A brief history of the QSBO

An introduction and overview for the 2011 NZAE conference

June 2011
About NZIER

NZIER is a specialist consulting firm that uses applied economic research and analysis to provide a wide range of strategic advice to clients in the public and private sectors, throughout New Zealand and Australia, and further afield.

NZIER is also known for its long-established Quarterly Survey of Business Opinion and Quarterly Predictions.

Our aim is to be the premier centre of applied economic research in New Zealand. We pride ourselves on our reputation for independence and delivering quality analysis in the right form, and at the right time, for our clients. We ensure quality through teamwork on individual projects, critical review at internal seminars, and by peer review at various stages through a project by a senior staff member otherwise not involved in the project.

NZIER was established in 1958.

Authorship

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Key points

NZIER’s Quarterly Survey of Business Opinion (QSBO) is a tendency survey that has been running in New Zealand since June 1961.

The QSBO fills an information gap for decision makers in business and government. It has provided timely and accurate economic data to decision makers in government and business for 50 years.

Its long term success is because it is well designed, making it simple to complete, and is promptly published within days of the end of each quarter.

The QSBO provides data driven insights into how firms are responding to current economic events. These insights provide implications for both business and government decision makers.

The QSBO has provided 50 full years of observations and economic indicators. It has a 36 year continuous database of New Zealand business activity. This data presents a goldmine of information, and is actively used by academics and policy-makers.

It also presents businesses with the opportunity to gain timely and accurate intelligence on regional and industry performance. This intelligence can inform business decisions and improve business performance.
Contents

1. Introduction .............................................................................................................................................. 1 
   The QSBO ................................................................................................................................................... 1 

2. Foundation: the why and the how .......................................................................................................... 1 
   2.1 Why survey business opinion? ........................................................................................................... 1 
   2.2 Survey Design ..................................................................................................................................... 2 

3. Significant Developments ...................................................................................................................... 3 
   3.1 Industry Groups ................................................................................................................................... 3 
   3.2 Questions .............................................................................................................................................. 4 
   3.3 Sample Size, and Sampling Technique .............................................................................................. 4 

4. Insights .................................................................................................................................................... 5 
   4.1 Policy insights ...................................................................................................................................... 5 
   4.2 Business insights .................................................................................................................................. 8 
   4.3 Academic insights ............................................................................................................................... 11 

5. Summary ............................................................................................................................................... 12 

6. References ............................................................................................................................................. 13 

Appendices

Appendix A : QSBO Editors and Managers 1961-2011 .............................................................................. 15 
Appendix B : Survey Forms ....................................................................................................................... 16 

Figures

Figure 1 QSBO as an indicator of New Zealand’s economic history .......................................................... 6 
Figure 2 : Trading activity– Canterbury & rest ......................................................................................... 9 
Figure 3 : Building intentions – next 3 months Canterbury & rest ............................................................. 10 
Figure 4 : Labour turnover – next 3 months - Canterbury & rest ............................................................... 10 
Figure 5 : Average prices – next 3 months Canterbury & rest ................................................................. 11
1. Introduction

NZIER’s Quarterly Survey of Business Opinion (QSBO) is one of New Zealand’s leading economic indicators. March 2011 marked the 50th anniversary of the QSBO’s foundation. The 200th issue presents an opportunity to review the origin, evolution, and some of the insights provided by the QSBO. This paper makes use of this opportunity to provide an overview of the first 50 years of the QSBO.

The results of the QSBO are normally released a couple of days after the end of the quarter, providing a timely picture of economic activity in New Zealand. Due to its responsiveness, the QSBO has become a key tool in business and policy makers’ decision-making tool kit.

Over the last 50 years a significant number of New Zealand economists have contributed to the QSBO’s evolution. Buckle and Silverstone (2011) provide a list of all the people that have worked on the QSBO, which is presented as Appendix A.

The QSBO

- Quarterly survey of 2,200 CEOs about recent and expected performance
- Covers manufacturing, merchants and builders, architects, and services sector
- First published June 1961
- Snapshot of the economy in almost real time
- Key indicator for Reserve Bank and policy-makers
- 50 years of data for business analysis
- 36 years of consistent data for academic research

2. Foundation: the why and the how

There are a number papers and books that discuss the history of the QSBO. This section draws on a number, including Gillion (1964), Bowie and Easton (1987), Assendelft (1988), Buckle (1988), and Briggs (1997).

2.1 Why survey business opinion?

Business and policy decisions are made every day based on the best information available. People have a greater chance of making good decisions if the information they have is accurate and up-to-date. A problem with economic information is that official statistics can take a number of months to gather, collate, and publish. These delays can cause decision makers to rely on out-of-date information, or information from informal and potentially unreliable sources. The QSBO was designed to fix this issue by providing quick and accurate indicators of economic activity.

The problem of official statistics delay is not specific to New Zealand. Gillion (1964) credits the Institute für Wirtschaftsforschung (IFO) in Munich for first developing qualitative business...
surveys as a solution to this problem. Assendelft (1988) contends that this work began in 1948, as the German official statistics system was still in disarray following the war.

Bowie and Easton (1987) note that the IFO’s development was known as the “Konjunkturtest”, or tendency survey. This technique allowed a quick assessment of businesses within a certain area via an opinion poll of a sample of senior executives. The poll would include questions regarding a number of specific economic aspects about that executive’s business, both in the immediate past and future. By totalling their responses, the survey provides a timely indicator of current and expected economic conditions.

A number of other international institutions also began to implement the Munich technique, including the Confederation of British Industry, and the European Economic Commission.

**The birth of the QSBO**

Prof. Conrad Blyth, NZIER’s first director, was responsible for implementing both of the Institutes flagship publications, the QSBO and Quarterly Predictions. In his contribution to *The evolving Institute*, Prof. Blyth notes that he received encouragement to undertake a survey from a number of academics. An example of this encouragement was referred to in Buckle (1988), where a letter from Horace Belshaw and Colin Simkin, professors of economics at Auckland University, stressed that such a survey

> should prove immediately useful for purposes of forecasting, because in other countries it appears that there is a fairly satisfactory relationship between the results of such questionnaires and more traditional index numbers or official series. It should also prove of value for more fundamental research that the Institute might undertake into business behaviour and, in particular throw light upon the difficult but important questions of the degree of uniformity of business expectations and their relation to business outcomes.

Following this encouragement, Prof. Blyth instituted the first survey for the June quarter of 1961. This survey was sent to 100 NZIER members involved in the manufacturing and building sectors, and included 19 questions.

### 2.2 Survey Design

The QSBO’s aim is to provide information on current trends and provide predictions of current economic conditions, and to do so in a timely manner. To meet this aim, the QSBO has to minimise any delays related to completion, collection and analysis of the survey.

A common delay in generating typical economic indicators is the time lag between the event and the availability of quantitative information. This lag, and the effort required to report this quantitative information increases the administrative burden for the surveyed business. An increase in the administrative burden tends to lower the completion rates of surveys.

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The QSBO removes this delay by not requiring any quantitative information. The survey questions typically require a response of:

- ‘Increase’
- ‘Decrease’
- ‘Much the same as previous’.

This design is intended to allow a chief executive, or a nominated officer, to use their knowledge of their business to complete the survey within five minutes and return it. NZIER then aggregates the responses across industries, sectors, regions, or employment levels to assess the changes in business expectations or performance.

This survey design allows for the results to be published within days of the end of each quarter. For example, the survey forms for the 200th edition were sent on 4 March 2011, responses received between 10 and 29 March, and the results were published on 5 April.

3. Significant Developments

The first QSBO asked 19 questions and surveyed 100 of NZIER’s members from the manufacturing industry. The 200th QSBO asked at most 25 questions and surveyed over 2,200 firms across manufacturing and building, merchants, services and architects.

One of the most significant developments occurred in September 1978, which saw the QSBO released publically for the first time. Prior to then, the QSBO had been restricted to NZIER and its members only. This development was welcomed, and as related in Bowie and Easton (1987), Robert Muldoon, the then Finance Minister commented:

“This is the first time the results of the Survey have been published and it is a welcome addition to the statistics available for economic analysis. The government has received this series on a confidential basis since the first Surveys were taken. We have found it a particularly useful indicator of business confidence. The Institute is to be congratulated for its work in the preparation of this series.”

The changes to the QSBO over time have made the survey more representative of the economy and allowed for more detailed analysis, which led to better results.

3.1 Industry Groups

In the early 1960’s, manufacturing was the major industry in New Zealand and the target of the survey. However, after the first run of the survey, it was clear that other sections of the economy were not represented in the survey. Merchants became included in the QSBO from survey two, with questions more suitable to retailers and wholesalers.

Architects were added to the QSBO three years later, initially as an experiment, and have been included thereafter. The survey questions for Architects are different from the other
sectors and focus particularly on the outlook for the building sector. These responses are not included in the economy-wide aggregate results that are reported.

The services sector was introduced to the QSBO from 1966 to reflect the increasing importance of the industry over time. The proportion of service firms in the survey has increased over time through resampling as they have become a larger part of the economy.

Including new sectors has allowed the survey to keep up with economic developments and makes it the results more representative of the entire economy.

### 3.2 Questions

The QSBO survey is one of the longest running business confidence surveys in the world. Over the duration, the questions asked have been largely unchanged, aside from aesthetic changes to make the form easier for firms to complete.

Over the duration of the QSBO, survey 58 in September 1975 represents the most significant change in the history. As the questionnaires track firm size and operating location, the number of categories was expanded to enhance the level of detail produced in the results. Due to this change, the categories are sufficient to produce results at a small, medium and large level.

Since 1975 only three minor changes have been made. Two questions have been added, one asking about the volume of sales over the next six months for merchants, the other about the present level of stock (finished goods) for manufacturers and builders. There was also a reshuffle of services responses for firm type.

The QSBO, therefore, is a continuous database of New Zealand business indicators dating back 36 years. This data is a rich source of information, and overtime, has been actively used by academics. Some of these uses are discussed in section 4.3.

### 3.3 Sample Size, and Sampling Technique

A deteriorating sample is an issue for all long-term surveys. Over time firms dissolve, merge or shift overseas and stop submitting QSBO surveys. While this is happening, the composition of the economy is changing as new firms are created across different industries. To reflect these changes, NZIER regularly re-populates its sample.

The sampling method for the QSBO has evolved over time. The QSBO started as a survey given to members of NZIER. As the importance of the survey grew, sampling was extended beyond members to reflect the state of the whole economy. The main deviations from representation is that we include only firms with 6 or more employees, and include all firms with more than 200 staff.

Statistics New Zealand’s Business Frame was initially used to develop representative samples of firms within the QSBO’s industry classifications. Unfortunately, rules changed around the use of the Business Frame, which can only be used to develop statistics of
national significance. This usually involves purchasing the data from commercial business databases that can stratify companies into the desired ANZSIC groups and firm sizes.

4. Insights

Figure 1, on the next page, shows the long-term behaviour of the QSBO’s indicator of Domestic Trading Activity and New Zealand’s GDP. The two series are similar, especially during some of the most significant events of New Zealand’s recent economic history. This suggests that the QSBO is an excellent indicator of that quarter’s economic performance.

The QSBO has provided insights into a number of New Zealand’s significant economic events over the last 50 years. These insights have provided implications for policy-makers and businesses. Academic research also uses the long-term QSBO database to provide insights into aspects of the New Zealand economy. This section discusses a selection of these insights and their related implications.

4.1 Policy insights

Employment Contracts Act

The QSBO was used to provide an early ex-post analysis of the impacts of the Employment Contracts Act (ECA). The results held up well against more detailed econometric analysis completed over the following five year period. This suggests that the QSBO can be used to provide timely ex-post analysis of policies without the need for the type of economic data that is usually not available for a number of years.

The ECA was implemented in 1991 and represented a significant reform of New Zealand’s labour laws. Morrison (1996) states that the Act:

- reduced legislative backing for unions
- strengthened the direct relationship between employees and employers
- removed obstacles to different types of employment contract and working arrangements.
Figure 1 QSBO as an indicator of New Zealand's economic history

Source: NZIER
The March 1993 QSBO provided an ex-post analysis of the impacts of the ECA. Businesses were specially asked how the ECA had affected their enterprise over the previous year. The results were:

- A large net majority of businesses reported increased flexibility of operations, labour productivity, and management quality
- A small number of firms reported increases in wage rates and employment
- A large net majority of businesses reported lower cost of hiring additional labour and of shredding labour.

The following year, an initial econometric analysis of the Act’s impact was completed by Maloney (1994). The analysis reported that:

- There was no statistical evidence of the ECA having any direct effects on employment or wages
- That the ECA indirectly increased employment by 1 percent between June 1991 and December 1993
- That the ECA indirectly decreased real wages by 0.5 percent between June 1991 and December 1993.

A more detailed econometric analysis was reported in Maloney (1998). This study analysed the impacts of the ECA after five years. This report found that:

- The ECA had no impact on the level of wages over the post-ECA period
- The ECA was responsible for between 12.0 percent and 17.9 percent of the increased employment over the period (14.3 percent)
- The ECA reduced labour productivity growth over the five year period by between 0.29 percent and 0.54 percent.

With the exception of labour productivity, the results of the QSBO’s analysis published in 1993 hold up well against more thorough analysis published over the following five years. The survey cannot be a full substitute for detailed sources, but the special surveys within the QSBO are well suited to providing timely ex-post analyses, where other economic techniques are not feasible due to a lack of data.

**Global Financial Crisis**

The financial crisis that began with the United States housing market correction in 2007, spread around the world and started impacting heavily on New Zealand in 2008. The Reserve Bank was concerned about (Reserve Bank 2008a, 2008b, 2009):

- Constrained liquidity
- Weakened domestic demand
- Domestic house market contraction

The government responded with both fiscal and monetary stimulus. The Reserve Bank reduced the OCR by 575 basis points from 8.25 percent in July 2008 to 2.5 percent in April 2009. The main component of the fiscal stimulus was a series of tax cuts.
The June 2009 QSBO included additional questions that were designed to assess the impact to date of the global financial crisis on doing business in New Zealand. This assessment was intended to provide an up-to-the minute insight into whether New Zealand firms were affected by liquidity constraints, as this was a major concern at the time (alongside the risk of a lack of demand).

One question asked firms where they had been most affected by financing constraints over the last year. Figure 2 shows that a third of firms had experienced no financial constraint, and that 22 percent of firms were most impacted in their day-to-day operations.

The main conclusion of these results is that liquidity was a constraint for less than half of the firms. In other words, it suggested that the Reserve Bank or policy makers did not have to implement additional policies to resolve a financial market liquidity problem. Instead, monetary and fiscal changes that stimulated demand might be seen by firms as a bigger priority.

![Figure 2: Main area of impact on firms from financial constraint](source: NZIER)

### 4.2 Business insights

#### Canterbury Earthquake

The Canterbury earthquake caused huge damage to Christchurch. Economic policy-makers had no information about the scale, length, or geographic distribution of the likely economic impacts. In its March Monetary Policy Statement, released just 16 days after the earthquake, the Reserve Bank reduced the OCR by 50 basis points. As part of the underlying forecasts for that decision, the Reserve Bank noted that it “has had to make many important assumptions based on limited information”. It also noted that “these judgements will be tested as new information comes to hand” (Reserve Bank 2011).
The QSBO and other, smaller sample, tendency surveys, such as the National Bank’s Business Outlook Survey, provided the first indication of the likely impacts of the earthquake.

The March 2011 QSBO provided focused analysis on the impacts of the earthquake. The results showed clearly that the earthquake had caused a significant disruption to Canterbury. Figure 3 contrasts the disruption in Canterbury against the economic activity in the rest of the country.

![Figure 3: Trading activity– Canterbury & rest](image)

Further results showed that Canterbury differed from the rest of the country in high building intentions, to replace damaged buildings (Figure 4), and expected labour market uncertainty (Figure 5). In most of the other variables reported, Canterbury was aligned with the rest of the economy. Figure 6 highlights an example where price expectations are similar across the country.

These results have two key implications. First, the scale of the challenges to getting Canterbury back on its feet was apparent, both in terms of buildings and infrastructure and labour market or employee support. Secondly, the rest of the country remained resilient following the earthquake. It gave firms around the rest of the country the confidence to make productive decisions and to continue trading.
Figure 4: Building intentions – next 3 months
Canterbury & rest

Source: NZIER

Figure 5: Employment – next 3 months - Canterbury & rest

Source: NZIER
4.3 Academic insights

Over the years the QSBO has been widely used by academics, policy-makers. Reviewing all of this work is beyond the scope of this note. We do, however, discuss three examples to provide a taste of this work. Further examples can be found in Bowie and Easton (1987) and Buckle and Silverstone (2011).

Pricing behaviour

Pricing decisions of New Zealand firms have been examined using QSBO data, and compared to international evidence. For example, Coleman and Silverstone (2007) find a number of differences in the frequency of price changes by New Zealand firms, which is similar to the findings of international studies. Some firms adjust prices every quarter, while others change every second year. The authors also note that changes in costs, rather than demand, are more likely to cause New Zealand firms to change prices. Firms are also more likely to adjust prices as demand falters, instead of increasing demand. These findings have obvious implications for how monetary policy operates on or affects firms in New Zealand.

Investment forecasting

QSBO data has also been shown to add value to forecast models. Buckle et al (1999) found that responses to the investment intentions question of the QSBO significantly improve investment forecast models. Typically forecast models use data drawn from firm balance-
sheets. As such information is usually difficult to come by, the QSBO’s investment intentions indicator is a useful proxy for investment.

**Capacity utilisation**

Excess capacity within an economy provides room for output to increase without price increases. Low levels of excess capacity put inflation pressure on any economic expansion. To run effective monetary policy a timely indicator of capacity is needed.

The QSBO provides such a timely and cost effective capacity utilisation index (Hodgetts 2004). The QSBO asks firms about their scope for increasing production without increasing costs. The capacity utilisation index draws on the responses to this question and shows how intensively a firm is using its plant and equipment. This index is one of a number of variables the Reserve Bank uses to assess the current business cycle and the nature of inflationary pressures on firms.

**5. Summary**

NZIER’s QSBO fills an information gap for decision makers in business and government. It has provided timely and accurate economic data to decision makers in government and business for 50 years.

Its long term success is because it is well designed, making it simple to complete, and is promptly published within days of the end of each quarter.

The QSBO provides data driven insights into how firms are responding to current economic events. These insights provide implications for both business and government decision makers.

The QSBO is a continuous database of New Zealand business activity dating back 36 years, with selected observations for a full 50 years. This data presents a goldmine of information, and has been actively used by academics and policy-makers. It presents businesses with the opportunity to gain some timely and accurate intelligence on regional and industry performance. This intelligence can inform decisions and improve business performance.
6. References


Maloney, T. (1994), *Has New Zealand’s Employment Contracts Act increased employment and reduced wages?*, NZAE conference paper


Reserve Bank of New Zealand (2009), *Monetary Policy Statement*, Reserve Bank of New Zealand, March 2009

Appendix A: QSBO Editors and Managers 1961-2011

<table>
<thead>
<tr>
<th>QSBO</th>
<th>Period</th>
<th>Editor(s)</th>
<th>Manager(s)</th>
</tr>
</thead>
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<td>1-5</td>
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<td></td>
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<td>6-37</td>
<td>1962:3-1970:2</td>
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<tr>
<td>38-65</td>
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<td>Kerrin Vautier</td>
<td>Kerrin Vautier</td>
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<td>66-72</td>
<td>1977:3-1979:1</td>
<td>Jules Ellis</td>
<td>J.F. McGill</td>
</tr>
<tr>
<td>73-81</td>
<td>1979:2-1981:2</td>
<td>Kerry McDonald</td>
<td>Joe Boullon</td>
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<td>82-91</td>
<td>1981:3-1983:4</td>
<td>Cathryn Ashley-Jones</td>
<td>Joe Boullon</td>
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<tr>
<td>94-95</td>
<td>1984:3-1984:4</td>
<td>David Grimmond</td>
<td>Joe Boullon</td>
</tr>
<tr>
<td>96</td>
<td>1985:1</td>
<td>Mark Benseman</td>
<td>Joe Boullon</td>
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<td>110-131</td>
<td>1988:3-1993:4</td>
<td>Alan Bollard</td>
<td>Phil Briggs, Eric Assendelft</td>
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<td>1995:4-1996:2</td>
<td>John Yeabsley</td>
<td>Phil Briggs</td>
</tr>
<tr>
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<td>Matthew Hassan, Donna Purdue</td>
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</tbody>
</table>

Jane Barnett, Diana Cook, Ian Duncan, Nicola Hunn, Brendan O’Donovan, John Savage, Susan Snively and Stan Vandersyp participated, on occasions, as an editor or manager.

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Source: Buckle and Silverstone (2011)
## Appendix B: Survey Forms

### Manufacturers & Builders

1. **Which one** of the following classifications most closely describes your firm's principal activity?

   - Consumers' Goods:
     - Vehicles
     - Appliances (incl accessories, parts)
     - Food
     - Other
   - Builders' Goods:
     - Building and Construction
     - Other
   - Producers' Goods:
     - Lubricants
     - (please specify)
     - Waratahs
     - Building

2. **How many employees** are covered by this return?

   - 1-20
   - 21-50
   - 51-100
   - 101-200
   - 201-500
   - Over 500

3. **In which district** is the **main production plant** to which this return relates?

   - Auckland
   - Bay of Plenty
   - Waikato
   - Hawke's Bay
   - Wellington
   - Nelson
   - Marlborough
   - Canterbury
   - Manawatu
   - Taranaki
   - Bay of Plenty
   - Wairarapa
   - Wanganui
   - Wellington
   - Southland
   - Auckland
   - Bay of Plenty
   - Waikato
   - Hawke's Bay
   - Wellington
   - Nelson
   - Marlborough
   - Canterbury
   - Manawatu
   - Taranaki
   - Bay of Plenty
   - Wairarapa
   - Wanganui
   - Wellington
   - Southland

4. **Do you consider that the general business situation in New Zealand will improve, remain the same, or deteriorate over the next six months?**

   - Improve
   - Same
   - Deteriorate
   - N/A

5. **Do you find that getting the labour you want today is easier, the same, or harder than it was three months ago?**

   - Skilled; Specialist
   - Easier
   - Same
   - Harder
   - N/A

6. **What single factor, if any, is most limiting your ability to increase turnover?**

   - Shortage of:
     - Orders/Component
     - Finance
     - Labour
     - Capacity
     - Other

7. **Excluding seasonal factors, by how much is it currently practicable for you to increase your production from your existing plant and equipment without raising unit costs?**

   - None
   - 1-5%
   - 6-10%
   - 11-20%
   - Over 20%
   - N/A

8. **Do you expect the amount of new investment approved for your firm during the next twelve months to be greater/same/less than that approved during the past twelve months?**

   - On buildings
   - Greater
   - Same
   - Less
   - N/A

   - On fixtures & fittings, plant & equipment
   - Greater
   - Same
   - Less
   - N/A

### Past and Future Trends

What has been your firm's experience during the past three months and what changes do you expect during the next three months (in respect of the following (exclude seasonal variations by comparing three month period with the same period a year earlier)):

<table>
<thead>
<tr>
<th>Expected change</th>
<th>Experienced change</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEXT three months</td>
<td>PAST three months</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

- **Numbers employed**
- **Overtime worked**
- **Labour turnover**
- **All new forward orders received**
- **Output**
- **Productivity**
- **Deliveries in New Zealand**
- **Export Sales**
- **Outstanding debtors**
- **Average costs**
- **Average selling prices**
- **Profitability**
- **Stocks-Raw Materials**
- **Stocks-Finished Goods**

25. **Do you consider your present level of stock of finished goods to be**

   - Too high
   - Satisfactory
   - Too low
   - N/A
## CONFIDENTIAL

**SURVEY OF BUSINESS OPINION**

**N.Z. INSTITUTE OF ECONOMIC RESEARCH (INC.)**

P O BOX 3479  WELLINGTON

Fax: (04) 472 1211

<table>
<thead>
<tr>
<th>MERCHANTS</th>
<th>Closing date:</th>
</tr>
</thead>
</table>

Which ONE of the following classifications most closely describes your firm's principal activity?

(Note: If more than one apply, please indicate approximate proportions.)

<table>
<thead>
<tr>
<th>1A Wholesaling</th>
<th>1B Retailing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Drink</td>
<td>Furniture</td>
</tr>
<tr>
<td>Apparel</td>
<td>Soft Furnishings</td>
</tr>
<tr>
<td>Electronics</td>
<td>Electrical</td>
</tr>
<tr>
<td>General Merchants</td>
<td>Hardware</td>
</tr>
<tr>
<td>Automotive</td>
<td>Other</td>
</tr>
</tbody>
</table>

2 How many EMPLOYEES are covered by this return?

<table>
<thead>
<tr>
<th>1-20</th>
<th>21-50</th>
<th>51-100</th>
<th>101-200</th>
<th>201-500</th>
<th>Over 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

3 In which district is the MAIN VOLUME OF TURNOVER to which this return relates?

<table>
<thead>
<tr>
<th>Auckland</th>
<th>Waikato</th>
<th>Hawke's Bay</th>
<th>Taranaki</th>
<th>Wellington</th>
<th>Nelson</th>
<th>Canterbury</th>
<th>Marlborough</th>
<th>Otago</th>
<th>Spread Over New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northland</td>
<td>Waikato</td>
<td>Manawatu</td>
<td>West Coast</td>
<td>Taranaki</td>
<td>Wellington</td>
<td>Nelson</td>
<td>Marlborough</td>
<td>Otago</td>
<td>Spread Over New Zealand</td>
</tr>
<tr>
<td>Bay of Plenty</td>
<td>Wanganui</td>
<td>Wairarapa</td>
<td>Coast</td>
<td>Southland</td>
<td>North Island</td>
<td>Auckland</td>
<td>Christchurch</td>
<td>Otago</td>
<td>Southland</td>
</tr>
</tbody>
</table>

4 Do you consider that the general business situation in New Zealand will improve, remain the same, or deteriorate during the NEXT SIX MONTHS?

<table>
<thead>
<tr>
<th>Improve</th>
<th>Same</th>
<th>Deteriorate</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

5 Compared with the past 6 months, do you consider that your VOLUME of sales during the NEXT SIX MONTHS will be

<table>
<thead>
<tr>
<th>Greater</th>
<th>Same</th>
<th>Less</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

In general, do you find that getting the LABOUR YOU WANT TODAY is easier, the same, or harder than it was THREE MONTHS AGO?

<table>
<thead>
<tr>
<th>Skilled; Specialist</th>
<th>Easier</th>
<th>Same</th>
<th>Harder</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unskilled; Semi-skilled</th>
<th>Easier</th>
<th>Same</th>
<th>Harder</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

8 What SINGLE factor, if any, is most limiting your ability to increase turnover? Shortage of:

<table>
<thead>
<tr>
<th>Demand</th>
<th>Supplies</th>
<th>Finance</th>
<th>Labour</th>
<th>Capacity</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Do you consider your PRESENT LEVEL OF STOCKS to be

<table>
<thead>
<tr>
<th>Too High</th>
<th>Satisfactory</th>
<th>Too Low</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

Do you expect the amount of new investment approved for your firm during the NEXT TWELVE MONTHS to be greater/same/less than that approved during the PAST TWELVE MONTHS?

<table>
<thead>
<tr>
<th>…on Buildings</th>
<th>Greater</th>
<th>Same</th>
<th>Less</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>…on Fixtures &amp; Fittings, Plant &amp; Equipment</th>
<th>Greater</th>
<th>Same</th>
<th>Less</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

## PAST AND FUTURE TRENDS

What has been your firm’s experience during the PAST THREE MONTHS and what changes do you expect in your firm during the NEXT THREE MONTHS in respect of the following (exclude seasonal variations by comparing three month period with the same period a year earlier):

<table>
<thead>
<tr>
<th>Experienced change PAST three months</th>
<th>Expected change NEXT three months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Numbers employed</td>
<td></td>
</tr>
<tr>
<td>13 Overtime worked</td>
<td></td>
</tr>
<tr>
<td>14 Labour turnover</td>
<td></td>
</tr>
<tr>
<td>15 Ad new forward orders received</td>
<td></td>
</tr>
<tr>
<td>16 Sales in New Zealand</td>
<td></td>
</tr>
<tr>
<td>17 Overdue debts</td>
<td></td>
</tr>
<tr>
<td>18 Average costs</td>
<td></td>
</tr>
<tr>
<td>19 Average selling prices</td>
<td></td>
</tr>
<tr>
<td>20 Profitability</td>
<td></td>
</tr>
<tr>
<td>21 Value of stocks</td>
<td></td>
</tr>
<tr>
<td>22 Volume of stocks</td>
<td></td>
</tr>
<tr>
<td>23 Orders placed overseas</td>
<td></td>
</tr>
<tr>
<td>24 Deliveries from overseas</td>
<td></td>
</tr>
</tbody>
</table>

NZIER – A brief history of the QSBO 17
## SERVICES

1. **In which ONE of the following activities is your firm **PRINCIPALLY** engaged?**
   - **FINANCIAL SERVICES**
     - Assurance & Insurance
     - Banking & Finance
   - **CUSTOMER SERVICES**
     - Equipment hire
     - Cleaning
   - **PROFESSIONAL SERVICES**
     - Accounting & Secretarial
     - Legal
   - **RESTAURANTS/HOTELS**
     - Accommodation
     - Eating & Drinking Places
   - **TRANSPORT**
     - Passengers
     - Goods
   - **OTHER**

2. **How many EMPLOYEES are covered by this return?**
   - 1-20
   - 21-50
   - 51-100
   - 101-200
   - 201-500
   - Over 500

3. **In which district is the MAIN VOLUME OF BUSINESS to which this return relates?**
   - Waikato
   - Bay of Plenty
   - East Cape
   - Wellington
   - Manawatu
   - West Coast
   - Marlborough
   - Chatham
   - Spread over NZ

4. **Do you consider that the general business situation in New Zealand will improve, remain the same, or deteriorate during the NEXT SIX MONTHS?**
   - Improve
   - Same
   - Deteriorate
   - N/A

5. **In general, do you find that getting the STAFF YOU WANT TODAY is easier, the same, or harder than it was THREE MONTHS AGO?**
   - Skilled; Specialist
   - Unskilled; Semi-skilled

6. **What SINGLE factor, if any, is most limiting your ability to increase turnover? Shortage of...**
   - Demand
   - Supplies
   - Finance
   - Labour
   - Capacity
   - Other

7. **Do you expect the interest rates charged on loans to your clients/customers during the NEXT TWELVE MONTHS to be greater/same/less than that approved during the PAST TWELVE MONTHS?**
   - Greater
   - Same
   - Less
   - N/A

8. **Do you expect the amount of new investment approved for your firm during the NEXT TWELVE MONTHS to be greater/same/less than that approved during the PAST TWELVE MONTHS?**
   - Greater
   - Same
   - Less
   - N/A

## PAST AND FUTURE TRENDS

What has been your firm’s experience during the PAST THREE MONTHS and what changes do you expect during the NEXT THREE MONTHS? In respect of the following (exclude seasonal variations by comparing three month period with the same period a year earlier):

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</tr>
</thead>
<tbody>
<tr>
<td>PAST three months</td>
<td>NEXT three months</td>
</tr>
<tr>
<td>Up</td>
<td>Same</td>
</tr>
<tr>
<td>11</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
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<tr>
<td>15</td>
<td></td>
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<tr>
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<td></td>
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## SURVEY OF BUSINESS OPINION

**N.Z. INSTITUTE OF ECONOMIC RESEARCH (INC.)**

**P O BOX 3479 WELLINGTON**

**Phone: (04) 472 1880**

**Fax: (04) 472 1211**

**Closing Date:**

---

**ARCHITECTS**

**INSTRUCTIONS:** Please indicate answers by marking the appropriate boxes (N/A means "not applicable") and return by the closing date to N.Z. Institute of Economic Research.

Supposing that construction will actually commence on the projects that are now in the working-drawing and sketch-plan stages, what changes would you expect in total expenditure on Housing, Commercial building, including blocks of flats, and Government and Local Authority building...?

(1) Basing your opinion on the work done in your own office

<table>
<thead>
<tr>
<th></th>
<th>NEXT 12 MONTHS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>compared with</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the past 12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>months</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>up</td>
<td>same</td>
</tr>
<tr>
<td>Housing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial &amp; Block of Flats</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Govt &amp; Local Authority</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Basing your opinion on your knowledge of the work of architects in your area

<table>
<thead>
<tr>
<th></th>
<th>NEXT 12 MONTHS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>months</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>up</td>
<td>same</td>
</tr>
<tr>
<td>Housing</td>
<td></td>
<td></td>
</tr>
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