Supply side data for the TSA

The New Zealand perspective

July 2011

Supply side overview

Business Frame

AES

GST

SNA 93

Annual National Accounts

Supply Use tables

Input Output tables

TSA RMF 2008

NZ TSA
System of National Accounts

- SNA 1993

- New Zealand outputs:
  - Quarterly and annual GDP estimates
  - Institutional Sector accounts
  - Capital account
  - Environmental and Sustainable Development measures

Business Frame

- Database of all known individual private and public sector businesses
- Enterprise criteria
- 470,000 economically significant enterprises
- Key information obtained
- Coverage and maintenance
Annual Enterprise Survey (AES)

- Coverage and population
  - > 221,200 sourced from Inland Revenue data
  - > 22,500 from postal survey
  - > 3,150 from other Statistics NZ surveys
  - > 566 from Ministry of Economic Development
  - > 203,850 non sample units

Annual Enterprise Survey (AES)

- Source of financial information by industry and sector groups
- Basis of national accounting variables
- ANZSIC
- Survey frequency
- Financial year
- Data from 1986
Annual Enterprise Survey (AES)

- Economically significant enterprise criteria
  - More than $30,000 annual GST expenses or sales
  - Rolling Mean employment greater than 3
  - GST exempt industry
  - Part of a group of enterprises
  - A new GST registration

Goods and Services Tax (GST)

- Consumption tax on goods and services
- Covers all businesses that conduct taxable activity in New Zealand above threshold
- GST charged on most taxable activities
- Some exemptions
- Supplied by Inland Revenue to Statistics NZ
NZ National Accounts

- Annual release
- Contains data on:
  - Consolidated accounts of the nation
  - National and household income and outlay accounts
  - National capital account
  - External account
  - Net capital stock by asset type
  - Productive capital stock by asset type.

Supply Use tables

Figure 1: A matrix representation of the supply & use framework

<table>
<thead>
<tr>
<th>Total supply</th>
<th>Total use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic supply $S$</td>
<td>Intermediate use $U$</td>
</tr>
<tr>
<td>Imports $M$</td>
<td>Final expenditure $F$</td>
</tr>
</tbody>
</table>

Production measure: $GDP(P) = S - U$
Expenditure measure: $GDP(F) = F - M$

Note: $S, U, F,$ and $M$ in purchaser’s prices.
$GDP$ is the sum of value added for all industries.

Value added (by industry): $= S - U$ (by column):
- Compensation of employees
- Gross operating surplus
- Mixed income + taxes on production and imports less subsidies.

Final expenditure:
- Final private and government expenditure
- Capital formation + exports
Input Output tables

- Analyse the individual components of the economy
- Powerful tool that can be used for a wide range of economic analysis
- Produce a benchmark for the national accounts
- Tables for Year ended March 1996

TSA framework

- Internationally accepted framework:
  - TSA Recommended Methodological Framework (2008)
  - New Zealand adaptations

- Use of GST and AES rate forward
- No GDP P estimate