

BUSINESS AND ECONOMIC DEVELOPMENT

## **Regional Tourism Estimates**

**Questions and answers** 

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#### 1. How reliable is the data?

Very reliable – the best methods have been used to combine the most reliable data sources available. It is a world first to apply this methodology to regional tourism data but the statistical techniques are well understood and have become standard in other areas, such as regional employment estimates.

The data sources used to derive the RTEs are the Regional Tourism Indicators (RTIs), Statistics New Zealand's Tourism Satellite Account (TSA) and the Ministry's International Visitor Survey (IVS).

The methodology used to derive the RTEs calibrates face to face electronic transaction regional expenditure so the total tourism expenditure by industry matches with the TSA. The TSA is derived by from all information available including New Zealand's national accounts and provides the definitive account of the size and importance of tourism for the New Zealand economy. The electronic transactions expenditure by visitors' country of origin is also calibrated to that in the International Visitor Survey to reflect the different national propensities of electronic card use.

We have tested this method and validated the results against a number of other tourism indicators including regional GDP, the Accommodation Survey, and surveys of domestic and international tourists. We are confident that the RTEs are as robust and reliable as possible. The methodology paper on our website explains the methodology and the validation that we carried out.

Regional Estimates of Tourism Expenditure: Method, concepts and results [PDF 1.66MB]

Like any other data source, the RTEs have their limitations. We hope to continually improve the quality and robustness of this data and welcome any feedback from users.

## 2. Why are there differences between the RTEs and the IVS?

Total RTE domestic expenditure matches with the TSA, once air passenger transport and education services are excluded. The TSA is the definitive annual analysis of the importance of tourism for the economy and draws on all sources available including the National Accounts.

There is a difference in total international tourist expenditure in the TSA and total tourism expenditure from the IVS. For example, for the year ending March 2012, TSA (and therefore RTE) international expenditure was \$6,213 million, which is higher than the total from the IVS of \$5,635 million. The difference of \$578 million is tourism expenditure that is accounted for in the TSA but not in the IVS. The difference is to be expected as the TSA draws on more sources of data.

## 3. What is the difference between the RTEs and the RTIs you launched in December 2012?

The RTIs are an excellent, monthly measure of trends in tourism by origin, destination region, and industry. However they cannot estimate the absolute size of tourism expenditure.

The Regional Tourism Indicators (RTIs) capture the electronic card transactions of domestic and international visitors. Not all electronic transactions are available to the Ministry of Business, Innovation and Employment; and cash and online purchases are excluded. The RTIs are currently released only in index form due to this limited coverage.

The RTEs, on the other hand, are based on the same electronic card transactions data as the RTIs but are weighted up to provide absolute dollar estimates of expenditure at a detailed regional level.

MBIE plans to release a new version of the RTIs, including estimates of spending derived from the RTEs, in 2016. This will reduce but not eliminate differences between the RTIs and RTEs.

#### 4. How much did the RTEs cost?

The RTEs are an in-house analytical product developed from within MBIE baseline with no extra funding. Around six months full time equivalent staff time was spent in the RTEs' development. The capacity and capability to do this developed as a result of the Tourism Data Improvement Programme.

### 5. What regional breakdowns are available?

The RTE data can be broken down by type (domestic or international), eight product groups (as defined in the Tourism Satellite Account), 16 regional councils, 70 territorial authorities, 30 Regional Tourism Organisations for each year ending March (2009 onwards).

## 6. Is the number of regional visits available through the RTEs?

The RTEs only provide total expenditure estimates at a regional level. Number of visits or number of transactions are out of scope.

#### 7. How often will the RTE data be released?

The RTE data was released annually after the Tourism Satellite Account is updated by Statistics New Zealand.

### 8. Are there any privacy concerns with the data?

MBIE does not hold any data that could show individuals' spending patterns. The RTE expenditure data by region, territorial authority and industry are aggregated and do not disclose any individual or firm.

## 9. Will I or my consultant be able to get full access to the database?

The full database can be accessed via the MBIE website. This includes an Excel pivot table that contains drop-down menus to enable selection of variables.

# 10. Where can I access the methodology and validation report for the RTEs?

The methodology paper contains the validation checks performed on the RTEs.

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# 11. Will the RTEs one day be expanded to include number of visits, not just spend?

Maybe. The Accommodation Survey (often called the Commercial Accommodation Monitor) already provides very good information about the number of people (and number of nights spent) visiting a region and using commercial accommodation.

Future work from MBIE might include using additional data sources to estimate visitors (and nights stayed) regardless of accommodation used. However, such work has not been planned at this stage.

# 12. Why do the 2015 estimates for the period 2009-2014 differ from previous publications of the RTEs?

Changes to the Tourism Satellite Account, and the International Visitor Survey, mean the 2015 Regional Tourism Estimates generally produce higher estimates of spending for the period 2009-2014 than previously published.

These papers describe the nature and impact of these changes.

- Stakeholder briefing: Impact of changes in 2015 Tourism Satellite Account on 2015 Regional Tourism Estimates [PDF 235KB]
- <u>Technical paper: Impact of changes in 2015 Tourism Satellite Account on 2015</u>
  <u>Regional Tourism Estimates [PDF 393KB]</u>

The RTE methodology remains the same, with the exception of changes to some of the product categories. Changes to the product categories were implemented to improve the RTEs.

All users should discard earlier versions of the RTEs and re-download the new <u>pivot</u> tables and regional summaries.