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Monthly Regional Tourism Estimates

**Information on Improvements
January 2018**

Executive Summary

The Monthly Regional Tourism Estimates (MRTEs) aim to provide a regional picture of tourism spending. The accuracy and usability has been improved with the release of November 2017 data. Here is a summary of the key changes:

- The MRTEs have been revised with new data from the Tourism Satellite Account (TSA) to provide more accurate estimates.
- Domestic spend has been revised up approximately \$540 million for the year to October 2017 (three per cent) and there were upwards revisions of approximately three per cent over the last four years.
- International spend has been revised down approximately \$910 million for the year to October 2017 (eight per cent), with a similar revision for the 2016 year and some small revisions over the historical series.
- The Regional Tourism Organisation (RTO) boundaries have been improved to better reflect the industry.

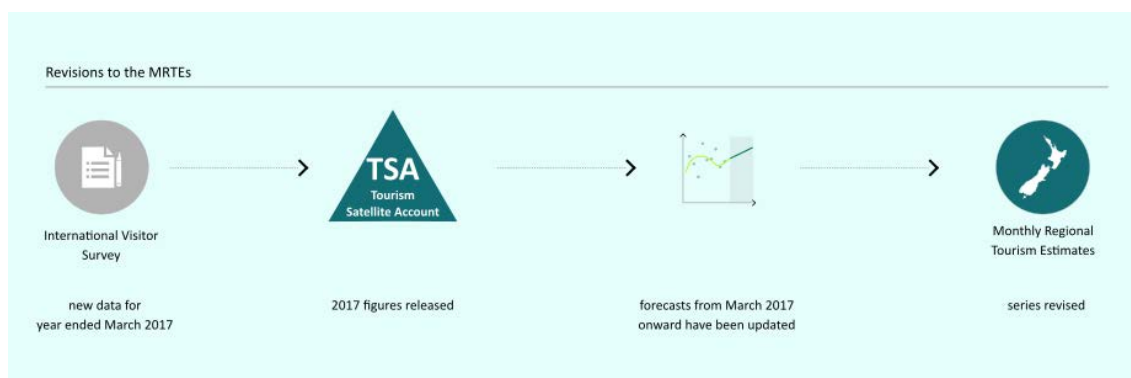
The Monthly Regional Tourism Estimates (MRTEs) have been revised to align with new national totals

The MRTEs are created using a base of electronic card transaction data. However, the raw data provided is only partial, and excludes many parts of tourism spend, such as cash spending and products that are purchased online before arriving in New Zealand. Because of this, we align the MRTE totals to the more complete picture of tourism spending in the Tourism Satellite Account (TSA). This allows the MRTEs to estimate total tourism spending.

The TSA is published late in the year for the year ending March. In order to get a picture of total spend for the current month, forecasts are used to predict what the TSA figures could be based on historical patterns. Once we receive new data from the TSA each year, we revise the previously forecasted totals to reflect actual totals. In addition, the new data in the series will adjust the forecasts, which will improve the accuracy of MRTE results after the latest TSA.

The MRTEs are published provisionally. This allows us to publish the MRTEs on a timely basis, so that the information is of most benefit to the industry, while recognising that the results will be revised when new information is received. Revisions are not considered errors, and are part of standard statistical processes.

The revised MRTE series uses more recent data from the IVS and TSA, and forecasted values from these data sources



The TSA incorporates the latest spending data from the IVS

The IVS supplies a national measure of international tourism spending. New data in the IVS has been incorporated in the most recent TSA.

New data from the TSA has been incorporated into the MRTEs

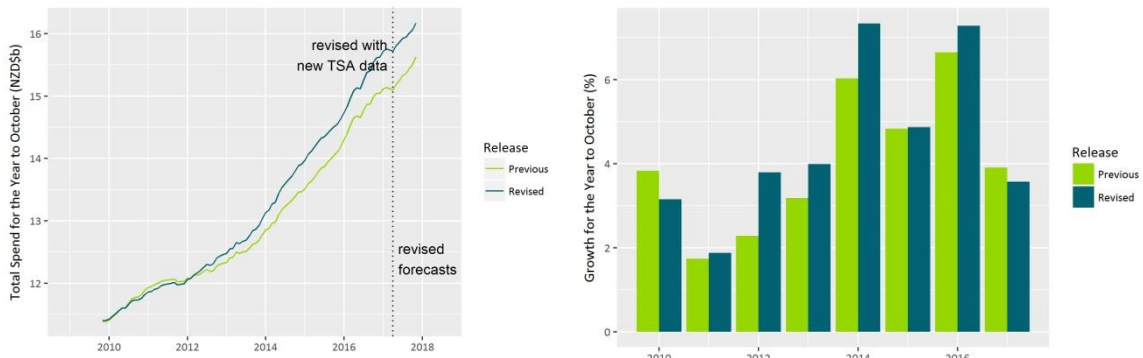
This November data release includes the new provisional TSA figures for the year ending March 2017. Revisions have been made to both the domestic and international tourism expenditure series, partly due to improving the timeliness of balanced annual national accounts¹ data. For more information, see the revisions section on pg 7 of the [published TSA document](#).

MRTE forecasts of total spend have been updated

Provisional values for the TSA are published for the year ending March. To provide up-to-date estimates of tourism spending, the MRTEs use a forecast of the national totals in the TSA. With new data in the TSA the forecasts have been updated for the months following March 2017.

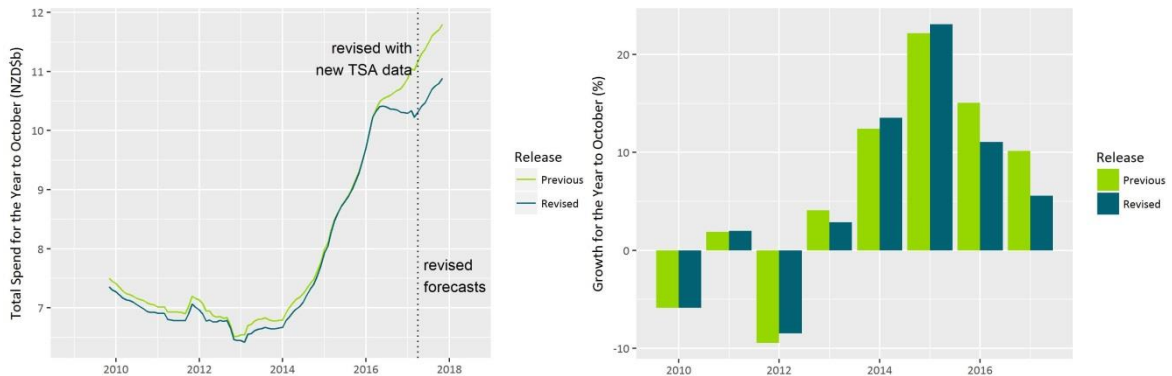
¹ National accounts statistics give information on the key economic and financial flows in New Zealand, such as GDP, income and expenditure and annual balance sheets.

Domestic spend has been revised up



The domestic spend has been revised up approximately \$540 million for the year ending October 2017; a revision of approximately three per cent. Upward revisions have also been made to the historical series; with changes of over three per cent for the previous four years. Growth for the year to October 2017 has been revised slightly down; reducing from 3.9 to 3.6 per cent.

International spending has been revised down



International spending has been revised down \$900 million, a revision of approximately eight per cent for the year ending October 2017. International spend growth for this period has also been revised down from ten to five per cent. These revisions are due to more recent information about visitor spending to March 2017 being incorporated into the TSA from the International Visitor Survey (IVS, a key input into the TSA). In the year to March 2017 the IVS showed a slowdown in total spend growth, influenced by a lower spend per visitor and a strong New Zealand Dollar. These adjustments have flow on effects to the forecasting in the MRTEs which are based on the new TSA values. Small adjustments have also been made to the historical series.

Revisions affect some regions more than others

There have been significant revisions to tourism products in the TSA for 2015 and 2016, with international spending on “other tourism products²” being revised up approximately 50 per cent, and “other passenger transport”, “cultural, recreation, and gambling”, and retail sales categories including fuel being revised down between nine and 30 per cent. This has resulted in larger changes for regions where fuel makes a larger component of overall tourism spend such as West Coast and Tasman. For larger centres, such as Auckland, the revision down in products such as fuel seems to be offset by the upward revision in “other tourism products”².

Domestic tourism spending has been revised up in the regions

The domestic tourism spend has been revised up across all regions for the year ending October 2017. The largest changes were for Auckland and Nelson; up 4.7 per cent.

Region	Tourism spend for the year ending October 2017		Difference (%)
	Previous (\$m)	Revised (\$m)	
Auckland	\$ 3,679	\$ 3,853	4.7
Bay of Plenty	\$ 1,203	\$ 1,239	3.0
Canterbury	\$ 2,072	\$ 2,148	3.7
Gisborne	\$ 110	\$ 111	0.9
Hawke's Bay	\$ 448	\$ 460	2.7
Manawatu-Wanganui	\$ 798	\$ 818	2.5
Marlborough	\$ 229	\$ 235	2.5
Nelson	\$ 221	\$ 232	4.7
Northland	\$ 818	\$ 839	2.5
Otago	\$ 1,596	\$ 1,649	3.3
Southland	\$ 362	\$ 373	3.1
Taranaki	\$ 279	\$ 287	3.0
Tasman	\$ 179	\$ 181	0.8

² Other tourism products is a category which includes goods and services not traditionally recognised as tourism, but often used by tourists - such as medical services, health and beauty services, and laundry services. As larger centres tend to have a wider range of available goods and services, the proportion of other tourism products in these areas is greater.

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Region	Tourism spend for the year ending October 2017		Difference (%)
	Previous (\$m)	Revised (\$m)	
Waikato	\$ 1,825	\$ 1,869	2.4
Wellington	\$ 1,589	\$ 1,656	4.2
West Coast	\$ 225	\$ 228	1.2

International tourism spending has been revised down in the regions

Spending for international tourism has been revised down across the regions for the year ending October 2017. The largest changes were for Tasman and West Coast, which were revised down 15 per cent, and 14 per cent respectively.

Region	Tourism spend for the year ending October 2017		Difference (%)
	Previous (\$m)	Revised (\$m)	
Auckland	\$ 4,325	\$ 4,181	-3.3
Bay of Plenty	\$ 615	\$ 561	-8.7
Canterbury	\$ 1,432	\$ 1,291	-9.8
Gisborne	\$ 30	\$ 27	-11.5
Hawke's Bay	\$ 173	\$ 159	-8.3
Manawatu-Wanganui	\$ 179	\$ 162	-9.4
Marlborough	\$ 139	\$ 122	-12.6
Nelson	\$ 123	\$ 112	-9.2
Northland	\$ 290	\$ 255	-12.1
Otago	\$ 2,153	\$ 1,896	-12
Southland	\$ 266	\$ 234	-12.3
Taranaki	\$ 83	\$ 78	-6.1
Tasman	\$ 140	\$ 119	-15.0
Waikato	\$ 702	\$ 633	-9.9
Wellington	\$ 824	\$ 770	-6.6

Region	Tourism spend for the year ending October 2017		Difference (%)
	Previous (\$m)	Revised (\$m)	
West Coast	\$ 322	\$ 277	-14.0

There is the potential for future improvements to the MRTEs

MBIE will continue looking for ways to improve the methodology and accuracy of the MRTEs. In the near future, our focus is likely to be on exploring options to minimise the disruption to users caused by large annual revisions, as has happened in this case.

One viable option is to make more frequent use of the quarterly IVS when weighting and forecasting international spending in the MRTEs. By recalibrating to the most recent IVS data every three months instead of once a year, the MRTE international spend series will be revised more frequently, but it will minimise the impact of changes that come through when the new TSA results are used. Ultimately the IVS estimates are used in the annual TSA figures regardless. In other words, the growth patterns in international spending in the MRTEs will eventually be recalibrated to the IVS spending patterns when we make these annual revisions.

We have sought some initial advice from Stats NZ around the suitability of this method. The overall recommendation was that it makes conceptual sense to use this approach, but MBIE should do more work in understanding the underlying data sources.

MBIE has updated the Regional Tourism Organisation (RTO) boundaries to increase the usability of data for the sector

RTO boundaries are grouped from Territorial Authorities (TAs)

RTOs promote tourism in a particular area. In some areas this is done at a regional level, some at a Territorial Authority (TA) level and some incorporate a natural grouping of related TAs. The boundaries of each RTO are established from grouping the TAs that the RTO serves. MBIE leads the administration of RTO boundaries with input from industry. These RTO boundaries form the basis for the calculation of figures in the MRTEs.

MBIE has updated the RTO boundaries to reflect changes in the sector

The number and structure of some RTOs have changed since the MRTEs were first published in 2015. In order to reflect the current state of the RTOs and make the data more useful to the sector, MBIE has chosen to update the RTO boundaries. MBIE has also updated the names of the RTOs to better align with the names recognised in the sector.

Changes have been made to the grouping of several TAs

Following consultation, MBIE has changed the grouping of the TAs below. Canterbury sees significant changes, with Kaikoura, Mackenzie and Aoraki being broken out into separate RTOs, and other areas around Christchurch combined into the renamed ChristchurchNZ RTO. A full list of the changes is attached in the appendices.

Territorial Authority	Regional Tourism Organisation 2015	Regional Tourism Organisation 2018
Chatham Islands	Chatham Islands	Not elsewhere classified
Horowhenua District	Kapiti-Horowhenua RTO	Not elsewhere classified
Kapiti Coast District	Kapiti-Horowhenua RTO	Wellington Regional Economic Development Agency (WREDA)
Kawerau District	Kawerau-Whakatane	Not elsewhere classified
Whakatane District	Kawerau-Whakatane	Not elsewhere classified
Manawatu District	Manawatu RTO	Central Economic Development Agency (CEDA)
Palmerston North City	Manawatu RTO	Central Economic Development Agency (CEDA)
Rangitikei District	Manawatu RTO	Not elsewhere classified
Tararua District	Manawatu RTO	Not elsewhere classified
Hurunui District	North Canterbury	ChristchurchNZ
Kaikoura District	North Canterbury	Destination Kaikoura
Waimakariri District	North Canterbury	ChristchurchNZ
Ashburton District	South Canterbury	ChristchurchNZ
Mackenzie District	South Canterbury	Mackenzie Region
Selwyn District	South Canterbury	ChristchurchNZ
Timaru District	South Canterbury	Aoraki Tourism
Waimate District	South Canterbury	Not elsewhere classified
Hamilton City	Waikato RTO	Hamilton & Waikato Tourism
Matamata-Piako District	Waikato RTO	Hamilton & Waikato Tourism
Otorohanga District	Waikato RTO	Hamilton & Waikato Tourism

Territorial Authority	Regional Tourism Organisation 2015	Regional Tourism Organisation 2018
South Waikato District	Waikato RTO	Hamilton & Waikato Tourism
Waikato District	Waikato RTO	Hamilton & Waikato Tourism
Waipa District	Waikato RTO	Hamilton & Waikato Tourism
Waitomo District	Waikato RTO	Hamilton & Waikato Tourism

Seven TAs have been grouped into a “not elsewhere classified” category to aggregate small TAs not explicitly linked to RTOs

Seven TAs not linked to an RTO have been aggregated into a new “not elsewhere classified” category. Annual figures for all TAs are available on the MBIE website.

Get in contact with us if you need help

If you have any queries about these changes, feel free to get in contact with us at our tourism mailbox:

TR_SharedMailbox@mbie.govt.nz

Appendix One: List of RTO changes

Territorial Authority	RTO 2015	RTO 2018
Ashburton District	South Canterbury	ChristchurchNZ
Auckland	Auckland RTO	Auckland Tourism, Events and Economic Development (ATEED)
Buller District	West Coast RTO	Tourism West Coast
Carterton District	Wairarapa RTO	Destination Wairarapa
Central Hawke's Bay District	Hawke's Bay RTO	Hawke's Bay Tourism
Central Otago District	Central Otago RTO	Tourism Central Otago
Chatham Islands	Chatham Islands	Discover the Chatham Islands
Christchurch City	Christchurch	ChristchurchNZ
Clutha District	Clutha	Destination Clutha
Dunedin City	Dunedin RTO	Enterprise Dunedin
Far North District	Northland RTO	Northland Inc
Gisborne District	Gisborne RTO	Activate Tairāwhiti
Gore District	Southland RTO	Venture Southland
Grey District	West Coast RTO	Tourism West Coast
Hamilton City	Waikato RTO	Hamilton & Waikato Tourism
Hastings District	Hawke's Bay RTO	Hawke's Bay Tourism
Hauraki District	Coromandel RTO	Destination Coromandel
Horowhenua District	Kapiti-Horowhenua RTO	Not elsewhere classified
Hurunui District	North Canterbury	ChristchurchNZ
Invercargill City	Southland RTO	Venture Southland
Kaikoura District	North Canterbury	Destination Kaikoura
Kaipara District	Northland RTO	Northland Inc
Kapiti Coast District	Kapiti-Horowhenua RTO	Wellington Regional Economic Development Agency (WREDA)

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Territorial Authority	RTO 2015	RTO 2018
Kawerau District	Kawerau-Whakatane	Not elsewhere classified
Lower Hutt City	Wellington RTO	Wellington Regional Economic Development Agency (WREDA)
Mackenzie District	South Canterbury	Mackenzie Region
Manawatu District	Manawatu RTO	Central Economic Development Agency (CEDA)
Marlborough District	Marlborough RTO	Destination Marlborough
Masterton District	Wairarapa RTO	Destination Wairarapa
Matamata-Piako District	Waikato RTO	Hamilton & Waikato Tourism
Napier City	Hawke's Bay RTO	Hawke's Bay Tourism
Nelson City	Nelson Tasman RTO	Nelson Regional Development Agency (NRDA)
New Plymouth District	Taranaki RTO	Venture Taranaki
Opotiki District	Gisborne RTO	Activate Tairāwhiti
Otorohanga District	Waikato RTO	Hamilton & Waikato Tourism
Palmerston North City	Manawatu RTO	Central Economic Development Agency (CEDA)
Porirua City	Wellington RTO	Wellington Regional Economic Development Agency (WREDA)
Queenstown-Lakes District	Queenstown RTO	Destination Queenstown
Queenstown-Lakes District	Lake Wanaka RTO	Lake Wanaka Tourism
Rangitikei District	Manawatu RTO	Not elsewhere classified
Rotorua District	Rotorua RTO	Destination Rotorua
Ruapehu District	Ruapehu RTO	Visit Ruapehu
Selwyn District	South Canterbury	ChristchurchNZ
South Taranaki District	Taranaki RTO	Venture Taranaki
South Waikato District	Waikato RTO	Hamilton & Waikato Tourism
South Wairarapa District	Wairarapa RTO	Destination Wairarapa

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Territorial Authority	RTO 2015	RTO 2018
Southland District	Southland RTO	Venture Southland
Southland District	Fiordland RTO	Destination Fiordland
Stratford District	Taranaki RTO	Venture Taranaki
Tararua District	Manawatu RTO	Not elsewhere classified
Tasman District	Nelson Tasman RTO	Nelson Regional Development Agency (NRDA)
Taupo District	Lake Taupo RTO	Destination Great Lake Taupo
Tauranga City	Bay of Plenty RTO	Tourism Bay of Plenty
Thames-Coromandel District	Coromandel RTO	Destination Coromandel
Timaru District	South Canterbury	Aoraki Tourism
Upper Hutt City	Wellington RTO	Wellington Regional Economic Development Agency (WREDA)
Waikato District	Waikato RTO	Hamilton & Waikato Tourism
Waimakariri District	North Canterbury	ChristchurchNZ
Waimate District	South Canterbury	Not elsewhere classified
Waipa District	Waikato RTO	Hamilton & Waikato Tourism
Wairoa District	Hawke's Bay RTO	Hawke's Bay Tourism
Waitaki District	Waitaki RTO	Tourism Waitaki
Waitomo District	Waikato RTO	Hamilton & Waikato Tourism
Wanganui District	Wanganui RTO	Visit Whanganui
Wellington City	Wellington RTO	Wellington Regional Economic Development Agency (WREDA)
Western Bay of Plenty District	Bay of Plenty RTO	Tourism Bay of Plenty
Westland District	West Coast RTO	Tourism West Coast
Whakatane District	Kawerau-Whakatane	Not elsewhere classified
Whangarei District	Northland RTO	Northland Inc