MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Stakeholder briefing: Impact of changes in 2015 Tourism Satellite Account on 2015 Regional Tourism Estimates

Sector Trends – 20 November 2015

WHAT HAS CHANGED?

Changes to the Tourism Satellite Account in 2015 have increased estimated spending across all Regional Tourism Organisations, across almost all years covered by the 2015 Regional Tourism Estimates (RTEs). Changes to the International Visitor Survey (IVS) result in slightly lower estimates of recent international spending.

The **RTE methodology itself is unchanged**, apart from the addition of two new product categories to improve the level of detail available to stakeholders: “Cultural, recreation and gambling services”, and “Retail sales - alcohol, food, and beverages”.

As with previous RTE publications, **all users should discard earlier versions of the RTEs**.

WHY THE CHANGE?

The Regional Tourism Estimates (RTEs) use data from the Tourism Satellite Account (TSA) to produce annual estimates of tourism spending, across areas and products, that are consistent with the total spent on tourism provided by the TSA to the System of National Accounts.

Statistics NZ revised the TSA methodology for 2015, requiring us to accordingly adjust the RTEs.[1] More detail is available in a technical paper on our website for those interested.[2] The main changes to the TSA in 2015 that affect the RTEs are:

1. Changes to estimates of domestic spending due to the introduction of a new measure, the Household Tourism Expenditure Estimates
2. Changes to estimates of international spending to reflect revisions to the IVS
3. Changes to tourism product categories to provide greater detail to stakeholders

These have resulted in changes of demand across the TSA data we use to create the RTEs.

WHAT IS THE EFFECT OF THE CHANGES?

TSA changes affecting estimates of spending by destination

Increases in spending levels across all TSA product categories dictate increases in spending estimated by the 2015 RTEs across all Regional Tourism Organisations (Figure 1). The revisions are larger in the main tourism destinations because the increase in domestic spending in the TSA is distributed according to the existing mix of destinations: larger destinations gain more.

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[1] http://www.stats.govt.nz/browse_for_stats/industry_sectors/Tourism/tourism-satellite-account-2015/Appendix_2_Methodology.aspx (See under “1. Household domestic travel expenditure”)
[2] Technical papers related to the RTEs are available here: http://www.mbie.govt.nz/info-services/sectors-industries/tourism/tourism-research-data/regional-tourism-estimates/about-the-rtes

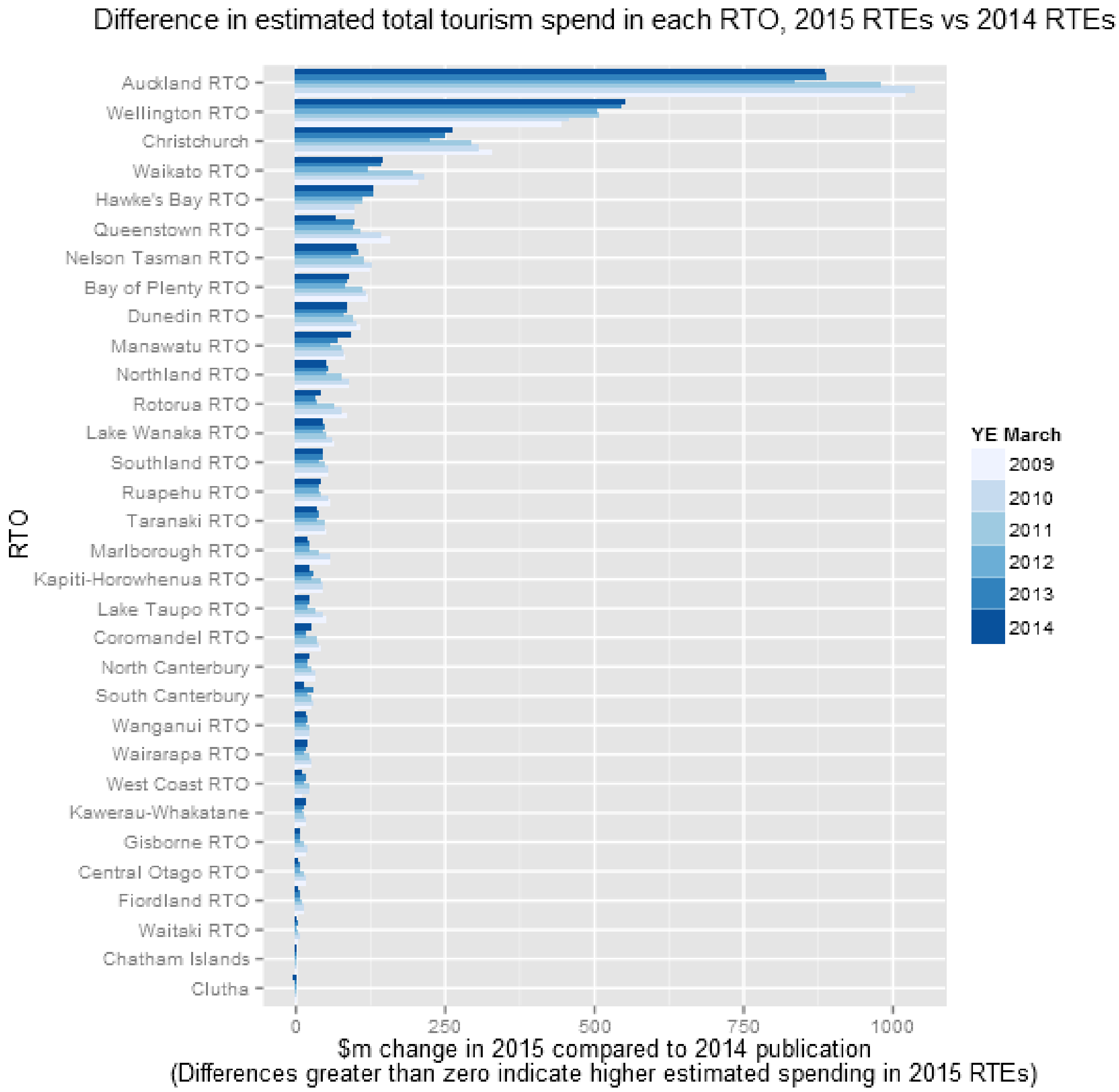

Figure 1. A comparison of estimated spending in the 2015 RTEs vs the 2014 RTEs, by Regional Tourism Organisation (RTO) destination, for 2009-2014. The 2015 RTEs estimate higher spending across all RTOs and years (except Waitaki RTO in 2012), due to increases in spending in the Tourism Satellite Account.

IVS changes affecting estimates of international spending

The 2015 RTEs estimate slightly lower international spending for 2012-14 than was estimated in previous years. Lower estimates for 2014 are due to changes in outlier detection in the IVS, which resulted in approximately $250 million less IVS-estimated spending entering the 2015 TSA than entered in 2014.[3] This translates directly to lower estimates in the 2015 RTEs.

The much smaller changes for 2012-13 are due to a separate revision by Statistics NZ of the product split, which led to small changes in total tourism that could be allocated to regions. **Note that these decreases in estimated international spending are outweighed by the increases in domestic spending driving the increases across RTOs shown above.**

[3] This change was introduced to the IVS in 2014 Quarter 4. More information is on the MBIE website.