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Vote: Statistics

Four-year Budget Plan

Version [Final]

1 December 2010

Submitted by:

Statistics New Zealand

Section 1: New Baseline and Summary of Changes. *Major priorities and programme changes in Vote: Statistics, over the next four years, and how they contribute to achieving Government Priorities.*

Contribution of official statistics to Government Priorities

1. The Government's overriding objective is continued economic recovery and growth through six policy drivers, including supporting business innovation and trade and improving value for money in the public sector. This objective and these priorities require comprehensive and high quality information to inform decision-making and to monitor outcomes over time.
2. Official statistics provide that information. They offer insight into the dynamics of New Zealand's society, economy and environment and enable New Zealand to monitor its progress and compare itself internationally. Within New Zealand, official statistics underpin all major investment decisions including setting the official cash rate; determining government expenditure and revenue forecasts; and funding allocations, in the order of \$135 billion over 5 years, to district health boards, schools, community and early childhood services. Every major policy initiative under way, including savings, tax, housing, welfare and capital market development, has been using official statistics extensively.
3. Internationally, official statistics are the nation's scorecard for credit rating agencies, international investors and potential migrants. They are crucial to New Zealand's international credibility and are used by international agencies such as the International Monetary Fund and the OECD.
4. In the current fiscal situation and global outlook the continued production of reliable and relevant statistics is particularly crucial, but the ongoing supply and reliability of some of New Zealand's most important economic and social statistics is at severe risk and the statistical system (the Official Statistics System (OSS)) lacks coordination, coherence and prioritisation. Under utilisation of the data collected and held by government reduces value for money.
5. To address this situation Statistics New Zealand was tasked by the Minister of Statistics (as a priority for 2010) to develop a long-term sustainability plan. This plan is encapsulated in the Statistics 2020 Programme (Stats 2020) a 10 year programme aimed at creating a more efficient and sustainable organisation able to deliver statistics essential to New Zealand's growth and prosperity at more value. A business case in support of Statistics 2020 is attached for consideration as part of the 2011 Budget process as advised by the Minister of Finance in October 2010.
6. This business case offers Ministers investment choices ranging from a baseline scenario through significant output cuts, to long term sustainability options requiring additional investment to ensure New Zealand gets maximum value from its investment in official statistics.
7. The sustainable supply of official statistics is a cross-government issue; should critical statistical production systems fail or outputs need to be cut, this will affect users in the private and public sector, government departments and Ministers and their portfolios.

8. Investment in the Statistics portfolio now will guarantee supply in the medium and long term. With support for Statistics New Zealand's preferred option for its long-term business sustainability the way is opened to transform the way it delivers its statistics. Opportunities open up to create a more efficient and effective national statistical office, improving the government's value for money from its investment in official statistics through wider use and stronger leadership, resulting in smarter public services.
9. The preferred scenario requires an additional investment of \$14 million per annum to fully implement the Stats 2020 programme. It should be noted that operating funding will be required beyond 2020/21. It also requires a decision next year to renew time-limited funding for social and population statistics and future census options.

Ministerial priorities

10. The Minister's overarching long-term priorities for the Statistics portfolio (in line with the Government goal to improve value for money in the public sector) are focused on long term business sustainability to ensure that New Zealand gets maximum value from its investment in official statistics.
11. The extent to which these priorities can be achieved is dependent on the outcome of the business case. Without additional funding for long term sustainability the short to medium term priorities are that Statistics New Zealand focus on the reliable production and quality of the most important statistics by cutting lower priority outputs and deferring some major projects.
12. How these priorities can be achieved within baseline, is fully described in the business case as the baseline scenario. This Four-year Budget Plan (in lieu of Ministers' consideration of the business case) outlines the baseline option.

Major programme changes required to stabilise the business within baseline

13. To find the investment required to achieve priorities within baseline, the following major programme changes are proposed:
 - output cuts (of \$3 to \$8.9 million p.a.). Statistics New Zealand will discontinue producing the lower priority 3 and 4 statistics and produce only the most important priority 1 and priority 2 statistics¹
 - narrow the range of stakeholders that are a priority focus for the Department
 - defer work and investment on standardising production aimed at improving system efficiency
 - deferral of statistical maintenance aimed at improving accuracy and ensuring currency of statistics

¹ Priority 1 statistics are defined as being the most important official statistics. They require the highest levels of credibility and integrity and include GDP, CPI and population count statistics.

Priority 2 are outputs that are directly used in the production of priority 1 statistics, such as the Annual Enterprise Survey and the Household Expenditure Survey.

Priority 3 are outputs produced because Statistics NZ has a strong comparative advantage and/or there is a widespread and enduring user demand, such as business demography data.

Priority 4 are discretionary outputs, due to "weak" comparative advantage and 'low' or 'narrow' user need, such as survey of English Language providers.

- limit work on promoting the value of statistics, undertaking analysis and building the capability of users and producers in the OSS
- significant revision would be required to the social and population statistics programme work.

Major priorities within baseline

14. The savings from these programme changes would be directed toward addressing outdated legacy systems and software with the objective of ensuring the integrity of those statistics that continued to be produced.
15. Other priorities are: the implementation of decisions made on an agreed list of New Zealand's most important statistics (Tier 1); ensuring the successful delivery of the 2011 Census of Population and Dwellings; identifying rationalisation opportunities to increase efficiency across the official statistics system (closely linked to the Tier 1 review); improving access to government-held data; and, progressing options for the future of population and social statistics, including the Census.

TABLE 1: Overall Impact of proposed reprioritisation within Baseline

Operating	Impact (\$000s)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Current Baseline	146,800	102,200	95,500	96,900	100,500
Cost of pressures/activities	-	5,400	10,200	16,000	20,100
Amount reprioritised:					
Output Cuts	-	(3,000)	(5,900)	(8,900)	(8,900)
Efficiency and Statistics 2020 Baseline scenario related savings	-	(2,400)	(4,300)	(7,100)	(11,200)
New baseline	146,800	102,200	95,500	96,900	100,500
Capital	Impact (\$000s)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Capital proposals seeking new funding in Budget 2011	-	-	-	-	-
Capital proposals seeking decisions in Budget 2011 funded within baseline	-	-	-	-	-
Total capital intentions	-	-	-	-	-

N.B. Statistics New Zealand is not seeking any additional operating or capital funding in this baseline funding.

Section 2: Vote Priorities and Pressures. *What pressures, cost drivers and risks will be faced and how will these be managed in achieving the Minister's priorities over the next four years?*

Pressures, cost drivers and risks

16. Statistics New Zealand is currently operating in an environment in which users' expectations exceed the organisation's ability to deliver a wider range of quality statistics; and, where technology is changing rapidly, increasing expectations amongst respondents and users of reduced compliance costs and improved access. Money is tight and statistical and IT staff are hard to recruit and retain with high demand for their skills. The organisation has over 250 individual silo production systems which are old and increasingly unsupported and costly to maintain. The OSS is decentralised and in need of strengthened leadership if Government is to get a better return on investment.

Pressures

Ageing IT systems and statistical methodologies

17. A major pressure on the continued supply of core statistics is Statistics New Zealand's ageing IT systems and statistical methodologies. In the order of 70 percent of its IT systems are fully depreciated. Many of the economic statistics systems were developed in the mid 1990s, with the Household Labour Force survey methods and associated systems dating back to 1985. Updating of statistical standards and methodologies has been severely constrained within the limited resources available. For example, in the National Accounts area, which includes GDP, statistics are compiled using 1993 methodologies, with some dating back to 1968. Similar issues apply to the Balance of Payments.

Siloed systems, datasets and methods

18. The organisation has over 250 separate silo statistical production systems. These are complex to change and maintain. Because many are also built on versions of software that are dated, there are only very few people, internally or externally, who have the skills needed to support them. An example of this is the Business Frame which supports the creation of survey samples for all economic statistics. These silos are inflexible and therefore it is costly and slow to respond to customers' needs. They also inhibit access to, and the linking and integration of, data. They are not designed to facilitate analysis across sets of data with the result that data is only used for the single purpose it was collected. The potential for combining sets of data to create new and different information cannot be fully realised. This makes the operating model very expensive.

Recruiting and retention issues

19. Recruiting and retaining the skilled staff necessary to produce the current portfolio of statistics is also proving difficult. Statistics New Zealand's salary structures for key statistical roles are in the order of 13-18 percent lower than the same size jobs across the public sector. In addition, because of the pressure on the organisation's baseline, financial recognition for good performance has been limited and is unsustainable in out years. This makes both attracting and retaining staff very challenging. Turnover of statistical analysts, who make up the core of Statistics New Zealand's workforce, ranged between 14 and 20 percent across 2006-2009. Turnover is rising again following a period of recession

induced stability in 2009/10, with valuable expertise leaving for opportunities, particularly in the private sector.

Stakeholder expectations

20. Additional pressure comes from key stakeholder expectations which far exceed what Statistics New Zealand can deliver. These expectations range across a number of areas. They relate to such things as: enhanced quality and relevance; improved timeliness, the need for more new statistics to fill key gaps; easier access to, and manipulation of, data available; and reducing the cost on businesses and households of producing statistics.

Rising deficits

21. The organisation is currently projecting a \$5 million deficit in 2010/11 and this is expected to increase significantly to \$20 million by 2014/15.

Cost Drivers

22. These deficits are driven by increasing operating costs, depreciation costs, and time-limited funding coming to an end. Factors leading to an increase in operating costs (of over \$2 million per annum) include the rising cost of skilled personnel in the knowledge sector, general inflation costs, leasing and IT application licensing costs and potential increases from the Collective Employment Agreement currently being re-negotiated.
23. As noted above, in the order of 70 percent of Statistics New Zealand's IT systems are fully depreciated. This includes IT infrastructure and developed systems or software. These old and fragile systems need substantial reinvestment and the department is unable to afford the future depreciation stream resulting from the required capital investment.
24. These issues are further exacerbated by time limited funding. The vast majority of social statistics are subject to time-limited funding which is coming to an end in 2014/15. This funding currently accounts for 14 percent of total funding. Therefore, decisions regarding further output cuts or additional funding will need to be taken for 2014/15 and beyond.

Risks

25. Combined, these pressures and cost drivers create an unacceptable business risk for Statistics New Zealand and place New Zealand's international reputation at risk. Given the age and siloed nature of its systems, Statistics New Zealand faces the very real risk of failing to produce one or many of the key national indicators such as Labour Force statistics and GDP. Inability to update methodologies to current international standards means that the accuracy of New Zealand's statistical measures will deteriorate and New Zealand's credibility and credit rating will suffer.
26. The risk to official statistics extends beyond Statistics New Zealand to the wider OSS. Statistics New Zealand has invested limited resources into the coordination and leadership of the OSS, but it is not enough. The OSS is decentralised and without effective leadership there is a risk of overall system inefficiency through poor prioritisation, potential duplication and under-utilisation and reuse of the data held across government.

Management of pressures, cost drivers and risks to achieve priorities

27. Over the last five years, Statistics New Zealand has achieved efficiency savings of around \$7 million including cutting outputs. This has included reducing the frequency and scale of environmental accounts production and development, discontinuing the quarterly regional review and other regional analyses and reducing the frequency of the Farm Expenses Price Index. Decisions to cut other outputs this financial year include: discontinuing the monthly retail trade statistics; transferring the work stoppages statistics to the Department of Labour; deferring the Household Savings Survey; reducing expenditure on the promotion of statistics and ceasing the Official Statistics System Research programme. Other measures undertaken to find efficiency savings include: a reduction in survey collections costs; cancellation of intake into the department's graduate training programme; cancellation of 2010/11 statistical research programme; reduction in funding for the small business seminars Go Stats!; and an overall reduction in discretionary expenditure including travel, training and amenities.
28. Ongoing reductions in outputs is not sustainable. It is a short term approach when a long term solution is needed. The 10 year programme, Stats 2020, has been developed to get the business onto a sustainable footing and to manage the pressures, cost drivers and risks facing the business long term. The programme focuses on transforming how the department delivers its statistics and on gaining more value from the Crown's investment in official statistics. It aims to address key risks in a way that creates a more efficient and sustainable way of working.
29. The business case supporting Stats 2020 is divided into two parts. The first outlines Stats 2020, the organisation-wide response to the current risks discussed above. The second part focuses specifically on the ongoing supply of population and social statistics through a sub-programme called Tomorrow's Official Population and Social Statistics (TOPSS). The TOPSS programme sets out the future vision for population and social statistics which builds on the current suite of social statistics, and has at its core the Census, all of which are used to allocate over \$30 billion of funding every year.
30. Both parts of the business case offer Ministers choices in relation to the current suite of statistics being produced. Without additional funding for Statistics New Zealand's organisation wide Stats 2020 programme significant output reductions are required in order to continue the reliable production of the most important statistics and increase the value of government's investment in official statistics.

Section 3: Proposed changes for Budget 2011 (Reprioritisation). *Identify what reprioritisation is needed in the Vote to achieve priorities and meet pressures outlined in Section 2, within the total operating and capital funding available to the Vote over the next four years.*

[2]

TABLE 2: COST SAVINGS PER OUTPUT

[2]

ii. The range of stakeholders that are a priority focus for the Department would be narrowed

33. In particular, focus would remain on government and media stakeholder groups but diminish for business, Māori and research-based stakeholders.

iii. Work and investment would be deferred on standardising production which is aimed at achieving improved value and efficiencies

34. Much investment in common statistical infrastructure (which support a number of business wide processes) would be deferred, as would investment in common platforms, processes, tools and methodologies around groups of similar statistical outputs. Deferring investment in common statistical infrastructure will particularly affect the economic statistical area. Less investment in the integration of research databases into platforms such as the Better Economic Statistics (BEST) platform will also lessen the ability to share knowledge and data.

iv. Statistical maintenance would be deferred which is aimed at improving accuracy and ensuring the currency of statistics

35. A systematic and comprehensive programme of statistical maintenance underpins the continued accuracy and ensures statistics remain fit-for-purpose. Any deferral of the statistical maintenance programme of work will affect the department's ability to keep statistics accurate and up to date and responsive to real world changes

v. Statistics New Zealand's roles would narrow

36. Work on promoting the value of statistics, undertaking analysis in relation to statistics and building the capability of users and producers in the OSS would be reduced. Statistics New Zealand would maintain the current level of work in relation to its leadership role within the OSS, but it would be at the bare minimum that is sensible to undertake this role.

vi. Significant revision of social and population statistics programme (TOPSS)

37. Without further investment in the organisation, the social and population statistics programme would need to be substantially revised to determine which core social statistics would be continued. Without a more sustainable funding model the previous gains and investment made in this area will be lost. The number and type of population and social statistics that will no longer be able to be produced includes the General Social Survey, the Household Savings Survey, the Time Use Survey and a variety of supplements on topical issues such as household use of ICT, use of childcare services and work/life balance

Impacts and risks of reprioritisation within baseline

38. Costs will be incurred in implementing this reprioritisation within baseline. These primarily relate to payment of severance for staff due to lower FTE numbers. Some reduction can be managed through attrition, but it is estimated that this cost will be in the order of \$2.5 - \$3 million incurred over the first two years.

39. Other impacts from the reprioritisation programme changes listed above are:

- the loss of statistics relevant to the policy process, leading to ill-informed policy formulation and evaluation and potentially wasted investment in ineffective strategies
- Statistics New Zealand's Priority 3 and 4 statistics while a lower priority in terms of the statistics produced by the department, are included as Tier 1 statistics (New Zealand's most important statistics) across the OSS, and may well be more important than those being produced elsewhere
- further deterioration in New Zealand's conformance with international standards for the expected statistical portfolio (scope and quality) which affects the assessment of New Zealand's performance by international bodies and our reputation in international markets
- minimal efficiency gains, through an inability to invest sufficiently in standardised business processes and systems
- increased respondent burden as initiatives to use administrative data are curtailed and easier means of supplying information (such as the Internet) are not available
- no gains from re-use of data to produce new outputs, to undertake research using microdata, and to undertake different analyses. The integration of different datasets will be limited, again reducing explanatory power of what are rich information sources
- an inability to re-introduce cut outputs or to fill core statistical gaps in a cost-efficient and timely way. Restoring cut outputs is a slow and costly process
- limited capacity to meet the demands of government working groups, task forces and the like, through both lack of data and staff time
- dissatisfied stakeholders, such as the business sector, Māori and community groups, as their access and information needs take lower priority
- a perception that New Zealand's national statistical office is irrelevant to the modern economy and today's society as it is behind the times in the way it works and what it produces
- inconsistency with current imperatives around "inside-out" government
- a more costly statistical system through fragmentation and lack of coherence in the whole of government statistical portfolio.

40. While cuts to priority 3 and 4 statistics will reduce Statistics New Zealand's expenditure, this could turn out to be a false economy if users take steps, where they are able to do so, to generate statistics that would otherwise continue to have been produced by the organisation². This false economy is compounded by the likelihood that any statistics produced by users would be at a lower level of independence and quality than those produced by Statistics New Zealand.

² In many cases only Statistics New Zealand can produce statistics because only it has the legal authority to do so (e.g. the ability to use tax data)

Greater fragmentation of statistical production would increase the costs of overall production and the risk of unnecessary duplication. Fragmentation would also risk undermining consistency of data and data integrity across the OSS.

41. From a value perspective, the baseline scenario includes a number of missed opportunities due to:
 - little or no additional promotion of the value of statistics
 - no investment in building the capability of users
 - not providing users with new tools for accessing data
 - continuing to be primarily a producer of statistics rather than an agency that adds value through analysis and interpretation
 - limited OSS leadership.
42. The baseline scenario seeks to mitigate the risks stemming from existing legacy systems. Because it does so at the expense of output reductions and narrowing the focus on stakeholders, there is increased risk of Statistics New Zealand losing its relevance. Maintaining Statistics New Zealand's role in relation to the OSS to the bare minimum also increases the risk of losing relevance and, moreover, heightens the risk that value for money across the OSS would be diminished.
43. In short, the baseline scenario does not address the core issue of sustainability and it diminishes the value obtained from statistics.

Mitigation of risks

44. To fully mitigate the risk of this reprioritisation, retain the current level of outputs and ensure sustainability of the business into the future Ministers need to consider scenarios in the attached business case, other than the baseline scenario outlined in this Four-year Budget Plan. These scenarios are seeking a mix of capital and operating funding (where operating expenditure cannot be met within baseline).
45. Management of change will be required (internally and externally) regardless of which option in the business case is chosen. A governance and management model has been specifically developed for the Stats 2020 programme taking into account lessons learnt from the past and the structure of this model flows through to the governance and management arrangements proposed for the TOPSS sub-programme.
46. Under the baseline scenario the focus will be on continuing the supply of the highest priority outputs, maintaining the quality and integrity of the statistics that continue to be produced, improving access to statistics, and making minimal investment in new technology to ensure the stability of production systems.
47. The preferred option presented in the business case is a 10 year programme that addresses key risks, modernises delivery of outputs, and maintains and enhances the supply of statistical information. Statistics New Zealand believes that this programme will increase the value received from the investment in official statistics and enable better-directed government spending and improved monitoring of performance across all portfolios.

Section 4: Summary of Financial Movements

Changes to appropriations which are required to deliver the reprioritisation in Section 3

This section details any changes to the Vote: Statistics appropriation once the department enters them into CFISnet.

The appropriation will only change where Ministers accept one of the investment options in the attached business case.

The reprioritisation presented in this Budget Plan, based on the Baseline option in the business case, will not result in a change to appropriation.

Appendix 1 – Output prioritisation framework

1. The framework sets criteria for ranking the statistical outputs and services provided by Statistics New Zealand. It was used to inform the organisation’s line-by-line review and the recent Baseline Alignment Proposal.
2. Application of the framework categorises statistical outputs into four priority groups:
 - Priority 1 - Most important official statistics that require the highest levels of credibility and integrity, such as GDP, CPI and population counts.
 - Priority 2 - Outputs directly used to produce Priority 1 statistics, such as the Annual Enterprise Survey and the Household Expenditure Survey.
 - Priority 3 - Outputs produced because Statistics New Zealand has a strong comparative advantage, and/or there is a widespread and enduring user demand, such as business demography data or the disability survey.
 - Priority 4 - Discretionary, due to “weak” comparative advantage and “low” or “narrow” user need, such as survey of English-language providers.
3. The framework is consistent with the Tier One review which is determining the “ideal” list of the most important statistics for New Zealand Inc. and aims to prioritise Statistics New Zealand outputs within this context.

Criteria

Priority 1: the most important official statistics that require the highest levels of credibility and integrity.

4. Statistics placed in this category meet the following criteria:
 - they are market sensitive
 - there is a legal requirement for the national statistics office to collect and produce them
 - they fulfil other statutory or electoral obligations
 - they are crucial to the essential management functions of government.
5. As a national statistics office, Statistics New Zealand has some particular attributes that mean it is best placed to efficiently deliver these “most important official statistics that require the highest levels of credibility and integrity”. These attributes are gained through legislation (for example, compulsory supply of information leading to higher levels of quality and protection of confidentiality), but also that Statistics New Zealand has no operational function other than its leadership of the Official Statistics System and the production of statistics. There is no vested operational or compliance interest in the outcome, the institution is independent of use and users, and it is trusted as a “broker” between users with differing agendas and by suppliers of source data.

Priority Two: statistics placed in this category meet the criterion that they are directly used in the production of the "most important" or Priority One statistics.

6. A wide range of statistics is directly used in the production of New Zealand's "most important" statistics. It is essential that Statistics New Zealand has control over their scope, quality and timeliness to ensure the credibility and integrity of the "most important" suite. These use existing statistical infrastructure and many are also published outputs that are of interest to a variety of users.

Priority Three: these statistics are categorized with consideration of both user need (high or widespread, low or narrow) and the comparative advantage (strong, weak) or Statistics New Zealand producing them.

7. Statistics New Zealand also can deliver statistics when there is a significant comparative advantage for it to do so. This may come about when producing statistics is not the core business of others, through Statistics New Zealand:
 - offering value for money through economies of scale or scope, the ability to deal with complex topics or processes, a concentration of specialised and scarce skills, or the ability to leverage existing infrastructure including established systems, methods and unit record data that other organisations are unlikely to maintain or develop
 - having advantages derived from statistics legislation (the Statistics Act 1975), such as access to unit record data, or mandatory participation
 - being able to provide independent evidence to assess New Zealand's position internationally
 - providing the particular advantage of the independence of the role of the Government Statistician. For example, the Cabinet placed responsibility with Statistics New Zealand for data integration for official statistical purposes or the production of statistics that relate to controversial areas of emerging interest internationally and domestically.
8. Comparative advantage is not sufficient to prioritise statistics in this category, as it does not address differing levels of "need". For example, the highest priority statistics in this category also would have widespread and enduring demand. Hence a prioritisation matrix is used that incorporates both user need (high, low) and comparative advantage (strong, weak).

Priority Four: these statistics are classified as discretionary. They tend to have narrow user bases.

9. Although there may be some advantage in Statistics New Zealand producing these, there is no compelling case to do so. Other organisations could reasonably be expected to maintain or develop the capability and infrastructure to produce these statistics; the input data sources are publically available; or changing user needs mean they are now less relevant relative to other statistics. These have both weak comparative advantage and low user need.
10. These have both weak comparative advantage and relatively low user need.

Products and services

11. The table below summarises the statistical outputs and services that are produced and groups them by each of the four priorities described above.

TABLE 3: Products and services by priority

Priority	Statistical Releases	Statistical Services
1	Most important statistics that require the highest levels of credibility and integrity	<p>Mandatory</p> <ul style="list-style-type: none"> • Absolutely must do, essential to the 'most important' statistics • Legal requirement
	<p>For example:</p> <ul style="list-style-type: none"> • Quarterly Gross Domestic Product • Consumers Price Index • Population estimates (national, sub-national & area unit) • Electoral populations • General Social Survey 	<p>For example:</p> <ul style="list-style-type: none"> • Geoframes • Household Labour Force Survey system redevelopment
2	Statistics directly used in the production of Priority 1 statistics	<p>Core</p> <ul style="list-style-type: none"> • Necessary work to maintain fit-for-purpose quality, ensure reasonable use of statistics • Essential functions for OSS leadership
	<p>For example:</p> <ul style="list-style-type: none"> • Annual Enterprise Survey • Quarterly Employment Survey • Household Expenditure Survey (income and expenditure) • Post Enumeration Survey • International Travel and Migration statistics 	<p>For example:</p> <ul style="list-style-type: none"> • Statistical enquiry service • Official Statistics Tier 1 review (and ongoing maintenance) • Supporting Advisory Committee on Official Statistics and OSS Officials Committee • Incorporation of new international standards (such as ANZSIC06)

Table 3 continued:

Priority	Statistical Releases	Statistical Services
3	<p>Produced because</p> <ul style="list-style-type: none"> • Statistics New Zealand has a strong comparative advantage, • and/or there is a widespread and enduring user demand 	<p>Strategic</p> <ul style="list-style-type: none"> • Prioritised by the Statistics New Zealand Board • Fits with strategic objectives, supports Statistics New Zealand’s positioning as a national statistics office, sets up for better future delivery but is not essential activity
	<p>For example:</p> <ul style="list-style-type: none"> • Productivity • Natural Resource Accounts • Business Operations Survey (except business ICT) • Linked Employee-Employer Database • Accommodation Survey (self-funded) • Population Projections • Biotechnology survey • Non-profit institutions and household sector satellite accounts • Longitudinal Immigration Survey of New Zealand (wave 1-3) 	<p>For example:</p> <ul style="list-style-type: none"> • Respondent Load Initiatives • Meeting international reporting obligations • Domain plans • Statistical education external capability: training

Priority	Statistical Releases	Statistical Services
4	<p>Discretionary</p> <ul style="list-style-type: none"> • “Weak” comparative advantage and “low” user need 	<p>Discretionary</p> <ul style="list-style-type: none"> • Elective activities
	<p>For example:</p> <ul style="list-style-type: none"> • Energy Account • Survey of English Language Providers • Alcohol & Tobacco • Abortion Statistics 	<p>For example:</p> <ul style="list-style-type: none"> • Key Statistics publication • New Zealand Yearbook

Appendix 2: Uses and Users of Lower Priority Outputs

Lower Priority Outputs - Examples of Use and Users	Selected uses and key users					
	Policy development and evaluation	Assessment of international performance	Business decision making	Servicing task forces, commissions and the like	Informing New Zealanders	Other
Statistical Outputs						
Economic Statistics						
Productivity	Treasury, RB, MED, Productivity Commission	OECD		Task Force 2025, Savings Working Group		Academic studies
Student loans (& education stats)	MoE, MSD					Fair valuation of scheme - MoE
Business performance - incl biotech, ISP supply, screen	MED, Treasury, RB, MoRST, MAF, Culture and Heritage <i>Economic Growth Agenda</i>		Various			
Business demography	MED, Treasury,	OECD - <i>entrepreneurial studies</i>	<i>Benchmarking</i> , via Business toolbox facility	Task Force 2025, Savings Working Group		Local govt - <i>planning</i>
Purchasing power parities	Treasury, MED	OECD, ICP		X		
Linked Employee Employer Database (LEED)	MoE, RB, Treasury, MSD, DoL: <i>labour market dynamics</i>					
Natural resource and environmental accounts	MIE	OECD				
Production - incl alcohol & tobacco	Treasury, MoH, IRD		Alcohol & tobacco industry		Community groups	
Misc small surveys - incl english language providers, CRIs	MoE		Education NZ (industry group)			
Cargo			Shipping companies, Ports			
Farm Expenses Price index	MAF		Federated Farmers, Meat and Wool Board			
Social Statistics						
Household Savings Survey	Treasury, RB, Retirement Commissioner, IRD, MSD - <i>retirement income, kiwisaver, housing affordability</i>			Task Force 2025, Savings Working Group		
Household survey supplements programme	Various depts					
Development & publishing of social stats - incl crime and family	MoJ, Police, MSD, Treasury, MoH				Public, community groups	
Vital Statistics - marriages, civil Unions & divorces)		UN	X		Public	Academic studies
Demographic projections -labour force, families, H/Hs etc & life tables	Treasury, MSD, MoH, Housing NZ	UN, OECD	Power companies			NZIER, local govt
Housing and health statistics advice & leadership	MoH, DBH, Housing NZ, QV, MSD - <i>housing affordability and adequacy, legislation</i>					
Induced Abortion Statistics	MoH & other health agencies, MSD, MoE				Community groups	Abortion Supervisory Committee- <i>reporting requirement</i>
Statistical Services and Reporting						
Analytical reporting, research reports	Widespread	Various	Various	Various	General public	Academia
Domain plans						All govt - <i>prioritising statistical needs</i>
Statistics education – external capability: training						All- <i>building capability</i>
Yearbook, key statistics and sustainable development publications					Public, libraries, schools	
Other						
Reduce HES income frequency to 3-yearly	Treasury, RB, MED, IRD ; <i>economic models and forecasting, poverty analysis</i>					
User Funded Lower Priority Statistical Outputs						
Economic Statistics						
Accommodation Survey	MED		Regional tourism operators (RTOs)			
Tourism Satellite Account	MED		RTOs			
Research & Development survey	MED, MoRST, MAF <i>Economic Growth</i>					
Longitudinal business database (LBD)	RB, MED, MFAT, DoL - <i>Economic Growth Agenda</i>	OECD				
Energy Use	EECA, MED, MIE					
Statistical Services						
International relations - incl international q'aires		MFAT, OECD, IMF, ILO UN etc.				