



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Experiences from the New Zealand TSA

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New Zealand Tourism Satellite Account: 2014

- International tourism expenditure \$10.3 billion
- Domestic tourism expenditure \$13.4 billion
- Direct contribution to GDP of \$8.3 billion
- Tourism industry directly employed 94,100 full-time equivalents (FTEs)

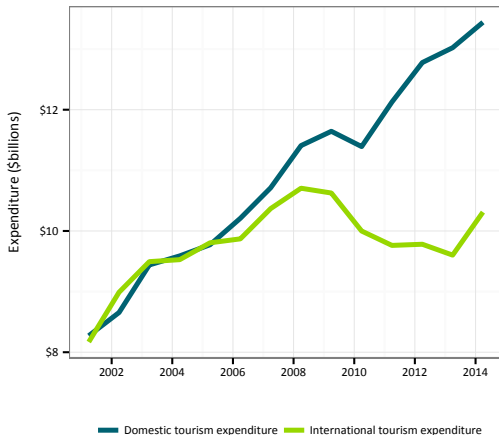


Figure 1: Domestic and International Tourism Expenditure.

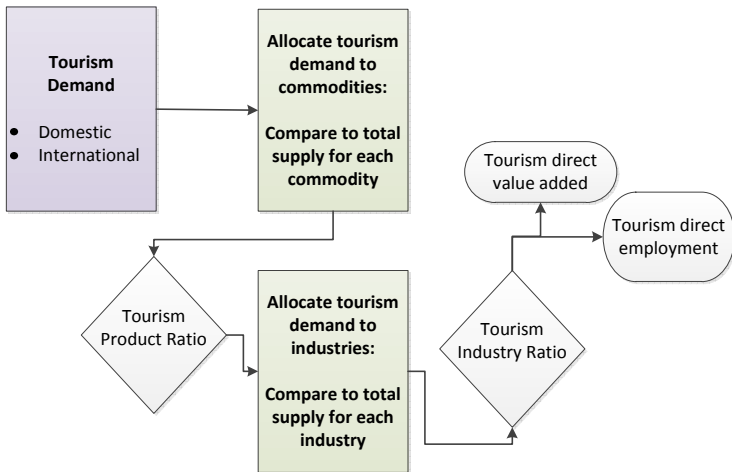
Source: Statistics New Zealand, Tourism Satellite Account

New Zealand's Tourism Satellite Account

The tourism industry is not a single industry!

- Tourists consume products from many different industries
- Difficult to measure impact across whole economy. Eg employment, contribution to GDP
- Solution: model national accounts plus other information (e.g., product demand by tourists) to derive these statistics





Extension of the core national accounts, produced by Statistics New Zealand (SNZ)



- National Accounts
- Annual Enterprise Survey

- GST sales data
- Imports and exports data
- Consumer Price Index

- International Travel and Migration
- Accommodation Survey
- Household Economic Survey
- Retail Trade Survey
- Quarterly Employment Survey
- Household Labour Force Survey
- Census

- International Visitors Survey
- Domestic Travel Survey
- Domestic Tourism Expenditure Estimates

- Export education levy data
- Ministry of Education international enrolments

- Annual reports
- Industry data



Tourism Satellite Account: Governance

Compiled under United Nations World Tourism Organisation framework

Developed and published by Statistics New Zealand (SNZ)

Funded by MBIE under Vote Tourism

Memorandum of Understanding between SNZ and MBIE formalises relationship and requirements for production of TSA

- Funding
- Provision of demand-side estimates of expenditure
- Consultation on methodological issues and developments



Recent cross-agency work involving the TSA

Production of TSA requires demand-size estimates of tourism expenditure

MBIE contributes via International Visitor Survey and Domestic Travel Survey

Tourism Data Domain Plan reviewed value and effectiveness of MBIE's tourism data.
Recommended:

- Cessation of Domestic Travel Survey
- Revision of International Visitors Survey

Both changes impacted the Tourism Satellite Account, requiring revisions and/or methodology changes



Domestic household travel expenditure

Historically used the Domestic Travel Survey (DTS) for calculating domestic household expenditure.

DTS surveyed ~15,000 households per year. Reported expenditure, locations visited, activities, transport, travelling party relationships, subjective experience.

Various issues identified in Tourism Data Domain Plan:

- Prohibitive cost (approx \$400 thousand per year)
- Heavy response burden
- Poor reliability

Recommendation to cease collecting the DTS was actioned after the June 2013 quarter.



Domestic household travel expenditure

New products introduced by MBIE meet needs of industry and other stakeholders but not ideal for use in TSA:

- Regional Tourism Indicators
- Regional Tourism Estimates
- Resident Travel Survey

Following consultation with Statistics New Zealand, the Memorandum of Understanding between SNZ and MBIE was updated to outline responsibilities for creating and funding an appropriate measure.

Solution: Leverage Regional Tourism Indicators through collaboration between SNZ, MBIE, and Marketview



Domestic tourism expenditure estimates

Align with UNWTO definition of domestic tourism

- Establish 40 km radius around cardholder address (cf. RTIs TA-based definition)
- Use behavioural patterns to exclude commuting and secondary locations

Use additional data sources to weight RTI data (already purchased by MBIE) to full economy and all payment types

- Input-output tables
- Household consumption expenditure
- Retail trade survey

Leverage cross-agency knowledge to improve classifications and methods



Domestic tourism expenditure estimates

New measure of domestic tourism expenditure that fit the needs of TSA as well as MBIE

- Little additional ongoing cost to MBIE
- Significant methodological improvements benefiting other measures
- Use of administrative data for tier-1 tourism statistic

High level of satisfaction from SNZ, surpassing DTS in reliability.



International Visitor Survey

Exit survey of ~5200 international visitors. Reported expenditure, locations visited, activities, transport, travelling party relationships, subjective experience.

Key issues: reliability, sample coverage, and respondent burden

MBIE's response was to completely redevelop the IVS:

- Online collection
- Shorter, revised questionnaire with improvements to most sections
- Increased sample size
- Exclusion of education tourism



International Visitor Survey

Average increase of around *\$1.7 billion per year* in expenditure reported by the IVS

Managing impact on Statistics New Zealand products:

- Close communication with SNZ's Balance of Payment team regarding redevelopment, survey design, and methodologies
- Iterative consultation regarding results from revised survey and access to backcast data in advance of public release

Revisions to international expenditure estimates flowing through to Balance of Payments and System of National Accounts immediately and to the Tourism Satellite Account for the YE March 2014 publication.





Figure 2: Comparisons of 2013 and 2014 estimates of tourism FTEs employed, international tourism expenditure, and total tourism expenditure. Source: Statistics New Zealand, Tourism Satellite Account

Key lessons from NZ Tourism Satellite Account

- Statistics New Zealand is best qualified to produce the TSA given its intrinsic relationship to System of National Accounts
- With contributing data sourced from multiple agencies, formal agreements that clearly outline expectations are critical
- When change processes are in play, a collaborative approach ensures data needs continue to be met
- Administrative data can be used in place of more traditional measures of tourist consumption, reducing financial cost and respondent burden



Questions?



Additional reading

Tourism Satellite Account: 2014. <http://www.stats.govt.nz/~media/Statistics/browse-categories/industry-sectors/tourism/tourism-satellite-account-2014/tsa-2014.pdf>

Tourism Data Domain Plan. <http://www.med.govt.nz/sectors-industries/tourism/pdf-docs-library/tourism-research-and-data/tourism-domain-plan/tourism-domain-plan-november-2011.pdf>

International Visitor Survey Revision 2013 - Information paper.
<http://www.med.govt.nz/sectors-industries/tourism/tourism-research-data/international-visitor-survey/pdf%20library/revision-2013-information-paper>

