Measuring an inclusive and sustainable economy

Statistics New Zealand
(February 2023)

Contents

Foreword

Our thoughts are with everyone impacted by the recent weather events and along with COVID-19, it continues to be a challenging time.

We know that customers make important decisions using our insights and statistics, so high-quality data is important to them and us. Decisions that affect interest rates, the allocation of government expenditure and business investment, all rely on independent and trusted data from Stats NZ.

Throughout the COVID-19 pandemic, data has been at the heart of important decisions. We had to adapt and change measures, models, and assumptions to reflect the reality of what was happening in Aotearoa New Zealand. Data will also be important for rebuilding and recovering from recent events.

International standards that underpin a lot of the statistics and insights that we produce about the economy are changing. The new international standards reflect what is important to people, such as climate change, the distribution of wealth, and the digital economy. These new standards will further integrate the environment and wellbeing into economic frameworks and reflect products like cryptocurrency that did not exist at the time of the last major updates.

Now is a useful time for us to take stock of our current system for measuring the economy against current needs and in anticipation of future ones. We regularly receive a range of feedback from customers, and we want to reflect our understanding of their needs and the way forward.

This document underpins our consultation on the way forward so we can continue to work with our customers to provide high-quality, decision-useful data and deliver value for money.

I look forward to the rich conversation that we hope this document will generate for Aotearoa New Zealand about measuring an inclusive and sustainable economy.

Rachael Milicich

Deputy Government Statistician | Deputy Chief Executive – Insights and Statistics
Kaimātai Tauanga Kāwanatanga Tuarua | Pouārahi Tuarua – Ngā Māramatanga Me Ngā Tauanga

Introduction

As Aotearoa New Zealand's official data agency, Stats NZ produces data and statistics that inform several statistical domains across the economy, environment, population and society. These data and statistics support a range of uses, including policy formulation and evaluation, planning and investment decisions, business development, market commentary, and forecasting. Our statistics are used by government, businesses, and treaty partners, as well as unions, social agencies, academics, and many others.

In recent times, there have been several drivers that have impacted, and continue to impact, our statistics and the recent weather events reinforce that. To respond to these, we must develop a data quality plan that addresses the things that are of greatest importance to our customers. We are reaching out to our customers to understand their priorities to inform this plan.

The scope of this document is statistics about the economy and the frameworks that underpin our measurement systems, acknowledging there are important links with social and environment statistics. We recognise that statistics about the economy also contribute to the Longitudinal Business Database (LBD), which has detailed (micro) data about businesses for approved researchers. However, we have not explicitly included the LBD in our assessments of domains. This document uses six dimensions of data quality (relevance, timeliness, accuracy, interpretability, coherence, and accessibility) to assess the initiatives. Therefore, this document is aiming to become a data quality plan.

The All topics and DataInfo+ pages on the Stats NZ website contain more information about our products and services for readers who are less familiar with our range of data and statistics.

Strategic context

There are several worldwide and domestic trends impacting on the statistical and information landscape within Aotearoa New Zealand that will shape customer needs over the medium term (2-3 years).

The United Nations report "Shaping the Trends of Our Time" (UN, 2020) examines how global efforts should be directed to ensure that we achieve the full measure of the United Nations 2030 Development Agenda, and sets the stage for an inclusive, sustainable, and equitable future. It elaborates five megatrends: climate change; demographic shifts, including ageing; urbanisation; the emergence of digital technologies in the fourth industrial revolution; and inequalities. Many of these megatrends will be reflected in upcoming changes to the international standards that underpin our statistics about the economy.

We have refreshed and released our Statement of Strategic Intentions (Stats NZ, 2021), which sets out our intended direction. Our priorities are to build an integrated and inclusive data system, to deliver more relevant and timely data and statistics – many of which would be influenced by the megatrends and associated changes to international frameworks – to deliver more and better data for Māori, and to modernise the way we collect data.

The recently updated Data Investment Plan (NZ Government, 2022) is a prioritised plan to guide government investment in data. This document gives context to many of the deliverables within the Data Investment Plan (DIP), noting that the DIP also comprises data and statistics that are led and delivered by other government agencies. This document is about measuring an inclusive and

sustainable economy and therefore is focused primarily on Stats NZ's role in measuring the economy.

There are several key specific drivers that flow from the strategic documents mentioned as well as from other events and needs, including:

- the continuation of the COVID-19 pandemic and evolving patterns of activity as the response unwinds
- impacts of climate change and weather-related events
- impacts of both digitalisation and globalisation, including new products, such as cryptocurrencies, and activities such as those in the sharing economy, which have emerged in recent years
- longstanding unmet customer needs and gaps in the statistics we deliver about the economy
- meeting the needs of our Te Tiriti partners by delivering statistics for and with Māori, iwi, and hapū
- statistical maintenance activities needed to ensure that the fitness for purpose of current statistics is maintained – this would include such things as responding to changing patterns of consumption and production
- statistical maintenance is important because it helps to maintain trust and confidence in our statistics by ensuring that designs, methods, and other processes remain relevant and up to date, and do not deteriorate over time
- changes to the international statistical standards that underpin our statistics and are essential for international comparability across countries – key changes over the next few years relate to the System of National Accounts, SNA25 (United Nations Economic Commission for Europe, 2022) and the Balance of Payments Manual, BPM7 (International Monetary Fund, 2020)
- changes to our industrial and commodity classifications – the key focus of new international standards is around ensuring ongoing relevance in a changing world; this includes, for example, better measurement of globalisation, climate change and digital activities, as well as greater reconciliation between stocks and flows and improved coherence across domains
- many of the changes to international frameworks reflecting topics of interest that would have originally been thought of as 'Beyond GDP' initiatives are now being incorporated into the formal measurement systems; this includes things like greater distributional measures, conversely it is possible or likely that many initiatives described in this document as 'Beyond GDP' may be picked up in future framework reviews.

Structure of the document

In the following sections we have broken down the impacts by high-level domain.

- Prices
- Trade and international statistics
- Modern economy and the national accounts
- Māori business and economic statistics
- Productivity and the supply of labour and capital
- Beyond GDP; Broader measures of wellbeing and sustainability
- Cross-cutting issues and opportunities

Within each domain we set out a high-level background, outline some key drivers for change, and present a table of our provisional initiatives, along with some factors such as our understanding of customer use and value, an estimate of current quality (if applicable), and our draft prioritisation

based on engagement to date with customers. This table also includes the quality dimension addressed by the proposed initiative, these dimensions being accuracy, relevance, coherence, timeliness, interpretability, and accessibility. We also provide an assessment against the International Monetary Fund's Special Dissemination Standards (SDDS) as another guide to quality. We also provide estimates of current quality and of priority based on customer feedback to date. In these we have given three ratings – high as meeting needs, medium as broadly meeting needs, and low as requiring attention. It should be noted that domains are not mutually exclusive and that initiatives in one domain may relate to those in another domain.

There is a section about cross-cutting issues and opportunities that we need to consider and respond to. These include making more use of data available across the data system, updating our suite of dissemination tools, the use of technology, and looking at industry statistics.

Finally, we outline some next steps including how customers can provide feedback and how we plan to engage with customers about this document.

Summary of proposed priorities

The summary table below shows the initiatives we view as 'high priority' at this stage ie, for the timeliest action. These priorities are derived from the top priorities within each of the statistical domains we have identified and encompass feedback from customers, completing work already funded and responding to changes resulting from international standards. The table summarises why these are important, indicative effort and complexity, funding source and any links and interdependencies to the updated international standards.

Category and initiative	Why this is important	Effort and complexity	Funding	Link to updated international standards
Progressing current commitments				
Accumulation and flow of funds accounts, production of experimental and then official series	This provides better understanding of the relationship between saving, wealth accumulation and balance sheets, as well as the relationship between sectors which helps with the understanding of where stress in the economy might be.	Effort: Medium to high Complexity: Medium to high	Already funded	SNA25
Quarterly income measure of GDP (GDPI) and institutional sector accounts (ISA) – moving from experimental to official series	This provides a timelier understanding of how GDP flows into income	Effort: Medium to high Complexity: Medium to high	Already funded	SNA25
Improving coherence, relevance, and accuracy of current statistics				
Improving coherence between the three measures of GDP – to improve this coherence, it is necessary to improve several other measures as they feed into GDP; for example, this initiative is dependent on annual constant price supply/use balancing, which is in turn dependent on good-quality price indexes and household expenditure deflators	This provides an improved understanding of key drivers of the NZ economy and the supply and use of goods and services produced in New Zealand.	Effort: Medium to high Complexity: Medium to high	Partially funded	SNA25
Updating weights in business price indexes (BPI) indexes	This ensures that commodities in BPIs are up to date, which maintains the relevancy and accuracy of the indexes. These are used as deflators in national accounts and accurate indexes are needed to improve the Production and Expenditure measures of GDP mentioned above. The underlying commodity data is also important for greenhouse gas emissions statistics.	Effort: Medium Complexity: Medium	Partially funded	Commodity Product Classification (CPC)

Category and initiative	Why this is important	Effort and complexity	Funding	Link to updated international standards
Improving the measurement of travel expenditure by New Zealanders overseas, and overseas visitors to New Zealand	These items measure spending by overseas visitors to New Zealand (travel credits) and spending by New Zealander's travelling overseas (travel debits). Travel credits are critical to understanding the contribution of tourism to the New Zealand economy. Travel debits are a vital component of household expenditure, and together with travel credits feed directly into the balance of payments and GDP.	Effort: Low Complexity: Medium	Currently unfunded	N/A
Improving the measurement of greenhouse gas (GHG) emissions – commodity data used to update weights in BPI indexes is important for maintaining the quality of GHG statistics	GHG emissions data informs climate change policy, modelling, shows the link between economic activity and emissions through the System of Environmental Economic Accounting SEEA (United Nations, 2023) accounts.	Effort: Medium Complexity: Medium to high	Partially funded	SNA25 BPM7 International Standard Industry Classification (ISIC) CPC
Working with Te Tiriti partners				
Expanding the population of Māori businesses	A well-defined and comprehensive population of Māori businesses is critical to the production of any statistics on Māori businesses and their contribution to the economy, environment, and society.	Effort: Medium Complexity: Low Note, this work is ongoing	Already funded	N/A
Responding to changed international standards				
Continuing engagement in international discussions	This ensures that the New Zealand position is reflected in classifications so we can accurately describe the New Zealand context and customer needs, and any impacts of changed standards.	Effort: Low Complexity: Medium	Already funded	SNA25 BPM7 ISIC CPC

Category and initiative	Why this is important	Effort and complexity	Funding	Link to updated international standards
Engagement with Te Tiriti partners	This ensures the needs of Māori in our work programme, including a view based on te ao Māori.	Effort: Medium to High Complexity: Medium	Already funded	SNA25 BPM7 ISIC CPC
Continuing engagement and planning with customers	This ensures customer needs and priorities are considered in our data quality plan and the ongoing support of customers.	Effort: Medium Complexity: Medium	Already funded	SNA25 BPM7 ISIC CPC
Implementing international standards	Adoption of new standards is critical for ensuring ongoing international comparability. The new standards further integrate the environment and wellbeing into economic frameworks, and better reflect new products and services.	Effort: Very high Complexity: Very high	Currently unfunded	SNA25 BPM7 ISIC CPC

We are interested in your feedback. We would like to know whether any of the initiatives are of limited value to you as customers, whether we have missed anything, and what your customer priorities look like – either within each domain or across domains

Things to consider
- What do you think about the proposed high priorities?   - What value do you see being generated or maintained from these initiatives?   - Are some unnecessary and of lower priority?   - Is there a preferred order they should be delivered in?   - Are we missing any initiatives that you would have expected to see?   - Why is this and what would you use the statistics for?   - Is there an opportunity to collaborate or partner with an organisation to progress these initiatives?

To provide your feedback to us please see details in the Next steps section at the end of this document.

Statistical domains

Prices statistics domain

Background context

Understanding price change in a modern economy is critical, and it has become a prominent issue for Aotearoa New Zealand and many other countries as we transition from the COVID-19 pandemic.

We produce several suites of price indexes to help customers understand price changes, including the consumers price index (CPI), food price index (FPI), household living-costs price indexes (HLPIs), a range of business price indexes (BPIs), capital goods price indexes (CGPI), and the labour cost index (LCI).

Our customers use price indexes for a range of uses. These include as inputs into monetary policy, economic modelling, and forecasting, for understanding regional and sectoral drivers of economic change and growth, for more specific uses such as indexation of government payments, wage agreements and negotiations between unions and employers, and for international reporting to international organisations eg, Organisation for Economic Cooperation and Development (OECD), International Monetary Fund (IMF), and credit-rating agencies. Social agencies have a strong interest in price statistics as a key contributor to household wellbeing and budget sustainability.

The prices statistical suite faces several changing factors and Stats NZ's expectation is that both the suite of price statistics and the underlying statistical processes will look quite different in ten years' time from what they do now.

We need to continue to monitor the impacts of the COVID-19 pandemic, and respond to changing consumer patterns, labour market developments, unexpected events including weather-related and industry changes.

We need to keep track of short-term change as the pandemic response evolves, including revisiting some of the changes made in response to the pandemic, for example the treatment of airfares and accommodation, which needs to be monitored.

We need to deal with changing consumer patterns more generally, for example increased online shopping, new products, and activities such as those in the sharing economy. Work is needed to determine the implications for the relative importance of commodities (weights), commodity changes, and when and for how long to implement these. This is exacerbated by the expenditure component of the Household Economic Survey 2021/2022 being delayed due to the COVID-19 pandemic.

Business price indexes and the labour cost indexes need maintenance work to keep them up to date, particularly as the labour market and industries evolve.

In our current context of recent high inflation there are renewed calls for a timelier measure of consumer prices, eg, a monthly CPI (Consumer Prices Index) with New Zealand now the only member of the OECD to not produce a monthly CPI. There is also a need for accurate and timely information on house prices, and more detail on rental price breakdowns.

The rapidly evolving digital economy is changing household expenditure patterns with new products, services such as online purchasing. Similarly, the pattern of business activity is changing with new

types of activity, and this is being reflected in the new international standards, which New Zealand needs to adopt in future.

Detailed drivers for change

There are several factors driving change within the price's statistical suite. These include the following.

New or emerging topics of interest, including:

- monthly CPI – more timely data to support monetary policy

- rental price indexes at territorial authority level – Housing and Urban Development (HUD) are dependent on this for their housing affordability dashboard; initial work has been progressed by Stats NZ and HUD

- house price index – New Zealand has no official measure of house prices with high interest in these prices and housing affordability; unofficial measures exist

- expanded HLPIs to include data for homeowners and renters.

Change needed to maintain current data quality, which could be short or long term, includes the following:

- Business price index (BPI) weights – we previously ran a programme of work to update the relative importance of various income and expenditure items ie BPI weights. This was based around a rolling series of industry surveys and this programme lapsed, leading to weights becoming more out of date. We need to bring in a refreshed programme to update BPI weights. BPIs (Business Price Indexes) updated weights may also improve the current discrepancy between the national accounts' expenditure and income measures. A more modern set of commodities will also better inform new topics of interest such as greenhouse gas emissions and the digital economy.

- Purchasing power parities – this is a long-standing OECD programme that New Zealand used to closely engage with, however in recent years we have only had limited engagement; we need to engage more fully with this work as it is important for international comparisons.

- New Zealand labour cost index – LCI concepts and measurement need to be reviewed and potentially redeveloped to ensure it is fit for purpose. There may be potential to replace it with a measure derived from administrative data. If not, the survey needs to be redesigned to improve its efficiency and quality.

- Overseas trade indexes (OTI) – service imports and exports in the OTI have not been maintained regularly for around two decades except where necessary to respond to known issues; as a result, the indexes now require review and redevelopment where necessary.

- We need to keep track of short-term change as the pandemic response evolves, including revisiting some of the changes made in response to the pandemic; similar treatment may be needed for other events such as the recent weather events.

Changes to international standards include:

- System of National Accounts (2025 SNA)

- BOP Manual (BPM7 (Balance of Payments Manuals revision 7)

- Central Product Classification (CPC)

- industry classification – International Standard Industrial Classification (ISIC).

Current implications for prices statistics resulting from the international standards include:

- new price indexes for new industries
- amendments to existing price indexes to:
  - capture new or amended commodities, eg, carbon credits or cryptocurrencies
  - reflect changed industrial classifications, eg, repair and maintenance potentially move from services to retail trade.

Summary table – drivers for change by quality dimension, current quality level, funding source and Stats NZ priority

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension of initiative	Meeting Special Data Dissemination Standards (SDDS) Prescribed requirements (Y/N)	Current quality level (H, M, L, N/A)	Funding	Suggested priority based on customer engagement to date (H, M, L, N/A)
New/emerging topics of interest								
Monthly CPI	N/A	Heightened demand due to recent high inflation		Timeliness	N	N/A	Currently unfunded	M
Rental price indexes at TA level	N/A	Housing affordability index		Relevance	N/A	N/A	Currently unfunded	L
House price index	N/A			Relevance	N/A	N/A	Already funded	L
Expanded HLPIs (Household Living Price Indexes)	N/A	Demand for indexes about property owners and renters		Relevance	N/A	H, but there are gaps	Already funded	L
Change needed to maintain current quality, short and long term								
BPI weights updating	Understanding the impact of price changes on the input and output of New Zealand businesses	Customer demand for more reliable and better-quality indexes	Used to produce business price indexes, which are published and used as deflators in quarterly and annual GDP; commodity information via supply-use	Accuracy	N/A	M, but declining	Currently unfunded	H

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension of initiative	Meeting Special Data Dissemination Standards (SDDS) Prescribed requirements (Y/N)	Current quality level (H, M, L, N/A)	Funding	Suggested priority based on customer engagement to date (H, M, L, N/A)
			tables: GDP growth reconciliation (P-E gap), digital economy visibility, greenhouse gas emissions publication					
Purchasing power parities	International reporting obligation used to compare performance of New Zealand against other countries			Accuracy Relevance	N/A	M, but we missed a year	Already funded	M
Labour cost index review	Indicator for wage inflation, deflator for national accounts		Deflator in national accounts	Accuracy relevance	N/A	L	Currently unfunded	M
Overseas trade index	To understand the impact of import and export price changes on the balance of payments		Deflator in national accounts	Accuracy	N/A	M	Currently unfunded	L
COVID-19 impacts and responding to changing consumer patterns	Inflation targeting by RBNZ (Reserve Bank of New Zealand), key economic indicator, contract escalation clauses		Several components used as deflators for national accounts	Accuracy relevance		H	Already funded	L

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension of initiative	Meeting Special Data Dissemination Standards (SDDS) Prescribed requirements (Y/N)	Current quality level (H, M, L, N/A)	Funding	Suggested priority based on customer engagement to date (H, M, L, N/A)
Updated international standards and frameworks								
New indexes for new industries	Impacts BPIs (see above for uses)	Maintaining international comparability and reflecting changes in the economy	See BPI entry earlier in this table	Accuracy relevance	N (if changes adopted)	N/A	Currently unfunded	H
Update existing indexes for new commodities	Impacts BPIs, CPI, and OTI (see above for uses)	Maintaining international comparability and reflecting changes in the economy	See BPI, CPI, and OTI entries earlier in this table	Accuracy relevance	N (if changes adopted)	N/A	Currently unfunded	H
Reflect changed industrial classification	Impacts BPIs (see above for uses)	Maintaining international comparability and reflecting changes in the economy	See BPI entry earlier in this table	Accuracy relevance	N (if changes adopted)	N/A	Currently unfunded	H

Prices statistics domain – things to consider

- What are the topics you are interested in and how do our currently available statistics help you understand these topics? How well do these statistics meet your needs?
- What needs do you have that are not being met because statistics are not available? How important are these needs?
- What do you think of the initiatives we have identified and our draft priorities?
- Is the quality assessment useful? Do you agree with the ratings?
- Are any of the initiatives unnecessary?
- Is anything missing?

To provide your feedback to us please see details in the Next steps section at the end of this document.

Trade and international statistics domain

Background context

Balance of payments (BOP) statistics measure New Zealand's relationship with the rest of the world. We produce a range of statistics that detail New Zealand's financial transactions, both current and capital, as well as our International Investment Position (IIP). These statistics are critical in measuring how New Zealand's economic performance impacts on, and is impacted by, its relationship with the rest of the world.

Our customers use trade and international statistics to understand New Zealand's transactions with the rest of the world including our financial assets and liabilities. Commodity information allows forecasters and government agencies to understand the impact of changing international patterns of consumption and investment on our economy. Industry associations and individual enterprises use trade data to identify their market share, trends, and opportunities. MFAT uses trade data to inform free trade negotiations with other countries.

There are several changing factors that impact on the suite of trade and international statistics.

Globalisation has driven the demand for an enhanced and amended range of economic indicators about our activity with the rest of the world. Multinational enterprises are an important driver of international trade and investment, particularly as they span national borders. New commodities and services are continually emerging – for example, the recent direct-to-consumer digital offerings. Markets continue to evolve with trading partners shifting in terms of products and importance – eg, the effect of the UK (United Kingdom) leaving the EU (European Union). New Zealand's services industries continue to grow their contribution to the economy, especially as services are delivered and consumed digitally.

Responding to these and other factors, international standards are changing to reflect the changing world. New types of transactions and activities are being developed, and the new standards require greater detail in terms of country and/or currency breakdowns. These will also need to be reconciled with the five-yearly update to the harmonised system of classifications, which underpin the export and import of physical goods, the next update due in 2027. Industry input into the importance and implications of the required classification changes will be valuable.

In the short term, some aspects of Stats NZ's statistical suite need review or enhancement. This includes some of our measurement models, in particular our models for consumption expenditure by New Zealanders abroad, and overseas visitors in New Zealand. Some populations of interest need updating in other collections, such as trade in services. Understanding new and changing financial instruments and the impacts of innovations in international financial markets requires monitoring data sources and identifying where changes are needed.

Detailed drivers for change

Longstanding unmet customer needs, include:

- breakdown of exports by enterprise characteristics such as size, region, and ownership including relationships between enterprises importing and exporting with overseas counterparts.

New or emerging topics of interest include the following.

- Changes to the way insurance transactions are reported by International Financial Reporting Standards (IFRS). The new standard, which took effect from 1 January 2023, requires insurers to adopt consistent valuations based on prevailing economic conditions. This change will have impacts on insurance contracts within balance of payments and national accounts.
- Contribution of the 'digital economy' to international trade – this will primarily be about new digital products and services such as intermediation services, the sharing economy, as well as new digitally based asset types and financial instruments such as cryptocurrencies.

Change needed to maintain current data quality, which could be short or long term, includes the following:

- Expenditure by New Zealanders travelling overseas – this is critical to understanding household expenditure – a key driver of the economy. The method to calculate this expenditure has not been updated since 2003. The COVID-19 recovery has highlighted that this measurement is weak as households travel patterns were more resilient than expected. There is interest by some customers in the accurate measurement of expenditure by New Zealanders travelling overseas.

- Expenditure by overseas visitors in New Zealand – this expenditure is a key factor in understanding the impact of tourism on New Zealand's overall economy. Our current approach relies on a model based on the International Visitors Survey (IVS). The IVS has recently been restarted after a hiatus through COVID-19. While the IVS as the key input into travel credits has recently been redeveloped, work still needs to occur on the underlying model that estimates travel credits.

- International Trade in Services Statistics (ITSS) – we previously ran a periodic census to update the ITSS population. This has not been done for many years, meaning the ITSS population has not been comprehensively updated during this time. The implications of not updating the population could include missed imports and/or exports of services, which in some cases could be significant, impacting on the measurement of New Zealand's current account balance.

Changes to international standards include the following:

There are several changes happening to international classifications and frameworks because of the upcoming Balance of Payments Manuals revision 7 (BPM7). These changes will have impacts right across the balance of payments, with a particular focus on reconciling stocks and flows at a more granular level to get a greater understanding of interactions and interdependencies.

Current implications for trade and international statistics resulting from the international standards include:

- introducing new and updating existing methods
- more detailed breakdowns
- new data sources to measure new activities and changes in the conceptual framework.

There will be further engagement later as the full nature of the changes becomes clear.

Summary table – drivers for change by quality dimension, current quality level, funding source and Stats NZ priority

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS prescribed requirements (Y/N)	Current quality level L, M, H, N/A	Funding	Suggested priority based on customer engagement to date H, M, L
Longstanding unmet customer needs								
Breakdown of exports by enterprise characteristics	Interest from a range of customers eg, MFAT (Ministry of Foreign Affairs and Trade) and NZTE (New Zealand Trade and Enterprise)		N/A	Relevance	N/A	N/A	Already funded	L
New/emerging topics of interest								
Changes to the way insurance transactions are reported in IFRS from 2023		Anticipated future used to better understand insurance flows using a more consistent approach	Balance of payments National accounts	Relevance Accuracy	N/A	N/A	Partially funded	M
Contribution of the 'digital economy' to international trade	N/A	Anticipated future use to better understand digital trade flows	Balance of payments Expenditure on GDP	Relevance	N/A	L	Currently unfunded	M
Change needed to maintain current quality, short and long term								
Expenditure of New Zealanders travelling abroad update	Understand New Zealander's tourism expenditure overseas and changing patterns, and the spending and saving of New Zealand households		Balance of payments Expenditure on GDP – household consumption expenditure (HCE)	Accuracy	Y	L Model not redesigned for 20 years	Partially funded	H

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS prescribed requirements (Y/N)	Current quality level L, M, H, N/A	Funding	Suggested priority based on customer engagement to date H, M, L
Expenditure by overseas visitors in New Zealand update	Understand overseas visitors' expenditure in New Zealand Used to understand contribution of tourism to the economy	Anticipated future use is better understanding of tourist expenditure by country of origin and New Zealand region	Balance of payments Expenditure on GDP, HCE (Household Consumption Expenditure) Tourism satellite account	Accuracy	Y	M	Already funded	M
International trade in services statistics – business population updating	MFAT – free trade negotiations		Balance of payments Expenditure on GDP	Accuracy	Y	M	Currently unfunded	M
Updated international standards and frameworks								
A range of recommendations focused on reconciling stocks and flows and providing more granular detail	Various customers and uses including The Treasury, RBNZ, other agencies, industry sector groups, businesses	Maintaining international comparability and reflecting in the NZ and world economy.	Balance of Payments National Accounts	Relevance Coherence	Y		Currently unfunded	H

Trade and international statistics domain – things to consider
• What are the topics you are interested in and how do our currently available statistics help you understand these topics? How well do these statistics meet your needs? • What needs do you have that are not being met because statistics are not available? How important are these needs? • What do you think of the initiatives we have identified and our draft priorities? • Is the quality assessment useful? Do you agree with the ratings? • Are any of the initiatives unnecessary? • Is anything missing?

To provide your feedback to us please see details in the Next steps section at the end of this document.

Modern economy and national accounts statistics domain

Background context

Stats NZ produces a range of macro-economic measures, which are underpinned by the System of National Accounts (SNA) framework. These measure production, consumption, income, savings, capital accumulation and balance sheets, and many others. These are supported by a range of economic input collections, such as the Retail Trade Survey, Annual Enterprise Survey, and the Quarterly Building Activity Survey. A range of statistics, such as those relating to prices and trade and international domains, are used in the compilation of national account statistics. We also produce a range of complementary business statistics that provide in-depth insights into economic industries and business behaviours, eg, agricultural production and business operations.

The national accounts are used by government agencies, primarily Treasury, RBNZ, the Ministry for Primary Industries (MPI), and the Ministry of Business, Innovation and Employment (MBIE), to monitor the performance of the New Zealand economy, and to formulate and evaluate a range of policy initiatives. Another important use is in the forecasting of tax revenue. Statistics in this domain are also used by unions, academics, journalists, and others. Customers may also have an interest in parts of the economy that fall outside the scope of the national accounts' suite of statistics, for example farming practices or R&D (Research & Development) activity. There is an emerging interest in non-traditional measures of business activity and performance. Newly emerging measures include the business activity tracker delivered via the Stats NZ COVID-19 portal and a business health index being developed by the Stats NZ Data Ventures team.

There have been several changes since the last time the SNA was released in 2008 and since the Stats NZ wider economic suite of statistics was reviewed. These include the digital economy growing in importance, financial and non-financial intermediation expanding, the increased demand for statistics that monitor the impact of climate change and measure mitigation activities, and financial instruments such as emissions trading schemes. The impact of this changed global context has resulted in a revised SNA that New Zealand needs to adopt in future. There is also a broader demand for more detailed economic statistics, such as a regional tourism satellite account.

Many of the changes within SNA25 may have originally begun as Beyond GDP initiatives and have now been incorporated into formal frameworks. Other measurement needs are partially met by an enhanced SNA, with some aspects will being developed within the Beyond GDP initiatives – for example around the interrelationship between the economy and the environment.

We have identified quality issues that we need to respond to, eg, addressing the longstanding gap between production and consumption measures of GDP, and better measuring the impact of the COVID-19 pandemic on construction activity. There are several other initiatives that have been developed and released as experimental, for example the income measure of GDP. These have yet to be refined and released as official statistics along with other statistics that have yet to be released on an experimental basis, eg, quarterly balance sheets (accumulation accounts) and flow of funds accounts.

Detailed drivers for change

Experimental work that has yet to be made official includes the following:

- Quarterly income measure of GDP (GDPI) – originally due to be official in December 2022/March 2023 quarter, has been delayed until September 2023/December 2023 quarter. We have an 'experimental' series, so methods are not as refined.

- Institutional sector accounts and balance sheets – work is delayed on going official, as it is dependent on GDPI.

- Experimental building consent series – to better understand elapsed time between consent being issued and the work completed. We need to move from experimental to official.

Longstanding unmet customer needs include the following:

- Delivering experimental and then official quarterly National Accounts Institutional Sector statistics – quarterly accumulation accounts. These explain the movement from one balance sheet to the next in terms of revaluations, catastrophic losses, and investment.

- Delivering experimental and then official flow of funds accounts – this work delivers a complete, integrated view of who owes what to whom in New Zealand. This will help RBNZ, Treasury, and others understand structural debt and overall economic resilience.

New or emerging topics of interest include the following:

- Digital economy – there is a need to define, measure, and value the digital economy to better understand how it contributes to economic performance.

- Regional tourism satellite account (TSA) – there is limited statistical information on tourism's characteristics and contribution to regional economies. Improved information would support development of tourism strategies and development at the regional level.

Change needed to maintain current data quality, which could be short or long term, includes the following:

- Annual volume gap – theoretically all measures of GDP should have the same growth rates. This work will identify areas of discrepancy and make the measures closer.

  - We need to introduce annual volume supply use (AVSU). GDP series are reconciled using the supply-use (SU) framework. Annual volume supply-use balancing ensures that annually the growth rates of the economy are the same. While NZ has used this framework to reconcile annual current price GDP for a long time this has not been extended to volumes. The quality of deflators, primarily supported by commodity data information, also needs to be maintained to support this approach.

  - We need to improve existing quarterly GDP (QGDP) methods. COVID-19 has highlighted key challenges with the existing methods. These were mitigated by introducing temporary changes to methods. Some of these changes offer ongoing improvements more generally, and so need to be reassessed and where applicable made permanent.

- Volume re-expression of annual and quarterly GDP – QGDP volumes are currently published in 2010 prices. These prices become less relevant the further away the latest quarter is from the expression year. A limited number of lower-level industries are still on fixed weights (2010), so these will be increasingly out of date.

- Quarterly Building Activity Survey (QBAS) – work is needed to redesign the survey, particularly redeveloping the model used to estimate building activity for smaller projects as this has been disrupted by COVID-19 and supply chain issues.

There are several changes happening to international classifications and frameworks, such as the new:

- System of National Accounts (2025 SNA)

- commodity classification – CPC

- industry classification – ISIC.

The current implications for national accounts and other contributing economic statistics include the following:

- Some of the SNA25 changes are also reflected in the new commodity and industry classifications, eg, the measurement of factory-less goods producers means moving some activity from retail to manufacturing and better measuring climate change mitigation will require a new industry or industries to be reflected.

- A new industrial classification means new industries at the aggregate published level. Getting to this means new survey or collection designs with new respondents, weights, back-casting, deflators, and new seasonal adjustments. In some cases, new measurement methods might be needed, eg, factory-less goods producers or climate change mitigation industries may be asked different questions in surveys, or new administrative data may need to be sourced. New industries also flow into supply-use balancing, and there are impacts on any statistics based on supply-use balancing, eg, the tourism satellite account (TSA).

- Because our industrial classification is also used by some government agencies, eg, Accident Compensation (ACC), Inland Revenue (IR), and the Companies Office, there are implications for them, so we need to work closely together to introduce any new classification. Because international classifications (eg, ISIC) are not fully relevant to the New Zealand economy, it is likely that some additional customisation is needed for the New Zealand economy, eg, beef and dairy combined under the latest ISIC does not make sense in the New Zealand context.

- Of all the changes to international standards, significant changes to the industrial classification are the most complex and largest piece of work with wide implications across many customers, data providers, and statistical domains.

- A new commodity classification – new commodities require new deflators to remove the price effects for a range of economic statistics. New commodities also flow through to supply use balancing, and to other statistics such as the tourism satellite account (TSA).

Summary table – drivers for change by quality dimension, current quality level, funding source and Stats NZ priority

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS prescribed requirements (Y/N)	Current quality level	Funding	Suggested priority based on customer engagement to date H, M, L
Experimental work that has yet to be made official								
Quarterly income measure of GDP (GDP I); official quarterly measure currently delayed till September/December 2023	Part of RBNZ and Treasury forecasting; bank economists and the media use to understand business profits and growth in incomes	Other agencies and market commentators to confront the two 'traditional' measures of GDP, eg, production and expenditure	Feed into annual national accounts	Relevance	Y for prescribed N for encouraged	M	Already funded	H
Quarterly institutional sector accounts and balance sheets. official measures were delayed as dependent on GDP I	Part of RBNZ and Treasury forecasting; bank economists and the media use to understand economic impacts on different sectors including wealth	Known to be long-standing and strong demand from the Treasury and RBNZ Interest also from academia	N/A	Relevance	Y	M	Already funded	H
Experimental building consent series to better understand elapsed time between consent being issued and work completed	N/A	Customers can better understand elapsed time between consents and completion of work and the implications for housing policy	N/A	Interpretability	N/A	N/A	Already funded	L
Longstanding unmet customer needs								
Delivering experimental and then official quarterly accumulation accounts	N/A	Government agencies, banks, and market commentators to understand the New	N/A (Final output)	Relevance Timeliness	Y for prescribed.	N/A	Already funded	H

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS prescribed requirements (Y/N)	Current quality level	Funding	Suggested priority based on customer engagement to date H, M, L
		Zealand economy at more detailed level on a quarterly basis			N for encouraged			
Delivering experimental and then official flow of funds	N/A	Government agencies, banks, and market commentators to understand the New Zealand economy at more detailed level	N/A (Final output)	Relevance	N/A	N/A	Already funded	H
New/emerging topics of interest								
Digital economy	Although there is currently no comprehensive set of statistics integrated into the national accounts, there are some stand-alone measures eg, ICT (Information & Communication Technology) survey outputs	Government agencies, banks and commentators need to understand the role of digital in the economy for New Zealand Digital sector interest for digital satellite account – but note that some elements of digital activity and commodity detail are recommended under the new SNA25	(Final output) Possibility for new short-term outputs to feed into the updated SNA25	Relevance	N/A	N/A	Currently unfunded	M
Regional TSA	Although currently no comprehensive output integrated into NA, there is a national level TSA and some stand-alone sub-national measures	Monitoring, planning, and policy making by MBIE and the tourism sector. An investment opportunity in DIP	Unknown but unlikely	Relevance	N/A	N/A	Currently unfunded	L

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS prescribed requirements (Y/N)	Current quality level	Funding	Suggested priority based on customer engagement to date H, M, L
Change needed to maintain current quality, short and long term								
Annual volume gap – Production and Expenditure	RBNZ, Treasury, and bank economists for monitoring and forecasting	Longstanding and strong demand from RBNZ and Treasury to resolve	N/A Final output	Coherence	N/A	H	Partially funded	H The wider the gap, the more uncertainty for decision-makers creating credibility risk
Volume re-expression GDP, annual and quarterly	Delivers the above	Delivers the above	N/A	Accuracy	N/A	H	Already funded	L
QBAS (Quarterly Building Activity Survey) thresholds and supplementary questions	Used by HUD (Housing and Urban Development) and others to monitor construction activity	Improved quality of these statistics for customers	QGDP (quarterly GDP)	Accuracy	N/A	H	Already funded	L
Updated international standards and frameworks								
Updated SNA25	Various customers and uses including the Treasury, RBNZ, other agencies, bank economists, and others	Maintaining international comparability and reflecting the changing economy	A range of national accounts outputs	Relevance	Y to present standards	N/A	Currently unfunded	H
Updated commodity classification	As above	As above	As above	Relevance	Y to present standards	N/A	Currently unfunded	H
Updated industry classification	As above	As above	As above	Relevance	Y to present standards	N/A	Currently unfunded	M

Modern economy and national accounts statistics domain – things to consider

- What are the topics you are interested in and how do our currently available statistics help you understand these topics? How well do these statistics meet your needs?
- What needs do you have that are not being met because statistics are not available? How important are these needs?
- What do you think of the initiatives we have identified and our draft priorities?
- Is the quality assessment useful? Do you agree with the ratings?
- Are any of the initiatives unnecessary?
- Is anything missing?

To provide your feedback to us please see details in the Next steps section at the end of this document.

Māori business and economy statistics domain

Background context

Ensuring that there is data to drive Māori economies, including understanding the contribution that Māori, iwi, and hapū make to the economy has been an important identified need. A comprehensive suite of economic and financial statistics for Māori businesses, and equivalent in scope to what is produced for the economy can help inform critical investment decisions and identify opportunities for longer term benefit. The suite of statistics about the Māori business and economy need to reflect a perspective based on te ao Māori.

In the short term, a key enabler is more comprehensive identification of Māori businesses, based on self-identification and whakapapa, and expansion of the Tatauranga Umanga Māori release to encompass this full population. This will involve the continuation of working in partnership with the Māori business community and government agencies, such as Te Puni Kōkiri.

Detailed drivers for change

Longstanding unmet customer needs, include the following:

- Expanding the Māori business population – there is a current under-coverage of the Māori business population used by Stats NZ. This means we are unable to produce comprehensive information on the characteristics of, and contribution of Māori businesses to the Aotearoa New Zealand economy. The number of Māori businesses and their contribution is currently understated due to this under-coverage. A standard definition of Māori business has been developed in partnership with Māori and partner agencies. Work is now underway to enable existing and new Māori businesses to self-identify through other administrative data sources, especially the New Zealand Business Number (NZBN) Register. This is critical to enable the production of improved data on Māori business.

- There is strong demand for more granular data, particularly at the regional level, but also at the industry level and by iwi. This requires better coverage of Māori businesses to produce these data to a reasonable standard of accuracy.

- Māori employees within Māori and non-Māori businesses. This data is not available and would require combining datasets or requesting it separately.

- Statistics that provide a more holistic view of the contribution of Māori businesses to the environment and society.

New or emerging topics of interest, include the following:

- Māori economy emissions profile, relating to Māori farms – there has been some interest in this, and a one-off piece of research has been undertaken. However, we need to first develop better coverage of Māori businesses to support the production of accurate and comprehensive statistics.

- A clear picture of Māori forests is needed, including land that is owned and leased.

- Our statistics need to reflect te ao Māori. This includes data on wellbeing that is of interest to customers, as is long-term investment in the community and employees.

Change needed to maintain current data quality, which could be short or long term, includes the following:

- We need to produce Tatauranga Umanga Māori (TUM) more efficiently and to a consistent quality standard. Work is currently focusing on getting a coherent and consistent population

of Māori businesses over time to support the production of meaningful timeseries. Longer term, we will look to expand the range of insights produced under this release, for example, including research and development activity.

Summary table – drivers for change by quality dimension, current quality level, funding source and Stats NZ priority

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS requirements (Y/N)	Current quality level	Funding	Suggested priority based on customer engagement to date H, M, L
Longstanding unmet customer needs								
Expanding the Māori business population	To enable production of statistics to help Māori and others understand the characteristics of Māori businesses and contribution to the NZ economy; to support iwi/Māori achieve their ambitions and aspirations	Improved understanding of Māori business activity leading to better decision-making and better enablement for iwi Māori to achieve their ambitions and aspirations	N/A Final output	Coherence Relevance	N/A	L	Already funded	H
Granular data	Where available – used by regional councils, economic development agencies, and iwi to support the Māori business community	To be used to better understand business community and support with policies, training, and funding	N/A Final output	Relevance	N/A	N/A	Already funded	M
Employment of Māori	N/A	To better understand the Māori business community and its characteristics	N/A Final output	Relevance	N/A	N/A	Already funded	L
Holistic view of the contribution of Māori businesses to the	N/A	To better understand relationships between Māori businesses, the environment and society	N/A Final output	Relevance	N/A	N/A	Unfunded	L

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS requirements (Y/N)	Current quality level	Funding	Suggested priority based on customer engagement to date H, M, L
environment and society								
New/emerging topics of interest								
Māori economy emissions profile	N/A	Emerging topic of interest	N/A Final output	Relevance	N/A	N/A	Unfunded	L
Māori forests	N/A	Emerging topic of interest	N/A Final output	Relevance	N/A	N/A	Already funded	L
Te ao Māori perspective on business data	N/A	Emerging topic of interest	N/A Final output	Relevance	N/A	N/A	Already funded	M
Change needed to maintain current quality, short and long term								
More efficient production of Tatauranga Umanga Māori (TUM) to a consistent quality standard	To enable iwi/Māori and others to understand the characteristics of Māori businesses and their contribution to the New Zealand economy; this will help iwi/Māori achieve their ambitions and aspirations	Improved understanding of Māori business activity leading to better decision-making and better enablement for iwi Māori to achieve their ambitions and aspirations	N/A Final output	Coherence Accuracy	N/A	L	Already funded	H

Māori business and economic statistics domain – things to consider
• What are the topics you are interested in and how do our currently available statistics help you understand these topics? How well do these statistics meet your needs? • What needs do you have that are not being met because statistics are not available? How important are these needs? • What do you think of the initiatives we have identified and our draft priorities? • Is the quality assessment useful? Do you agree with the ratings? • Are any of the initiatives unnecessary? • Is anything missing?

To provide your feedback to us please see details in the Next steps section at the end of this document.

Productivity and supply of labour and capital statistics domain

Background context

This domain contains a range of statistics that describe the supply of labour and capital and how efficiently these are combined to produce goods and services. This is important because it gives policy makers and market commentators an understanding of the capacity constraints within the New Zealand economy, which impact both on production and other measures such as prices.

Currently we produce a range of measures, including:

- productive and net capital stock

- investment in fixed assets

- supply and demand of labour

- unemployment and underutilisation of labour.

To ensure that policy makers have robust information to inform how best to grow and sustain the New Zealand economy it is important that these statistics are comprehensive, up to date, and coherent. A good overview of assets is important for not only national accounting but also for disaster management.

In recent years there was a partial redesign of the Quarterly Employment Survey (QES) to bring it up to date. There is now a need to improve the coherence between the Quarterly Employment Survey (QES) and the linked employer-employee database (LEED). This will help make statistics on job creation and destruction, worker flows between jobs, and job tenure consistent with our official measures of labour demand produced by the QES (filled jobs and hours paid). These statistics feed into the official measures of productivity, but these are not necessarily consistent with LEED statistics, which are used by customers for finer level analysis.

There is also an emerging interest in the possibility of producing 'nowcast' – real-time – measures of unemployment.

Measures of capital input and productivity more widely will need to be updated to reflect changing commodities and industrial classifications under the new international standards. For example, if data becomes capitalised as an asset under the new SNA25, then that asset will need to feed into measures of capital stock and therefore productivity.

Detailed drivers for change

Longstanding unmet customer needs, include the following:

- Labour market satellite account – this account will provide greater insights into the impact of the interrelationship between labour supply, demand, and income. This satellite account brings these factors together to paint a more coherent picture and allow policy makers and commentators to better understand the impacts of policies, world events, and economic shocks. It should be noted that while still to be confirmed, it is likely that integrated labour accounts will form part of the new System of National Accounts (SNA25).

New or emerging topics of interest, include the following:

- Reflecting the changes from new international standards in official productivity measures so they are more relevant and up to date to better reflect changes in the New Zealand

economy, for example, new and emerging industries and products such as those associated with the digital economy, non-financial intermediation including those in the sharing economy, and climate change mitigation and adaptation activities.

- There is an increasing need to review the extent to which the use of digital platforms and other non-standard work arrangements are currently being captured in overall employment measures, and as separately identifiable forms of work.

Change needed to maintain or enhance current data quality, which could be short or long term, includes the following:

- There is a need to ensure that the suite of labour market statistics is coherent and consistent with each other. This will also better facilitate the production of labour satellite accounts. In practice this means ensuring that the QES, business financial data collection (salaries and wages), and LEED are underpinned, as much as possible, by a common design and data sources. This means maximising the use of administrative data and reconciling the survey responses from large and complex businesses to their administrative data. Coherent designs based on common populations and collections will also make it easier to produce labour accounts.

- Quarterly Employment Survey (QES) redesign – a QES redesign was always planned to move it to an administrative data-first model like most other business surveys. This was dependent on enhanced Inland Revenue (IR) data, which is now available. QES is used to benchmark over $20 billion of annual government expenditure, so care is needed in managing the transition to a new design.

There are several changes happening to international classifications and frameworks such as the new:

- System of National Accounts (2025 SNA)
- BOP Manual (BPM7)
- commodity classification (CPC)
- industry classification – ISIC
- status in employment classification (ICSE (International Classification of Status in Employment)).

Implications for productivity and the supply of labour and capital statistics include the following:

- Statistics on labour market or productivity will need to change to reflect changes to any underlying classifications and standards, for example, to reflect new industries, new commodities, or new asset types (such as data as an asset).

- Implementation of the updated international classification of status in employment (ICSE-18) is needed. The Household Labour Force Survey (HLFS) is currently still using the ICSE-93 classification for categorising a person's status in employment (which is still most widely used by national statistical systems to produce labour statistics). ICSE-18 will allow more detailed classification of workers based on the type of authority that the worker can exercise in relation to the work performed and the type of economic risk to which they are exposed.

Summary table – drivers for change by quality dimension, current quality level, funding source and Stats NZ priority

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS requirements (Y/N)	Current quality level	Funding	Suggested priority based on customer engagement to date H, M, L
Longstanding unmet customer needs								
Labour market satellite account	N/A	Understanding labour market and wider economic performance	N/A (Final output)	Relevance	N/A	N/A	Currently unfunded	M
New/emerging topics of interest								
Reflecting new international standards into official productivity measures	Currently used by range of customers to understand determinants and constraints of economic growth in New Zealand	Continued use but under new international standards and have comparability with other countries	N/A (Final output)	Relevance	N/A	H – under current standards	Currently unfunded	H
QES redesign	QES is currently used by a range of customers to understand labour market demand; underpins government expenditure on New Zealand superannuation	Continued uses	GDP Indirectly into productivity	Accuracy	Y	H	Partially funded	M

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS requirements (Y/N)	Current quality level	Funding	Suggested priority based on customer engagement to date H, M, L
Change needed to maintain current quality, short and long term								
Coherence and consistency across labour market stats – QES, LEED, business data collection	A range of customers use this data to understand different facets of the labour market and the inter-relationship between them	Continued uses	GDP Productivity statistics	Coherence	Y	H	Already funded	M
Updated international standards and frameworks								
Will be affected by classification and standards changes, eg, new industries								
ICSE-18	ICSE in its current form is used by a range of customers to help understand the structure of employment; an updated classification would give more details around relationships and job security	Continued high use	Use in a future set of labour accounts	Relevance	N/A	N/A	Already funded	M

Productivity and supply of labour and capital statistics domain – things to consider
- What are the topics you are interested in and how do our currently available statistics help you understand these topics? How well do these statistics meet your needs?   - What needs do you have that are not being met because statistics are not available? How important are these needs?   - What do you think of the initiatives we have identified and our draft priorities?   - Is the quality assessment useful? Do you agree with the ratings?   - Are any of the initiatives unnecessary?   - Is anything missing?

To provide your feedback to us please see details in the Next steps section at the end of this document.

Beyond GDP domain – broader measures of wellbeing and sustainability

Background context

While gross domestic product (GDP) is an internationally accepted and useful measure of the size of the economy, its limitations as a broader measure of progress are acknowledged.

Whether it is Robert Kennedy's famous quote from 1968, that GDP "measures everything in short, except that which makes life worthwhile", or the report delivered by Stiglitz, Sen, and Fitoussi (2009), the direction of travel has been consistent and clear: a well-articulated user need for measures that allow a deeper people or planet-centred perspective of aspects of the world beyond prosperity and the market, and the way they interact with each other, including capturing aspects such as peace, ethics, and the rule of law.

The United Nations Network of Economic Statisticians has proposed a programme of work and research to develop a new Central Framework for Inclusive and Sustainable Wellbeing. Along with the development of a new System of Population and Social Accounting (SPSA), this framework would provide a consistent way of linking the SPSA, and existing SNA and the System of environmental-economic accounting, SEEA (United Nations, 2023), frameworks.

Like many countries, New Zealand has worked to address this gap by developing a range of high-level metrics and indicator frameworks, which look to capture the breadth and depth of the range of available data. In particular, the Treasury have developed the Living Standards Framework (LSF), which is a high-level framework for measuring and analysing intergenerational wellbeing, covering current wellbeing, future wellbeing, and risk and resilience across a range of economic, social, and environmental outcome domains.

[Indicators Aotearoa New Zealand – Ngā Tūtohu Aotearoa](#) supports and complements the LSF. This framework brings together a broad range of indicators that capture the different dimensions of wellbeing that matter to New Zealanders based on significant engagement and consultation in its development. It is a broad and deep source of wellbeing data that supports a range of reporting requirements, including reporting under the United Nations' Sustainable Development Goals.

The system of environmental-economic accounting (SEEA), which is designed to link environmental and economic data using the same principles as the SNA, has been partially implemented by Stats NZ. Stats NZ produces several accounts using the SEEA framework relating to greenhouse gas emissions, with the quarterly and regional accounts being at the forefront of international developments in this space. Maintaining and improving these accounts will be essential to ensure that they accurately identify the parts of the economy that are undertaking mitigation action. However, SEEA accounts that inform on other aspects of sustainability, such as the circular economy (eg, material flows) or nature's contribution to wellbeing (eg, ecosystem accounts and natural capital balance sheets), which would potentially be of value to customers are not currently produced.

Detailed drivers for change

Longstanding unmet customer needs, include the following:

- Regular production of a distributional measure of macro-economic income and consumption is needed to improve our understanding of inequality and risk, and better integration of the micro and macro distributional information.

- A distributional measure of macro-economic wealth is needed to improve our understanding of inequality and risk.

- Better understanding of the wealth distribution, particularly at the extremes of the distribution (the very wealthy and the very poor), which are traditionally hard to capture using household surveys, is needed. Better administrative data is also needed.

- Gaps in greenhouse gas emissions data is needed to inform on climate policy and modelling, including more timely quarterly emissions on a SEEA basis, quarterly emissions on a greenhouse gas (GHG) inventory basis, consumption-based emissions intensities, fossil fuel subsidies statistics, and sub-regional emissions statistics. Commodity data used to update BPI weights is important for maintaining the quality of GHG statistics.

- Integrated energy statistics – we need to understand the transition from fossil fuels to renewable energy.

- Household production satellite account includes the value of unpaid household work (for example childcare) not included in GDP. This requires information on time use of individuals in households. This is now a key part of almost all economic wellbeing discussions and is becoming more prominent in the updated SNA25.

- There are significant gaps in data that measure social capital, particularly trust, social cohesion, etc. While we have GSS (General Social Survey), we have struggled to deliver consistent frequent information through COVID-19 when it is most needed.

- COVID-19 has identified a need for much more timely data on wellbeing, especially material wellbeing (income and wealth). Quarterly income distribution measures are needed to better monitor what is happening to the standard of living.

- The 19th International Conference of Labour Statisticians (ICLS) expanded the scope of labour statistics to include different forms of work, not just paid employment. This includes own-use production work, volunteer work, and unpaid trainee work. Measurement of volunteer work using the HLFS was problematic, the GSS measure does a better job, but time-use data is the preferred standard.

- Time-use data is also invaluable for the accurate measurement of the time and contribution of own-use production work, including addressing the gender imbalance inherent in current measures that focus solely on the value (economically and socially) of paid employment.

New or emerging topics of interest, include:

- research into the circular economy, sustainable production, and the link to climate change

- research into alternative measures of the warming effects of short-lived greenhouse gas emissions, such as methane

- nature's contribution to wellbeing, including the role of ecosystem services and the contribution of natural capital to national wealth and productivity

- measuring the sustainability of tourism, which is only partly understood through our tourism-related emissions statistics.

Change needed to maintain current data quality, which could be short or long term, includes:

- improving data quality in underlying economic statistics and models used to estimate and allocate greenhouse gas emissions, particularly supply use tables and commodity data weights.

There are several changes happening to international classifications and frameworks such as the new:

- International Labour Organisation (ILO) conceptual framework on forms of work and labour force statistics

- UN expert group on innovative and effective ways to collect time-use statistics, which is working on updating several standards, guidelines, and definitions

- implications for the Beyond GDP statistical domain include incorporation of SEEA perspectives into the SNA25 revision, measurement, and valuation approaches to natural capital and ecosystem services.

Summary table – drivers for change by quality dimension, current quality level, funding source and Stats NZ priority

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS requirements (Y/N)	Current duality level	Funding	Suggested priority based on customer engagement to date H, M, L
Longstanding unmet customer needs								
Regular production of macro-economic distributional measures of income and consumption	N/A	Demand from RBNZ and others to improve our understanding of inequality and risk	New national accounts outputs, new SEEA distributional consumption-based emissions tables	Relevance	N/A	N/A	Currently unfunded	M
A distributional measure of macro-economic wealth	N/A	Demand from Treasury, IR and others to improve understanding of inequality and risk	New national accounts outputs	Relevance	N/A	N/A	Currently unfunded	M
Improving the measurement of greenhouse gas (GHG) emissions – note that commodity data used to update weights in BPI indexes is important for maintaining the quality of GHG statistics	N/A	Monitoring and development of climate-change-related policy by Ministry for the Environment (MfE), MBIE, other agencies, and regional councils	N/A	Relevance Timeliness	N/A	M	Partially funded	H
Integrated energy statistics	N/A	Understanding the transition from fossil fuels to renewable sources	Feeds into commodity data collection for supply use balancing and improved SEEA emissions	Relevance	N	N/A	Partially funded with the Inter-agency Executive Board for	M

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS requirements (Y/N)	Current duality level	Funding	Suggested priority based on customer engagement to date H, M, L
			statistics; fills IANZ (Indicators Aotearoa NZ) indicator gaps/SDGs				Climate Change (IEB)	
Household production satellite account	N/A	Demand as part of understanding a fuller picture of material wellbeing	National accounts	Relevance	N/A	N/A	Currently unfunded	L
Gaps in data that measure social capital, particularly trust, social cohesion etc.	N/A	Treasury living standards framework to understand wellbeing	N/A	Relevance	N/A	N/A	Currently unfunded	L
Quarterly income distribution measures	N/A	More timely data on wellbeing needed because of COVID-19	N/A Final output	Relevance	N/A	N/A	Already funded	L
Time-use data	N/A	Household production satellite account (if produced) and feeds into understanding of wellbeing	National accounts – household production satellite account, if produced	Relevance	N/A	N/A	Currently unfunded	M
Better measures of net worth at the extremes of distribution (both top and bottom)	The Treasury, RBNZ, for understanding of wealth distribution	Better quality for policy development, eg, tax policy	National accounts	Relevance	N/A	N/A	Partially funded, needs better administra-tive data (to be explored)	M
New/emerging topics of interest								
Research into the circular economy	N/A	The Treasury, Ministry for the Environment for wellbeing reporting	Not known	Relevance	N/A	N/A	Unfunded	L

Drivers for change	Current customer uses	Customer demand or anticipated future use	Input into other Stats NZ outputs	Quality dimension	Meeting SDDS requirements (Y/N)	Current duality level	Funding	Suggested priority based on customer engagement to date H, M, L
Nature's contribution to wellbeing	N/A	The Treasury, Ministry for the Environment, Department of Conservation needs being identified through interagency working group	Not known	Relevance	N/A	N/A	Unfunded	L
Measuring the sustainability of tourism	Emissions targets and industry analysis	Tourism industry bodies	N/A	Relevance	N/A	L	Already funded	L
Change needed to maintain current quality, short and long term								
Improving data quality used elsewhere in economic measurement system that feeds into GHG gas calculations	Monitoring and development of climate-change-related policy	Improved monitoring and development of climate change related policy	N/A Final output	Accuracy	N/A	M	Partially funded	L
Updated international standards and frameworks								
A range of recommendations around statistics relating to work, labour, natural capital, and eco-system	Various customers including Treasury, Ministry for the Environment, and others for monitoring and policy making	To be explored	Potentially into a range of outputs	Relevance Coherence	N/A	N/A	Unfunded	L

Beyond GDP domain – broader measures of wellbeing and sustainability – things to consider
- What are the topics you are interested in and how do our currently available statistics help you understand these topics? How well do these statistics meet your needs?   - What needs do you have that are not being met because statistics are not available? How important are these needs?   - What do you think of the initiatives we have identified and our draft priorities?   - Is the quality assessment useful? Do you agree with the ratings?   - Are any of the initiatives unnecessary?   - Is anything missing?

To provide your feedback to us please see details in the Next steps section at the end of this document.

Cross-cutting opportunities and challenges

Challenges often also provide opportunities, and this section identifies a set of cross-cutting opportunities and challenges across all or most domains that contribute to data quality.

Maintaining accuracy and timeliness through a reliable and sustainable supply of data

Over the last decade, we have enhanced our use of administrative data to produce a range of statistics about the economy. For example, exports and imports data from Customs has expanded to include data about imports valued less than $1,000; financial data about businesses is used to produce a range of industry statistics and has reduced the need to survey small and medium sized businesses, and we produce data from an intermediary about digital products in the CPI.

In some cases, the use of administrative data has enabled more granularity, and in other cases it has enabled more timely statistics. For example, we were able to produce weekly trade statistics during COVID-19 to support customers due to the frequent data we receive from Customs. Following the 2016 Kaikōura earthquake and subsequent travel disruptions, we were able to use GST (Goods and Services Tax) data to measure the impact on retail activity in each of the small towns in the upper South Island.

We acknowledge the demand for regional and local statistics; however, these are often survey based so their production is limited by sample sizes. The use of administrative data potentially offers the opportunity to produce more detailed sub-national-level data.

Despite significant progress, surveys of businesses still underpin statistics about the economy, and they are becoming more difficult to collect. The trend across a range of countries and accelerated by COVID-19 is a reduction in the willingness of businesses to comply with requests, which over time can accumulate to impact data quality, particularly accuracy and relevance. Less willingness makes it more expensive to gain responses from businesses, but it also makes it challenging to meet the needs for more granular, timelier, and more integrated data.

As we plan and prepare for the international standards it is an opportune time to take a closer look at what further administrative data sources both private and public could be created and/or used to produce statistics about the economy. There are good international examples utilising administrative data that we would see value in exploring.

Some of the needs we have identified include (in no particular order) – more pricing data (eg, fuel, retirement villages, airfares, big retailers), data to value housing and land, travel costs and expenditure, data about commodities, regional emissions, and household expenditure.

We recognise the opportunity to work with our customers who are often closer not only to what they need but also to identifying potential partners we can work with to source alternatives for surveys or for new agreed priorities. As part of using any new administrative data source we work closely with the Office of the Privacy Commissioner to assess any privacy impacts and to ensure its safe and appropriate use.

Improving the accessibility of our data and statistics

Stats NZ recognises that a key dimension of data quality is accessibility. We currently have a project underway to replace our aged customer data tools – NZ.Stat (our large table tool) and Infoshare (our timeseries tool) because we know that timely and reliable access to data is critical for customers.

Both these data tools have become less stable over the last year, as well as having limited functionality. It is early days with this work, but we intend to have a working version of the new NZ.Stat available on our website by 30 June 2023, which we expect to provide more reliable access and increased functionality relative to the current version. Then we will then shift our focus to Infoshare. We will be increasing our engagement with customers who use these tools to ensure the transition is effectively managed and that the new tool still supports their critical uses.

As well as updating our customer data tools, we have been partnering with others who can help a wider range of customers to access and interpret our data and statistics. We see this as an important way to create more value from the statistics we produce and to support data capability building across Aotearoa New Zealand.

Two examples of this are Stats NZ supporting Te Kāhui Rauranga to deliver Te Whata an iwi data platform designed specifically by iwi for iwi. We also have a partnership with Figure NZ, who are experts at delivering data to New Zealanders in a simple, easy-to-understand way.

To create capacity for our teams to focus on high-value work for customers, we are also reviewing the content we produce. We have some news stories, dashboards etc. that are not widely used, so we are reducing this lesser-used content to free up our analysts' time to do higher-priority activity like data quality improvements. We will always check in with customers to make sure we understand any impacts before removing content. Underpinning this approach are usage metrics, and we will continue to improve our measurement of customer value over the next couple of years.

Working as part of the government data system – industry statistics

Currently, we have a range of economic feeder collections about industries, which can be characterised as:

- priority industries needed to understand the economy and produce regular economic growth (GDP) statistics
- newly emerging industries, or industries of policy interest.

The measurement of the newly emerging or policy-interest-focused industries is often challenging as these are still evolving their definition, characteristics, and operating models. Surveys have typically been used to provide insights to policy makers and the industry itself. Over time, this approach has created a few challenges including:

- cost pressures without a good mechanism to resolve transparently with the relevant industry and policymakers

- conflicting priorities across newly emerging industries and priority industries without a good mechanism to work through potential conflicts and reprioritisation

- poorly signalled changes or cancellation of statistics, which impacts an industry's opportunity to transition effectively.

We are interested in the view of our customers about how we could improve the way we create, evolve, transition, and decommission industry statistics as appropriate.

Timeliness as a dimension of quality

In the current environment of high inflation and rapidly changing COVID-19 response as well as weather related events, there is a demand for more timely short-term statistics. The demand for enhanced timeliness is currently strong, whereas in other times the quality dimensions of accuracy and coherence are of greater importance. Balancing these changing quality dimensions can often present challenges. We are interested in your feedback as to how we could navigate the changing focus on quality dimensions over time.

Technology changes at Stats NZ

As we implement the priorities identified with our customers, we will also be taking opportunities to replace legacy systems and make improvements to how we produce our data and statistics. This will give us greater flexibility to respond in a timely manner to changing customer needs in the future. A list of prioritised systems has been identified for change, which will support the implementation of the priorities and the international standards.

Cross cutting opportunities and challenges - things to consider
- How can we best balance the needs for timeliness, accuracy, and granularity, including regional breakdowns?   - How can we best manage industry statistics over time?   - Are you interested in engaging with us to help shape our priorities and the high-level plan to measure an inclusive and sustainable economy?   - Are you interested in working with us on administrative data opportunities?   - Are you interested in working with us to make data available to customers via your platform or service?

Next steps

We recognise that there is a lot that could be done to improve data quality to support measuring an inclusive and sustainable economy. What is critical is that we understand what we should prioritise as it delivers the highest value to Aotearoa New Zealand.

As we noted in the foreword, "This document will underpin our consultation on the way forward so we can continue to work with our customers, provide high-quality decision-useful data, and deliver value for money."

There are currently two options for providing feedback or to ask questions. The first is via an email address that we have set up, please email us at econstatsfuture@stats.govt.nz . The second will be via face-to-face (or online) events. We are still confirming details for these. If you are interested in being notified about these events, or have any questions please email us at econstatsfuture@stats.govt.nz .

We recognise this may be a challenging time for many of our customers given recent unforeseen weather events. We will endeavour to reflect this in our events and engagement planning

During April, we will synthesise the feedback and provide an updated set of priorities and a high-level plan for taking forward the priorities, noting that some priorities could require further funding being sought to progress. We will also outline how we intend to communicate and engage further with customers about the priorities, the high-level plan, and developments in the international standards noted in this document.

We look forward to hearing your feedback and engaging with you.

References

Australia Bureau of Statistics (2022). Help Shape the Future of Classification on Industries in Australia. Retrieved February 2023 from www.consult.abs.gov.au

International Monetary Fund (2020). Process and Timeline for Updating BPM6. Retrieved February 2023 from https://www.imf.org/external/publications

International Monetary Fund (2022). Special Data Dissemination Standards. Retrieved February 2023 from www.dsbb.imf.org

New Zealand Government Data Investment Plan 2022. Retrieved February 2023 from www.data.govt.nz/leadership/data-investment-plan

Stats NZ (2021). Stats NZ's statement of strategic intentions 2021–2025. Retrieved February 2023 from www.stats.govt.nz/about-us/corporate-publications

United Nations (2015). UN Member States Agree Sustainable Development Goals | UNFCCC (United Nations Framework Convention on Climate Change). Retrieved February 2023 from www.unfcc.int

United Nations (2020). *Shaping the Trends of Our Time*. Report of the UN Economist Network for the UN 75th Anniversary. New York City.

United Nations. System of Environmental Economic Accounting. Retrieved February 2023 from www.seea.un.org

United Nations Economic Commission for Europe (2022). Towards the 2025 SNA. Retrieved February 2023 from https://unece.org

UN Statistics Division (2022). Update on the Revision of the Central Product Classification Version 2.1. Retrieved February 2023 from www.unstats.un.org/classifications/meetings