The time, money and effort it takes employers to comply

Findings from the 2016 survey of SMEs’ compliance costs

Overview

The findings below offer a snapshot of how much time, money and effort SMEs that are employers spend meeting their tax obligations. Focus groups supported the survey, to investigate the drivers of SMEs’ compliance costs. Other snapshots are available, as well as a report of all findings.

Key findings

- **43hrs**
  - The median time it takes Employer SMEs to meet their tax obligations; much higher than the overall group (27hrs)

- **$2,295**
  - The median value of that time; much higher than the overall group ($1,573)

- **44%**
  - Most Employer SMEs say it takes little or no effort to meet their tax obligations, about the same as the overall group (49%)

- **85%**
  - Most Employer SMEs say meeting their tax obligations is about the same or less than the year before

- **GST**
  - The most time-consuming tax takes Employer SMEs a median of 15.5 hours annually

- **info**
  - Recording information is Employer SMEs’ most time-consuming tax compliance activity

- **91%**
  - Most Employer SMEs use tax agents and/or accountants; similar to the overall group (89%)

- **84%**
  - Employer SMEs more likely to use digital methods to maintain their books, than the overall group (76%)

Additional insights

Selected comments from some survey respondents illustrate how the different ways SMEs operate their business can affect their compliance costs:

“*Our accountants do most of the work required to calculate our tax requirements. I merely supply them with the necessary information. They look after our payroll as well. I supply them with the hours our staff work each week.*”

“*We are reluctant to employ short term staff for peak times because of the hassle with KiwiSaver, Student Loans, ESCT, tax codes, holiday pay, etc.*”

“*We have online payroll that pays the P.A.Y.E., KiwiSaver & Student Loan. Also Xero accounting that works out the GST.*”