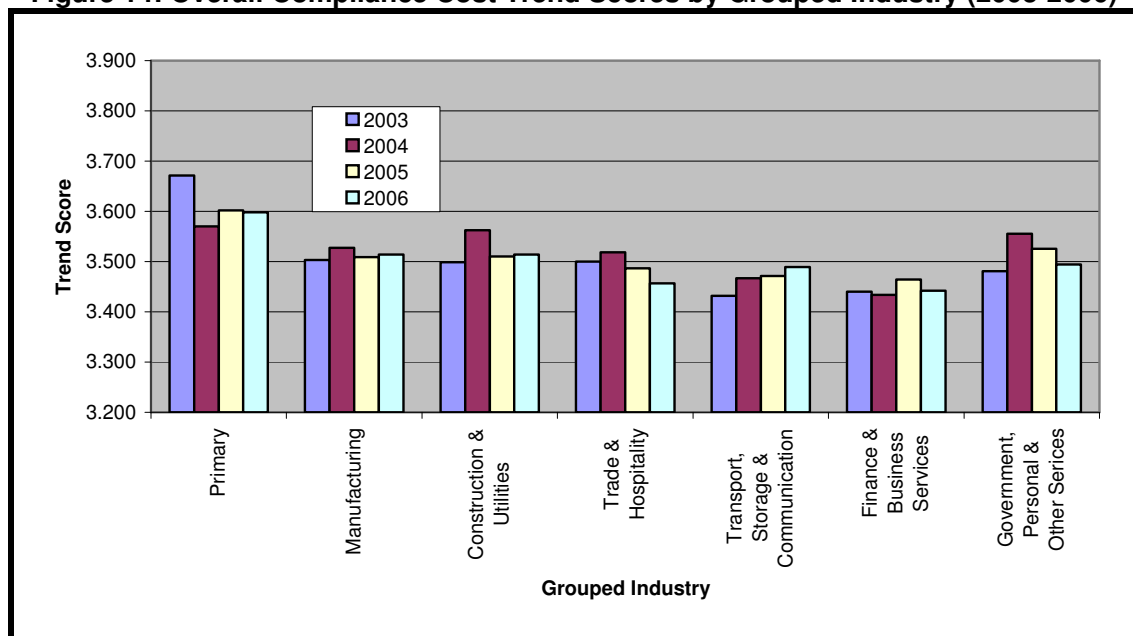


Table 42: Compliance Cost Trend Scores by Grouped Region (2006)

Compliance Cost Area	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld	NZ
Tax – PAYE	3.418	3.436	3.403	3.506	3.292	3.490	3.448	3.436
Tax – FBT	3.563	3.515	3.375	3.420	3.276	3.511	3.384	3.487
Tax – GST	3.303	3.338	3.297	3.317	3.269	3.361	3.288	3.314
Tax – Prov Tax	3.415	3.473	3.438	3.477	3.426	3.503	3.479	3.452
Tax – Other deductions	3.452	3.571	3.496	3.569	3.600	3.588	3.589	3.526
<i>Average, all Tax</i>	<i>3.430</i>	<i>3.467</i>	<i>3.402</i>	<i>3.458</i>	<i>3.372</i>	<i>3.491</i>	<i>3.438</i>	<i>3.443</i>
ACC	3.489	3.590	3.520	3.462	3.404	3.555	3.638	3.525
Employer Based Super Schemes	3.147	3.145	3.091	3.266	2.889	3.125	3.217	3.159
ERA	3.727	3.768	3.643	3.826	3.786	3.677	3.791	3.740
HSE	3.602	3.728	3.620	3.721	3.622	3.654	3.748	3.662
Holidays	3.976	4.047	3.892	4.045	4.023	3.948	4.171	4.005
Border Control	3.503	3.478	3.472	3.360	3.500	3.351	3.500	3.461
HSNO	3.486	3.688	3.792	3.500	3.650	3.667	3.931	3.644
Local Government	3.688	3.656	3.444	3.486	3.810	3.732	3.690	3.642
RMA	3.694	3.710	3.533	3.633	3.615	3.895	3.699	3.695
Companies & securities	3.227	3.134	3.035	3.268	3.158	3.187	3.159	3.182
Consumer Issues	3.318	3.380	3.320	3.490	3.429	3.389	3.289	3.359
Education sectors	3.393	3.505	3.406	3.383	3.409	3.597	3.490	3.450
Food sectors	3.388	3.424	3.392	3.400	3.727	3.480	3.592	3.440
Health sectors	3.418	3.375	3.491	3.386	3.278	3.386	3.492	3.415
SNZ	3.251	3.268	3.194	3.304	3.200	3.305	3.373	3.269
Transport sector	3.601	3.658	3.609	3.444	3.556	3.659	3.670	3.610
Other compliance costs	3.743	3.876	3.870	3.769	3.957	3.951	4.063	3.854
Average	3.479	3.518	3.451	3.489	3.472	3.527	3.554	

Figure 15: Compliance Cost Trend Scores by Grouped Region (2003-2006)

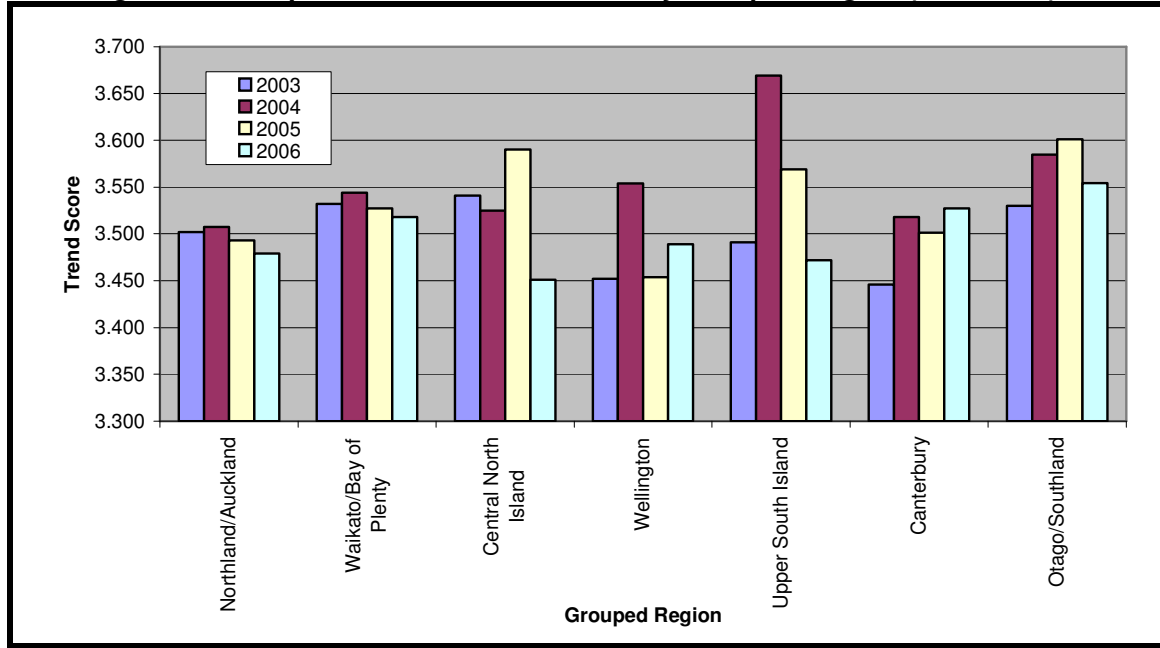
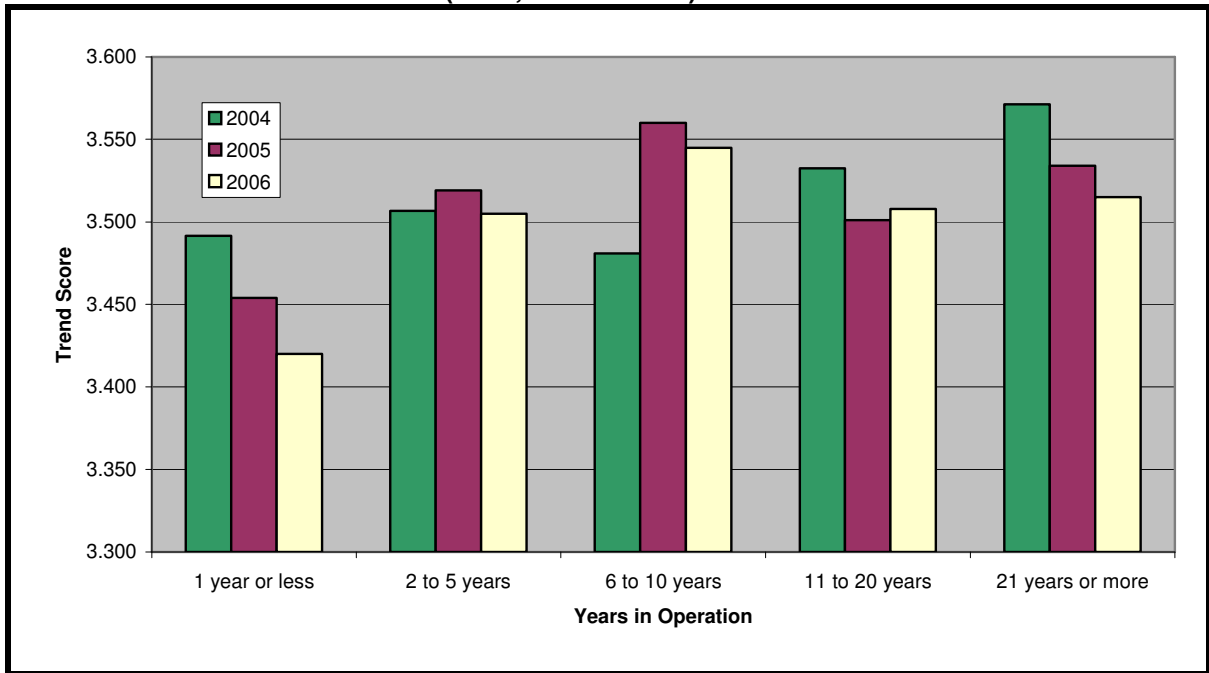


Table 43: Compliance Cost Trend Scores by Grouped Years in Operation (2006)

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	3.424	3.544	3.485	3.413	3.370	3.436
Tax – Fringe Benefit Tax	3.421	3.527	3.403	3.442	3.541	3.487
Tax – GST	3.375	3.431	3.355	3.276	3.246	3.314
Tax – Provisional Tax	3.429	3.536	3.506	3.448	3.376	3.452
Tax – Other deductions	3.267	3.553	3.560	3.522	3.520	3.527
<i>Average, all Tax</i>	<i>3.383</i>	<i>3.518</i>	<i>3.462</i>	<i>3.420</i>	<i>3.411</i>	<i>3.443</i>
ACC	3.459	3.598	3.568	3.464	3.513	3.525
Employer-Based Super Schemes	3.000	3.091	3.228	3.165	3.168	3.159
Employment Relations Act	3.333	3.689	3.785	3.765	3.751	3.740
Health & Safety in Employment Act	3.516	3.524	3.721	3.699	3.684	3.662
Holidays Act	3.676	3.904	4.013	4.032	4.058	4.005
Border Control	3.300	3.325	3.464	3.530	3.484	3.461
HSNO	3.667	3.556	3.570	3.655	3.693	3.644
Local Government	3.379	3.594	3.689	3.655	3.655	3.642
Resource Management Act	3.625	3.713	3.781	3.648	3.687	3.695
Companies & securities	3.158	3.159	3.186	3.205	3.178	3.182
Consumer Issues	3.379	3.376	3.367	3.382	3.326	3.359
Education sector	3.273	3.462	3.539	3.479	3.379	3.450
Food sector	3.333	3.468	3.529	3.339	3.473	3.440
Health sector	3.438	3.344	3.494	3.353	3.453	3.415
Statistics NZ	3.357	3.236	3.245	3.259	3.299	3.269
Transport sector	3.632	3.633	3.606	3.619	3.593	3.610
Other compliance costs	3.792	3.843	3.902	3.815	3.873	3.852
Average	3.420	3.505	3.545	3.508	3.515	

Figure 16: Overall Compliance Cost Trend Scores by Grouped Years in Operation (2004, 2005 & 2006)



3.4 ESTIMATING TOTAL COMPLIANCE COSTS

Table 44: Summary of Total Compliance Costs (2003-2006)

	Tax	Employment	Environment	Other
Mean annual hours spent within the enterprise				
2003	243.0	550.3	167.0	260.9
2004	323.3	349.7	123.0	164.0
2005	328.9	441.5	140.4	245.8
2006	274.2	270.9	94.6	212.2
Average internal cost				
2003 (hours at \$19.04 per hour)	\$4,627	\$10,478	\$3,181	\$4,968
2004 (hours at \$19.69 per hour)	\$6,366	\$7,734	\$2,422	\$3,229
2005 (hours at \$20.56 per hour)	\$6,762	\$9,077	\$2,887	\$5,054
2006 (hours at \$21.63 Per hour)	\$5,931	\$5,860	\$2,046	\$4,590
% of respondents that used external advice				
2003	78.0%	55.8%	23.6%	19.5%
2004	77.0%	52.8%	17.0%	18.7%
2005	73.2%	45.5%	16.1%	18.3%
2006	81.4%	41.4%	16.1%	19.3%
Average external cost				
2003	\$10,676	\$8,625	\$19,263	\$17,954
2004	\$11,296	\$6,740	\$17,515	\$11,692
2005	\$19,507	\$10,330	\$32,770	\$28,238
2006	\$12,170	\$7,274	\$20,367	\$23,308
Average total cost				
2003	\$13,517	\$15,514	\$7,673	\$8,475
2004	\$14,909	\$10,428	\$5,387	\$5,351
2005	\$21,166	\$13,782	\$8,100	\$9,963
2006	\$15,716	\$8,747	\$5,195	\$8,574
Average total cost by average FTE size				
2003	\$208	\$239	\$118	\$131
2004	\$224	\$156	\$81	\$80
2005	\$151	\$99	\$58	\$72
2006	\$284	\$158	\$94	\$155
Average total cost as % of turnover				
2003	0.17%	0.19%	0.15%	0.10%
2004	0.11%	0.08%	0.06%	0.07%
2005	0.04%	0.02%	0.01%	0.02%
2006	0.10%	0.06%	0.03%	0.06%
% of total compliance costs				
2003	29.9%	34.3%	17.0%	18.8%
2004	34.0%	25.9%	17.9%	22.2%
2005	40.0%	26.0%	15.3%	18.8%
2006	41.1%	22.9%	13.6%	22.4%

Figure 17: Proportion of Total Compliance Costs (2006)

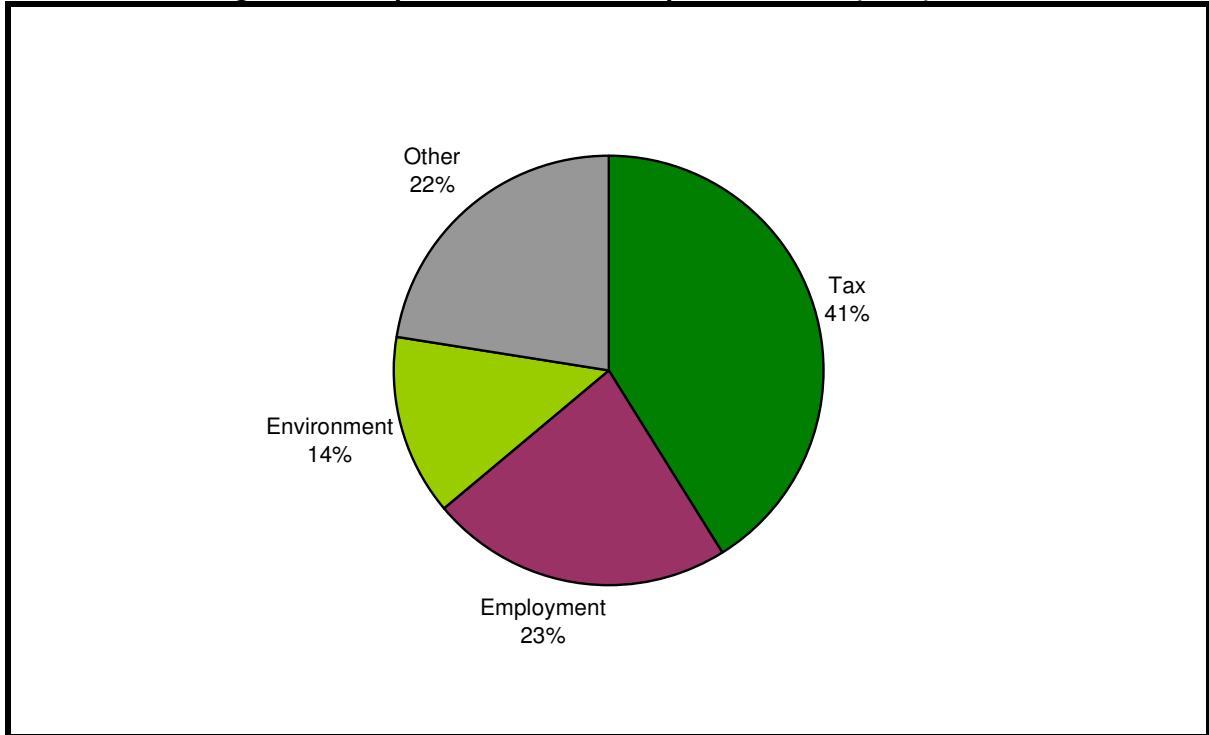


Table 45: Summary of Total Compliance Costs by FTE Group (2003-2006)

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Mean annual hours spent within the enterprise							
2003	271	654	743	1022	1376	4044	1221
2004	237	310	460	805	1475	4415	960
2005	303	573	576	704	1317	3918	1157
2006	238	563	524	996	1244	4352	852
Average internal cost							
2003	\$5,161	\$12,451	\$14,147	\$19,467	\$26,203	\$79,303	\$23,254
2004	\$4,674	\$6,103	\$9,055	\$15,854	\$29,035	\$86,924	\$19,751
2005	\$6,230	\$11,781	\$11,841	\$14,482	\$27,082	\$80,556	\$23,780
2006	\$5,145	\$12,180	\$11,324	\$21,546	\$26,910	\$94,122	\$18,427
% of respondents that used external advice							
2003	33.3%	45.7%	46.1%	47.0%	51.3%	58.7%	46.2%
2004	32.3%	39.7%	40.3%	45.5%	50.6%	49.6%	41.4%
2005	27.7%	39.1%	41.5%	40.9%	47.7%	48.8%	38.7%
2006	33.0%	39.0%	41.8%	45.2%	49.3%	54.7%	39.6%
Average external cost							
2003	\$21,610	\$26,873	\$31,429	\$63,226	\$57,068	\$116,783	\$56,518
2004	\$19,201	\$17,056	\$30,399	\$51,331	\$60,631	\$139,103	\$47,243
2005	\$19,003	\$22,942	\$31,551	\$37,153	\$81,465	\$273,461	\$90,845
2006	\$16,762	\$19,310	\$41,096	\$53,213	\$102,140	\$268,925	\$63,119
Average total cost							
2003	\$10,793	\$22,682	\$26,103	\$41,445	\$53,142	\$144,346	\$45,179
2004	\$8,974	\$12,834	\$21,333	\$34,041	\$57,573	\$148,287	\$36,075
2005	\$10,487	\$19,258	\$23,903	\$29,997	\$61,972	\$174,755	\$53,011
2006	\$10,096	\$19,680	\$25,405	\$42,148	\$69,403	\$215,284	\$38,232

Average total cost by FTE							
2003	\$3,404	\$3,150	\$1,970	\$1,359	\$783	\$415	\$696
2004	\$2,762	\$1,763	\$1,560	\$1,109	\$846	\$320	\$541
2005	\$3,604	\$2,623	\$1,724	\$952	\$899	\$247	\$380
2006	\$3,353	\$2,636	\$1,845	\$1,412	\$993	\$401	\$691
Average total cost as % of turnover							
2003	1.13%	1.06%	1.09%	0.63%	0.37%	0.56%	0.61%
2004	0.70%	0.60%	0.72%	0.56%	0.36%	0.23%	0.32%
2005	1.31%	1.30%	0.54%	0.28%	0.42%	0.05%	0.09%
2006	1.41%	1.16%	0.84%	0.47%	0.33%	0.15%	0.25%

Figure 18: Total Compliance Costs per Employee by Size of Enterprise (FTE Group 2003-2006)

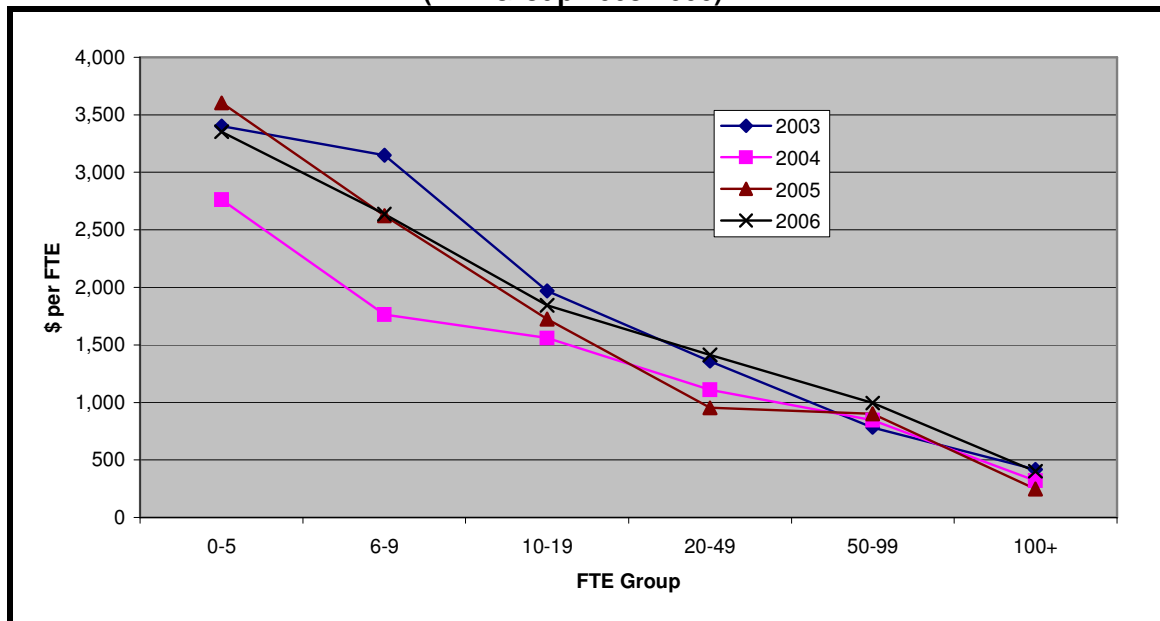


Table 46: Summary of Total Compliance Costs by Grouped Industry (2003-2006)

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
Mean annual hours spent within the enterprise							
2003	1,465.4	1,304.0	1,675.0	1,087.8	1,195.4	1,061.0	1,054.7
2004	1,547.0	668.0	1,688.8	645.4	950.7	1,123.9	1,057.6
2005	813.0	961.0	3011.0	829.0	991.0	1210.0	1228.0
2006	480.2	1244.5	777.4	425.3	506.9	1326.8	1035.3
Average internal cost							
2003	\$27,905	\$24,823	\$31,892	\$20,710	\$22,758	\$20,206	\$20,082
2004	\$30,468	\$13,154	\$33,253	\$12,708	\$18,720	\$22,130	\$20,825
2005	\$16,709	\$19,754	\$61,904	\$17,039	\$20,375	\$24,881	\$25,251
2006	\$10,387	\$26,919	\$16,815	\$9,199	\$10,964	\$28,700	\$22,394
% of respondents that used external advice							
2003	56.9%	48.1%	45.0%	46.4%	45.7%	42.4%	42.2%
2004	52.6%	44.2%	48.8%	37.7%	44.2%	33.7%	39.9%
2005	37.8%	37.1%	39.5%	37.4%	39.4%	39.2%	42.0%
2006	41.9%	48.3%	40.8%	37.8%	40.6%	33.4%	38.3%

Average external cost							
2003	\$79,904	\$57,544	\$89,417	\$31,211	\$45,596	\$81,609	\$42,541
2004	\$65,234	\$27,368	\$119,825	\$80,431	\$46,417	\$41,098	\$56,670
2005	\$55,683	\$48,399	\$130,499	\$60,681	\$151,243	\$144,606	\$78,325
2006	\$29,517	\$43,517	\$111,813	\$32,466	\$111,106	\$105,291	\$67,094
Average total cost							
2003	\$67,534	\$46,911	\$65,361	\$35,800	\$41,238	\$44,171	\$33,303
2004	\$65,402	\$26,439	\$74,342	\$32,035	\$36,904	\$36,616	\$37,695
2005	\$45,753	\$43,611	\$119,700	\$40,237	\$64,209	\$56,494	\$45,491
2006	\$26,098	\$48,340	\$47,019	\$19,324	\$36,994	\$27,039	\$41,207
Average total cost by FTE							
2003	\$1,256	\$706	\$885	\$991	\$620	\$399	\$629
2004	\$516	\$574	\$1,128	\$328	\$740	\$1,004	\$500
2005	\$322	\$567	\$604	\$237	\$506	\$392	\$304
2006	\$534	\$740	\$1,149	\$616	\$308	\$1,097	\$408
Average total cost as % of turnover							
2003	0.89%	0.49%	0.40%	0.34%	0.42%	0.96%	0.85%
2004	0.41%	0.24%	0.47%	0.16%	0.37%	0.37%	0.52%
2005	0.03%	0.21%	0.21%	0.05%	0.58%	0.15%	0.06%
2006	0.23%	0.17%	0.19%	0.18%	0.29%	0.33%	0.31%

Figure 19: Total Compliance Costs per Employee by Grouped Industry (2003-2006)

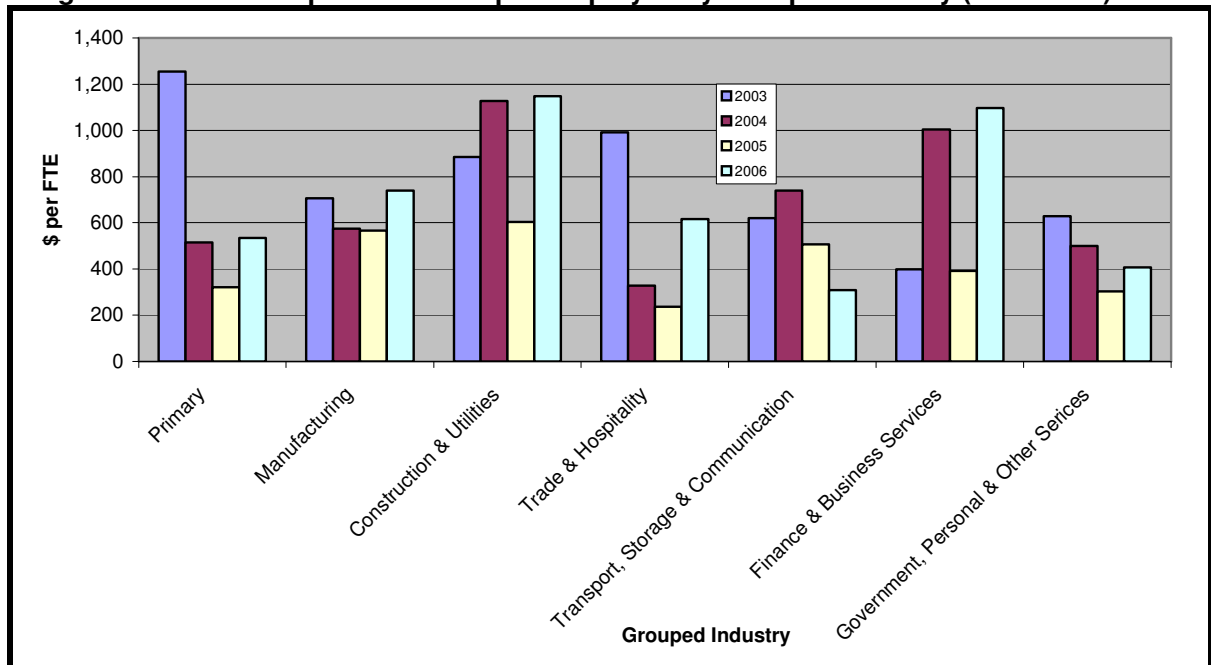


Table 47: Summary of Total Compliance Costs by Grouped Region (2003-2006)

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
Mean annual hours spent within the enterprise							
2003	1,269.9	1,373.0	2,058.0	1,303.0	1,775.2	625.1	1,145.0
2004	1,219.0	817.8	1,227.3	1,161.7	1,681.0	643.0	758.7
2005	1,243.0	1,143.0	1,051.0	1,800.0	1,208.0	878	819
2006	873.8	1160.5	569.6	810.3	708.4	483.1	879
Average internal cost							
2003	\$24,178	\$26,140	\$39,183	\$24,812	\$33,800	\$11,902	\$21,806
2004	\$23,994	\$16,103	\$24,165	\$22,874	\$33,107	\$12,667	\$14,938
2005	\$25,551	\$23,506	\$21,607	\$37,014	\$24,831	\$18,057	\$16,843
2006	\$18,901	\$25,102	\$12,321	\$17,527	\$15,323	\$10,450	\$19,013
% of respondents that used external advice							
2003	48.0%	47.4%	45.9%	48.0%	52.2%	40.7%	52.1%
2004	41.3%	43.2%	42.0%	41.4%	58.6%	37.5%	42.9%
2005	38.9%	43.4%	50.9%	41.3%	42.5%	31.1%	37.6%
2006	39.6%	42.1%	35.8%	40.0%	36.2%	38.9%	41.8%
Average external cost							
2003	\$68,449	\$45,667	\$51,323	\$75,653	\$47,863	\$31,911	\$51,441
2004	\$72,785	\$31,252	\$90,494	\$72,009	\$55,978	\$46,536	\$43,064
2005	\$131,706	\$101,923	\$74,691	\$149,623	\$41,993	\$42,960	\$43,651
2006	\$87,584	\$57,544	\$35,591	\$67,088	\$22,670	\$42,578	\$46,331
Average total cost							
2003	\$50,405	\$43,968	\$62,283	\$55,604	\$51,226	\$24,282	\$44,266
2004	\$48,060	\$29,998	\$36,667	\$47,331	\$60,773	\$26,169	\$29,223
2005	\$64,131	\$61,035	\$41,819	\$83,892	\$39,920	\$32,691	\$31,463
2006	\$44,343	\$46,368	\$22,734	\$46,609	\$23,458	\$23,287	\$33,711
Average total cost by FTE							
2003	\$543	\$1,044	\$668	\$997	\$2,108	\$579	\$1,239
2004	\$485	\$457	\$631	\$867	\$1,696	\$598	\$559
2005	\$305	\$481	\$440	\$321	\$1,306	\$560	\$906
2006	\$475	\$980	\$873	\$1,003	\$1,374	\$1,067	\$810
Average total cost as % of turnover							
2003	0.43%	0.71%	0.74%	0.88%	1.12%	0.46%	0.69%
2004	0.21%	0.22%	0.34%	0.47%	0.83%	0.49%	0.41%
2005	0.10%	0.05%	0.27%	0.05%	0.55%	0.22%	0.52%
2006	0.18%	0.24%	0.32%	0.52%	0.73%	0.40%	0.32%

Figure 20: Total Compliance Costs per FTE by Grouped Region (2003-2006)

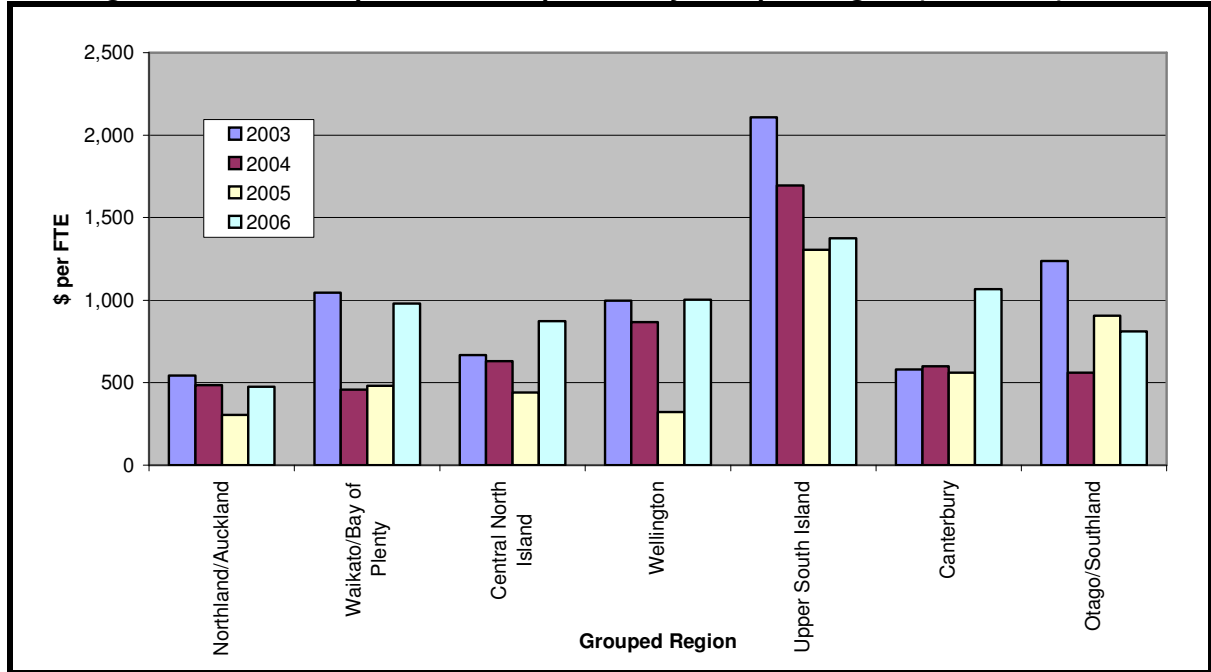
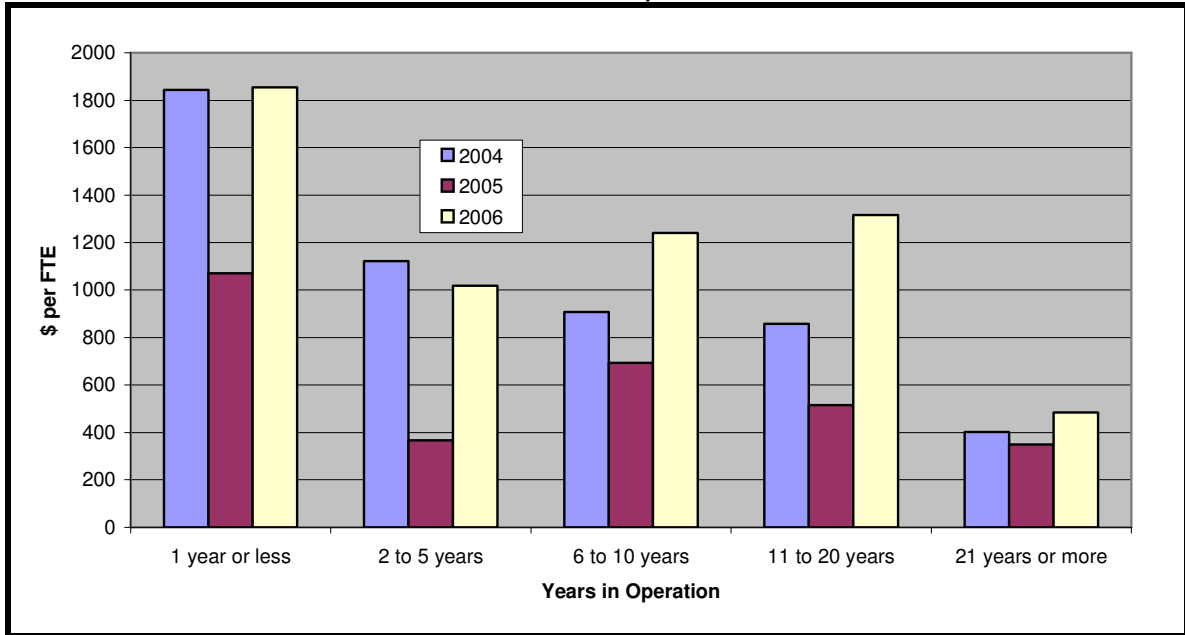


Table 48: Summary of Total Compliance Costs by Grouped Years in Operation (2004, 2005 & 2006)

	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					
2004	471.8	398.7	750.0	1154.3	1333.0
2005	615.0	424.0	652.0	895.0	2069.0
2006	126.8	588.1	624.5	729.7	1219.5
Average internal cost					
2004	\$9,289	\$7,850	\$14,773	\$22,729	\$26,247
2005	\$12,649	\$8,716	\$13,401	\$18,398	\$42,529
2006	\$2,742	\$12,718	\$13,507	\$15,785	\$26,376
% of respondents that used external advice					
2004	35.2%	36.7%	39.1%	42.2%	45.1%
2005	36.1%	33.0%	38.8%	39.4%	42.0%
2006	31.1%	35.5%	39.2%	41.0%	42.0%
Average external cost					
2004	\$18,343	\$30,281	\$51,456	\$44,509	\$70,887
2005	\$34,195	\$29,916	\$26,405	\$88,902	\$154,598
2006	\$17,962	\$23,282	\$24,410	\$85,685	\$86,606
Average total cost					
2004	\$16,654	\$17,614	\$28,200	\$39,624	\$54,544
2005	\$24,542	\$23,664	\$24,252	\$42,254	\$94,648
2006	\$7,412	\$20,188	\$22,382	\$41,277	\$58,153
Average total cost by FTE					
2004	\$1,844	\$1,123	\$908	\$857	\$402
2005	\$1,070	\$366	\$692	\$515	\$349
2006	\$1,854	\$1,019	\$1,240	\$1,317	\$485

Average total cost as % of turnover					
2004	1.2%	0.53%	0.76%	0.36%	0.21%
2005	0.4%	0.04%	0.17%	0.05%	0.13%
2006	1.17%	0.67%	0.54%	0.36%	0.18%

Figure 21: Total Compliance Costs per FTE by Grouped Years in Operation (2004, 2005 & 2006)



3.4.1 TAX-RELATED COMPLIANCE COSTS

Table 49: Summary Comparison for Tax Compliance Costs (2003-2006)

Overall trend (2006)	Decrease			
Respondents answering this section (2006)	99.9%			
Internal cost trend (2006)	Decrease			
External cost trend (2006)	Decrease			
Year	2003	2004	2005	2006
Average total cost	\$13,517	\$14,909	\$21,166	\$15,716
Average total cost per FTE	\$208	\$224	\$151	\$284
Average mean annual hours spent within enterprise on tax (all sizes)	243	323	329	274
Average internal cost	\$4,627	\$6,366	\$6,762	\$5,931
Maximum annual hours spent by enterprise internally on tax*	40,000	110,000	100,000	15,000
Average external cost	\$10,676	\$11,296	\$19,501	\$12,170
Maximum annual amount spent by enterprise externally on tax*	\$550,000	\$500,000	\$2,228,163	\$1,000,000
Tax as a % of total compliance costs	29.9%	34%	40.0%	41.1%
% of respondents who obtained information from Inland Revenue	78%	72%	82%	79%
% of respondents who employed external tax advisers	79%	74%	73%	76%
% of respondents who directly accessed tax legislation	42%	34%	48%	38%
% of respondents who used other publications and advice	36%	30%	38%	32%

Table 50: Tax Compliance Costs by FTE Group (2003-2006)

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Mean annual hours spent within enterprise on tax							
2003	114.6	152.5	211.6	203.2	245.4	648.4	243.0
2004	122.2	122.0	137.2	172.2	265.0	1762.2	323.3
2005	204.0	218.0	180.1	177.4	281.5	918.3	328.9
2006	126.0	352.2	141.0	371.9	328.9	887.9	274.2
Average internal cost							
2003	\$2,183	\$2,903	\$4,029	\$3,870	\$4,672	\$12,346	\$4,627
2004	\$2,406	\$2,402	\$2,701	\$3,391	\$5,218	\$34,698	\$6,366
2005	\$4,194	\$4,482	\$3,703	\$3,647	\$5,788	\$18,880	\$6,762
2006	\$2,725	\$7,618	\$3,050	\$8,044	\$7,114	\$19,205	\$5,931
% of respondents that used external advice							
2003	74.3%	80.0%	76.2%	79.1%	78.0%	81.6%	77.9%
2004	77.0%	77.9%	76.6%	77.0%	80.4%	73.3%	77.0%
2005	66.9%	77.9%	75.8%	74.8%	71.0%	78.3%	73.2%
2006	80.1%	82.9%	84.3%	82.7%	77.3%	80.4%	81.4%
Average external cost							
2003	\$3,885	\$5,095	\$6,695	\$10,485	\$12,230	\$31,032	\$10,676
2004	\$3,112	\$5,862	\$10,368	\$9,458	\$17,120	\$39,612	\$11,296
2005	\$3,802	\$5,236	\$8,282	\$12,336	\$23,599	\$67,496	\$19,507

2006	\$3,875	\$5,764	\$9,122	\$12,454	\$24,849	\$68,083	\$12,170
Average total cost							
2003	\$5,152	\$7,555	\$9,608	\$12,710	\$14,653	\$38,896	\$13,517
2004	\$4,788	\$6,901	\$10,366	\$10,614	\$18,802	\$62,543	\$14,909
2005	\$6,749	\$8,605	\$10,032	\$13,288	\$21,970	\$72,399	\$21,166
2006	\$5,803	\$12,369	\$10,690	\$18,148	\$26,077	\$71,483	\$15,716
Average total cost by FTE							
2003	\$1,625	\$1,049	\$725	\$417	\$216	\$112	\$208
2004	\$1,473	\$948	\$758	\$346	\$276	\$135	\$224
2005	\$2,319	\$1,172	\$723	\$421	\$319	\$102	\$151
2006	\$1,928	\$1,656	\$776	\$608	\$373	\$133	\$284
Average total cost as % of turnover							
2003	0.54%	0.35%	0.40%	0.17%	0.10%	0.13%	0.17%
2004	0.37%	0.32%	0.35%	0.17%	0.12%	0.07%	0.11%
2005	0.84%	0.58%	0.23%	0.12%	0.15%	0.02%	0.04%
2006	0.81%	0.73%	0.35%	0.20%	0.12%	0.05%	0.10%
Tax as a % of total compliance costs							
2003	47.7%	33.3%	36.8%	30.7%	27.6%	26.9%	29.9%
2004	53.4%	53.8%	48.6%	31.2%	32.7%	28.3%	34.0%
2005	64.4%	44.7%	42.0%	44.3%	35.5%	41.4%	39.9%
2006	57.5%	62.9%	42.1%	43.1%	37.6%	33.2%	41.1%

Figure 22: Average Tax Compliance Costs per FTE by Size of Enterprise (2003-2006)

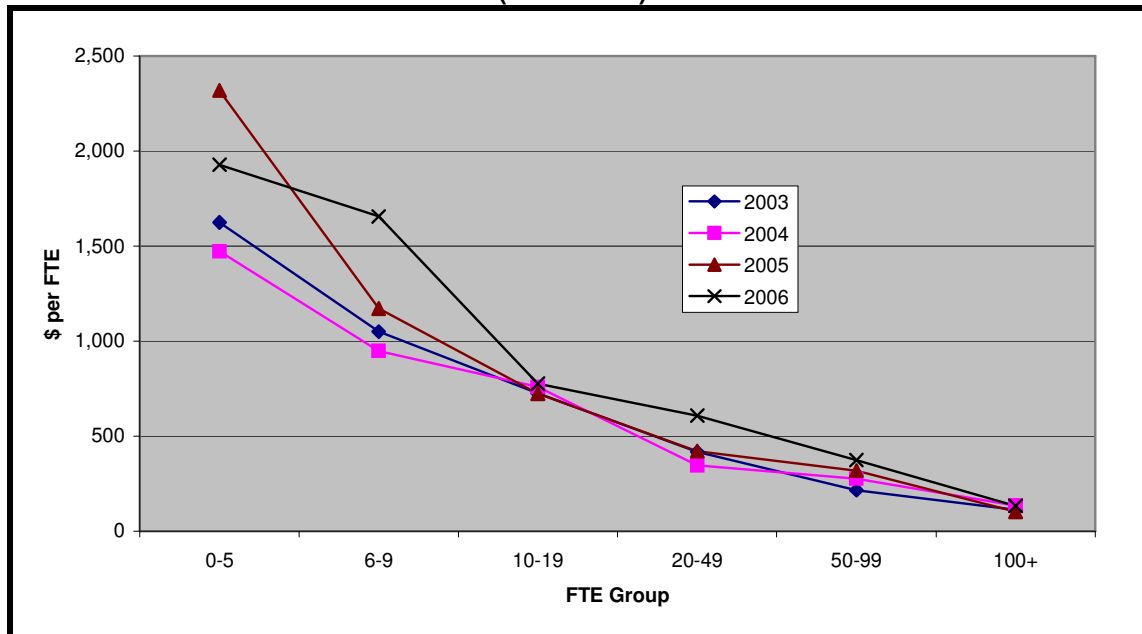


Table 51: Sources of External Tax Information and Advice by FTE Group (2003-2006)

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)							
2003	68.7%	82.9%	82.1%	74.2%	77.4%	83.0%	77.5%
2004	73.7%	73.3%	66.0%	67.8%	82.6%	76.2%	72.1%
2005	77.2%	76.4%	80.3%	80.5%	86.9%	91.8%	81.6%
2006	74.3%	79.7%	78.5%	82.7%	77.6%	92.9%	78.6%
Legislation (e.g., Income Tax Act, GST Act)							
2003	21.8%	39.0%	40.4%	45.5%	59.1%	58.0%	42.4%
2004	27.2%	27.3%	31.9%	33.9%	45.7%	53.5%	34.0%
2005	40.7%	42.9%	43.9%	47.2%	51.4%	64.7%	47.6%
2006	30.7%	34.1%	33.5%	43.4%	53.9%	67.0%	37.6%
Out of house tax advisers, agents and intermediaries							
2003	72.8%	75.2%	80.8%	79.8%	82.8%	81.0%	78.6%
2004	73.2%	70.9%	73.4%	77.0%	73.9%	76.2%	74.0%
2005	66.2%	71.4%	76.3%	73.6%	72.0%	81.2%	72.7%
2006	73.1%	75.2%	75.9%	80.1%	82.9%	81.3%	76.0%
Other publications or advice							
2003	25.2%	35.2%	35.7%	27.6%	49.5%	56.0%	36.3%
2004	26.3%	32.6%	26.1%	29.5%	29.3%	46.5%	30.5%
2005	33.0%	35.0%	37.9%	37.1%	43.0%	49.3%	38.4%
2006	26.9%	31.3%	28.3%	41.8%	40.8%	46.4%	32.3%

Table 52: Cost of Preparing Annual Accounts Included in External Advice Cost Estimate (2003-2006)

FTE Group	Yes	No
0-5		
2003	75.5%	24.5%
2004	75.7%	24.3%
2005	60.7%	39.3%
2006	65.8%	34.2%
6-9		
2003	53.6%	46.4%
2004	68.6%	31.4%
2005	50.9%	49.1%
2006	61.4%	38.6%
10-19		
2003	46.5%	53.5%
2004	56.5%	43.5%
2005	43.9%	56.1%
2006	47.6%	52.4%
20-49		
2003	42.2%	57.8%
2004	43.6%	56.4%
2005	30.5%	69.5%
2006	46.7%	53.3%
50-99		

2003	28.2%	71.8%
2004	32.5%	67.5%
2005	17.6%	82.4%
2006	30.0%	70.0%
100+		
2003	25.3%	74.7%
2004	29.7%	70.3%
2005	19.6%	80.4%
2006	15.5%	84.5%
All sizes		
2003	46.7%	53.3%
2004	55.4%	44.6%
2005	40.8%	59.2%
2006	53.9%	46.1%

Table 53: Tax Compliance Costs by Grouped Industry (2003-2006)

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
Mean annual hours spent within enterprise on Tax							
2003	201.1	212.0	286.9	314.3	302.7	348.3	129.6
2004	386.0	162.4	385.2	136.1	236.2	900.7	148.4
2005	217.4	214.3	518.3	256.2	271.7	529.9	226.7
2006	176.0	267.5	202.4	120.2	121.7	845.1	122.5
Average internal cost							
2003	\$3,829	\$4,036	\$5,462	\$5,983	\$5,762	\$6,632	\$2,468
2004	\$7,600	\$3,198	\$7,586	\$2,680	\$4,651	\$17,735	\$2,922
2005	\$4,470	\$4,406	\$10,656	\$5,267	\$5,586	\$10,895	\$4,661
2006	\$3,807	\$5,786	\$4,378	\$2,600	\$2,632	\$18,280	\$2,650
% of respondents that used external advice							
2003	88.2%	79.1%	85.4%	85.0%	77.4%	78.7%	64.2%
2004	91.8%	82.1%	88.4%	81.9%	80.0%	76.4%	55.2%
2005	80.0%	79.8%	91.0%	82.5%	75.0%	66.1%	58.9%
2006	88.1%	88.4%	89.5%	82.7%	82.8%	75.3%	66.7%
Average external cost							
2003	\$13,042	\$10,800	\$18,207	\$9,548	\$10,384	\$9,902	\$7,981
2004	\$16,484	\$10,063	\$13,580	\$11,176	\$10,397	\$11,734	\$8,960
2005	\$26,077	\$16,323	\$30,090	\$16,304	\$22,835	\$23,709	\$8,553
2006	\$13,091	\$12,966	\$12,475	\$6,720	\$13,045	\$20,990	\$8,944
Average total cost							
2003	\$16,056	\$13,138	\$21,690	\$14,593	\$13,950	\$15,033	\$5,658
2004	\$22,734	\$11,239	\$19,428	\$11,621	\$12,968	\$26,481	\$7,822
2005	\$25,873	\$17,689	\$37,152	\$18,689	\$23,188	\$26,649	\$9,742
2006	\$15,320	\$17,038	\$15,546	\$8,092	\$12,978	\$10,043	\$8,440
Average total cost by FTE							
2003	\$300	\$198	\$290	\$404	\$210	\$136	\$107
2004	\$171	\$244	\$295	\$119	\$260	\$726	\$104

2005	\$182	\$230	\$187	\$110	\$183	\$185	\$65
2006	\$314	\$261	\$380	\$258	\$108	\$407	\$83
Average total cost as % of average turnover							
2003	0.21%	0.14%	0.13%	0.14%	0.14%	0.33%	0.14%
2004	0.07%	0.10%	0.12%	0.06%	0.13%	0.27%	0.11%
2005	0.02%	0.09%	0.06%	0.02%	0.21%	0.07%	0.01%
2006	0.13%	0.06%	0.06%	0.07%	0.10%	0.12%	0.06%
Tax as a % of total compliance costs							
2003	23.8%	28.0%	33.2%	40.8%	33.8%	34.0%	17.0%
2004	15.5%	42.5%	26.1%	36.3%	35.1%	72.3%	20.8%
2005	56.5%	40.6%	31.0%	46.4%	36.1%	47.2%	21.4%
2006	58.7%	35.2%	33.1%	41.9%	35.1%	37.1%	20.5%

Figure 23: Tax Compliance Costs per FTE by Grouped Industry (2003-2006)

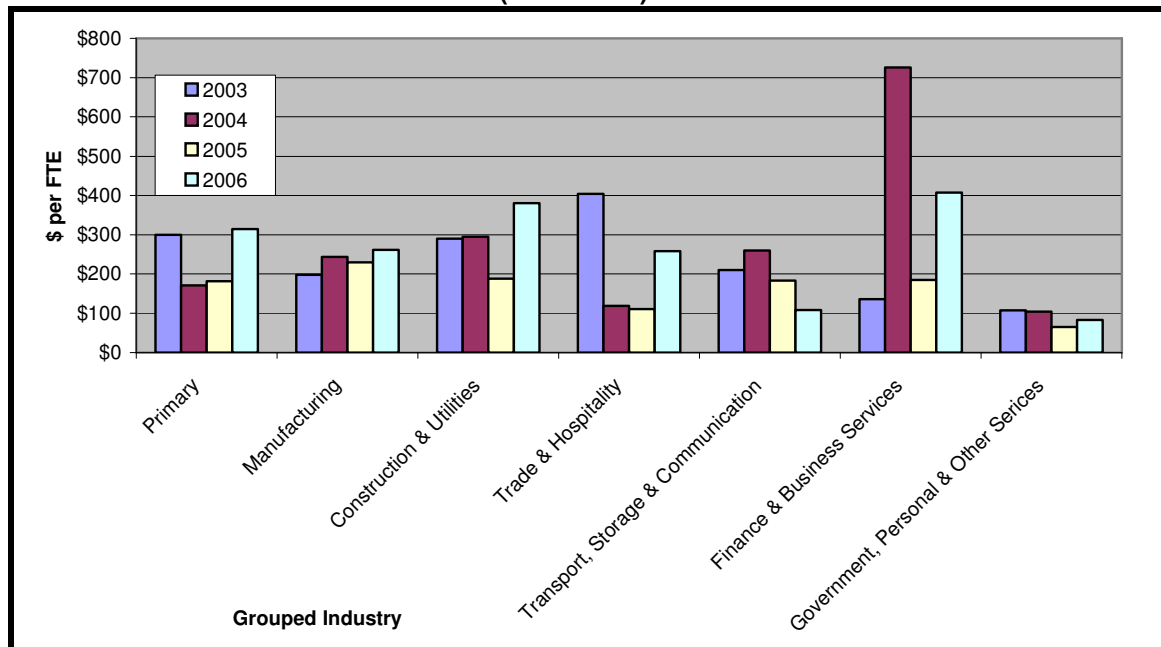


Table 54: Sources of External Tax Information and Advice by Grouped Industry (2003-2006)

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)								
2003	72.5%	78.3%	84.0%	70.2%	75.5%	86.1%	76.7%	77.5%
2004	75.4%	63.8%	69.8%	73.5%	76.9%	78.2%	73.5%	72.0%
2005	70.0%	71.0%	85.1%	81.4%	83.0%	93.9%	77.3%	81.5%
2006	67.5%	76.4%	74.9%	76.9%	82.8%	91.6%	78.7%	78.6%
Legislation (e.g., Income Tax Act, GST Act)								

2003	35.3%	38.9%	52.0%	29.8%	43.4%	51.2%	46.0%	42.4%
2004	29.5%	29.5%	37.2%	27.7%	36.9%	38.2%	40.3%	34.0%
2005	38.2%	32.1%	47.8%	44.3%	42.0%	67.1%	43.5%	47.6%
2006	28.8%	33.9%	35.6%	30.6%	37.1%	62.6%	33.8%	37.6%
Out of house tax advisers, agents and intermediaries								
2003	92.2%	78.8%	86.0%	86.8%	84.9%	70.2%	62.7%	78.6%
2004	78.7%	83.9%	88.4%	72.9%	76.9%	74.5%	52.5%	73.9%
2005	71.8%	77.2%	85.1%	83.6%	75.0%	69.0%	59.4%	72.6%
2006	80.0%	79.9%	78.0%	72.8%	73.3%	85.0%	64.7%	76.0%
Other publications or advice								
2003	31.4%	38.1%	50.0%	36.4%	28.3%	31.4%	34.7%	36.3%
2004	27.9%	25.4%	33.7%	30.1%	32.3%	37.0%	29.3%	30.4%
2005	30.0%	26.9%	38.8%	33.9%	36.0%	53.9%	35.3%	38.4%
2006	25.6%	33.9%	27.2%	24.1%	31.0%	53.7%	30.9%	32.3%

Figure 24: Tax Compliance Costs per FTE by Grouped Region (2003-2006)

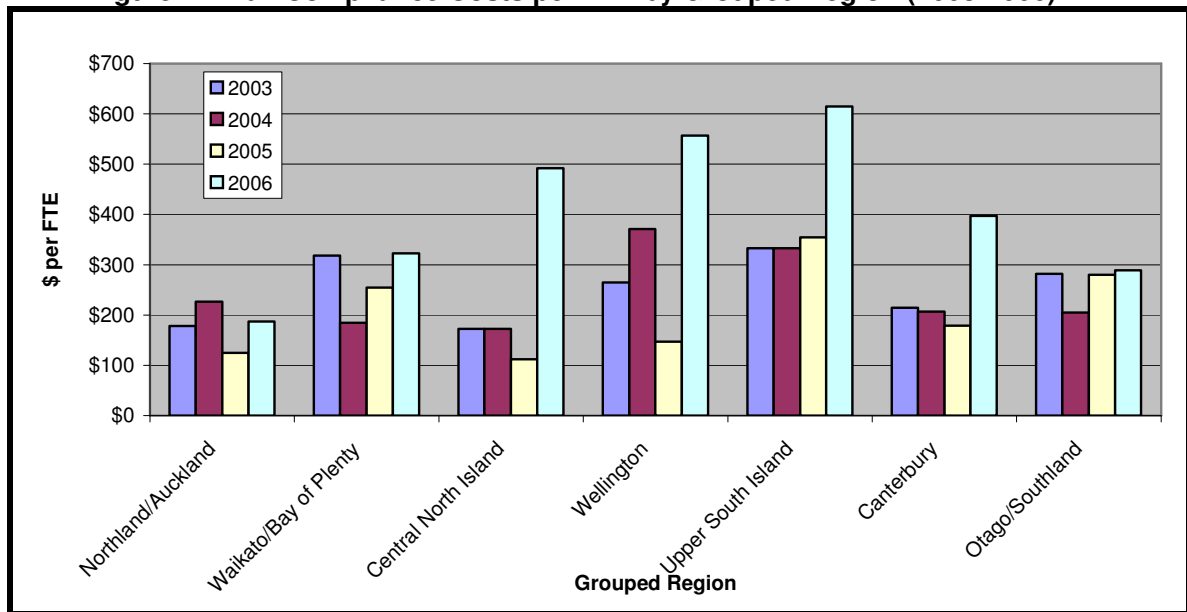


Table 55: Tax Compliance Costs by Grouped Region (2003-2006)

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
Mean annual hours spent within enterprise on Tax							
2003	279.3	277.0	258.0	338.0	176.6	143.2	193.9
2004	552.5	209.6	291.4	418.0	192.9	172.2	167.0
2005	355.0	397.7	224.9	649.3	167.6	211.5	203.8
2006	317.2	205.7	279.6	359.4	245.9	152.5	290.7
Average internal cost							
2003	\$5,317	\$5,274	\$4,914	\$6,440	\$3,362	\$2,727	\$3,692
2004	\$10,879	\$4,127	\$5,738	\$8,230	\$3,798	\$3,391	\$3,288
2005	\$7,299	\$8,177	\$4,624	\$13,350	\$3,446	\$4,348	\$4,190
2006	\$6,861	\$4,449	\$6,048	\$7,774	\$5,319	\$3,299	\$6,288
% of respondents that used external advice							
2003	83.9%	74.0%	69.5%	76.6%	85.0%	73.3%	76.2%
2004	80.7%	77.3%	69.4%	71.6%	84.2%	76.3%	71.8%
2005	76.8%	76.7%	61.2%	66.2%	78.7%	71.6%	76.0%
2006	79.7%	83.5%	80.2%	80.8%	83.9%	83.4%	82.4%
Average external cost							
2003	\$12,460	\$10,402	\$15,473	\$10,046	\$5,013	\$8,008	\$7,792
2004	\$14,816	\$10,456	\$6,3601	\$16,809	\$9,748	\$7,810	\$10,368
2005	\$24,727	\$30,063	\$9,910	\$37,131	\$8,816	\$8,472	\$7,313
2006	\$13,424	\$13,170	\$8,583	\$22,597	\$6,173	\$6,486	\$7,105
Average total cost							
2003	\$16,493	\$13,573	\$16,167	\$14,613	\$8,097	\$9,019	\$10,067
2004	\$22,534	\$12,128	\$10,047	\$20,272	\$12,007	\$9,205	\$10,732
2005	\$26,214	\$32,394	\$10,632	\$38,282	\$10,858	\$10,461	\$9,733
2006	\$17,419	\$15,282	\$12,818	\$25,904	\$10,500	\$8,665	\$12,035
Average total cost by FTE							
2003	\$178	\$318	\$173	\$265	\$333	\$215	\$282
2004	\$227	\$185	\$173	\$371	\$333	\$207	\$205
2005	\$125	\$255	\$112	\$147	\$355	\$179	\$280
2006	\$187	\$323	\$492	\$557	\$615	\$397	\$289
Average total cost as % of turnover							
2003	0.14%	0.22%	0.21%	0.23%	0.18%	0.17%	0.16%
2004	0.10%	0.09%	0.09%	0.20%	0.16%	0.10%	0.15%
2005	0.04%	0.03%	0.07%	0.02%	0.15%	0.07%	0.16%
2006	0.07%	0.08%	0.18%	0.29%	0.33%	0.15%	0.11%
Tax as a % of total compliance costs							

2003	32.7%	30.9%	26.0%	26.3%	15.8%	37.1%	22.7%
2004	44.3%	40.4%	27.4%	42.8%	17.2%	20.8%	36.7%
2005	40.9%	53.1%	25.4%	45.6%	27.2%	32.0%	30.9%
2006	39.3%	33.0%	56.4%	55.6%	44.8%	37.2%	35.7%

Table 56: Sources of External Tax Information and Advice by Grouped Region (2003-2006)

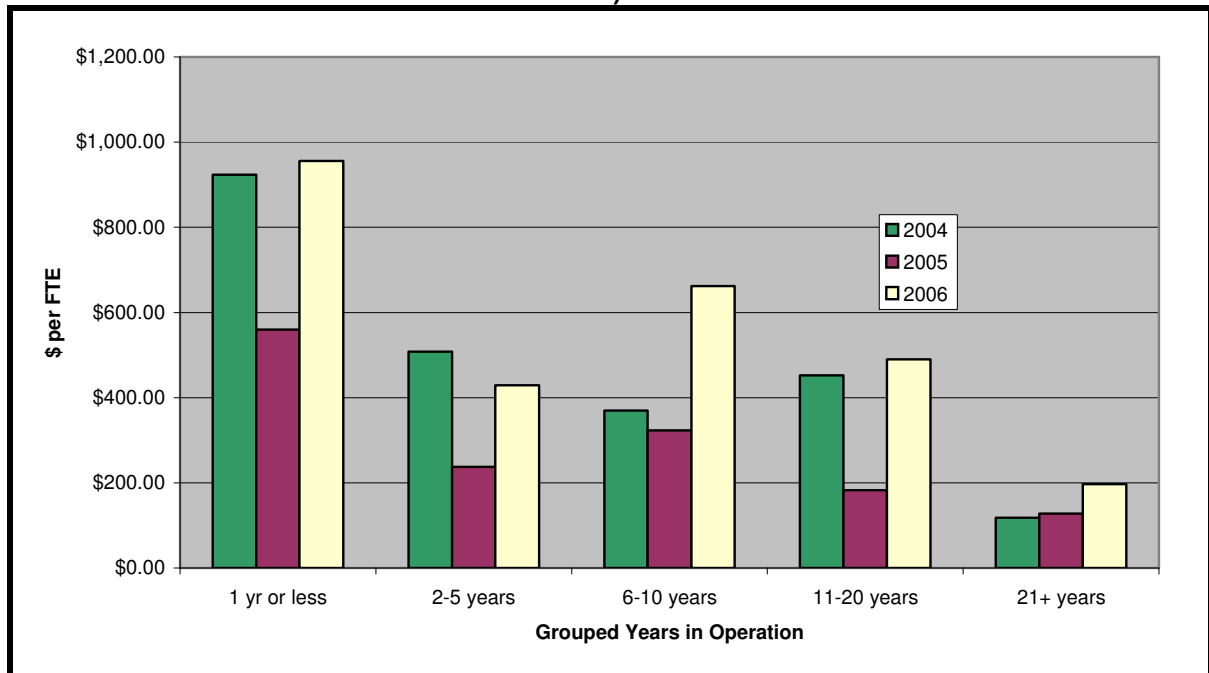
Source of Advice and/or Information	Nthld/Akld	Waik/BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/Sthld	NZ
IRD (e.g., publications, website, call centre)								
2003	81.2%	75.3%	74.6%	84.6%	65.0%	73.3%	76.5%	77.5%
2004	74.4%	68.9%	79.0%	74.6%	78.9%	69.6%	65.4%	72.0%
2005	85.6%	75.9%	89.8%	88.3%	72.3%	76.6%	74.0%	81.5%
2006	82.9%	77.9%	77.2%	77.3%	76.8%	74.6%	74.3%	78.6%
Legislation (e.g., Income Tax Act, GST Act)								
2003	47.2%	45.4%	47.5%	38.5%	50.0%	34.7%	35.3%	42.4%
2004	36.5%	30.3%	37.1%	37.3%	50.0%	29.3%	33.3%	34.0%
2005	52.8%	42.2%	60.2%	49.7%	53.2%	40.1%	37.7%	47.6%
2006	40.2%	37.2%	34.0%	40.1%	33.9%	34.3%	36.8%	37.6%
Out of house tax advisers, agents and intermediaries								
2003	81.2%	81.4%	64.4%	76.9%	70.0%	80.7%	77.6%	78.6%
2004	79.1%	73.5%	72.6%	68.7%	86.8%	70.0%	67.9%	73.9%
2005	75.3%	80.2%	69.4%	72.4%	78.7%	65.8%	70.8%	72.6%
2006	76.1%	75.3%	73.5%	76.7%	75.0%	84.0%	69.9%	76.0%
Other publications or advice								
2003	39.4%	41.2%	37.3%	32.3%	20.0%	30.7%	37.6%	36.3%
2004	33.2%	31.1%	32.3%	23.9%	26.3%	31.9%	19.2%	30.4%
2005	42.8%	39.7%	39.8%	35.9%	44.7%	33.3%	33.1%	38.4%
2006	32.6%	32.5%	34.6%	36.0%	25.0%	30.8%	28.7%	32.3%

Table 57: Tax Compliance Costs by Grouped Years in Operation (2004, 2005 & 2006)

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
Mean annual hours spent within enterprise on Tax					
2004	166.2	140.5	246.0	598.3	252.8
2005	320.1	163.4	237.4	256.4	523.9
2006	50.5	190.8	299.4	239.7	360.0
Average internal cost					
2004	\$3,272	\$2,766	\$4,844	\$11,781	\$4,978
2005	\$6,581	\$3,360	\$4,881	\$5,272	\$10,771
2006	\$1,091	\$4,127	\$6,476	\$5,185	\$7,785
% of respondents that used external advice					
2004	81.3%	76.7%	77.9%	81.0%	73.0%

2005	75.6%	70.6%	74.0%	73.8%	74.0%
2006	77.4%	83.5%	82.0%	82.6%	79.4%
Average external cost					
2004	\$6,240	\$6,787	\$9,000	\$11,566	\$15,597
2005	\$8,362	\$16,682	\$8,574	\$12,989	\$32,507
2006	\$3,532	\$5,316	\$6,833	\$12,444	\$20,099
Average total cost					
2004	\$8,343	\$7,972	\$11,794	\$20,925	\$16,019
2005	\$12,852	\$15,316	\$11,289	\$14,965	\$34,762
2006	\$3,823	\$8,506	\$11,947	\$15,359	\$23,617
Average total cost by FTE					
2004	\$924	\$508	\$370	\$453	\$118
2005	\$560	\$237	\$322	\$182	\$128
2006	\$956	\$429	\$662	\$490	\$197
Average total cost as % of turnover					
2004	0.60%	0.24%	0.17%	0.19%	0.06%
2005	0.21%	0.03%	0.08%	0.02%	0.05%
2006	0.60%	0.28%	0.29%	0.13%	0.07%
Tax as a % of total compliance costs					
2004	50.1%	45.3%	19.7%	52.8%	29.4%
2005	52.4%	64.7%	46.5%	35.4%	36.7%
2006	51.6%	42.1%	53.4%	37.2%	40.6%

Figure 25: Tax Compliance Costs per FTE by Grouped Years in Operation (2004, 2005 & 2006)



3.4.2 EMPLOYMENT RELATED COMPLIANCE COSTS

Table 58: Summary Comparison for Employment Compliance Costs (2003-2006)

Overall trend (2006)	Decrease			
Respondents answering this section (2006)	99.9%			
Internal cost trend (2006)	Decrease			
External cost trend (2006)	Decrease			
Year	2003	2004	2005	2006
Average total cost	\$15,514	\$10,428	\$13,782	\$8,747
Average total cost per FTE	\$239	\$156	\$99	\$158
Average mean annual hours spent within enterprise on employment costs (all sizes)	550.3	349.7	441.5	270.9
Average internal cost	\$10,478	\$7,734	\$9,077	\$5,860
Maximum annual hours spent by enterprise internally on employment costs	32,000	40,000	53,300	40,000
Average external cost	\$8,625	\$6,740	\$10,330	\$7,274
Maximum annual amount spent by enterprise externally on employment costs	\$400,000	\$200,000	\$2,000,000	\$120,000
Employment as a % of total compliance costs	34.3%	25.9%	26.0%	22.9%
% of respondents who employed external employment advisers	55.9%	52.7%	45.5%	41.4%

Table 59: Employment Compliance Costs by FTE Group (2003-2006)

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Mean annual hours spent within enterprise on Employment							
2003	70.1	204.6	221.2	378.2	717.0	2197.0	550.3
2004	51.4	122.4	187.5	311.3	541.4	1590.4	349.7
2005	46.8	123.0	201.9	263.5	519.0	1677.4	441.5
2006	45.7	110.2	155.7	221.4	452.3	1944.3	270.9
Average internal cost							
2003	\$1,335	\$3,895	\$4,212	\$7,201	\$13,652	\$41,830	\$10,478
2004	\$1,012	\$2,410	\$3,692	\$6,129	\$10,660	\$31,315	\$7,734
2005	\$962	\$2,529	\$4,151	\$5,418	\$10,671	\$34,487	\$9,077
2006	\$988	\$2,384	\$3,368	\$4,789	\$9,783	\$42,055	\$5,860
% of respondents that used external advice							
2003	29.1%	52.0%	54.0%	62.1%	69.7%	78.6%	55.9%
2004	32.9%	48.3%	51.1%	62.3%	70.7%	72.3%	52.7%
2005	20.8%	43.6%	54.0%	56.0%	73.8%	58.9%	45.5%
2006	24.3%	40.2%	47.1%	57.1%	69.7%	75.9%	41.4%
Average external cost							
2003	\$1,843	\$4,013	\$3,174	\$6,054	\$7,096	\$25,672	\$8,625
2004	\$1,932	\$1,702	\$4,191	\$5,473	\$7,731	\$21,340	\$6,740
2005	\$1,083	\$1,677	\$4,839	\$5,589	\$12,216	\$27,393	\$10,330
2006	\$1,727	\$2,632	\$3,837	\$7,750	\$10,405	\$22,785	\$7,274
Average total cost							
2003	\$1,916	\$6,022	\$6,054	\$11,046	\$18,595	\$62,908	\$15,514
2004	\$1,635	\$3,210	\$5,823	\$9,536	\$16,182	\$47,040	\$10,428
2005	\$1,186	\$3,261	\$6,765	\$8,546	\$19,774	\$50,711	\$13,782
2006	\$1,377	\$3,426	\$5,116	\$9,059	\$16,903	\$58,533	\$8,747
Average total cost by FTE							
2003	\$604	\$836	\$457	\$362	\$274	\$181	\$239
2004	\$504	\$441	\$426	\$311	\$238	\$101	\$156

2005	\$408	\$444	\$488	\$271	\$287	\$72	\$99
2006	\$457	\$459	\$372	\$304	\$242	\$109	\$158
Average total cost as % of turnover							
2003	0.20%	0.28%	0.25%	0.15%	0.13%	0.21%	0.19%
2004	0.13%	0.15%	0.2%	0.16%	0.1%	0.05%	0.08%
2005	0.15%	0.22%	0.15%	0.08%	0.13%	0.02%	0.02%
2006	0.19%	0.20%	0.17%	0.10%	0.08%	0.04%	0.06%
Employment as % of total compliance costs							
2003	17.8%	26.5%	23.2%	26.7%	35.0%	43.6%	34.3%
2004	18.2%	25.0%	27.3%	28.0%	28.1%	25.2%	25.9%
2005	11.3%	16.9%	28.3%	28.5%	31.9%	29.0%	26.0%
2006	13.6%	17.4%	20.1%	21.5%	24.4%	27.2%	22.9%

Figure 26: Employment Compliance Costs per FTE by Enterprise Size (FTE Groups – 2003-2006)

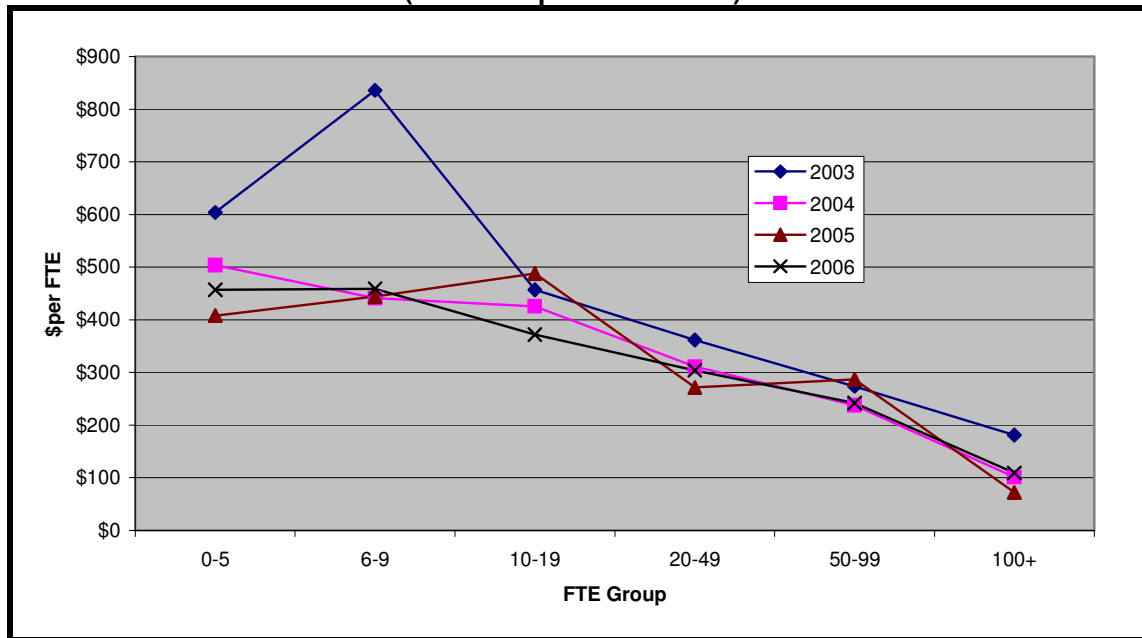


Table 60: Employment Compliance Costs by Grouped Industry (2003-2006)

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
Mean annual hours spent within enterprise on Employment							
2003	533.9	564.4	992.0	587.4	544.2	458.5	423.1
2004	519.0	360.6	756.7	299.7	355.7	172.1	290.8
2005	305.7	518.9	1342.6	366.4	316.6	331.7	443.9
2006	176.5	682.1	221.7	192.7	202.4	230.4	249.3
Average internal cost							
2003	\$10,165	\$10,746	\$18,888	\$11,184	\$10,360	\$8,729	\$8,055
2004	\$10,219	\$7,100	\$14,899	\$5,901	\$7,004	\$3,389	\$5,726
2005	\$6,285	\$10,669	\$27,604	\$7,533	\$6,509	\$6,820	\$9,127
2006	\$3,818	\$14,754	\$4,795	\$4,168	\$4,378	\$4,984	\$5,392
% of respondents that used external advice							

2003	66.0%	64.8%	61.7%	55.4%	55.8%	58.8%	47.5%
2004	57.4%	56.7%	62.8%	46.4%	53.8%	35.8%	62.4%
2005	43.6%	51.8%	50.7%	46.4%	49.0%	36.5%	49.3%
2006	34.0%	56.1%	36.6%	40.7%	44.0%	37.4%	43.5%
Average external cost							
2003	\$9,460	\$7,516	\$13,773	\$6,174	\$7,514	\$13,886	\$6,368
2004	\$6,216	\$5,237	\$8,208	\$7,220	\$7,171	\$10,362	\$5,446
2005	\$9,712	\$11,483	\$13,865	\$9,296	\$6,966	\$12,147	\$8,944
2006	\$5,265	\$9,052	\$5,943	\$4,911	\$10,684	\$7,990	\$8,370
Average total cost							
2003	\$16,405	\$15,618	\$27,386	\$14,602	\$14,550	\$16,897	\$11,081
2004	\$15,567	\$10,078	\$19,921	\$9,199	\$11,051	\$7,185	\$9,043
2005	\$10,524	\$16,648	\$34,639	\$11,874	\$9,922	\$11,248	\$13,534
2006	\$5,540	\$19,644	\$6,972	\$5,992	\$8,614	\$7,975	\$8,950
Average total cost by FTE							
2003	\$307	\$235	\$367	\$404	\$219	\$152	\$209
2004	\$135	\$219	\$302	\$94	\$222	\$197	\$120
2005	\$74	\$217	\$175	\$70	\$78	\$78	\$90
2006	\$113	\$301	\$170	\$191	\$72	\$324	\$89
Average total cost as % of turnover							
2003	0.22%	0.16%	0.17%	0.14%	0.15%	0.36%	0.28%
2004	0.05%	0.09%	0.13%	0.04%	0.11%	0.07%	0.12%
2005	0.01%	0.08%	0.06%	0.02%	0.09%	0.03%	0.02%
2006	0.05%	0.07%	0.03%	0.06%	0.07%	0.10%	0.07%
Employment as % of total compliance costs							
2003	24.3%	33.3%	41.9%	40.8%	35.3%	38.3%	33.3%
2004	19.7%	38.1%	26.8%	28.7%	29.9%	19.6%	24.0%
2005	23.0%	38.2%	28.9%	29.5%	15.5%	19.9%	29.8%
2006	21.2%	40.6%	14.8%	31.0%	23.3%	29.5%	21.7%

Figure 27: Employment Compliance Costs per FTE by Grouped Industry (2003-2006)

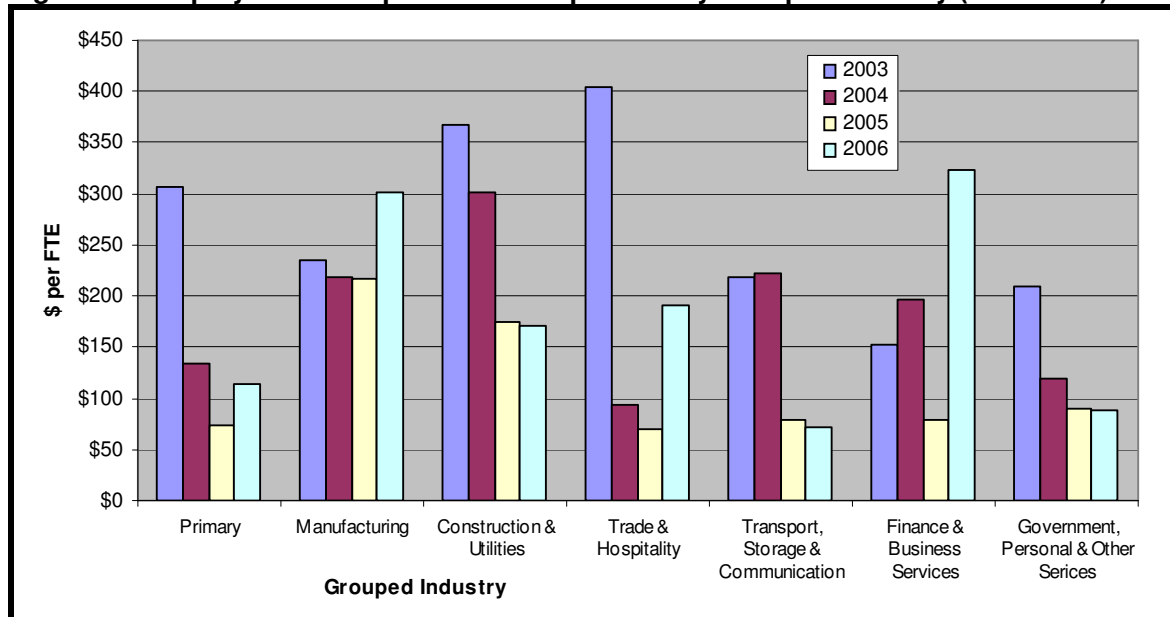


Table 61: Employment Compliance Costs by Grouped Region (2003-2006)

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
Mean annual hours spent within enterprise on Employment							
2003	619.3	582.4	893.2	617.2	516.8	297.8	429.3
2004	360.4	407.6	498.5	486.4	838.9	189.2	303.1
2005	467.6	378.4	358.3	728.5	542.1	332.1	339.0
2006	275.8	493.6	123.8	242.7	114.7	127.3	328.9
Average internal cost							
2003	\$11,792	\$11,089	\$17,006	\$11,751	\$9,840	\$5,671	\$8,173
2004	\$7,096	\$8,026	\$9,815	\$9,577	\$16,518	\$3,726	\$5,968
2005	\$9,614	\$7,780	\$7,367	\$14,978	\$11,146	\$6,828	\$6,970
2006	\$5,966	\$10,677	\$2,678	\$5,250	\$2,481	\$2,753	\$7,114
% of respondents that used external advice							
2003	60.0%	67.0%	55.2%	66.1%	68.4%	42.8%	64.2%
2004	53.5%	57.6%	54.8%	67.2%	65.8%	40.7%	62.8%
2005	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%
Average external cost							
2003	\$9,147	\$4,648	\$7,150	\$18,325	\$7,031	\$8,710	\$5,604
2004	\$8,349	\$5,097	\$6,211	\$8,061	\$7,284	\$6,447	\$3,367
2005	\$12,944	\$11,148	\$6,699	\$14,916	\$7,911	\$7,692	\$6,652
2006	\$8,990	\$6,698	\$3,468	\$9,621	\$5,330	\$5,062	\$5,261
Average total cost							
2003	\$17,280	\$14,204	\$20,951	\$23,864	\$14,651	\$9,395	\$11,770
2004	\$11,555	\$11,036	\$13,290	\$14,993	\$21,577	\$6,309	\$7,936
2005	\$15,132	\$11,913	\$10,579	\$22,540	\$14,343	\$10,465	\$10,382
2006	\$9,710	\$13,489	\$3,834	\$9,724	\$4,289	\$4,270	\$9,357
Average total cost by FTE							
2003	\$186	\$333	\$225	\$426	\$603	\$224	\$330
2004	\$117	\$168	\$229	\$275	\$598	\$142	\$152
2005	\$72	\$94	\$111	\$86	\$469	\$179	\$299
2006	\$104	\$285	\$147	\$209	\$251	\$196	\$225
Average total cost as % of turnover							
2003	0.15%	0.23%	0.24%	0.38%	0.32%	0.18%	0.18%
2004	0.05%	0.08%	0.12%	0.15%	0.30%	0.10%	0.11%
2005	0.02%	0.01%	0.07%	0.01%	0.20%	0.07%	0.17%
2006	0.04%	0.07%	0.05%	0.11%	0.13%	0.07%	0.09%
Employment as % of total compliance costs							
2003	34.3%	32.3%	33.6%	42.9%	28.6%	38.7%	26.6%
2004	22.7%	36.8%	36.2%	31.7%	31.0%	21.8%	27.2%
2005	23.6%	19.5%	25.3%	26.9%	35.9%	32.0%	33.0%
2006	21.9%	29.1%	16.9%	20.9%	18.3%	18.3%	27.8%

Figure 28: Employment Costs per FTE by Grouped Region (2003-2006)

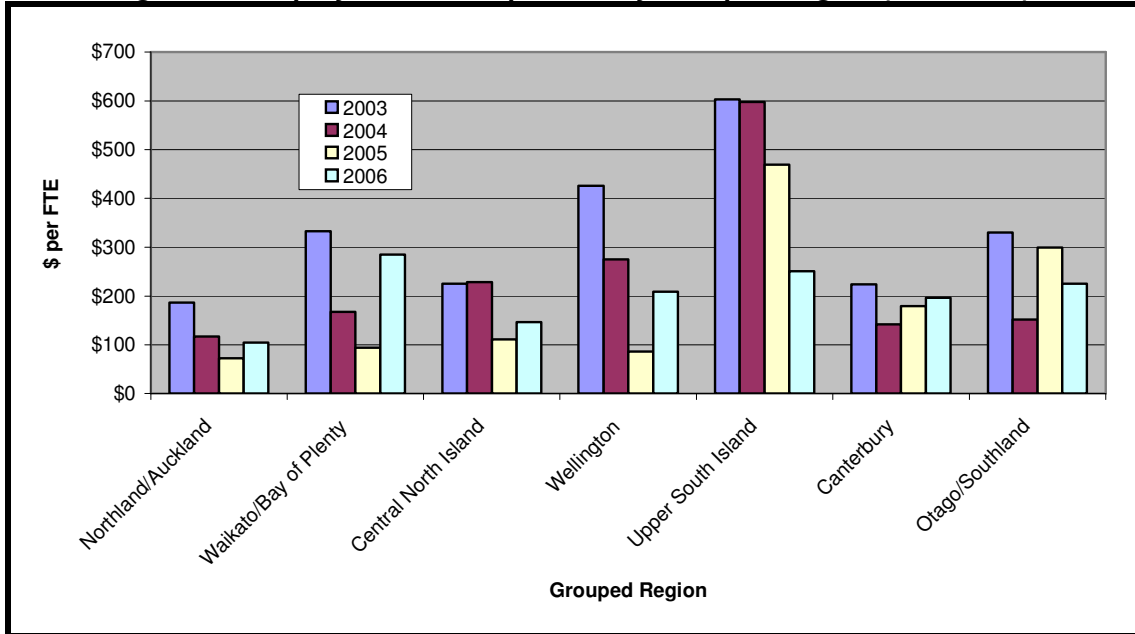
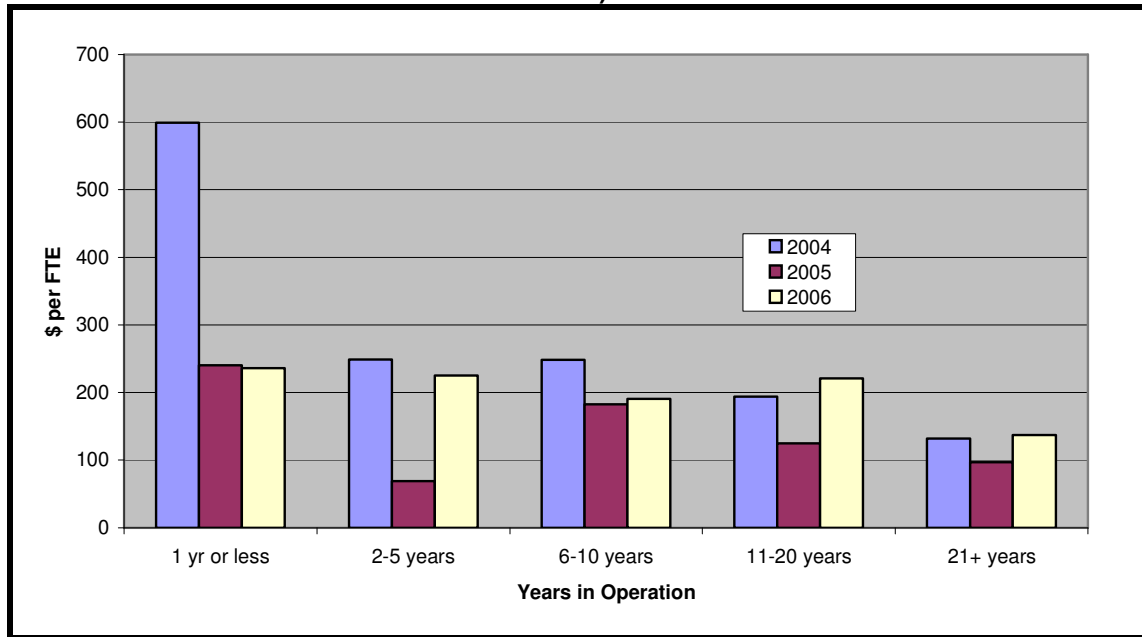


Table 62: Employment Compliance Costs by Grouped Years in Operation (2004, 2005 & 2006)

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
Mean annual hours spent within enterprise on Employment					
2004	218.9	130.3	222.1	314.0	577.2
2005	138.8	118.1	205.0	335.5	854.3
2006	26.9	155.1	107.8	189.9	513.8
Average internal cost					
2004	\$4,310	\$2,566	\$4,373	\$6,183	\$11,365
2005	\$2,854	\$2,428	\$4,215	\$6,898	\$17,564
2006	\$582	\$3,354	\$2,331	\$4,108	\$11,113
% of respondents that used external advice					
2004	37.5%	44.2%	49.7%	53.5%	60.0%
2005	31.1%	35.3%	47.0%	49.6%	55.1%
2006	26.4%	30.2%	39.2%	43.5%	49.4%
Average external cost					
2004	\$3,098	\$3,160	\$4,934	\$5,134	\$10,812
2005	\$9,172	\$6,087	\$4,819	\$7,031	\$16,306
2006	\$1,469	\$3,799	\$3,049	\$6,732	\$10,968
Average total cost					
2004	\$5,409	\$3,905	\$6,294	\$8,964	\$17,831
2005	\$5,503	\$4,474	\$6,407	\$10,259	\$26,259
2006	\$942	\$4,461	\$3,451	\$6,919	\$16,353
Average total cost by FTE					
2004	\$599	\$249	\$248	\$194	\$132
2005	\$240	\$69	\$183	\$125	\$97
2006	\$236	\$225	\$191	\$221	\$137
Average total cost as % of turnover					

2004	0.39%	0.12%	0.12%	0.08%	0.07%
2005	0.09%	0.01%	0.05%	0.01%	0.03%
2006	0.15%	0.15%	0.08%	0.06%	0.05%
Employment as a % of total compliance costs					
2004	32.5%	22.2%	18.9%	22.6%	32.7%
2005	22.4%	18.9%	26.4%	24.3%	27.7%
2006	12.7%	22.1%	15.4%	16.8%	28.1%

Figure 29: Employment Costs per FTE by Grouped Years in Operation (2004, 2005 & 2006)



3.4.3 ENVIRONMENT RELATED COMPLIANCE COSTS

Table 63: Summary Comparison for Environmental Compliance Costs (2003-2006)

Overall trend (2006)	Decrease			
Respondents answering this section (2006)	99.7%			
Internal cost trend (2006)	Decrease			
External cost trend (2006)	Decrease			
Year	2003	2004	2005	2006
Average total cost	\$7,673	\$5,387	\$8,100	\$5,195
Average total cost per FTE	\$118	\$81	\$58	\$94
Average mean annual hours spent within enterprise on Environmental costs (all sizes)	167.0	123.0	140.4	94.6
Average internal cost	\$3,181	\$2,422	\$2,887	\$2,046
Maximum annual hours spent by enterprise internally on environmental costs	10,000	10,400	50,000	200,000
Average external cost	\$19,263	\$17,515	\$32,770	\$20,367
Maximum annual amount spent by enterprise externally on environmental costs	\$1,800,000	\$800,000	\$2,000,000	\$500,000
Environmental costs as a % of total compliance costs	17.0%	17.9%	15.3%	13.6%
% of respondents who employed external environmental advisers	23.6%	17.0%	16.1%	16.1%

Table 64: Environment Compliance Costs by FTE Group (2003-2006)

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Mean annual hours spent within enterprise on Environment							
2003	40.2	62.1	85.3	177.5	187.7	517	167.0
2004	11.5	15.5	47.0	115.2	396.0	459.0	123.0
2005	19.0	34.9	51.7	72.3	200.0	553.3	140.4
2006	24.2	35.6	54.5	126.1	129.2	576.7	94.6
Average internal cost							
2003	\$766	\$1,183	\$1,624	\$3,380	\$3,574	\$12,159	\$3,181
2004	\$226	\$305	\$925	\$2,268	\$7,797	\$9,038	\$2,422
2005	\$391	\$718	\$1,063	\$1,486	\$4,112	\$11,376	\$2,887
2006	\$523	\$770	\$1,179	\$2,728	\$2,795	\$12,474	\$2,046
% of respondents that used external advice							
2003	13.3%	20.5%	19.6%	20.2%	35.5%	39.7%	23.6%
2004	6.6%	12.8%	14.4%	20.8%	26.1%	36.0%	17.0%
2005	9.7%	14.3%	15.7%	11.3%	23.4%	29.1%	16.1%
2006	12.4%	14.6%	14.7%	17.9%	26.3%	31.3%	16.1%
Average external cost							
2003	\$13,539	\$10,431	\$13,380	\$9,358	\$29,711	\$29,416	\$19,263
2004	\$8,982	\$6,300	\$10,211	\$15,773	\$25,958	\$30,223	\$17,515
2005	\$11,271	\$9,382	\$13,172	\$11,417	\$20,483	\$81,686	\$32,770
2006	\$5,267	\$7,576	\$14,446	\$23,814	\$34,572	\$61,500	\$20,367
Average total cost							
2003	\$2,571	\$3,323	\$4,248	\$5,207	\$14,129	\$21,305	\$7,673
2004	\$852	\$1,107	\$2,369	\$5,584	\$14,719	\$19,657	\$5,387
2005	\$1,536	\$2,087	\$3,190	\$2,821	\$8,635	\$13,588	\$8,100
2006	\$1,151	\$1,879	\$3,221	\$6,844	\$11,553	\$29,496	\$5,195
Average total cost by FTE							
2003	\$811	\$462	\$321	\$171	\$208	\$61	\$118
2004	\$262	\$152	\$173	\$181	\$216	\$42	\$81

2005	\$528	\$284	\$230	\$90	\$125	\$19	\$58
2006	\$382	\$252	\$234	\$229	\$165	\$55	\$94
Average total cost as % of turnover							
2003	0.27%	0.16%	0.18%	0.14%	0.10%	0.15%	0.15%
2004	0.07%	0.05%	0.08%	0.09%	0.09%	0.05%	0.06%
2005	0.19%	0.14%	0.07%	0.03%	0.06%	0.00%	0.01%
2006	0.16%	0.11%	0.11%	0.08%	0.06%	0.02%	0.03%
Environment costs as % of total compliance costs							
2003	23.8%	14.7%	16.3%	12.6%	26.6%	14.8%	17.0%
2004	9.5%	8.6%	11.1%	16.4%	25.6%	19.5%	17.9%
2005	14.6%	10.8%	13.3%	9.4%	13.9%	7.8%	15.3%
2006	11.4%	9.5%	12.7%	16.2%	16.6%	13.7%	13.6%

Figure 30: Environmental Costs per FTE by Enterprise Size (2003-2006)

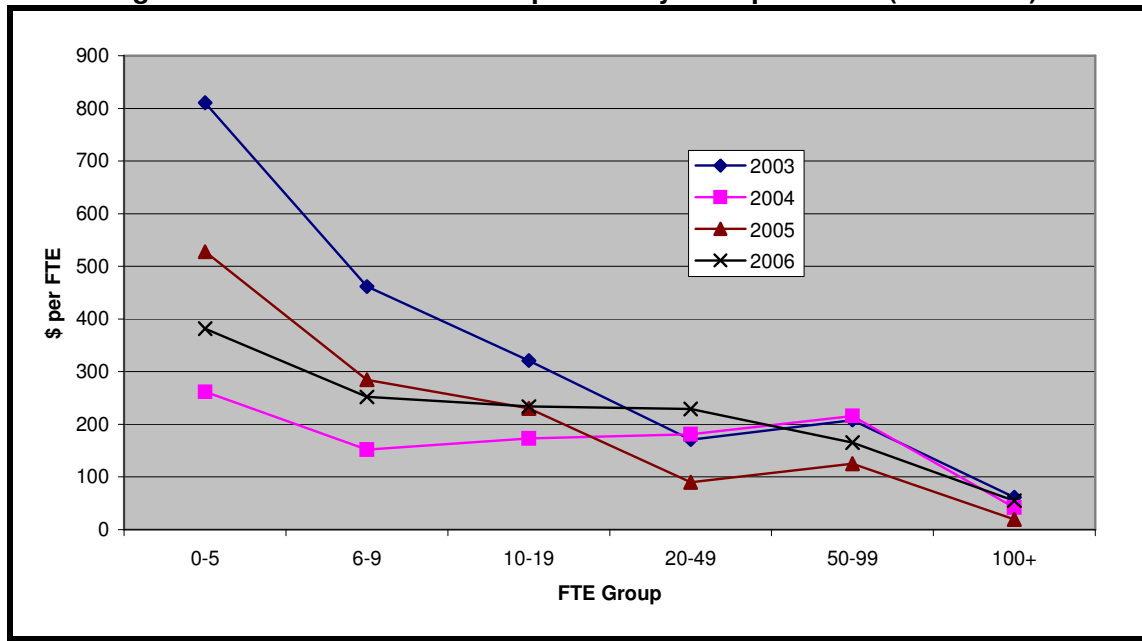


Table 65: Environment Compliance Costs by Grouped Industry (2003-2006)

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
Mean annual hours spent within enterprise on Environment							
2003	510.1	173.4	221.5	108.1	84.3	48.1	150.5
2004	503.3	82.2	370.0	121.0	157.2	20.2	133.2
2005	150.8	137.7	622.8	87.7	184.9	58.2	135.0
2006	78.4	190.6	163.2	38.3	124.1	40.4	95.6
Average internal cost							
2003	\$9,712	\$3,301	\$4,217	\$2,058	\$1,606	\$917	\$2,866
2004	\$9,910	\$1,619	\$7,285	\$2,382	\$3,095	\$398	\$2,623
2005	\$3,100	\$2,831	\$12,805	\$1,803	\$3,802	\$1,197	\$2,776
2006	\$1,696	\$4,123	\$3,530	\$828	\$2,684	\$874	\$2,068
% of respondents that used external advice							
2003	53.3%	24.2%	20.5%	20.7%	20.0%	12.3%	22.4%

2004	35.0%	20.5%	26.7%	12.7%	15.4%	8.5%	14.4%
2005	20.9%	23.3%	33.3%	15.8%	16.0%	6.1%	16.4%
2006	28.1%	27.0%	19.4%	11.1%	12.1%	7.0%	15.0%
Average external cost							
2003	\$34,831	\$12,522	\$37,812	\$6,583	\$20,669	\$29,244	\$15,502
2004	\$34,921	\$7,709	\$73,320	\$43,615	\$18,545	\$13,757	\$23,513
2005	\$12,690	\$16,004	\$27,447	\$29,245	\$97,973	\$47,632	\$37,523
2006	\$5,763	\$13,327	\$23,390	\$9,569	\$72,600	\$34,837	\$30,670
Average total cost							
2003	\$27,512	\$6,328	\$11,253	\$3,420	\$5,740	\$4,522	\$6,346
2004	\$22,554	\$3,182	\$27,199	\$7,733	\$6,135	\$1,593	\$6,241
2005	\$5,709	\$6,722	\$20,953	\$6,265	\$19,950	\$4,184	\$8,772
2006	\$3,228	\$7,665	\$7,861	\$1864	\$10,820	\$3,329	\$6,364
Average total cost by FTE							
2003	\$508	\$95	\$161	\$95	\$86	\$41	\$120
2004	\$170	\$69	\$413	\$79	\$123	\$44	\$83
2005	\$40	\$87	\$106	\$37	\$157	\$29	\$59
2006	\$66	\$117	\$192	\$59	\$90	\$135	\$63
Average total cost as % of turnover							
2003	0.36%	0.07%	0.07%	0.03%	0.06%	0.10%	0.16%
2004	0.07%	0.03%	0.17%	0.04%	0.06%	0.02%	0.09%
2005	0.00%	0.03%	0.04%	0.01%	0.18%	0.01%	0.01%
2006	0.03%	0.03%	0.03%	0.02%	0.08%	0.04%	0.05%
Environment as % of total compliance costs							
2003	40.7%	13.5%	17.2%	9.6%	13.9%	10.2%	19.1%
2004	15.4%	12.0%	36.6%	24.1%	16.6%	4.4%	16.6%
2005	12.5%	15.4%	17.5%	15.6%	31.1%	7.4%	19.3%
2006	12.4%	15.9%	16.7%	9.6%	29.2%	12.3%	15.4%

Figure 31: Environment Costs per FTE by Grouped Industry (2003-2006)

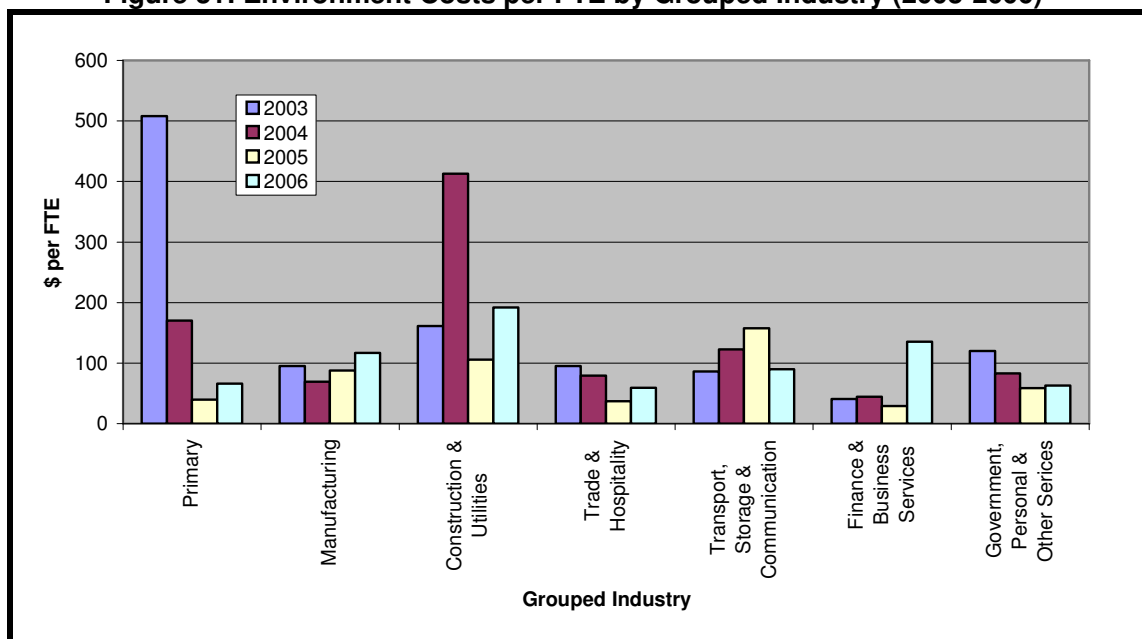


Table 66: Environment Compliance Costs by Grouped Region (2003-2006)

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
Mean annual hours spent within enterprise on Environment							
2003	128.2	227.0	352.2	160.0	284.1	86.3	227.0
2004	144.2	78.5	209.7	62.6	307.3	141.0	92.3
2005	143.8	113.2	216.2	195.0	202.0	132.7	51.2
2006	107.9	120.9	74.3	28.4	164.6	116.3	56.9
Average internal cost							
2003	\$2,441	\$4,325	\$6,706	\$3,046	\$5,410	\$1,643	\$4,321
2004	\$2,839	\$1,546	\$4,129	\$1,233	\$6,051	\$2,776	\$1,817
2005	\$2,957	\$2,327	\$4,445	\$4,009	\$4,153	\$2,728	\$1,053
2006	\$2,334	\$2,615	\$1,607	\$614	\$3,560	\$2,516	\$1,231
% of respondents that used external advice							
2003	22.9%	22.5%	28.3%	22.4%	29.4%	16.2%	35.4%
2004	17.3%	13.7%	22.6%	11.9%	36.8%	14.8%	19.2%
2005	14.2%	14.8%	20.4%	15.9%	19.1%	17.6%	16.2%
2006	17.8%	19.0%	6.8%	11.0%	10.7%	20.7%	19.9%
Average external cost							
2003	\$15,434	\$18,277	\$14,500	\$33,455	\$14,986	\$12,958	\$30,137
2004	\$34,596	\$7,600	\$12,490	\$9,394	\$33,115	\$22,854	\$9,157
2005	\$45,965	\$23,803	\$40,063	\$54,326	\$21,473	\$18,756	\$15,045
2006	\$26,253	\$21,108	\$14,275	\$4,758	\$9,100	\$17,171	\$21,354
Average total cost							
2003	\$5,969	\$8,242	\$10,804	\$10,556	\$9,818	\$3,744	\$14,680
2004	\$8,725	\$2,580	\$7,042	\$2,426	\$17,686	\$6,306	\$3,504
2005	\$9,347	\$5,853	\$11,412	\$12,523	\$8,056	\$6,130	\$3,560
2006	\$6,727	\$6,562	\$2,494	\$1,139	\$4,374	\$6,011	\$5,343
Average total cost by FTE							
2003	\$64	\$207	\$116	\$189	\$404	\$89	\$410
2004	\$88	\$39	\$121	\$44	\$502	\$141	\$67
2005	\$44	\$46	\$120	\$48	\$264	\$105	\$103
2006	\$72	\$139	\$96	\$25	\$256	\$275	\$128
Average total cost as a % of turnover							
2003	0.05%	0.13%	0.12%	0.17%	0.21%	0.07%	0.23%
2004	0.04%	0.02%	0.07%	0.02%	0.24%	0.07%	0.05%
2005	0.02%	0.00%	0.07%	0.01%	0.11%	0.04%	0.06%
2006	0.03%	0.03%	0.04%	0.01%	0.14%	0.10%	0.05%
Environment as a % of total compliance costs							
2003	11.8%	18.7%	17.3%	19.0%	19.2%	15.4%	33.2%
2004	22.7%	8.6%	19.2%	5.1%	38.1%	14.3%	12.0%
2005	14.6%	9.6%	27.3%	14.9%	20.2%	18.8%	11.3%
2006	15.2%	14.2%	11.0%	2.4%	18.6%	25.8%	15.8%

Figure 32: Environment Costs per FTE by Grouped Region (2003-2006)

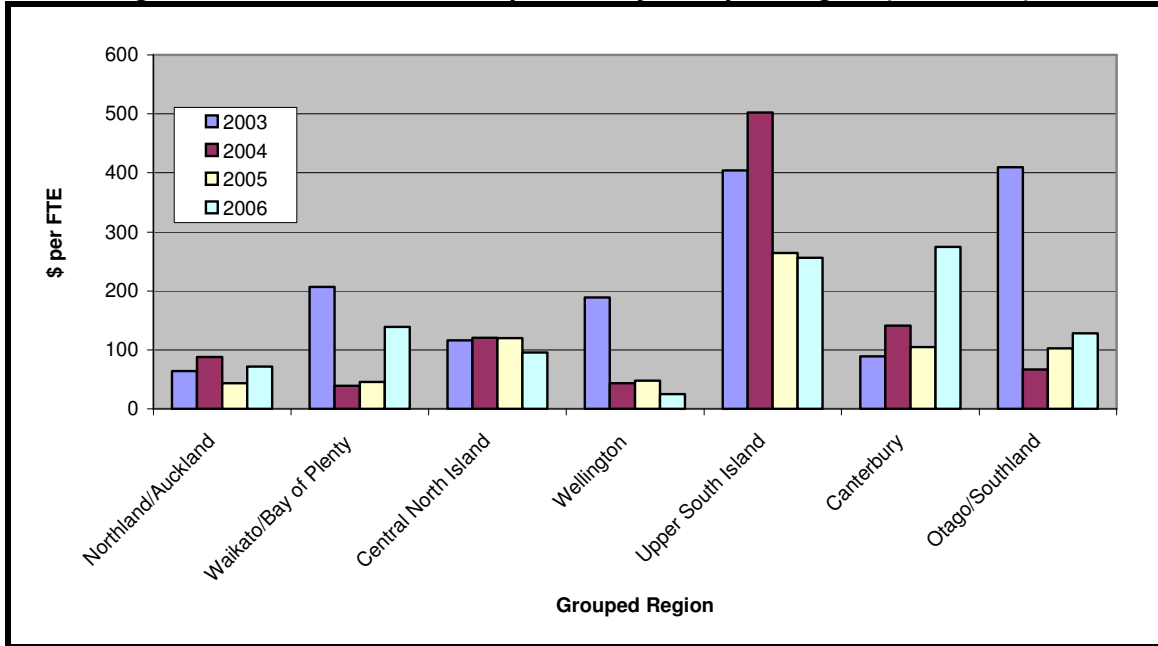
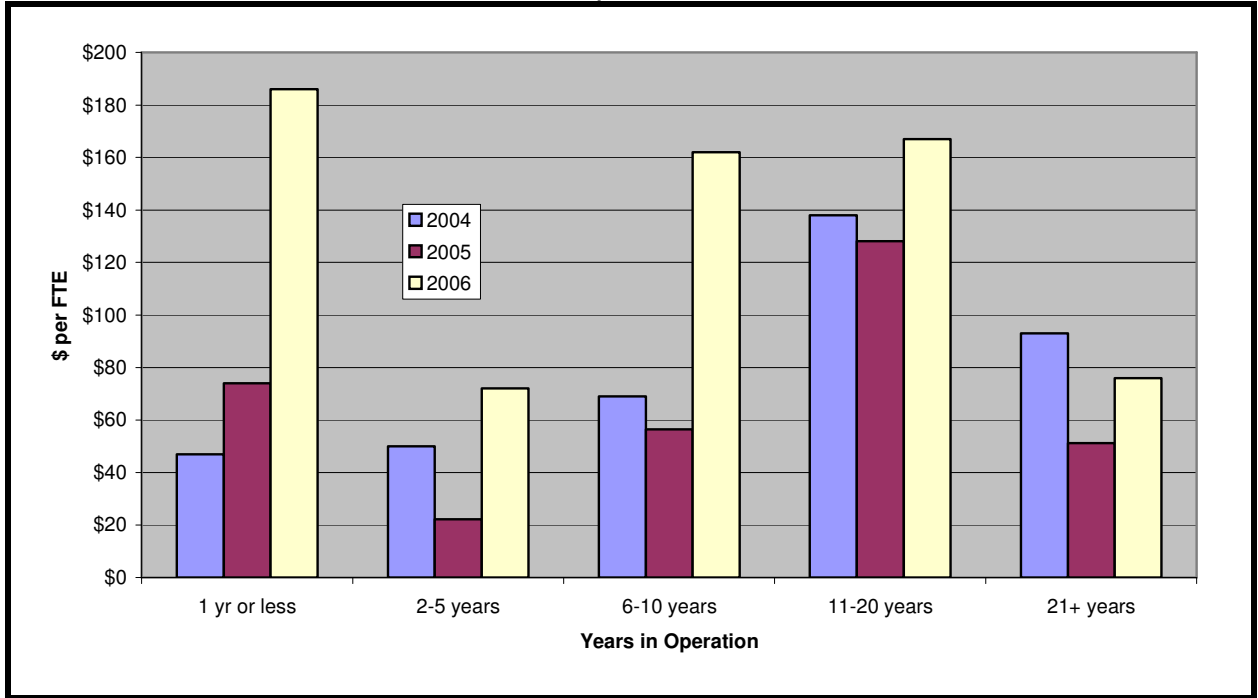


Table 67: Environment Compliance Costs by Grouped Years in Operation (2004, 2005 & 2006)

	1 yr or less	2-5 years	6-10 years	11-20 years	21+ years
Mean annual hours spent within enterprise on Environment					
2004	12.5	26.2	86.6	138.0	255.1
2005	24.4	57.2	54.2	133.9	246.7
2006	26.0	29.2	78.5	73.0	165.3
Average internal cost					
2004	\$246	\$516	\$1,705	\$2,717	\$5,023
2005	\$502	\$1,176	\$1,114	\$2,753	\$5,072
2006	\$562	\$631	\$1,698	\$1,579	\$3,575
% of respondents that used external advice					
2004	6.3%	7.4%	11.0%	18.6%	25.2%
2005	13.3%	10.5%	13.5%	15.6%	20.9%
2006	7.5%	12.9%	14.5%	17.1%	19.2%
Average external cost					
2004	\$2,725	\$3,468	\$26,831	\$19,644	\$29,792
2005	\$8,350	\$2,658	\$6,039	\$51,568	\$42,938
2006	\$2,375	\$6,060	\$9,188	\$22,930	\$29,784
Average total cost					
2004	\$428	\$784	\$4,496	\$6,396	\$12,669
2005	\$1,695	\$1,437	\$1,977	\$10,507	\$13,900
2006	\$742	\$1,419	\$2,918	\$5,242	\$9,151
Average total cost by FTE					
2004	\$47	\$50	\$69	\$138	\$93
2005	\$74	\$22	\$56	\$128	\$51
2006	\$186	\$72	\$162	\$167	\$76
Average total cost as % of					

turnover					
2004	0.03%	0.02%	0.07%	0.06%	0.05%
2005	0.03%	0.00%	0.01%	0.01%	0.02%
2006	0.12%	0.05%	0.07%	0.05%	0.03%
Environment as a % of total compliance costs					
2004	2.6%	4.5%	15.4%	16.1%	23.2%
2005	6.9%	6.1%	8.2%	24.9%	14.7%
2006	10.0%	7.0%	13.0%	12.7%	15.7%

Figure 33: Environment Costs per FTE by Grouped Years in Operation (2004, 2005 & 2006)



3.4.4 OTHER RELATED COMPLIANCE COSTS

Table 68: Summary Comparison for 'Other' Compliance Costs (2003-2006)

Overall trend (2006)	Decrease			
Respondents answering this section (2006)	100%			
Internal cost trend (2006)	Decrease			
External cost trend (2006)	Decrease			
Year	2003	2004	2005	2006
Average total cost	\$8,475	\$5,351	\$9,963	\$8,574
Average total cost per FTE	\$131	\$80	\$72	\$155
Average mean annual hours spent within enterprise on 'other' costs (all sizes)	260.9	164.0	245.8	212.2
Average internal cost	\$4,968	\$3,229	\$5,054	\$4,590
Maximum annual hours spent by enterprise internally on 'other' compliance costs	20,000	11,000	65,000	40,000
Average external cost	\$17,954	\$11,692	\$28,238	\$23,308
Maximum annual amount spent by enterprise externally on 'other' costs	\$800,000	\$3,840,000	\$1,000,000	\$2,000,000
'Other' costs as a % of total compliance costs	18.8%	22.2%	18.8%	22.4%
% of respondents who employed external advisers	19.5%	18.7%	18.3%	19.3%

Table 69: Other Compliance Costs by FTE Group (2003-2006)

	0-5	6-9	10-19	20-49	50-99	100+	All Sizes
Mean annual hours spent within enterprise on Other Costs							
2003	46.1	234.8	224.9	263.5	226.1	681.1	260.9
2004	52.3	50.1	88.2	206.5	272.2	603.0	164.0
2005	33.2	197.1	142.2	191.2	316.7	769.1	245.8
2006	42.0	65.1	172.3	276.7	333.7	942.6	212.2
Average internal cost							
2003	\$877	\$4,470	\$4,282	\$5,016	\$4,305	\$12,968	\$4,968
2004	\$1,030	\$986	\$1,737	\$4,066	\$5,360	\$11,873	\$3,229
2005	\$683	\$4,052	\$2,924	\$3,931	\$6,511	\$15,813	\$5,054
2006	\$909	\$1,408	\$3,727	\$5,985	\$7,218	\$20,388	\$4,590
% of respondents that used external advice							
2003	11.8%	17.9%	23.4%	20.0%	18.2%	27.0%	19.5%
2004	12.7%	19.8%	19.1%	21.9%	25.0%	16.8%	18.7%
2005	12.2%	18.6%	19.2%	18.9%	21.5%	25.6%	18.3%
2006	15.0%	18.3%	20.9%	23.0%	23.7%	31.3%	19.3%
Average external cost							
2003	\$2,343	\$7,334	\$8,180	\$37,329	\$8,031	\$30,663	\$17,954
2004	\$5,175	\$3,192	\$5,629	\$20,627	\$9,822	\$47,928	\$11,692
2005	\$2,847	\$6,647	\$5,258	\$7,811	\$25,167	\$96,886	\$28,238
2006	\$5,893	\$3,338	\$13,691	\$9,195	\$32,314	\$116,557	\$23,308
Average total cost							
2003	\$1,154	\$5,782	\$6,193	\$12,482	\$5,765	\$21,237	\$8,475
2004	\$1,699	\$1,616	\$2,775	\$8,307	\$7,870	\$19,047	\$5,351
2005	\$1,016	\$5,305	\$3,916	\$5,342	\$11,593	\$38,057	\$9,963
2006	\$1,765	\$2,006	\$6,378	\$8,097	\$14,870	\$55,772	\$8,574
Average total cost by FTE							
2003	\$364	\$803	\$467	\$409	\$85	\$61	\$131
2004	\$523	\$222	\$203	\$271	\$116	\$42	\$80

2005	\$349	\$723	\$283	\$170	\$168	\$54	\$72
2006	\$586	\$269	\$463	\$271	\$213	\$104	\$155
Average total cost as % of turnover							
2003	0.12%	0.27%	0.26%	0.17%	0.04%	0.07%	0.10%
2004	0.13%	0.08%	0.09%	0.14%	0.05%	0.06%	0.07%
2005	0.13%	0.36%	0.09%	0.05%	0.08%	0.01%	0.02%
2006	0.25%	0.12%	0.21%	0.09%	0.07%	0.04%	0.06%
Other costs as a % of total compliance costs							
2003	10.7%	25.5%	23.7%	30.1%	10.8%	14.7%	18.8%
2004	18.9%	12.6%	13.0%	24.4%	13.7%	27.1%	22.2%
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%

Figure 34: Other Compliance Costs per FTE by Enterprise Size (2003-2006)

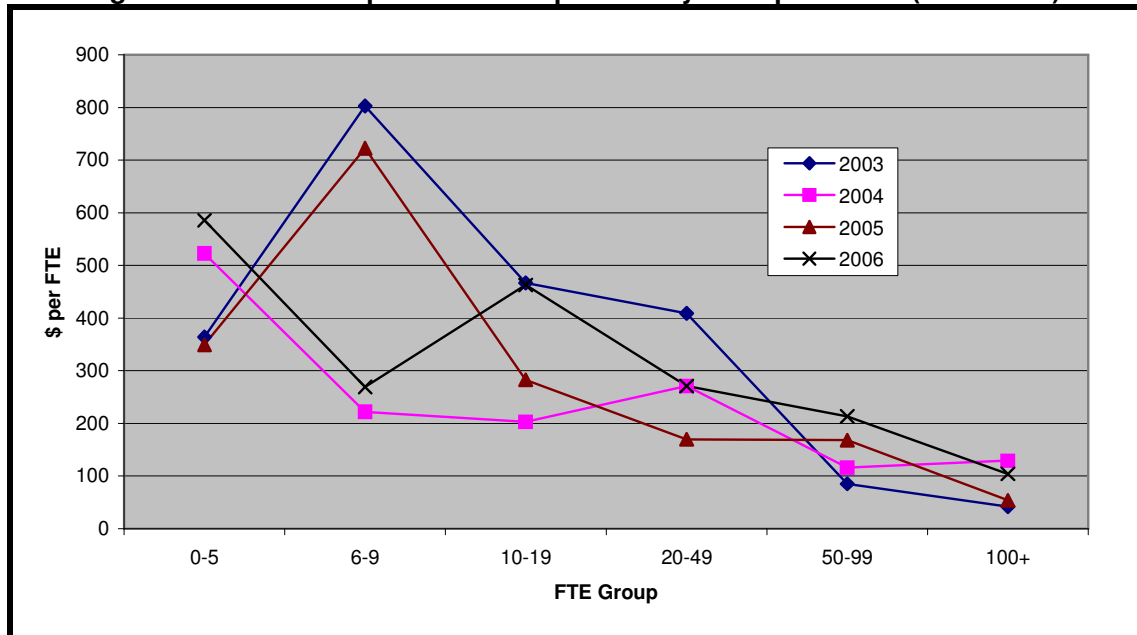


Table 70: Other Compliance Costs by Grouped Industry (2003-2006)

	Primry	Manu- factng	Cnstn & Util	Trade & Hsp	Tpt, Strg & Coms	Fin & Bus	Govt, Pers & Other
Mean annual hours spent within enterprise on Other Costs							
2003	220.5	354.0	174.7	78.0	264.2	206.3	351.5
2004	139.1	62.8	176.9	88.6	201.6	30.9	485.2
2005	138.8	89.9	527.2	118.5	217.8	290.3	422.5
2006	49.3	104.3	190.1	74.1	58.7	210.9	567.9
Average internal cost							
2003	\$4,199	\$6,740	\$3,325	\$1,485	\$5,030	\$3,928	\$6,693
2004	\$2,739	\$1,237	\$3,483	\$1,745	\$3,970	\$608	\$9,554
2005	\$2,854	\$1,848	\$10,839	\$2,436	\$4,478	\$5,969	\$8,687
2006	\$1,066	\$2,256	\$4,112	\$1,603	\$1,270	\$4,562	\$12,284
% of respondents that used external advice							

2003	14.9%	19.0%	8.7%	19.1%	28.0%	13.3%	27.8%
2004	26.2%	17.4%	17.4%	9.6%	27.7%	13.9%	27.6%
2005	10.9%	17.1%	26.9%	17.5%	29.0%	14.8%	21.3%
2006	17.5%	21.8%	17.8%	16.7%	23.3%	13.7%	28.0%
Average external cost							
2003	\$22,571	\$26,706	\$19,625	\$8,906	\$7,029	\$28,577	\$12,690
2004	\$7,613	\$4,359	\$24,717	\$18,420	\$10,304	\$5,245	\$18,751
2005	\$7,204	\$4,589	\$59,097	\$5,836	\$23,469	\$61,118	\$23,305
2006	\$5,398	\$8,172	\$70,005	\$11,266	\$14,777	\$41,474	\$19,110
Average total cost							
2003	\$7,561	\$11,827	\$5,032	\$3,185	\$6,998	\$7,719	\$10,218
2004	\$4,547	\$1,940	\$7,794	\$3,482	\$6,750	\$1,357	\$14,589
2005	\$3,647	\$2,552	\$26,956	\$3,409	\$11,149	\$14,413	\$13,443
2006	\$2,010	\$3,993	\$16,640	\$3,376	\$4,582	\$5,692	\$17,453
Average total cost by FTE							
2003	\$141	\$178	\$67	\$88	\$105	\$70	\$193
2004	\$40	\$42	\$118	\$36	\$135	\$37	\$193
2005	\$26	\$33	\$136	\$20	\$88	\$100	\$90
2006	\$41	\$61	\$407	\$108	\$38	\$231	\$173
Average total cost as % of turnover							
2003	0.10%	0.12%	0.03%	0.03%	0.07%	0.17%	0.26%
2004	0.02%	0.02%	0.05%	0.02%	0.07%	0.01%	0.20%
2005	0.00%	0.01%	0.05%	0.00%	0.10%	0.04%	0.02%
2006	0.02%	0.01%	0.07%	0.03%	0.04%	0.07%	0.13%
Other costs as a % of total compliance costs							
2003	11.2%	25.2%	7.7%	8.9%	17.0%	17.5%	30.7%
2004	49.3%	7.3%	10.5%	10.9%	18.3%	3.7%	38.7%
2005	8.0%	5.9%	22.5%	8.5%	17.4%	25.5%	29.6%
2006	7.7%	8.3%	35.4%	17.5%	12.4%	21.1%	42.4%

Figure 35: Other Compliance Costs per FTE by Grouped Industry (2003-2006)

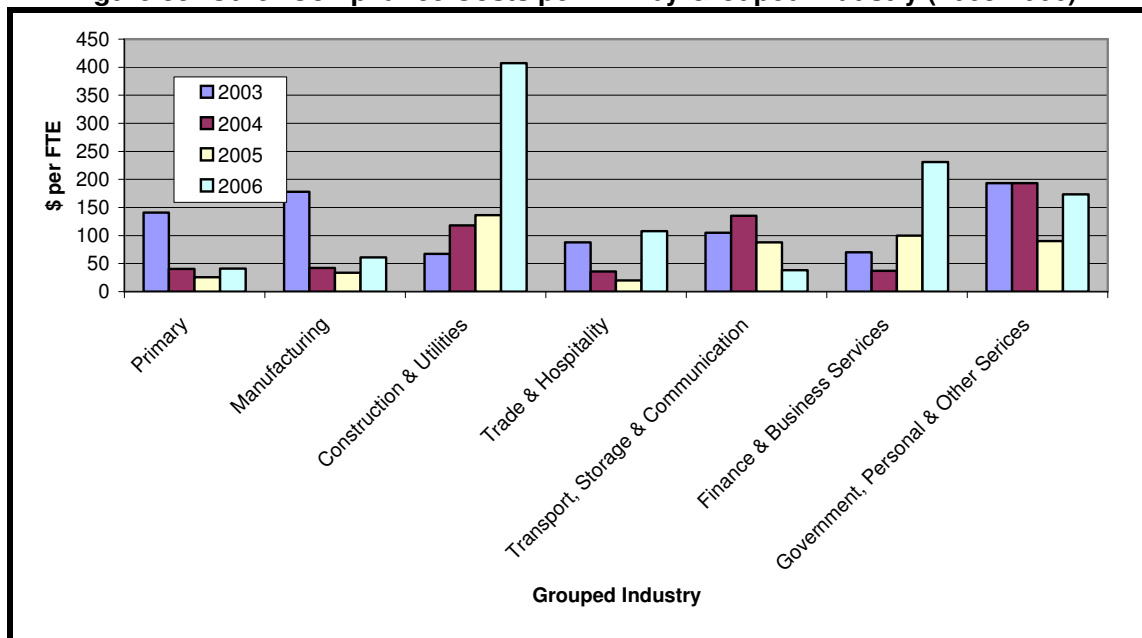


Table 71: Other Compliance Costs by Grouped Region (2003-2006)

	Nthld/ Akld	Waik/ BOP	Cent Nth Is	Wgtn	Upper Sth Is	Ctby	Otago/ Sthld
Mean annual hours spent within enterprise on Other Costs							
2003	243.1	286.3	554.5	187.8	797.7	97.8	295.2
2004	161.5	122.1	227.7	194.7	342.3	140.9	196.3
2005	276.3	254.0	251.5	227.5	296.0	202.0	225.2
2006	172.9	340.3	91.9	179.8	183.2	87.0	202.5
Average internal cost							
2003	\$4,628	\$5,452	\$10,557	\$3,575	\$15,188	\$1,861	\$5,620
2004	\$3,180	\$2,404	\$4,483	\$3,834	\$6,740	\$2,774	\$3,865
2005	\$5,681	\$5,222	\$5,171	\$4,677	\$6,086	\$4,153	\$4,630
2006	\$3,740	\$7,361	\$1,988	\$3,889	\$3,963	\$1,882	\$4,380
% of respondents that used external advice							
2003	19.2%	20.2%	26.8%	21.7%	16.7%	11.8%	26.9%
2004	13.6%	24.2%	21.0%	14.9%	47.4%	18.1%	17.9%
2005	16.8%	17.2%	23.5%	15.9%	17.0%	18.5%	22.1%
2006	17.8%	22.5%	17.9%	20.3%	16.1%	18.9%	21.3%
Average external cost							
2003	\$31,408	\$12,340	\$14,200	\$13,827	\$20,833	\$2,235	\$7,908
2004	\$15,024	\$8,099	\$8,192	\$37,745	\$5,831	\$9,425	\$20,172
2005	\$48,070	\$36,909	\$18,019	\$43,250	\$3,793	\$8,040	\$14,641
2006	\$38,917	\$16,568	\$9,265	\$30,112	\$2,067	\$13,859	\$12,611
Average total cost							
2003	\$10,663	\$7,949	\$14,361	\$6,571	\$18,660	\$2,124	\$7,749
2004	\$5,246	\$4,254	\$6,288	\$9,640	\$9,503	\$4,349	\$7,051
2005	\$13,438	\$10,875	\$9,196	\$10,547	\$6,663	\$5,635	\$7,788
2006	\$10,487	\$11,035	\$3,588	\$9,842	\$4,295	\$4,341	\$6,976
Average total cost by FTE							
2003	\$115	\$186	\$154	\$117	\$768	\$51	\$217
2004	\$53	\$65	\$108	\$177	\$263	\$108	\$135
2005	\$64	\$86	\$97	\$40	\$218	\$97	\$224
2006	\$112	\$233	\$138	\$212	\$252	\$199	\$168
Average total cost as % of turnover							
2003	0.09%	0.13%	0.17%	0.10%	0.41%	0.04%	0.12%
2004	0.02%	0.03%	0.06%	0.10%	0.13%	0.22%	0.10%
2005	0.02%	0.01%	0.06%	0.01%	0.09%	0.04%	0.13%
2006	0.04%	0.06%	0.05%	0.11%	0.13%	0.08%	0.07%
Other costs as a % of total compliance costs							
2003	21.2%	18.1%	23.1%	11.8%	36.4%	8.7%	17.5%
2004	10.3%	14.2%	17.1%	20.4%	13.7%	43.1%	24.1%
2005	21.0%	17.8%	22.0%	12.6%	16.7%	17.2%	24.8%
2006	23.6%	23.8%	15.8%	21.1%	18.3%	18.6%	20.7%

Figure 36: Other Compliance Costs per FTE by Grouped Region (2003-2006)

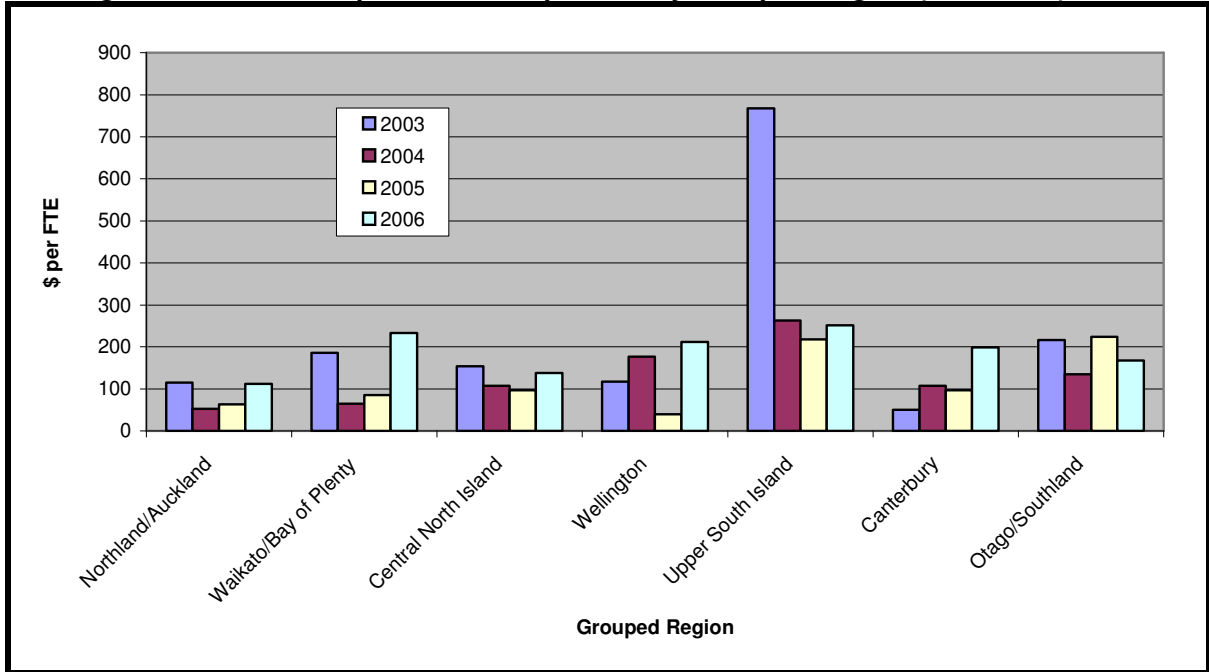
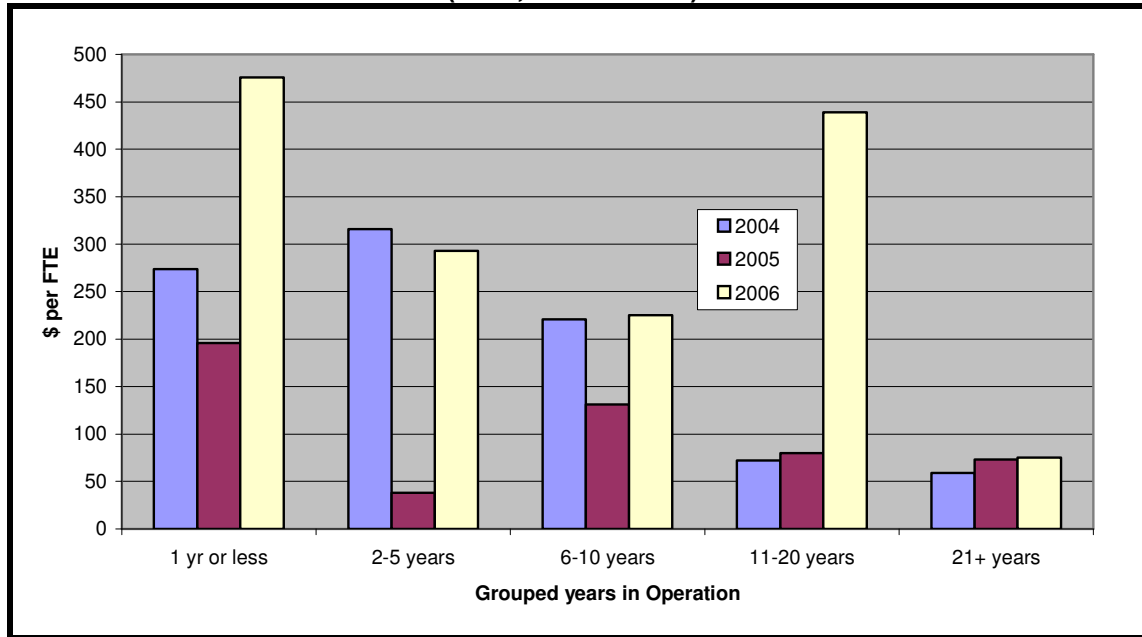


Table 72: Other Compliance Costs by Grouped Years in Operation (2004, 2005 & 2006)

	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					
2004	74.2	101.7	195.6	104.0	247.9
2005	131.9	85.2	155.2	169.0	443.7
2006	23.4	213.0	138.8	227.1	180.4
Average internal cost					
2004	\$1,461	\$2,002	\$3,851	\$2,048	\$4,881
2005	\$2,712	\$1,752	\$3,191	\$3,475	\$9,122
2006	\$507	\$4,606	\$3,002	\$4,913	\$3,903
% of respondents that used external advice					
2004	15.6%	18.4%	17.7%	15.5%	22.2%
2005	24.4%	15.5%	20.5%	18.5%	17.9%
2006	13.2%	15.5%	21.1%	20.9%	20.1%
Average external cost					
2004	\$6,280	\$16,866	\$10,691	\$8,165	\$14,686
2005	\$8,311	\$4,489	\$6,973	\$17,314	\$62,847
2006	\$10,586	\$8,107	\$5,340	\$43,579	\$25,755
Average total cost					
2004	\$2,474	\$4,953	\$5,616	\$3,339	\$8,025
2005	\$4,492	\$2,437	\$4,579	\$6,523	\$19,727
2006	\$1,905	\$5,802	\$4,066	\$13,757	\$9,032
Average total cost by FTE					
2004	\$274	\$316	\$221	\$72	\$59
2005	\$196	\$38	\$131	\$80	\$73
2006	\$476	\$293	\$225	\$439	\$75
Average total cost as % of turnover					

2004	0.18%	0.15%	0.40%	0.03%	0.03%
2005	0.07%	0.00%	0.03%	0.01%	0.03%
2006	0.30%	0.19%	0.10%	0.12%	0.03%
Other compliance costs as a % of total compliance costs					
2004	14.9%	28.1%	45.9%	8.4%	14.7%
2005	18.3%	10.3%	18.9%	15.4%	20.8%
2006	25.7%	28.7%	18.2%	33.3%	15.5%

Figure 37: Other Compliance Costs per FTE by Grouped Years in Operation (2004, 2005 & 2006)



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 63 affiliated industry groups from which the survey can also be sent out to. For the 2006 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 and 14 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 2006 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 2006 survey is largely similar to both 2004 and 2005, with the main changes involving:

- The removal of the question asking about the preferred means of communication with Governmental Agencies. This question had been asked in previous, with similar results every year. Therefore, it was felt it did not need to be asked again. Also, a slightly different angle of questioning was taken on call centres (see below).
- The removal of questions asking respondents whether they had had contact with the BIZ info website and if so, how helpful they found it to be. This question was asked as a one off in the 2005 survey as the website is run through New Zealand Trade and Enterprise, and its aim is to provide information to help run businesses better.
- The inclusion of 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.

Delivery of the Survey

Like the previous three surveys, Business New Zealand continued to use a web-based delivery option for the 2006 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. Like 2005, Business New Zealand decided not to have a paper based version available in 2006, given the extremely low usage of this format in previous years. The URL addresses for the survey were set up using the Employers' and Manufacturers' Association (Central) web-survey system. A very small number of respondents did have trouble downloading the questionnaire because of their server, so Business NZ faxed them copies, with five received back.

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 10 July to 28 July 2006. The timing of the 2006 survey was similar to the 2003 and 2004 surveys, as the 2005 survey was delayed because of the Business NZ Election Survey that was in the field during the June/July period. The 2006 survey was also in the field one week longer than in previous years, so that it provided time for the new industry group participants to send out the survey in conjunction with membership newsletters etc, and provide enough time for responses and reminders. After the initial e-mail was sent out by the regional associations and other industry groups to notify the respondents of the survey and provide them with a link to the website, reminder e-mails and phone calls were made by the respective regional associations and industry groups to those who had not yet completed the survey.

Final Dataset

1400 responses were received for the 2006 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 41.4% of respondents had five or fewer employees (compared to 84% of the population), this still constituted 579

respondents. The proportion of respondents with 0-9 FTEs was also much higher in 2006 (59.0%) than 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

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

Business New Zealand, in conjunction with KPMG, undertakes 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.

This will be the fourth 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 should take around 15-20 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 - 2006

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

Section A. Compliance Cost Priorities

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

Compliance Cost	Priority (Please insert 1, 2 and 3 to indicate your 3 selections)
ACC	
Border Control & Biosecurity	
Companies Act/Securities Act/Takeovers	
Consumer Issues	

Education Sector	
Employer Based Superannuation Schemes	
Employment Relations Act	
Food Safety	
Hazardous Substances & New Organisms	
Health Sector	
Health & Safety in Employment Act	
Holidays Act	
Local Government	
Resource Management Act	
SNZ Surveys	
Tax	
Transport Sector	
Other Compliance Costs	

Section B. Helpfulness of Central and Local Government Agencies

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

Agency	Have you had contact with this agency over the past 12 months?	If yes, how helpful did you find the agency?				
		Very 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 &	Yes/No	1	2	3	4	5

Forestry						
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. How many times have you contacted Government Agency Call Centres over the last year?
 - Never
 - 1-2
 - 3-5
 - 6-9
 - 10+

- 4.1 If you have contacted Government Agency Call Centres during the past year, did you usually obtain a suitable answer without need for follow-up contacts?
 - Yes
 - No

Section C. Change in Compliance Burden

5. 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 Based Superannuation Schemes	1	2	3	4	5
Employment Relations Act	1	2	3	4	5
Health & Safety in Employment Act	1	2	3	4	5
Holidays Act	1	2	3	4	5
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

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

Section D. Estimating Tax Compliance Costs

7. 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

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

- Total hours: _____

9. 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. \$ _____

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

- Yes
- No

11. 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

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

- Total hours: _____

13. 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

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

- Total hours: _____

16. 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. \$ _____

17. 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

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

- Total hours: _____

19. 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. \$ _____

20. 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

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

Section I. About Your Business

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

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

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

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

\$ _____

26. 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

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

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

Thank you very much for completing the survey.