

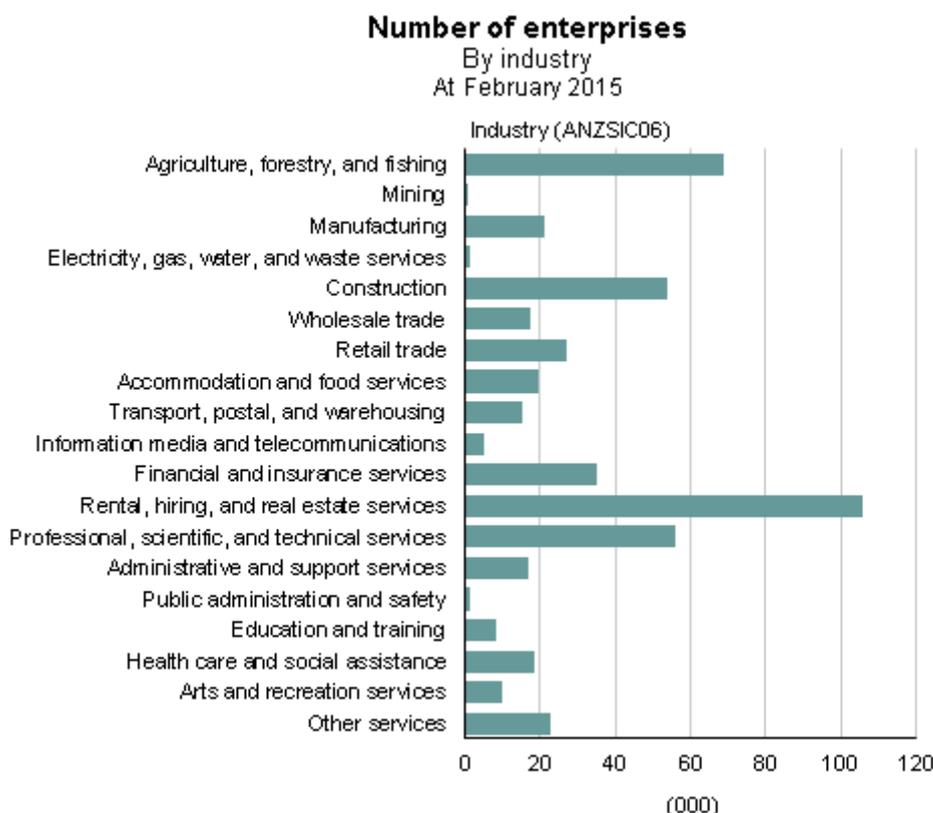
# New Zealand Business Demography Statistics: At February 2015

Embargoed until 10:45am – 29 October 2015

## Key facts

Provisional figures at February 2015 showed:

- New Zealand had 502,170 enterprises, up 1.9 percent from February 2014.
- These enterprises had just over two million paid employees (not an official employment statistic), up 2.3 percent from February 2014.
- Most industries had more enterprises and employees than at February 2014.
- Construction industry had 6.4 percent more employees than at February 2014 – the highest rise for any industry.
- Auckland region recorded 2.9 percent more business locations and 3.7 percent more employees – the highest increase for any region.
- Less than one-third of all enterprises had any paid employees.
- 1,050 Māori enterprises had 10,300 employees.



Source: Statistics New Zealand

Liz MacPherson, Government Statistician  
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## Commentary

- Number of enterprises crosses half-a-million mark
- Construction industry continues to engage more employees
- Auckland shows highest growth across all regions
- Less than one-third of all enterprises have paid employees
- Māori enterprises and their employee numbers show upward trend
- More business start-ups than closures

**Note:** All figures in this release are provisional and subject to revision in the next release. Enterprise and business location (geographic unit) counts in this section are rounded to the nearest 10. Employee counts are rounded to the nearest 100.

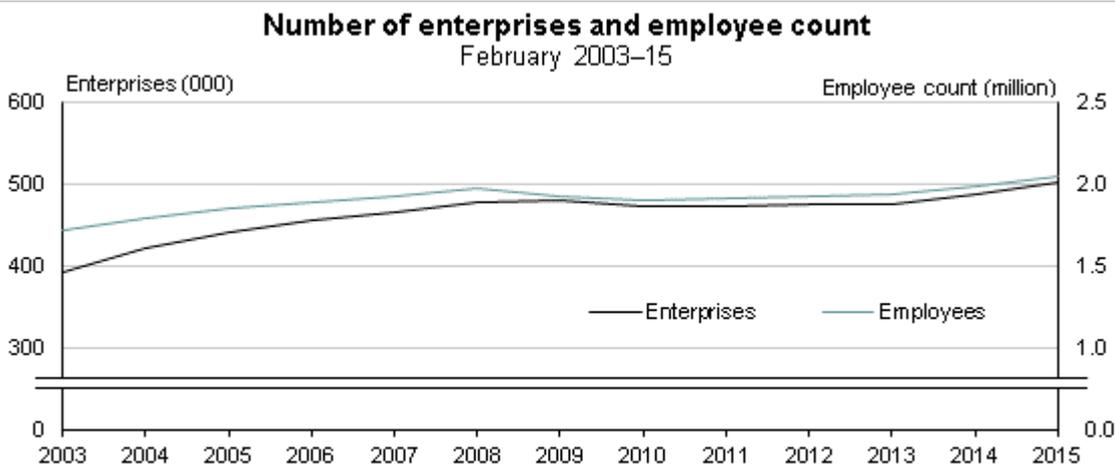
### Number of enterprises crosses half-a-million mark

At February 2015, there were 502,170 enterprises in New Zealand, up 1.9 percent (9,240) from February 2014, the first time the number has exceeded 500,000 (the present series goes back to February 2000).

These enterprises had 537,400 business locations (geographic units), up 1.8 percent (9,380) from February 2014.

The total number of employees in these enterprises at February 2015 was 2,045,600, up 2.3 percent (46,400) from February 2014.

**Note:** The number of employees (employee count) in this series always refers to paid employees. The employee count is a business size measure, not an official employment statistic.



Source: Statistics New Zealand

### Construction industry continues to engage more employees

At February 2015, enterprises in the construction industry employed 140,500 people – 6.4 percent more than at February 2014. This follows a 5.4 percent increase in the year to February 2014.

There were 53,520 enterprises engaged in construction, a 3.7 percent increase from February 2014.

At a more detailed industry level, residential building construction had 17,320 enterprises at February 2015 (up 4.9 percent from February 2014) and 22,000 employees (up 11.0 percent). Non-residential building construction had 1,500 enterprises (up 4.6 percent) and 11,200 employees (up 6.0 percent).

The manufacturing industry continued to be the largest employer, accounting for 11 percent of all employees at February 2015. Reversing a mostly declining trend for the past eight years, manufacturing had 5,500 (2.5 percent) more employees at February 2015 than at February 2014. The number of enterprises was 21,050 (up 1.5 percent).

Other industries with notable movements between February 2014 and February 2015 were:

- accommodation and food services – enterprises up 1.7 percent (320) and employees up 3.6 percent (4,800)
- financial and insurance services – enterprises up 4.0 percent (1,330) and employees up 1.4 percent (800)
- professional, scientific, and technical services – enterprises up 4.6 percent (2,440) and employees up 3.4 percent (4,700)
- administrative and support services – enterprises up 2.2 percent (360) and employees up 4.3 percent (4,200).

## **Auckland shows highest growth across all regions**

Regional data showed that, between February 2014 and February 2015, the number of business locations and employees in the Auckland region increased by 2.9 percent and 3.7 percent, respectively. These were the highest growth rates across all 16 regions. Auckland also continued to dominate the business counts overall, accounting for 33 percent of all business locations and 34 percent of all employees.

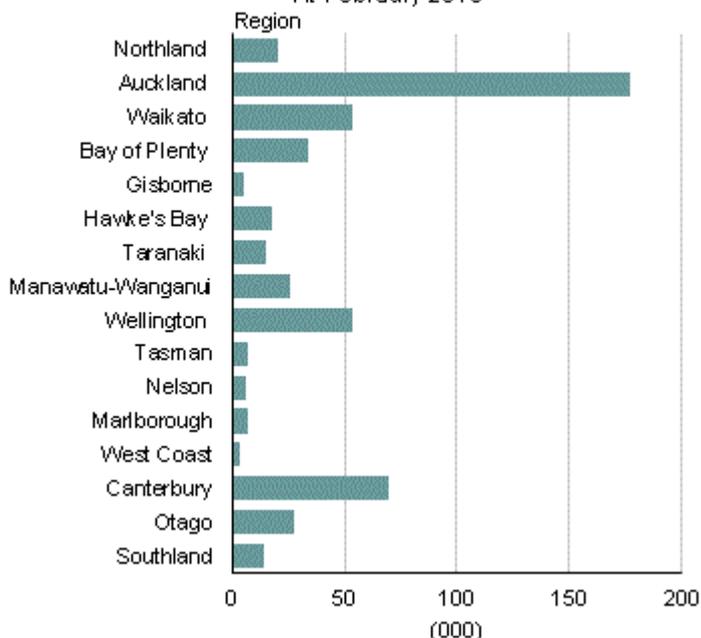
Canterbury region (13 percent of all business locations and 14 percent of all employees) had 2.6 percent more business locations and 3.0 percent more employees than at February 2014.

Wellington region (10 percent of all business locations and 12 percent of all employees) had more modest increases – business locations were up 0.5 percent and employees up 0.3 percent.

Among the remaining regions, Otago had the highest percentage increases in the numbers of business locations (up 1.6 percent) and employees (up 3.1 percent).

### Number of business locations

By region  
At February 2015



Source: Statistics New Zealand

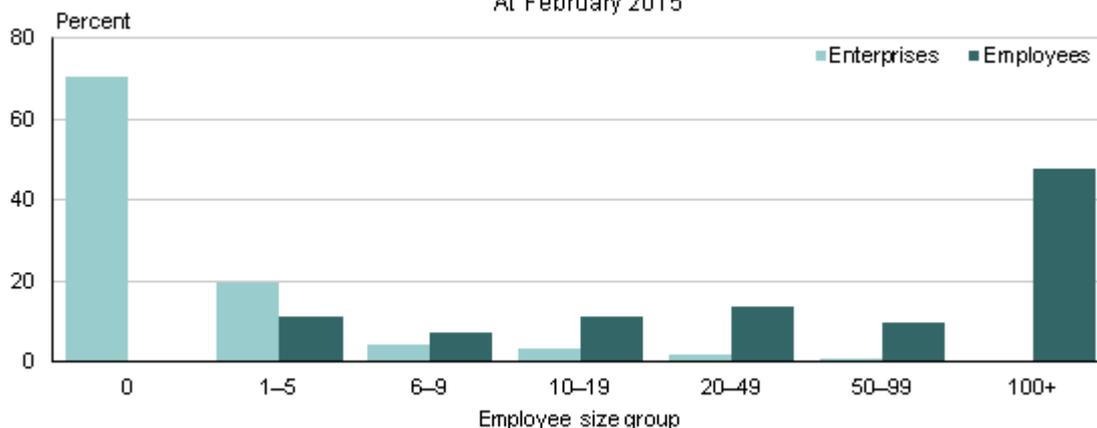
### Less than one-third of all enterprises have paid employees

At February 2015, just over 70 percent of enterprises in New Zealand had no paid employees (non-employing enterprises). Some industries had an even-higher proportion of non-employing enterprises; for example, 95 percent of enterprises in the rental, hiring, and real estate services industry had no employees at February 2015.

Nearly half (48 percent) of all employees were working for large enterprises (those with 100 or more employees). There were 2,260 such enterprises in New Zealand at February 2015, 80 more than at February 2014.

### Proportions of enterprises and employees

By employee size group  
At February 2015



Source: Statistics New Zealand

## Māori enterprises and their employee numbers show upward trend

In business demography statistics, a Māori enterprise is defined as a Māori authority or a trust, or a subsidiary of a Māori authority or a trust.

See [Definitions](#) for a detailed definition.

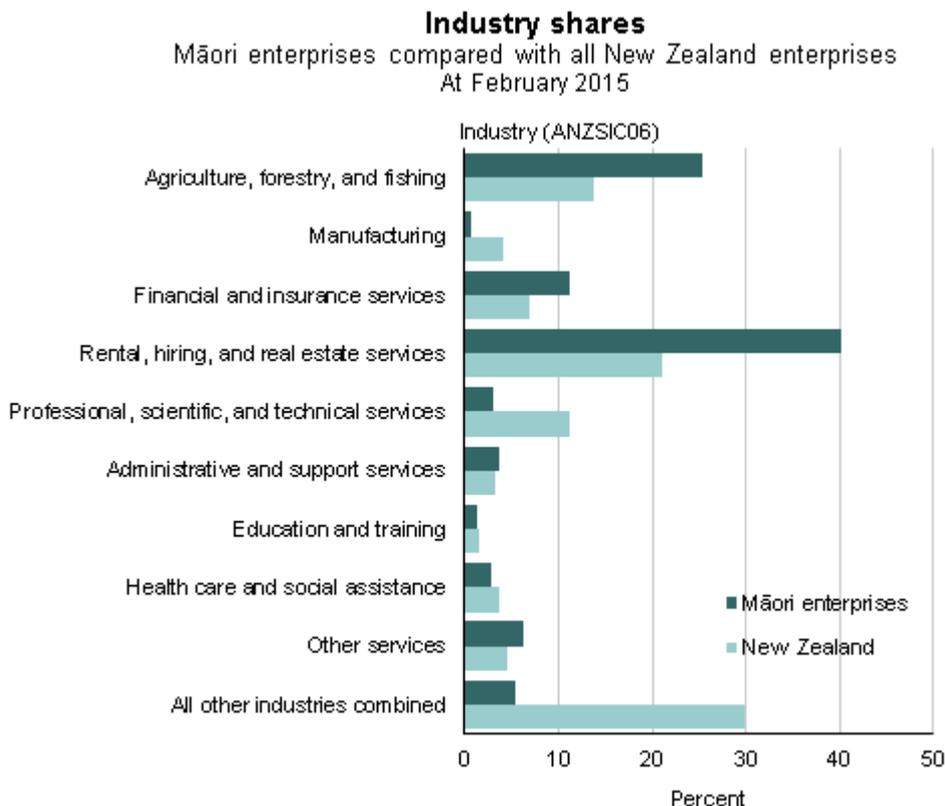
At February 2015, there were 1,050 Māori enterprises and 10,300 employees working for these enterprises. At February 2010 (when this data series began), 890 Māori enterprises had 8,200 employees.

A very high proportion (76 percent) of Māori enterprises continued to be in three industries:

- rental, hiring, and real estate services (40 percent) – mostly rental or leasing agricultural land and other commercial property
- agriculture, forestry, and fishing (25 percent)
- financial and insurance services (11 percent).

Employment in Māori enterprises at February 2015, analysed by industry, showed that:

- transport, postal, and warehousing had 1,700 employees (100 at February 2014)
- manufacturing and education and training both had 1,800 employees
- health care and social assistance was the fourth-highest employing industry, with 1,400 employees
- agriculture, forestry, and fishing had 1,300 employees.



Source: Statistics New Zealand

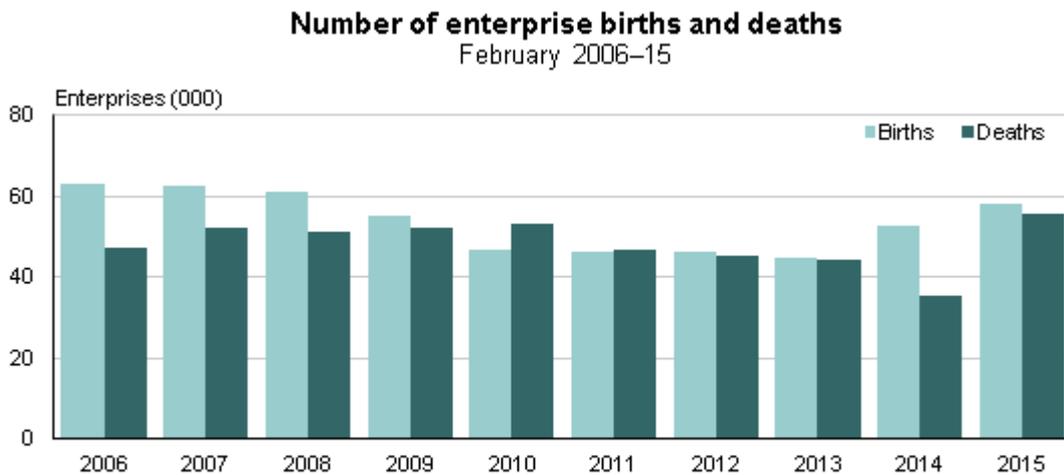
## More business start-ups than closures

During the February 2015 year:

- for every 100 enterprises in New Zealand, there were 12 start-ups (births) and 11 closures (deaths)
- non-employing enterprises accounted for 86 percent of all enterprise births and 92 percent of all enterprise deaths (this category represented 70 percent of all enterprises)
- enterprises with employees in the year they 'birthed' had an average of four employees.

## Survival of start-up enterprises

Of the enterprises birthed in the February 2014 year, 85 percent survived until February 2015 (first-year survivors). For the longer term, only 27 percent of enterprise births in the February 2005 year survived to February 2015 (10-year survivors). This 10-year survival rate varied significantly across industries – 36 percent for financial and insurance services at the higher end, and 18 percent for information media and telecommunications at the lower end.



Source: Statistics New Zealand

For more detailed data, see the Excel tables in the 'Downloads' box.

## Definitions

### About business demography statistics

Business demography statistics provide an annual snapshot (at February) of the structure and characteristics of New Zealand businesses. The series covers economically significant enterprises that are engaged in producing goods and services in New Zealand.

This business demography statistics series is based on the Longitudinal Business Frame (LBF).

See [New Zealand Business Demography Statistics \(Structural\): At February 2007](#) for more background about the series.

### More definitions

**ANZSIC06:** Australian and New Zealand Standard Industrial Classification 2006. A business is normally assigned to an ANZSIC06 category according to the predominant activity it is engaged in. ANZSIC06 is a hierarchical classification with four levels: division, subdivision, group, and class.

**Birth:** occurs when a new enterprise starts operation (ie a combination of production factors is created, and no other national businesses are involved). Births do not include entries into the population due to reactivations, mergers, break-ups, split-offs, or other restructuring of a group of businesses linked by ownership or control. Changes to characteristics of existing businesses are not births (this is largely based on, and fully consistent with, the Eurostat definition of enterprise births). To be a birth in the business demography population, the enterprise and associated geographic units existed at neither time T-1 year nor time T-2 years.

See [Business births and deaths](#) for more information.

**Business location or geographic unit:** a separate operating unit engaged in New Zealand in one, or predominantly one, kind of economic activity from a single physical location or base

**Death:** occurs when an enterprise ceases operation (ie a combination of production factors is dissolved, and no other domestic businesses are involved). Deaths do not include exits from the population due to temporary inactivity, mergers, takeovers, break-ups, or other restructuring of a group of businesses linked by ownership or control. Changes to characteristics of businesses that remain active are not deaths (this is largely based on, and fully consistent with, the Eurostat definition of enterprise deaths). To be considered a death in the business demography population, the enterprise and associated geographic units exist at neither time T year nor time T+1 year.

See [Business births and deaths](#) for more information.

**Employees or employee count (EC):** refers to paid employees. It is a head count of salary and wage earners sourced from taxation data. EC data is available on a monthly basis. The EC used for deriving business demography statistics is for the February month.

**Employee count size groups:** EC data in this release is summarised into seven employment size groups:

0 EC  
1–5 EC  
6–9 EC  
10–19 EC  
20–49 EC  
50–99 EC  
100+ EC.

**Enterprise:** an institutional unit that generally corresponds to legal entities operating in New Zealand. It can be a company, partnership, trust, estate, incorporated society, producer board, local or central government organisation, voluntary organisation, or self-employed individual.

**Enterprise group:** a grouping of enterprises in the Business Frame linked by common ownership. Generally, the Business Frame only records links of over 50 percent shareholding between enterprises. Types of enterprise groups are:

- **all-resident enterprise group** – an enterprise group in which all enterprises are resident in New Zealand
- **multinational enterprise group** – an enterprise group that contains one or more enterprises resident outside New Zealand
- **foreign-controlled enterprise group** – a multinational enterprise group controlled by a group head with its headquarters outside New Zealand
- **domestically controlled enterprise group** – a multinational enterprise group controlled by a group head with its headquarters in New Zealand.

**Entries:** enterprises that are present in the business demography population at the end of the reference period, but were not present at the start of the reference period.

**Exits:** enterprises that are present in the business demography population at the start of the reference period, but are not present at the end of the reference period.

**Geographic unit or business location:** a separate operating unit engaged in one, or predominantly one, kind of economic activity from a single physical location or base.

**Māori enterprise:** An enterprise is treated as a Māori enterprise if it meets one (or more) of these conditions:

- it is an enterprise (business) with a collectively managed asset that uses current Inland Revenue eligibility criteria to be a Māori authority (whether or not it elects to be a Māori authority for tax purposes)
- it is a commercial business that supports the Māori authority's business and social activities, and sustains or builds a Māori authority's asset base
- it is a business that is 50 percent or more owned by Māori authorities.

**Pure birth:** birth with a recent birth date. That is, the birth dates of all geographic units and the enterprise are more recent than the February snapshot of time T-2 in the business demography population. Pure births generally exclude reactivations (enterprises dormant for a period that come back into the population).

See [Business births and deaths](#) for more information.

**Reactivation:** enterprise dormant for a period that comes back into the business demography population.

**Surviving birth:** birth that survives at least one period (until time T+1 reference period) in the business demography population.

See [Business births and deaths](#) for more information.

**Short-lived birth:** birth that disappears by time T+1 reference period in the business demography population, due either to death or dormancy.

See [Business births and deaths](#) for more information.

**Survival rate:** the percentage of births in each reference period that survives into future reference periods in the business demography population (surviving births divided by total births for a particular reference period). To be a survivor, the new enterprise must have existed at every reference period between its birth year and the given reference period.

## **Related links**

### **Upcoming releases**

*New Zealand Business Demography Statistics: At February 2016* will be released in October 2016.

[Subscribe to information releases](#), including this one, by completing the online subscription form.

[The release calendar](#) lists all our upcoming information releases by date of release.

### **Past releases and media releases**

[NZ Business Demography Statistics](#) has links to past releases.

### **Related information**

[Australian and New Zealand Standard Industrial Classification \(ANZSIC\) 2006](#) provides more details about the industrial classification used in this release.

## Data quality

### Quality limitations of fine-level data

We recommend caution when using fine-level regional and industry business demography data. The Business Frame (BF) supports quality national-level and aggregate industry-level statistics but is not designed to provide quality fine-level regional or industry statistics. The BF update sources can have timing lags and less robust information for small and medium-sized enterprises. These quality weaknesses can be highlighted in fine-level business demography statistics.

### Period-specific information

Information about data that has changed since the last information release.

- [New Zealand Standard Institutional Sector Classification 1996 version discontinued](#)
- [Data confidentiality rules applicable to business counts](#)

### General information

Information about data that does not generally change between releases.

- [About the data](#)
- [Businesses covered](#)
- [Employee count data](#)
- [Business births and deaths](#)
- [Interpreting time-series data](#)
- [Further data limitations](#)

## Period-specific information

### New Zealand Standard Institutional Sector Classification 1996 version discontinued

The institutional sector classification used in previous business demography statistic releases was the New Zealand Standard Institutional Sector Classification 1996 (NZISC96). Starting with this (2015) release, two new classifications, the Statistical Classification for Institutional Sectors (SCIS) and the SCIS Control are used instead.

The following four tables, based on the new SCIS and SCIS Control classifications, replace the two previous (NZISC96-based) tables, and will be published on NZ.Stat at the end of November 2015:

- Enterprises by institutional sector and employee count size
- Enterprises by institutional sector and industry
- Enterprises by SCIS Control and employee count size
- Enterprises by SCIS Control and industry.

### Data confidentiality rules applicable to business counts

In previous releases, business counts (enterprise and geographic unit) in most tables were not rounded. Only employee count (EC) figures were randomly rounded.

Starting with this release enterprise and geographic unit counts will also be randomly rounded in all tables.

In addition, very small business counts and the EC associated with them may be suppressed.

## **General information**

### **About the data**

Regional data throughout this release use the 2013 area boundaries.

### **Businesses covered**

Business demography statistics coverage is limited to economically significant enterprises that are engaged in producing goods and services in New Zealand. An enterprise must meet at least one of the following criteria:

- annual expenses or sales subject to GST of more than \$30,000
- 12-month rolling mean employee count of greater than three
- part of a group of enterprises
- registered for GST and involved in agriculture or forestry
- over \$40,000 of income recorded in the IR10 annual tax return (this includes some units in residential property leasing and rental).

We continually monitor enterprises recorded on Inland Revenue's client registration file to determine whether they meet the 'economic significance' requirements for inclusion. Enterprises maintained on the BF (source of the Longitudinal Business Frame (LBF)) represent the target population from which Statistics NZ's economic surveys are selected.

We exclude all non-trading or dormant enterprises, as well as enterprises outside New Zealand, from business demography statistics.

### **Business demography data is provisional**

Data on the BF is continually updated to maintain the latest information on businesses. Updates can affect the history of businesses as well. We construct the LBF monthly from all current and historic BF data, taking into account all updates on the BF since the last construction. This means that statistics based on the LBF can change if they are recreated from an updated version of the LBF.

From 2007 onwards, we release business demography statistics provisionally to allow updates to the series to be incorporated in the next release. We expect the largest revisions in the most-recent reference periods, with smaller changes earlier in the time series. This is mainly due to the lags associated with processing administrative data, which are a key component of the BF maintenance strategy.

### **How businesses are represented as statistical units**

Businesses are represented in the BF and the business demography statistics as statistical units. We use two types of statistical units:

- The **enterprise unit** represents the legal business entity (eg a limited company, a partnership, a trust, an incorporated society). Where a group of limited companies is linked by ownership of shares, we record each individual limited company in the statistics as a separate enterprise.
- The **geographic unit** represents a business location engaged in one, or predominantly one, kind of economic activity at a single physical site or base (eg a factory, a farm, a shop, an office). Geographic units are unique to enterprises and an enterprise unit can have one or many geographic units (business locations). Typically, an enterprise unit only has a single geographic unit, unless the enterprise has paid employees who permanently work at more than one location. Geographic units can be transferred between enterprises (eg enterprise B purchases a factory (a geographic unit on the BF) as a going concern from enterprise A).

## Employee count data

We source the employee count (EC) data we publish in the business demography statistics and Linked Employer-Employee Database (LEED) from the employer monthly schedule (EMS) tax form. Conceptual differences between the business demography EC size measures and the published LEED employment statistics include:

- business demography includes employees of all ages (LEED statistics exclude employees under 15 years)
- business demography counts people employed at any time during the February month (LEED statistics only count those employed on the 15th of the reference month)
- business demography uses the EMS data before all returns are finalised. When we publish the business demography statistics, we consider the EMS data robust enough to accurately indicate business size.

Business demography does not provide official statistics on employment levels. The EC data in business demography is primarily used to support business size statistics.

- Business demography revisions each year can include updates to the EC data for previous years.
- Interpreting time series data and Data limitations apply to the EC statistics and the counts of statistical units.
- The timing of seasonal business activity (eg horticultural crop harvesting) can influence the time series for some industries and regions.
- EC statistics include all employees who are paid during the month, irrespective of the number of hours or days they work. If an individual has multiple jobs during a month, with different employers, we count all jobs.
- EC statistics at the geographic-unit level for multi-geographic-unit enterprises (many business locations) are calculated by a process that includes some estimation. We proportion enterprise-unit EC data to the constituent geographic units by using survey data and administrative records on employee locations.
- Generally the EC for a geographic unit is all paid employees working at that business location. However, for industries with employees who do not work at a fixed location, we count employees at the geographic unit that represents the base, administrative, or head office of their employer (eg building and construction, transport, contract labour, health care and assistance, gardening, agriculture contracting, cleaning).
- Data users need to be cautious and understand the factors influencing EC statistics when interpreting changes over time.

EC data does not include working owners, unless they pay themselves a salary or wage that is subject to PAYE. So enterprises in the zero EC size category may have:

- working owners
- labour provided by other businesses or contractors
- business activity that requires no labour (eg passive investment).

## **Business births and deaths**

### **Identifying business births and deaths**

To observe business dynamics (eg births and deaths) over time, from administrative data sources, we must be able to link continuing businesses if their identifiers change in the source data. A business may undergo several changes in its lifetime, not just birth and death. For example, legal or administrative entities may close down or emerge due to breakups, mergers, split-offs, takeovers, or restructuring. Any of these events can result in the business obtaining a new unique identifier (an IRD number) in the tax reporting system and subsequently on the BF. A business would then appear as a death and subsequent birth in these systems. However, neither administrative changes nor the events mentioned above necessarily indicate a birth or death of the underlying business activity in the real world.

The methods we use to identify business births, deaths, and continuing businesses in the business demography dataset are in line with recommendations from the Organisation for Economic Co-operation and Development (OECD) and Eurostat. The theoretical criteria we use to define each are based on a combination of factors of production (land, labour, capital). A birth is an assembly of new factors of production. A death is a disassembly of factors of production.

In practice, the information we use as proxies for these production factors, to identify continuing businesses, are whether a business:

- holds a majority of its original geographic units (business locations)
- keeps the same trading name
- is in the same industry
- continues to operate from the same location
- continues to employ most of its former employees.

In contrast, indicators for a new business (birth) are whether a business forms new geographic units, has a new trading name, and mostly recruits new employees.

See [Business Demographic Statistics Review Report](#) (published 2006) for the processes we use to identify continuing businesses on the LBF (longitudinal links).

### **Reference period for births and deaths**

We present births and deaths on an annual basis, at February. For us to count a birth or death in a reference period, it must have occurred at some stage during the year (1 March to end of February), and not have a changed status by the February reference point. For example, an enterprise that ceased operation during the year, and then started again before February, is not counted as a death.

According to Eurostat's recommendations for enterprise births and deaths, a reactivation (an existing enterprise that was dormant for a period and came back into the business demography

population) after less than two years of inactivity is not counted as a death and subsequent birth. To identify births at time (T), we need to check movements in the enterprise population over more than one period (a year) – that is, at least back to time T-2 years. This also helps us to filter out temporary movements in and out of scope (as determined by the economic significance of an enterprise, which may change from one period to the next). The number of periods we can look back for births, or forward for deaths, is limited by the start and end points of the available data (the LBF holds data from April 1999 to the current month). For enterprise births in 2001, we used the snapshots of April 1999 and February 2000 as reference points. For all other birth and death reference periods, we only used snapshots for February as reference points.

### Identifying enterprise births

**Total entries** for period T are all enterprises whose identifiers exist at time T but not at time T-1 year. Of these, **real births** are all enterprises whose geographic units existed at neither time T-1 year, nor time T-2 years.

- If an enterprise consists of more than one geographic unit, we only consider it a real birth if none of its units existed in the previous two years.
- Entries other than real births are enterprises that experience administrative changes or movements in and out of scope.

Once we identify real births on the LBF using the methods above, we analyse them further by splitting real births of period T into:

- **pure births** (where birth dates of all geographic units and the enterprise are more recent than the February snapshot of time T-2 years)
- **other births** (birth dates are not recent, and are therefore likely to be reactivations)
- **surviving births** (survive at least one period until time T+1 year)
- **short-lived births** (disappear by time T+1 year, due to either death or dormancy).

### Identifying enterprise deaths

**Total exits** for period T are all enterprises whose identifiers exist at time T-1 year but not at time T. Of these, **real deaths** are all enterprises whose geographic units exist at neither time T, nor time T+1 year.

- If an enterprise consists of more than one geographic unit, we only consider it a death if all its units disappear in the following two years.
- Exits other than real deaths are enterprises that experience administrative changes or movements in and out of scope.
- If data for time T+1 year are not available, the number of real deaths is provisional until revised after the next snapshot is available. Therefore, deaths for the more recent reference periods should be treated with caution.

### Identifying geographic-unit births and deaths

These statistics are available by regional council and territorial local authority. The rules for identifying geographic unit births and deaths mirror those of enterprise units, as described above, except that the enterprise unit to geographic unit linkages are irrelevant. We do not consider existing geographic units moving between regions to be births or deaths.

## Survival of enterprise births

The longitudinal nature of the LBF allows us to track enterprise births in any reference period over subsequent years. Survival rate statistics can be used to analyse the survival of new births, by both industry and business size. We calculate survival rates as the percentage of births in each reference period that survive into future reference periods in the business demography population (surviving births divided by total births for a particular reference period). To be a survivor, the enterprise must have existed at every reference period between its birth year and the given reference period.

## International comparability

The OECD study on international comparability of business start-up rates found that although enterprise birth rates are a key economic indicator, their availability and definition varies between countries, making comparison difficult. Eurostat and the OECD are working on standard models for business populations and standardised definitions for key indicators. The definitions and methods we use align well with the best practice models presented in the OECD study.

See [Business Demographic Statistics Review Report](#) (published 2006) for more detail.

## Interpreting time-series data

### Improved processes

Our business demography time-series data has several significant changes caused by improved processes. Due to data constraints, we have not attempted to remove the influence of these changes, but they are described here so customers can understand the time series.

**Agriculture units** (ANZSIC06 subdivision A01). For a period before 2002 the agricultural units on the BF were maintained to a lower quality level than other units on the BF (we had no agricultural production statistics programme in place). When we reintroduced a programme of annual agricultural production statistics in 2002, the BF quality improved, with business demography data for the agriculture industry being more robust from 2004. However, feedback on the BF from the agriculture programme cycle can still result in some volatility in the agriculture series. Some changes in business demography statistics for agriculture therefore reflect quality improvements in the BF, rather than actual changes.

**Small drop in total enterprises from 2000 to 2001.** This was influenced by a change in June 2000 to the methodology used to add new units to the BF. Under the new methodology, we only added units to the BF after administrative data sources reported the unit displayed sufficient activity to meet the BF economic significance conditions. Previously, we added non-employed units to the frame before they met these conditions. The change only affected non-employed businesses.

**Significant increase in enterprises in 2004** – particularly in ANZSIC06 divisions K (financial and insurance services) and L (rental, hiring, and real estate services). This was largely a consequence of our improved use of administrative data to maintain the BF. Most enterprises added were non-employed businesses.

### Changes in how we represent businesses on the BF

Structural changes in businesses, such as business mergers, one business taking over another business, or a business selling part of its activities can also affect time-series data. This can

cause a significant EC data movement in an industry (ANZSIC) time series. For example, in a business takeover where one enterprise is absorbed into another, the employees of the smaller enterprise will typically become classified to the industry of the larger enterprise.

Regional business demography time-series statistics can be influenced by changes in how we represent an enterprise with many business locations on the BF. For example, a move to a less-granular or more-detailed geographic unit structure, due to changes in a way a business reports regional information, can influence regional time series.

Many enterprises undertake a range of business activities simultaneously. For example, they manufacture and wholesale goods, and their activities can be over commodities that cross ANZSIC boundaries. Enterprises are classified on the BF according to their predominant activity. Movements in time series can be caused by the predominant activity changing, which can appear to be a significant change in an industry time series. Such changes need to be interpreted carefully, because the business activity may be largely continuing, but under a different predominant industry classification.

Data limitations associated with business demography data include:

- non-coverage of 'small' enterprises that fall below the economic significance criteria
- partial coverage of enterprises in the gap between the BF economic significance condition (\$30,000 of sales subject to GST) and the compulsory GST registration threshold (\$60,000 from 1 April 2009). We can't quantify our partial coverage, but some businesses register for GST when their activity is below the threshold
- residential property operators industry (ANZSIC06, class L6711) contains only partial coverage (analyse with care)
- lags exist in recording enterprise births and deaths
- our published time series is revised each year as we incorporate the latest LBF data. Revisions of any significance mainly affect the end points of the series
- non-availability of overseas ownership information for some BF units
- information on enterprise ownership links (needed to identify BF enterprise groups) is limited to administrative data sources; direct surveys cover only large businesses
- difficulties in maintaining industrial and geographic classifications for medium and smaller enterprises (primarily maintained on BF using administrative data)
- some classification data is imputed (estimated) in back-cast ANZSIC06 statistics – apply caution when using them
- we introduced classification for Māori enterprises only in 2010. Due to small numbers, any detailed analysis of Māori enterprise and EC data should be done with caution.

### **Further data limitations**

The numbers of business births, deaths, and surviving businesses rely on several data sources to identify a continuing business (eg one changing legal ownership and restructuring) and genuine start-ups and closures. These data sources are not comprehensive and are of lower quality for small non-employing businesses. When businesses register for GST and are added (or 'birthed') onto the BF, we give them a new reference number. Company restructuring or ownership change can result in a new GST registration being filed, even though it relates to an existing business. While the BF and the LBF both have procedures to identify links between new and existing businesses, we can't guarantee that all links are identified. Some false positive links will be identified. We recommend caution in interpreting and using these statistics.

## Rounding

Enterprise, geographic unit, and EC counts in the tables in this release are randomly rounded. Due to rounding, individual figures may not sum to the stated total(s). Derived figures (eg percentage changes) are calculated using unrounded data.

## More information

Statistics in this release are produced in accordance with the [Official Statistics System principles and protocols for producers of Tier 1 statistics](#) for quality. They conform to the Statistics NZ Methodological Standard for Reporting of Data Quality.

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## Tables

See the Excel tables in the 'Downloads' box on this page. If you have problems viewing the files, see [opening files and PDFs](#).

1. Enterprises, geographic units, and employee count by industry (ANZSIC06), at February 2015
2. Geographic units and employee count by region, at February, 2006–15
3. Number of enterprises, enterprise births, and enterprise deaths, at February, 2006–15
4. Breakdown of enterprise births, at February, 2006–15
5. Enterprise births by industry (ANZSIC06), at February, 2006–15
6. Enterprise deaths by industry (ANZSIC06), at February, 2006–15
7. Enterprise births by employee count size group, at February, 2006–15
8. Enterprise deaths by employee count size group, at February, 2006–15
9. Employee count in enterprise births and deaths, by employee count size group, at February, 2006–15
10. Average employee count for enterprise births and deaths, at February, 2006–15
11. Survival rate of enterprise births by industry (ANZSIC06), at February, births in 2005–13
12. Survival rate of enterprise births by employee count size group, at February, births in 2005–13
13. Enterprises by enterprise group membership, at February 2015
14. Enterprises by type of enterprise group, at February 2015
15. Enterprises by industry (ANZSIC06) and type of enterprise group, at February 2015
16. Enterprise groups by type and number of New Zealand enterprises in the group, at February 2015
17. Māori enterprises and employee count by industry (ANZSIC06), at February, 2010–15
18. Geographic units and employee count in Māori enterprises by region, at February, 2010–15.

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### Next release

*New Zealand Business Demography Statistics: At February 2016* will be released in October 2016.