



Addendum to 'For whom the bell tolls'

Based on information supplied by Stats NZ

Stats NZ has pointed out a few inaccuracies and gaps in the report 'For whom the bell tolls', particularly in the history and progress of the household survey programme and development of the Integrated Data Infrastructure (IDI).

These aren't major errors but the report will become part of the public record and be referred to in the future, so we are posting these corrections and explanations in the online version. This more comprehensive history also has value as a standalone record.

The comments below relate to section 3.12: The expanding role of Stats NZ on pages 37 and 38.

The document states: "The big shift of Stats NZ to a more active role in collecting social research came with the transfer of responsibility for the regular Employment Survey from the Department of Statistics." This is also referred to on page 28 in the section on the Department of Labour "...DOL lasted until the Labour Force Survey was transferred to the then Department of Statistics..."

Neither of these statements are correct. The Quarterly Employment Survey was transferred to the then Department of Statistics¹ from the Department of Labour in 1989, but this is a survey of businesses. While it provides information about wages and employment numbers this is at the aggregate business level and no information about individuals is provided.

The Household Labour Force survey (HLFS), which collects information about employment, unemployment and a large number of related items, provides information at the individual, household and family level. This was an initiative of the 1984 Labour Government which provided additional funding to the Department of Statistics to develop and run the survey. First data from the survey was released in early 1986 and has continued on a quarterly basis ever since. The introduction of the HLFS did result in a major shift for the Department in terms of social data. It is its largest household survey (15,000 households are surveyed every quarter).

1. The Department of Statistics became Statistics New Zealand in 1994 and is now operates as Stats NZ.



This and the longitudinal nature of the design (households are interviewed every quarter for eight quarters), has meant it has proved a useful vehicle for the collection of a lot of additional social data, as additional questions or modules. Using the HLFS as a vehicle has meant information has been collected on: income, childcare arrangements, working life, technology use, social policy, education and training.

'For whom the bell tolls' then goes on to say: "Next came the development of the Household Income and Expenditure Series, the related Household Economic Survey (HES), and Survey of Family, Income and Employment (SoFIE) data sets. These were initially one-off studies but...resulted in them becoming regular surveys".

This again is not quite correct. The Household Expenditure and Income Survey (HEIS) started in 1975. It ran as an annual survey until 1998, when budget constraints saw it reduce to once every three years. Initially the HEIS was designed to be the main social survey vehicle and a programme of supplements were run attached to HEIS, however this was taken over by the introduction of the HLFS in the mid-1980s.

The annual income information collected in HEIS was used extensively by social agencies for analysis of the economic circumstances of New Zealanders and was also used by Treasury in its micro-simulation model (TAXMOD). The reduction of the HEIS to three-yearly resulted in a significant loss of information that was not mitigated by the income module on the HLFS. Therefore social agencies campaigned for the reinstatement of an annual household income collection. This was successful as part of the Programme of Official Social Statistics budget bid (see below). The survey then became known as the Household Economic Survey (HES) and continues today.

The model used for HES is that every three years (2006/7, 2009/10, 2012/13, 2015/16, 2018/19 and so on) the survey collects the full HES information of income and expenditure including an expenditure diary. In the intervening years (from 2007/8) a shorter questionnaire, covering income, housing costs and non-monetary wellbeing measures, is administered. In the 2014/15 year an additional module that collects information on households assets and debts (net worth) was added to also run on a three-yearly cycle (2014/15, 2017/18 etc). This gives annual information for income, housing costs and material wellbeing which is used extensively by social agencies including in the Ministry of Social Development's (MSD) household incomes report and by Treasury for fiscal modelling of policy change.

SoFIE was a longitudinal survey. It was funded to be an eight year panel – that is, the cohort of respondents selected in 2002 was then tracked and interviewed annually for eight years. The purpose of SoFIE was to understand labour force, income and family dynamics over the eight years. It also included information on health (every second wave) and on net worth (every other wave) to understand how these items impacted on income and labour force transitions.

'For whom the bell tolls' makes a very good point about the impact of user pays in the 1990s and the eventual realisation that "central funding was the economically efficient way to fund a widely used public good data set".

It was not, as the report states, the HEIS surveys that were at risk. During the 1990s Stats NZ undertook a number of one-off user-funded surveys such as the Household Saving Survey, the Health Survey, Time Use Survey, Disability Survey and Māori Language Survey. The problem was each of these were developed and run separately with no guarantee of future funding. This made it difficult to get any sense of change over time or consistency of methods. It was very difficult for Stats NZ to build and maintain the required level of capability in the methodology and subject matter of the surveys.

This led Stats NZ to develop and present to Government a case for permanent on-going funding for an integrated programme of regular social statistics. This successful business case (called the Programme of Official Social Statistics or POSS) provided 10 years of funding from 2004 to 2014. It was followed up by another business case in 2012 which has provided on-going funding as part of Stats NZ's baseline for the suite of household surveys that continue to be run.

POSS provided funding for two other significant developments that have added to the availability of data about people and society which are not mentioned in the document:

- The General Social Survey (GSS) is run every two years and commenced in 2008. It collects a range of information on individuals' circumstances and wellbeing. It also includes a supplementary module every year to provide more depth into particular topics. Supplements so far have included: social networks and support (2014), cultural and civic participation (2016), and housing and physical environment (2018).
- Te Kupenga Māori Social Survey was run for the first time after the 2013 Census. Individuals who identified as Māori in the Census were surveyed on a range of topics related to wellbeing, including use of Te Reo, participation in Māori cultural activity and connection to ancestral marae. Te Kupenga is being repeated following the 2018 Census.

Stats NZ's on-going social statistics programme includes:

- The Household Labour Force Survey (quarterly) and a range of additional labour market related supplements such as child care and working life.
- The Household Economic Survey (annual) plus three-yearly expenditure and net worth collections.
- The GSS (biennial) plus well-being related supplements.
- Te Kupenga (funded 10-yearly) follows the Census (2013, 2018 and so on)
- Disability Survey (funded 10-yearly, previously funded five-yearly) follows the Census (1996, 2001, 2006, 2013 and so on)

'For whom the bell tolls' discusses development of the IDI. It states: "by treating [Work and Income New Zealand] beneficiary data as a quasi-employer..."

Again this is not quite correct. The initial data source for IDI was Inland Revenue (IR) data as stated. Data on taxable benefits was included in the data sourced from IR. Additional information about the benefit recipient and non-taxable benefits, sourced from MSD, was added much later, some of it very recently.

The IDI initially started in the 1990s as LEED (linked employee and employer data), made possible when IR introduced Employer Monthly Schedules (EMS) data which required every employer to file regular returns of each employee's pay and benefits in the month.

The two developments that really improved the availability of data for social research, especially the ability to examine transitions in income and employment were the addition of education data which enabled analysis of the impact of tertiary education on future incomes and impact of student loans, and the addition of information about migrants (both in and out of New Zealand). Stats NZ received additional funding in 2010 to extend the amount of administrative information that was linked to the tax data and the IDI was born. Since then, the amount of information linked in the IDI has increased enormously to include data from a range of agencies along with Stats NZ survey data.