

Evaluation of the Ministry of Tourism Research and Statistics Programme

Ministry of Economic Development and Ministry of Tourism

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Abbreviations

The following abbreviations are used frequently in this report:

CAM	Commercial Accommodation Monitor
DTS	Domestic Traveller Survey
IVA	International Visitor Arrivals
IVS	International Visitor Survey
RVM	Regional Visitor Monitor
TLIM	Tourism Leading Indicators Monitor
TMT	The Ministry of Tourism
TSA	Tourism Satellite Accounts
RTO	Regional Tourism Organisations

Executive Summary

This report presents findings from the evaluation of the Ministry of Tourism Research and Statistics programme.

The aim of the programme is to enhance the performance of the tourism industry by providing statistics and research that is accessible, reliable, timely, of adequate coverage, and useful in improving decision-making. The key stakeholders of the programme are identified as tourism operators and investors, central and local government, and Regional Tourism Organisations.

The programme has an annual budget of \$4.3 million in 2007/8 and focuses mainly on the management of the Core Tourism Dataset which covers a wide range of data on international and domestic tourism in New Zealand generated from the following sources.

- International Visitor Arrivals (IVA) data produced by Statistics NZ from NZ Customs Service records on all travellers crossing NZ's border
- International Visitor Survey (IVS) by Ministry of Tourism of the expenditure and travel patterns of 5000 visitors to New Zealand each year
- Domestic Traveller Survey (DTS) by Ministry of Tourism of the domestic expenditure and travel patterns of 15,000 New Zealanders each year
- Commercial Accommodation Monitor (CAM) which is a monthly census by Statistics NZ of all GST registered commercial accommodation with turnover of at least \$30,000 per year
- Regional Visitor Monitor (RVM) which is a regional survey of international and domestic visitors in six regions. The sample consists of 1200 visitors per region each year.
- Tourism Satellite Accounts (TSA) produced by Statistics NZ which is an analysis of the size and economic contribution of the tourism industry
- National and regional tourism forecasts of inbound, domestic and outbound tourism for 2007-2013.

All of the above datasets with the exception of the RVM and forecasts are part of New Zealand's set of Tier 1 Statistics or key official statistics. A brief international comparison of tourism statistics found comparable datasets being collected by governments in Australia, Canada, and to some extent EU countries such as Netherlands and Finland.

The tourism statistics and research are disseminated throughout the sector in a variety of ways by the Ministry of Tourism and Statistics NZ, as well as in a repackaged form through intermediary organisations such as tourism industry associations and regional tourism organisations (RTOs).

Evaluation scope and method

This evaluation had two key objectives:

- a. assessing the use and value of Ministry of Tourism statistics and research among key stakeholders ('demand side'), and
- b. assessing the management and operation of this programme in terms of efficiency and quality issues ('supply side').

The 'supply side' assessment was conducted as an internal review by the Ministry of Tourism Research and Statistics team. The 'demand side' assessment involved interviews with 33 key users of the information across the different types of stakeholders, online survey of users (446 responses were received), and a brief international comparison of tourism data collection in other countries.

Evaluation findings

The evaluation examined a number of variables to establish what information from the tourism research and statistics programme is used, how it is used, how important it is, how well it is meeting users needs and the preferred presentation approaches. The key findings on these aspects are:

Use

All aspects of the programme have a significant user-base throughout the tourism sector. The IVA is the most used (84% of respondents), followed by IVS (79%), Forecasts (67%) Regional information (66%), CAM (59%) and DTS (59%). The least used is the TSA (49%)

Source

The Ministry of Tourism is the main source of tourism information, although users employ a number of approaches for accessing the information they require. Many also receive information from Statistics NZ, which is expected given its role in the first release of IVA, CAM and TSA. Of note was information sourced from intermediaries (eg TIA, RTOs, Associations and media) who disseminate the tourism data to their members with their own interpretation. About a quarter of respondents collected their own statistics or did their own research.

How the information is used

The information is used for a wide range of purposes by users (eg investment decisions, product development, marketing, planning, policy development etc). Overall, the most common use being new development of products or services (50% of respondents), marketing and advertising (46%), general information (38%) and informing investment decisions (33%). The use varied by user type. For instance, tourism businesses used the information mostly for new or improved products/services (74%), RTOs used the information mostly for communication to other users (88%), other businesses (half of whom were consultants) used the information mostly for informing investment decisions (49%). Statistics NZ uses the IVA, IVS, DTS and CAM along with other economic data in the production of the National Accounts and Balance of Payment estimates.

Value

All aspects of the programme were valued by users. The majority (60-80%) indicated the absence of the various types of information would have critical, significant, or moderate level impacts on their organisations' work or decisions. The IVA was most highly valued with critical or significant impact for 62% of respondents (82% if moderate impact is included). Next was IVS at 60% for critical or significant impact, with forecasts, regional information, CAM and DTS each around 45%. The TSA was least critical or significant for respondents at 36%. The importance of information varied by user type, e.g. 41-54% of tourism businesses compared to 70-96% of RTOs indicating most of the information had critical or significant impact.

Key users who were interviewed speculated that if the Ministry of Tourism information that they rely on were not available, the consequences might include the following:

- Decisions would be made on the basis of less data and more guess-work.

- Non-government organisations would carry out and commission more research, with resulting increases to their costs, and a narrowing of the availability of data to others.
- Organisations would make more use of their internal data sources, or would become more creative in their data sourcing, for example obtaining more data from organisations with which they have commercial or regulatory relationships.

Although the value of the programme could not be quantified in this evaluation, the above findings suggest that on the whole the programme is regarded by the variety of stakeholders as producing valuable information for the tourism industry.

Accessibility, reliability, timeliness, and coverage

In terms of accessibility, timeliness, market coverage and reliability, the programme was rated very well or well by over 70% of respondents. Sector and regional coverage was rated lower at 59% and 63% respectively. The interviews conducted with key users of the information highlighted the following main concerns:

- data reliability, particularly at the regional level and for visitor markets
- difficulty in reconciling data from different sources

Development opportunities

The following performance constraints and improvement opportunities were identified.

- Improved data quality is needed. This is particularly so for the major surveys managed by the Ministry – the IVS and DTS. The Ministry of Tourism is developing these collections as in-house surveys to optimise the quality that can be extracted from current sample size and methodological constraints. Once this work is complete, sample size requirements to deliver data quality requirements can be determined.
- There needs to be clearly articulated statements and user guidelines around the use of the tourism data so that users are aware of, and can make allowance for, the weaknesses in the data.
- Where possible incorporate new data streams into the programme to address information gaps and quality issues. Opportunities exist for using electronic transaction data, to develop sector-led collections and to further utilise SNZ resources, for instance its Longitudinal Business Database.
- Regional data quality and reporting is a particular issue and there are opportunities to integrate existing and new data sources to make improvements, particularly through improved modelling of regional tourism activity.

The development of the programme is also linked closely to the New Zealand Tourism Strategy (NZTS) 2015 that recognises research as a key enabler of the sector. As such, the NZTS has a number of research-related recommendations including relating to data quality, quality standards and utilising new data sources. The recommendations also highlight the need to develop the applied research capacity supporting tourism.

- ***International Visitor Survey:*** The statistical rigour and reporting of this survey can be improved. One third of the 33 key users interviewed said they had significant concerns with the validity and reliability of the data, mostly related to the more disaggregated estimates at regional and country of visitor origin level. Statistics NZ believes the IVS is

trying to do too much, and regards the sample size as too small to provide reliable sub-national estimates as currently reported. Concerns have also been raised about the survey methodology (e.g. accuracy of respondent recollection of trips, and length of survey), and representativeness of the sample.

- **Domestic Traveller Survey:** Key users wish to see the reliability of DTS estimates improved. As with the IVS these centred around the sub-national estimates and the sample size. Concerns have also been raised about poor response rate to the telephone interview-based surveys.
- **Commercial Accommodation Monitor:** Work is underway to improve this survey which is regarded as imposing a high respondent burden, affecting response rates and data accuracy.
- **Regional Visitor Monitor:** About half of the respondents indicated that regional information and forecasts are of critical or significant importance to them. About 60% appeared satisfied with the RVM. However there were some concerns raised about the current coverage being limited to only 6 RTO regions, as well as concerns about the representativeness of the survey sample.
- **Tourism Satellite Accounts:** There was a desire from some key users for more timely release of the information rather than the current two year lag involved in its production.
- **Tourism Forecasts:** The forecasts are extensively used among the key users interviewed in feeding into their organisations' own forecasts. While the national forecasts are highly valued, there are criticisms that their projections are based on "business as usual" scenarios, that they do not take adequate account of "on the ground" knowledge, that they do not look at future "shock" events, and that they do not predict shorter term fluctuations within the long term trends. There was also concern about the reliability of regional forecasting based on IVS and DTS information.

Conclusions

Improving the performance and productivity of the tourism sector is a key focus of the New Zealand Tourism Strategy 2015 given the significance of this sector in the national economy (9% of GDP). The ultimate objective of the Ministry of Tourism's Research and Statistics Programme is to enhance the performance of the industry by providing statistics and research that is accessible, reliable, timely, of adequate coverage, and useful in improving decision-making.

This evaluation found that the Ministry of Tourism Research and Statistics Programme produces information that is widely used by the variety of stakeholders in the industry. Some users receive the information directly from the Ministry of Tourism and Statistics NZ, while others receive it through intermediaries such as industry associations and RTOs which repackage and redistribute the information. The most highly valued information relates to the volume of international visitors and their patterns of spending and activities. On the whole, Ministry of Tourism research and statistics are generally regarded to be accessible, timely, reliable, and having satisfactory coverage in terms of regions, sectors, and visitor markets.

Although the value of the programme could not be quantified in this evaluation, based on findings on the wide usage of the information and the importance of the information to decisions made by users in the tourism sector, this evaluation concludes that the programme is meeting its objectives and should continue to be funded.

However there are concerns (particularly among the more intensive users of the information) with specific datasets, particularly relating to the quality of regional-level data. This evaluation highlights the importance of continuing efforts to improve the quality of specific datasets and regional data. A brief examination of tourism data collections in a few other countries (for example Canada and Netherlands) identified some interesting options in the method and frequency of data collection. Opportunities have also been identified to improve analysis and use of the information produced by this programme. There are also opportunities to improve research on the performance and productivity of the tourism industry, particularly drawing on the newly created Statistics New Zealand Longitudinal Business Database (which provides a wide range of performance information on individual firms) and making links to key parts of the Ministry of Tourism dataset.

Recommendations

Based on the user feedback received for this evaluation, the following key recommendations for the Ministry of Tourism are made to improve the use and value of tourism statistics and research in enhancing the performance of the tourism sector:

Data quality

1. Establish quality standards for the Core Tourism Dataset (as recommended in the NZTS 2015) and implement these across the component datasets.
2. Establish 'fitness for use' policies and guidelines for the Core Tourism Dataset so that data is used appropriately

Specific datasets

3. International Visitor Survey and Domestic Traveller Survey: Given that the Ministry of Tourism is currently implementing a management system change for these two surveys, it should continue efforts to improve the survey design, data collection and sampling method, ensuring they are in line with international best practice and appropriate to providing data that is relevant and sufficiently reliable to enhance decision-making by key stakeholders.
4. Regional Visitor Monitor: Continue efforts to improve the sampling methodology to ensure the survey sample is sufficiently representative of visitors in the target region.

Regional data

5. Examine options for addressing concerns with reliability of regional data, including:
 - a. the costs and benefits of the trade-offs between sample size, survey frequency and depth,
 - b. potential for using alternative sources of data on visitor expenditure (e.g. electronic transaction data), and
 - c. investigating and implementing specific approaches to integrating data from the Core Tourism Dataset and other sources to provide more reliable regional-level data.

Presentation of results

6. To address concerns about reliability of disaggregated data (e.g. regional and country of origin breakdowns) all data published by the Ministry of Tourism should include confidence intervals which provide clear indications of the degree of reliability that can

be placed on the estimates. Individual estimates where the level of uncertainty is too high for practical purposes should be clearly marked in the data tables. This is in line with international best practice and Australia provides a good example. Series that do not meet the established data quality standards (in Recommendation 1 above) should not be published.

Analysis

7. Ministry of Tourism reports should provide more analysis and commentary to aid appropriate interpretation and use of the results. This should take into account the needs of the different stakeholders including both industry as well as government. For example government users (such as the Ministry of Tourism policy unit) would benefit from more analysis and commentary on implications for tourism policy.
8. Develop a plan for the Ministry of Tourism analysis programme, including the analysis priorities and the resource requirements to deliver to the determined levels.

Applied research

9. Advance tourism sector applied research by:
 - a. ensuring the comprehensive implementation of the New Zealand Tourism Strategy 2015 recommendation to develop and fund an industry-government partnership model to advance sector research, including determining priority research and then directing, funding, and managing the delivery of this research, and
 - b. improving research on the performance and productivity of the tourism industry, particularly drawing on the newly created Statistics New Zealand Longitudinal Business Database prototype and relevant parts of the Ministry of Tourism dataset.

Other

10. Other more detailed recommendations from the Ministry of Tourism's internal review of its programme management and operations are contained in chapter 9 of this report.

Report back

11. The Ministry of Tourism is invited to report back to the Ministers of Tourism and Industry, Regional and Economic Development, by 30 June 2009, on its progress in implementing the above recommendations.