

MEMORANDUM OF UNDERSTANDING

between

Statistics New Zealand (StatsNZ)

and

Ministry of Business, Innovation and Employment (MBIE)

relating to the

SUPPLY OF TENANCY BONDS DATA AND RENT PRICE INDEX DATA

September 2018

PART 1 INTRODUCTION

PARTIES

1. The parties to the Memorandum of Understanding (the Memorandum) are Statistics New Zealand (StatsNZ) and the Ministry of Business, Innovation and Employment (MBIE).

PURPOSE OF THIS MEMORANDUM

2. The purpose of this Memorandum is to set out arrangements for MBIE to provide StatsNZ with a regular and on-going supply of tenancy bonds data which StatsNZ will use to create a rent price index data that will form an input to the calculation of the Consumers Price Index (CPI).
3. This Memorandum also sets out the arrangements for StatsNZ to provide MBIE with a regular supply of rent price index data compiled from MBIE's tenancy bonds data.

BACKGROUND

4. For more than two decades New Zealand has had two official sources of rent price statistics; a survey of landlords run by StatsNZ, and administrative rent data held by MBIE. The survey has been used to produce a quality adjusted price index, the 'actual rental of housing' component of the Consumers Price Index (CPI) and the Household Living Cost Price Indexes (HLPs). The administrative data – generated as a by-product of regulations to lodge tenancy bonds (deposits) with MBIE's Tenancy Services – generates average rent prices which can be disaggregated to much finer regional break-downs and split to lower temporal frequency (monthly instead of quarterly).
5. With the development of new methodologies for turning administrative and big data into price indexes, there is now an opportunity to cease the survey of landlords run by StatsNZ, and replace this with an index series created from tenancy bonds data. Through a recent secondment to MBIE, StatsNZ have developed a workable model to produce such an index, which is now ready for production.

BENEFITS

6. There are several benefits to this approach:
 - Consistency – moving towards a 'single source of truth' will give customers better insights into what's really happening in the rental market
 - Data quality – customers prefer the tenancy bond data and believe it aligns more with what they think is happening to prices in the rental market. (StatsNZ's investigations have confirmed that the survey series methodology does exhibit a downward bias).
 - Insights – more analytical series available – this should help customers improve their forecasting, increase transparency, help to tell a richer story of rental housing costs, and generally help customers understand the impact of quality adjustment on CPI

- Frequency – the availability of monthly data will provide a key leading indicator for the quarterly CPI (rent comprises around 10% of the CPIs weight and is therefore important for forecasting).
- Regional breakdowns – potential for territorial local authority (TLA) level data which may be useful to help inform housing policy.
- Efficiency – will save some resource for StatsNZ in the post-out, capture and edit of the Rent Survey data.
- Respondent burden – 1,200 respondents to Rent Survey will be released.
- Improved efficiency and coordination of effort across the Official Statistics System.

PART 2 RELATIONSHIP

7. MBIE's responsibilities are to:

- Provide Statistics NZ with monthly datasets as described in the Appendix A.
- Provide Statistics NZ the necessary key or tool to decrypt the data.
- Nominate appropriate staff members and ensure they are available to answer any queries from Statistics NZ concerning the content or quality of variables supplied.
- Notify Statistics NZ as soon as possible of any changes to the data, processes, systems or timeframes, and to be aware of the impact of consistency on Consumers Price Index.
- Notify StatsNZ as soon as possible if it is not possible to deliver the data within 2 working days of the end of the reference month, and to prioritise fixing any problems with delivery.
- Comply with the security provisions set out in Part 3 of this Memorandum.

8. StatsNZ's responsibilities are to:

- Receive and store the tenancy bonds datasets from MBIE on StatsNZ's secure servers and provide the same security safeguards afforded any data collected by Statistics NZ.
- Comply with the security provisions set out in Part 3 of this Memorandum.
- Ensure that every employee of Statistics NZ complies with and observes the provisions of the Statistics Act 1975 and in particular the provisions of the Act relating to confidentiality and the security of information.
- Be a custodian of the tenancy bonds data.
- Provide MBIE with monthly rent price index data, calculated from the tenancy bonds data, as described in Appendix A.

PART 3 SECURITY

9. MBIE will supply Statistics NZ with encrypted data in a manner specified in the Appendix A.

10. Statistics NZ will ensure that the private key to decrypt the data is secured and only released to authorised Statistics NZ employees for purposes of decrypting the MBIE datasets.

11. Statistics NZ will ensure that:

- All servers, transfer and backup tapes are physically secured.

- Access to all identifiable ('raw') unit record data is restricted to Statistics NZ employees who require this access to create the rent indexes for input to the Consumers Price Index.

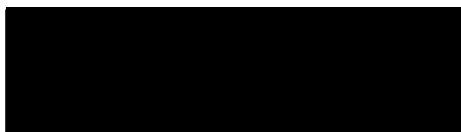
PART 4 ADMINISTRATIVE MATTERS

It is agreed as follows:

12. Appendix A outlines the contacts from MBIE and StatsNZ. The parties agree to advise each other, in writing, of any change of contact people.
13. The contacts listed in Appendix A will meet quarterly to ensure good communication, with the aim of addressing any issues that arise early, and in a collaborative way
14. The parties agree to consult with each other, and agree, if modifications are required to the model, and agree on the time-frame for implementation of any such modifications.
15. All provision of MBIE data will occur in an agreed safe and secure manner.
16. StatsNZ and MBIE may decide to publish additional analytical series in the future. Any such decision would be made after discussion with the other party to ensure coordination of similar measures.
17. All information released by StatsNZ, whether in the form of official statistical or research outputs, will be required to meet StatsNZ's confidentiality requirements.
18. This agreement comes into effect on the day that it is signed and remains in effect until such time as agreed by both parties.
19. Data will be used for bona-fide statistical research purposes only, as per section 37c of Statistics Act 1975.

SIGNATORIES

Signed for and on behalf of Statistics New Zealand



Date 13 / 9 / 18

Dean Rutherford
General Manager, Products, Services and Insights
Statistics New Zealand

Signed for and on behalf of The Ministry of Business, Innovation and Employment



Date 17 / 9 / 18

Eileen Basher
General Manager, Evidence and Insights Branch
Ministry of Business, Innovation and Employment

APPENDIX A – DELIVERABLES, SCHEDULE OF DELIVERY AND CONTACTS

MBIE SUPPLY OF DATA TO STATS NZ

File format and delivery of data

File format	Detail
Data Encryption	Data file will be written to a secure USB drive.
Delivery media	Secure delivery device to be hand delivered by nominated personnel.
Delivery date	Within 2 working days from the end of the reference month.
Frequency of data supply	Provided monthly.
Period of data required	Full resupply of data going back to 1997 for the first supply
	Thereafter each monthly supply will cover 8 years plus 22 months (to cover the 8 year window splice plus two years for imputation)
File naming conventions	Standard MBIE file naming conventions.
Data file format	CSV file

File Content

IDA_Bond

Variable	Type	Description
RowId	Num	Unique number to allow identification of the row in the file
BondKey	Char	Bond reference to uniquely identify a bond
Bond_id	Num	Internal bond ID
DPID	Num	PAF Key where known
TenantKey	Num	Tenant ID to uniquely identify multiple tenants against a bond
PropertyKey	Num	
AddressTypeCode	Char	
AddressTypeDescription	Char	
PropertyTypeCode	Char	
PropertyTypeDescription	Char	
NumberOfBedrooms	Char	The number of bedrooms in the property
RoomNumber	Char	
Suburb	Char	
TownCity	Char	The town or city the property is located in
Meshblock	Num	MeshBlock recorded in the Bond Database
AreaKey	Num	
TerritorialAuthority	Char	
TerritorialAuthorityCode	Num	
StatisticalAreaUnit	Num	
LandlordKey	Num	

LandlordGroupCode	Char	Denotes whether the landlord is a private or other type of landlord.
LandlordGroupDesc	Char	Denotes whether the landlord is a private or other type of landlord
BondAmount	Num	The amount of Bond paid for the property.
RentalAmount	Num	The weekly rental amount for the property.
TenancyLength	Num	The difference between the bond lodgement date and bond refund date or today's date if the bond is not yet refunded.
TenancyStartDate	Date	The date the Tenancy Started.
TenancyEndDate	Date	The date the tenancy ended.
Bond_tenant_Count	Num	Counts the number of tenants associated to a bond record. This allows the Bond.Rental amount to be divided by this figure to derive an estimated amount per tenant if required.
Postcode		
Date Vested to Crown	Date	Date the Bond was vested to the crown
Vested To Crown	Char	Flag indicating Bond has been vested to the Crown

STATSNZ SUPPLY OF DATA TO MBIE

- StatsNZ will email MBIE a link to the published data, on the afternoon of the release of the official statistics. At the same time, StatsNZ will email MBIE with the following diagnostic information which was developed to assist with monitoring the performance of the model:
- Number of rent price observations (monthly and quarterly)
- Total weekly rent
- Average rent, mean rent, median rent, and quartile rent
- Average length of tenancy

TECHNICAL AND POLICY RELATIONSHIP CONTACTS

Agency	Name	Title	Contact
MBIE	Katie Stevens	Manager, Housing, Building and Urban Systems; Evidence and Insights	Katie Stevens@mbie.govt.nz Telephone: +64 4 901 1456
	Frances Krsinich	Principal Analyst, Housing, Building and Urban Systems; Evidence and Insights	Frances.Krsinich@mbie.govt.nz Telephone: +64 4 9783607
StatsNZ	Fiona Smillie	Manager, Prices Development; Products, Services and Insights	Fiona.Smillie@stats.govt.nz Telephone: +64 4 931 4300
	Dave Lum	Analyst	Dave.Lum@stats.govt.nz Telephone: +64 4 931 4934

