

BETTER FOR BUSINESS INSIGHTS

Better for Business (B4B) works with a collective of agencies to make it easier and more seamless for businesses to deal with government.

B4B has a kaitiaki role - meaning guardianship - which involves understanding and supporting the diverse needs of NZ businesses. It seeks to reduce the compliance burden on those businesses.

This is a short introduction to how businesses engage with government, based on the findings from B4B's regular surveys with businesses. Most results shown here are from the December 2019 research monitor.

For further information, please email betterforbusiness@mbie.govt.nz.

92% OF SMES USE AN EXTERNAL ADVISOR OR SERVICE FOR TAX MATTERS¹

1 IN 4 SMES SAY THEY USE AN EXTERNAL ADVISOR FOR ACC MATTERS

MORE THAN HALF OF COMPANIES USE AN EXTERNAL ADVISOR TO FILE THEIR ANNUAL COMPANY RETURN WITH THE COMPANIES OFFICE

>30 Average number of interactions with government per business per year

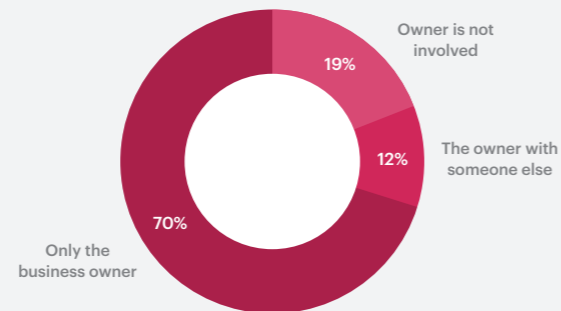
>50 Hours spent interacting with government per business per year

>\$5b Estimated total administrative cost to businesses (annually) of dealing with government requirements (NZIER)

¹ <https://www.ird.govt.nz/-/media/project/ir/home/documents/about-us/publications/research-and-evaluation-reports/small-and-medium-enterprises-compliance-costs/2018.pdf?modified=20200605021640>

HOW BUSINESSES ARE SET UP TO DEAL WITH GOVERNMENT

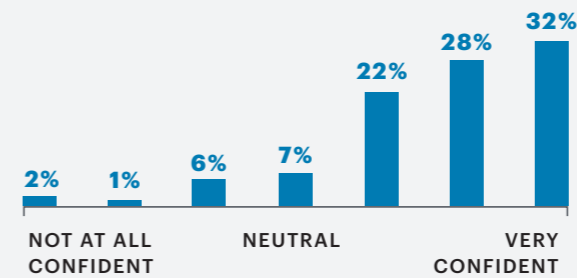
WHO IN THE BUSINESS IS RESPONSIBLE FOR DEALING WITH GOVT. DEPARTMENTS AND COMPLIANCE MATTERS



Most business owners have at least a partial involvement in the handling of compliance matters – although one in five (19%) prefer to leave it to their staff or external advisors.

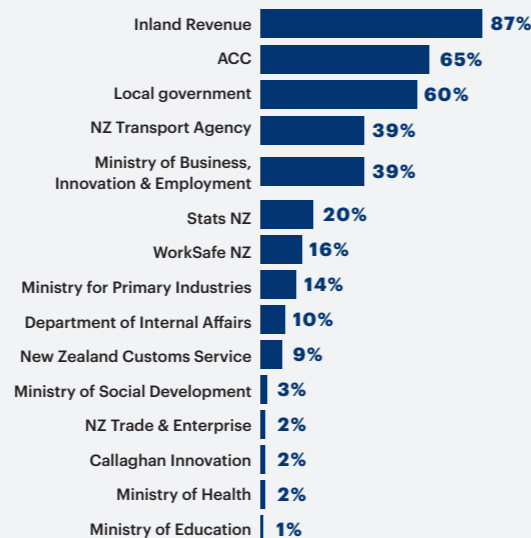
And most – but not all – owners and managers are confident in their businesses' ability to deal with government requirements.

CONFIDENCE IN ABILITY TO DEAL WITH GOVERNMENT REQUIREMENTS



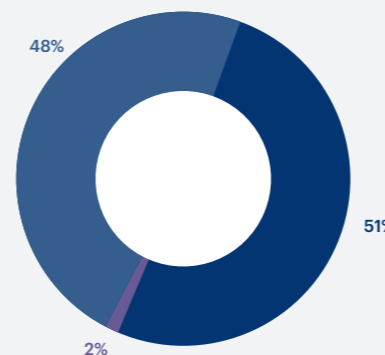
WHAT BUSINESSES DO WITH GOVERNMENT

TOP 15 AGENCIES DEALT WITH IN LAST 12 MONTHS



NUMBER OF GOVERNMENT AGENCIES DEALT WITH IN THE LAST YEAR

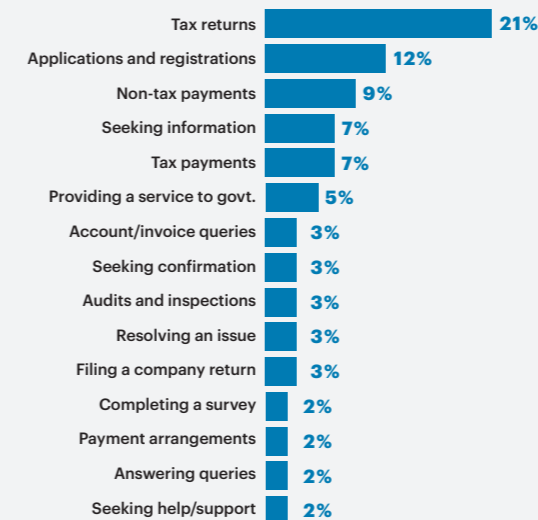
1-3 AGENCIES
4-8 AGENCIES
9 OR MORE AGENCIES



52% of businesses said they dealt with four or more different government agencies in 2019. This is higher for employers (63%) than non-employers (41%): having employees brings more compliance requirements.

Tax returns, payments, licensing/certification applications and seeking information top the list of the most recent dealings businesses had with government.

TOP REASONS FOR RECENT DEALING WITH GOVERNMENT



In order to legally operate...

- 25%** of businesses require licences from councils or government departments
- 20%** need to be registered with a non-government industry body/organisation

In the 12 months to December 2019...

- 10%** were audited or inspected by a government agency
- 10%** became more familiar or confident with meeting government requirements
- 9%** made changes affecting how they deal with government (e.g. staff, equipment)
- 66%** experienced a change in government services or requirements

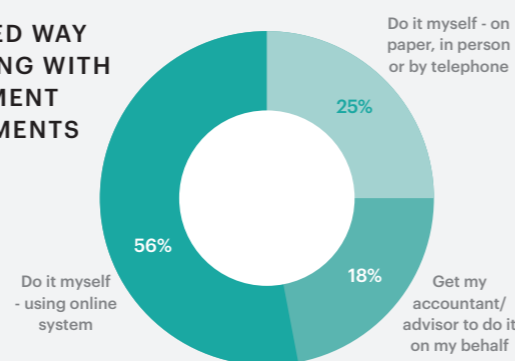
Each of the above figures is higher for employers than for non-employers.

There are more than **400** different combinations of government agencies that individual businesses in NZ deal with

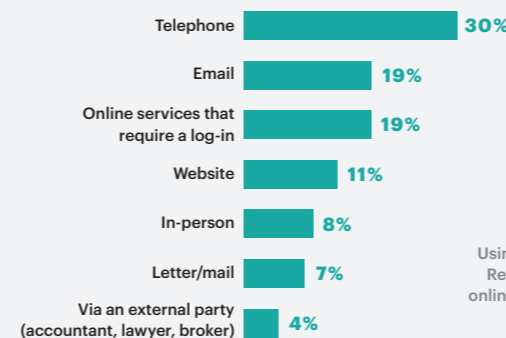
HOW BUSINESSES DEAL WITH GOVERNMENT

Businesses have different preferences for dealing with government agencies and therefore use a variety of methods to do so. Telephone is still a prevalent channel for business contact with government.

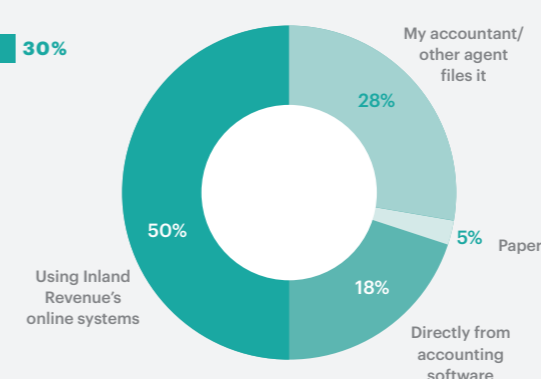
PREFERRED WAY OF DEALING WITH GOVERNMENT REQUIREMENTS



MAIN CHANNEL USED FOR MOST RECENT DEALING WITH GOVERNMENT



HOW GST RETURNS ARE FILED



DEALINGS WITH GOVERNMENT THAT BUSINESSES CONSIDER MOST CRITICAL

When business owners/managers are asked how important each dealing with government is, the items that are deemed most important are the ones that allow them to keep their business operating and keep delivering for their customers:

- > Licence applications/renewals
- > Building consents
- > Making a payment
- > Discussions re. applications