

COMMERCE ACT 1986: BUSINESS ACQUISITION

SECTION 66: NOTICE SEEKING CLEARANCE

Date: 30 August 2019

The Registrar
Mergers and Acquisitions
Commerce Commission
PO Box 2351
Wellington

Pursuant to section 66(1) of the Commerce Act 1986 notice is hereby given seeking clearance of a proposed business acquisition.

Part 1: Overview

- 1.1 This is an application for clearance pursuant to section 66(1) of the Commerce Act 1986 made by Queenstown Bungy Limited (**Purchaser**) to acquire adventure tourism operations located at Taupo owned by Taupo Bungy Limited (the **Vendor**) (the **Proposed Acquisition**). Queenstown Bungy Limited and Taupo Bungy Limited together are termed the **Parties**.
- 1.2 The assets the Purchaser will acquire in the Proposed Acquisition comprise the business and physical assets used for the Vendor's bungy and swing business in Taupo, known as Taupo Bungy.
- 1.3 The Purchaser operates bungy, swing, catapult jump sites, and related businesses in Queenstown and Auckland, but does not currently have any operations in the Taupo area or surrounding region.
- 1.4 The Purchaser considers that Taupo Bungy's operations occur within a broad retail tourism activities market, but appreciates that it may be appropriate to consider defining the relevant market for the purposes of this application as the market for the provision of retail tourism adventure activities in the Central North Island region. This is similar to the market defined in the Commission's 2003 clearance of Bungy New Zealand's acquisition of Pipeline Bungy in Queenstown.
- 1.5 The Proposed Acquisition will not, and will not be likely to, cause a substantial lessening of competition as:
 - 1.5.1 It will not result in any aggregation of market share, as the Purchaser does not currently operate in the Central North Island region. Rather, the Proposed Acquisition is simply a change in operator.

1.5.2 To the extent that the Purchaser's Auckland and Queenstown operations may currently place some competitive constraint on the Vendor's actions, the removal of that constraint will have a negligible effect on competition, as:

- (a) The relevant counterfactual against which to test the competition implications of the Proposed Acquisition is a counterfactual in which Taupo Bungy continues under current ownership and operation for the foreseeable future.
- (b) Under both the factual and the counterfactual, there will be significant constraints on the Taupo Bungy operation from other adventure tourism operators in the Central North Island region and from other tourism businesses competing for the spend by visitors. This competition includes competitive constraints imposed from bungy operations in Rotorua and the potential for a new bungy tower at Waitomo.
- (c) The expected level of competition, and of competitive constraints, in the market will not be materially different under the counterfactual than it will be under the Proposed Acquisition. Indeed, with the Purchaser's expertise and networks, the Taupo Bungy operation may be able to compete even more strongly than at present with other adventure tourism operations.

1.6 The Purchaser therefore submits that clearance should be granted.

Part 2: Parties' Details

2 Queenstown Bungy Limited

Purchaser: This notice is given by Queenstown Bungy Limited (Company Number: 863386). The Companies Register extract for the Purchaser is set out at Appendix 1.

2.1 **Contact:** The contact details for Purchaser are as follows:

The registered office of the Purchaser is:

Crowe Horwath (NZ) Ltd
173 Spey Street,
Invercargill, 9810
New Zealand

Head office address:

Bungy HQ
Corner Shotover and Camp Street
Queenstown 9300

Website: <https://www.bungy.co.nz/>

Contact Person: David Mitchell, Chief Executive Officer, Bungy New Zealand Limited
Telephone: 04 441 0267
Mobile: 027 515 9485
Email: David@bungy.co.nz

2.2 **Correspondence:** Purchaser requests that all correspondence is directed in the first instance to:

Nick Crang
Partner, Duncan Cotterill

Level 2, Chartered Accountants House
50 Customhouse Quay
Wellington 6011
Telephone: 04 471 9440
Fax: 04 499 3280
Email: nick.crang@duncancotterill.com

3 **Other party to the acquisition:**

3.1 **Vendor:** The other party to the acquisition is Taupo Bungy Limited (Company Number: 532175).

3.2 **Contact:** The contact details for the Vendor are as follows:

Registered office/physical address and address for service:

81 Horomatangi Street,
Taupo, 3330
New Zealand

Website: taupobungy.co.nz
Contact person: David Brown, Director
Telephone: 07 377 8509
Mobile: 027 699 4984
Email: david@iles.co.nz

4 **Structure of the Parties**

4.1 The Purchaser is a registered limited company operating in New Zealand. The Purchaser is wholly owned by Bungy New Zealand Limited, which through its subsidiaries operates adventure tourism sites in Auckland and Queenstown. Neither Bungy New Zealand Limited nor its subsidiaries own any adventure tourism operations in New Zealand other than at the sites in Auckland and Queenstown. The group (**Bungy NZ**) has been operating for more than 30 years, since 12 November 1998.

4.2 The shareholders in Bungy New Zealand are Fun Innovations NZ Limited (50%), Trojan Holdings Limited (40%) and Gulley Holdings Limited (10%). These companies, and their shareholders are set out in Appendix 2 in diagram form. None of those companies are interconnected bodies corporate to Bungy New Zealand Limited or the Purchaser but the Purchaser acknowledges that Fun Innovations NZ Limited, Trojan Holdings Limited and their shareholders could be considered associated persons of the Purchaser. Those two companies and some of their shareholders have shareholding interests in other companies. Out of caution (in case they are associated persons of Bungy NZ), the Applicant has checked on the operations of these companies. The Applicant advises that while some of the companies operate in the tourism sector, none of the companies operate in the Taupo/Rotorua area. There is, therefore, no overlap in a competition sense with Taupo Bungy. A summary of the operations of these companies is also set out in Appendix 2.

4.3 The Vendor is a registered limited company in New Zealand. It is wholly owned by Taupo Tourism Holdings Limited, which according to the Companies Register is owned by Audrey O'Callahan, Alastair Macdonald and Douglas Sunnex. The directors of Taupo Tourism Holdings and Taupo Bungy Limited are David Brown, Alastair Macdonald and Douglas Sunnex.

4.4 There is no common ownership between the Purchaser and the Vendor.

5 **Overview of the Parties**

5.1 The Purchaser operates adventure tourism services in Queenstown under the trading name AJ Hackett Bungy, and its group also operates two adventure tourism sites in Auckland. The

Purchaser's head office is in Queenstown, and its management and operations staff are primarily in Queenstown.

- 5.2 The Purchaser focuses on providing high quality gravity related challenges. It seeks to locate these in highly scenic places, and its unofficial motto is "cool things in cool places".
- 5.3 The Purchaser's attractions are all marketed and run as experiences for consumers, rather than individual features on their own. The Purchaser operates:
 - 5.3.1 A bungee jump, swing and a new catapult ride at its Nevis location near Queenstown.
 - 5.3.2 A bungee jump and zip ride at the original Kawarau location.
 - 5.3.3 A bungee jump and swing at its Ledge location in Queenstown.
 - 5.3.4 A bungee jump and bridge walk at the Auckland Harbour Bridge and a Sky Jump and Tower Walk experience at the Auckland Sky Tower.
 - 5.3.5 A cafeteria and gift shops, which sell apparel, accessories and other ornamentation, associated with its primary businesses.
- 5.4 The Vendor operates bungee, swing and associated businesses known as "Taupo Bungee" in Taupo, New Zealand. The Vendor established Taupo Bungee in 1992.
- 5.5 The existence of Taupo Bungee means that tourists and locals in Taupo are able to experience a bungee jump and adventure swing experience while in the area. The Vendor wishes to sell the Taupo Bungee business and assets to realise its capital for the benefit of its aging shareholders, and has decided to sell Taupo Bungee to the Purchaser.
- 5.6 The Vendor has also previously operated a bungee and swing operation at Mokai Gravity Canyon on the Rangitikei River south of the volcanic plateau. That site has not operated for several years. []. The Purchaser is purchasing only the Taupo Bungee operation, and will not obtain any rights in the Mokai Gravity Canyon assets.

Part 3: Transaction Details

6 Proposed transaction

- 6.1 The Proposed Acquisition would involve the acquisition by the Purchaser of the Taupo Bungee business located at 202 Spa Road, Taupo, New Zealand and related assets including all tangible and intangible assets owned by the Vendor, but not including the cash in the Vendor's bank account, nor its debtors. The lease over land currently owned by Taupo District Council will also be acquired subject to the Council's consent to the assignment.
- 6.2 The purchase price is [].

7 Commercial rationale for the proposed merger

- 7.1 The commercial rationale for the Proposed Acquisition is as follows:
 - 7.1.1 Taupo Bungee has operated successfully for the last two to three decades however the Vendor is seeking to sell the business to realise its capital value for the benefit of its aging shareholders who have a reduced drive to invest further, innovate or expand the business.
 - 7.1.2 The Purchaser wishes to purchase Taupo Bungee as it believes it can maintain and increase the businesses' activities and profitability, due to the Purchaser's historic success and extensive experience in operating adventure tourism services in New

Zealand. The Purchaser intends to invest further in development and a refresh of the site. Consumers who attend the operation may also experience more satisfaction given the positive reviews received by the Purchaser at its currently operating sites.

- 7.1.3 Staff of the business will have greater opportunity to develop, and there is greater likelihood of further employment for the site and the economic multiplier effect on the local community.

8 **Control of target company/assets**

- 8.1 The Vendor currently controls the assets comprising the Taupo Bungy business and is the lessee under a lease from the Taupo District Council at its site at 202 Spa Road. No shares in the Vendor will be transferred, and the control and structure of the Vendor will not change.

9 **Copies of most recent versions of documents bringing about the proposed merger**

- 9.1 A copy of the Agreement for Sale and Purchase is included at Appendix 3.

10 **Financial statements**

- 10.1 A summary of the financial results for year ended 30 June 2018 for the Purchaser are attached in Appendix 4.

11 **Ancillary Agreements**

- 11.1 The only ancillary agreement that the Applicant is aware of that could bear on the proposed acquisition and this application is a lease between the Vendor and Taupo District Council, that will transfer to the Vendor, provided the Council consents. A copy of the lease can be provided on request.

Part 4: The Industry

12 **Description of the industry**

Provision of subject products/services

- 12.1 Both the Purchaser and the Vendor operate in the tourism industry. This industry comprises a range of activities, services, and attractions including travel, accommodation, food and beverages, scenic activities, adventure activities and other experiences. They can be free or paid.
- 12.2 The industry attracts both international and domestic tourists. As at the end of June 2018, New Zealand had received about 3.8 million international tourists per year, estimated to spend approximately \$16.2 billion per year in New Zealand. The domestic tourism sector is estimated to spend approximately \$23 billion per year (see Stats NZ Tourism Satellite Account 2018 - Appendix 5).
- 12.3 Tourists spend money on accommodation, transport, activities, restaurants and general expenses (food etc). The largest proportion is on accommodation and transport, with discretionary spend on activities and food. These aspects of the sector are where tourists face the most choice between what they should spend their money on, and where their funds are most limited.
- 12.4 The activities offered by the Purchaser and the Vendor can more specifically be described as adventure activities. This part of the tourism sector comprises a wide range of activities such as hiking, tramping, mountain biking, rafting, sailing, skiing, climbing, jet-boating, multi-sport, multi-day adventures, zip-lining, parachuting, i-fly, camping, shooting and hunting and many

other activities. They may require payment for each activity or may be free. They may be provided by specific operators or activities that can be undertaken by tourists by themselves.

- 12.5 A 2013 report on adventure tourism noted that 1 in 2 international tourists did some sort of adventure tourism during their stay in New Zealand. Those tourists spent a total of \$1.6 billion in 2012 (see Tourism New Zealand Report on Adventure Tourism, May 2013, in Appendix 6).
- 12.6 In the close Taupo area, a wide range of paid tourism activities are offered, as set out in the table attached in Appendix 7, including:
- 12.6.1 Parasailing;
 - 12.6.2 Skydiving;
 - 12.6.3 River rafting;
 - 12.6.4 Jet boating;
 - 12.6.5 High ropes;
 - 12.6.6 Mountain biking;
 - 12.6.7 Adventure and scenic flights;
 - 12.6.8 Motorsports;
 - 12.6.9 Kayaking;
 - 12.6.10 Golf.
- 12.7 Rotorua is approximately 80 kms drive from Taupo, and has a wide range of adventure activities, and other kinds of tourist activities including bungy.
- 12.8 Slightly further afield, but popular with visitors to Taupo in the winter in particular are the skifields at Mt Ruapehu. Ruapehu Alpine Lifts, the operator of the skifields is currently undertaking a major investment at Whakapapa skifield, including installing a gondola over 2018/19 summer. That investment has and will increase the attractiveness of the skifield.
- 12.9 As noted above, the Vendor currently operates bungy, swing and associated services in Taupo known as "Taupo Bungy" in Taupo, New Zealand.
- 12.10 The existence of Taupo Bungy means that tourists and locals in Taupo are able to experience bungy jumping, swings and other related services while in the area in return for a sum ranging from \$130 to \$185 per person per activity. Consumers may opt instead for a 'combo deal', in which they are also able to attend experiences from other business around the region at a discounted combined rate.
- 12.11 The Purchaser currently operates through its group trading as AJ Hackett Bungy and provides bungy jumps, swings, and other related services at three sites in Queenstown; the Kawarau Bridge, the Ledge and the Nevis Canyon. AJ Hackett Bungy also operates two sites in Auckland; the Sky Tower and the Harbour Bridge. The Harbour Bridge site offers bridge walks and bungy jump operations. The Sky Tower site offers tower jump and/or tower walk options. Prices range from \$135 to \$275 per person per activity. Consumers may opt instead for a 'combo', in which they are able to attend multiple experiences offered by the Purchaser at a discounted combined rate.
- 12.12 Other bungy operations around New Zealand include Velocity Valley in nearby Rotorua, which offers a bungy jump from 43m for \$129 per person. Velocity Valley also operates other adventure tourism activities at the same site, which are listed at paragraph 12.1 below. Hanmer Springs Attractions, the trading name for The Wood Scenic Line Limited, also offers a

bungy service near Christchurch, with a 35m free-fall from a historic bridge for \$169 per person. Hanmer Springs Attractions also offers other adventure tourism activities at the site such as rafting, quad biking, and paintball.

- 12.13 In addition, plans have been developed, and a proposal is being promoted, for a bungy tower operation at Waitomo. There has also been recent interest in a bungy jump in Hamilton, from a new city bridge across the Waikato River. The Purchaser was approached about that proposal []. (See newspaper articles in Appendix 8).

Sale of subject products

- 12.14 The purchaser sells its products in Queenstown and Auckland through a number of channels. These are:

12.14.1 Booking directly at Bungy HQ in Queenstown and on-site (at Kawarau, Sky Tower and Auckland Harbour Bridge or by the telephone. []).

12.14.2 Booking agents in the local area. []. Booking agents act as agents for Bungy NZ and receive a commission. Booking agents book on behalf of a large number of activity operators in an area and, offer customers a wide choice of activities in the area.

12.14.3 Online booking through Bungy NZ's website (bungy.co.nz). [].

12.14.4 Online booking by tour operators and other agents. [].

- 12.15 The Applicant understands that Taupo Bungy sales are sold through generally similar channels although [] namely:

12.15.1 The [] channel for sales is online, through visitors to Taupo searching online or finding Taupo Bungy through social media and then booking through the website.

12.15.2 On site sales at Taupo Bungy is the []. Taupo Bungy's site is situated within Taupo township and, for a bungy location, is very central. Sales on site are []. Taupo Bungy does not have and does not need a booking office in the Taupo township shopping area.

12.15.3 There is some booking by agents at the i-Site, backpacker hostels and by bus companies. Taupo does not, however, have standalone booking agencies like Queenstown.

- 12.16 The Applicant also understands that, similar to Auckland and Queenstown, most visitors choose the destination first and, then, choose activities when at the destination or only a few days before arriving. Also, in Taupo, there can be a principal reason for visiting (e.g. skiing in winter), in which case other activities are chosen when and if the principal activity is not available.

Industry statistics

- 12.17 The Ministry of Business, Innovation and Employment (**MBIE**) produces Monthly Regional Tourism Estimates, which provide an estimate of regional monthly expenditure on tourism. In the year to October 2018, domestic visitors to the Taupo regional tourism area spent \$448 million, and international visitors spent \$208 million. This roughly reflects the proportions of guest nights spent by international and domestic visitors in Taupo in the year to September 2018 (international visitors making up 36.7% and domestic visitors 63.3%) (See Appendix 9).

- 12.18 International visitors to Rotorua and Taupo for the year ending 31 December 2018 (as set out at Stats New Zealand International Visitor Survey Place Visited (RTO)) were:

12.18.1 Taupo: 503,783

12.18.2 Rotorua: 885,606

12.19 The mix of international and domestic visitors to Rotorua and Taupo was measured in 2009 as follows:

12.19.1 **Taupo** – total visitors

- (a) International Overnight: 337,000
- (b) International Day: 151,000
- (c) Domestic Overnight: 1,056,000
- (d) Domestic Day: 1,801,000

12.19.2 **Rotorua** – total visitors

- (a) International Overnight: 629,000
- (b) International Day: 157,000
- (c) Domestic Overnight: 883,000
- (d) Domestic Day: 1,516,000

Source: Tourism Forecasts 2010-2016, Appendix 10.

12.20 The international traveller adventure tourism market is described by Tourism NZ as comprising 50% of international holiday tourists and estimated by MBIE to number 1 million visitors.

12.21 The domestic traveller adventure tourism market is more difficult to estimate but, say, at 30% of the population might number around 1.2m persons.

12.22 In the Taupo/Rotorua area, the adventure tourism market is estimated to consist of approximately 1.5m visitors per year.

12.23 With respect to the Vendor's and the Purchaser's operations, relevant numbers are:

12.23.1 Vendor (for period 2013 to 2018)

- (a) Taupo Bungy Jump: Between [].
- (b) Swing: Between [].

See numbers for 2013 to 2017 in Appendix 11.

12.23.2 Purchaser

Site/Activity	Activity Numbers				
	2019	2018	2017	2016	2015
Auckland Harbour Bridge Bungy	[]	[]	[]	[]	[]
Auckland Harbour Bridge Walk	[]	[]	[]	[]	[]
Sky Tower Jump	[]	[]	[]	[]	[]
Sky Tower Walk	[]	[]	[]	[]	[]
Queenstown Ledge Bungy	[]	[]	[]	[]	[]
Queenstown Ledge Swing	[]	[]	[]	[]	[]

Queenstown Kawarau Bungy	[]	[]	[]	[]	[]
Queenstown Kawarau Zipride	[]	[]	[]	[]	[]
Queenstown Nevis Bungy	[]	[]	[]	[]	[]
Queenstown Nevis Swing	[]	[]	[]	[]	[]
Queenstown Nevis Catapult	[]	-	-	-	-

12.24 The Purchaser's Auckland bungy jump customers are split approximately:

12.24.1 International: []

12.24.2 Domestic: []

12.25 The Purchaser assumes that the Vendor's customers are split similarly between international and domestic.

13 Competitors

13.1 There are a very large number of competitors to the Vendor in the adventure tourism industry in the Taupo and nearby area, including in Rotorua and the general Rotorua area. A number of these competitors, with contact details, are listed in Appendix 12.

Part 5: Competition Analysis

14 Overview of competition issues

14.1 The Purchaser considers that the Commission can be satisfied that the Proposed Acquisition will not result in a substantial lessening of competition in any market as:

14.1.1 The relevant market to assess the acquisition is a market comprising adventure tourism activities in the Central North Island area (comprising an area north from Mt Ruapehu, taking in Taupo and, Rotorua, and including the southern Waikato area).

14.1.2 In that market, as compared to the counterfactual of the Taupo Bungy operation continuing in operation under existing ownership, the Proposed Acquisition will not result in a substantial lessening of competition.

15 Previous Commission consideration

15.1 In 2003, the Commerce Commission granted clearance to Bungy New Zealand Limited (the parent company of the Purchaser) to obtain the business of Pipeline Bungy in Queenstown New Zealand (decision no. 504, 24 July 2003).

15.2 In that decision, the Commission defined the relevant market as the market for the provision of retail adventure tourism activities in the Queenstown Lakes region.

15.3 The Commission held that bungy operators competed with other adventure tourism operators in that market for the same tourist dollar. It said that the indication from competitors was that competition was vigorous and driven primarily by the nature of the activity and its price.

15.4 The Commission held that the level of competition for the Queenstown tourist dollar indicated that any change in the market post acquisition was likely to be minimal.

15.5 The Commission was therefore satisfied that the proposed acquisition would not have, nor would be likely to have, the effect of substantially lessening competition in a market.

16 **Counterfactual**

16.1 The Purchaser considers that the counterfactual scenario, if the Proposed Acquisition does not proceed, is that Taupo Bungy will, for the foreseeable future, continue to be operated by Taupo Bungy Limited, under current operators. This is effectively the status quo.

16.2 The Purchaser considers it unlikely, within the next 2-3 years, that another purchaser will acquire Taupo Bungy.

16.3 [

16.4

16.5

16.6]

16.7 If, however, another party were to acquire the Taupo Bungy business within the next 2-3 years, the result would not be substantially different from the status quo continuing.

17 **Relevant market**

17.1 The Purchaser considers that the relevant market for the purpose of considering the effect of the Proposed Acquisition could be defined to include all tourism activities in the Central North Island region but appreciates that it may be appropriate to consider defining a narrower market for the provision of retail adventure tourism activities in the Central North Island region.

17.2 Section 3(1A) of the Commerce Act defines the term “market” as “a reference to a market in New Zealand for goods or services as well as other goods or services that, as a matter of fact and commercial common sense, are substitutable for them”.

17.3 Case law has defined a market as the area of close competition between firms or the field of rivalry between them.¹

17.4 In the Commission’s clearance of Bungy New Zealand’s acquisition of the Pipeline Bungy business, the Commission defined a market for retail adventure tourism activities in the Queenstown Lakes area. The key factors in the Commission’s decision on market definition in the 2003 clearance were:

17.4.1 The commonality of the requirements across different adventure tourism activities. The Commission quoted a New Zealand Tourism study which noted that visitors sought “active, adventurous or high-risk activities including bungy jumping, white water rafting, skiing/snowboarding, jet boating, skydiving and paragliding”.

17.4.2 Because of the differentiated nature of the goods or services in this market, a *ssnip* test of 5% was not considered appropriate in assessing substitutability of activities. Instead, the Commission thought that the products should be thought of as being arranged in a “chain of substitutes”. In determining this, relevant factors were:

- (a) the behaviour of buyers, including analyses of historical and likely future trends, and evidence from consumer surveys;
- (b) business behaviour, sales strategies and marketing; and
- (c) the views of market participants.

¹ *Re Queensland Co-operative Milling Assoc Ltd* (1976) 25 FLR 169.

- 17.4.3 That tourists appeared to consider the activities in the market as similar product offerings, which was reinforced by the industry practice of packaging activities.
- 17.4.4 That activity operators interviewed emphasised that they viewed themselves as competing with other activity operators for the scarce amount of time that the average tourist spent in Queenstown. At that time, tourists spent an average of two days in Queenstown with one of those days typically spent on going to Milford Sound.

Product market

- 17.5 The Purchaser considers that the product market could be defined to include all tourist activities.
- 17.6 The Purchaser's experience in Auckland is that its activities at the Auckland Harbour Bridge and Auckland Sky Tower compete with other tourist activities generally in Auckland for limited tourist dollars and time. Indeed, in Auckland, the "must do" activity is seen to be visiting Waiheke Island and its wineries. Eating out and entertainment in Auckland is also popular, with the Purchaser's activities attracting only a small number of visitors amongst the total number of visitors. This is supported by statistics showing Auckland having 2.75m international visitor arrivals to the year ended February 2019 and 3.56m international guest nights in commercial accommodation for the year ending January 2019.²
- 17.7 ATEED surveys have found that, of the million visitors that go to Waiheke each year, 47% of people on ferries were foreign visitors.
- 17.8 The Purchaser spends a considerable amount of its marketing focus and company attention in Auckland on how to attract visitors away from those other activities.
- 17.9 The Purchaser considers that a similar situation applies in relation to Taupo Bungy. Visitors to the area are faced with a wide range of paid activities, attractions, scenic and natural activities and areas, and food and beverage options. They must choose between those options with a limited amount of time and with generally a limited discretionary expenditure. They may also have a primary reason for visiting (e.g. skiing, Tongariro crossing, summer holidays) and other activities are used as fill ins. Many visitors are also passing through in transit down the country.
- 17.10 Information on MBIE's website based on data from the Accommodation Survey released by Stats NZ, for example, is that the average stay of visitors in the Taupo regional tourism area over the year (to September 2018) was 1.86 nights (See Appendix 13). The Purchaser believes that, similar to the situation that existed in relation to the 2003 clearance application in Queenstown, visitors have a limited amount of money and time to spend between activities.
- 17.11 However, the Purchaser appreciates that it may also be appropriate to define a narrow product market similar to that defined in the 2003 decision, and that the Commission may wish to do so in order to ensure that the Proposed Acquisition does not raise any competition concerns.
- 17.12 As in the 2003 decision, the Purchaser considers that a differentiated product analysis is appropriate. In this situation, it can be difficult to apply a *ssnip* test with confidence. Instead, as noted in Appendix 7 the prices for adventure activities generally fall within a range of around \$90 to \$250 range.
- 17.13 Also, at a general level, adventure tourism industry statistics for international visitors between 2003 and 2017 show that total bungy jump numbers in New Zealand have not increased at the

² https://www.aucklandnz.com/sites/build_auckland/files/media-library/documents/Auckland-Destination-Overview-February-2019.pdf.

same rate as the rate of increase as some other adventure activities³. This is general support for bungy jumping being in the same market as other adventure activities.

- 17.14 Most bungy customers are from out of the local area. There is no evidence that visitors come to Taupo specifically to bungy jump. Rather, visitors come to the area and make decisions, usually while in the area, on what (if any) activities to do⁴. The Purchaser believes that, in doing so, they generally look at the range of activities and do not come to the area with the object to carrying out one specific activity.
- 17.15 In the Taupo area, a wide range of adventure activities are offered as noted above. These activities generally range in price from \$90 to \$800, with most prices in the \$90 to \$250 range. See the comparison table at Appendix 7. Bungy NZ understands that the closest competition for customers in Taupo to the activities at Taupo Bungy comes from skydiving, rafting, the Mt Ruapehu Ski Fields, jet boating and rock and ropes courses. In summer, the Tongariro Crossing is also an alternative. However, a wide range of activities should still be considered as competing for customers and in the same market.
- 17.16 For domestic tourists, the Purchaser considers that the decision is even clearer than for international visitors about being a decision between different adventure activities, rather than bungy activities. For domestic tourists, they are likely to decide to do one or two retail tourist activities in a centre alongside other free activities.
- 17.17 As noted above, a sales channel for both the Applicant and the Vendor are booking agents. These agents promote and sell a wide range of activities to customers, including a wide range of adventure activities.
- 17.18 Booking agents report that customers commonly weigh up between different activities based on time, nature of experience, reputation and cost. The views of booking agents and the advice they give customers can be influential in these decisions. As a consequence, Bungy NZ works hard to ensure that Booking Agents understand its products.
- 17.19 Booking agents are also saying that in recent times customers are only doing one or two activities a day, as their discretionary spend lessens, largely due to rising accommodation costs.
- 17.20 [
- 17.21]
- 17.22 For its Auckland and Queenstown operations, it is crucial for the Purchaser that the prices for its activities stay competitive with prices for other activities in the adventure tourism market. As evidence, the Purchaser provides extracts from its 2018/2019 and 2019/20 Operating Plans (see Appendix 14). This report notes that the primary variable is staying competitive with the adventure tourism market, with the secondary key variable being currency exchange rates.
- 17.23 The Purchaser understands that the Vendor approaches pricing in a similar way, looking to retain relativity with the prices for other adventure activities in the area, especially skydiving, rafting, parasailing and jet boating.
- 17.24 There are relatively low barriers to entry into the bungy, swing and zipride type businesses across many locations, so pricing is sensitive to competitive forces both from those activities and other attractions for the spend by and time of consumers. The Purchaser estimates that the cost of establishing a new site could be as low as \$1.5m, if there is an existing bridge to

³ Between December 2003 and December 2017 the rate of increase in bungy visitors was 1.08, while the rate of increase for rafting and canoeing was 2.06 (see New Zealand Statistics, data export, International Visitor Survey, Appendix 5).

⁴ There is some support for this proposition in the tourism literature, albeit at a general level (i.e., not specific to tourism in New Zealand). Choi et al (2012) present empirical evidence that tourists make core decisions as to destination, followed by more secondary (and flexible) decisions regarding activities and attractions. Soojin Choi, Xinran Y. Lehto, Alastair M. Morrison and SooCheong (Shawn) Jang (2012), "Structure of Travel Planning Processes and Information Use Patterns", Journal of Travel Research, 51(1), 26-40.

jump off. In the Queenstown area, for example, a new bungy operation has been proposed for Glenorchy in competition with Bungy NZ.

- 17.25 The Purchaser notes that Taupo Bungy promotes multi package proposals, such as Air Extreme and 4 Play packages to customers. The Purchaser promotes similar bundles of products in Queenstown in particular, due to the short-stay nature of most visitors. The Commission's 2003 clearance decision noted the existence of these packages as supporting its market definition.
- 17.26 Even at its own sites, the Purchaser has diversified away from bungy, and offers swings (at Nevis and The Ledge), a catapult (at Nevis), a Zipline (at Kawarau), and the Sky Jump at Auckland Sky Tower. At Nevis, the swing has become more popular than the bungy jump (see paragraph 11.20.2 above). At Taupo Bungy, the swing comprises around 30% of sales.
- 17.27 The Purchaser also notes that the prices for most of its activities have barely changed over time, as indicated in the following table:

Activity	Adult Retail Price				
	2019	2018	2017	2016	2015
Auckland Harbour Bridge Bungy	\$165	\$165	\$160	\$160	\$160
Auckland Harbour Bridge Walk	\$130	\$130	\$125	\$125	\$125
Sky Tower Jump	\$225	\$225	\$225	\$225	\$225
Sky Tower Walk	\$150	\$150	\$145	\$145	\$145
Queenstown Ledge Bungy	\$205	\$205	\$195	\$195	\$195
Queenstown Ledge Swing	\$165	\$165	\$160	\$160	\$160
Queenstown Kawarau Bungy	\$205	\$205	\$195	\$195	\$195
Queenstown Kawarau Zipride	\$50	\$50	\$50	\$50	\$50
Queenstown Nevis Bungy	\$275	\$275	\$275	\$275	\$275
Queenstown Nevis Swing	\$220	\$210	\$195	\$195	\$195
Queenstown Nevis Catapult	\$255	\$0	\$0	\$0	\$0

- 17.28 Also, the Purchaser understands that, while Taupo Bungy offers package adventures with Taupo Tandem Skydiving, it sees skydiving as a significant competitor for customers. The Purchaser also understands that the Vendor experiences lower visitor numbers on days when there is good skiing on Mt Ruapehu.
- 17.29 The Purchaser considers that this supports the definition of a market for tourism adventure activities.
- 17.30 The Purchaser also notes that it is common for the tourism industry to describe bungy jumping as an adventure tourism sport, e.g. the 2012 Tourism New Zealand report in Appendix 6. That report describes bungy jumping as the 4th most popular adventure tourism activity in 2012.
- 17.31 In 2017 and 2018, the Purchaser engaged DTKI International to carry out an advertising and awareness research-tracking programme for both international and domestic markets in Auckland. The respondents were all visitors to the Purchaser's two Auckland sites (Harbour Bridge and Sky Tower). A copy of the reports for international and domestic markets are attached at Appendices 15 and 16.
- 17.32 Key points of the reports were:

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17.33 Considered together, the Purchaser submits that this information supports that most visitors make decisions on bungy jumping based on the experience, in terms of excitement, and scenic locations, rather than specifically about bungy jumping or the specific bungy jump, climate and location.

17.34 There are only a small number who seem to choose between different bungy jumps, and that is not of sufficient a number to treat bungy jumps as being in a single standalone market. Where cost is mentioned this seems to more be about absolute cost or cost compared to other activities. Decisions do not seem to be made based on what would be a better place or cheaper place to bungy (except in relation to Queenstown). It does not appear that many customers trade-off between making a jump in Auckland as compared to Taupo.

17.35 In addition, the 2018 Visitor Insights Report for Q2 2018 for Queenstown (see Appendix 17) reports that:

17.35.1 travel motivations to Queenstown are varied and general, and do not focus on specific attractions; and

17.35.2 between only 15% and 34% of Queenstown visitors did any kind of extreme activity (which under that report is a narrower category than retail adventure activities).

Geographic market

17.36 In its 2003 clearance decision, the Commission defined the geographic market to be the Queenstown Lakes Region. Applying the same reasoning in Taupo, the relevant area might be described as the Central North Island Region.

- 17.37 From its own work in considering the proposal acquisition, it seems to the Applicant that the Taupo Bungy business competes for customers against adventure tourism operations in a reasonably wide area. The visitors to the area are largely self-driven and are prepared to travel some distance for activities, and especially to Rotorua where a number of different activities (both adventurous and more relaxed) are available, and geothermal attractions.
- 17.38 Rotorua is approximately only 80km from Taupo, but is a short drive in terms of time and also a relatively straightforward drive, and many people visit both Rotorua and Taupo. This could be an overnight trip, travelling from one centre to the other in a day or hours. Activities in each centre are marketed in both centres and the Purchaser understands that the Vendor sees itself as competing with adventure activities in the Rotorua area for customers from both Taupo and Rotorua, such as Canopy Tours (which includes a zipline tour), Skyline Enterprises (especially the luge), and Treetops Walks. The Purchaser submits that Rotorua be included in the geographic market.
- 17.39 In winter, customers are drawn away to the ski fields at Mt Ruapehu for skiing, snowboarding and snow activities, especially on fine days, when the snow cover is good. This drives visitors away from Taupo Bungy and the skifields should be considered in the same geographic market.
- 17.40 The Purchaser also understands that the Vendor faces competition from black water tours and caving activities in Waitomo, and these could be considered in the same geographic market.
- 17.41 Further, if the Vendor's Mokai Gravity Canyon operation were to be revived by a buyer of those assets (should that occur), that would also provide some competition to Taupo Bungy, despite the distance.
- 17.42 The Purchaser does not consider that its Auckland operations should be included in the same market as Taupo Bungy. While there could be some customers that choose between the activities located in Auckland and Taupo, this is a very limited number, as evidenced by the information from []. Moreover, as noted above, holiday location is chosen in advance and prior to the choice of activity, suggesting distinct geographic markets to the specific holiday destinations of either Auckland or Taupo.
- 17.43 From the Purchaser's own experience in Auckland, it sees other Auckland tourism operations and even restaurants in Auckland as its competitors, rather than Taupo Bungy. Indeed, the number one thing to do in Auckland is trips to Waiheke Island and wineries.
- 17.44 The Purchaser does acknowledge, however, that its Auckland operations may impose some competitive constraint on Taupo Bungy, and has taken this into account below.
- 17.45 The Purchaser also does not consider that its Queenstown sites should be included in the same market as Taupo Bungy. The Purchaser considers that the same market definition that applied in 2003 is still relevant to Queenstown. From a geographic point of view, if tourists are travelling to Queenstown, they are most likely to bungy or swing in Queenstown compared to anywhere else. In any case, only a small proportion of tourists in any particular year would travel to both Taupo and Queenstown and only a small percentage of those tourists would bungy or swing in either Queenstown or Taupo.
- 17.46 The Purchaser does acknowledge, however, that its Queenstown operations could provide some competitive constraint on Taupo Bungy, although this will be less significant than any competitive constraint from the Purchaser's Auckland operations, and has taken this into account below.

Temporal market

- 17.47 The purchaser notes that there is some season variation in the specific activities that compete with the activities offered by the Vendor and the Purchaser.

- 17.48 This is because some activities are better enjoyed or can only be undertaken in particular seasons. An obvious example is skiing and snowboarding, which is a winter and early to mid-spring activity.
- 17.49 In contrast, many water activities are enjoyed in summer, with larger numbers in these times. The activities offered by the Purchaser also experiences more visitors in summer to its sites. The Purchaser understands a similar situation applies to the Vendor.
- 17.50 While some of the specific activities may differ by season, the Purchaser does not consider there is any need to define different seasonal markets as overall, all the activities come within the scope of adventure tourism activities and the level of competition is consistent temporally. Defining different seasonal markets would not make any difference to the competition analysis.

18 **Competition issues**

- 18.1 Under the Commission's merger guidelines, a merger between competing suppliers is seen as having the potential to substantially lessen competition in a market if the merger:
- 18.1.1 removes a competitor that provides a competitive constraint, resulting in the ability for the merged firm to profitably increase prices; or
 - 18.1.2 increases the potential for the merged firm and all or some of its remaining competitors to coordinate their behaviour so that output reduces and/or prices increase across the market.
- 18.2 The Purchaser does not consider that this will be the case, for the reasons set out below.

Commission's concentration indicators

- 18.3 The Commerce Commission's merger guidelines set out "concentration indicators" to assist in determining whether a horizontal merger raises competition concerns. Under these indicators a merger or acquisition will be less likely to raise competition concerns where, post-merger the three largest firms in the market have a combined market share of:
- 18.3.1 less than 70% and the merged firm's market share is less than 40%; or
 - 18.3.2 70% or more and the merged firm's market share is less than 20%.
- 18.4 The Purchaser has not calculated market shares within the relevant market, as that detailed information is not readily available. However, the Proposed Acquisition will not result in any aggregation of Taupo Bungy's share of the relevant market (which would, in any case, be relatively small), as the Purchaser does not have any operations, or any interest in any operations, in the central North Island region.

Analysis of competitive effect

- 18.5 Setting aside the concentration indicators, the proposed acquisition will not, compared to the counterfactual, result in a substantial lessening of competition. It will not increase the potential for the Purchaser to unilaterally exercise market power or increase the potential for the Purchaser and all or some of its competitors to coordinate their behaviour compared to the counterfactual. This is because it will not materially affect the constraints from competitors and potential new entrants as discussed below.

Competition from existing providers

- 18.6 After the Proposed Acquisition, the Purchaser will continue to face strong competition from the broad range of providers of adventure activity operators across the Central North Island region to at least the same extent as faced by Taupo Bungy at present. The level of competition particularly between providers in or close to Taupo is strong and there is also competition from other activities from further afield, e.g. Rotorua, Mt Ruapehu and Waitomo. This level of

competition will be unaffected by the acquisition and will be at least as strong under the factual as compared to the counterfactual.

- 18.7 This wider competition will also include that the Purchaser will face competitive constraints from the bungy jump operations at Velocity Valley in Rotorua, to the same extent as under the counterfactual. Velocity Valley markets itself as the best value bungy in New Zealand. This is partly because of its lower height of 43m. Price is nevertheless comparable to the \$180 cost of a jump at Taupo Bungy taking into account Taupo Bungy's higher height and more scenic and natural location.
- 18.8 As noted above, it is possible that the Purchaser's Auckland operations and its Queenstown operations impose some competitive constraints upon Taupo Bungy, although they should not be considered as being in the same market. While the reduction of this constraint (if it exists at all) will occur under the Proposed Acquisition, the Purchaser considers that the overall competitive situation will not be substantially different as between the factual and the counterfactual, due to the constraints imposed by adventure activity operators across the Central North Island region generally.

Competition from new providers

- 18.9 The potential for new providers of adventure activities in the region will be no different between the factual and the counterfactual.
- 18.10 The Taupo/Rotorua area is under served for adventure activities compared to Queenstown, yet receives a significant number of visitors. Bungy NZ expects there to be significant opportunity for growth with new activities especially in the Lake Taupo area. Also, the Purchaser notes the proposal to establish a bungy tower at Waitomo. Further, [] there is the possibility of a bungy jump on the new bridge at Hamilton across the Waikato River. That proposal shows the general possible opportunities for new bungy, swing and other adventure activity sites. The potential for new entry will be as strong under the Proposed Transaction as the counterfactual.
- 18.11 In terms of new entry of tourist operators, there can sometimes be delays in obtaining resource consents. However, new operations do open regularly, which shows that resource consents should not be seen as a barrier to entry of new operators within a reasonable time of the acquisition. In any case, any barrier raised by resource consent requirements is the same under the factual and the counterfactual.
- 18.12 Finally, it is possible that new bungy/swing operations could be started in the Taupo area, if, for example, favourable sites with appropriate distinguishing features could be found. This could, for example, be an appropriate bridge, a valley-spanning arrangement as in the Nevis site, another river site like Taupo Bungy, or a tower at a unique location and there are possible very scenic sites near Turangi.
- 18.13 The Purchaser has considered a tower operation at the Taupo waterfront []. However, a smaller tower or crane operation in Taupo could be possible, which would require far less investment.

Part 7: Confidentiality

- 19 **Confidentiality for specific information contained in or attached to the notice**
- 19.1 Confidentiality is sought for the information identified in Schedule 2.
- 19.2 The Purchaser also requests it is notified of any request made to the Commerce Commission under the Official Information Act 1982 for the confidential information, and that the Commission seeks the Purchaser's views as to whether the information remains confidential and commercially sensitive at the time those requests are being considered.

DECLARATION

THIS NOTICE is given by **Queenstown Bungy Limited (Purchaser)**.

I, David Mitchell, have prepared, or supervised the preparation of, this notice seeking clearance.

To the best of my knowledge, I confirm that:

- all information specified by the Commission has been supplied;
- if information has not been supplied, reasons have been included as to why the information has not been supplied;
- all information known to the applicant which is relevant to the consideration of this notice has been supplied; and
- all information supplied is correct as at the date of this notice.

I undertake to advise the Commission immediately of any material change in circumstances relating to the notice.

I understand that it is an offence under the Commerce Act to attempt to deceive or knowingly mislead the Commission in respect of any matter before the Commission, including in these documents.

I am an officer of Queenstown Bungy Limited and am duly authorised to submit this notice.

Dated this 30th day of August 2019.

David Mitchell

I am the Chief Executive Officer of the company and am duly authorised to make this Application/Notice.

Schedule 1: Index to Appendices

- Appendix 1: Company Extract
- Appendix 2: Purchaser's shareholders and possible associated parties
- Appendix 3: Agreement for Sale and Purchase
- Appendix 4: Financial Results for Bungy New Zealand FY 2018
- Appendix 5: Tourism Industry Statistics, MBIE – Tourism Satellite Account: 2018
- Appendix 6: Tourism New Zealand Report on Adventure Tourism, May 2013
- Appendix 7: Comparison Table – Adventure activities in Taupo/Rotorua Area
- Appendix 8: Media articles on Waitomo Bungy Tower and Hamilton Bridge
- Appendix 9: MBIE Monthly Regional Tourism Estimates
- Appendix 10: Tourism Forecasts 2010-2016, Ministry of Economic Development
- Appendix 11: Taupo Bungy New Zealand – visitor numbers per year
- Appendix 12: Contact details of competitors referred to in paragraph 13
- Appendix 13: Statistics New Zealand information: Average stay of visitors in Taupo
- Appendix 14: Extracts from Bungy NZ 2018/2019 Operating Plan and 2019/2020 Operating Plan
- Appendix 15: DTK Survey Report – International Market
- Appendix 16: DTK Survey Report – Domestic Market
- Appendix 17: 2018 Visitor Insights Report for Queenstown

Schedule 2: Confidential Information

Confidentiality is sought in respect of the information in this application that is highlighted in shading and contained in square brackets, and all of Appendices 3, 4, 11, 14, 15 and 16.

Confidentiality for this information is sought for the purposes of section 9(2)(b) of the Official Information Act 1982 on the grounds that:

- (a) The information is commercially sensitive and contains valuable information which is confidential to the Purchaser and/or the Vendor. Disclosure of the information would enable competitors to the Purchaser and Vendor to obtain information about the Purchaser and the Vendor which is not publicly available, would give them insights into the Purchaser's and Vendor's business and that could enable them to identify weaknesses and vulnerabilities of the Purchaser and/or Vendor or particular opportunities to take advantage of, and is information which is not similarly publicly available about the Purchaser's and Vendor's competitors.
- (b) Disclosure would therefore be likely unreasonably to prejudice the commercial position of the Purchaser and/or the Vendor, as the party providing the information and/or the Vendor.

The foregoing applies equally in respect of any additional information provided to the Commission that is expressed to be confidential.

Appendix 1: Company Extract (attached)

Company Extract

QUEENSTOWN BUNGY LIMITED

863386

NZBN: 9429038057847

Entity Type:	NZ Limited Company
Incorporated:	23 Jun 1997
Current Status:	Registered
Constitution Filed:	Yes
Annual Return Filing Month:	June

Ultimate holding company:	BUNGY NEW ZEALAND LIMITED
Type of entity:	NZ Limited Company
Registration number / ID:	423093
	NZBN: 9429039360045
Country of registration:	New Zealand
Registered office address:	173 Spey Street, Invercargill, 9810, NZ

Company Addresses

Registered Office

Crowe Horwath (NZ) Ltd, 173 Spey Street, Invercargill, 9810, NZ

Address for Service

Crowe Horwath (NZ) Ltd, 173 Spey Street, Invercargill, 9810, NZ

Directors

BRINSLEY, Andrew Winston
52 Hogans Gully Road, Rd 1, Queenstown, 9371, NZ

JOHNSTON, Neil Douglas
16 Stafford Street, Arrowtown, Arrowtown, 9302, NZ

MEHRTENS, Richard Bruce Golding
12 Malaghans Ridge, Rd1, Queenstown, 9371, NZ

VAN ASCH, Henry
119 Fitzpatrick Road, Rd 1, Queenstown, 9371, NZ

Shareholdings

Company Extract

QUEENSTOWN BUNGY LIMITED

863386

NZBN: 9429038057847

Total Number of Shares: 1,000

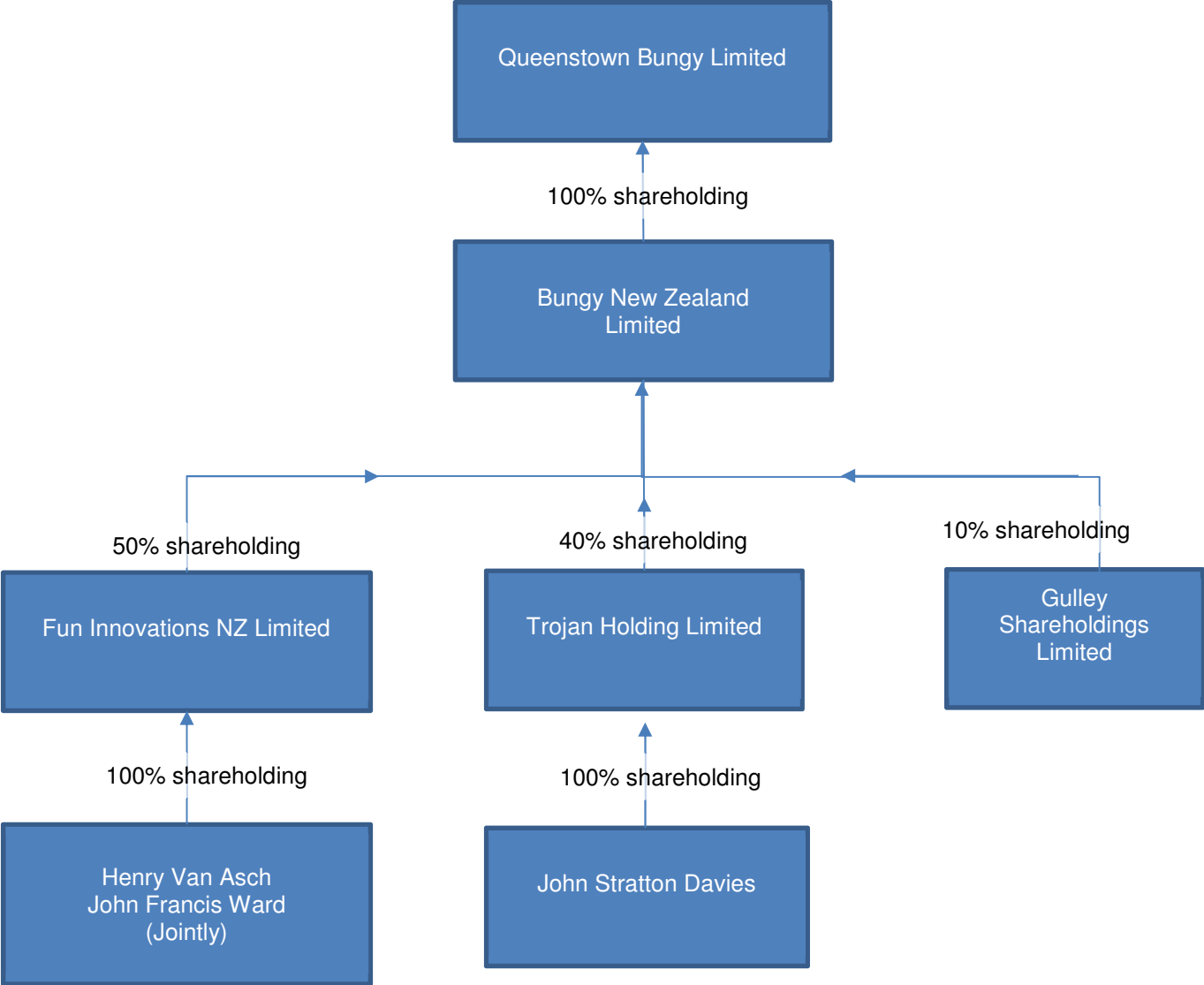
Extensive Shareholdings: No

1,000 423093
BUNGY NEW ZEALAND LIMITED
173 Spey Street, Invercargill, 9810, NZ

For further details relating to this company, check <http://app.companiesoffice.govt.nz/co/863386>

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Appendix 2: Purchaser's shareholders and possible associated parties



Possibly associated persons to Applicant, nature of business and areas of operation				
Company/Person that may be associated with Bungy NZ	Shareholdings of company/person at 50% or higher level	Percentage shareholding of person/company in column 1 in a person/company in column 2	Nature of business of company person in column 2	Areas of operations of person in column 2 (if in tourism sector)
Fun Innovators NZ Limited	BNZL PROPERTIES LIMITED (1550179)	100% (Individually Held)	Property	
John Francis Ward	SIMNER INVESTMENTS LIMITED (949133)	100% (Individually Held)	No holdings in tourism sector	
	AVIEMORE CORPORATION LIMITED (1801671)	99% (Jointly Held)	No holdings in tourism sector	
	CUSTOS SECURITIES LIMITED (1202950)	100% (Jointly Held)	No holdings in tourism sector	
	WESTHAVEN SHELLFISH LIMITED (329084)	100% (Jointly Held)	No holdings in tourism sector	
	LINKS ONE LIMITED (1378830)	100% (Jointly Held)	No holdings in tourism sector	
	P A BUTSON & CO LIMITED (157825)	99% (Jointly Held)	No holdings in tourism sector	
	SCHIST HOLDINGS LIMITED (4642222)	100% (Jointly Held)	Property	
Trojan Holdings	ALLIED QUEENSTOWN CONCRETE LIMITED (155955)	50% (Individually Held)	No holdings in tourism sector	
	AORAKI/MOUNT COOK ALPINE VILLAGE LIMITED (691097)	100% (Individually Held)	Hotel and Tourism activities	Aoraki Mount Cook
	BASE CONTRACTING LIMITED (1931561)	50% (Individually Held)	No holdings in tourism sector	
	BCL MANAGEMENT LIMITED (1827173)	50% (Individually Held)	Investment Holding Company	Invercargill
	BEACH STREET HOLDINGS LIMITED (2199197)	50% (Individually Held)	Commercial Property Investment	Queenstown
	BLUE MOON ASSETS LIMITED (3109765)	100% (Individually Held)	No holdings in tourism sector	

Possibly associated persons to Applicant, nature of business and areas of operation				
Company/Person that may be associated with Bungy NZ	Shareholdings of company/person at 50% or higher level	Percentage shareholding of person/company in column 1 in a person/company in column 2	Nature of business of company person in column 2	Areas of operations of person in column 2 (if in tourism sector)
	COAST TO COAST NZ LIMITED (1003265)	100% (Individually Held)	No holdings in tourism sector	
	DAYLOCK LIMITED (1885795)	50% (Individually Held)	No holdings in tourism sector	
	DRIFFIELD FARMING LIMITED (1615859)	50% (Individually Held)	No holdings in tourism sector	Mossburn
	GRANT ROAD PROPERTIES LIMITED (1628409)	100% (Individually Held)	Commercial Property Investment	Queenstown
	HOGAN GULLY TRADING LIMITED (931505)	100% (Individually Held)	Investment	Queenstown
	HOGANS GULLY FARMING LIMITED (1773716)	100% (Individually Held)	No holdings in tourism sector	Arrowtown
	INTOUCH INTELLIGENCE LIMITED (4366618)	100% (Individually Held)	No holdings in tourism sector	Queenstown
	INTOUCH TECHNOLOGY GROUP LIMITED (4366559)	100% (Individually Held)	No holdings in tourism sector	Queenstown
	MONAGHAN HOLDINGS LIMITED (936867)	100% (Individually Held)	No holdings in tourism sector	
	MONAGHAN LAND HOLDINGS LIMITED (2080959)	100% (Individually Held)	Commercial Property Investment	Queenstown
	NZSKI LIMITED (1207016)	100% (Individually Held)	Ski Area Operator	Queenstown, Methven
	PAHIA FARMING LIMITED (1849486)	100% (Individually Held)	No holdings in tourism sector	Southland
	PARK CENTRAL HOLDINGS LIMITED (3690557)	100% (Individually Held)	Commercial Property Investment	Queenstown
	RUNWAY INVESTMENTS LIMITED (3415114)	100% (Individually Held)	Commercial Property Investment	Queenstown

Possibly associated persons to Applicant, nature of business and areas of operation				
Company/Person that may be associated with Bungy NZ	Shareholdings of company/person at 50% or higher level	Percentage shareholding of person/company in column 1 in a person/company in column 2	Nature of business of company person in column 2	Areas of operations of person in column 2 (if in tourism sector)
	ROUTE BURN WALK LIMITED (147596)	100% (Individually Held)	No holdings in tourism sector	
	SHOTOVER MEMORIAL PROPERTIES LIMITED (4567390)	100% (Individually Held)	Commercial Property Investment	Queenstown
	SOUTHERN LAKES LAUNDRIES LIMITED (1180035)	75% (Individually Held)	No holdings in tourism sector	Queenstown
	TOURISM MILFORD LIMITED (484210)	100% (Individually Held)	Guided Walks	Fiordland and Aspiring National Parks
	ULTIMATE EVENT PRODUCTIONS LIMITED (4444892)	100% (Individually Held)	Multi Sport Event operator	West Coast - Canterbury
Paul Henry Drury VAN ASCH	RED SPUR LIMITED (5744852)	50% (Jointly Held) <1% (Individually Held)	No holdings in tourism sector	Southern Lakes
	HAVOC FARMS LIMITED (2118013)	1% (Individually Held) 49% (Jointly Held)	Property and Vineyard	Southern Lakes
	SCHIST HOLDINGS LIMITED (4642222)	100% (Jointly Held) 100% (Jointly Held)	Property	
	ROCK HILL LIMITED (638189)	<1% (Individually Held) 50% (Jointly Held)	Property	Southern Lakes
	HELIBIKE NEW ZEALAND LIMITED (7006114)	100% (Individually Held)	Heli biking	Southern Lakes
	VAN ASCH VENTURES LIMITED (608781)	100% (Individually Held)	Vineyard and helicopter leasing Mountain biking	Southern Lakes
	HELISKI NEW ZEALAND LIMITED (2527711)	100% (Individually Held)	No holdings in tourism sector	Southern Lakes

Possibly associated persons to Applicant, nature of business and areas of operation				
Company/Person that may be associated with Bungy NZ	Shareholdings of company/person at 50% or higher level	Percentage shareholding of person/company in column 1 in a person/company in column 2	Nature of business of company person in column 2	Areas of operations of person in column 2 (if in tourism sector)
	NEW ZEALAND HELISKI LIMITED (2526108)	100% (Individually Held)	No holdings in tourism sector	Southern Lakes

Appendix 3: Agreement for Sale and Purchase (attached)

[Confidential]

Appendix 4 Financial Results for Bungy New Zealand FY (2018 attached)

[Confidential]

Appendix 5: Tourism Industry Statistics, MBIE - Tourism Satellite Account: 2018 (attached)

Tourism satellite account: 2018

The contribution made by tourism
to the New Zealand economy





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Contents

List of tables and figures	3
About the tourism satellite account	5
Summary results.....	7
Tourism expenditure	28
Tourism supply	33
Tourism value added	36
Tourism employment.....	40
Tourism industry profitability	42
Detailed tables, year ended March 2017	44
Glossary.....	53
References and data sources	56
Appendix 1: Conceptual framework.....	57
Appendix 2: Methodology	64
Appendix 3: Tourism product classification	83
Appendix 4: Tourism industry concordance.....	86

List of tables and figures

List of tables

1. Tourism expenditure by component, year ended March 1999–2018.....	10
2. Tourism expenditure by type of tourist, year ended March 1999–2018	12
3. International tourism expenditure compared with selected primary exports, year ended March 1999–2018.....	13
4. International student expenditure – studying less than 12 months, year ended March 1999–2018.....	15
5. Cruise ship expenditure in New Zealand, year ended June 2015–18.....	16
6. Cruise ship expenditure in New Zealand, by regions and port visited, year ended June 2015–18.....	17
7. Tourism employment, year ended March 2000–18	18
8. Overseas visitor arrivals, year ended March 2015–18.....	20
9. Selected overseas visitor arrivals, year ended March 2015–18	21
10. Guest nights by origin, year ended March 2015–18.....	22
11. Tourism expenditure by type of product, year ended March 2015–18	28
12. Tourism expenditure, by type of product and type of tourist, year ended March 2015–18	30
13. Derivation of tourism supply from total supply, year ended March 2015–18	34
14. Direct tourism value added, year ended March 2015–18	36

15. Tourism expenditure by component, year ended March 2015–18.....	38
16. Share of tourism expenditure by component, year ended March 2015–18	39
17. Direct tourism employment, year ended March 2015–18	40
18. Tourism gross operating surplus and gross mixed income as a percentage of total tourism output, year ended March 2013–17	42
19. Tourism expenditure, by type of product and type of tourist, year ended March 2017	45
20. New Zealand System of National Accounts production accounts, by industry, year ended March 2017.....	46
21. Sales by type of product and industry, year ended March 2017.....	47
22. Derivation of tourism product ratios, year ended March 2017.....	48
23. Derivation of tourism industry ratios, year ended March 2017	49
24. Derivation of direct tourism value added, year ended March 2017	50
25. Direct tourism employment, by industry, year ended March 2017	51
26. Gross fixed capital formation and net capital stock, by industry, year ended March 2017	52
27. Tourism product classification	83
28. Tourism industry concordance	86

List of figures

1. Flows of tourism expenditure through the New Zealand economy, year ended March 2018	9
2. Share of tourism expenditure by component, year ended March 2018	11
3. Tourism expenditure by type of tourist, year ended March 2009–18	11
4. International tourism expenditure compared with selected primary exports, year ended March 2015–18.....	14
5. International student expenditure – studying less than 12 months and international tourism expenditure, year ended March 2015–18	14
6. Number of people employed in tourism, year ended March 2009–18.....	19
7. Overseas visitor arrivals by region of residence, year ended March 2015–18.....	20
8. Selected overseas visitor arrivals by country of residence, year ended March 2015–18	21
9. Guest nights by origin, year ended March 2015–18.....	22
10. Share of tourism expenditure by type of product, year ended March 2018.....	29
11. Share of tourism expenditure by type of product and type of tourist, year ended March 2018.....	32
12. Tourism gross operating surplus and gross mixed income as a percentage of total tourism output, year ended March 2013–17	43

About the tourism satellite account

Purpose

Tourism satellite account: 2018 provides a picture of the role tourism plays in New Zealand, with information on the changing levels and impact of tourism activity. It presents information on tourism's contribution to the New Zealand economy in terms of expenditure and employment. Results cover provisional figures for the year ended March 2018 and detailed results for 2017.

We develop and publish the tourism satellite account, using a United Nations World Tourism Organization framework, with funding from the Ministry of Business, Innovation and Employment. The tourism satellite account is part of a core set of tourism data that provides base information for understanding and monitoring tourism activity in New Zealand. Other elements of the core dataset include a survey of spending by international visitors, regional tourism expenditure estimates, visitor arrival and accommodation statistics, and forecasts of international tourist numbers and expenditure.

What is a tourism satellite account?

A tourism satellite account integrates data about the supply and use of tourism-related goods and services into a single format. It summarises the contribution tourism makes to production and employment, and is consistent and integrated with New Zealand's official national accounts. This ensures that the importance of the tourism sector is measured and understood in the context of the New Zealand economy as a whole. New Zealand's tourism satellite account (TSA) measures expenditure in New Zealand by both resident and non-resident tourists, and thus gives a picture of the overall size of the tourism industry, including its contribution to gross domestic product (GDP) and employment.

Tourism, unlike 'conventional' industries, such as agriculture or manufacturing, which are classified according to the goods and services they produce, is defined by the characteristics of the customer demanding tourism products. Tourism products can cut across standard industry definitions, and therefore require a different approach.

Satellite accounts are an extension of the core national accounts, and involve rearranging existing information in the national accounts so that an area of particular economic or social importance can be analysed more closely. As extensions of the core system of national accounts, satellite accounts are an important recommendation of the international standard, the *System of National Accounts 2008* (Inter-Secretariat Working Group on National Accounts, 2008).

We present both final and provisional estimates in *Tourism satellite account: 2018*. The supply and use framework provides a detailed picture of the economy broken down by industry, product, primary input, and final demand categories. It is the starting point for deriving final accounts. To give a more timely picture of the impact of tourism, we prepare provisional TSAs, using fewer data sources than final year estimates. The provisional estimates are presented in a less detailed format, and are revised as relevant data sources become available. As balanced supply and use tables are completed for the relevant years (as part of the ongoing production of the New Zealand System of National Accounts), we replace provisional results with final year estimates.

Tourism satellite account: 2018 presents results for the year ended March 2018 at the aggregated provisional estimate level in current prices.

[Detailed tables, year ended March 2017](#) contains results for the latest final account year.

Value added

Value added is the 'value' businesses add to the goods and services they purchase (intermediate inputs) and use in producing their own outputs. The measurement of tourism's direct value added, also known as tourism's direct contribution to GDP, is the major focus of the TSA. As direct value added for tourism is measured on the same basis as that used for industries in the national accounts, it enables a consistent comparison between the tourism industry's contribution to GDP and that of more traditional industries such as agriculture and construction.

Direct value added does not measure the full impact of tourism on the New Zealand economy because it is limited to businesses that have a direct relationship with tourists. Additional value added comes from tourism through producing the intermediate inputs used in producing goods and services sold to tourists, although there is no direct relationship between the producer of the intermediate inputs and the tourist. This additional value added is known as indirect value added.

Summary results

Tourism plays a significant role in the New Zealand economy in terms of producing goods and services and creating employment opportunities. Tourism expenditure includes spending by all travellers, whether they are international, resident householders, or business and government travellers. International tourism expenditure includes spending by foreign students studying in New Zealand for less than 12 months.

Key provisional estimates

Key provisional estimates for the year ended March 2018:

- Total tourism expenditure was \$39.1 billion, an increase of 7.7 percent (\$2.8 billion) from the previous year.
- International tourism expenditure increased 9.6 percent (\$1.4 billion) to \$16.2 billion, and contributed 20.6 percent to New Zealand's total exports of goods and services.
- Domestic tourism expenditure increased 6.5 percent (\$1.4 billion) to \$23.0 billion.
- Tourism generated a direct contribution to GDP of \$15.9 billion, or 6.1 percent of GDP.
- The indirect value added of industries supporting tourism generated an additional \$11.1 billion, or 4.3 percent of GDP.
- 216,012 people were directly employed in tourism (8.0 percent of the total number of people employed in New Zealand), an increase of 2.6 percent from the previous year.
- Tourists generated \$3.7 billion in goods and services tax (GST) revenue, with \$1.7 billion coming from international tourists.
- Overseas visitor arrivals to New Zealand increased 7.8 percent.

Revisions

The *Tourism satellite account: 2018* includes revisions made to the derivation of both the domestic and international tourism expenditure series. These revisions have caused changes to the value of tourism expenditure in the New Zealand economy, and affected the official TSA time series back to 1999.

Revisions to the expenditure series include:

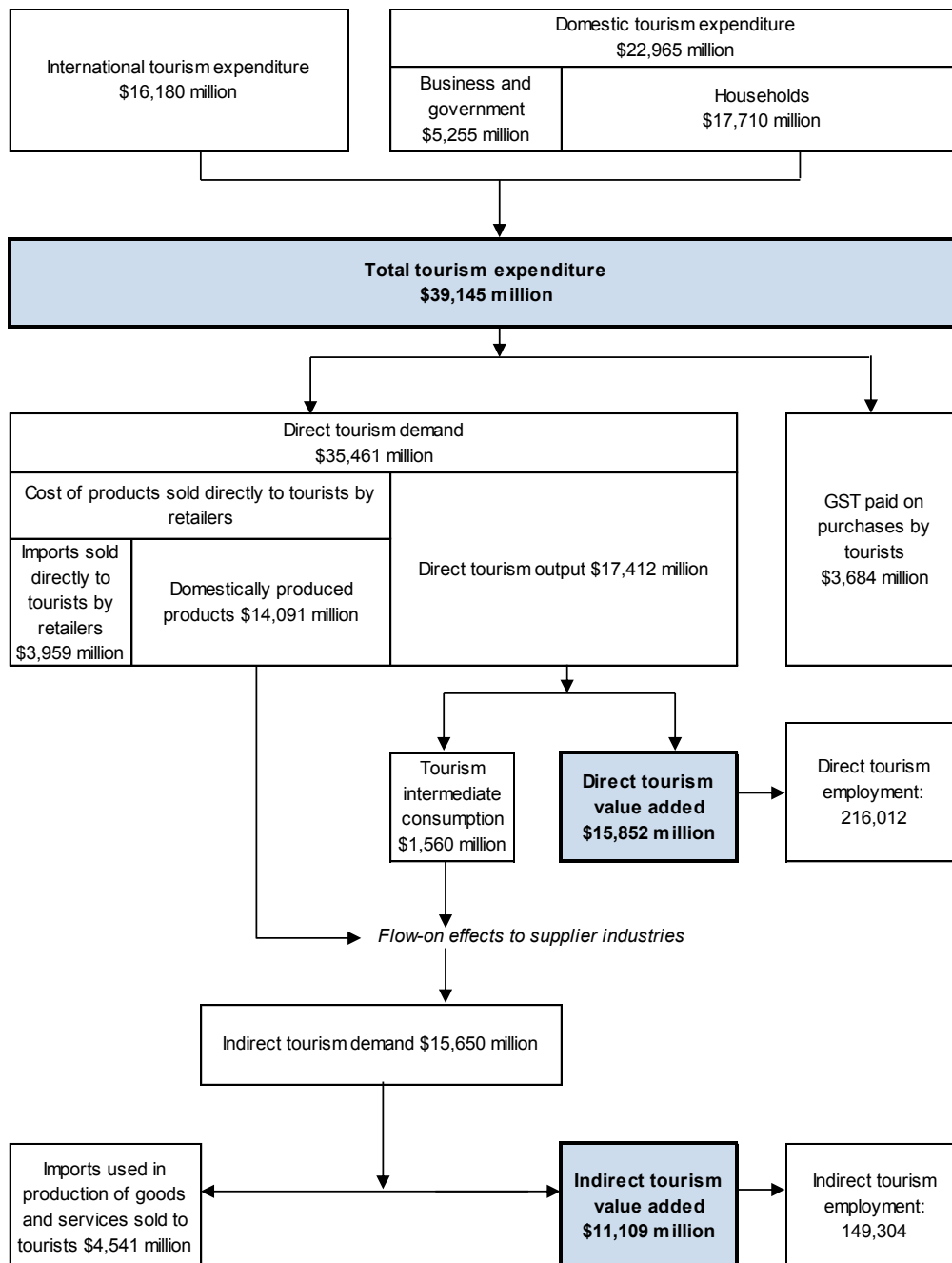
- the incorporation of updated living cost ratios (from 2013) and changes to export education levy data used to derive international student expenditure
- updated cruise expenditure estimates including the combined impact of revised traveller by port statistics, changes to existing expenditure sources, and the incorporation of additional data providers
- the GST paid on purchases by tourists stemming from further refinements to the work undertaken in 2017 to improve the way GST is allocated to tourism-related goods and services
- the incorporation of 2013 input-output tables used in the derivation of indirect value added and imports used in the production of goods and services sold to tourists, with a flow-on impact to indirect tourism employment calculations
- methodological refinements to the Household Tourism Expenditure Estimates (HTEE) data sources, including the incorporation of 2017 Annual Enterprise Survey (AES) data
- 2017 methodological improvements to national accounts and nominal GDP statistics.

Tourism industry ratios have changed because of these revisions. These ratios are the proportion of an industry's output that is consumed by tourists and are used to calculate value added and tourism employment estimates. As a result of the ratio changes, we revised the value added time series back to 1999. Together with the ratio changes, we revised the tourism employment time series back to 2000.

Figure 1 traces the flows of tourism expenditure through the New Zealand economy for the year ended March 2018. It shows the value tourism adds to the New Zealand economy, both directly and indirectly, the GST received by government, the imports of goods and services, and direct and indirect employment.

Figure 1

Flows of tourism expenditure through the New Zealand economy⁽¹⁾⁽²⁾
Year ended March 2018



1. Totals may not add to the stated totals, due to rounding.

2. Tourism expenditure is measured in purchaser prices. Other monetary aggregates are measured in producer prices.

Key results by topic for the year ended March 2018

Tourism expenditure

Total tourism expenditure increased 7.7 percent to \$39.1 billion, following an increase of 2.5 percent in the March 2017 year.

Tourism expenditure generated \$15.9 billion of direct value added, representing a 6.1 percent contribution to GDP. A further \$11.1 billion of indirect value added activity was recorded (see table 1).

Table 1

Tourism expenditure by component⁽¹⁾

Year ended March 1999–2018

Year ended March	Direct tourism value added	Indirect tourism value added ⁽²⁾	Imports sold to tourists ⁽³⁾	GST paid on purchases by tourists	Total tourism expenditure	Value added as a percentage of total industry contribution to GDP		
						Direct tourism value added	Indirect tourism value added	Total tourism value added
\$(million)						Percent		
1999	5,197	4,277	4,846	1,173	15,494	5.2	4.3	9.5
2000	5,755	4,713	5,782	1,293	17,542	5.5	4.5	9.9
2001	6,013	5,454	5,932	1,437	18,836	5.4	4.9	10.3
2002	6,562	5,670	6,411	1,549	20,192	5.5	4.7	10.2
2003	7,548	5,699	6,782	1,667	21,696	6.0	4.5	10.5
2004	8,059	5,747	6,480	1,719	22,006	6.0	4.3	10.3
2005	8,558	5,905	6,422	1,825	22,710	6.0	4.1	10.1
2006	8,929	6,166	6,427	1,920	23,442	5.9	4.1	10.0
2007	9,288	6,556	6,913	2,013	24,769	5.8	4.1	10.0
2008	9,936	7,035	6,880	2,071	25,922	5.8	4.1	9.8
2009	9,279	6,528	8,561	2,120	26,488	5.3	3.7	9.0
2010	9,582	6,769	7,191	2,071	25,613	5.3	3.8	9.1
2011	9,756	6,833	7,310	2,248	26,147	5.2	3.6	8.9
2012	10,085	7,063	7,165	2,456	26,768	5.2	3.6	8.8
2013	10,329	7,234	7,197	2,483	27,242	5.2	3.6	8.8
2014	10,953	7,687	7,347	2,617	28,605	5.1	3.6	8.7
2015	12,664	8,828	7,527	2,921	31,940	5.7	4.0	9.7
2016	14,443	10,078	7,615	3,315	35,451	6.2	4.3	10.5
2017	14,698	10,300	7,924	3,409	36,331	6.0	4.2	10.1
2018P	15,852	11,109	8,500	3,684	39,145	6.1	4.3	10.4

1. Individual figures may not sum to stated totals due to rounding.

2. Results from input-output tables for 2013 have been used in the calculation of indirect tourism value added.

3. Imports used in production of goods and services sold to tourists; imports sold directly to tourists by retailers.

Note: Figures for all years prior to 2018 have been revised.

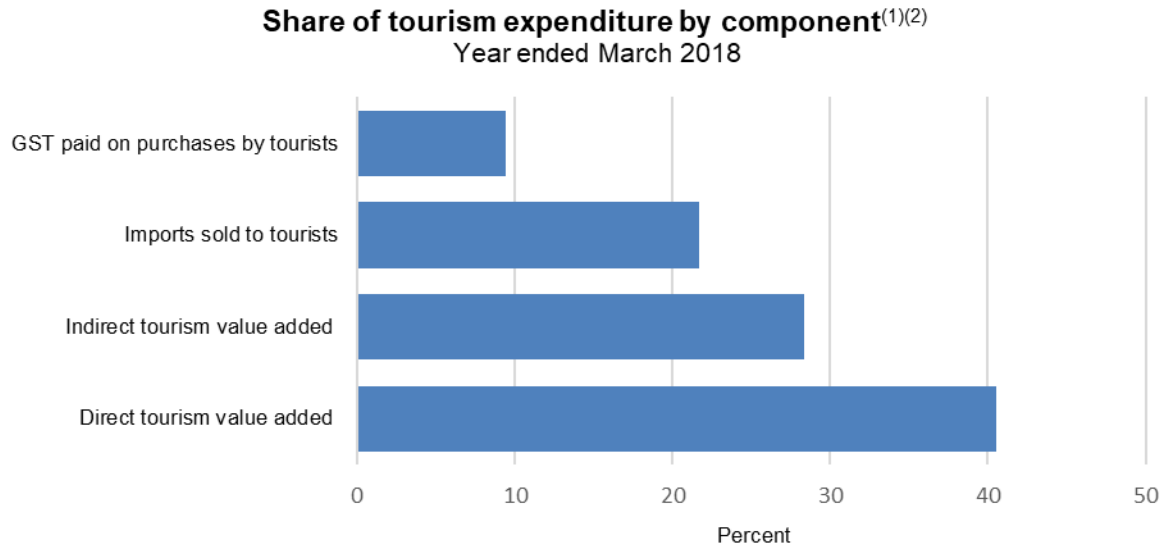
Symbol:

P provisional

Stats NZ

Direct and indirect tourism value added, when combined, accounted for 69 cents for every dollar spent by tourists, while GST accounted for 9 cents for every dollar spent by tourists. The remainder represents imports (see figure 2).

Figure 2



1. Individual percentages may not sum to 100 due to rounding.
2. Imports sold to tourists comprises imports used in production of goods and services sold to tourists and imports sold directly to tourists by retailers.

Stats NZ

Tourism expenditure by type of tourist

International tourism expenditure increased 9.6 percent, following a 0.5 percent decrease in the March 2017 year. Domestic tourism expenditure increased 6.5 percent, following a 4.7 percent increase in the previous year (see figure 3 and [table 2](#)).

Figure 3



Stats NZ

Table 2**Tourism expenditure by type of tourist⁽¹⁾**

Year ended March 1999–2018

Year ended March	International tourism expenditure		Domestic tourism expenditure		Total tourism expenditure		Total exports of goods and services	International tourism as a percentage of total exports
	\$(million)	Annual percentage change	\$(million)	Annual percentage change	\$(million)	Annual percentage change	\$(million)	Percent
1999	5,999	...	9,495 R	...	15,494 R	...	31,639	19.0
2000	7,122	18.7	10,421 R	9.8 R	17,542 R	13.2 R	35,045	20.3
2001	8,169	14.7	10,667 R	2.4 R	18,836 R	7.4 R	42,837	19.1
2002	8,989	10.0	11,203 R	5.0 R	20,192 R	7.2 R	45,604	19.7
2003	9,494	5.6	12,202 R	8.9 R	21,696 R	7.4 R	44,403	21.4
2004	9,603	1.1	12,403 R	1.6 R	22,006 R	1.4 R	43,119	22.3
2005	9,987	4.0	12,723 R	2.6 R	22,710 R	3.2 R	45,662	21.9
2006	10,065	0.8	13,376 R	5.1 R	23,442 R	3.2 R	46,087	21.8
2007	10,676 R	6.1 R	14,093 R	5.4 R	24,769 R	5.7 R	50,928	21.0 R
2008	11,010 R	3.1 R	14,913 R	5.8 R	25,922 R	4.7 R	54,645	20.1 R
2009	10,927 R	-0.8 R	15,561 R	4.3 R	26,488 R	2.2 R	60,759	18.0 R
2010	10,316 R	-5.6 R	15,297 R	-1.7 R	25,613 R	-3.3 R	55,832	18.5 R
2011	10,090 R	-2.2 R	16,057 R	5.0 R	26,147 R	2.1 R	61,559	16.4 R
2012	10,151 R	0.6 R	16,617 R	3.5 R	26,768 R	2.4 R	64,749	15.7 R
2013	9,958 R	-1.9 R	17,285 R	4.0 R	27,242 R	1.8 R	62,766	15.9 R
2014	10,444 R	4.9 R	18,161 R	5.1 R	28,605 R	5.0 R	67,076 R	15.6 R
2015	12,409 R	18.8 R	19,531 R	7.5 R	31,940 R	11.7 R	67,845 R	18.3 R
2016	14,848 R	19.7 R	20,603 R	5.5 R	35,451 R	11.0 R	70,782 R	21.0 R
2017	14,769 R	-0.5 R	21,562 R	4.7 R	36,331 R	2.5 R	71,349 R	20.7 R
2018P	16,180	9.6	22,965	6.5	39,145	7.7	78,605	20.6

1. Individual figures may not sum to stated totals due to rounding.

Symbols:

P provisional

R revised

... not applicable

Stats NZ

Exports

International tourism continues to be a significant export earner for New Zealand, compared with other traditional export products (see table 3 and [figure 4](#)).

In the year ended March 2018, international tourism's contribution to total exports was \$16.2 billion (20.6 percent of exports). The export receipts from dairy products, including casein, totalled \$15.1 billion (19.2 percent of exports).

Note that international tourism is compared with selected primary exports.

Table 3

International tourism expenditure compared with selected primary exports⁽¹⁾

Year ended March 1999–2018

Year ended March	Selected export					
	International tourism	Dairy products, including casein	Meat and meat products	Wood and wood products	Fruit	Crude oil
\$(million)						
1999	5,999	4,703	2,843	2,348	909	347
2000	7,122	4,460	3,198	2,950	1,059	442
2001	8,169	6,167	3,854	3,635	1,074	669
2002	8,989	7,491	4,414	3,536	1,051	609
2003	9,494	5,919	4,242	3,653	1,054	467
2004	9,603	5,707	4,232	3,076	1,047	320
2005	9,987	5,678	4,688	3,203	1,356	378
2006	10,065	5,884	4,411	3,116	1,181	495
2007	10,676 R	7,332	4,813	3,497	1,191	404
2008	11,010 R	9,277	4,416	3,406	1,298	1,840
2009	10,927 R	9,975	5,432	3,472	1,497	2,450
2010	10,316 R	8,972	4,997	3,605	1,586	1,996
2011	10,090 R	11,576	5,199	4,413	1,446	1,976
2012	10,151 R	12,704	5,389	4,327	1,583	2,101
2013	9,958 R	12,349	5,279	4,385	1,568	1,766
2014	10,444 R	15,896	5,492	5,154	1,548	1,364
2015	12,409 R	14,168	6,194	4,633	1,758	1,198
2016	14,848 R	12,346	6,580	4,855	2,362	653
2017	14,769 R	12,374	5,983	5,315	2,758	688
2018P	16,180	15,078	6,797	6,144	2,648	561

1. Exports are valued fob (free on board – the value of goods at New Zealand ports before export) and include re-exports.

Symbols:

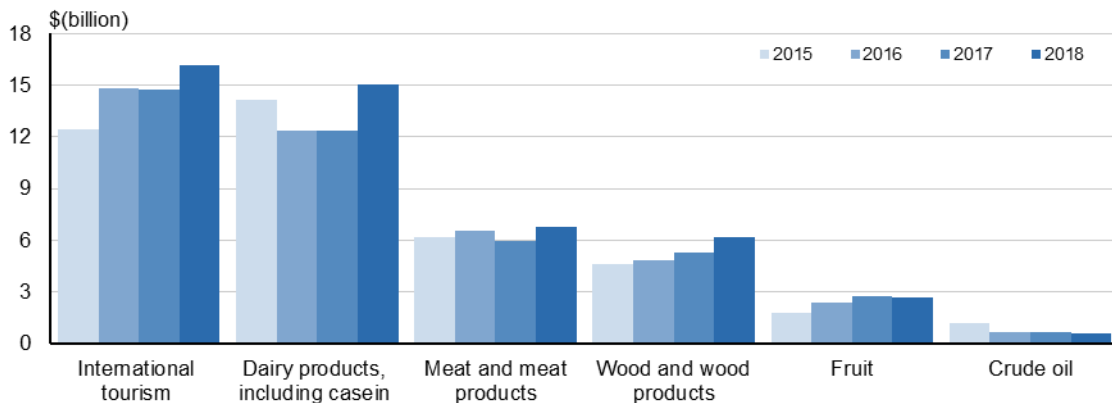
P provisional

R revised

Stats NZ

Figure 4

International tourism expenditure compared with selected primary exports⁽¹⁾
Year ended March 2015–18



1. Exports are valued fob (free on board – the value of goods at New Zealand ports before export) and include re-exports.

Stats NZ

International student expenditure – studying less than 12 months

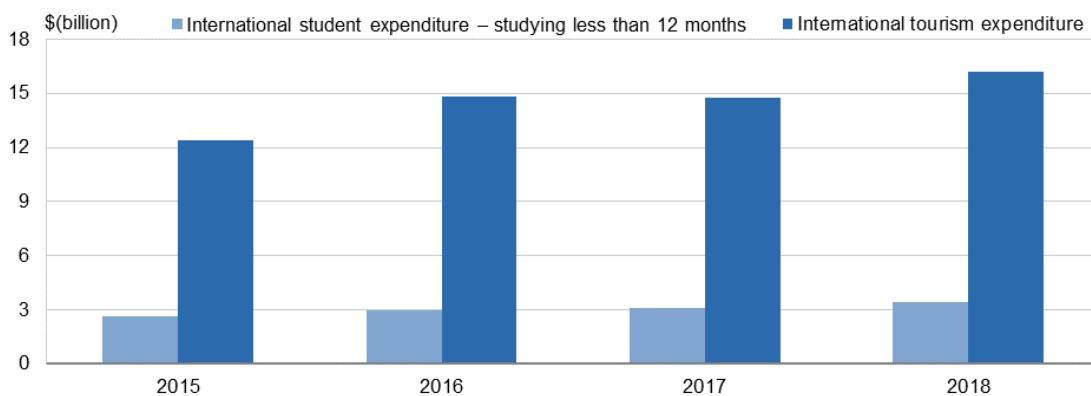
Included in international tourism expenditure is the component of international students studying in New Zealand for less than 12 months (consistent with the definition of a tourist). Expenditure by international students studying for less than 12 months comprises course fees, living costs, and airfares on resident airlines.

In the year ended March 2018, expenditure reached \$3.4 billion, an increase of 10.3 percent (see figure 5 and [table 4](#)). The number of short-term arrivals for education purposes (studying for less than 12 months) totalled 67,104, up 1.8 percent (see [table 8](#)).

Note that the calculation of international students’ expenditure when studying less than 12 months differs from the calculation of education exports derived from balance of payments data, reflecting conceptual differences.

Figure 5

International student expenditure – studying less than 12 months and international tourism expenditure
Year ended March 2015–18



Stats NZ

Table 4**International student expenditure – studying less than 12 months**

Year ended March 1999–2018

Year ended March	International student expenditure – studying less than 12 months		International tourism expenditure	
	\$(million)	Annual percentage change	\$(million)	Annual percentage change
1999	294 R	...	5,999	...
2000	327 R	11.2 R	7,122	18.7
2001	452 R	38.2 R	8,169	14.7
2002	797 R	76.3 R	8,989	10.0
2003	1,156 R	45.0 R	9,494	5.6
2004	1,587 R	37.3 R	9,603	1.1
2005	1,796 R	13.2 R	9,987	4.0
2006	1,840 R	2.4 R	10,065	0.8
2007	1,822 R	-1.0 R	10,676 R	6.1 R
2008	1,864 R	2.3 R	11,010 R	3.1 R
2009	1,881 R	0.9 R	10,927 R	-0.8 R
2010	2,008 R	6.8 R	10,316 R	-5.6 R
2011	2,058 R	2.5 R	10,090 R	-2.2 R
2012	2,050 R	-0.4 R	10,151 R	0.6 R
2013	2,060 R	0.5 R	9,958 R	-1.9 R
2014	2,273 R	10.3 R	10,444 R	4.9 R
2015	2,659 R	17.0 R	12,409 R	18.8 R
2016	2,956 R	11.2 R	14,848 R	19.7 R
2017	3,085 R	4.4 R	14,769 R	-0.5 R
2018P	3,404	10.3	16,180	9.6

Symbols:

P provisional

R revised

... not applicable

Stats NZ

Cruise ship expenditure in New Zealand

We present cruise ship expenditure in New Zealand on a year ended June basis (2015–18) to best align with the cruise season and cruise traveller statistics (see tables 5 and 6).

Estimates are provided at a national and regional level, by port. Expenditure movements can be influenced by a range of factors including the number of ship voyages, port visits, a transit versus exchange cruise, cruise ship capacity, a boutique versus large cruise ship, weather events, economic conditions, and exchange rates.

Vessel expenditure comprises shipping agents (ship visit logistics), bunkering (providing marine fuels), and providing (providing produce and other supplies) sourced from key firms involved.

Visitor expenditure comprises shore excursions (predominantly pre-booked), including overland tours, and spending ashore. Shore excursions expenditure is sourced from a number of key firms and combined with a card transaction-based model to estimate total spending by passengers and crew.

A vessel and visitor expenditure breakdown by region by port is not possible due to the confidentiality of businesses providing data.

Note airfares for international passengers and crew are excluded, as is cruise expenditure by domestic passengers (New Zealand passport holders). The domestic expenditure undertaken by passengers is recorded within existing domestic tourism estimates but is not currently separately identifiable.

For additional methodological information, refer to appendix 2 – see [Cruise ship expenditure by international visitors](#).

In the year ended June 2018, cruise ship expenditure in New Zealand totalled \$434.0 million, an increase of 18.3 percent (see table 5).

Auckland and Tauranga ports recorded the largest total spending. In the year ended June 2018, Auckland spend totalled \$131.4 million, up 11.2 percent, with Tauranga recording \$65.9 million, down 3.0 percent (see table 6).

For cruise traveller statistics, refer to [Cruise ship traveller and expenditure statistics: Year ended June 2018](#).

Table 5
Cruise ship expenditure in New Zealand
Year ended June 2015–18

Component	June year				Change from 2015 to 2016	Change from 2016 to 2017	Change from 2017 to 2018
	2015	2016	2017	2018			
	\$(000)				Annual percentage change		
Vessel	64,408	84,421	118,461	106,564	31.1	40.3	-10.0
Visitor	184,181	216,709	215,450	284,043	17.7	-0.6	31.8
GST	27,627	32,651	32,903	43,352	18.2	0.8	31.8
Total	276,217	333,781	366,813	433,959	20.8	9.9	18.3

Note: Figures for all years prior to 2018 have been revised.

Stats NZ

Table 6
Cruise ship expenditure in New Zealand
 By regions and ports visited
 Year ended June 2015–18

Region by port	June year				Change from 2015 to 2016	Change from 2016 to 2017	Change from 2017 to 2018
	2015	2016	2017	2018			
	\$(000)							Annual percentage change
Northland							
Bay of Islands ⁽¹⁾⁽²⁾	6,400	8,121	7,835	14,079	26.9	-3.5	79.7
Auckland							
Auckland ⁽¹⁾⁽³⁾	82,493	107,022	118,091	131,354	29.7	10.3	11.2
Waikato							
Mercury Bay ⁽¹⁾⁽⁴⁾	C	C	C	C	C	C	C
Bay of Plenty							
Tauranga ⁽¹⁾⁽⁵⁾	47,937	59,230	67,908	65,876	23.6	14.7	-3.0
Gisborne							
Gisborne ⁽¹⁾	C	C	C	C	C	C	C
Hawke's Bay							
Napier ⁽¹⁾	15,958	13,330	16,354	23,135	-16.5	22.7	41.5
Taranaki							
New Plymouth ⁽¹⁾	C	C	C	C	C	C	C
Wellington							
Wellington ⁽¹⁾⁽⁶⁾	28,007	35,596	34,255	41,739	27.1	-3.8	21.8
Tasman/Nelson	1,122	355	1,159	813	-68.4	226.5	-29.9
Golden Bay ⁽¹⁾⁽⁷⁾	C	C	C	C	C	C	C
Nelson ⁽¹⁾	C	C	C	C	C	C	C
Marlborough							
Marlborough Sounds ⁽¹⁾⁽⁸⁾	6,566	8,734	10,038	18,035	33.0	14.9	79.7
West Coast							
Jackson Bay ⁽¹⁾	C	C	C	C	C	C	C
Canterbury	29,534	32,772	35,004	38,702	11.0	6.8	10.6
Akaroa ⁽¹⁾	26,656	31,440	32,385	34,745	17.9	3.0	7.3
Lyttelton ⁽¹⁾	1,866	1,084	1,912	3,416	-41.9	76.4	78.7
Timaru ⁽¹⁾	C	C	C	C	C	C	C
Kaikoura ⁽¹⁾	C	C	C	C	C	C	C
Otago							
Dunedin ⁽¹⁾⁽⁹⁾	25,368	29,761	34,795	49,080	17.3	16.9	41.1
Southland	4,376	4,640	6,611	6,160	6.0	42.5	-6.8
Bluff ⁽¹⁾	C	C	C	C	C	C	C
Fiordland ⁽¹⁰⁾⁽¹¹⁾	C	C	C	C	C	C	C
Stewart Island ⁽¹⁾	371	156	218	426	-58.0	39.7	95.4
Other⁽¹⁰⁾⁽¹¹⁾	C	C	C	C	C	C	C
GST	27,627	32,651	32,903	43,352	18.2	0.8	31.8
Total spend⁽¹²⁾	276,217	333,781	366,813	433,959	20.8	9.9	18.3

1. At these ports, cruise travellers can potentially disembark and spend locally and within the wider region.

Spending pre- and post- cruise is also included.

2. Includes Whangaroa and Whangarei.

3. Includes Waiheke Island.

4. Includes Whitianga and elsewhere in Mercury Bay.

5. Includes Rotorua and White Island.

6. Includes Kapiti Island.

7. Includes Kaiteriteri, Tarakohe, and elsewhere in Golden Bay.

8. Includes Pictou, Motuara Island, Ship Cove, and elsewhere in the Marlborough Sounds.

9. Includes Port Chalmers.

10. At these ports, passengers are generally unlikely to disembark and spend money locally.

11. Includes all other locations.

12. The sum of regions does not match total spend due to confidential cells.

Symbol:

C confidential

Note: Figures for all years prior to 2018 have been revised.

Stats NZ

Employment

In the year ended March 2018, tourism directly employed 216,012 people (see table 7 and figure 6).

Tourism activity directly generated 8.0 percent of total employment in New Zealand (see table 7). This compares with tourism generating 6.1 percent of direct value added to GDP (see [table 1](#)). The fact that tourism contributes more to total employment than it does to direct value added, reflects a higher level of labour intensity in tourism industries.

Table 7

Tourism employment⁽¹⁾⁽²⁾

Year ended March 2000–18

Year ended March	Number of people			Number of people employed in tourism as a percentage of the total number of people employed		
	Directly employed in tourism	Indirectly employed in tourism	Total tourism employment	Directly employed in tourism	Indirectly employed in tourism	Total tourism employment
	Percent					
2000	153,795	163,560	317,355	8.3	8.8	17.1
2001	158,613	158,520	317,133	8.3	8.3	16.7
2002	163,305	150,759	314,064	8.4	7.7	16.1
2003	171,285	150,777	322,062	8.5	7.5	16.0
2004	179,235	142,980	322,215	8.6	6.8	15.4
2005	186,186	137,886	324,072	8.6	6.4	14.9
2006	192,363	138,426	330,789	8.6	6.2	14.8
2007	198,540	137,826	336,366	8.7	6.0	14.7
2008	199,728	138,648	338,376	8.5	5.9	14.5
2009	200,274	138,156	338,430	8.6	5.9	14.5
2010	188,559	129,861	318,420	8.3	5.7	14.0
2011	183,273	125,349	308,622	8.0	5.5	13.5
2012	177,054	121,104	298,158	7.7	5.2	12.9
2013	174,885	119,238	294,123	7.5	5.1	12.6
2014	176,244	119,922	296,166	7.4	5.0	12.4
2015	193,110	133,902	327,012	7.9	5.5	13.3
2016	211,242	146,790	358,032	8.4	5.8	14.2
2017	210,606	145,779	356,385	8.1	5.6	13.7
2018P	216,012	149,304	365,316	8.0	5.5	13.5

1. Data is only available from 2000. For more details refer to appendix 2.

2. Individual figures may not sum to stated totals due to rounding.

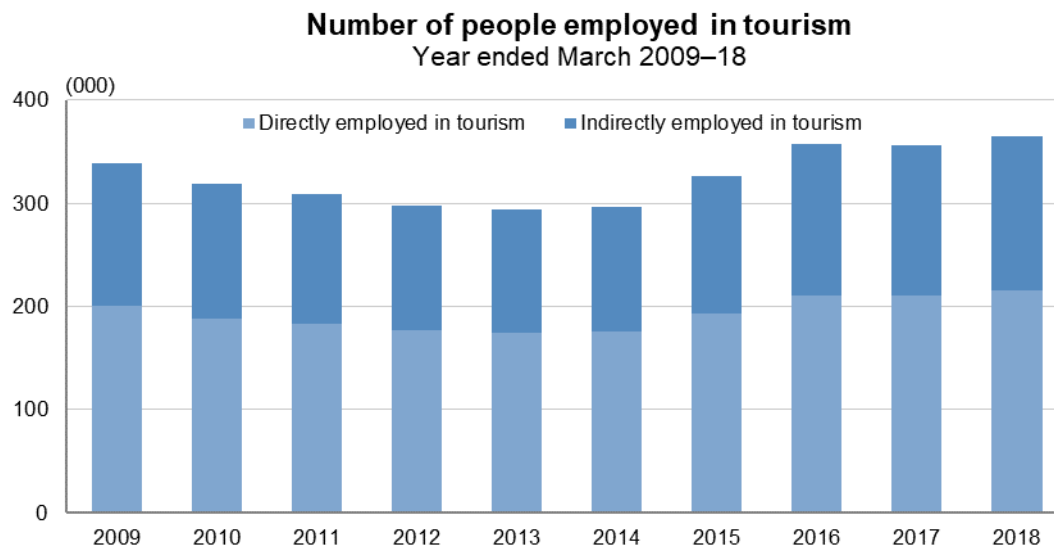
Note: Figures for all years prior to 2018 have been revised.

Symbol:

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Stats NZ

Figure 6



Stats NZ

Overseas visitor arrivals

The number of international visitors increased 7.8 percent (276,186) in the year ended March 2018, following an increase of 8.9 percent in the previous year. Visitor numbers from Asia and the Americas experienced the strongest increases for the fourth consecutive year.

The number of visitors from Asia increased 9.4 percent (86,800), following a 13.3 percent increase in the previous year. Visitor numbers from the Americas increased 11.3 percent (48,176), while visitors from Europe increased 9.3 percent (49,920).

By purpose of visit, short-term visitor arrivals to New Zealand increased for the following categories:

- holiday – up 9.2 percent (169,264 arrivals)
- visiting friends and relatives – up 7.7 percent (78,768)
- conference and conventions – up 7.7 percent (5,280)
- business – up 1.3 percent (3,888)
- education – up 1.8 percent (1,200).

See table 8 and figure 7 for a breakdown of international visitors by region of last permanent residence and by purpose of visit for the years ended March 2015–18.

Table 8

Overseas visitor arrivals⁽¹⁾⁽²⁾
Year ended March 2015–18

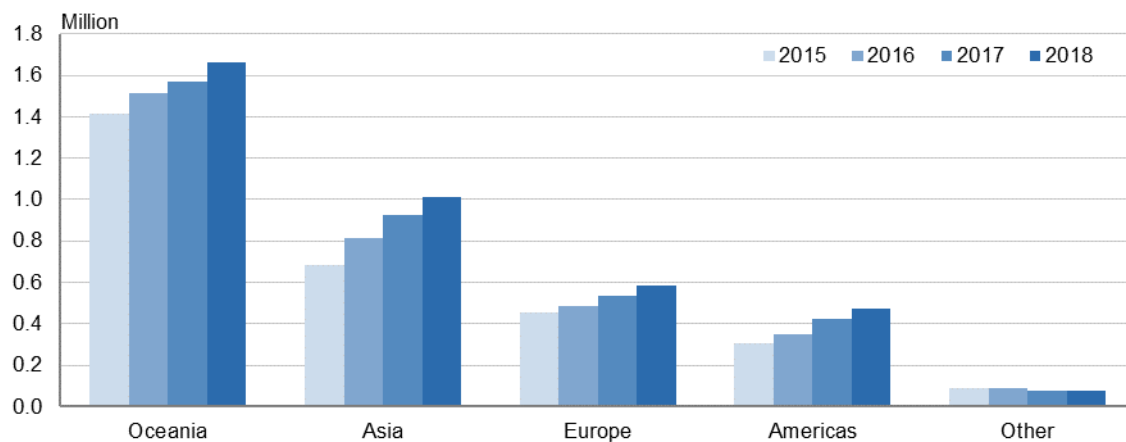
	Year ended March						
	2015	2016	2017	2018	2016	2017	2018
	Number				Annual percentage change		
By region of last permanent residence							
Oceania	1,415,888	1,514,080	1,568,688	1,663,904	6.9	3.6	6.1
Asia	681,568	814,640	923,056	1,009,856	19.5	13.3	9.4
Europe	451,296	487,216	537,600	587,520	8.0	10.3	9.3
Americas	307,024	348,192	426,384	474,560	13.4	22.5	11.3
Other ⁽³⁾	88,624	89,472	78,000	76,272	1.0	-12.8	-2.2
Total⁽⁴⁾	2,947,901	3,255,463	3,543,631	3,819,817	10.4	8.9	7.8
By purpose of visit							
Holiday	1,432,736	1,652,560	1,841,728	2,010,992	15.3	11.4	9.2
Visiting friends & relatives	920,256	980,832	1,023,088	1,101,856	6.6	4.3	7.7
Conferences & conventions	57,440	61,536	68,976	74,256	7.1	12.1	7.7
Business	266,000	276,752	295,184	299,072	4.0	6.7	1.3
Education	58,416	62,496	65,904	67,104	7.0	5.5	1.8
Other ⁽⁵⁾	209,552	219,424	238,848	258,832	4.7	8.9	8.4

1. Intended length of stay in New Zealand is less than 12 months.
2. Individual figures may not sum to stated totals due to rounding.
3. Includes not stated.
4. These totals are actual counts, and may differ from the sum of individual figures for different countries, which are derived from samples.
5. Includes unspecified.

Stats NZ

Figure 7

Overseas visitor arrivals by region of residence
Year ended March 2015–18



Stats NZ

Table 9 presents the breakdown of international visitors by selected country of last permanent residence for the years ended March 2015–18 (see also figure 8).

Table 9**Selected overseas visitor arrivals⁽¹⁾⁽²⁾**

Year ended March 2015–18

	Year ended March						
	2015	2016	2017	2018	2016	2017	2018
	Number				Annual percentage change		
By country of last permanent residence							
Australia	1,273,152	1,364,736	1,406,256	1,495,392	7.2	3.0	6.3
China, People's Republic of	295,552	377,840	404,384	437,696	27.8	7.0	8.2
United States of America	226,960	253,792	312,816	340,144	11.8	23.3	8.7
United Kingdom	199,760	213,792	222,784	254,832	7.0	4.2	14.4
Germany	81,152	90,496	102,608	102,864	11.5	13.4	0.2
Japan	83,392	91,344	102,320	102,416	9.5	12.0	0.1

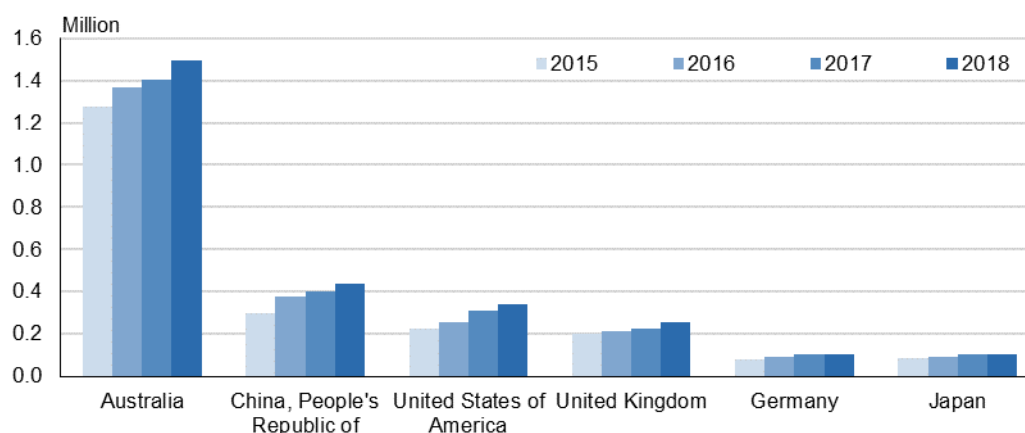
1. Intended length of stay in New Zealand is less than 12 months.

2. These totals are derived from sample counts.

Stats NZ

Figure 8

Selected overseas visitor arrivals by country of residence
Year ended March 2015–18



Stats NZ

By country of last permanent residence, the majority of short-term visitor arrivals to New Zealand originated from these selected markets:

- Australia – up 6.3 percent (89,136 arrivals)
- China – up 8.2 percent (33,312)
- United States of America – up 8.7 percent (27,328)
- United Kingdom – up 14.4 percent (32,048)
- Germany – up 0.2 percent (256)
- Japan – up 0.1 percent (96).

In the context of the TSA, the term 'tourist' includes travellers who might not usually be associated with the term. For instance, in addition to holiday and leisure travel, it covers other visitor activities, such as conducting business, attending meetings and conferences, and arriving for short-term education. Domestic costs incurred by New Zealanders travelling overseas (such as booking fees or commissions paid to the travel agency) are included in domestic travel expenditure, as well as tourism-specific consumer durable goods (such as outdoor items and equipment) bought either before or after the trip.

Table 10 presents the breakdown of guest nights by origin, sourced from Stats NZ's accommodation survey, for the years ended March 2015–18 (see also figure 9).

In the year ended March 2018, 39.9 million guest nights were spent in short-term commercial accommodation, a 3.9 percent increase compared with the previous year. This follows an increase of 3.2 percent in the year ended March 2017 and an increase of 5.7 percent in the year ended March 2016. The percentage increase in international guest nights has exceeded that of domestic for the last four years.

Table 10

Guest nights by origin⁽¹⁾

Year ended March 2015–18

Year ended March	International guest nights		Domestic guest nights		Total guest nights	
	Number (000)	Annual percentage change	Number (000)	Annual percentage change	Number (000)	Annual percentage change
2015	14,195	...	21,022	...	35,217	...
2016	15,265	7.5	21,963	4.5	37,229	5.7
2017	16,598	8.7	21,820	-0.7	38,418	3.2
2018	17,590	6.0	22,336	2.4	39,926	3.9

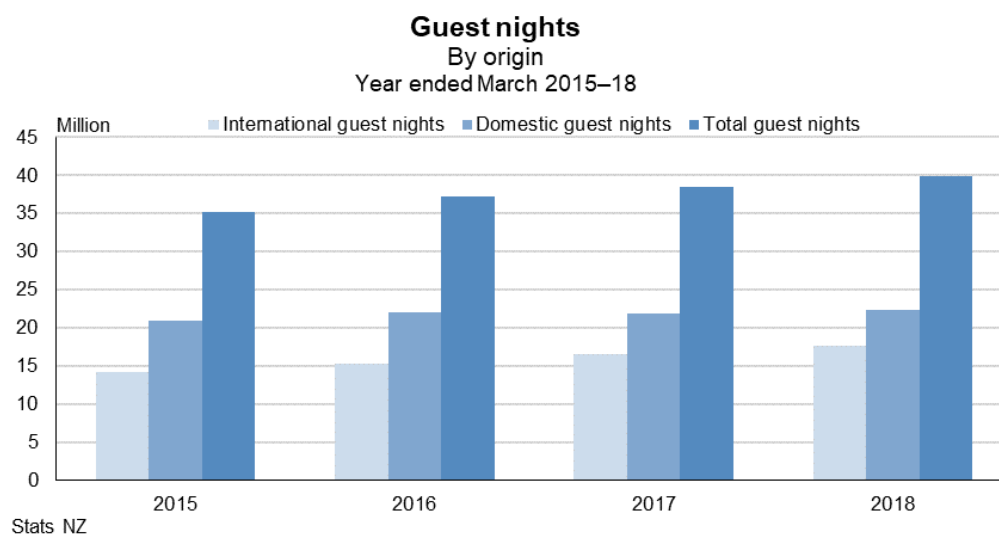
1. Individual figures may not sum to stated totals due to rounding.

Symbol:

... not applicable

Stats NZ

Figure 9



Key events that influenced tourism for year ended March 2018

- Significant changes to flights in the year ended March 2018 included:
 - Air New Zealand commenced services between Auckland and Haneda Tokyo.
 - Air New Zealand began Boeing 787-9 Dreamliner services between Auckland and Adelaide.
 - Air New Zealand increased services from Auckland to Houston deploying its Boeing 787-9 Dreamliner aircraft.
 - Air New Zealand increased its Auckland to Vancouver services from January 2018.
 - Air New Zealand moved to Boeing 787-9 Dreamliner and Boeing 777-200 services at least twice weekly year-round between Auckland and Apia.
 - Sichuan Airlines began direct flights from Chengdu to Auckland.
 - Cathy Pacific began a new seasonal service on the Airbus A350 between Hong Kong and Christchurch.
 - China Southern Airlines increased its services between Guangzhou and Christchurch during the summer season.
 - Philippine Airlines began Airbus A340 services direct from Manila to Auckland.
 - Thai Airways increased its services from Bangkok to Auckland, offering daily flights.
 - Air New Zealand was forced to reschedule international flights and make cancellations as a result of issues, and the need for early maintenance checks, with Rolls-Royce engines across some of its Boeing 787-9 Dreamliner aircraft.
 - Air New Zealand leased Airbus 330 and Airbus 340 from Hi Fly to operate some Auckland–Sydney and Auckland–Perth services.
 - The temporary shut-down of Refining New Zealand’s pipeline into Auckland impacted airlines operations into and out of Auckland Airport.
 - Nauru Airlines began services from Norfolk Island to Auckland.
 - Virgin Australia began after-dark services between Brisbane and Queenstown.
 - Qantas began after-dark services between Sydney and Queenstown.
 - Jetstar reintroduced services between Wellington and Queenstown.
 - Air New Zealand added 180,000 extra domestic seats across its network between November 2017 and March 2018.
 - Air New Zealand added a Sunday return jet service between Dunedin and Auckland.
 - Air New Zealand added nearly 1000 seats to accommodate competitors in the Hawke’s Bay International Marathon held in May.
 - Air New Zealand added more than 7100 extra seats into Auckland and Dunedin to accommodate fans attending Ed Sheeran’s concerts.
 - Air New Zealand deployed additional capacity between Auckland and Wellington for the All Whites versus Peru FIFA World Cup Intercontinental Playoff held in Wellington in November.
 - Sunair returned to Whangarei with weekday flights offered to Great Barrier Island, Hamilton, Tauranga or Rotorua. Sunair was subsequently grounded by the Civil Aviation Authority.
 - Originair commenced flights between Nelson and New Plymouth.

- Sounds Air ceased flights between Blenheim and Kaikoura.
- Sounds Air added new flights on the Wellington to Blenheim route.
- The 2017 British and Irish Lions Rugby Tour generated international and domestic tourism activity within New Zealand during the year ended March 2018.
- Cruise voyages and passenger numbers grew strongly over the March 2015–18 years.
- The Easter public holidays occurred partly in the year ended March 2018, did not occur in the year ended March 2017, occurred twice in the year ended March 2016, and once in the year ended March 2015.

Key events that influenced tourism for year ended March 2017

- Significant changes to flights in the year ended March 2017 included:
 - Qatar Airways began a daily, non-stop service between Auckland and Doha, becoming the world's longest commercial passenger flight.
 - Emirates introduced the double-decker A380 on its daily Auckland–Dubai service replacing its Boeing 777-200LR.
 - United Airlines began flights between Auckland and San Francisco.
 - Air New Zealand reinstated seasonal flights between Auckland and Osaka.
 - Hong Kong Airlines began services between Auckland and Hong Kong.
 - American Airlines began daily services between Auckland and Los Angeles.
 - Tianjin Airlines began flights between Auckland and Tianjin.
 - Hainan Airlines began flights between Auckland and Shenzhen.
 - Qantas expanded its seasonal service between Christchurch and Brisbane to an all-year-round service.
 - More than 300 additional return flights were provided direct to Christchurch from Sydney, Melbourne, and Brisbane during the ski season.
 - Asiana Airlines began a summer charter service between Christchurch and Incheon.
 - Emirates introduced the A380 on its Christchurch–Sydney–Dubai service.
 - Fiji Airways began a third service between Christchurch and Nadi.
 - China Southern Airlines increased its services into Christchurch over the summer season.
 - Air New Zealand and Jetstar commenced evening flights into Queenstown, following investment in a series of major airfield infrastructure improvements.
 - Singapore Airlines began the Capital Express service from Singapore via Wellington via Canberra.
 - Air New Zealand and Singapore Airlines announced the extension of their alliance to include travel between Wellington and Singapore.
 - Jetstar suspended direct flights between Wellington to Melbourne.
 - Air New Zealand began Boeing 787-9 Dreamliner services between Auckland and Hawaii.
 - Air New Zealand began Boeing 787-9 Dreamliner services on the Auckland–Buenos Aires route.
 - Air New Zealand suspended services between Whanganui–Auckland and Blenheim–Christchurch.
 - Air Chathams began scheduled services between Auckland and Whanganui.

- Sounds Air began services between Christchurch and Blenheim.
- Air New Zealand began services between Auckland and Ho Chi Minh City.
- Air New Zealand began operating an all-jet-schedule between Dunedin and Wellington on weekdays.
- Air New Zealand began Boeing 787-9 Dreamliner services between Auckland and Rarotonga.
- Air New Zealand began Boeing 787-9 Dreamliner services on the Auckland–Papeete route.
- Air New Zealand and Cathay Pacific extended their strategic alliance partnership on services between New Zealand and Hong Kong through until 2022.
- Air New Zealand increased capacity on a number of regional routes including Auckland–Kerikeri, Auckland–Rotorua, Gisborne–Auckland, and Gisborne–Wellington.
- Kiwi Regional Airlines ceased operations.
- *MS Ovation of the Seas*, the biggest cruise ship to voyage to New Zealand, visited Milford Sound, Dunedin, Picton, Wellington, Napier, Tauranga, Auckland, and Bay of Islands.
- A damaging earthquake struck the Kaikoura district and surrounding regions in November 2016. The expenditure implications/impacts of this event are not separately identifiable.
- Air New Zealand disposed of its remaining stake in Virgin Australia.
- [Tourism 2025 – Two Years On](#) was published, reaffirming the Tourism 2025 growth framework and its five themes of Connectivity; Target for value; Visitor Experience; Productivity; and Insight.
- Tourism New Zealand launched the latest evolution of its [100% Pure New Zealand](#) campaign across international tourism markets.

Key events that influenced tourism for year ended March 2016

- Significant changes to flights in the year ended March 2016 included:
 - China Eastern Airlines launched year-round flights between Auckland and Shanghai.
 - AirAsia X launched flights from Kuala Lumpur via the Gold Coast to Auckland.
 - Emirates began a non-stop service between Dubai and Auckland, the longest non-stop scheduled flight in the world.
 - Air China began a daily service between Beijing and Auckland in partnership with Air New Zealand.
 - Philippine Airlines began a service between Manila via Cairns and Auckland.
 - Air New Zealand began a direct service between Auckland to Houston.
 - China Southern Airlines began year-round double-daily flights between Guangzhou and Auckland.
 - Fiji Airways began flights between Nadi and Wellington.
 - Air New Zealand introduced new seasonal flights between Perth and Auckland over the summer–autumn period.
 - Air New Zealand began a direct service between Auckland and Buenos Aires.
 - Air New Zealand began a daily return service between Auckland and Vancouver over the peak northern winter period.
 - Air New Zealand, in conjunction with Virgin Australia, operated a seasonal Sunshine Coast service between Auckland and Maroochydore over the summer period.

- Qantas operated additional services across the Tasman during early spring, primarily between Auckland and Sydney.
- Qantas began a seasonal Wellington to Brisbane service over the summer holiday period.
- China Southern Airlines began direct flights between Guangzhou and Christchurch.
- China Airlines expanded its summer service between Taipei via Sydney and Christchurch.
- China Airlines began a service between Taipei via Melbourne to Christchurch for the summer period.
- Singapore Airlines operated additional flights from Singapore to Christchurch over the New Zealand summer period.
- Qantas operated additional flights between Christchurch and Brisbane, and Christchurch and Sydney.
- Jetstar operated additional trans-Tasman services over the Christmas holiday season, along with extra summer flights to Queenstown and Christchurch from Australia.
- Jetstar increased its services to Queenstown over the March to October period, including additional return services from Melbourne and Sydney, and began a new Gold Coast service.
- Qantas added extra seasonal services between Sydney and Queenstown, and Brisbane and Queenstown.
- Air New Zealand and Virgin Australia increased winter trans-Tasman services to Queenstown.
- Jetstar launched a new regional network, with services between Auckland and Nelson; Auckland and Napier; Auckland and New Plymouth; Auckland and Palmerston North; and Wellington and Nelson.
- Jetstar began services between Wellington and Dunedin.
- Air New Zealand increased its total domestic capacity by approximately 650,000 seats, including:
 - around 180,000 more seats between Christchurch and Auckland
 - 110,000 more seats between Queenstown and Auckland
 - 135,000 more seats between Auckland and Wellington
 - 20,000 new seats between Christchurch and Queenstown.
- Air New Zealand made changes to its regional network, stopping services to Kaitaia, Whakatane, and Westport. They also stopped services between Whangarei and Wellington; Taupo and Wellington; Palmerston North and Nelson; and Hamilton and Auckland.
- Air Chathams began twice-daily flights between Whakatane and Auckland.
- Barrier Air (previously Great Barrier Airlines) began services between Kaitaia and Auckland.
- Sounds Air began services between Westport and Wellington; Taupo and Wellington; and Napier and Blenheim.
- Kiwi Regional Airlines began services for Dunedin–Queenstown, Hamilton–Nelson, Tauranga–Nelson, and Nelson–Dunedin.
- Tourism New Zealand launched the latest evolution of its 100% Pure New Zealand campaign across international tourism markets.

Key events that influenced tourism for year ended March 2015

- Significant changes to flights in the year ended March 2015 included:
 - Air New Zealand and Singapore Airlines entered into an alliance, with increased flights between New Zealand and Singapore from January 2015.
 - China Eastern Airlines began direct flights between Shanghai and Auckland for the period December 2014 to March 2015.
 - Air New Zealand and Virgin Australia increased trans-Tasman services to Queenstown and Christchurch for the November to March season.
 - Singapore Airlines increased the number of flights to Christchurch during the summer holiday season.
 - Air New Zealand took delivery of its first 787-9 Dreamliner, which began Auckland–Perth services in December 2014.
 - Qantas began a seasonal service from Auckland to Perth in December 2014.
 - China Southern Airlines increased flights between Guangzhou and Auckland for the October to March 2015 period.
 - China Airlines began seasonal flights between Christchurch–Sydney–Taipei during the period December 2014 to March 2015.
 - China Airlines increased flights in its Taipei–Brisbane–Auckland route during the peak New Zealand summer period.
 - Jetstar began services between Wellington and Gold Coast, and Wellington and Melbourne.
- New Zealand jointly hosted the 2015 Cricket World Cup in the March 2015 year, though we cannot separately identify this event's effect on expenditure.
- New Zealand hosted a royal tour by The Duke and Duchess of Cambridge in the March 2015 year.
- The third film of the Hobbit trilogy was released in the March 2015 year. The second film of the Hobbit trilogy was released in the March 2014 year, and the world premiere of the first Hobbit film took place in New Zealand in the March 2013 year.
- Air New Zealand acquired additional stakes in Virgin Australia in the March 2015 and March 2014 years.

Tourism expenditure

The major focus of the TSA is to identify and measure tourism expenditure on goods and services produced within the New Zealand economy.

By determining tourism expenditure, tourism's direct contribution to GDP can be derived and compared with the contribution of other industries such as agriculture or manufacturing, see table 11.

Table 11

Tourism expenditure by type of product⁽¹⁾⁽²⁾

Year ended March 2015–18

Product	Year ended March						
	2015	2016	2017	2018P	2016	2017	2018P
	\$(million)				Annual percentage change		
Accommodation services	2,455	2,656	2,890	3,155	8.2	8.8	9.2
Food and beverage serving services	3,541	4,124	4,209	4,575	16.5	2.1	8.7
Air passenger transport	4,789	5,018	4,976	5,302	4.8	-0.8	6.6
Other passenger transport	3,533	3,805	4,009	4,308	7.7	5.4	7.5
Imputed rental on holiday homes	737	759	781	809	3.0	2.9	3.6
Cultural, recreation, and gambling services	913	1,019	1,022	1,109	11.6	0.3	8.5
Retail sales – alcohol, food, and beverages	2,066	2,246	2,284	2,477	8.7	1.7	8.5
Retail sales – fuel and other automotive products	1,859	1,834	1,892	1,990	-1.3	3.2	5.2
Retail sales – other	5,899	6,930	7,103	7,676	17.5	2.5	8.1
Education services	762	855	878	954	12.2	2.7	8.7
Other tourism products	2,465	2,890	2,878	3,106	17.2	-0.4	7.9
Total tourism demand excluding GST	29,019	32,136	32,922	35,461	10.7	2.4	7.7
GST paid on purchases by tourists	2,921	3,315	3,409	3,684	13.5	2.8	8.1
Total tourism expenditure	31,940	35,451	36,331	39,145	11.0	2.5	7.7

1. All product values are in producers' prices.

2. Individual figures may not sum to stated totals due to rounding.

Note: Figures for all years prior to 2018 have been revised.

Symbol:

P provisional

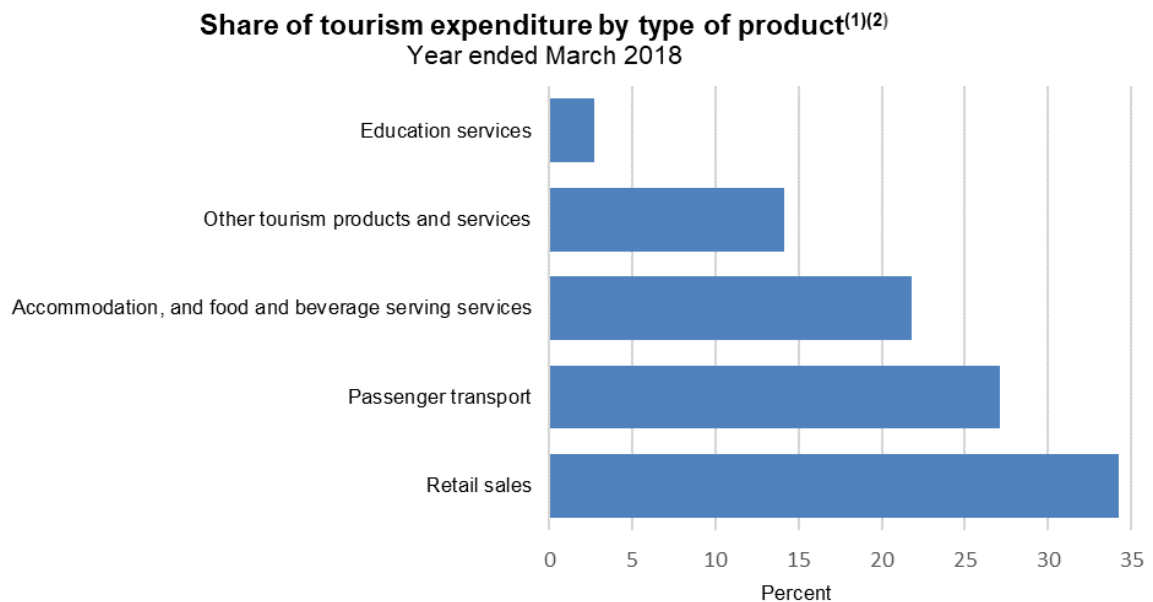
Stats NZ

Table 11 shows that for the year ended March 2018:

- Total tourism expenditure increased 7.7 percent, following increases of 2.5 percent in 2017 and 11.0 percent in 2016.
- The strongest percentage increases in tourism expenditure were in:
 - accommodation services, increasing 9.2 percent (\$265 million)
 - food and beverage serving services, increasing 8.7 percent (\$366 million)
 - education services, increasing 8.7 percent (\$76 million).

The main products tourists purchased were retail sales and passenger transport, which contributed 34.2 percent and 27.1 percent, respectively. Tourists spent 21.8 percent of their budget on accommodation, and food and beverage serving services. They spent 14.2 percent on other tourism products and services, and 2.7 percent on education services (see figure 10, which presents the share of tourism expenditure, excluding GST).

Figure 10



1. Individual percentages may not sum due to rounding.

2. Product totals exclude GST.

Stats NZ

Table 12 presents tourism expenditure by type of product and by type of tourist for the years ended March 2015–18. The tourism product ratio is the proportion of total supply (national production plus imports) of each product that tourists purchase.

For the year ended March 2018:

- Total household tourism expenditure increased 6.7 percent, following an increase of 4.0 percent the previous year.
- The increase in household tourism expenditure was strongest in ‘retail sales – other’, up \$315 million. Retail sales – alcohol, food, and beverages increased \$153 million from the previous year, with food and beverage serving services increasing \$134 million.
- Between 2015 and 2018, total household tourism spending increased 18.7 percent. Over the same period, total household consumption expenditure increased 16.8 percent.
- Total spending by international tourists in New Zealand increased 9.6 percent, following a decrease of 0.5 percent in the March 2017 year, and an increase of 19.7 percent in the March 2016 year.
- The increase in international tourism expenditure was strongest in ‘retail sales – other’, up \$258 million. Food and beverage serving services increased \$214 million from the previous year, and accommodation services increased \$181 million.

Table 12**Tourism expenditure⁽¹⁾⁽²⁾**

By type of product and type of tourist

Year ended March 2015–18

Product	Domestic demand		International demand	Total demand	Total supply	Tourism product ratio
	Business and government demand	Household demand				
\$(million)						
2015						
Accommodation services	558	594	1,303	2,455	2,474	0.99
Food and beverage serving services	380	1,254	1,907	3,541	8,080	0.44
Air passenger transport	1,266	1,458	2,065	4,789	4,842	0.99
Other passenger transport	1,426	1,192	915	3,533	5,165	0.68
Imputed rental on holiday homes	0	737	0	737	737	1.00
Cultural, recreation, and gambling services	0	590	324	913	3,861	0.24
Retail sales – alcohol, food, and beverages	0	1,729	337	2,066	58,843	0.04
Retail sales – fuel and other automotive products	735	550	574	1,859	10,817	0.17
Retail sales – other	0	3,902	1,996	5,899	46,137	0.13
Education services	0	232	529	762	5,329	0.14
Other tourism products	247	1,018	1,200	2,465	43,546	0.06
Total tourism demand excluding GST	4,612	13,257	11,150	29,019	...	...
GST paid on purchases by tourists	5	1,656	1,259	2,921	...	...
Total tourism expenditure	4,617	14,914	12,409	31,940	...	...
2016						
Accommodation services	555	662	1,439	2,656	2,677	0.99
Food and beverage serving services	386	1,392	2,347	4,124	8,883	0.46
Air passenger transport	1,334	1,393	2,291	5,018	5,056	0.99
Other passenger transport	1,472	1,254	1,079	3,805	5,513	0.69
Imputed rental on holiday homes	0	759	0	759	759	1.00
Cultural, recreation, and gambling services	0	626	394	1,019	4,093	0.25
Retail sales – alcohol, food, and beverages	0	1,835	411	2,246	60,190	0.04
Retail sales – fuel and other automotive products	632	562	640	1,834	9,542	0.19
Retail sales – other	0	4,307	2,623	6,930	49,213	0.14
Education services	0	278	576	855	5,733	0.15
Other tourism products	258	1,104	1,527	2,890	45,086	0.06
Total tourism demand excluding GST	4,637	14,171	13,327	32,136	...	...
GST paid on purchases by tourists	6	1,789	1,521	3,315	...	...
Total tourism expenditure	4,643	15,960	14,848	35,451	...	...

For footnotes, see end of table.

Table continues next page

Table 12 continued

Product	Domestic demand		International demand	Total demand	Total supply	Tourism product ratio
	Business and government demand	Household demand				
	\$(million)					
2017						
Accommodation services	583	695	1,612	2,890	2,924	0.99
Food and beverage serving services	412	1,462	2,335	4,209	9,899	0.43
Air passenger transport	1,418	1,277	2,281	4,976	5,030	0.99
Other passenger transport	1,610	1,315	1,084	4,009	5,798	0.69
Imputed rental on holiday homes	0	781	0	781	781	1.00
Cultural, recreation, and gambling services	0	633	389	1,022	4,400	0.23
Retail sales – alcohol, food, and beverages	0	1,878	406	2,284	61,527	0.04
Retail sales – fuel and other automotive products	661	610	621	1,892	9,897	0.19
Retail sales – other	0	4,595	2,508	7,103	52,009	0.14
Education services	0	284	594	878	6,112	0.14
Other tourism products	275	1,191	1,411	2,878	47,488	0.06
Total tourism demand excluding GST	4,959	14,721	13,242	32,922	...	...
GST paid on purchases by tourists	6	1,875	1,527	3,409	...	...
Total tourism expenditure	4,966	16,597	14,769	36,331	...	...
2018P						
Accommodation services	606	756	1,793	3,155	3,191	0.99
Food and beverage serving services	430	1,596	2,549	4,575	10,303	0.44
Air passenger transport	1,488	1,375	2,438	5,302	5,363	0.99
Other passenger transport	1,747	1,370	1,191	4,308	6,186	0.70
Imputed rental on holiday homes	0	809	0	809	809	1.00
Cultural, recreation, and gambling services	0	668	441	1,109	4,572	0.24
Retail sales – alcohol, food, and beverages	0	2,031	446	2,477	67,983	0.04
Retail sales – fuel and other automotive products	681	628	680	1,990	10,872	0.18
Retail sales – other	0	4,910	2,766	7,676	54,712	0.14
Education services	0	302	652	954	6,411	0.15
Other tourism products	296	1,262	1,549	3,106	50,549	0.06
Total tourism demand excluding GST	5,249	15,708	14,505	35,461	...	...
GST paid on purchases by tourists	7	2,003	1,675	3,684	...	...
Total tourism expenditure	5,255	17,710	16,180	39,145	...	...

1. All product values are in producers' prices.

2. Individual figures may not sum to stated totals due to rounding.

Note: Figures for all years prior to 2018 have been revised.

Symbols:

P provisional

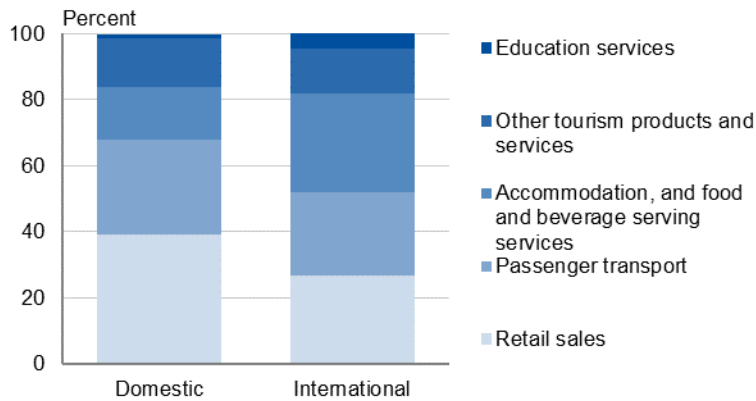
... not applicable

Stats NZ

The biggest share of domestic demand was retail sales, at 39.4 percent, while international tourism’s demand of retail represented only 26.8 percent of international spending. International tourists spent the remainder of their budget primarily on accommodation, and food and beverage serving services (29.9 percent), and passenger transport (25.0 percent) (see figure 11).

Figure 11

**Share of tourism expenditure
by type of product and type of tourist⁽¹⁾**
Year ended March 2018



1. Product totals exclude GST.

Tourism supply

The tourism supply of an industry is derived by summing the value of tourism products sold by that industry. The value of tourism product sales is derived by multiplying the total supply (national production plus imports) by its corresponding tourism product ratio.

In the absence of supply and use tables for the year ended March 2018, we derived an initial value of supply by product by industry for the same period from a variety of sources (covered in detail in [Appendix 2: Methodology](#)). In table 13, supply by product is shown only for tourism-characteristic industries (see [Appendix 1: Conceptual framework](#)).

Total supply and tourism supply by product are shown in table 13 for the years ended March 2015–18.

Points to note from table 13:

- Goods and services can be consumed/purchased by tourists and non-tourists. The tourism product ratio indicates the proportion of a product's supply that is purchased by tourists. In 2018, for example, the tourism product ratio for accommodation services was 0.99. This means that almost all accommodation available was purchased by tourists. In contrast, tourists purchased only 0.18 of retail supplies of fuel and other automotive products.
- Tourism supply increased 7.7 percent in the March 2018 year. From 2015 to 2018, tourism supply increased at a faster rate than total supply (22.2 percent compared with 16.4 percent over this period).
- Imports sold directly to tourists represented 11.2 percent of total tourism supply in the March 2018 year, compared with 10.8 percent in the year ended March 2015.

Table 13**Derivation of tourism supply from total supply⁽¹⁾⁽²⁾**

Year ended March 2015–18

Product	Total supply				Tourism product ratio	Tourism supply			
	Tourism-characteristic industries	All other industries	Imports	Total		Tourism-characteristic industries	All other industries	Imports sold directly to tourists by retailers	Total
	\$(million)					\$(million)			
2015									
Accommodation services	2,001	473	0	2,474	0.99	1,986	469	0	2,455
Food and beverage serving services	7,166	914	0	8,080	0.44	3,155	386	0	3,541
Air passenger transport	4,786	56	0	4,842	0.99	4,734	56	0	4,789
Other passenger transport	4,810	355	0	5,165	0.68	3,304	229	0	3,533
Imputed rental on holiday homes	0	737	0	737	1.00	0	737	0	737
Cultural, recreation, and gambling services	3,657	204	0	3,861	0.24	845	68	0	913
Retail sales – alcohol, food, and beverages	1,345	51,898	5,600	58,843	0.04	243	1,566	257	2,066
Retail sales – fuel and other automotive products	3	7,291	3,523	10,817	0.17	1	1,324	535	1,859
Retail sales – other	195	26,777	19,165	46,137	0.13	38	3,530	2,331	5,899
Education services	14	5,314	0	5,329	0.14	2	759	0	762
Other tourism products	332	43,214	0	43,546	0.06	30	2,436	0	2,465
Total supply of products	24,309	137,234	28,288	189,832	...				
Total tourism supply of products						14,337	11,559	3,123	29,019
2016									
Accommodation services	2,162	515	0	2,677	0.99	2,145	511	0	2,656
Food and beverage serving services	7,955	928	0	8,883	0.46	3,705	419	0	4,124
Air passenger transport	4,997	58	0	5,056	0.99	4,960	58	0	5,018
Other passenger transport	5,152	362	0	5,513	0.69	3,570	235	0	3,805
Imputed rental on holiday homes	0	759	0	759	1.00	0	759	0	759
Cultural, recreation, and gambling services	3,876	217	0	4,093	0.25	944	76	0	1,019
Retail sales – alcohol, food, and beverages	1,411	52,603	6,177	60,190	0.04	264	1,676	306	2,246
Retail sales – fuel and other automotive products	3	6,578	2,961	9,542	0.19	1	1,336	496	1,834
Retail sales – other	229	27,768	21,217	49,213	0.14	48	4,059	2,822	6,930
Education services	16	5,717	0	5,733	0.15	3	852	0	855
Other tourism products	343	44,742	0	45,086	0.06	29	2,861	0	2,890
Total supply of products	26,144	140,246	30,354	196,744	...				
Total tourism supply of products						15,670	12,841	3,625	32,136

For footnotes, see end of table.

Table continues next page

Table 13 continued

Product	Total supply				Tourism product ratio	Tourism supply			
	Tourism-characteristic industries	All other industries	Imports	Total		Tourism-characteristic industries	All other industries	Imports sold directly to tourists by retailers	Total
	\$(million)					\$(million)			
2017									
Accommodation services	2,376	548	0	2,924	0.99	2,349	542	0	2,890
Food and beverage serving services	8,877	1,022	0	9,899	0.43	3,790	419	0	4,209
Air passenger transport	4,967	63	0	5,030	0.99	4,913	62	0	4,976
Other passenger transport	5,426	372	0	5,798	0.69	3,764	245	0	4,009
Imputed rental on holiday homes	0	781	0	781	1.00	0	781	0	781
Cultural, recreation, and gambling services	4,170	230	0	4,400	0.23	948	74	0	1,022
Retail sales – alcohol, food, and beverages	1,588	53,892	6,047	61,527	0.04	276	1,679	330	2,284
Retail sales – fuel and other automotive products	3	7,048	2,845	9,897	0.19	1	1,414	477	1,892
Retail sales – other	264	29,368	22,378	52,009	0.14	53	4,177	2,874	7,103
Education services	17	6,095	0	6,112	0.14	3	875	0	878
Other tourism products	364	47,125	0	47,488	0.06	31	2,848	0	2,878
Total supply of products	28,053	146,542	31,270	205,865	...				
Total tourism supply of products						16,127	13,114	3,681	32,922
2018P									
Accommodation services	2,618	573	0	3,191	0.99	2,589	566	0	3,155
Food and beverage serving services	9,222	1,081	0	10,303	0.44	4,110	466	0	4,575
Air passenger transport	5,298	66	0	5,363	0.99	5,237	65	0	5,302
Other passenger transport	5,785	402	0	6,186	0.70	4,043	265	0	4,308
Imputed rental on holiday homes	0	809	0	809	1.00	0	809	0	809
Cultural, recreation, and gambling services	4,330	242	0	4,572	0.24	1,030	80	0	1,109
Retail sales – alcohol, food, and beverages	1,667	59,919	6,397	67,983	0.04	303	1,824	349	2,477
Retail sales – fuel and other automotive products	3	7,860	3,010	10,872	0.18	1	1,505	484	1,990
Retail sales – other	284	30,757	23,671	54,712	0.14	61	4,489	3,126	7,676
Education services	19	6,393	0	6,411	0.15	3	951	0	954
Other tourism products	386	50,163	0	50,549	0.06	35	3,071	0	3,106
Total supply of products	29,611	158,263	33,078	220,952	...				
Total tourism supply of products						17,412	14,091	3,959	35,461

1. Tourism supply by product may differ from that obtained by multiplying total supply by the relevant tourism product ratio. Supply is generally calculated at a finer product level than shown.

2. Individual figures may not sum to stated totals due to rounding.

Note: Figures for all years prior to 2018 have been revised.

Symbols:

P provisional

... not applicable

Stats NZ

Tourism value added

Direct tourism value added

Direct tourism value added calculations are usually made at a finer level of industry detail than is presented in table 14. For reasons of confidentiality and practicality, we show only the working level of calculations in this report.

We calculate the tourism industry ratio by dividing tourism supply by industry by the total supply for that industry. The tourism industry ratio represents the proportion of each industry's output that is consumed by tourists.

We multiply tourism industry ratios through each production account for all industries to produce direct tourism value added. This is summarised and presented in table 14 for the years ended March 2015–18.

Table 14

Direct tourism value added⁽¹⁾
Year ended March 2015–18

	Year ended March						
	2015	2016	2017	2018P	2016	2017	2018P
	\$(million)				Annual percentage change		
Published GDP	242,092	254,112	269,857	284,685	5.0	6.2	5.5
Less GST, import duties, and other taxes on production	20,269	21,576	23,452	24,569	6.4	8.7	4.8
Gives contribution to GDP from production	221,823	232,536	246,405	260,116	4.8	6.0	5.6
Tourism output of tourism-characteristic industries	14,337	15,670	16,127	17,412	9.3	2.9	8.0
Less tourism intermediate consumption of tourism-characteristic industries	7,903	8,299	8,500	9,180	5.0	2.4	8.0
Gives direct tourism value added of tourism-characteristic industries	6,433	7,370	7,627	8,234	14.6	3.5	8.0
Plus direct tourism value added of all other industries	6,232	7,072	7,069	7,619	13.5	0.0	7.8
Gives total direct tourism value added	12,664	14,443	14,698	15,852	14.0	1.8	7.9
Percent							
Direct tourism value added as a percentage of total industry contribution to GDP	5.7	6.2	6.0	6.1	...	...	...

1. Individual figures may not sum to stated totals due to rounding.

Note: Figures for all years prior to 2018 have been revised.

Symbols:

P provisional

... not applicable

Stats NZ

Point to note from table 14:

- Between 2015 and 2018, direct tourism value added (also referred to as tourism's direct contribution to GDP) increased 25.2 percent, a faster rate than the contribution to GDP from domestic production, which increased 17.3 percent.

As shown in [figure 1](#), total expenditure on goods and services by tourists (\$39.1 billion in 2018) consists of three components:

- Goods and services worth \$31.5 billion produced in New Zealand and directly purchased by tourists. Direct tourism output consisted of \$1.6 billion of intermediate inputs, and \$15.9 billion of direct tourism value added.
- Imports of \$4.0 billion sold directly to tourists by retailers.
- GST of \$3.7 billion paid on goods and services purchased by tourists.

Domestically produced goods are sold directly to tourists by retailers, and only the retail margin (production value of the turnover of the retailer) of these sold goods is recorded in the direct tourism value added. The value added in the production of these goods is not part of tourism direct gross value added, but is to be considered within the indirect effects.

Indirect tourism value added and imports

As well as measuring direct tourism value added, we report on indirect tourism value added (or tourism's indirect contribution to GDP). This broader measure goes beyond the value added generated by producers directly supplying tourism products, and embraces the total value added of all producers both directly and indirectly.

Measuring indirect tourism value added involves tracing the flow-on effects of businesses' intermediate purchases that are used directly in producing tourism products (see [figure 1](#)) and measuring the cumulative value added these purchases generate.

For example, the intermediate purchases of the 'accommodation' and 'food and beverage services' industries include items such as electricity, bedding, and food purchased from other industries or imports. In turn, these other industries will have made intermediate purchases from other industries (or from overseas) to produce the items they sell to the accommodation, and food and beverage services industries. So the sequence continues, until all intermediate purchases can be directly accounted for, either as value added or imports.

Measuring indirect tourism's contribution to GDP involves summing the value added of each industry that is generated throughout this sequence. The New Zealand TSA covers the intermediate consumption related to direct tourist expenditure. Total tourism expenditure can be explained in terms of:

- direct tourism value added
- indirect tourism value added
- imports (those directly sold to tourists and those used indirectly in production)
- GST.

Note that some of tourism's indirect demand for intermediate inputs will not be met by the output of New Zealand producers, but by imports that provide no direct contribution to New Zealand's GDP. For more information, refer to [Quarterly gross domestic product: Sources and methods \(fourth edition\)](#) (Stats NZ, 2014).

Direct tourism value added does not necessarily show the same movement as tourism expenditure. This is because changes in expenditure patterns flow through into the composition of industries that supply products consumed by tourists.

Changing industry composition flows through into other economic aggregates. This can lead to a result where the different industries that contribute to tourism have varying value added to output ratios.

Movements in the value of imports sold directly to tourists and in imports used in the production of goods and services sold to tourists are strongly influenced by exchange rate variations and changes in the mix of products purchased.

Table 15 summarises the relationships between the various components of tourism expenditure. In the year ended March 2018, these imports increased 7.3 percent, and direct tourism value added increased 7.9 percent.

Table 15
Tourism expenditure by component⁽¹⁾
Year ended March 2015–18

	Year ended March						
	2015	2016	2017	2018P	2016	2017	2018P
	\$(million)				Annual percentage change		
Direct tourism value added	12,664	14,443	14,698	15,852	14.0	1.8	7.9
Indirect tourism value added	8,828	10,078	10,300	11,109	14.2	2.2	7.9
Imports sold to tourists ⁽²⁾	7,527	7,615	7,924	8,500	1.2	4.1	7.3
GST paid on purchases by tourists	2,921	3,315	3,409	3,684	13.5	2.8	8.1
Total tourism expenditure	31,940	35,451	36,331	39,145	11.0	2.5	7.7

1. Individual figures may not sum to stated totals due to rounding.

2. Imports used in production of goods and services sold to tourists; imports sold directly to tourists by retailers.

Note: Figures for all years prior to 2018 have been revised.

Symbol:

P provisional

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Tourism expenditure can also be presented by the share of each component, as shown in table 16 for the years ended March 2015–18.

Table 16
Share of tourism expenditure by component⁽¹⁾
 Year ended March 2015–18

	Year ended March			
	2015	2016	2017	2018P
	Percent			
Direct tourism value added	39.6	40.7	40.5	40.5
Indirect tourism value added	27.6	28.4	28.4	28.4
Imports sold to tourists ⁽²⁾	23.6	21.5	21.8	21.7
GST paid on purchases by tourists	9.1	9.4	9.4	9.4
Total tourism expenditure	100.0	100.0	100.0	100.0

1. Individual figures may not sum to stated totals due to rounding.

2. Imports used in production of goods and services sold to tourists; imports sold directly to tourists by retailers.

Note: Figures for all years prior to 2018 have been revised.

Symbol:

P provisional

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Tourism employment

Direct tourism employment adds another dimension to measuring the role of tourism in the New Zealand economy, focusing on tourism's impact on employment.

Table 17 shows the number of people directly employed in tourism, grouped by employees, and working proprietors.

Employment is derived from Linked Employer-Employee Data (LEED) annual statistics. The tourism satellite account uses the main earnings source, by industry measure, which allocates a person to the industry they have generated the most earnings from in a tax year.

Table 17
Direct tourism employment⁽¹⁾⁽²⁾⁽³⁾
Year ended March 2015–18

	Year ended March						
	2015	2016	2017	2018P	2016	2017	2018P
	Number				Annual percentage change		
Total employment							
Employees	2,038,338	2,098,926	2,173,014	2,224,017	3.0	3.5	2.3
Working proprietors	416,301	421,356	428,868	472,251	1.2	1.8	10.1
Number of people employed	2,454,636	2,520,282	2,601,882	2,696,268	2.7	3.2	3.6
Tourism employment							
Tourism employees	168,621	184,812	184,803	186,618	9.6	0.0	1.0
Tourism working proprietors	24,483	26,424	25,806	29,394	7.9	-2.3	13.9
Number of people directly employed in tourism	193,110	211,242	210,606	216,012	9.4	-0.3	2.6
	Percent						
Number of people directly employed in tourism as a percentage of the total number of people employed	7.9	8.4	8.1	8.0	...	...	...

1. Individual figures in this table have been rounded, and discrepancies may occur between sums of components and totals.

2. Total employment numbers are sourced from Linked Employer-Employee Data.

3. Percentage calculations are from unrounded employment numbers.

Note: Figures for all years prior to 2018 have been revised.

Symbols:

P provisional

... not applicable

Stats NZ

Points to note from table 17:

- 216,012 people were directly employed in tourism in the year ended March 2018, an increase of 2.6 percent from the previous year.
- Direct tourism employment increased 11.9 percent between 2015 and 2018. The total number of people employed in New Zealand increased 9.8 percent over the same period.
- The number of people employed in tourism does not necessarily correlate with movements in total tourism expenditure or direct value added. In 2018, for example, direct tourism value added increased 7.9 percent, while the number of people employed directly in tourism increased 2.6 percent. This difference may be the result of several factors including:
 - a lag between growth in a given industry and decisions to employ new staff
 - a shift in the number of hours worked, or output for each person employed.

We use tourism industry ratios to allocate tourism employment numbers by industry. This treatment assumes that, for each industry, a given dollar value of output will require a fixed quantity of labour input, regardless of whether the products are purchased by tourists or non-tourists.

Tourism industry profitability

Measuring tourism industry profitability allows for more in-depth alternative analysis of the tourism sector. This measure provides time-series data on variables at an industry level, allowing comparison across time, within an existing industry, and across industries.

Table 18 and figure 12 show gross operating surplus and gross mixed income as a percentage of total tourism output for tourism industries and for all non-tourism-related industries. It is one measure of tourism profitability, but reflects economic rather than accounting concepts. Data is presented up until the latest balanced supply and use year.

Gross operating surplus and gross mixed income is before the deduction of interest and economic depreciation.

Table 18

Tourism gross operating surplus and gross mixed income as a percentage of total tourism output⁽¹⁾⁽²⁾

Year ended March 2013–17

Industry	Year ended March				
	2013	2014	2015	2016	2017
Percent					
Tourism-characteristic industries					
Accommodation	20.9	22.4	22.6	23.2	23.2
Food and beverage services	14.3	14.3	14.3	14.2	14.7
Road, rail, and water transport ⁽³⁾	14.4	12.7	15.4	15.9	16.3
Air and space transport	11.8	11.7	15.3	20.5	19.3
Other transport, transport support, and travel and tour services	19.0	21.6	19.9	22.0	24.2
Rental and hiring services	40.3	41.4	41.1	43.6	45.3
Arts and recreation services	22.4	21.5	22.3	21.6	21.3
Total tourism-characteristic industries	17.5	18.1	19.2	21.3	21.5
Tourism-related industries					
Retail trade	22.1	22.8	22.3	22.2	24.6
Education and training	15.4	16.0	16.7	16.9	16.6
All non-tourism-related industries	22.3	22.6	25.9	26.8	25.3
Total industry	19.3	19.8	21.4	22.9	22.8

1. Tourism gross operating surplus and gross mixed income as a percentage of gross output is considered to be an indicator of tourism profitability.

2. Individual figures may not sum to stated totals due to rounding.

3. Road, rail, and water transport are combined for confidentiality reasons.

Note: Figures for all years prior to 2017 have been revised.

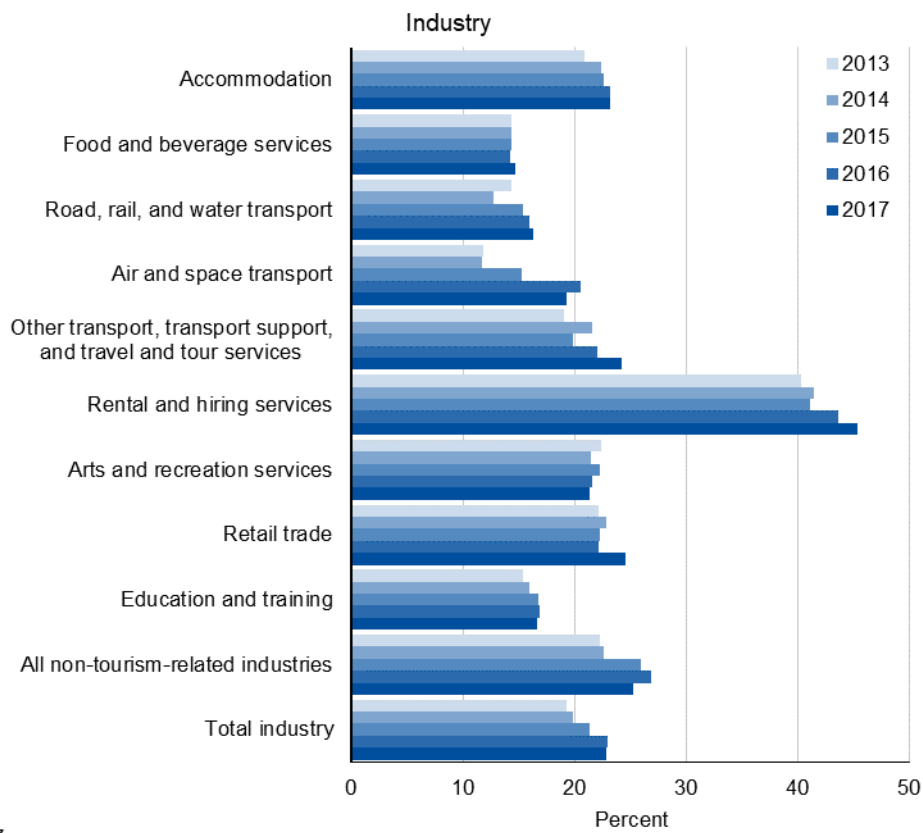
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Points to note from table 18:

- The profitability of total tourism-characteristic industries for the year ended March 2017 increased 0.2 percentage points compared with the year ended March 2016.
- Only the tourism-characteristic industries of ‘air and space transport’ and ‘arts and recreation services’ had a lower profitability ratio than in 2016.
- The only broad tourism industry category with lower profitability ratios in the year ended March 2017 compared with the year ended March 2013 was ‘arts and recreation services’, down 1.1 percentage points.

Figure 12

Tourism gross operating surplus and gross mixed income as a percentage of total tourism output
Year ended March 2013–17



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Detailed tables, year ended March 2017

Tables 19–26 in this chapter provide details of the tourism satellite account for the year ended March 2017, the latest year for which balanced supply and use tables are available.

You can download the tables in Excel format from the Stats NZ website (www.stats.govt.nz).

Tables

[19 Tourism expenditure, by type of product and type of tourist, year ended March 2017](#)

[20 New Zealand System of National Accounts production accounts, by industry, year ended March 2017](#)

[21 Sales by type of product and industry, year ended March 2017](#)

[22 Derivation of tourism product ratios, year ended March 2017](#)

[23 Derivation of tourism industry ratios, year ended March 2017](#)

[24 Derivation of direct tourism value added, year ended March 2017](#)

[25 Direct tourism employment, by industry, year ended March 2017](#)

[26 Gross fixed capital formation and net capital stock, by industry, year ended March 2017](#)

Detailed tables for the year ended March 2018 will be available in *Tourism satellite account: 2019*, to be published in December 2019 on www.stats.govt.nz.

Table 19**Tourism expenditure**By type of product and type of tourist⁽¹⁾⁽²⁾

Year ended March 2017

Product	Domestic demand			International demand	Total demand
	Business demand	Government demand	Household demand		
	\$(million)				
Tourism-characteristic products					
Accommodation services	417	166	695	1,612	2,890
Food and beverage serving services	308	103	1,462	2,335	4,209
Road, rail, and water passenger transport ⁽³⁾	185	53	433	461	1,132
Air passenger transport	958	460	1,277	2,281	4,976
Travel agency services	407	145	416	351	1,320
Motor vehicle hire or rental	617	203	466	272	1,557
Imputed rental on holiday homes	0	0	781	0	781
Libraries, archives, museums, and other cultural services	0	0	96	102	199
Other sport and recreation services	0	0	315	208	524
Total tourism-characteristic products	2,893	1,129	5,941	7,623	17,587
Tourism-related products					
Retail sales – alcohol	0	0	661	91	752
Retail sales – clothing and footwear	0	0	1,168	593	1,761
Retail sales – food, beverages, tobacco, and other groceries	0	0	1,217	315	1,532
Retail sales – fuel and other automotive products	434	227	610	621	1,892
Retail sales – retail medicines, toiletries	0	0	500	116	615
Retail sales – tourism consumer durables	0	0	1,451	244	1,695
Retail sales – other shopping	0	0	1,476	1,556	3,032
Financial services	21	2	1	4	28
General insurance (incl travel insurance)	56	7	68	71	201
Social and health-related services	0	0	649	85	734
Gambling services	0	0	221	78	300
Education services	0	0	284	594	878
Other tourism-related services	148	42	350	1,230	1,770
Other personal services	0	0	123	21	144
Total tourism-related products	658	278	8,780	5,619	15,336
Total tourism demand excluding GST	3,552	1,407	14,721	13,242	32,922
GST paid on purchases by tourists	5	1	1,875	1,527	3,409
Total tourism expenditure	3,557	1,409	16,597	14,769	36,331

1. Individual figures may not sum to stated totals due to rounding.

2. All values are in producers' prices.

3. Road, rail, and water passenger transport are combined for confidentiality reasons.

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Table 20
New Zealand System of National Accounts production accounts
 By industry⁽¹⁾⁽²⁾
 Year ended March 2017

	Tourism-characteristic industries						Tourism-related industries		All non-tourism-related industries	Total industry	
	Accommodation	Food and beverage services	Road, rail, and water transport ⁽³⁾	Air and space transport	Other transport, transport support, and travel and tour services	Rental and hiring services	Arts and recreation services	Retail trade			Education and training
	\$(million)										
Published GDP	...	...	...	...	...	...	...	...	...	...	269,857
<i>Less</i> GST, import duties, and other taxes on production	...	...	...	...	...	...	...	...	...	...	23,452
Contribution to GDP from production	1,756	4,210	4,422	2,398	4,961	2,536	3,685	12,285	11,846	198,306	246,405
<i>Equivalent to</i> total output	3,659	8,967	9,887	5,772	7,150	4,270	7,172	19,998	16,407	431,363	514,646
<i>Less</i> intermediate consumption	1,903	4,757	5,465	3,374	2,189	1,733	3,487	7,713	4,562	233,058	268,241
Components of GDP											
Compensation of employees	877	2,839	2,384	1,262	1,819	568	1,757	7,187	9,601	87,423	115,718
Gross operating surplus and gross mixed income	850	1,320	1,601	1,116	3,062	1,933	1,565	5,010	2,164	99,849	118,470
Taxes on production and imports	31	59	800	20	81	36	387	100	87	11,508	13,109
<i>Less</i> subsidies	1	8	364	0	1	1	24	11	7	474	892

1. Individual figures may not sum to stated totals due to rounding.

2. All values are in producers' prices.

3. Road, rail, and water transport are combined for confidentiality reasons.

Symbol:

... not applicable

Stats NZ

Table 21
Sales by type of product and industry⁽¹⁾⁽²⁾
 Year ended March 2017

Product	Tourism-characteristic industries							Tourism-related industries		All non-tourism-related industries	Imports	Total industry (supply)
	Accommodation	Food and beverage services	Road, rail, and water transport ⁽³⁾	Air and space transport	Other transport, transport support, and travel and tour services	Rental and hiring services	Arts and recreation services	Retail trade	Education and training			
\$(million)												
Sales of tourism-characteristic products												
Accommodation services	1,890	391	0	0	2	0	93	0	423	124	0	2,924
Food and beverage serving services	1,270	7,097	21	0	72	1	416	296	190	536	0	9,899
Road, rail, and water passenger transport ⁽⁴⁾	37	0	1,634	0	325	1	4	1	38	34	0	2,073
Air passenger transport	0	0	0	4,966	1	0	0	1	58	4	0	5,030
Travel agency services	14	0	1	27	1,237	3	12	0	2	39	0	1,335
Motor vehicle hire or rental	0	0	17	145	8	1,961	0	12	0	247	0	2,390
Imputed rental on holiday homes	0	0	0	0	0	0	0	0	0	781	0	781
Libraries, archives, museums, and other cultural services	0	0	0	0	0	0	413	0	37	30	0	479
Other sport and recreation services	42	0	0	0	20	53	1,462	0	37	110	0	1,724
Total tourism-characteristic products	3,253	7,488	1,673	5,138	1,666	2,019	2,399	309	785	1,904	0	26,635
Sales of tourism-related products												
Retail sales – alcohol	303	744	0	0	0	0	1	244	0	4,885	593	6,770
Retail sales – clothing and footwear	0	0	0	0	0	0	0	1,936	9	992	2,785	5,722
Retail sales – food, beverages, tobacco, and other groceries	27	508	0	0	5	0	0	4,541	0	44,222	5,455	54,757
Retail sales – fuel and other automotive products	0	0	3	0	0	0	0	793	0	6,255	2,845	9,897
Retail sales – retail medicines, toiletries	0	5	0	0	0	0	0	1,178	0	2,575	2,341	6,098
Retail sales – tourism consumer durables	0	0	2	0	0	0	0	3,268	1	6,369	9,986	19,625
Retail sales – other shopping	0	0	0	0	2	231	24	5,163	71	7,807	7,266	20,564
Financial services	0	0	0	0	0	0	0	3	1	3,659	0	3,664
General insurance (incl travel insurance)	0	0	0	0	0	0	0	0	0	4,811	0	4,812
Social and health-related services	0	0	0	0	0	0	7	0	3	10,867	0	10,878
Gambling services	0	11	0	0	0	0	2,169	0	0	16	0	2,196
Education services	0	0	1	9	6	0	1	0	5,385	710	0	6,112
Other tourism-related services	0	4	67	6	251	16	4	451	19	25,403	0	26,220
Other personal services	0	0	0	0	0	10	0	0	0	1,906	0	1,916
Total tourism-related products	330	1,271	72	15	265	256	2,206	17,578	5,489	120,477	31,270	179,230
Sales of all domestically produced non-tourism-related products												
	75	207	8,143	618	5,219	2,007	2,563	2,111	10,135	293,846	...	324,924
Total sales	3,658	8,967	9,888	5,772	7,150	4,282	7,168	19,998	16,409	416,228	31,270	530,789
Other output items	1	0	-1	0	1	-12	5	0	-2	15,136	...	15,127
Less imports of tourism-related products ⁽⁵⁾	31,270	31,270
Total industry output	3,659	8,967	9,887	5,772	7,150	4,270	7,172	19,998	16,407	431,363	...	514,646

1. Individual figures may not sum to stated totals due to rounding.

2. All values are in producers' prices.

3. Road, rail, and water transport are combined for confidentiality reasons.

4. Road, rail, and water passenger transport are combined for confidentiality reasons.

5. Imports of tourism-related products are subtracted from total sales, as this relates to goods not produced in New Zealand.

Symbol:

... not applicable

Stats NZ

Table 22

Derivation of tourism product ratios⁽¹⁾⁽²⁾

Year ended March 2017

Product	Total demand (from table 19)	Total supply (from table 21)	Tourism product ratio ⁽³⁾
	\$ (million)		
Tourism-characteristic products			
Accommodation services	2,890	2,924	0.99
Food and beverage serving services	4,209	9,899	0.43
Road, rail, and water passenger transport ⁽⁴⁾	1,132	2,073	0.55
Air passenger transport	4,976	5,030	0.99
Travel agency services	1,320	1,335	0.99
Motor vehicle hire or rental	1,557	2,390	0.65
Imputed rental on holiday homes	781	781	1.00
Libraries, archives, museums, and other cultural services	199	479	0.41
Other sport and recreation services	524	1,724	0.30
Total tourism-characteristic products	17,587	26,635	...
Tourism-related products			
Retail sales – alcohol	752	6,770	0.11
Retail sales – clothing and footwear	1,761	5,722	0.31
Retail sales – food, beverages, tobacco, and other groceries	1,532	54,757	0.03
Retail sales – fuel and other automotive products	1,892	9,897	0.19
Retail sales – retail medicines, toiletries	615	6,098	0.10
Retail sales – tourism consumer durables	1,695	19,625	0.09
Retail sales – other shopping	3,032	20,564	0.15
Financial services	28	3,664	0.01
General insurance (incl travel insurance)	201	4,812	0.04
Social and health-related services	734	10,878	0.07
Gambling services	300	2,196	0.14
Education services	878	6,112	0.14
Other tourism-related services	1,770	26,220	0.07
Other personal services	144	1,916	0.08
Total tourism-related products	15,336	179,230	...
Total tourism demand excluding GST	32,922	205,865	...
GST paid on purchases by tourists	3,409	...	...
Total tourism expenditure	36,331	...	...

1. Individual figures may not sum to stated totals due to rounding.

2. All values are in producers' prices.

3. Tourism product ratios shown in this table may differ at the industry level for some products from the ratios used to derive tourism supply in table 23. Supply is calculated at a more detailed level than the level presented in other tables.

4. Road, rail, and water passenger transport are combined for confidentiality reasons.

Symbol:

... not applicable

Stats NZ

Table 23

Derivation of tourism industry ratios⁽¹⁾⁽²⁾

Year ended March 2017

Product	Tourism-characteristic industries							Tourism-related industries		All non-tourism-related industries; imports sold directly to tourists by retailers ⁽⁴⁾	Total industry (tourism supply)
	Accommodation	Food and beverage services	Road, rail, and water transport ⁽³⁾	Air and space transport	Other transport, support, and travel and tour services	Rental and hiring services	Arts and recreation services	Retail trade	Education and training		
\$(million)											
Tourism-characteristic products											
Accommodation services	1,868	387	0	0	2	0	92	0	419	123	2,890
Food and beverage serving services	549	3,009	9	0	33	0	190	115	83	221	4,209
Road, rail, and water passenger transport ⁽⁵⁾	18	0	821	0	254	1	2	0	19	17	1,132
Air passenger transport	0	0	0	4,913	1	0	0	1	57	4	4,976
Travel agency services	14	0	1	27	1,222	3	12	0	2	38	1,320
Motor vehicle hire or rental	0	0	11	95	5	1,278	0	8	0	161	1,557
Imputed rental on holiday homes	0	0	0	0	0	0	0	0	0	781	781
Libraries, archives, museums, and other cultural services	0	0	0	0	0	0	171	0	15	12	199
Other sport and recreation services	13	0	0	0	6	16	443	0	11	34	524
Total tourism-characteristic products purchased by tourists	2,461	3,396	842	5,034	1,524	1,298	911	123	606	1,391	17,587
Tourism-related products											
Retail sales – alcohol	58	141	0	0	0	0	0	54	0	498	752
Retail sales – clothing and footwear	0	0	0	0	0	0	0	707	2	1,052	1,761
Retail sales – food, beverages, tobacco, and other groceries	7	70	0	0	0	0	0	270	0	1,186	1,532
Retail sales – fuel and other automotive products	0	0	1	0	0	0	0	246	0	1,645	1,892
Retail sales – retail medicines, toiletries	0	1	0	0	0	0	0	218	0	397	615
Retail sales – tourism consumer durables	0	0	0	0	0	0	0	325	0	1,370	1,695
Retail sales – other shopping	0	0	0	0	0	32	20	865	32	2,083	3,032
Financial services	0	0	0	0	0	0	0	0	0	28	28
General insurance (incl travel insurance)	0	0	0	0	0	0	0	0	0	201	201
Social and health-related services	0	0	0	0	0	0	1	0	0	734	734
Gambling services	0	1	0	0	0	0	297	0	0	2	300
Education services	0	0	0	1	2	0	0	0	662	213	878
Other tourism-related services	0	0	7	1	20	1	0	73	5	1,663	1,770
Other personal services	0	0	0	0	0	1	0	0	0	144	144
Total tourism-related products purchased by tourists	65	213	8	2	22	33	318	2,758	702	11,215	15,336
Direct tourism sales	2,526	3,609	851	5,035	1,545	1,332	1,229	2,882	1,307	12,606	32,922
Total industry output	3,659	8,967	9,887	5,772	7,150	4,270	7,172	19,998	16,407	431,363	514,646
Tourism industry ratio	0.69	0.40	0.09	0.87	0.22	0.31	0.17	0.14	0.08	0.02	...

1. Individual figures may not sum to stated totals due to rounding.

2. All values are in producers' prices.

3. Road, rail, and water transport are combined for confidentiality reasons.

4. The 'all non-tourism-related industries' ratio is calculated exclusive of imports sold directly to tourists by retailers.

5. Road, rail, and water passenger transport are combined for confidentiality reasons.

Symbol:

... not applicable

Stats NZ

Table 24**Derivation of direct tourism value added⁽¹⁾⁽²⁾**

Year ended March 2017

	Tourism-characteristic industries							Tourism-related industries		All non-tourism-related industries	Total industry
	Accommodation	Food and beverage services	Road, rail, and water transport ⁽³⁾	Air and space transport	Other transport, transport support, and travel and tour services	Rental and hiring services	Arts and recreation services	Retail trade	Education and training		
\$(million)											
Tourism industry ratio	0.69	0.40	0.09	0.87	0.22	0.31	0.17	0.14	0.08	0.02	...
Direct tourism value added	1,212	1,694	372	2,092	841	791	625	1,735	885	4,449	14,698
<i>Equivalent to</i> tourism output	2,526	3,609	851	5,035	1,545	1,332	1,229	2,882	1,307	8,925	29,242
<i>Less</i> tourism intermediate consumption	1,314	1,915	479	2,943	704	541	604	1,146	422	4,476	14,544
Contribution to GDP from production	...	...	...	...	...	...	...	...	...	...	246,405
Percent											
Direct tourism value added as a percentage of total industry contribution to GDP	...	...	...	...	...	...	...	...	...	...	6.0
\$(million)											
Components of direct tourism value added											
Tourism compensation of employees	605	1,143	199	1,101	453	177	300	1,013	661	1,632	7,284
Tourism gross operating surplus and gross mixed income	587	531	139	974	374	603	262	710	217	2,260	6,657
Tourism taxes on production and imports	21	24	59	17	14	11	67	14	8	567	803
Less tourism subsidies	1	3	26	0	0	0	3	2	1	9	46

1. Individual figures may not sum to stated totals due to rounding.

2. All values are in producers' prices.

3. Road, rail, and water transport are combined for confidentiality reasons.

Symbol:

... not applicable

Stats NZ

Table 25**Direct tourism employment**By industry⁽¹⁾⁽²⁾

Year ended March 2017

	Tourism-characteristic industries							Tourism-related industries		All non-tourism-related industries	Total industry	
	Accommodation	Food and beverage services	Road, rail, and water transport ⁽³⁾	Air and space transport	Other transport, transport support, and travel and tour services	Rental and hiring services	Arts and recreation services	Retail trade	Education and training			
Number												
Total employment												
Employees	35,271	135,333	41,727	11,019	28,254	11,403	39,693	214,068	189,819	1,466,424	2,173,014	
Working proprietors	4,137	14,586	8,973	204	3,624	2,355	8,541	25,350	7,974	353,130	428,868	
Number of people employed	39,408	149,919	50,700	11,223	31,878	13,755	48,234	239,421	197,793	1,819,554	2,601,882	
Tourism industry ratio⁽⁴⁾	0.69	0.40	0.09	0.87	0.22	0.31	0.17	0.14	0.08	0.02	...	
Tourism employment												
Tourism employees	24,348	54,468	3,414	9,615	9,027	3,555	6,834	29,979	12,591	30,969	184,803	
Tourism working proprietors	2,856	5,871	675	177	2,142	735	1,341	3,723	1,269	7,014	25,806	
Number of people directly employed in tourism	27,207	60,336	4,092	9,789	11,172	4,293	8,178	33,702	13,857	37,980	210,606	
Percent												
Number of people directly employed in tourism as a percentage of the total number of people employed⁽⁵⁾	8.1	
\$(million)												
Total employment earnings⁽⁶⁾												
Employees	903	2,853	2,265	C	1,606	495	1,582	7,003	9,409	C	106,044	
Working proprietors	181	584	389	C	223	133	320	1,329	314	C	26,284	
Total earnings	1,084	3,437	2,654	C	1,829	628	1,902	8,331	9,724	C	132,328	

1. Individual figures in this table have been rounded, and discrepancies may occur between sums of components and totals.

2. Total employment numbers by industry are sourced from Linked Employer-Employee Data.

3. Road, rail, and water transport are combined for confidentiality reasons.

4. The tourism industry ratio is sourced from table 24.

5. Percentage is calculated from unrounded employment numbers.

6. Total employment earnings by industry are sourced from Linked Employer-Employee Data. A person is assigned to the industry where they have generated the most earnings from in the tax year.

Symbols:

... not applicable

C confidential

Stats NZ

Table 26**Gross fixed capital formation and net capital stock**By industry⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

Year ended March 2017

	Tourism-characteristic industries							Total tourism-characteristic industries	All other industries ⁽⁶⁾	Total industry
	Accommodation	Food and beverage services	Road, rail, and water transport ⁽⁵⁾	Air and space transport	Other transport, transport support, and travel and tour services	Rental and hiring services	Arts and recreation services			
\$(million)										
Gross fixed capital formation										
Asset type										
Residential buildings	0	0	0	0	0	-1	3	2	20,141	20,143
Non-residential buildings	234	105	69	38	315	434	203	1,397	6,439	7,837
Other construction	0	0	42	0	2,936	0	62	3,040	3,313	6,353
Land improvement ⁽⁷⁾	2	1	0	0	2	3	48	56	783	838
Transport equipment	22	39	881	76	119	1,655	27	2,818	2,879	5,697
Plant, machinery, and equipment	98	171	151	43	703	566	200	1,932	10,107	12,039
Intangible assets	18	29	38	13	70	45	102	315	8,492	8,806
Total gross fixed capital formation	374	345	1,181	170	4,144	2,701	644	9,560	52,153	61,713
Net capital stock										
Total net capital stock	5,118	3,956	7,901	2,351	59,256	10,892	11,163	100,637	690,152	790,790

1. Individual figures may not sum to stated totals due to rounding.

2. All values are in purchasers' prices.

3. Gross fixed capital formation by industry and asset type and net capital stock by industry were used as a basis for calculating the table.

4. Gross fixed capital formation by industry and asset type presented here excludes weapons systems.

5. Road, rail, and water transport are combined for confidentiality reasons.

6. The 'all other industries' column includes all tourism-related and non-tourism-related industries.

7. Land improvement is shown in gross fixed capital formation, but does not form a part of net capital stock.

Stats NZ

Glossary

National accounts definitions

Basic prices

The amounts receivable by producers from purchasers for units of goods or services produced as outputs minus any taxes payable, and plus any subsidies receivable. They exclude any transport charges invoiced separately by the producers.

Change in inventories

The book value change as recorded in most business accounting records, less an inventory valuation adjustment that removes the capital gains and losses that may arise through holding inventories purchased at prices either higher or lower than those ruling during the period of account. Change in inventories effectively values the change in stocks at the average prices for the period.

Compensation of employees

Total remuneration, in cash or in kind, payable by enterprises to employees. Includes contributions paid on employees' behalf to superannuation funds, private pension schemes, the Accident Compensation Corporation, casualty and life insurance schemes, and other fringe benefits.

Consumption of fixed capital

The reduction in the value of the fixed assets used in production during the accounting period resulting from physical deterioration, normal obsolescence, or accidental damage. It is valued at replacement cost.

Exports of goods and services

All goods and services produced by New Zealand residents and purchased by non-residents.

Gross domestic product (GDP)

The total market value of goods and services produced in New Zealand after deducting the cost of goods and services used in the process of production, but before deducting allowances for the consumption of fixed capital.

Gross fixed capital formation

The total value of a producer's purchases, less disposals, of durable real assets such as buildings, motor vehicles, plant and machinery, hydroelectric construction, roading, and improvements to land. Land is excluded from gross fixed capital formation. Included is the value of construction work done by a firm's own employees. The term 'gross' indicates that consumption of fixed capital has not been deducted from the value of the outlays.

Gross mixed income

The operating surplus of closely-held or unincorporated business, which contains an element of labour remuneration that cannot be separately identified from the return on capital to the owner. In the TSA, gross mixed income is included in the total, gross operating surplus and gross mixed income, and is not separately identified.

Gross operating surplus

Output at producer's values less the sum of intermediate consumption, compensation of employees, and taxes on production and imports net of subsidies. It is approximately equal to accounting profit before deducting depreciation, direct taxes, dividends, interest paid, and bad debts, and before adding interest and dividends received. In the TSA, gross operating surplus is included in the total, gross operating surplus and gross mixed income, and is not separately identified.

Gross operating surplus and gross mixed income

This represents the sum of gross operating surplus and gross mixed income.

GST on production

The transactions of registered producers are recorded excluding goods and services tax (GST), while those of final consumers (including producers of exempt goods and services) are recorded at actual market prices. The potential imbalance between the value of goods and services produced and the value ultimately consumed is removed by including the item 'GST on production' in the GDP account. This item produces a measure of the amount of GST included in the valuation of the final demand categories. Note that not all purchases by tourists attract GST, for example, airfares purchased abroad by international tourists.

Imports of goods and services

All goods and services produced by non-residents and purchased by New Zealand residents.

Intermediate consumption

The value of non-durable goods and services used in production. Valuation is at purchaser's values.

Net capital stock

The accumulated written-down value of fixed assets valued in current prices. It is equal to accumulated investment less retirements and less accumulated depreciation for assets still operating.

Output

Goods and services produced within an establishment that become available for use outside that establishment, plus any goods and services produced for own final use.

Producer prices

The amount receivable by the producer from the purchaser for a unit of goods or a service produced as output less any deductible taxes invoiced to the purchaser. The producer price excludes any transport charges invoiced separately by the producer.

Purchaser prices (market prices)

The amount paid by the purchaser, exclusive of any deductible taxes, to take delivery of goods or services at the time and place required by the purchaser. The purchaser price of goods includes any transport charges paid separately by the purchaser to take delivery at the required time and place.

Subsidies

Current unrequited payments made by governments to enterprises based on the levels of their production activities or the quantities or values of the goods and services they produce, sell, or import.

Taxes on production and imports

Taxes assessed on producers in respect of the production, sale, purchase, and use of goods and services, and that add to the market prices of those goods and services. This includes sales tax, local authority rates, import and excise duties, fringe benefits tax, and registration fees, such as motor vehicle registration, paid by producers.

Value added

The value added to goods and services by the contributions of capital and labour (ie, after the costs of bought-in materials and services have been deducted from the total value of output).

Abbreviations used in this report

ANZSIC06: 2006 Australian and New Zealand Standard Industrial Classification

BoP: balance of payments

CPI: consumers price index

DTS: Domestic Travel Survey

EMS: employer monthly schedule

GDP: gross domestic product

GST: goods and services tax

HLFS: household labour force survey

HTEE: Household Tourism Expenditure Estimates

IVS: International Visitor Survey

LEED: Linked Employer-Employee Data

MBIE: Ministry of Business, Innovation and Employment

NZSNA: New Zealand System of National Accounts

OECD: Organisation for Economic Co-operation and Development

TSA: tourism satellite account

UNWTO: United Nations World Tourism Organization

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Appendix 1: Conceptual framework

Definitions

Tourism satellite account: 2018 is based on the methodology produced by the United Nations World Tourism Organization (UNWTO) in its publication *Tourism satellite account: Recommended methodological framework 2008*.

This method is approved by the United Nations Statistical Commission and the methodological publications of the Organisation for Economic Co-operation and Development (OECD). These organisations have collaborated to produce guidelines for tourism satellite accounts (TSAs). Although the organisations may differ slightly in their recommended treatment of some conceptual issues, they generally take a similar approach based on the international standard *System of national accounts 2008*.

Definitions used in *Tourism satellite account: 2018* are based on the recommendations of the UNWTO, with some modification for New Zealand purposes.

Tourist

A tourist is any person travelling to a place other than their usual environment for less than 12 months and whose main purpose is other than the exercise of an activity remunerated from within the place visited.

Not all travellers (people moving from one place to another) are tourists. To be defined as a tourist, a person must also be travelling to places outside their usual environment (defined below) for a limited time. The 12-month time limit is consistent with the guideline in *System of national accounts 2008*, which is that a person staying in a country for longer than 12 months is a resident. A place becomes part of a tourist's usual environment after the tourist has spent more than 12 months there.

The following people are not considered tourists:

- those, such as travelling salespeople, for whom travel is an intrinsic part of their job
- those who travel for the purpose of being admitted to, or detained in, a residential facility, such as a hospital, prison, or long-stay care
- those travelling as part of a shift to a new permanent location
- those undertaking military duties
- those travelling between two parts of their usual environment.

The New Zealand TSA covers only tourists who travel to or within New Zealand. These are classified as either domestic or international tourists. The domestic tourist group is further broken down according to household, business, or government travel.

Domestic tourist

A domestic tourist is a New Zealand resident who travels within New Zealand but outside their usual environment. While travelling, they do not stay in any one place for more than 12 months.

- A domestic **household** tourist is a domestic tourist whose purpose of visiting is other than to carry out a business activity.

- A domestic **business** tourist is a domestic tourist and an employee of a private sector enterprise whose purpose of travel is to carry out a business activity and whose expenses are met either in full or in part by their employer.
- A domestic **government** tourist is a domestic tourist and an employee of a central or local government sector enterprise whose purpose of travel is to carry out a business activity and whose expenses are met either in full or in part by their employer.

International tourist

An international tourist is a person who travels to a country other than that in which they have their usual residence, and outside their usual environment. While travelling, they do not stay in any one place for more than 12 months.

For the purposes of a TSA, international tourists are exclusively inbound travellers (non-residents travelling in New Zealand). International students studying in New Zealand for less than 12 months are included in the scope of the TSA. All their expenditure – airfares, tuition fees, and accommodation and living expenses – are included in international tourism expenditure.

International students studying in New Zealand for more than 12 months are excluded from the TSA because they are considered to be residing in their usual environment within New Zealand. Such students are treated as tourists only if they travel outside their usual environment within New Zealand. However, in practice, it is difficult to estimate this expenditure, and it is therefore excluded.

Usual environment

Usual environment is the place or places a person occupies within their regular routine of life (except places visited for leisure or recreational activities only).

It is the concept of 'usual environment' that defines a tourist. Individuals must be travelling outside their usual environment for their expenditure to be considered tourism.

A particular destination will benefit from the goods and services purchased by tourists travelling outside their usual environment, by the amount spent by the tourist at that location, excluding imports.

The important link between usual environment and tourism is that tourists, in purchasing goods and services outside their usual environment, have a positive economic impact on that destination. This benefit would not have occurred without tourism. This is the basis of tourism expenditure and is the reason a TSA excludes expenditure by outbound New Zealand travellers on foreign-produced goods and services. In other words, the economic benefits that accrue from these travellers do not benefit New Zealand.

However, expenditure by outbound tourists on domestically produced services (for example, international flights on New Zealand carriers, New Zealand travel agents' booking fees, or travel insurance for outbound trips) is included within the TSA because it is a form of tourism and provides economic benefit to the New Zealand economy.

The concept of usual environment is difficult to define because it depends on the nature of the country in question. For this reason, the UNWTO does not give a definitive definition. Instead, it suggests possible criteria to be used by countries to establish their own definition.

In New Zealand, for a tourist to be outside their usual environment they must, subject to previously stated exclusions, satisfy at least one of the following conditions:

- travel by a scheduled flight or inter-island ferry service

- travel more than 40 kilometres from their residence (one way) and outside the area they commute to for work or visit daily
- travel as an international tourist.

Tourism expenditure

Tourism expenditure is spending by, or on behalf of, a tourist before, during, and after a trip. This expenditure occurs either on the trip (eg meals or souvenirs), or is travel related (eg pre-booked airfares, luggage, or other tourism-specific durables). The trip must be taken outside the usual environment of the tourist. This expenditure includes goods and services tax (GST).

Since tourists are defined based on their relationship to their usual environment, expenditure on a product may constitute tourism expenditure, depending on who is purchasing the product. Tourism expenditure is defined from the perspective of the tourist.

On-trip tourism expenditure is tourism expenditure occurring during a trip. Off-trip tourism expenditure is expenditure that occurs outside of a trip but relates to goods and services purchased specifically for use while on a trip.

Tourism demand

Tourism demand is GST-exclusive expenditure made by, or on behalf of, a tourist before, during, and after a trip. This expenditure occurs either on the trip or is travel related, and the trip must be taken outside the usual environment of the tourist. In other words, tourism demand is equivalent to tourism expenditure, excluding GST.

Tourism output

Tourism output is the value of goods and services purchased by tourists, excluding imports sold directly to tourists. It is derived from tourism demand by removing the imports sold directly to tourists by retailers and comprises the following components:

- tourism intermediate consumption – the goods and services used in the process of production of products sold to tourists
- tourism value added – the ‘value’ a producer adds to the raw material goods and services and/or transformed goods it purchases in the process of production.

Tourism intermediate consumption

Tourism intermediate consumption consists of goods and services used in the process of producing products sold to tourists.

Travel agents’ commissions, even where these are paid by transport or accommodation providers to travel agents, are not included in tourism intermediate consumption. Instead, this expenditure is included in tourism demand (and in business travel expenditure) because it is assumed these commissions are paid to travel agents by transport or accommodation providers on behalf of tourists. Travel agents’ commissions received directly from fares booked are also included in tourism demand.

Goods for resale

Goods for resale are goods acquired for the purpose of reselling and without further processing or transformation.

Valuation basis used in tourism satellite accounts

Tourism expenditure in TSAs is initially measured in purchasers' prices (market prices). Essentially, purchasers' prices are the amounts paid by tourists for products. Tourism expenditure is then converted into producers' prices and incorporated into the supply and use framework of the TSA. Producers' prices are the amounts producers receive for selling their products. For this reason, they are exclusive of GST. All monetary aggregates presented in a TSA are in producers' prices, unless otherwise stated.

Some valuation issues exist in comparing the New Zealand TSA with those of other countries. This is because the New Zealand System of National Accounts (NZSNA) and the TSA measure industry value added in producers' prices, while Australia and other countries measure industry value added in basic prices, or at factor cost. Consequently, international comparisons can be slightly misleading, as industry value added estimates can have a different valuation basis. (For definitions of basic, producer, and purchaser prices, see the glossary.)

It is important to emphasise that the direct tourism value added valuation is consistent with the value added generated by industries in the NZSNA, as direct tourism value added valuation is also measured in producers' prices.

Tourism products

The tourism product ratio

The tourism product ratio is the proportion of the total supply of a product or service that is consumed by tourists. It provides the means of classifying tourism products as outlined below.

Classifying products sold to tourists

TSAs make a distinction between three categories of products:

- A **tourism-characteristic** product is one that would cease to exist in meaningful quantity, or for which the level of consumption would be significantly reduced, in the absence of tourists. A product is classified as a tourism-characteristic product if at least 25 percent of its production is purchased by tourists.
- A **tourism-related** product is distinct from a tourism-characteristic product in that tourists consume a smaller proportion of the total supply of the product. For a product to be classified as a tourism-related product, tourists must purchase up to 25 percent of its production. However, 'Retail sales – clothing and footwear', which exceeds the 25 percent of production threshold, is categorised alongside fellow tourism-related retail commodities, because the activity undertaken specifically relates to retail.

Note: a tourism-specific product is either a tourism-characteristic product or a tourism-related product.

- A **non-tourism-related** product is a product that is not tourism-specific. It is assumed in the New Zealand TSA that none of these products are purchased by tourists.

A full list of tourism-characteristic and tourism-related products is found in [table 27](#), Appendix 3: Tourism product classification.

The criteria for categorising products are derived from the UNWTO's recommended treatment, while the product classification used is based on the Australian and New Zealand Standard Commodity Classification.

When looking at product classifications, the following points are important to consider:

- The main purpose of making the distinction between categories of products is for presentational and analytical purposes. It allows analysis to be specifically focused on products that make up the majority of tourism expenditure.
- Tourism products are not exclusively consumed by tourists. A non-tourist can consume a tourism-characteristic product. Rather than providing a robust set of products consumed exclusively by tourists, tourism product classifications provide a way of identifying an industry's supply of products consumed by tourists.

Note that constraints on the availability of input data for provisional accounts mean that a regrouping of tourism-characteristic and tourism-related products is necessary. (See [table 27](#), Appendix 3: Tourism product classification.)

Industries producing tourism products

The tourism industry ratio

The tourism industry ratio is the proportion of an industry's output that is consumed by tourists. It provides the means of classifying industries, as outlined below.

Categorising industries producing tourism products

A **tourism-characteristic** industry is one where either:

- at least 25 percent of the industry's output is purchased by tourists, or
- the industry's output includes a tourism-characteristic product. For example, less than 25 percent of the water transport industry's output is consumed by tourists, but its characteristic outputs are water freight transport and water passenger transport. Water passenger transport is a tourism-characteristic product, so the water transport industry is classified as a tourism-characteristic industry, and a direct physical contact occurs between the industry and the tourist buying its products.

Therefore, manufacturing and wholesaling industries are not tourism-characteristic industries.

A **tourism-related** industry is one where:

- the industry is not a tourism-characteristic industry
- between 5 and 25 percent of the industry's output is purchased by tourists
- a direct physical contact occurs between the industry and the tourist buying its products.

Therefore, manufacturing and wholesaling industries are not tourism-related industries.

A **non-tourism-specific** industry is any industry that is not a tourism-characteristic industry or a tourism-related industry. However, a non-tourism-specific industry may still sell some of its products to tourists.

The following points relate to the TSA industry classification:

- The industries are consistent with the published industries within the NZSNA.
- The classification of industries outlined above has no effect on the value of direct tourism value added. This is because direct tourism value added is determined by the scope of total tourism expenditure regardless of the classification of the industry. We identify the tourism-characteristic and tourism-related industries for extra emphasis in this TSA because they are involved significantly in tourism.

Note that constraints on the availability of input data for provisional accounts mean that supply by product and value added are shown only for tourism-characteristic industries and for all other industries.

Value added

Value added is the 'value' that a producer adds to the raw material goods and services and/or transformed goods it purchases in the process of production. This can be shown as:

	Output (produced goods and services)
<i>less</i>	intermediate consumption (purchased goods and services required to produce outputs)
<i>equals</i>	value added.

The value added of a business is less than the value of its output.

Value added has several components:

- compensation of employees – the cost of employing labour used to produce output
- gross operating surplus and gross mixed income – the surplus or deficit accruing from production before taking account of any interest or rent payable on financial or tangible non-produced assets borrowed or rented by the enterprise, any interest or rent receivable on financial or tangible non-produced assets owned by the enterprise, or the depreciation of capital used in production (ie consumption of fixed capital)
- net taxes on production and imports – taxes payable (less subsidies receivable) on goods and services (excluding GST) when they are produced, plus taxes and duties on imports that become payable (less subsidies receivable) when goods enter the country.

Direct tourism value added

Direct tourism value added is the value added by producers from the production of goods and services that are sold directly to tourists. This results in a measure of the contribution of tourism to GDP that is consistent with that measured for other industries in the economy.

These goods and services (products) can be produced through the involvement of a manufacturer and a wholesaler before being supplied to retailers to sell to tourists. During this process, a producer can apply both an amount to recover costs associated with providing the goods or services, and a profit component. This amount can take the form of:

- the margin a retailer applies to selling a product to a tourist
- the margin charged by the wholesaler
- the price received by the manufacturer.

The margin represents the mark-up, or the difference between the value at which goods or services are acquired and the value for which they are sold. For the product to be sold directly to a tourist there needs to be a strong economic link between the tourist and the supplier of the goods or services. This is best represented in the form of a direct or physical contact between the parties, for example a tourist purchasing a souvenir from a retail outlet.

Through selling the souvenir to the tourist, the producer (a retail outlet in this case) will have applied their margin (or 'mark-up') over and above the costs associated with selling this souvenir. It is solely this margin that direct tourism value added is then derived from.

Indirect tourism value added

Indirect tourism value added is generated from the purchase of goods that are subsequently resold to tourists, or the purchase of goods and services used in producing products that are sold directly to tourists. Producers of both these products have no direct relationship with the tourist.

Using the example above, the manufacturer's purchase of raw materials and services used in producing the souvenir, and the margin applied by the wholesaler, represent the components from which indirect tourism value added is derived – for industries that have no direct contact with the tourist.

Relating direct tourism value added and tourism expenditure

It is important to distinguish between two related concepts: total tourism expenditure and direct tourism value added. The two differ in both concept and scope.

Total tourism expenditure comprises output sold to tourists, imported goods directly purchased by tourists, and GST on purchases by tourists. Direct tourism value added equals the value of goods and services produced domestically and consumed by tourists, less the value of purchased goods and services required to produce these goods and services (outputs).

The relationship between these concepts is as follows:

	Total tourism expenditure
<i>less</i>	GST
<i>equals</i>	tourism demand
<i>less</i>	imports sold directly to tourists by retailers
<i>equals</i>	tourism output
<i>less</i>	tourism intermediate consumption (including goods for resale)
<i>equals</i>	direct tourism value added
	Tourism intermediate consumption (including goods for resale)
<i>less</i>	imports used in production of goods and services sold to tourists
<i>equals</i>	indirect tourism value added.

Appendix 2: Methodology

Direct tourism value added

Tourism expenditure and direct tourism value added (or tourism's contribution to gross domestic product (GDP)) are the two major economic aggregates derived in a tourism satellite account (TSA).

Tourism expenditure measures the value of products purchased by visitors, whether before, during, or after travel.

Direct tourism value added measures the value of the output of tourism products by industries, less the value of goods and services used in their production (intermediate consumption). When summed across all industries, it shows the direct value added to the economy by tourism.

Tables 11, 12, 13, and 14 detail the process used to measure direct tourism value added. This involves the following steps:

- Begin with tourism expenditure by type of product (presented in [table 11](#) – and further dissected by type of tourist in [table 12](#)).
- Match tourism expenditure by type of product with the total supply of products in the annual supply and use tables of the New Zealand economy. Derive the tourism product ratio for each product by dividing the value of tourism expenditure by total supply of the product.
- Multiply each industry's supply by product by the tourism product ratio, to calculate tourism supply by industry. [Table 13](#) presents tourism supply for tourism-characteristic industries, all other industries, and imports.
- Divide tourism supply by total output by industry, to give tourism industry ratios – the proportion of each industry's total output that is purchased by tourists.
- Multiply the tourism industry ratios through each industry's production account. Sum the resulting series to obtain total tourism value added. [Table 14](#) presents total tourism value added resulting from tourism-characteristic industries and all other industries.

The same methodology underlies the calculation of direct tourism value added for final and provisional accounts, and is ordered according to the steps above. However, the derivation of inputs into the calculation process and the level at which calculations are performed differ between final and provisional accounts. The main reasons for this are:

- the lack of balanced supply and use results for the provisional accounts limits the level at which expenditure by product can be calculated for business and government travellers
- the same constraints apply to the supply of tourism products. The absence of balanced supply and use accounts means the supply of each product by industry cannot be derived reliably at the same level of detail as in a final account
- the industry production accounts, and therefore industry value added, are provisional and are yet to be balanced within a supply and use framework to derive a final GDP figure.

Differences in deriving input data for final and provisional accounts are outlined in the following sections.

Calculating tourism expenditure

Table 12 presents tourism expenditure by type of product and by type of tourist: international (international visitors and international students); household; and business and government. We describe below how we calculate expenditure by the three types of tourist.

International tourism expenditure

International tourism expenditure comprises both international visitors' and international students' expenditure.

Final accounts

Expenditure by international tourists in New Zealand is derived from the International Visitor Survey (IVS) published by the Ministry of Business, Innovation and Employment (MBIE).

The IVS is a sample survey of approximately 8,900 international visitors to New Zealand aged 15 years or older per year, excluding individuals whose purpose of visiting New Zealand was to attend a recognised educational institute, and are foreign-fee paying students.

The IVS draws its visitor sample based on measures of the actual number of target population visitors who departed New Zealand from our international airports over the survey time period in the previous year. Using actual historical visitor departure information, time periods are randomly selected with the probability of being selected based on the number of flights during that period – periods with no flights will have no probability of being selected, while those with a high number of flights have a high probability. For Auckland, Wellington, and Queenstown airports, two-hour time periods are used, while for Christchurch airport it is a four-hour time period.

The IVS uses a two-part collection process. The first part involves screening departing visitors during the selected time periods for eligibility and collecting email addresses. The second part, where the bulk of the information is captured, is via an online survey, a link to which is sent to those eligible and agreeing to participate.

Each respondent within the sample is weighted to represent their fraction of the total number of all international visitors departing New Zealand using migration data within the survey's target population. Survey response weights are adjusted to reflect the unequal probabilities of respondent selection from the composition of the target population, and known discrepancies between the sample and the population definitions.

The IVS data is supplemented with breakdowns from balanced supply and use accounts, consumers price index (CPI) weightings, and tourism producers' own data. In some instances, tourism producers can provide estimates of the proportions of their output consumed by international visitors.

Broad-level valuations of international visitors' expenditure in New Zealand are derived from transportation and travel services items in the balance of payments (BoP). IVS data is a major source for BoP statistics, but several supplementary sources are also used. TSA totals exclude people who are visiting New Zealand specifically to obtain medical treatment (an adjustment needed because of a conceptual difference between TSA and BoP statistics). Small revisions have been made to the source data in some years. We break down these totals into tourism products, using proportions from balanced supply and use accounts. We compare these splits with other data sources, and refine the totals where additional information is available.

Provisional accounts

The same basic data source, the IVS, is also used in the provisional accounts. However, in the absence of supply and use tables, the IVS is not broken down to the same level of product detail found in final accounts. We use the breakdown for the latest final account to derive the initial product breakdown for the provisional years. This initial product breakdown is subsequently refined during the balancing process (covered in more detail later in this appendix – see [Balancing tourism expenditure and tourism production](#)).

International Visitor Survey review 2018

Following the Stats NZ review of MBIE's IVS in July 2018 ([International Visitor Survey review 2018](#)), changes were recommended for the IVS methodology. Two recommendations were introduced from the March 2018 quarter: to improve the sample allocation, and to reset the outlier detection level.

We will assess the need for revisions to the IVS after these and other recommended improvements have been made when their combined effect is evident. Revisions would be incorporated into *Tourism satellite account: 2019*.

Cruise ship expenditure by international visitors

We have revised cruise expenditure estimates in *Tourism satellite account: 2018* reflecting the combined impact of revised traveller by port statistics, changes to existing expenditure sources, and the incorporation of additional data providers. Further refinements to the compilation of cruise ship expenditure estimates are expected in *Tourism satellite account: 2019*.

Background

Historically, New Zealand's international visitor expenditure measurement and macro-economic outputs, including the TSA, have not captured the full value of expenditure undertaken by cruise travellers.

This was due to the IVS being limited to airport departures therefore only those cruise travellers who completed their cruise in New Zealand before flying out were within scope. Consequently, this did not account for the significant and growing number of cruise travellers who fly in and cruise out, and cruise in and cruise out of New Zealand.

Stats NZ and MBIE enhanced the New Zealand Cruise Association's (NZCA) method for calculating expenditure undertaken by cruise travellers and sourced additional administrative data.

The key data sources that enabled this development are:

- cruise ship schedules
- cruise ship manifests of passenger and crew
- key firms involved in the provision of goods and services to ships
- key firms involved in the provision of shore excursions
- international card transaction data.

How we calculate cruise ship expenditure by international visitors

Data sources

For each cruise season, NZCA provides us with a ship schedule outlining the dates and port locations together with arrival and departure timings relating to each specific cruise ship visit. We source cruise ship manifests containing the count and details of passengers and crew from the New Zealand Customs Service. We receive international card transaction data with Paymark merchants (subsequently scaled to the full population of merchants) from Marketview Ltd, with date, time, country of card issue, location (territorial authority), transaction value, and industry identifiers. We source cash factors from the IVS to provide a comprehensive estimate of expenditure across key payment mediums.

Linking data

Using card transaction data, we link international-cardholding cruise travellers who make a transaction on two dates and at two territorial authorities with a particular cruise ship voyage. We

take into account timing parameters to ensure transactions occur within the timing the ship is in port, as well as factoring in allowances for disembarking and embarking.

Using information from shore excursion operators and regional tourism organisations about available tourism activities, we establish a geographic location around each port that a cruise visitor could be expected to travel and spend. We get additional information from shore excursion operators regarding overland tours (disembarking at one port before re-joining at another) to ensure dates, timings, and geographic locations for capturing associated shore-based card expenditure.

Exclusions and scaling

We then apply exclusions to matches based on the particular industry spent in and the use of the card outside of the geographic locations aligned with the ship schedule. The resultant dataset is scaled up by Marketview Ltd to represent the full population of merchants in New Zealand and provided to Stats NZ.

Unique international passenger (excluding New Zealand passport holders) and actual crew counts by nationality (passport) as determined by Stats NZ are used to scale the determined card spend. Cash factors are applied reflecting the propensity and breakdown of key nationalities card to cash use.

Output

The resultant output is produced by quarter, by country of origin and by port. It is subsequently added to the following data sources:

- shipping agents – expenditure related to ship visits logistics, including port fees, customs security, and minor repairs and utilities
- bunkering – the provision of marine fuels
- providoring – the provision of produce and other supplies
- shore excursions – a range of tours or activities organised for passengers on behalf of the cruise line and the destination.

These data sources are provided directly from a number of firms involved on an annual basis.

Note: airfares for international passengers and crew are excluded as is cruise ship expenditure by domestic travellers. The domestic cruise expenditure is recorded within existing domestic tourism estimates but is not currently separately identifiable.

The combination of these data sources enables comprehensive cruise ship expenditure estimates to be derived for the years ended June 2015–18 only. Data prior to 2015 is not available due to the limitations of some key data inputs. No modelling is undertaken to determine estimates prior to 2015.

Tourism expenditure by international students

International students are defined as those studying in New Zealand for less than 12 months. *Tourism satellite account: 2018* incorporates updated living costs ratios (from 2013) and changes to export education levy data used to derive international student expenditure. This includes changes to student numbers across the time series used to derive tourism expenditure by international students.

Tourism expenditure by international students is calculated using the following steps:

- Obtain total international student numbers from the Ministry of Education.

- Derive the number of international students studying in New Zealand for less than 12 months as a proportion of total student numbers, by using the number of short-term passenger arrivals visiting New Zealand for education purposes.
- Calculate expenditure on tuition fees using the Ministry of Education’s Export Education Levy data (inclusive of GST), a census of international students studying in New Zealand. It includes average tuition fees for students studying at schools, tertiary education institutes, and private tertiary establishments (such as English language schools).
- Calculate expenditure on living costs (including accommodation costs) consistent with how it is calculated by BoP. This involves taking average tuition fee data and applying predetermined living cost multipliers for each type of student.
- Calculate expenditure on airfares by short-term students by multiplying the number of students in New Zealand for less than 12 months as a proportion of total international arrivals, by the total airfare income of resident airlines (from BoP).
- Sum expenditure on tuition fees, living costs, and airfares, to obtain the total tourism expenditure by international students in New Zealand for less than 12 months.

Household tourism expenditure

Household tourism expenditure, shown as household demand in table 12, consists of four components:

1. Household domestic travel expenditure
2. Outbound travel purchased from New Zealand-resident firms
3. Off-trip purchases of tourism-specific consumer durable goods
4. Imputed rental on holiday homes.

1. Household domestic travel expenditure

Tourism satellite account: 2018 uses an administrative data source based on electronic card transaction data to collect and determine household domestic travel expenditure. The Household Tourism Expenditure Estimates (HTEE), developed by Stats NZ and funded by MBIE, cover the years ended March 2009–18. Prior to the year ended March 2009, we used data from the Domestic Travel Survey (DTS) undertaken by MBIE. The DTS collected the expenditure and behaviours of domestic travellers within New Zealand.

The DTS data collection began in 1999, with data available as both quarterly and annual series through to its cessation in 2013. The DTS data provided information on the nature of domestic travel activity, including the origin and destination of domestic travellers. MBIE categorised the data by purpose of travel, expenditure type, and length of trip (either day trip or overnight trip). The four travel purposes were: holiday, visiting friends and relatives, business, and other. The eight expenditure categories were: transport, accommodation, food, alcohol, gifts and souvenirs, recreation, other shopping, and gambling. DTS expenditure was available by purpose of travel, expenditure category, and length of trip.

We then supplemented the DTS with additional household tourism expenditure for outbound travel, off-trip purchases, and imputed rental on holiday homes – using a mix of sources and methods, as outlined in the following sections.

In the year ended March 2014, the DTS was replaced by a developmental version of the HTEE, which was further developed and fully integrated into *Tourism satellite account: 2015*. We have made additional refinements to these estimates for *Tourism satellite account: 2018*. The HTEE use

geographic information to determine tourism spending in New Zealand by New Zealanders and is available from the year ending March 2009. The DTS is used in determining prior year estimates.

HTEE source data

Electronic card transaction data is provided to us by Marketview Ltd, who acquires this from two main sources:

- Paymark – the largest electronic card payment network in New Zealand
- Bank of New Zealand (BNZ) – spending by BNZ cardholders, which excludes any personal identifiers. We call this depersonalised spending.

Paymark data

Data is derived from all transactions made at merchants on the Paymark network. Approximately 70 percent of New Zealand retailers use the Paymark network. The dataset includes all eftpos and credit card transactions made at these retailers. There is no link to the person making the transaction, but transactions are linked to merchants. The Paymark dataset excludes 'cash-out' transactions.

From this data a complete valuation of New Zealanders' spending can be generated, comprising:

- day of the week and time of the day
- where in New Zealand the transaction occurred
- ANZSIC06 (2006 Australian and New Zealand Standard Industry Classification) storetype
- domestic or internationally issued card.

BNZ data

The BNZ dataset is based on the depersonalised eftpos (debit card) and credit card spending of approximately 600,000 BNZ cardholders (15 years +) in the New Zealand retail market. BNZ has approximately a 20 percent share of the cards market, meaning BNZ cardholders account for approximately 1 in 5 retail transactions. These cardholders are representative of the national population. The dataset includes spending at Paymark and non-Paymark retailers. It excludes 'cash out' transactions and bank transfers.

Through the BNZ dataset, Marketview receives a view of spending at virtually all merchants in New Zealand that receive electronic card spending, regardless of whether the merchant uses the Paymark network or not. They can identify where in New Zealand the transaction occurred and whether the transaction was conducted at a physical store or online.

Sample management

To ensure the BNZ cardholder base is both geographically and demographically distributed in line with the New Zealand population, a weighting is applied by Marketview.

While BNZ cardholders are distributed throughout New Zealand, small variations exist down to an area unit/customer age level. This weighting was calculated by determining the distribution of cardholders and comparing this to the distribution of the overall population.

Marketview uses Stats NZ's area unit population estimates as the basis for the national population. This enables the distribution to change over time, as each year of the data was compared with a different population estimate. For example, Marketview data from 2018 is weighted according to the 2017 population estimates. This ensures significant population changes – such as after the Canterbury earthquakes, or new subdivisions opening – are accounted for in the dataset.

The weighting factor is applied to the dataset by age (in five-year bands starting at 15–19), by census area unit, and by month. This weighting ensures the distribution of BNZ cardholders matches the distribution of the national population, by age, location, and over time. Weighting by age and location ensures management of any bias in the sample, as income and wealth typically increase with age, and wealth can correlate with where a person lives.

Combining data sources

By combining Paymark and BNZ data, Marketview produces a dataset that accurately quantifies:

- the value of spending of each transaction
- the source and origin of those payments, eg business vs personal, domestic vs international tourist
- where in New Zealand the cardholder lives (the area unit the card resides in)
- where each transaction took place, eg physical store vs online, Auckland vs Invercargill
- the industry category of the merchants, as defined by ANZSIC06 codes
- the time and day of the purchase.

Defining household tourism expenditure

Household tourism expenditure is defined as expenditure that occurs outside a 40km radius of the meshblock in which the cardholder's address is located, and aligns with industries defined as tourism industries. The 40km reflects the New Zealand definition of travel outside one's usual environment. Tourism industries encompass both characteristic and related industry data along with selected non-tourism industries.

Marketview applies this 40km radius to the combined Paymark and BNZ dataset to determine the HTEE. Exceptions are made where regular behavioural spending patterns show a person's usual environment extends to an area outside the 40km radius, such as commuters. This is removed from the HTEE.

Additional data on internet transactions is collected specifically for selected tourism industries that require travel to consume a purchased good. For example, internet expenditure on accommodation and air passenger transport is collected.

Scaling household tourism expenditure data to total economy

As electronic card data reflects only one aspect of household tourism expenditure across the New Zealand economy, Marketview upscales their dataset by adding in a factor for cash and other payment methods. This is calculated as the difference between electronic card spending and total economy spending based on ANZSIC06 industry information supplied from our Annual Enterprise Survey (AES).

For example, Marketview may record the total value of electronic card spending in ANZSIC06 industry G4110 at \$100 for the year, with 10 percent being tourism (\$10). The total industry value of G4110 as calculated from the AES was \$120. The Marketview card value is thus upscaled by a multiple of 1.2, yielding a total market value of \$120, consistent with the AES. The tourism component is still 10 percent, hence tourism spending for that year is calculated at \$12.

The assumption used is that consumer and business spending on cash versus card on tourism and non-tourism related trips are equal.

The HTEE dataset

The HTEE dataset provided by Marketview covers the years 2009–18. At the time of compilation, AES data was available to the 2017 financial year. To produce the HTEE through to 2018, Marketview estimated the value of each industry in the 2018 provisional year by applying movements for each industry from additional Stats NZ data sources, including GST data, to the 2017 AES data.

For example, Marketview took annual movements in spending for ANZSIC06 industry G4110 from the Retail Trade Survey. They applied this to the 2017 AES data to determine a 2018 provisional estimate. They estimated other industries from data indicators sourced from Stats NZ.

Marketview will update the provisional year estimate as AES data becomes available and indicator data is revised as part of the annual publication cycle of the TSA.

Turning industry-based HTEE into tourism products

The HTEE industry dataset is then broken down into tourism-defined products using annual supply-use commodity proportions and retail industries sales data. For validation purposes it is then confronted against household consumption expenditure commodity data net of overseas visitor expenditure and New Zealanders' travel expenditure abroad. This isolates New Zealanders' spending within New Zealand, allowing for a comparison on an equivalent expenditure basis with the HTEE.

Additional household tourism expenditure

While the HTEE dataset provided by Marketview captures most household tourism expenditure, the TSA supplements the HTEE product breakdowns with its own product expenditure estimates. These include some off-trip purchases of tourism-specific consumer durable goods and imputed rental on holiday homes.

Both the HTEE and additional Stats NZ tourism product data then provide the initial expenditure levels to feed into the balancing process. These levels can be subsequently modified where necessary (the balancing process is covered in more detail later in this appendix – see [Balancing tourism expenditure and tourism production](#)).

2. Outbound travel purchased from New Zealand-resident firms

All years

Household tourism expenditure in the TSA includes expenditure on overseas travel, where New Zealanders purchase New Zealand-produced goods and services. This expenditure includes fares paid to resident air carriers for flying a household tourist overseas, commissions paid to resident travel agents for booking household outbound travel, pre-paid travel insurance, and vaccinations needed by household outbound tourists. We estimate this expenditure from sources including the HTEE and company data.

3. Off-trip purchases of tourism-specific consumer durable goods

All years

Off-trip expenditure by households on tourism-specific consumer durables (such as tents and sleeping bags) is included in household tourism expenditure. These off-trip purchases are based on data sourced from the HES together with supply-side product data and are added to the on-trip purchases of these goods. Off-trip tourism expenditure is defined in [Tourism expenditure](#) in Appendix 1: Conceptual framework. Read more about consumer durables in the TSA in the [Special treatments](#) section later in this appendix.

4. Imputed rental on holiday homes

All years

The TSA includes an imputed rental on dwellings owned by households that are used as holiday homes. We calculate the total number of holiday homes using data from the Census of Population and Dwellings and an annual volume change indicator. We calculate annually an average weekly imputed rental price derived from national accounts imputed rental data. We multiply this price by the number of weeks in the year to give an annual imputed rental price. We then multiply the number of holiday homes by the annual imputed rental price to give the total imputed rental value.

Business and government travel expenditure

Final accounts

Business and government travel expenditure is drawn from intermediate consumption of industry data in the balanced supply and use accounts. We calculate it by applying product ratios reflecting travel expenses to total intermediate consumption for each of business and government from the latest final account. This provides the initial product breakdown, which we subsequently modify during the balancing process (covered in more detail later in this appendix – see [Balancing tourism expenditure and tourism production](#)).

Provisional accounts

In the absence of balanced supply and use accounts, we first derive intermediate consumption by applying a variety of data sources, including the Annual Enterprise Survey, GST purchases, and annual report data to the latest final account year. Each year is then subsequently derived from the previous year's totals by applying key data source movements. We then apply the product ratio reflecting travel expenses to the derived total intermediate consumption for each of business and government. This provides the initial product breakdown, which we subsequently modify during the balancing process.

Production of tourism goods and services

Final accounts

Analysing the production of tourism-characteristic and tourism-related products starts with the production accounts by industry that underlie the supply and use table. Within the balanced supply and use accounts, we break down each industry's output and intermediate consumption into products. Final demand categories such as household consumption expenditure and exports are also broken down by product. For the TSA, we rearrange output product data from balanced supply and use tables to focus on tourism-characteristic and tourism-related products. We arrange total sales by each industry into tourism-characteristic, tourism-related, and non-tourism-related products.

Provisional accounts

Constraints on the availability of data for provisional accounts (no balanced supply and use results available) mean that supply by product is shown only for tourism-characteristic industries and for all other industries. Without balanced supply and use accounts, we derive total output by industry using a variety of indicators, including GST sales, the Retail Trade Survey, the Annual Enterprise Survey, the Accommodation Survey, and annual reports. We break down this output into the supply of tourism products by using the latest final account breakdown of output by product and industry. This provides the initial product breakdown, which we subsequently modify during the balancing process (covered in more detail in [Balancing tourism expenditure and tourism production](#)).

Balancing tourism expenditure and tourism production

Final accounts

Supply and use balancing is an established and integral process when compiling the national accounts. It is used “for checking the consistency of statistics on flows of goods and services obtained from quite different kinds of statistical sources” (Inter-Secretariat Working Group on National Accounts, 2008). The supply and use balancing process rigorously examines diverse data sources, reconciling them in a framework that reduces the error margins implicit in the individual data sources.

The supply and use approach provides the best framework to bring the demand and supply sides of the economy into balance. The usual process is to confront supply and demand by product, and perform adjustments so that the value of the supply of each product is equal to the value used. We make adjustments to either supply or demand, depending on the relative strength of each data source. In doing so, the potential for errors that may result from using a single data source, either supply- or demand-based, is reduced. We also performed similar checking of supply and use by product, which underlies Stats NZ’s annual supply and use models.

The TSA begins with the balanced supply and use tables, so we balance all products in terms of their total supply and total use. We break down these ‘product accounts’ further into their tourism and non-tourism components. The resulting tourism supply and tourism use may no longer be balanced because of the methodology used to make this split. We then use the same type of data confrontation as used in supply and use balancing to ensure that tourism supply is equal to tourism use.

A typical example of how this process is undertaken follows:

1. Compare the total supply of tourism-characteristic and tourism-related products with the total direct tourism demand and non-tourism demand for these products. This comparison identifies areas where the tourism product ratio is unexpected or obviously incorrect. Note that GST is deducted from tourism expenditure for this comparison – so production for and expenditure on tourism products are both valued in producers’ prices.
2. Re-examine the methodology used, checking for errors, conceptual inconsistencies, and methodological problems.
3. Compare the strength of the respective supply- and demand-side data sources, identifying areas where particular strengths and weaknesses lie. Typically, the strengths are in the supply-side industry and product data, and the total demand by type of tourist data. Demand for individual products is often considered to be of weaker quality.

The focus is to strengthen the breakdown of total tourism expenditure types into products. The first step is to look for any extra data sources to provide indications of what these should be. Where possible, we incorporate changes. In areas where no data is available, we make iterative changes to these products, keeping particular areas of confidence ‘locked’. We continue this process until the ratios for each product come into line with expectations. The outcome of the balancing process is a strengthened analysis and a complete set of tourism product ratios – that is, the proportion of the supply of products that make up tourism demand. The tourism industry ratios, and thus tourism value added, are derived from these.

Provisional accounts

The same checking of supply and use by product that underlies the annual supply and use analysis is performed in the provisional accounts. However, due to data constraints, the process is at a more aggregated product level. Furthermore, the relative strengths of supply and use data sources are quite different between provisional and final accounts.

Calculating direct tourism value added

Derivation of the tourism product ratio

Tourism consumption for each product is divided by total supply to give the tourism product ratio. This ratio measures the proportion of a product's output that is used by tourists.

Derivation of tourism supply and the tourism industry ratio

Calculation of tourism supply and the tourism industry ratio for each industry is an important intermediate step in deriving direct tourism value added and employment.

To derive tourism supply by product by industry, we apply the tourism product ratio (from [table 12](#)) to the supply of that product by each industry. We then calculate total tourism supply by each industry by summing tourism supply for all products.

For example, we applied the tourism product ratio for accommodation services to the output of all industries supplying this product. This gave tourism supply of accommodation services by each industry. We then divided tourism supply by each industry by total industry output, to give the tourism industry ratio. It is worth noting that although the accommodation industry is the dominant supplier of accommodation services it is not the sole supplier, as other industries can also supply this product.

While calculating the tourism industry ratio and tourism supply by industry is an important step in deriving direct tourism value added, neither is shown in provisional years as these values are themselves derived from the gross output of each industry. [Table 13](#) shows total supply and tourism supply by product for tourism-characteristic and all other industries.

Derivation of direct tourism value added

The tourism industry ratio is applied to the production account for each industry to obtain direct tourism value added.

Production accounts by industry are not available for provisional years. Therefore, before we can calculate tourism value added, we derive provisional production accounts for each industry. We use data from a variety of sources, including GST sales and purchases, annual reports, and the Annual Enterprise Survey, to break down the latest published total value added to give value added by industry.

Final TSA account tables present full production accounts, as well as tourism production accounts by industry. Direct tourism value added in provisional TSA accounts is split by tourism-characteristic and all other industries. This reflects the less detailed nature of total value added by industry in years in which tourism value added is derived as a subset.

We make a major assumption relating to the use of the tourism product ratio and the tourism industry ratios in compiling the TSA. The industry technology assumption is that the input requirements of tourism and non-tourism products are identical for an industry. That is, if 50 percent of the output of an industry is goods and services sold to tourists, then 50 percent of its inputs are used to produce those goods and services. This is likely to be a more valid assumption for an industry that makes a range of products that are very similar, requiring similar inputs. However, in some instances the assumption is likely to be less valid; for example where an industry has a low degree of tourism specialisation, and a diverse range of products are produced.

An alternate assumption is to relate specific inputs to outputs – that is, a product technology assumption. However, this approach is not easily implemented due to the lack of sufficiently detailed product data. Industry data, on the other hand, is far more readily available. Both the industry and product technology assumptions are sanctioned by the UNWTO.

Direct tourism employment

Direct tourism employment (see [table 17](#)) is derived by applying tourism industry ratios to the number of people employed in each industry. This approach produces a value for the number of people in each industry as a result of tourism.

In *Tourism satellite account: 2018*, employment numbers come from Linked Employer-Employee Data (LEED) annual statistics by each industry. Employment and tourism employment are presented by the number of people employed, for both employees and working proprietors, with a series available from 2000.

LEED data is based on administrative tax data, where the number of hours worked is not available, so we cannot provide a full-time and part-time split. Further discussion about LEED is covered in the tourism [employment source data](#) section later in this appendix.

Tourism industry profitability

Tourism gross operating surplus and gross mixed income as a percentage of total tourism output is one measure of tourism profitability. It reflects national accounting rather than commercial concepts. Gross operating surplus and gross mixed income is before interest and depreciation.

Indirect effects of tourism

Indirect imports and tourism value added

As described in appendix 1 (see [Relating direct tourism value added and tourism expenditure](#)), the basis of a TSA's measure of indirect tourism value added (or tourism's indirect contribution to GDP) is:

	Total tourism expenditure
<i>less</i>	GST
<i>equals</i>	tourism demand
<i>less</i>	imports sold directly to tourists by retailers
<i>equals</i>	tourism output
<i>less</i>	tourism intermediate consumption (inclusive of goods for resale)
<i>equals</i>	direct tourism value added
	Tourism intermediate consumption (inclusive of goods for resale)
<i>less</i>	imports used in production of goods and services sold to tourists
<i>equals</i>	indirect tourism value added.

We discuss below the derivation of imports used in producing goods and services sold to tourists and indirect tourism value added.

Imports used in production of goods and services sold to tourists

Indirect tourism imports represent imported products not sold directly to tourists, but used in producing tourism supply.

We calculate the value of imports used in producing products sold to tourists using the table of cumulated import coefficients of industries, and categories of final demand, from 2013 input-output tables. This is the most recent cumulated import coefficients table available and the application of these latest tables has been incorporated in *Tourism satellite account: 2018*. It may be updated when the relevant tables from more recent years become available. The cumulated imports coefficients table shows how many units of imports are required for an industry to produce a unit of output.

Tourism supply by industry is derived as part of the direct tourism value added calculation. Multiplying this supply by the relevant import coefficients by industry produces the value of imports used in producing goods and services sold to tourists.

Indirect tourism value added

Indirect tourism value added may be calculated directly by using the supply and use framework, or derived indirectly as a residual item. The indirect method calculates total tourism expenditure (excluding GST), then subtracts direct tourism value added, imports sold directly to tourists by retailers, and imports used in the production of goods and services that are sold to tourists.

Final accounts

Indirect tourism value added is calculated directly using the table of industry-by-industry total requirements of 2013 input-output tables – the most recent total requirements table available. The application of these latest tables has been incorporated in *Tourism satellite account: 2018*.

Provisional accounts

Indirect tourism value added is derived using the subtraction method, after first deriving imports used in production of goods and services sold to tourists. The advantage of this method is that it is simpler, does not require multiple iterations, and industry total value added is a less critical input.

Indirect tourism employment

The number of people employed indirectly in tourism is presented in [table 7](#).

Final accounts

Indirect tourism employment takes, as its starting point, indirect tourism value added by industry. We calculate the ratio of indirect tourism value added to value added, and multiply it by employment by industry, to give indirect tourism employment. We sum these industry estimates to calculate the number of people employed indirectly in tourism.

Provisional accounts

For provisional years, neither direct tourism value added nor indirect tourism value added is available by industry in the New Zealand System of National Accounts (NZSNA). Therefore, we calculate the ratio of indirect tourism value added to value added, by industry, from the latest final year. We multiply this by employment by industry, to give the number of people employed indirectly in tourism.

Supply and use framework

Final accounts

The TSA is a rearrangement of the NZSNA. More specifically, we derive the tables for final accounts from the annual supply and use analyses of the New Zealand economy. Supply and use analyses are both a statistical and economic representation of the economy, broken down by industry, product, primary input category (for example, compensation of employees, consumption of fixed capital), and final demand category (such as household consumption expenditure and exports). By adopting the supply and use framework, a tourism industry can be presented in the same way as those for the agriculture and manufacturing industries are presented. It is then possible for tourism to be compared with other industries and with total national accounts aggregates, such as GDP.

Additionally, by compiling the TSA within a supply and use framework, we can produce derived tables that allow further analyses. For example, an impact analysis can be completed, which allows the user to trace the direct and indirect impact of tourism expenditure on the economy. This shows the flow-on effects of tourism, as expenditure on tourism products first affects industries that directly supply tourists, and then industries that provide indirect inputs to the industries supplying tourists.

The supply and use structure also allows economic data on tourism to be easily linked to non-financial data such as employment. Balanced supply and use accounts provide detail, at the product level, of both the structure of industry output (supply), and the demand for these products by business and final demand categories (eg household spending). They are the starting point from which a TSA is derived.

Provisional accounts

Balanced supply and use accounts are not yet available for provisional years. Only total economy-wide value added has been published for these years. Therefore, we calculate aggregated supply of products sold to tourists by industry. This involves:

- deriving the output of each industry (as outlined earlier in this appendix)
- breaking down total output into supply of each tourism product, using the industry output breakdown from the latest available supply and use analysis. This provides the initial product breakdown, which we subsequently modify during the balancing process
- calculating value added by industry within the constraint of published total value added.

The absence of balanced supply and use accounts results in less robust estimates of tourism value added for these later years.

Employment source data

Linked Employer-Employee Data (LEED)

LEED uses existing administrative data from the Inland Revenue taxation system and business data from Stats NZ's Business Register (BR). LEED provides statistics on a variety of job measurements including the number of people employed, number of filled jobs, job flows, worker flows, mean and median earnings for continuing jobs and new hires, and total earnings. This information gives an insight into the operation of New Zealand's labour market on both a quarterly and annual basis from national, regional, and territorial authority perspectives.

The LEED annual statistics cover all individuals ('employees') who either receive income from which tax is deducted at source, or from self-employment. In LEED, the employer is the geographical unit or physical location of the business rather than the administrative reporting unit. For example, a nationwide retail chain may have one Inland Revenue reporting unit covering all of its retail branches. In LEED, each branch is considered to be a distinct employer.

For inclusion in LEED annual statistics, a person must:

- be aged 15 years and over at the start of the tax year
- have received non-zero income with tax deducted at source through the Employer Monthly Schedule (EMS) system, or self-employment income in the reference period.

All income measures are before tax.

The tourism satellite account uses the LEED annual Table 1.5: Main earnings source, by industry (ANZSIC06) measure, which allocates a person to the industry where they have generated the most earnings from in the tax year.

For more information about LEED employment, refer to [Linked Employer-Employee Data \(LEED\)](#).

Employment and tourism employment estimates for 2018

Employment and tourism employment are presented by the number of people employed, for both employees and working proprietors, with a series available from 2000. As LEED annual statistics are only available up until 2017 at the time of publication, *Tourism satellite account: 2018* provides aggregated total estimates for the year 2018. We will update these estimates as LEED becomes available as part of the annual publication cycle of the tourism satellite account.

These are derived for both employees and working proprietors using differing employment data sources.

- Employee estimates for 2018 are derived using a more timely, summary source of EMS data. This data is currently used as an experimental series and business size indicator for the BR. For the purposes of the TSA, the annual March month movements are then applied to 2017 employee industry data.
- Working proprietor estimates for 2018 are derived by applying the year ended March (quarterly mean) annual Household Labour Force Survey (HLFS) industry movements to 2017 LEED working proprietor industry data.

Tourism employment LEED examples

The following tourism industry examples illustrate how to use the LEED-based 'number of people employed in tourism' measure. Examples of how employment would be measured from a LEED filled-jobs measure perspective are provided for comparison.

1. Chloe holds three part-time jobs in Queenstown – at a tourist attraction, in a restaurant, and at an accommodation provider. During the year Chloe's highest earnings were generated from the restaurant, therefore she would be assigned to the food and beverage services industry.
Under the LEED-based measures this equates to:
 - number of people employed = 1
 - number of filled jobs = 3.
2. Malcolm holds a full-time job in summer in Ohakune working at an outdoor equipment retail store. In winter, he works full time at the cafés on the ski field. Over the year Malcolm generated more earnings from the retail store than his café work, therefore he would be assigned to the retail trade industry.
Under the LEED-based measures this equates to:
 - number of people employed = 1
 - number of filled jobs = 2.
3. Michael is an owner-operator running two seasonal businesses in Nelson – one sightseeing, and the other fishing tours. As a working proprietor, Michael has a unique ID number and the businesses he runs will also have their own separate ID number. The same rule for jobs data can be applied to working proprietors, where the link between the person and geographic business location is the key relationship.

For Michael's two seasonal businesses, the data is recorded as:

Name of business	Owner ID number	Business ID number
Michael's first seasonal business	12345	98765
Michael's second seasonal business	12345	87654

Most of Michael's self-employed income was generated from his first seasonal business, therefore he would be allocated to that business's industry. Under the LEED-based measures this equates to:

- number of people employed = 1
- number of filled jobs = 2.

4. Gemma and Richie live together in Christchurch on the understanding that Gemma is the breadwinner and Richie is the homemaker. Gemma operates her own small business selling tourist souvenirs during the week, while on the weekends she works for the local holiday park. Richie helps at the holiday park in the month of February – his only employment for the year. Gemma’s highest earnings were generated from her retail business, therefore she would be allocated to the retail trade industry. Richie’s employment would be allocated to the accommodation industry. Under the LEED-based measures this equates to:
- number of people employed = 2 (1 Gemma and 1 Richie)
 - number of filled jobs = 3 (2 Gemma and 1 Richie).

Special treatments

This section details areas in TSA methodology that receive special treatment.

Treatment of the margin

In the national accounts, purchases of retail goods can effectively be split into three components:

- the margin (or ‘mark-up’) of the retailer selling the product
- the margin charged by the wholesaler
- the price received by the manufacturer.

The treatment adopted in the TSA is illustrated in the following example.

A tourist purchases a jersey for \$100, comprising a \$10 mark-up from the retailer (who has direct contact with the tourist), a \$15 margin from the wholesaler, and \$75 charged by the manufacturer. The breakdown is as follows:

- The full purchase price of the jersey (\$100) is recorded as total tourism expenditure.
- The margin (or mark-up) by the retailer selling the jersey to the tourist is the retail output (\$10) from which direct tourism value added is then derived.
- The remaining \$90 is the price received by the manufacturer (\$75) and the margin charged by the wholesaler (\$15). Neither of these has direct contact with the tourist and is the output from which indirect value added is derived.

Consumer durables

Two types of expenditure on consumer durables are included in tourism expenditure in a TSA, consistent with UNWTO recommendations:

- Conceptually, all consumer durables acquired on a trip are included in tourism demand. This includes the purchase of high-value consumer durables during a trip, such as motor vehicles, even though the primary purpose may not be for tourism use. The estimate of purchases of motor vehicles by households while on trips is related to the proportion of New Zealanders living in rural areas. This is based on the assumption that rural residents will travel outside their [usual environment](#) (defined in Appendix 1) to purchase a motor vehicle. It is recognised that the usual environment for a rural New Zealander may well include urban areas that fall outside the strict TSA definition of ‘usual environment’. While the measurement attempts to take this into consideration, there is little hard data with which to refine it. As a result, these estimates may be revisited in the future.
- Off-trip purchases of a specific range of consumer durables with very high tourism use are included. For example, luggage and tents are acquired primarily for tourism purposes, so are

always considered tourism expenditure. TSAs have a defined set of consumer durables with very high tourism use, based on a list developed by the OECD that is supplemented with consumer durables having high tourism use in New Zealand. (See [Appendix 3: Tourism product classification](#) for items included as tourism consumer durables.)

Holiday homes

An imputed rental on owner-occupied dwellings is calculated in the national accounts. This is to avoid distortions over time resulting from changes in the number of people renting rather than owning homes (otherwise, an increase in the number of people renting homes would increase GDP). This imputed rental is applied to both first and second homes (which includes holiday homes).

Although a holiday home may not be in full-time use, we assume it is available to be used all year, and therefore allocate the rental from owning the holiday home to tourism expenditure.

For a TSA, we assume demand for holiday homes to come solely from domestic recreational tourists, due to a lack of data on the origin of holiday homes. We set total supply of holiday homes equal to the total imputed holiday home rental (and therefore total demand) of domestic household tourists, as holiday home supply is provided solely for the purposes of tourism.

Package tours

TSAs apply the net approach to recording package tour expenditure, where the organiser's margin for arranging the tour is recorded as the sole output, while the components of the tour are treated as being purchased directly by the tourist.

For example, a travel agent sells a package tour to a tourist. The travel agent (organiser) records a margin from the sale of the package tour. The expenditure on each of the components of the tour is captured under the respective industry's output.

Travel agency services

Travel agents obtain their income in two major ways. Firstly, they earn income by buying travel products (generally at a bulk discount) and selling them to travellers, thereby earning a margin. Secondly, an agent may book a traveller's fare or accommodation with the service provider, and receive commission from the service provider (on behalf of the traveller). TSAs use special treatments for each of these means of generating income:

- Where travel agents have sold travel to travellers, we record travellers as having bought travel (from the travel provider) and travel agency services (the travel agent's margin).
- Where travel agents have received commissions, we assume providers to have purchased travel agency services on behalf of the tourist. This means that these travel agency services are included in direct tourism demand and therefore contribute to direct tourism value added. Consequently, business travel expenditure includes a high level of demand for travel agency services.

Non-market output services consumed by tourists

The New Zealand TSA does not include an imputation for providing individual non-market tourism services in total tourism consumption. These services include information centres, museums, and libraries, and any other services that tourists use without having to pay for them, such as national parks. This is a recommended inclusion in UNWTO TSA methodology.

To implement the UNWTO recommendation requires:

- a very detailed functional breakdown of the expenditure of government and non-profit institutions, that is, separately identifying those entities which provide 'individualised' services
- splitting this expenditure between tourist and non-tourist consumption.

Identifying individualised and collective non-market consumption is a recommendation from *System of national accounts 2008* (Inter-Secretariat Working Group on National Accounts, 2008). However, we have only partly implemented this (local government has not been fully split). In areas that have been split, the breakdowns are not sufficiently detailed for TSA purposes.

Appendix 3: Tourism product classification

Tourism product information is less detailed in a provisional tourism satellite account than it is for a final tourism satellite account. Table 27 shows these distinctions. The inclusions and exclusions are not exhaustive, but are intended to clarify coverage from a tourism perspective.

Table 27

Tourism product classification			
Tourism product for provisional tourism satellite accounts	Tourism product for tourism satellite accounts	Includes	Excludes
Accommodation services	Accommodation services	Hotel and other lodging services	Accommodation for the elderly and students' accommodation (eg student hostels)
Food and beverage serving services	Food and beverage serving services	Meal serving services (including takeaways), event catering, and other food serving services, beverage serving services for consumption on the premises	
Air passenger transport	Air passenger transport	Scheduled and unscheduled air passenger transport, rental services of passenger aircraft with operator	Air freight transport
Other passenger transport	Road passenger transport	Bus and taxi passenger transport, rental services of passenger cars, buses and coaches with operator, other unscheduled road passenger services	Road freight transport
	Rail passenger transport	Passenger transport by rail	Rail freight transport
	Water passenger transport	Passenger transport by international and coastal sea-going vessels and inland water passenger transport	Water freight transport
	Travel agency services	Reservation services, tour operator services, tourist guide services, visitor information services, ticket selling	Freight agency services
	Motor vehicle hire or rental	Hiring of cars, trucks, buses, and campervans without operator	Taxis, hiring of motor vehicles with drivers, machinery hire

Table continues next page

Table 27 continued

Tourism product classification			
Tourism product for provisional tourism satellite accounts	Tourism product for tourism satellite accounts	Includes	Excludes
Imputed rental on holiday homes	Imputed rental on holiday homes	Imputed rental on second homes used only (or partly) by the owner – these may be made available to third parties for holidays, leisure, and business activities	
Cultural, recreation, and gambling services	Libraries, archives, museums, and other cultural services	Historical sites and buildings, nature reserves, performing arts	
	Other sport and recreation services	Sports and recreational sports facility operation services, amusement park and similar attraction services, other sports and recreation services	
	Gambling services	Casino-based gambling services, lottery, racing, and sports betting services, other gambling services	
Retail sales – alcohol, food, and beverages	Retail sales – alcohol	Alcoholic beverages purchased from liquor stores and other retail outlets	Alcohol sold for consumption on premises
	Retail sales – food, beverages, tobacco, and other groceries	Supermarkets, speciality stores, and other retail outlets	
Retail sales – fuel and other automotive products	Retail sales – fuel and other automotive products	Petrol, diesel, motor oils, rubber tyres and tubes	
Retail sales – other	Retail sales – clothing and footwear		
	Retail sales – tourism consumer durables	Made-up textile articles, luggage, motor vehicles, pleasure and sporting boats, sports goods	
	Retail sales – retail medicines, toiletries		
	Retail sales – other shopping		

Table continues next page

Table 27 continued

Tourism product classification			
Tourism product for provisional tourism satellite accounts	Tourism product for tourism satellite accounts	Includes	Excludes
Education services	Education services	Spending on education services by international students studying in New Zealand for less than 12 months	Spending on education services by international students studying in New Zealand for more than 12 months
Other tourism products	Financial services	Issuing and negotiating foreign cash and non-trade financial instruments	Financial intermediation services indirectly measured
	General insurance	Travel insurance, other general insurance	Life insurance, superannuation, and health insurance
	Social and health-related services	Health and medical services, social services	
	Other tourism-related services	Telecommunications, postal and courier services, other tourism products	
	Other personal services	Laundry services, hairdressing, beauty services	
Source: Stats NZ			

Appendix 4: Tourism industry concordance

Within the national accounting system, industries are defined as groups of producers that supply particular goods or services. The tourism industry is different. It is defined not by its goods or services, but by the particular group of consumers – tourists – who purchase its output. Tourism industry information is more aggregated in a provisional tourism satellite account than it is for a final tourism satellite account. This is shown in table 28.

Table 28

Tourism industry concordance				
Tourism industry category for provisional tourism satellite accounts	Tourism industry category for tourism satellite accounts	Tourism industry component	ANZSIC06 industry subdivision/group code	ANZSIC06 industry subdivision/group title
Tourism-characteristic industries	Tourism-characteristic industries	Accommodation	H44	Accommodation
		Food and beverage services	H45	Food and beverage services
		Road passenger transport	I46	Road transport
		Rail passenger transport	I47	Rail transport
		Water passenger transport	I48	Water transport
		Air passenger transport	I49	Air and space transport
		Other transport, transport support, and travel and tour services	I50	Other transport
			I52	Transport support services
			N722	Travel agency and tour arrangement services
		Rental and hiring services	L661	Motor vehicle and transport equipment rental and hiring
		Arts and recreation services	R89	Heritage activities
			R90	Creative and performing arts activities
			R91	Sports and recreation activities
			R92	Gambling activities

Table continues next page

Table 28 continued

Tourism industry concordance				
Tourism industry category for provisional tourism satellite accounts	Tourism industry category for tourism satellite accounts	Tourism industry component	ANZSIC06 industry subdivision/group code	ANZSIC06 industry subdivision/group title
Tourism-related industries	Tourism-related industries	Retail trade	G39	Motor vehicle and motor parts retailing
			G40	Fuel retailing
			G41	Food retailing
			G42	Other store-based retailing
			G43	Non-store retailing and retail commission-based buying and/or selling
		Education and training	P80	Preschool and school education
			P81	Tertiary education
			P82	Adult, community, and other education
		All other industries	All non-tourism-related industries	
Note: ANZSIC06 – 2006 Australian and New Zealand Standard Industrial Classification				
Source: Stats NZ				

Appendix 6: Tourism New Zealand Report on Adventure Tourism, May 2013 (attached)



ADVENTURE TOURISM

MAY 2013

*Produced by Tourism New Zealand, Insights – May 2013
Key contacts: Bevan Wait & Sarah Harman*

Key Findings

1 in 2 international holiday tourists did some sort of adventure tourism during their stay in New Zealand.

1 in 3 international holiday tourists did some sort of extreme adventure tourism during their stay in New Zealand.

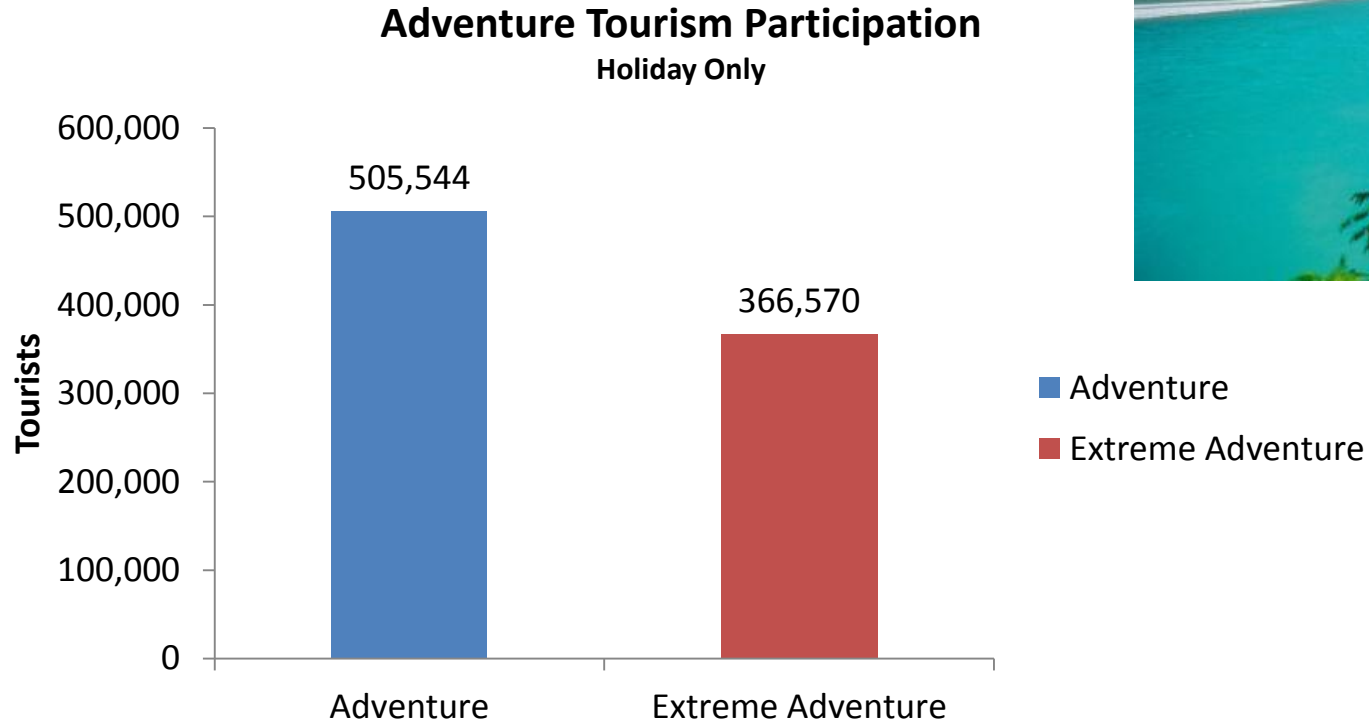
Tourists that did adventure tourism while in NZ spent a total of \$1.6 billion in New Zealand. This is equivalent to 60 per cent of all holiday related tourism expenditure.

The Netherlands and Germany are the two countries most likely to do adventure tourism while in NZ.

Jet boating, glacier walks and the luge are the most popular adventure tourism activities undertaken by international tourists.



Volumes



In 2012 over 500,000 international holiday tourists participated in some form of adventure tourism during their stay in New Zealand. This represents 51 per cent of New Zealand's holiday market.

367,000 international holiday tourists participated in extreme adventure tourism during their stay in New Zealand. This is equivalent to 37 per cent of holiday tourists.

Tourism Expenditure

\$1.6 billion

In 2012, holiday tourists that did adventure tourism activities in New Zealand spent \$1.6 billion during their stay in New Zealand

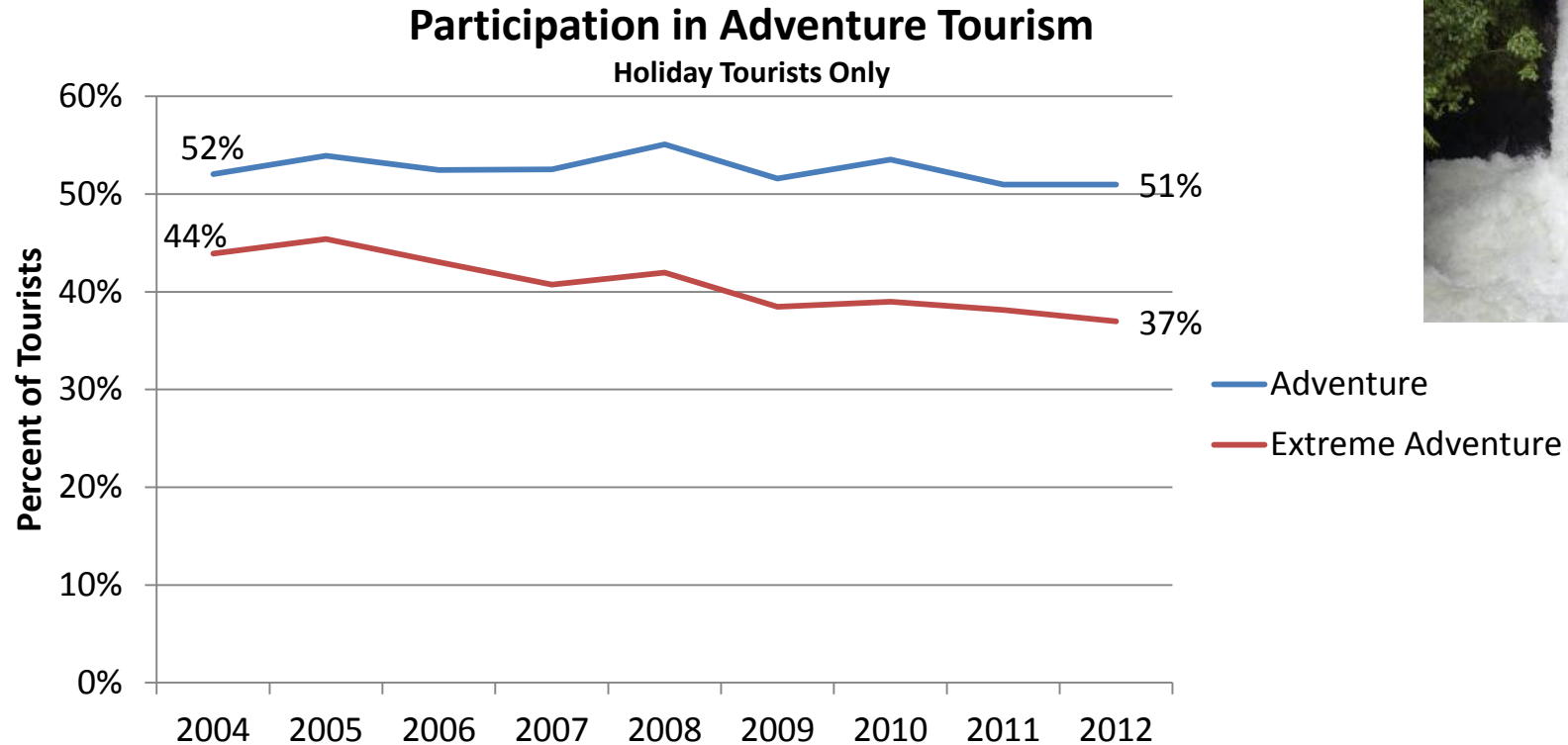
This is equivalent to **60%** of holiday related tourism expenditure

International holiday tourists that do adventure tourism activities in New Zealand spend **\$3,200** each per person

Note: this expenditure is not just on adventure tourism activities. It includes all expenditure made by tourists that did adventure tourism activities within New Zealand eg accommodation, food, beverage, transport, other activities etc.



Participation in Adventure Tourism

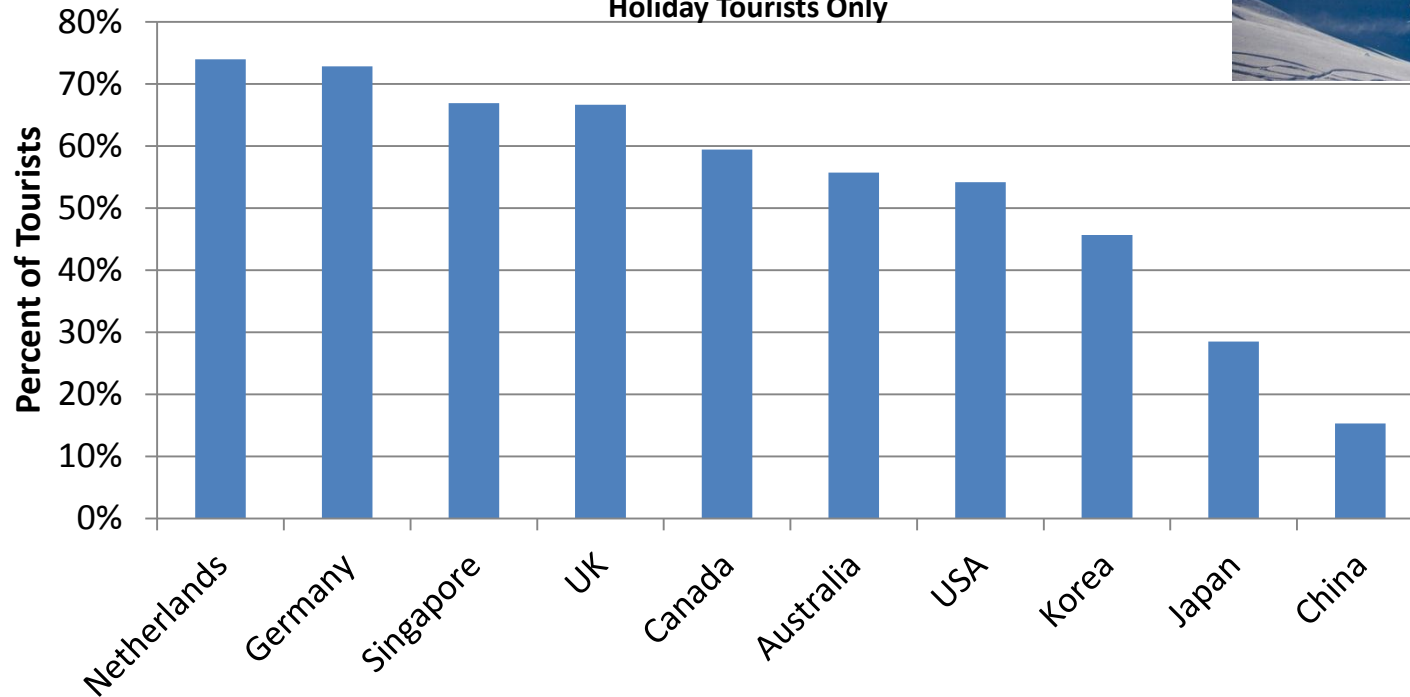


Participation in adventure tourism has remained relatively constant over the last decade. Participation in extreme adventure tourism has however seen a decreasing trend.

Participation by Market



Participation in Adventure Tourism
Holiday Tourists Only



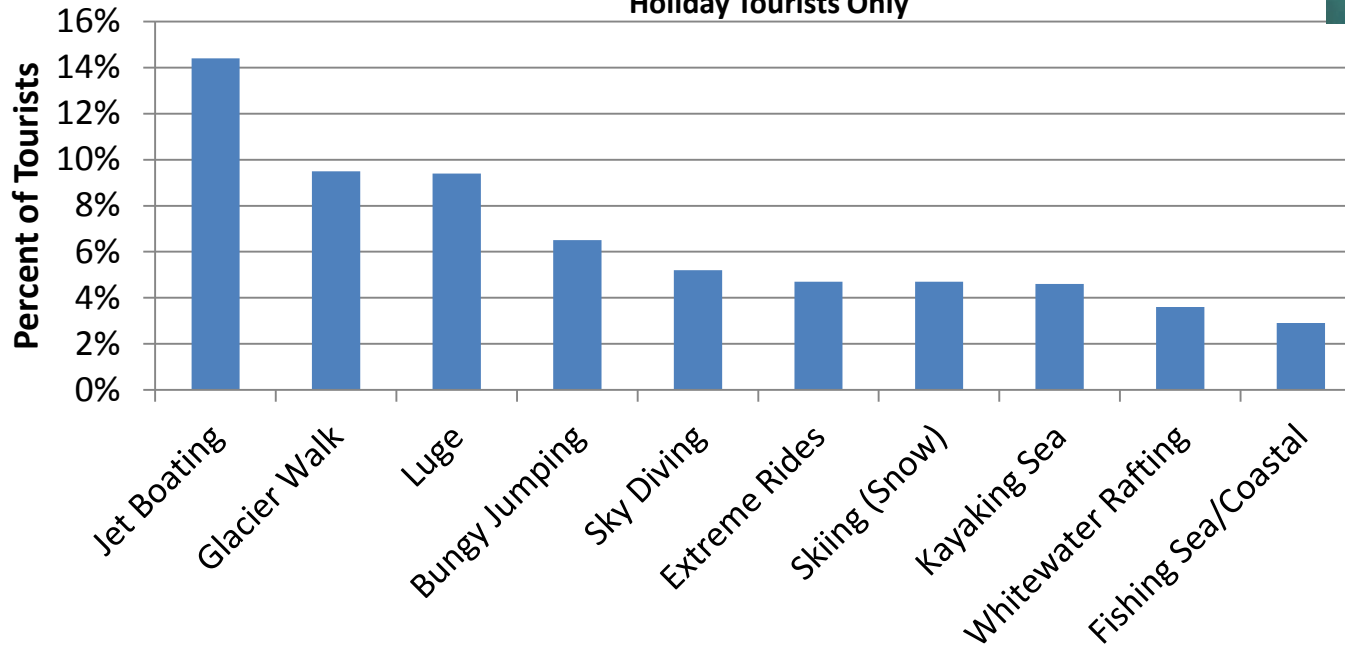
From New Zealand's top ten holiday markets Dutch, German, Singaporean, UK and Canadian tourists are the most likely to participate in adventure tourism activities while in New Zealand.

New Zealand's key Asian markets of Korea, Japan and China are the least likely to participate in Adventure tourism. Only 15 per cent of Chinese tourists do some form of adventure tourism while in New Zealand.

Top Adventure Activities



Participation in Adventure Tourism Activities – Top 10
Holiday Tourists Only

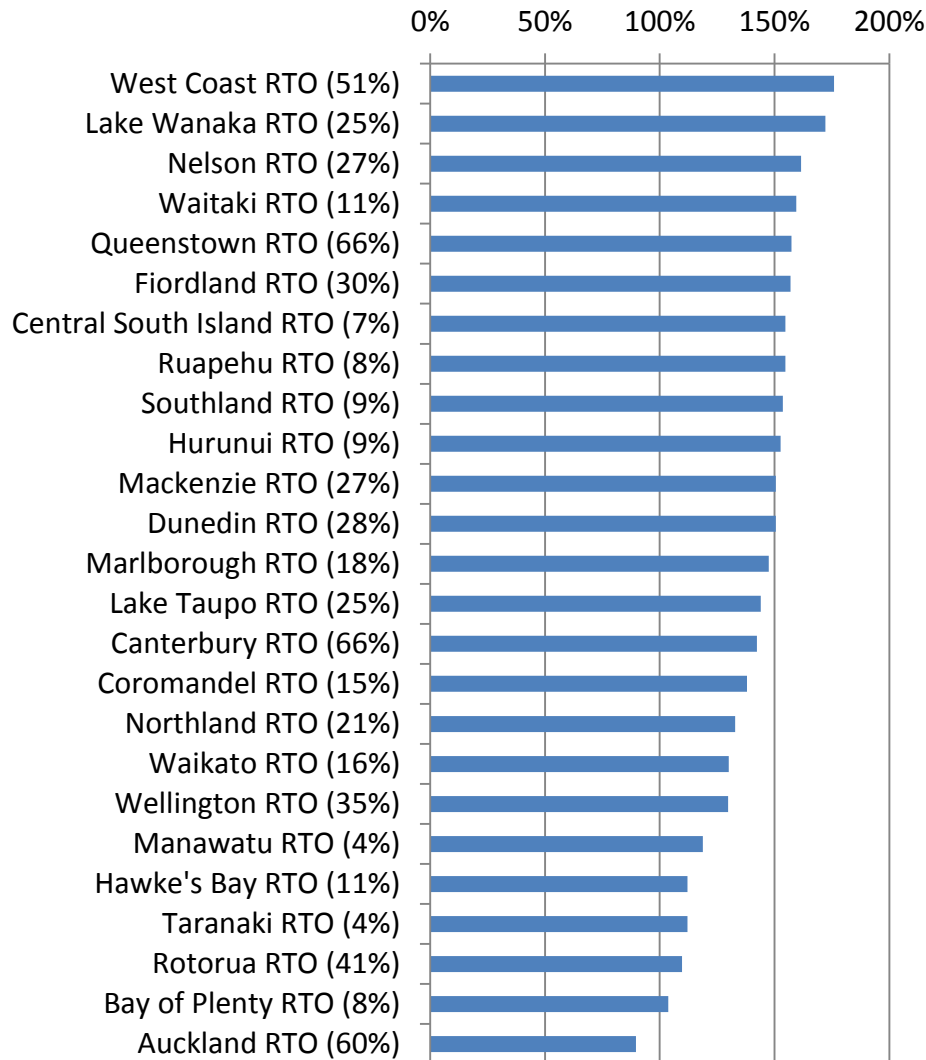


Jet boating, glacier walking, luge, bungee jumping and sky diving are the most popular adventure tourism activities for international holiday tourists.

Jet boating is the most popular activity (over 14 per cent of intl holiday tourists) due to its appeal to a wide demographic range.

Popular Regions for Adventure Tourism

Regions Visited - Index



Regions that over index in terms of visitation for international holiday tourists that do adventure tourism are:

- The West Coast
- Lake Wanaka
- Nelson
- Waitaki
- Queenstown
- Fiordland
- Central South Island
- Ruapehu

On a volume basis the regions most visited by adventure tourism tourists are:

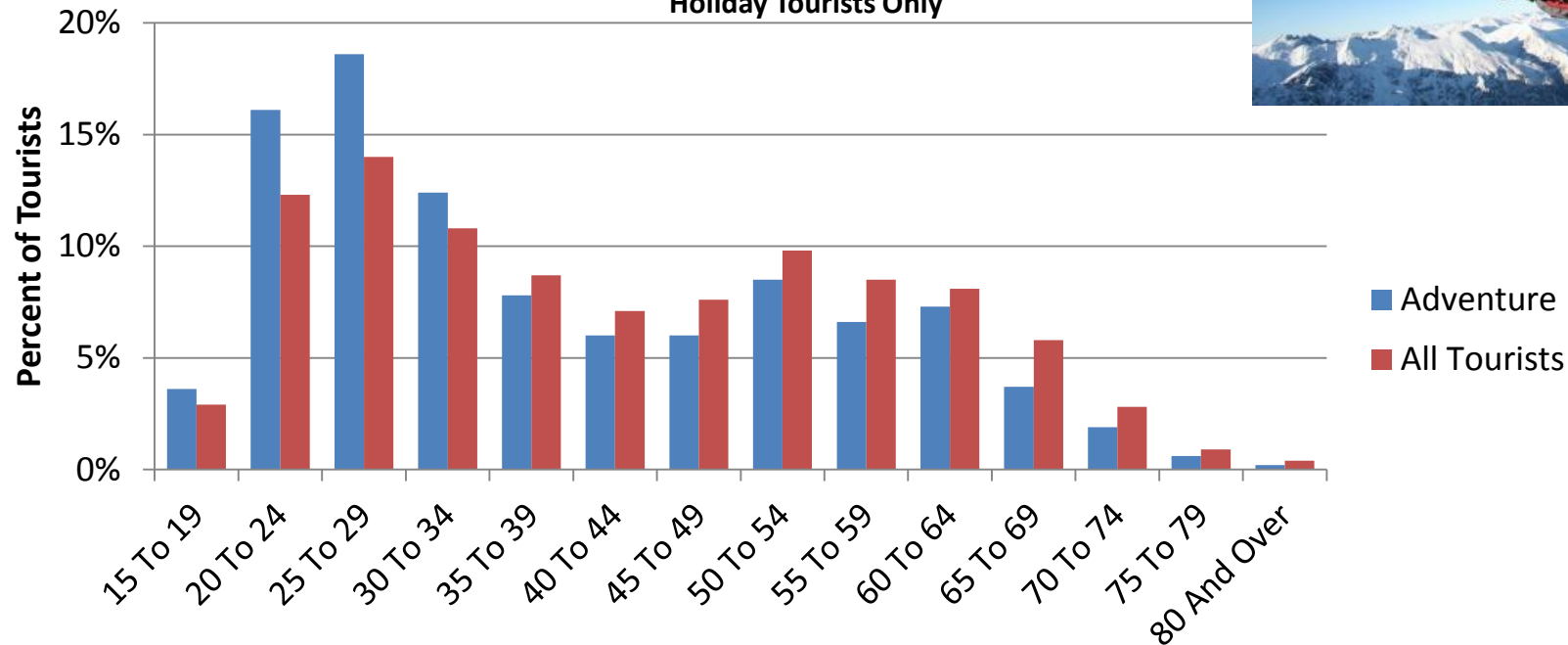
- Canterbury
- Queenstown
- Auckland
- West Coast
- Rotorua
- Wellington
- Fiordland

Note: volumes are shown on the Y axis titles

Participation by Age



Participation in Adventure Tourism
Holiday Tourists Only



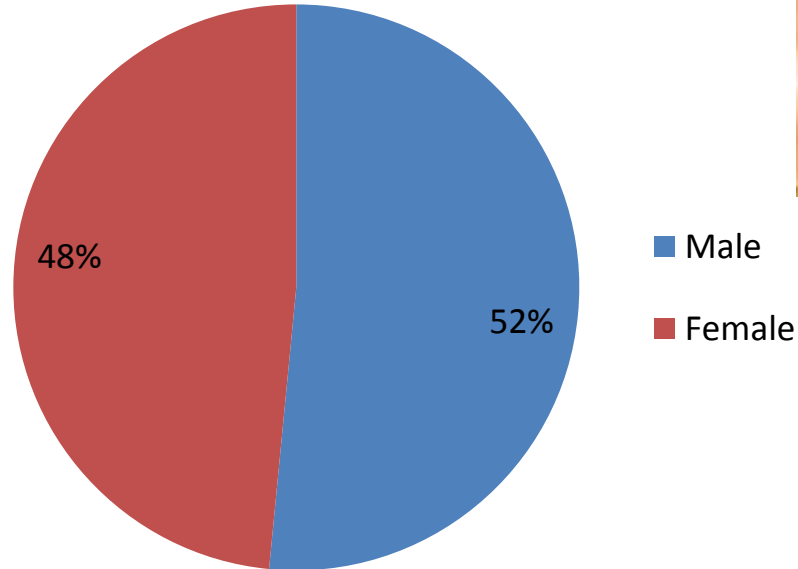
Unsurprisingly youth are more likely to participate in adventure tourism activities. The most likely age group to undertake adventure tourism during their stay in New Zealand are 20 to 29 year olds.

Middle aged and older tourists still participate in adventure tourism, it is simply they are slightly less likely to do adventure tourism activities during their stay in NZ.

The older tourists get the less likely they are to be interested in participating in adventure tourism.

Gender

Gender of Adventure Tourists
Holiday Tourists Only

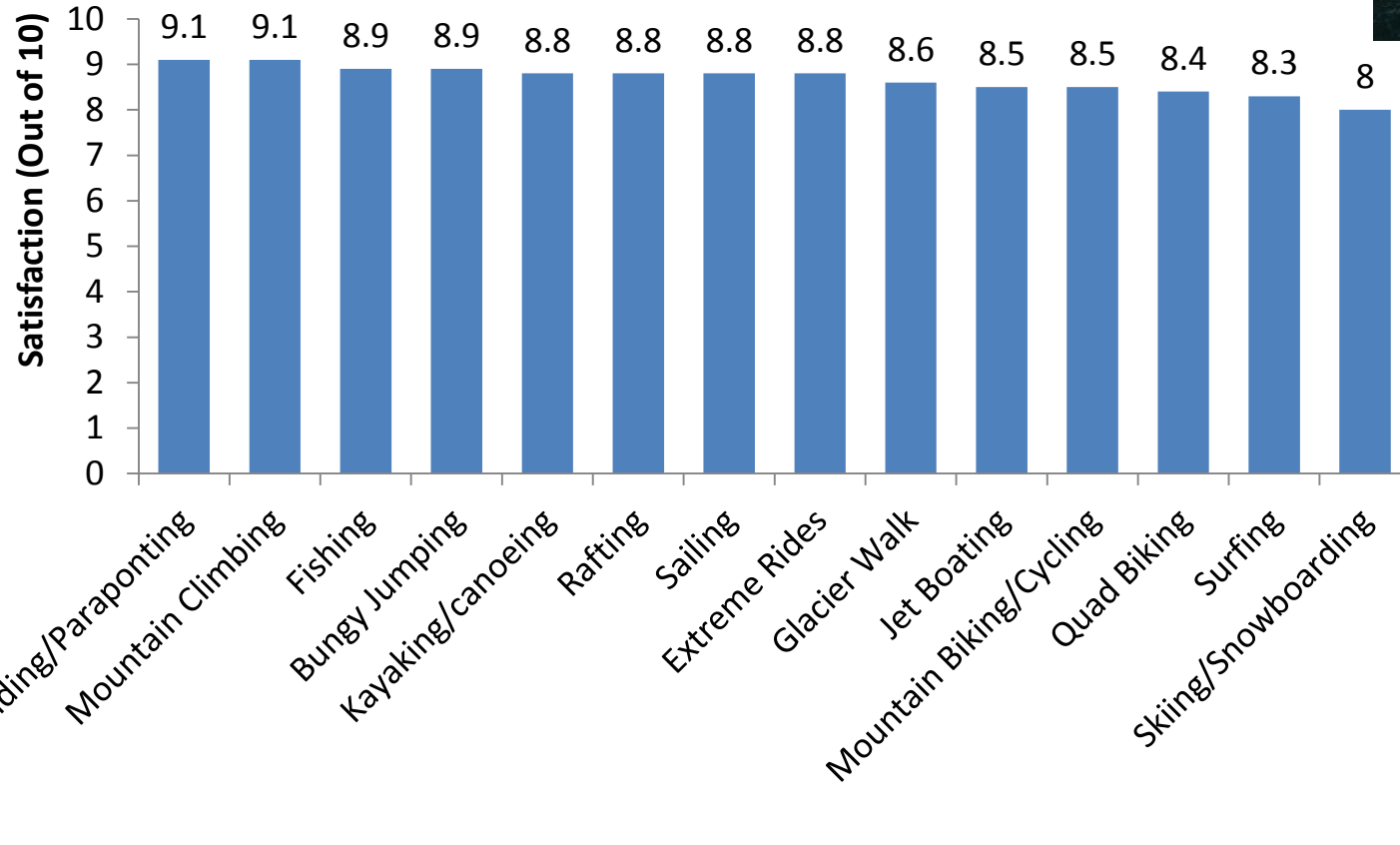


Adventure tourism is done by both males and females during their stay in NZ, and is not a gender specific genre.

Satisfaction



Satisfaction



Satisfaction with adventure tourism activities is high. The lowest scoring adventure tourism product based on satisfaction is skiing and snowboarding where expense seems to drive satisfaction down.

Source: MBIE; International Visitor Survey, 2010 to 2012

NEWZEALAND.COM

The screenshot shows the homepage of the New Zealand Tourism website. At the top, the text "100% PURE NEW ZEALAND" is displayed in white on a dark background. To the right of this text are navigation links: "Australia" with a dropdown arrow, "Sign in" and "Sign up", a "Trip Planner" icon, and a search bar. Below the header is a horizontal menu with links: "Destinations", "Things to do", "Facts about New Zealand", "Getting here", "Getting around", and "Accommodation". The main content area features a large, atmospheric photograph of two people with headlamps exploring a cave. Overlaid on the image are several text boxes: "Adventure" in the upper right, "Waitomo Caves" in the center, and "Hamilton - Waikato" in the lower left. The text "Find creatures that dwell in ancient caves" is positioned on the left side of the image. At the bottom of the page, the text "Kia Ora Welcome to New Zealand" is displayed, followed by a "Like" button and a counter showing "823k".

**100% PURE
NEW ZEALAND**

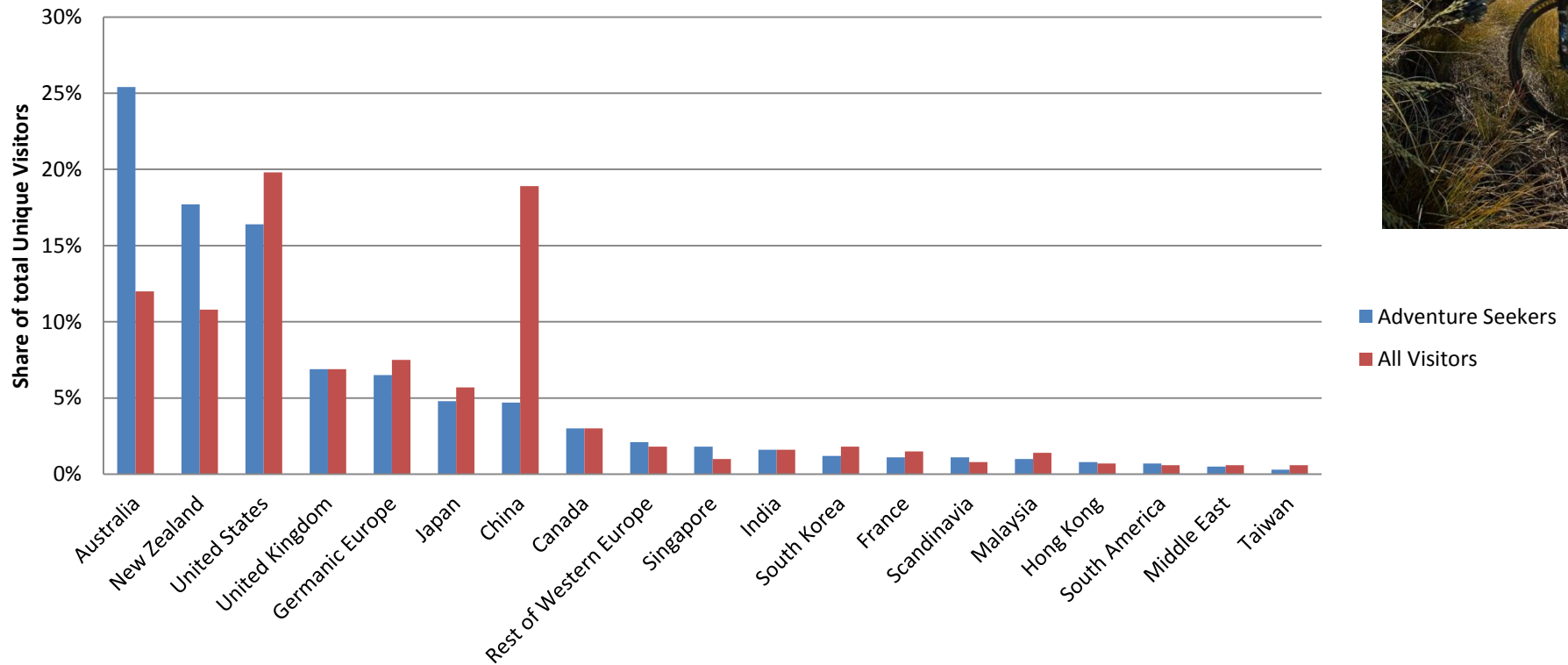


Adventure seekers on newzealand.com

- In the 12 months to April 2013:
 - 30% of visitors to the site consumed adventure content (~3.6m unique visitors)
 - 11% consumed extreme adventure content (~1.3m unique visitors)
 - 9% of business listing referrals went to adventure operators (72,000 referrals)
- Consume North Island and South Island content equally
 - Top 5 regions: Auckland, Queenstown, Christchurch-Canterbury, Rotorua, West Coast
 - The West Coast significantly over-indexes as a region of interest for adventure seekers on newzealand.com
- Adventure seekers behave much like any other visitor in terms of accommodation preferences
- Adventure seekers are more likely than the average visitor to visit the site from within Australia or New Zealand

Traffic by Market

Adventure Seekers' Traffic to newzealand.com by market



Adventure seekers are more likely to be in Australia and New Zealand

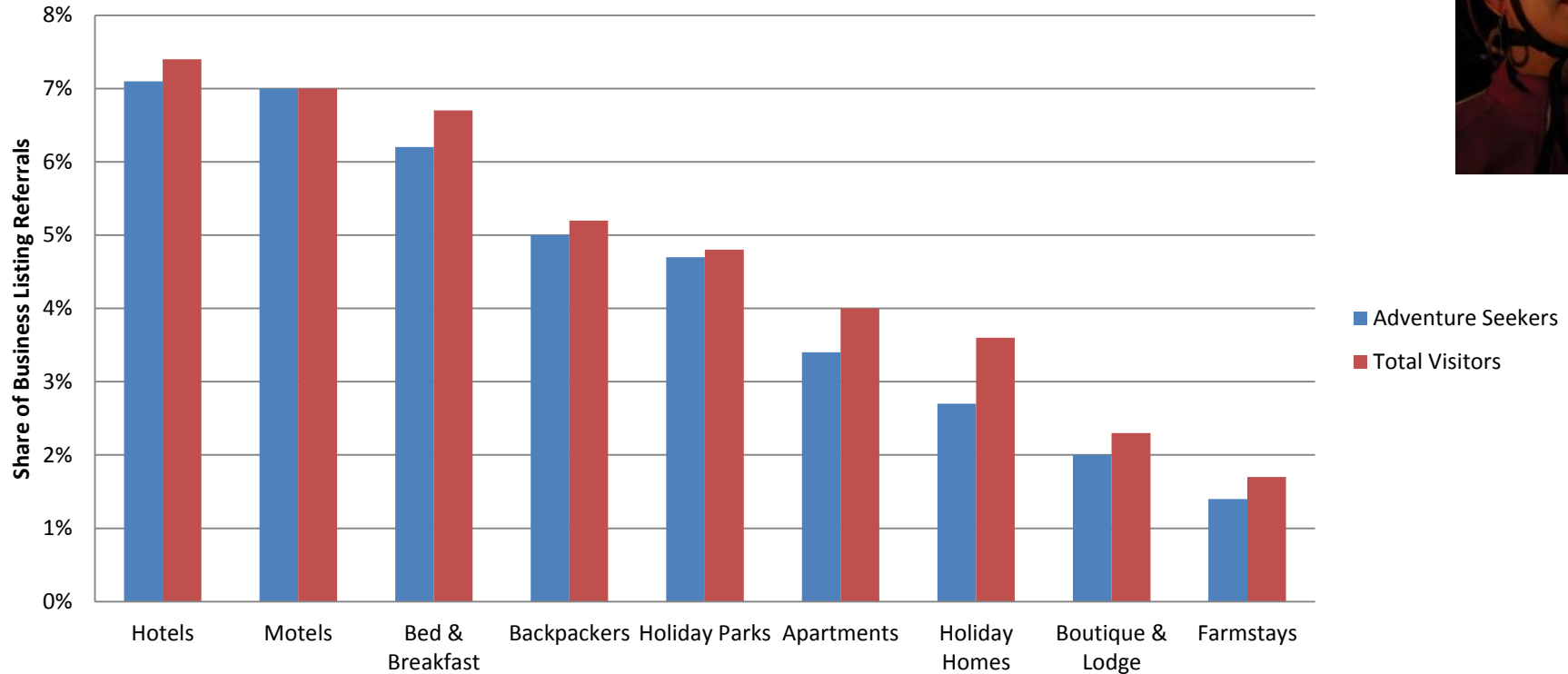
Note: Chinese visitors are far less likely to view any content other than campaign pages, which affects their likelihood to enter the 'adventure seekers' segment.

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NEW ZEALAND**



Accommodation Searches

Top Accommodation Types for Adventure Seekers on newzealand.com



Adventure seekers seek the same accommodation types as everyone else

A scenic landscape at dusk. In the foreground, a suspension bridge with a covered walkway extends from the right side of the frame. The bridge is silhouetted against the twilight sky. Below the bridge, a calm lake reflects the soft light of the setting sun. In the background, a range of mountains is visible, with the peaks illuminated by a warm, orange glow from the low sun. The sky transitions from a deep blue at the top to a lighter, hazy blue near the horizon. The overall mood is serene and majestic.

CONCLUSION

Conclusion

Over half of our international holiday tourists undertake some sort of Adventure tourism while in New Zealand. Adventure tourism is undertaken by young and old, male and female and is popular in most markets. Adventure tourism is a mainstream New Zealand product that helps to generate a significant proportion of New Zealand's tourism related expenditure.

It is recommended adventure tourism is well represented in New Zealand's marketing – particularly in Australian and Western markets.



**100% PURE
NEW ZEALAND**



DEFINITIONS

Adventure Tourism Definition

For this research outdoor adventure tourists are defined as anyone that did these activities while in New Zealand:

- | | |
|---------------------|------------------------|
| Abseiling | Mountain Climbing |
| Ballooning | Parachuting |
| Bungy Jumping | Paraponting |
| Canoeing | Blackwater Rafting |
| Caving | Whitewater Rafting |
| Extreme Rides | Sailing |
| Fishing | Scuba Diving/Snorkling |
| Glacier Walk | Skiing |
| Heliboarding/Skiing | Snowboarding |
| Jet Boating | Rock Climbing |
| Kayaking | Surfing |
| Luge | Water Skiing |
| Mountain Biking | |



Developed in conjunction with TIA. Note this list is purely for research purposes and is not a formal definition or exhaustive list.

**100% PURE
NEW ZEALAND**



Extreme Adventure Definition

For this research extreme adventure tourists are defined as anyone
That did these activities while in New Zealand:

Abseiling	Mountain Climbing
Bungy Jumping	Parachuting
Canoeing	Paraponting
Caving	Blackwater Rafting
Extreme Rides	Whitewater Rafting
Glacier Walking	Scuba Diving/Snorkling
Heliboarding/Skiing	Snowboarding
Jet Boating	Rock Climbing
Kayaking	Surfing
Luge	Water Skiing
Mountain Biking	4wd Sports

Developed using Support Adventure adventure tourism definitions



**100% PURE
NEW ZEALAND**



Appendix 7: Comparison Table – Adventure activities in Taupo/Rotorua Area

Rotorua

Company	Activity	Duration	Price			Updated Pricing	
			Adult	Child		Adult	Child
Adventure Playground Rotorua http://adventureplayground.co.nz/	Claybird	25 shells	\$ 65		No longer offered No longer offered No longer offered		\$75
		50 shells	\$ 119				
	Quadbikes	1 hr	\$ 105				
		2 hr	\$ 220				
	Horse Trekking	1 hr	\$ 65				
		2 hr	\$ 120				
Agroventures Adventure Park http://www.agroventures.co.nz/	Bungy (40m) Swing, Freefall Xtreme, Jetboat		\$ 99		Bungy (43m)		\$129
			\$ 49				
			\$ 179				
This is now Velocity Valley		VIP Pass (all activities)					\$219
Kaitiaki Adventure Rafting and Sledging Specialist http://www.kaitiaki.co.nz/	Rafting - grade 5 Sledging - Grade 3 Sledging - Grade 5	3.5 hrs (1 hr in water)	\$ 99				\$109
		3.5 hrs (1 hr in water)	\$ 109				\$120
		6hrs (2hr in water)	\$ 299				\$209
Kaituna Cascades http://www.kaitunacascades.co.nz	Rafting (including lunch) Rafting - Family Kayaking - tandem		\$ 128		Rafting No longer offered No longer offered		\$95
			\$ 115	\$ 85			
Kaituna Kayaks http://www.kaitunakayaks.co.nz/	Kayaking - tandem	2hrs	\$ 160		1 hr		\$150
Kawarau jet Rotorua & Kjet Parasailing http://www.kjetrotorua.co.nz/	JetBoat Parasailing - tandem Parasailing - Solo	30min ride	\$ 85	\$ 54			
			\$ 85				
			\$ 115				
Off Road New Zealand http://www.offroadnz.co.nz/	Go kart 4WD bush safari - you drive Monster 4 x 4 thrill ride	10 Min track time	\$ 69				\$72
		1 hr	\$ 97	\$ 15			\$105 \$25
		15 mins	\$ 50	\$ 30			\$55 \$35
OGO - (Zorbing) http://www.ogo.co.nz	DryGo - Straight track 2 person h20Go - Straight track 2 person H20Go - Sidewinder track - 2 person		\$ 40		h20Go and DryGo now same price of \$40		\$60
			\$ 43				
			\$ 95				
Zorb Rotorua - NOW OGO Zorb Rotorua was bought by OGO in May.	ZORB - Dry ZORB - WET ZORB - Combo		\$ 39				
			\$ 39				
			\$ 58				
Pure Dirt Tours http://puredirttours.co.nz/	Dirt Biking - trail bike	1 hr	\$ 150		1/2 Day Pass Full Day Tour		\$350 \$200
		2 hr	\$ 230				\$570 \$250
	Dirt Biking - Performance Bike	1 hr	\$ 190		3 Day Tour		\$2,295
		2 hr	\$ 270				
	4x4 tours	30 mins	\$ 50	\$ 15			
		60 mins	\$ 85	\$ 30			
90 mins		\$ 110	\$ 40				
Rotorua Canopy Tours http://canopytours.co.nz/	Zip Tour	3 hrs	\$ 139	\$ 95			\$159 \$129
SkySwing http://www.skyswing.co.nz/	Swing - 3 seater (50m drop)		\$ 40	\$ 30			\$45 \$35
Skyline - Rotorua http://www.skyline.co.nz/	Gondola + 5 x Luge 1 x Luge Gondola Only		\$ 55	\$ 45	No longer offered		\$63 \$52
			\$ 12				\$32 \$16
			\$ 28				
Waimarino Kayak Tour (lake Rotoiti) https://www.glowwormkayaking.com/	Sea Kayak (and Manupirua Hot Pools)	4 hours (2hrs paddling)	\$ 120	\$ 80			\$135 \$90
Volcanic Air http://www.volcanicair.co.nz/	Heli - Scenic Flight Float Plan - Scenic Flight	8mins	\$ 95		8 mins		
		15mins	\$ 195	\$ 146			\$215 \$161
		40mins	\$ 285	\$ 289			\$465 \$349
		45mins	\$ 155	\$ 116			
		30mins	\$ 215	\$ 161			\$115 \$265 \$199
Rotorua Duck Tour http://rotorua ducktours.co.nz/	Amphibious Sightseeing	90mins	\$ 68	\$ 38			\$69 \$45
		120 mins	\$ 75	\$ 45			\$89 \$55
Rotorua Paddle Tours http://www.rotorua paddle tours.com/	Paddleboarding Tour	90 mins	\$ 90		1 hour 2 hours		\$85 105
Lakeland Queen Cruise http://www.lakelandqueen.com/	Boat Cruise	1hr	\$ 25				\$29
		1hr with lunch	\$ 50				\$55

TAUPO

Company	Activity	Duration	Price	
			Adult	Child
Rapids Jet http://www.rapidsjet.com/	Jet Boating	35min ride	\$129	\$75
Tongariro River Rafting http://trr.co.nz/white-water-rafting/	Rafting	2.5 hr	\$145	\$129
	Rafting - Family	1.5 hr	\$99	\$85
HakuFalls Jet http://www.hukafallsjet.com	Jet Boating	30min	\$135	\$89
Taupo Tandem Skydiving http://taupotandemskydiving.com/	Skydiving 9000ft		\$199	
	Skydiving 12,000ft		\$279	
	Skydiving 15,000ft		\$359	
	Skydiving 18,500ft		\$499	
Skydive Taupo http://www.skydivetaupo.co.nz/	Skydiving 12,000ft		\$279	
	Skydiving 15,000ft		\$359	
	Skydiving 18,500ft		\$499	
Rafting New Zealand http://www.raftingnewzealand.com/	Whitewater Rafting	2hr on water	\$179	\$149
Adrift - Guided Outdoor Adventures http://www.adriftnz.co.nz	Guided - Tongariro Crossing	8hrs	\$ 225	
Taupo Bungy http://www.taupobungy.co.nz	Bungy - 47meters		\$180	\$130
	Swing		\$155	\$105
Rock'n Ropes http://www.rocknropes.co.nz	High Ropes course		\$ 70	
	Giant Swing		\$ 30	
Taupo Wake Park https://www.taupowakepark.com/book-online	Wakboard on cable	10 Minutes	\$ 20	
		Full Day Pass	\$ 99	
Taupo Quad Adventures;Kiwi Outback Adventures http://www.taupoquads.co.nz http://www.taupoquadtours.com/	Quad Biking - Tour	1hr	\$110	
		2 hr	\$165	
		3hr	\$225	
	Paintball - 200 rounds		\$ 55	
	Paintball - 400 rounds		\$ 85	
Formula Challenge http://www.formulachallenge.co.nz/	Drive Single Seater Racecar - 10 laps	90 mins	\$ 390	
Mountain Air http://mountainair.co.nz/	Scenic Flight	15 min flight	\$125	
		25 min flight	\$205	
		35 min flight	\$255	
		55 min flight	\$370	
Taupo Float Plane http://www.tauposfloatplane.co.nz	Scenic Flight	10 min	\$109	
		20 min	\$165	
		30 min	\$260	
		60min	\$415/\$425	
Taupo Gliding Club http://www.taupoglidingclub.co.nz	Scenic - instructional flight	20-40mins	\$220	\$54.50
Inflite https://www.infliteexperiences.co.nz/en-gb/scenic-flights-and-tours/taupo	Heli flight	9mins	\$130	
		15mins	\$207.50/212.50	
		30mins	\$ 395	
		60min	\$ 695	
Chris Jolly Outdoors http://chrisjolly.co.nz/	Scenic Cruise	1.5hr	\$46	
Earnest Kemp Cruise http://www.ernestkemp.co.nz/	scenic Cruise	2hr	\$35	

Bungy Price							Price				
Location	Adult	Child	Student	Bungy Height	Tandem option	Water touch	Other options	Adult	Child	Student	Combo
Queenstown											
Kawarau Bridge	\$205	\$155	\$175	43m	Yes	Yes	Kawarau Zipride	\$50	\$40		\$225
The Ledge	\$205	\$155	\$175	47m	No	No	Ledge Swing	\$165	\$115	\$135	\$270
The Nevis Canyon	\$275	\$275	\$245	134m (highest)	No	No	Nevis Swing	\$220	\$170	\$190	\$395
	\$475 for all three bungy jumps						Nevis Catapult	\$255		\$225	
Auckland											
Sky Tower	\$225	\$175	\$195	192m*	No	No	SkyWalk	\$150	\$120	\$130	\$295
Harbour Bridge	\$165	\$135	\$135	40m	No	Yes	Bridge Climb	\$130	\$90	\$90	\$215
Taupo											
Taupo Bungy	\$180	\$130		47m	Yes (\$360)	Yes	Swing	\$155	\$105		\$285
Rotorua											
Velocity Valley	\$129			43m	Yes	No	Freefall Xtreme Swing	\$49 \$49			
Hanmer Springs											
Hanmer Springs	\$169	\$169		35m	Yes (\$338)	No					
				*SkyJump is a controlled descent							

Appendix 8: Media articles on Waitomo Bungy Tower and Hamilton Bridge (attached)

Reaching for the sky

By **Todd Ward**

A 62 METRE high, \$20 million bungy tower is being proposed for Waitomo Caves to provide another reason for adventure seekers to visit the popular tourist destination.

Called Waitomo Sky Garden, project director John Heskett from Hamilton pitched the idea at a public meeting at Waitomo last month and with local iwi last week, with the majority expressing their support.

The company now plans to apply for land use resource consent from the Waitomo District Council to erect the tower on Waitomo Valley Rd.

Along with the main 55m high bungy jump attraction, Waitomo Sky Garden also offers a sky-high cafe, viewing platform, giant slide, heated pools and a restored wetland area with amenity walkway.

WORLD FIRST

If completed, the Sky Garden would be the first of its kind in the world, with the highest "water-touch" bungy jump and tallest dry slide in New Zealand.

It would also be the tallest wooden structure in the country and provide up to 30 jobs during the peak summer season.

"There's not too many bungy jumps in the North Island and Waitomo is a really cool destination for a project like this," says Mr Heskett who has an extensive background in scaffolding and bungy jumping operations.

"Originally, we were just going to put a scaffolding bungy jump up, but from there it just snowballed into the idea we have today.

"We're not just trying to plonk a tower in the middle of Waitomo. We've gone above and beyond to make sure what we're making is going to be something beautiful."

Mr Heskett says the project aims to complement the already thriving caving industry by offering visitors something completely new and unique.

"I want the project to be able to cater for everyone – not just the adrenalin junkies," he says.

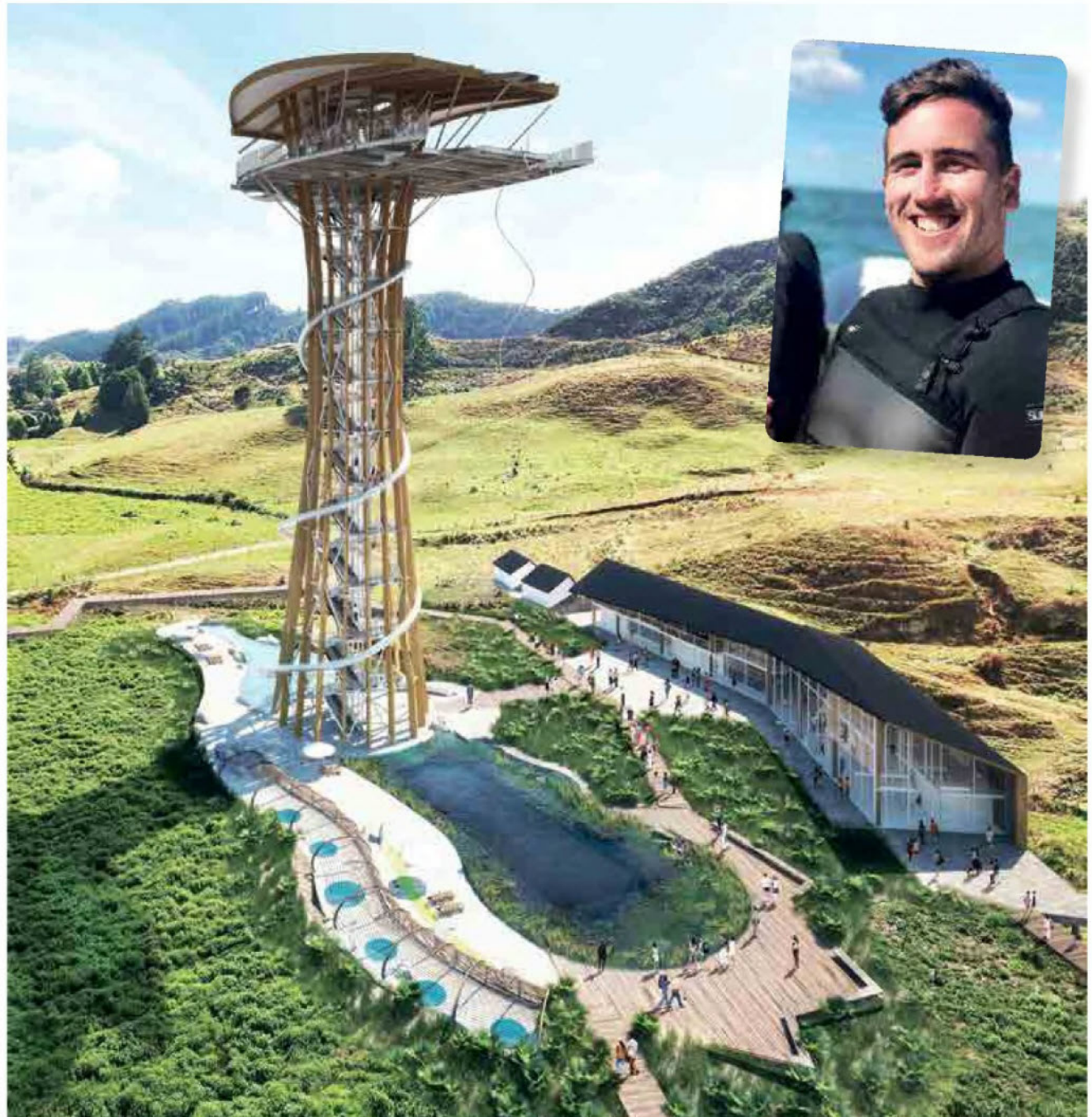
"That's why we've included the slide and a cafe at the top.

"And if the tower still looks too scary the visitors can go for a walk around the wetland area.

"Then after 5.30 we'll close down all the activities and it becomes a hot spring destination.

"I just think it's going to help Waitomo go in the right direction because a big problem right now is that a lot of visitors are coming in during the day, but not staying the night.

"This will give them another reason to stay."



WAITOMO Sky Garden project director John Heskett (inset) has met with the public and local iwi to discuss building a \$20 million bungy tower on Waitomo Valley Rd. IMAGE SUPPLIED

If land use consent is approved, the next stage of the project will be to approach investors and begin construction.

MAYOR SUPPORTIVE

Waitomo mayor Brian Hanna says if the

project goes ahead it could fill a gaping hole in the market.

"There's plenty of caving trips in the Waitomo Village but there's always been a lack of entertainment above ground," he says.

"So, to me this is a really exciting project and

I fully support him [Mr Heskett] developing the proposal.

"There is a significant investment required for a project like this but, we're very supportive of anything that might lead to a potential significant tourism facility."

\$8.99 kg
Fresh NZ Skin On Chicken Breast Fillets

NZ GROWN

\$1.89 kg
Royal Gala Apples

NZ GROWN

\$2.79 ea
Coke/Sprite/Fanta/Lift/L&P 2.25L

\$1.00 ea
Bluebird Burger Rings/Twisties/Cheezels/Rashuns 110-120g

\$4.49 ea
Whittaker's Chocolate Block 250g/Share Pack 12 Pack

1. Business

Advertise with Stuff

Hamilton Bungy: Could the city's new bridge be a tourism attraction?

Rikihana Smallman15:31, May 01 2019



AJHACKETT AUCKLAND BUNGY

Hamilton City Councillors are looking at whether having a bungy, similar to Auckland's Harbour Bridge, could be viable on the city's new southern bridge (FILE).

A bungy jump platform could be added to the new city bridge across the Waikato River.

Hamilton City Council staff are making inquiries to AJ Hackett Bungy New Zealand into whether the proposed \$50m to \$60m bridge to the Peacocke development is suitable as a tourism attraction.

Mayor Andrew King made the suggestion at a meeting of elected members on Tuesday where they were given a progress report on the bridge proposal.

The bridge will be about 40m above the river. Auckland Harbour Bridge is 45 meters high.

READ MORE:

- * [World famous in New Zealand: Harbour Bridge Climb, Auckland](#)
- * [The Nevis Catapult: Queenstown's new scary thrill ride](#)
- * [Celebrating 30 years of bungy in New Zealand](#)
- * [World Famous in New Zealand: Auckland Harbour Bridge bungy](#)



NZ TRANSPORT AGENCY

A bridge catering for pedestrian use and cycling across the Waikato River from Cobham Dr to the new Peacocke Development is on the cards.

"Is this a time to approach AJ Hackett and ask if they want to put some money into putting a platform on the bridge to bring tourism into our city?" King said.

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Councillors at the table said it was an idea worth exploring and staff said they'll follow up.

Hamilton and Waikato Tourism chief executive officer Jason Dawson said the feasibility of a bungy operation would have to be looked at.

"It will have some height so it's really up to whether the industry or an investor would want to operate on the bridge," Dawson said.

AJ Hackett Bungy could not be reached for comment.

A new bridge should be iconic, Dawson said. Bridges are "Instagram worthy" and can be tourism hotspots.

But Council stakeholder sessions have found "very little interest in an aesthetic landmark bridge" though work will be done on the aesthetic appeal of the bridge.

"It is a shame," Dawson said.

"As long as there is a viewer platform on there and pedestrian access is key."

Council's strategic development manager Andrew Parsons said there was high interest in gaining good access across the river for cars, pedestrians and bikes.

Four bridge options were looked at including an archway and cable-stay bridge. The preferred option, which needs to be confirmed at the next Growth and Infrastructure Committee meeting on May 7, meets budget, use, environmental and safety considerations.

"This is the basic bones of the bridge and will now give us opportunity to further develop it aesthetically so it can be a great experience for people looking at, travelling on or under the bridge," Parsons said.

"We'll also keep in mind how some of our infrastructure ends up being used in other ways like steps which are often used for fitness."

Work will also be done on access the river below the bridge to one of the city's few beaches.

"I understand a lot of steamboats used to be beached there for cleaning back in the day. It's a really significant opportunity to come later on in the process and I think there is potential to do something with that beach. It's a critical asset for the city."

The bridge will be part-funded by the Government's 10-year interest free Housing Infrastructure Fund and NZ Transport Agency subsidies. Associated roading links take the project to more than \$100m.

In the next 10 years, Peacocke will be home to 9000 people. The bridge will be completed by 2024.

Stuff

Appendix 10: Tourism Forecasts 2010 – 2016, Ministry of Economic Development (attached)



NEW ZEALAND REGIONAL TOURISM FORECASTS 2010-2016 LAKE TAUPO RTO

AUGUST 2010 | www.tourismresearch.govt.nz

Tourism Strategy Group
Ministry of Economic Development



Contents

Introduction	1
1. Summary for Lake Taupo RTO	2
2. Visits to Lake Taupo RTO	5
3. Visits to Lake Taupo RTO by Origin of Traveller	6
4. Visitor Nights in Lake Taupo RTO	7
5. Visitor Nights in Lake Taupo RTO by Origin of Traveller	8
6. Visitor Expenditure in Lake Taupo RTO	9
Appendix – Visitor Origins, RTOs Areas, and Underlying Sample Sizes	10

This report is one of a series of reports produced within the annual tourism forecasting programme.

The main report titles within the 2010 programme are:

- New Zealand Tourism Forecasts 2010-2016 – Summary Document
- New Zealand Regional Tourism Forecasts 2010-2016
(These are individual reports for Regional Tourism Organisation (RTO) areas)

These forecast reports, as well as pivot tables, are available for download at www.tourismresearch.govt.nz/forecasts.

All of the forecasting reports are prepared for the Tourism Strategy Group, MED, by Covec Limited.

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Email: info@covec.co.nz

Web: www.covec.co.nz

Image Credits:

Rangitata Rafts – www.rafts.co.nz

Fern – Rebecca Davis, www.moxie.co.nz

Introduction

This report contains tourism forecasts for the Lake Taupo RTO area that can be used to support local tourism investment, planning and development. The annual forecasts cover the period 2010-2016 and provide estimates of future visits and visitor nights segmented by traveller origin, purpose of travel and type of travel.

Forecasts of tourism expenditure are also included in this year's programme, although data constraints prevent detailed segmentation beyond total international and domestic spend. The expenditure figures take inflation into account and include GST. Key exclusions are expenditure on international airfares, as well as some government and business expenditure.

More information can be found in electronic format in the *regional pivot tables* which can be downloaded from www.tourismresearch.govt.nz/forecasts. The regional pivot tables allow users to view historical and forecast data at the regional level in both tabular and graphical form.

Base Data: The forecasts in this report are based on historical data derived from the International Visitor Survey (IVS) and the Domestic Travel Survey (DTS).

These data have been smoothed to reduce the volatility caused by small sample sizes (see Table A2 in the Appendix for a summary of sample sizes in 2009). The smoothing process involves combining data across multiple time periods in small sample areas to identify long-term trends and relativities. The result is much smoother historical data that preserve regional differences and represent more realistic growth trends.

Also, the IVS and DTS data have been adjusted to include travel by children under 15 years of age who fall outside the scope of the surveys. In addition, some government and business travel is not captured in the DTS because it is primarily a household survey.

Methodology: The regional forecasts have been developed by modelling and extrapolating historical relationships between the origins of travellers, their main purpose of travel, and their propensities to visit various RTO areas. The model used to forecast international visitor activity also takes port of entry into account as this has a major influence on regional travel patterns. A full methodology document can be downloaded from www.tourismresearch.govt.nz/forecasts.

Definitions of Key Tourism Measures

	Domestic	International
Day Trip	A trip by a person of at least 40km (one way) within New Zealand but outside their usual environment, completed within the same day.	Not applicable.
Overnight Trip	A trip by a person resulting in one or more nights spent away from home within New Zealand.	A trip by a person that results in one or more nights being spent in New Zealand.
Day Visit	The number of people visiting a destination within the RTO for one hour or more without staying a night. Day visits can be generated by people on overnight trips and day trips.	
Overnight Visit	The number of visits to a destination within the RTO that result in a stay of at least one night.	
Visitor Nights	The number of visitor nights spent in destinations within the RTO in all forms of accommodation.	
Origin	Regional council areas (see full list in Appendix).	Australia, United States, Japan, South Korea, China, United Kingdom, Germany, Rest of World.

1. Summary for Lake Taupo RTO

Total Visits

- Total visits by travellers to Lake Taupo RTO are forecast to rise from 3.344 million in 2009 to 3.429 million in 2016 - an increase of 2.5% (85,000) or 0.4% p.a.
- International visits are expected to increase from 487,000 in 2009 to 604,000 in 2016, representing growth of 117,000 or 24.0%. The share of total visits generated by international visitors is expected to increase from 14.6% to 17.6%.
- Domestic visits are expected to decrease from 2.857 million in 2009 to 2.825 million in 2016, representing a contraction of 32,000 or 1.1%. The share of total visits generated by domestic visitors is expected to decrease from 85.4% to 82.4%.

Figure 1: Visits to Lake Taupo RTO by Origin of Traveller (000s)

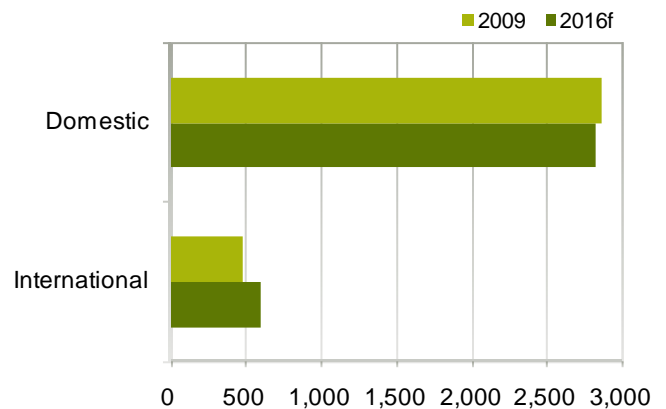
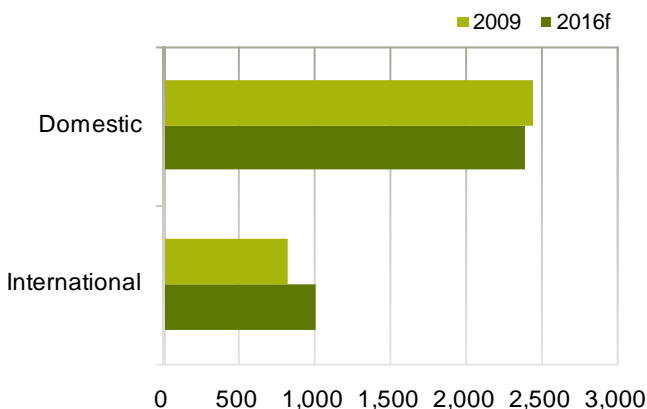


Figure 2: Visitor Nights in Lake Taupo RTO by Origin of Traveller (000s)



Total Visitor Nights

- Total visitor nights in Lake Taupo RTO are forecast to rise from 3.273 million in 2009 to 3.391 million in 2016 - an increase of 3.6% (118,000) or 0.5% p.a.
- International visitor nights are expected to increase from 828,000 in 2009 to 1.003 million in 2016, representing growth of 175,000 or 21.2%. The share of total visitor nights generated by international visitors is expected to increase from 25.3% to 29.6%.
- Domestic visitor nights are expected to decrease from 2.445 million in 2009 to 2.388 million in 2016, representing a contraction of 58,000 or 2.4%. The share of total visitor nights generated by domestic visitors is expected to decrease from 74.7% to 70.4%.

Total Visitor Expenditure

- Total expenditure by visitors to Lake Taupo RTO is forecast to increase from \$358 million in 2009 to \$414 million in 2016 - growth of 15.6% (\$56 million) or 2.1% p.a.
- International visitor expenditure is expected to increase from \$103 million in 2009 to \$134 million in 2016, representing growth of \$31 million or 30.3%. The share of total expenditure generated by international visitors is expected to increase from 28.8% to 32.5%.
- Domestic visitor expenditure is expected to increase from \$255 million in 2009 to \$279 million in 2016, representing growth of \$25 million or 9.7%. The share of total visitor expenditure generated by domestic visitors is expected to decrease from 71.2% to 67.5%.

Figure 3: Visitor Expenditure in Lake Taupo RTO by Origin of Traveller (\$NZm)

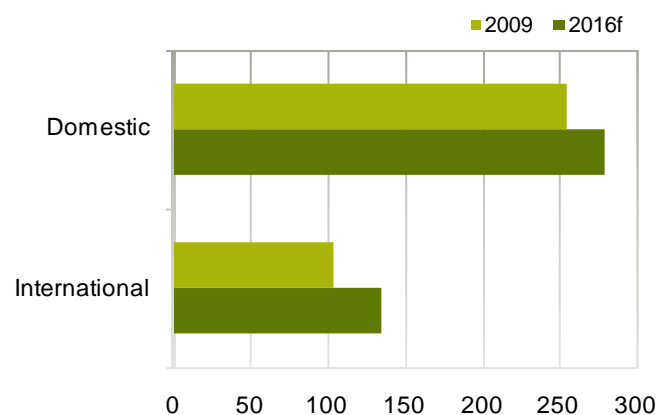


Figure 4: Shares of Total Visits to Lake Taupo RTO by Origin of Traveller (% of all visits)

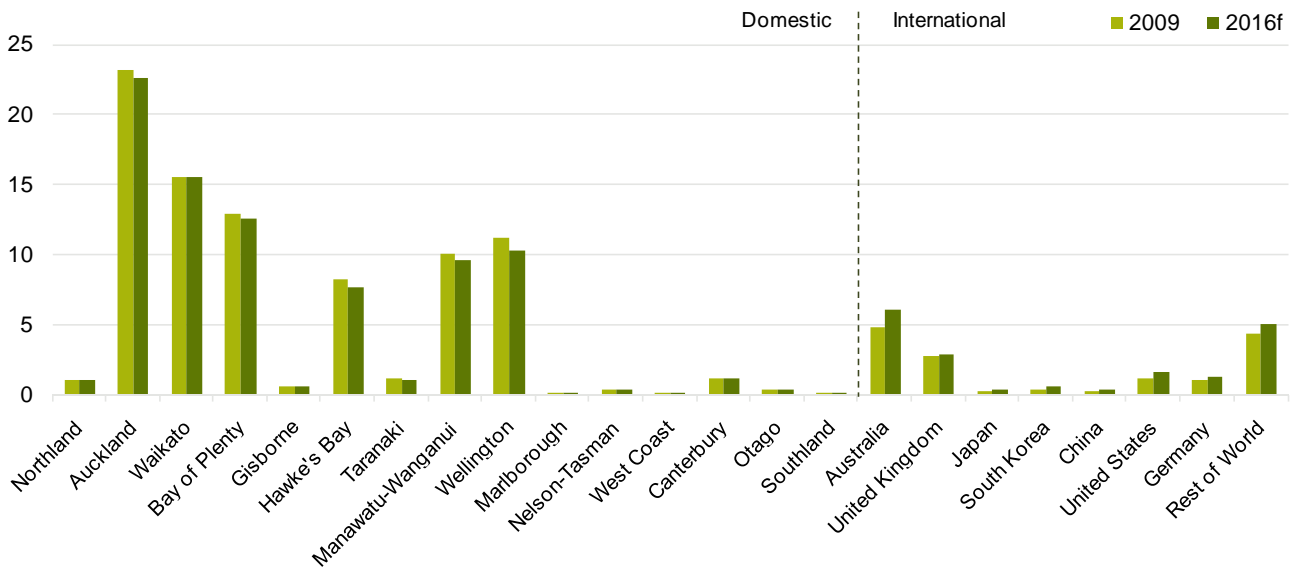


Figure 5: Shares of Total Visitor Nights in Lake Taupo RTO by Origin of Traveller (% of all visitor nights)

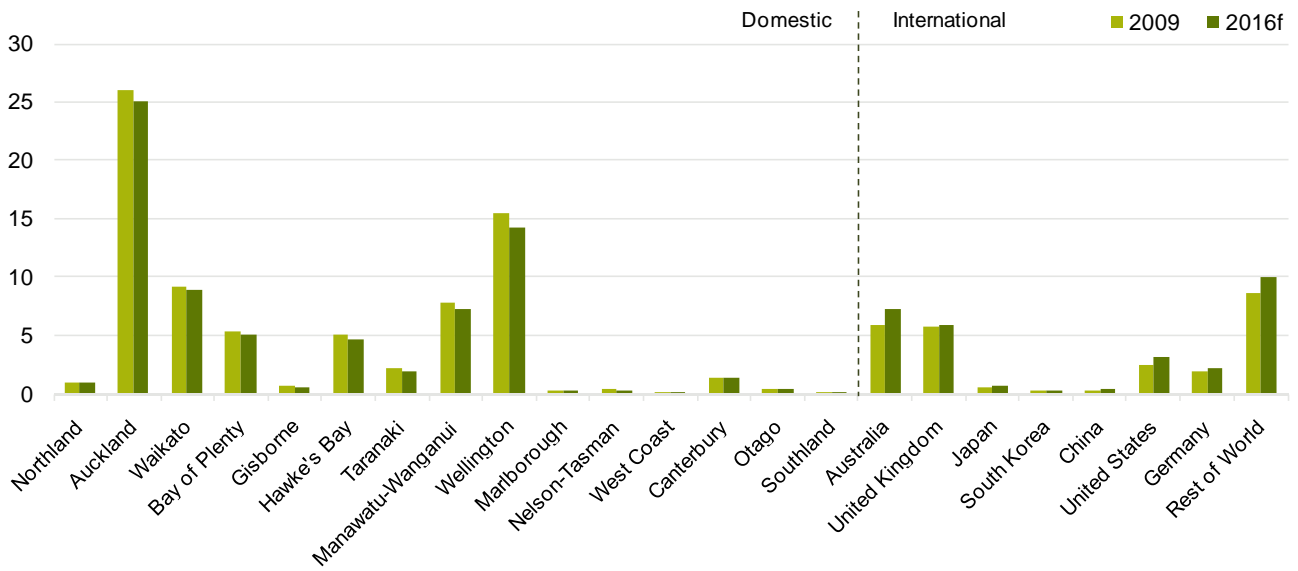


Table 1: Summary of Tourism Forecasts for Lake Taupo RTO

Market	Calendar Year	Visits (000s)			Nights (000s)	Av. Nights per Visit	Expenditure (\$NZm)
		Overnight	Day	Total			
Domestic	2004	1,015	1,739	2,754	2,334	2.30	233
	2005	1,016	1,736	2,752	2,341	2.30	228
	2006	1,026	1,767	2,793	2,359	2.30	235
	2007	1,011	1,746	2,757	2,326	2.30	240
	2008	1,013	1,741	2,754	2,336	2.31	239
	2009	1,056	1,801	2,857	2,445	2.32	255
	2010f	1,048	1,794	2,843	2,426	2.31	254
	2011f	1,041	1,786	2,826	2,408	2.31	259
	2012f	1,037	1,783	2,820	2,398	2.31	262
	2013f	1,036	1,785	2,820	2,395	2.31	266
	2014f	1,035	1,786	2,822	2,392	2.31	270
	2015f	1,034	1,789	2,823	2,390	2.31	275
	2016f	1,034	1,791	2,825	2,388	2.31	279
International	2004	323	149	472	814	2.52	98
	2005	330	149	479	820	2.49	97
	2006	329	149	478	836	2.54	101
	2007	332	149	481	830	2.50	104
	2008	334	149	483	842	2.52	101
	2009	337	151	487	828	2.46	103
	2010f	343	157	500	844	2.46	103
	2011f	368	168	536	902	2.45	115
	2012f	370	170	540	903	2.44	115
	2013f	382	175	557	930	2.44	120
	2014f	393	180	573	955	2.43	125
	2015f	404	185	589	980	2.43	130
	2016f	414	190	604	1,003	2.42	134
Total	2004	1,338	1,888	3,226	3,148	2.35	331
	2005	1,346	1,885	3,231	3,162	2.35	326
	2006	1,355	1,916	3,271	3,196	2.36	335
	2007	1,342	1,896	3,238	3,156	2.35	343
	2008	1,347	1,890	3,237	3,178	2.36	340
	2009	1,392	1,952	3,344	3,273	2.35	358
	2010f	1,391	1,952	3,343	3,269	2.35	357
	2011f	1,409	1,954	3,362	3,310	2.35	374
	2012f	1,407	1,953	3,360	3,301	2.35	377
	2013f	1,417	1,960	3,377	3,324	2.35	386
	2014f	1,428	1,967	3,395	3,347	2.34	395
	2015f	1,438	1,974	3,412	3,370	2.34	405
	2016f	1,448	1,981	3,429	3,391	2.34	414
Growth 2010-2016							
Domestic	Change	-22	-10	-32	-58	-0.01	25
	Total	-2.1%	-0.6%	-1.1%	-2.4%	-0.3%	9.7%
	Annual	-0.3%	-0.1%	-0.2%	-0.3%	0.0%	1.3%
International	Change	78	39	117	175	-0.04	31
	Total	23.2%	26.0%	24.0%	21.2%	-1.6%	30.3%
	Annual	3.0%	3.4%	3.1%	2.8%	-0.2%	3.9%
Total	Change	56	29	85	118	-0.01	56
	Total	4.0%	1.5%	2.5%	3.6%	-0.4%	15.6%
	Annual	0.6%	0.2%	0.4%	0.5%	-0.1%	2.1%

Note: The visits and nights figures are rounded to the nearest thousand, and the expenditure figures are rounded to the nearest million. The percentage changes are calculated using unrounded figures, and may differ slightly from those calculated using rounded figures.

2. Visits to Lake Taupo RTO

Total Visits

- In 2009 international and domestic travellers made a total of 3.344 million visits to Lake Taupo RTO. International overnight travellers accounted for 337,000 (10.1%) of these visits, domestic overnight travellers 1.056 million (31.6%), international day travellers 151,000 (4.5%) and domestic day travellers 1.801 million (53.9%).
- By 2016 total visits to Lake Taupo RTO are forecast to increase by 85,000 (2.5%) to 3.429 million, with international overnight visits up 78,000 (23.2%) to 414,000, domestic overnight visits down 22,000 (2.1%) to 1.034 million, international day visits up 39,000 (26.0%) to 190,000 and domestic day visits down 10,000 (0.6%) to 1.791 million.

Figure 6: Visits to Lake Taupo RTO by Origin of Traveller and Trip Type (000s)

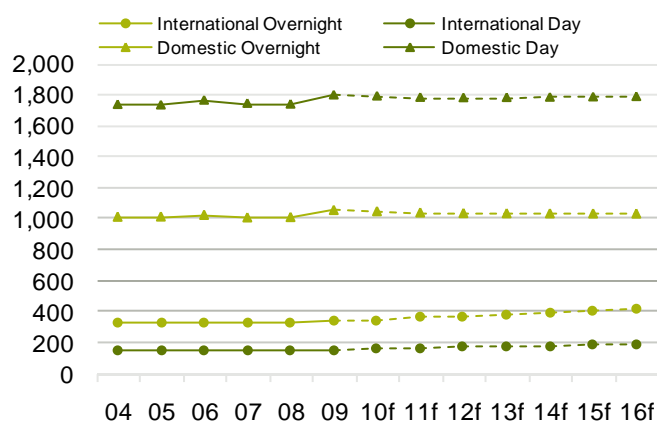
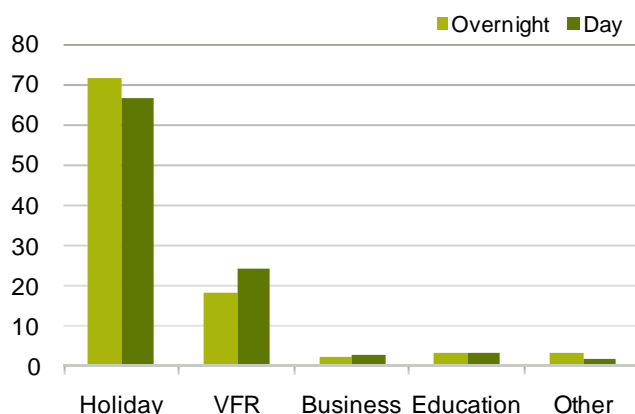


Figure 7: Shares of International Visits to Lake Taupo RTO by Purpose of Trip in 2009 (%)



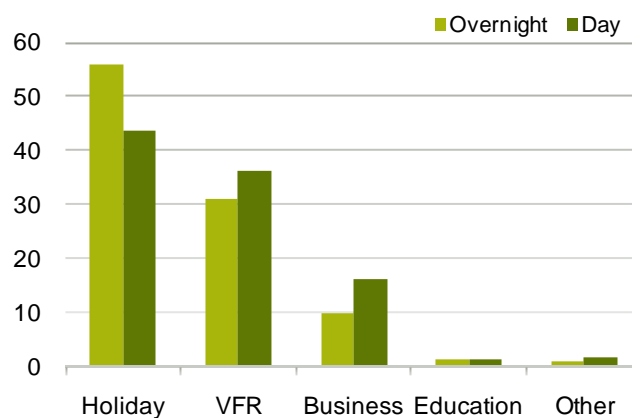
International Visits

- In 2009 holiday travellers generated 71.8% of international overnight visits to Lake Taupo RTO, travellers visiting friends and relatives (VFR) 18.4%, business travellers 2.7%, education travellers 3.6% and other travellers 3.4%. This distribution is not expected to change greatly over the forecast period.
- Holiday travellers generated 66.8% of international day visits to Lake Taupo RTO in 2009, VFR travellers 24.3%, business travellers 3.3%, education travellers 3.4% and other travellers 2.1%. No significant change in the purpose composition is expected between 2009 and 2016.

Domestic Visits

- In 2009 holiday travellers generated 56.0% of domestic overnight visits to Lake Taupo RTO, VFR travellers 31.2%, business travellers 10.2%, education travellers 1.4% and other travellers 1.2%. This distribution is not expected to change greatly over the forecast period.
- Holiday travellers generated 43.7% of domestic day visits to Lake Taupo RTO in 2009, VFR travellers 36.4%, business travellers 16.5%, education travellers 1.6% and other travellers 1.8%. The business share is expected to increase to 19.1% by 2016, while the VFR share is expected to fall to 34.7%.

Figure 8: Shares of Domestic Visits to Lake Taupo RTO by Purpose of Trip in 2009 (%)



3. Visits to Lake Taupo RTO by Origin of Traveller

International Visits

- International visits to Lake Taupo RTO are expected to increase from 487,000 in 2009 to 604,000 in 2016, representing growth of 117,000 or 24.0%.
- Travellers from Australia accounted for the largest share of international visits to Lake Taupo RTO in 2009 at 32.7%, followed by the United Kingdom at 18.6% and the United States at 7.9%.
- In 2016 the largest share of international visits to Lake Taupo RTO is expected to come from Australia at 33.9%, followed by the United Kingdom at 16.0% and the United States at 8.6%.

Figure 9: Shares of International Visits to Lake Taupo RTO by Origin of Traveller (%)

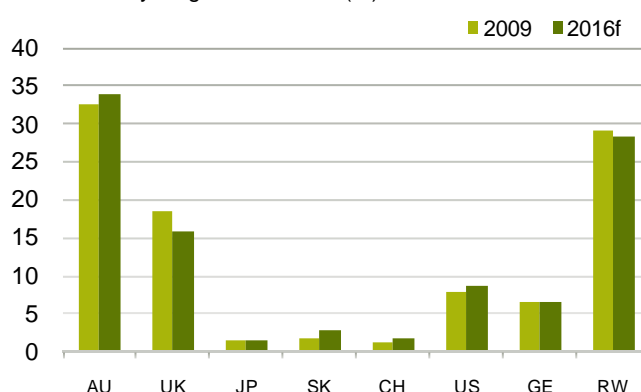
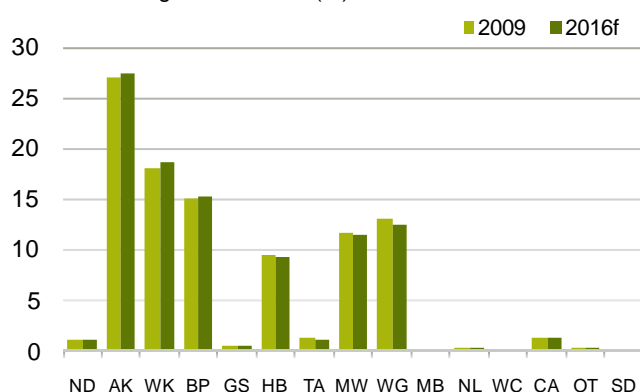


Figure 10: Shares of Domestic Visits to Lake Taupo RTO by Origin of Traveller (%)



Domestic Visits

- Domestic visits to Lake Taupo RTO are expected to decrease from 2.857 million in 2009 to 2.825 million in 2016, representing a contraction of 32,000 or 1.1%.
- Travellers from Auckland accounted for the largest share of domestic visits to Lake Taupo RTO in 2009 at 27.1%, followed by Waikato at 18.1% and Bay of Plenty at 15.1%.
- In 2016 the largest share of domestic visits to Lake Taupo RTO is expected to come from Auckland at 27.4%, followed by Waikato at 18.8% and Bay of Plenty at 15.3%.

Table 2a: Shares of International Visits to Lake Taupo RTO by Origin of Traveller

Origin	International Shares		
	2009	2016f	Change
Australia	32.7%	33.9%	1.2%
United Kingdom	18.6%	16.0%	-2.6%
Japan	1.5%	1.5%	0.0%
South Korea	1.9%	3.0%	1.1%
China	1.4%	1.9%	0.5%
United States	7.9%	8.6%	0.7%
Germany	6.8%	6.6%	-0.2%
Rest of World	29.3%	28.5%	-0.8%
All Countries	100.0%	100.0%	0.0%

Note: The "change" column describes the percentage point difference, not the actual percentage change

Table 2b: Shares of Domestic Visits to Lake Taupo RTO by Origin of Traveller

Origin	Domestic Shares		
	2009	2016f	Change
Northland	1.2%	1.1%	0.0%
Auckland	27.1%	27.4%	0.3%
Waikato	18.1%	18.8%	0.6%
Bay of Plenty	15.1%	15.3%	0.2%
Gisborne	0.6%	0.6%	0.0%
Hawke's Bay	9.5%	9.3%	-0.3%
Taranaki	1.3%	1.2%	-0.1%
Manawatu-Wanganui	11.8%	11.5%	-0.2%
Wellington	13.0%	12.5%	-0.6%
Marlborough	0.1%	0.2%	0.0%
Nelson-Tasman	0.3%	0.3%	0.0%
West Coast	0.0%	0.0%	0.0%
Canterbury	1.3%	1.3%	0.0%
Otago	0.3%	0.3%	0.0%
Southland	0.1%	0.1%	0.0%
New Zealand	100.0%	100.0%	0.0%

4. Visitor Nights in Lake Taupo RTO

Total Visitor Nights

- In 2009 international and domestic travellers spent a total of 3.273 million visitor nights in Lake Taupo RTO. International travellers accounted for 828,000 (25.3%) of these nights and domestic travellers the remaining 2.445 million (74.7%).
- By 2016 total visitor nights in Lake Taupo RTO are forecast to increase by 118,000 (3.6%) to 3.391 million, with international visitor nights up 175,000 (21.2%) to 1.003 million and domestic visitor nights down 58,000 (2.4%) to 2.388 million.

Figure 11: Visitor Nights in Lake Taupo RTO by Origin of Traveller (000s)

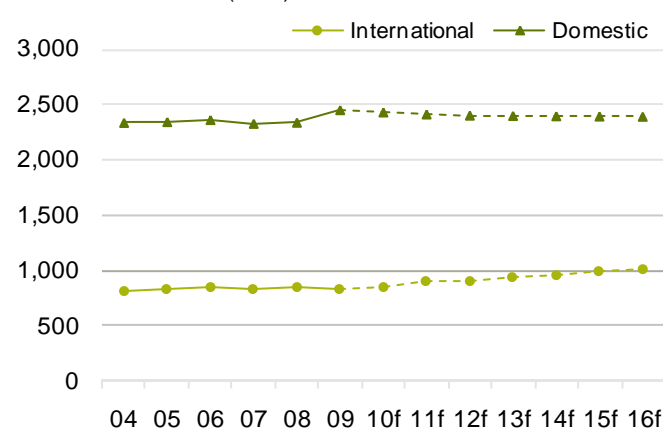
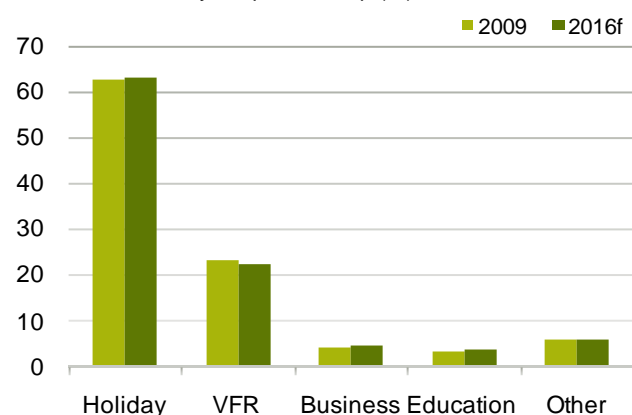


Figure 12: Shares of International Visitor Nights in Lake Taupo RTO by Purpose of Trip (%)



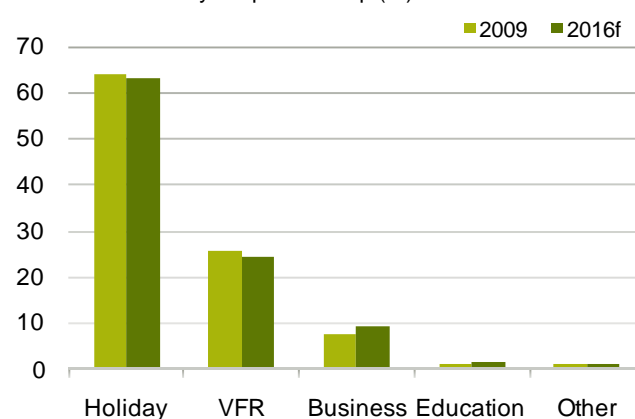
International Visitor Nights

- In 2009 holiday travellers generated 62.7% of international visitor nights spent in Lake Taupo RTO, travellers visiting friends and relatives (VFR) 23.4%, business travellers 4.5%, education travellers 3.5% and other travellers 5.9%. This distribution is not expected to change greatly over the forecast period.

Domestic Visitor Nights

- In 2009 holiday travellers generated 63.8% of domestic visitor nights spent in Lake Taupo RTO, VFR travellers 25.6%, business travellers 7.8%, education travellers 1.5% and other travellers 1.3%. No significant change in the purpose composition is expected between 2009 and 2016.

Figure 13: Shares of Domestic Visitor Nights in Lake Taupo RTO by Purpose of Trip (%)



5. Visitor Nights in Lake Taupo RTO by Origin of Traveller

International Visitor Nights

- International visitor nights in Lake Taupo RTO are expected to increase from 828,000 in 2009 to 1.003 million in 2016, representing growth of 175,000 or 21.2%.
- Travellers from Australia accounted for the largest share of international visitor nights in Lake Taupo RTO in 2009 at 23.1%, followed by the United Kingdom at 22.5% and the United States at 9.3%.
- In 2016 the largest share of international visitor nights in Lake Taupo RTO is expected to come from Australia at 24.5%, followed by the United Kingdom at 19.9% and the United States at 10.6%.

Figure 14: Shares of International Visitor Nights in Lake Taupo RTO by Origin of Traveller (%)

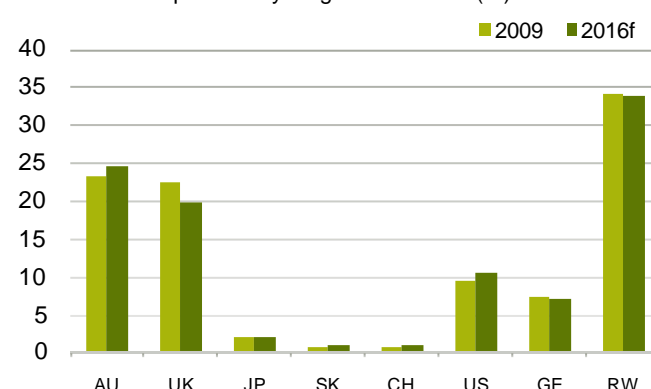
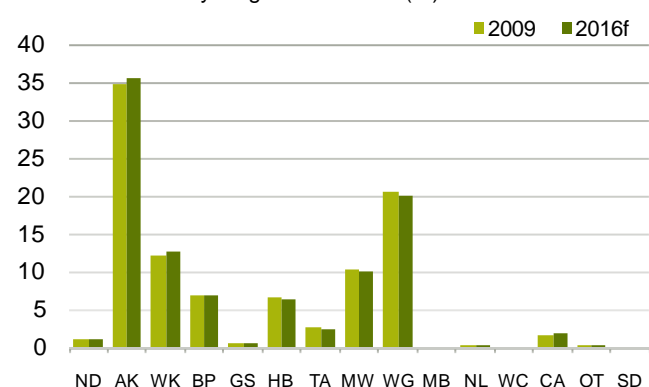


Figure 15: Shares of Domestic Visitor Nights in Lake Taupo RTO by Origin of Traveller (%)



Domestic Visitor Nights

- Domestic visitor nights in Lake Taupo RTO are expected to decrease from 2.445 million in 2009 to 2.388 million in 2016, representing a contraction of 58,000 or 2.4%.
- Travellers from Auckland accounted for the largest share of domestic visitor nights in Lake Taupo RTO in 2009 at 34.9%, followed by Wellington at 20.7% and Waikato at 12.2%.
- In 2016 the largest share of domestic visitor nights in Lake Taupo RTO is expected to come from Auckland at 35.6%, followed by Wellington at 20.1% and Waikato at 12.6%.

Table 3a: Shares of International Visitor Nights in Lake Taupo RTO by Origin of Traveller

Origin	International Shares		
	2009	2016f	Change
Australia	23.1%	24.5%	1.4%
United Kingdom	22.5%	19.9%	-2.6%
Japan	2.1%	2.2%	0.1%
South Korea	0.8%	0.9%	0.1%
China	0.8%	1.1%	0.3%
United States	9.3%	10.6%	1.3%
Germany	7.2%	7.2%	-0.1%
Rest of World	34.2%	33.7%	-0.5%
All Countries	100.0%	100.0%	0.0%

Note: The "change" column describes the percentage point difference, not the actual percentage change.

Table 3b: Shares of Domestic Visitor Nights in Lake Taupo RTO by Origin of Traveller

Origin	Domestic Shares		
	2009	2016f	Change
Northland	1.3%	1.3%	0.0%
Auckland	34.9%	35.6%	0.8%
Waikato	12.2%	12.6%	0.4%
Bay of Plenty	7.1%	7.1%	0.0%
Gisborne	0.8%	0.8%	0.0%
Hawke's Bay	6.7%	6.5%	-0.2%
Taranaki	2.8%	2.6%	-0.2%
Manawatu-Wanganui	10.4%	10.2%	-0.2%
Wellington	20.7%	20.1%	-0.6%
Marlborough	0.2%	0.3%	0.0%
Nelson-Tasman	0.4%	0.4%	0.0%
West Coast	0.0%	0.0%	0.0%
Canterbury	1.9%	1.9%	0.0%
Otago	0.5%	0.5%	0.0%
Southland	0.0%	0.0%	0.0%
New Zealand	100.0%	100.0%	0.0%

6. Visitor Expenditure in Lake Taupo RTO

Total Expenditure

- In 2009 international and domestic visitors spent a total of \$358 million in Lake Taupo RTO. International visitors accounted for \$103 million (28.8%) of this expenditure and domestic visitors the remaining \$255 million (71.2%).
- By 2016 total visitor expenditure in Lake Taupo RTO is forecast to increase by \$56 million (15.6%) to \$414 million, with international expenditure up \$31 million (30.3%) to \$134 million and domestic expenditure up \$25 million (9.7%) to \$279 million.
- The share of national visitor expenditure captured by Lake Taupo RTO is forecast to decrease from 2.37% in 2009 to 2.29% in 2016.

Figure 16: Visitor Expenditure in Lake Taupo RTO by Origin of Traveller (\$NZm)

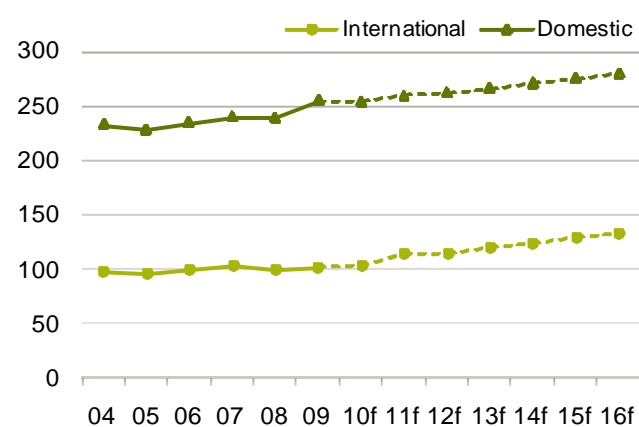


Table 4: Visitor Expenditure in Lake Taupo RTO by Origin of Traveller (\$NZm)

Calendar Year	International	Domestic	Total	Share of NZ	Share of Lake Taupo RTO		
					International	Domestic	Total
2004	98	233	331	2.45%	29.7%	70.3%	100.0%
2005	97	228	326	2.42%	29.9%	70.1%	100.0%
2006	101	235	335	2.37%	30.0%	70.0%	100.0%
2007	104	240	343	2.35%	30.2%	69.8%	100.0%
2008	101	239	340	2.37%	29.6%	70.4%	100.0%
2009	103	255	358	2.37%	28.8%	71.2%	100.0%
2010f	103	254	357	2.35%	29.0%	71.0%	100.0%
2011f	115	259	374	2.34%	30.8%	69.2%	100.0%
2012f	115	262	377	2.32%	30.6%	69.4%	100.0%
2013f	120	266	386	2.32%	31.1%	68.9%	100.0%
2014f	125	270	395	2.31%	31.6%	68.4%	100.0%
2015f	130	275	405	2.30%	32.1%	67.9%	100.0%
2016f	134	279	414	2.29%	32.5%	67.5%	100.0%
Growth 2010-16	31	25	56				
Total	30.3%	9.7%	15.6%				
Annual	3.9%	1.3%	2.1%				

Appendix

Table A1: Origins of Visitors and Abbreviations

Domestic Origins (Regional Council Areas)		International Origins
Northland Region (ND)	Nelson-Tasman Region (NL)	Australia (AU)
Auckland Region (AK)	Marlborough Region (MB)	United Kingdom (UK)
Waikato Region (WK)	West Coast Region (WC)	Japan (JP)
Bay of Plenty Region (BP)	Canterbury Region (CA)	South Korea (SK)
Gisborne Region (GS)	Otago Region (OT)	China (CH)
Hawke's Bay Region (HB)	Southland Region (SD)	United States (US)
Taranaki Region (TA)		Germany (GE)
Manawatu-Wanganui Region (MW)		Rest of the World (RW)
Wellington Region (WG)		

Table A2: RTOs and Constituent Territorial Authorities

Northland RTO	Far North Di	Wanganui RTO	Wanganui Di
	Kaipara Di	Wairarapa RTO	Carterton Di
Auckland RTO	Whangarei Di	Kapiti-Horowhenua RTO	Masterton Di
	Auckland City		South Wairarapa Di
	Franklin Di	Wellington RTO	Horowhenua Di
	Manukau City		Kapiti Coast Di
	North Shore City		Lower Hutt City
	Papakura Di		Porirua City
Rodney Di	Upper Hutt City		
Waitakere City	Wellington City		
Coromandel RTO	Hauraki Di	Marlborough RTO	Marlborough Di
	Thames-Coromandel Di	Nelson RTO	Nelson City
Waikato RTO	Hamilton City	Canterbury RTO	Tasman Di
	Matamata-Piako Di		Ashburton Di
	Otorohanga Di		Chatham Islands Territory
	South Waikato Di		Christchurch City
	Waikato Di		Hurunui Di
	Waipa Di		Kaikoura Di
Waitomo Di	Mackenzie Di*		
Bay of Plenty RTO	Tauranga City		Selwyn Di
	Western Bay of Plenty Di		Timaru Di*
Rotorua RTO	Rotorua Di		Waimakariri Di
Lake Taupo RTO	Taupo Di	Waimate Di	
Kawerau-Whakatane***	Kawerau Di	Timaru RTO	Timaru Di*
	Whakatane Di	MacKenzie RTO	Mackenzie Di*
Gisborne RTO	Gisborne Di	Waitaki RTO	Waitaki Di
	Opotiki Di	West Coast RTO	Buller Di
Taranaki RTO	New Plymouth Di	Lake Wanaka RTO	Grey Di
	South Taranaki Di		Westland Di
	Stratford Di	Queenstown RTO	Queenstown-Lakes Di**
Hawke's Bay RTO	Central Hawke's Bay Di	Central Otago RTO	Central Otago Di
	Hastings Di	Dunedin RTO	Dunedin City
	Napier City	Clutha***	Clutha Di
	Wairoa Di	Fiordland RTO	Southland Di**
Ruapehu RTO	Ruapehu Di	Southland RTO	Gore Di
Manawatu RTO	Manawatu Di	Southland RTO	Invercargill City
	Palmerston North City		Southland Di**
	Rangitikei Di		
	Tararua Di		

*Also counted as part of Canterbury RTO; **Divided into two RTOs; ***Currently not a funded RTO; Di = District

Figure A1: Map of New Zealand RTO Areas

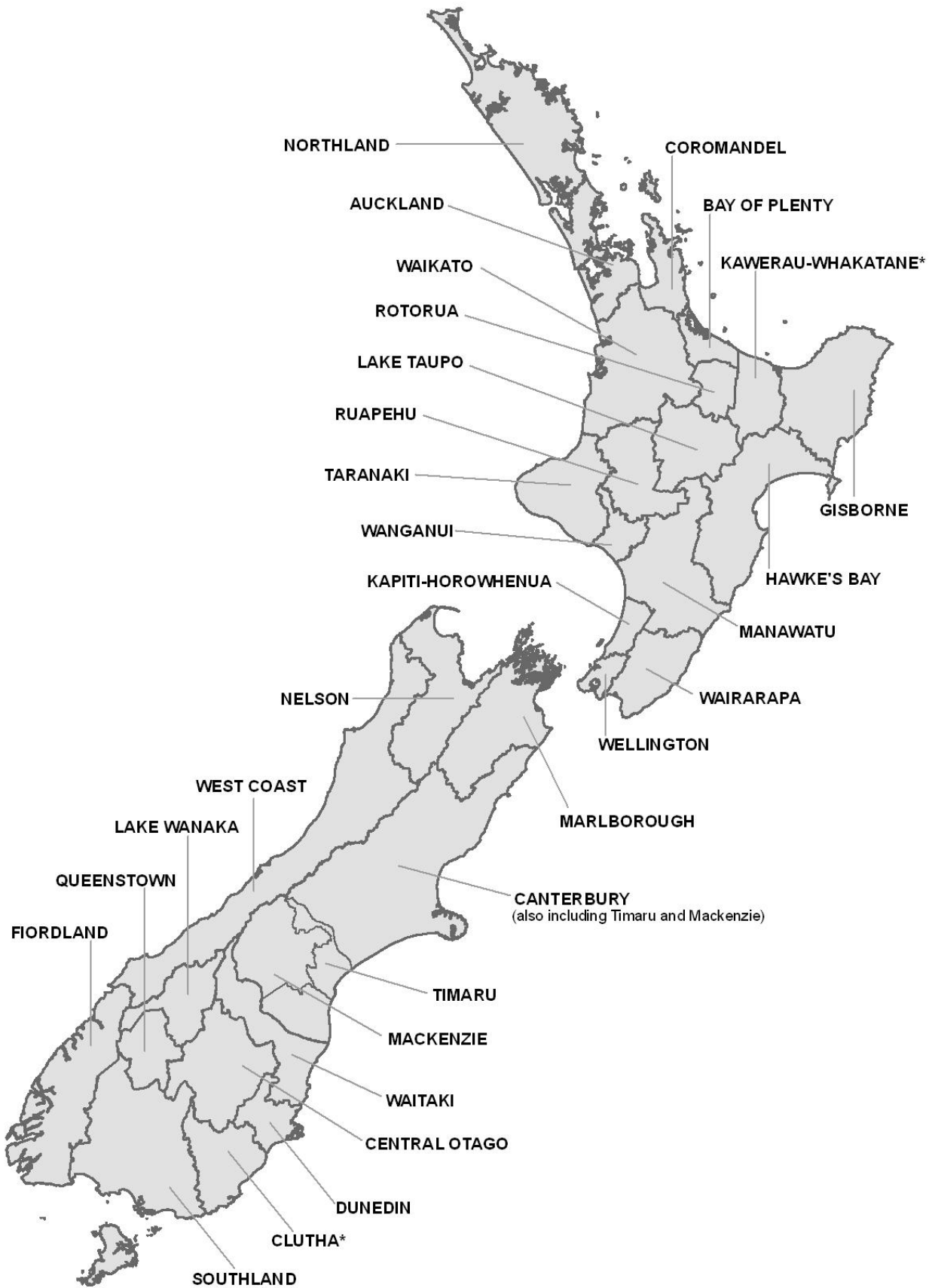


Table A2: Sample Sizes Underlying Regional Estimates in 2009

Destination	International Visits		Domestic Visits	
	Overnight	Day	Overnight	Day
Auckland RTO	5,086	1,483	1,103	902
Bay of Plenty RTO	512	191	379	337
Canterbury RTO	3,937	1,370	746	690
Central Otago RTO	107	141	112	111
Timaru RTO	171	178	62	78
Coromandel RTO	561	347	319	270
Dunedin RTO	815	256	208	192
Gisborne RTO	164	45	126	123
Fiordland RTO	845	986	43	23
Hawke's Bay RTO	559	158	356	316
Kapiti-Horowhenua RTO	112	112	148	189
Lake Taupo RTO	930	476	314	218
Lake Wanaka RTO	612	359	106	110
Mackenzie RTO	669	659	44	53
Manawatu RTO	279	147	246	301
Marlborough RTO	652	308	167	128
Nelson RTO	1,114	561	217	198
Northland RTO	1,115	886	462	542
Queenstown RTO	1,669	700	151	129
Rotorua RTO	1,459	390	259	263
Ruapehu RTO	185	70	114	109
Southland RTO	368	248	103	162
Taranaki RTO	238	83	198	203
Waikato RTO	866	759	435	542
Wairarapa RTO	105	121	110	110
Waitaki RTO	283	306	69	65
Wanganui RTO	127	45	72	80
Wellington RTO	1,784	195	594	389
West Coast RTO	1,956	1,231	156	158
New Zealand	27,489	12,947	7,522	7,116

The figures in the table above describe the number of International Visitor Survey (IVS) and Domestic Travel Survey (DTS) respondents that reported visiting each RTO in 2009. The number of visitations is equivalent to the sample size for a region e.g. the 2009 estimate of international overnight visits to Auckland is based on a sample of 5,086 responses.

The IVS is based on a sample of 5,200 departing international visitors each year, and the DTS is based on 15,000 telephone interviews each year.

Appendix 11: Taupo Bungy New Zealand - visitor numbers per year (attached)

[Confidential]

Appendix 12: Contact details of competitors referred to in paragraph 13

- 1 Ruapehu Alpine Lifts is the trading name for Ruapehu Alpine Lifts Limited (8273)

Ruapehu Alpine Lifts operates ski fields and provides related services at:

- 1.1 Whakapapa Ski Field
- 1.2 Turangi Ski Field
- 1.3 Turoa Ski Field

Ruapehu Alpine Lifts has constructed a new gondola at Whakapapa Ski Field and made other recent large investments, which increase its all year round attractiveness for visitors.

Registered Office:

Ruapehu Alpine Lifts,
Top of Bruce Road,
Whakapapa Ski Field,
Ruapehu, 3951,
New Zealand

Address for Service

Ruapehu Alpine Lifts,
Top of Bruce Road,
Whakapapa Ski Field,
Ruapehu, 3951,
New Zealand

Tel: +64 7 892 4000

Email: info@mtruapehu.com

Website: <https://mtruapehu.com>

- 2 Velocity Valley

Velocity Valley is the trading name for Velocity Valley Limited (3173008) of Bungy Swoop NZ Limited (304337)

Velocity Valley operates in the Rotorua area. Velocity Valley's operations, in relation to the subject services, comprises:

- 2.1 Jet Boat Rides
- 2.2 Freefall Experiences
- 2.3 Pedal Powered Pods
- 2.4 Swings
- 2.5 Extreme Biking

Registered Office:

25 Fryer Road
RD 7

Rotorua, 3097
New Zealand

Address for Service

25 Fryer Road
RD 7
Rotorua, 3097
New Zealand

Tel: +64 7 357 4747

Email: reservations@velocityvalley.co.nz

Website: <https://velocityvalley.co.nz/>

3 Rock'n'Ropes

Rock n Ropes operates in the Taupo area. Rock n Ropes operations, in relation to the subject services, comprises:

3.1 High Altitude Ropes

3.2 'Rock Drop' Cordless Jump

3.3 Team Building Exercises

Tel: 0800 244 508

Email: info@rocknropes.co.nz

Website: <https://www.rocknropes.com>

4 Rapids Jet

Rapids Jet is a trading name held by Rapids Jet (2004) Limited (1474680)

Rapid Jets operates in the Taupo area. Rapid Jets operations, in relation to the subject services, comprises jet boat rides.

Registered Office:

706 Aratiatia Road,
RD 2,
Taupo, 3378,
New Zealand

Address for Service:

706 Aratiatia Road,
RD 2,
Taupo, 3378,
New Zealand

Tel: +64 7 374 8066

Website: www.rapidsjet.com/

5 New Zealand Riverjet

New Zealand Riverjet is the trading name for New Zealand Riverjet (2004) Limited (1495299)

New Zealand Riverjet operates in the greater Taupo area. New Zealand Riverjet operations, in relation to the subject services, comprises:

- 5.1 Sightseeing Boat Ride
- 5.2 Cavern Walking
- 5.3 Jet Boat Rides
- 5.4 Scenic Float Plane Rides
- 5.5 Self-piloted Boat Rides

Registered Office:

43 Carlyle Street,
Napier South,
Napier, 4110,
New Zealand

Address for Service

43 Carlyle Street,
Napier South,
Napier, 4110,
New Zealand

Tel: +64 7 333 7111

Website: <https://www.riverjet.co.nz/>

6 HukaFalls Jet

HukaFalls Jet is the trading name for Ngāi Tahu Tourism Limited (813299), of Ngāi Tahu Holdings Corporation Limited (561568)

HukaFalls Jet operates in the Taupo area. HukaFalls Jet operations, in relation to the subject services, comprises jet boat rides.

Registered Office:

15 Show Place,
Addington,
Christchurch, 8024,
New Zealand

Address for Service

15 Show Place,
Addington,
Christchurch, 8024,
New Zealand

Tel: +64 7 374 8572

Email: info@hukafallsjet.com

Website: <https://www.hukafallsjet.com/nz/>

7 Big Sky Parasail

Big Sky Parasail is the trading name for Big Sky Parasail Limited (1568846)

Big Sky Parasail operates in the Taupo area. Parasail Taupo operations, in relation to the subject services, comprises:

- 7.1 Personal Parasail Flights
- 7.2 Tandem/Triple Parasail Flights
- 7.3 Scenic/Observation Flights

Registered Office:

Taupo Marina,
Berth 20,
Taupo, 3351,
New Zealand

Address for Service

Taupo Marina,
Berth 20,
Taupo, 3351,
New Zealand

Tel: 0800 724 4759

Email: bigskyparasail@gmail.com

Website: bigskyparasail.co.nz/
parasailtaupo.com

8 Rafting NZ

Tel: +64 7 378 8482

Email: info@raftingnewzealand.com

Website: <https://www.raftingnewzealand.co.nz/>

9 Tongariro River Rafting

Tongariro River Rafting is the trading name for Tongariro River Rafting Limited (4067098)

Tongariro River Rafting operates in the Turangi area. Tongariro River Rafting operations, in relation to the subject services, comprises:

- 9.1 White Water Rafting
- 9.2 Mountain Biking
- 9.3 River Fishing

Registered Office:

77 Titiraupenga Street,
Taupo, 3330
New Zealand

Address for Service

77 Titiraupenga Street,
Taupo, 3330
New Zealand

Tel: +64 7 386 6409

Email: info@trr.co.nz

Website: www.trr.co.nz

10 Taupo's Floatplane

Taupo's Floatplane is the trading name for Taupo's Floatplane Limited (198421)

Taupo's Floatplane operates in the Taupo area. Taupo's Floatplane operations, in relation to the subject services, comprises scenic flights.

Registered Office:

Suite 20,
19 Tamamutu Street
Taupo, 3330
New Zealand

Address for Service

Suite 20,
19 Tamamutu Street
Taupo, 3330
New Zealand

Tel: +64 7 375 7500

Website: www.tauposfloatplane.co.nz

11 Heli Adventure Flights

Heli Adventure Flights is the trading name for Heli Adventure Flights Limited (4781199)

Heli Adventure Flights operates in the Taupo area. Heli Adventure Flights operations, in relation to the subject services, comprises scenic flights

Registered Office:

68A Harvey Street,
Waipahihi,
Taupo, 3330
New Zealand

Address for Service

68A Harvey Street,
Waipahihi,
Taupo, 3330
New Zealand

Tel: 0508 435 474

Website: <https://www.helicoptertours.co.nz>

12 Taupo Tandem Skydiving

Taupo Tandem Skydiving operates in the Taupo area. Taupo Tandem Skydiving operations, in relation to the subject services, comprises tandem skydiving.

Tel: 0800 826 336

Email: daisy@tts.net.nz

Website: <https://www.taupotandemskydiving.com/>

13 Skydive Taupo

Skydive Taupo is the trading name for Skydive Taupo Limited (1247545)

Skydive Taupo is operates adventure tourism services in the Taupo area. Skydive Taupo operations, in relation to the subject services, comprises tandem skydiving.

Registered Office:

Stretton & Co,
Heu Heu Street,
Taupo, 3330
New Zealand

Address for Service

Stretton & Co,
Heu Heu Street,
Taupo, 3330
New Zealand

Tel: 0800 586 766

Email: info@skydivetaupo.co.nz

Website: <https://www.skydivetaupo.co.nz/>

14 Taupo Quad Adventures/Kiwi Outback Adventures

Taupo Quad Adventures and Kiwi Outback Adventures are trading names for AAA Action Adventure Limited (1891966). Its operations, in relation to the subject services, comprises:

14.1 Paintball

14.2 Quadbike Tours

14.3 Team Building Exercises

Registered Office:

1475 State Highway 1,
RD 4,
Taupo, 3384
New Zealand

Address for Service

1475 State Highway 1,
RD 4,

Taupo, 3384
New Zealand

Tel: +64 27 294 7114

Email: koataupo@gmail.com

Websites: taupoquadtours.com

taupoquads.co.nz

15 Formula Challenge Racing

Formula Challenge Racing is the trading name for Formula Challenge Racing Limited (971403)

Formula Challenge Racing operates adventure tourism services in the Taupo area. Formula Challenge Racing operations, in relation to the subject services, comprises racecar driving

Registered Office:

696 Tukairangi Road,
RD 5,
Taupo, 3385
New Zealand

Address for Service

696 Tukairangi Road,
RD 5,
Taupo, 3385
New Zealand

Tel: +64 7 377 0338

Email: info@fcr.co.nz

Website: <https://www.formulachallenge.co.nz/>

16 Formula Challenge Racing

Formula Challenge Racing is the trading name for Formula Challenge Racing Limited (971403)

Kiwi Mountain Bikes operates in the Turangi area. Kiwi Mountain Bikes operations, in relation to the subject services, comprises:

16.1 Mountain Biking

16.2 Guided Bike Tours

Registered Office:

696 Tukairangi Road,
RD 5,
Taupo, 3385
New Zealand

Address for Service

696 Tukairangi Road,
RD 5,
Taupo, 3385
New Zealand

Tel: +64 7 377 0338
Email: info@fcr.co.nz

Website: <https://www.formulachallenge.co.nz/>

17 Kiwi Mountain Bikes

Tread Routes operates in various locations around the North Island. Tread Routes operations, in relation to the subject services, comprises:

17.1 Mountain Biking

17.2 Guided Bike Tours

Tel: +64 27 678 6461
Email: info@kiwimountainbikes.co.nz

Website: <http://www.kiwimountainbikes.co.nz/>

18 Chris Jolly Outdoors

Chris Jolly Outdoors is the trading name for Chris Jolly Boats Limited (335020)

Chris Jolly Outdoors operates in the Taupo area. Chris Jolly Outdoors operations, in relation to the subject services, comprises:

18.1 Scenic Boat Rides

18.2 Fly Fishing

18.3 Hunting

18.4 Mountain Biking

Registered Office:

59 Watene Lane,
Nukuhau,
Taupo, 3330
New Zealand

Address for Service

59 Watene Lane,
Nukuhau,
Taupo, 3330
New Zealand

Tel: 0800 252 628
Email: bookings@chrisjolly.co.nz

Website: <https://chrisjolly.co.nz/>

19 Taupo Kayaking Adventures

Taupo Kayaking Adventures is the trading name for Taupo Kayaking Adventures Limited (4438731)

Adventure Playground Rotorua operates in the Rotorua area. Adventure Playground Rotorua operations, in relation to the subject services, comprises:

19.1 Quadbike Tours

19.2 Clay Bird Shooting

Registered Office:

Unit 2,
876 Acacia Bay Road,
Acacia
Taupo, 3330
New Zealand

Address for Service

Unit 2,
876 Acacia Bay Road,
Acacia
Taupo, 3330
New Zealand

Tel: +64 7 376 8981

Email: info@tka.co.nz

Website: <http://www.tka.co.nz/>

20 Adventure Playground Rotorua

Adventure Playground Rotorua is the trading name for Adventure Playground Rotorua Limited (3814596)

Registered Office:

2/1176 Amohau Street,
Rotorua, 3045
New Zealand

Address for Service

2/1176 Amohau Street,
Rotorua, 3045
New Zealand

Tel: 0800 782 396

Website: <https://adventureplayground.co.nz/>

21 Kaitiaki Adventures

Kaitiaki Adventures operates in the Rotorua area. Kaitiaki Adventures operations, in relation to the subject services, comprises:

21.1 White Water Rafting

21.2 Sledging

Address

1135 Te Ngae Road,
Tikitere, 3074
New Zealand

Tel: 0800 338 736

Email: info@kaitiaki.co.nz

Website: <https://www.kaitiaki.co.nz/>

22 Kaituna Cascades

Kaituna Cascades operates in the Rotorua area. Kaituna Cascades operations, in relation to the subject services, comprises white water rafting.

Kaituna Cascades is the trading name for Kaituna Rafting Limited (6211816)

Registered Office:

18 Okere Falls Road,
Okere Falls, RD4,
Rotorua, 3074
New Zealand

Address for Service

18 Okere Falls Road,
Okere Falls, RD4,
Rotorua, 3074
New Zealand

Tel: 0800 524 8862

Email: info@kaitunacascades.co.nz

Website: <https://kaitunacascades.co.nz/>

23 Kaituna Kayaks

Kaituna Kayaks is the trading name for Kaituna Kayaks 2014 Limited (5309461)

Kaituna Kayaks operates in the Rotorua area. Kaituna Kayaks operations, in relation to the subject services, comprises:

23.1 White Water Kayaking

23.2 Lake/Sea Kayaking

Registered Office:

3G Trout Pool Road,
RD 4,
Rotorua, 3074
New Zealand

Address for Service

3G Trout Pool Road,
RD 4,
Rotorua, 3074
New Zealand

Tel: +64 21 277 2855

Email: paddle@kaitunakayaks.co.nz

Website: <https://kaitunakayaks.co.nz/>

24 Katoa Lake Rotorua

Katoa Lake Rotorua is the trading name for Kawarau Jet Rotorua Limited (1520516)

Katoa Lake Rotorua operates in the Rotorua area. Kaituna Lake Rotorua operations, in relation to the subject services, comprises:

24.1 Jet Boating

24.2 Personal Parasail Flights

24.3 Tandem Parasail Flights

Registered Office:

63 Bourke Street,
Palmerston North, 4410
New Zealand

Address for Service

63 Bourke Street,
Palmerston North, 4410
New Zealand

Tel: +0800 538 7746

Website: <https://www.katoalakerotorua.co.nz/>

25 Off Road NZ Adventures

Off Road NZ Adventures is the trading name for Off Road New Zealand (1992) Limited (1135878)

Off Road NZ Adventures operates in the Rotorua area. Off Road NZ Adventures operations, in relation to the subject services, comprises:

25.1 Go-Karting

25.2 Quadbike Tours

25.3 4X4 Thrill Rides

Registered Office:

Amoore Road, RD2,
Rotorua,
New Zealand

Address for Service

Amoore Road, RD2,
Rotorua,
New Zealand

Tel: +64 7 332 5748

Website: <https://www.offroadnz.co.nz/>

26 Ogo

Ogo is the trading name for Ogo Rotorua Limited (1920476)

Ogo operates in the Rotorua area. Ogo operations, in relation to the subject services, comprises zorbing.

Registered Office:

BDO Tuaranga Limited,
Level 1, The Hub,
525 Cameron Road,
Tauranga, 3110,
New Zealand

Address for Service

BDO Tuaranga Limited,
Level 1, The Hub,
525 Cameron Road,
Tauranga, 3110,
New Zealand

Tel: 0800 646 768

Email: info@ogo.co.nz

Website: <https://www.ogo.co.nz/>

27 Zorb Rotorua

Zorb Rotorua is the trading name for Zorb New Zealand Limited (1920476) of Zorb Limited (679922)

Zorb Rotorua operates in the Rotorua area. Zorb Rotorua operations, in relation to the subject services, comprises zorbing.

Registered Office:

30 Norwich Street,
Eden Terrace,
Auckland, 1021
New Zealand

Address for Service

30 Norwich Street,
Eden Terrace,
Auckland, 1021
New Zealand

Tel: 0800 227 474

Email: info@zorb.com

Website: <https://www.zorb.com/>

28 Rotorua Canopy Tours

Rotorua Canopy Tours is the trading name for Skyfly Limited (3018921)

Rotorua Canopy Tours in the Rotorua area. Rotorua Canopy Tours operations, in relation to the subject services, comprises:

28.1 Zipline Rides

28.2 Guided Canopy Tours

Registered Office:

147 Fairy Springs Road,
Fairy Springs,
Rotorua, 3015
New Zealand

Address for Service

147 Fairy Springs Road,
Fairy Springs,
Rotorua, 3015
New Zealand

Tel: 0800 226 679

Email: hello@canopytours.co.nz

Website: <https://canopytours.co.nz/>

29 Skyline Rotorua

Skyline Rotorua is the trading name for Skyline Enterprises Limited (156225)

Skyline Rotorua operates in the Rotorua area. Skyline Rotorua operations, in relation to the subject services, comprises:

29.1 Gondola Rides

29.2 Luge Rides

29.3 Mountain Biking

29.4 Zipline Rides

29.5 Swing Rides

Registered Office:

Level 2,
11-17 Church Street,
Queenstown, 9300
New Zealand

Address for Service

Level 2,
11-17 Church Street,

Queenstown, 9300
New Zealand

Tel: +64 7 347 0027

Email: rotorua@skyline.co.nz

Website: <https://skyline.co.nz>

30 Waimarino Kayak Tours

Waimarino Kayak Tours operates in the Rotorua area. Waimarino Kayak Tours operations, in relation to the subject services, comprises kayak tours.

Address:

36 Taniwha Place
Bentlehem
Tauranga, 3176
New Zealand

Tel: +64 7 576 4233

Email: info@glowwormkayaking.com

Website: <https://www.glowwormkayaking.com/>

31 Volcanic Air

Volcanic Air is the trading name for Volcanic Air Safaris Limited (197810)

Volcanic Air operates in the Rotorua area. Volcanic Air operations, in relation to the subject services, comprises:

31.1 Helicopter Tours

31.2 Scenic Flights

Registered Office:

Iles Casey, Chartered Accountants,
1081 Hinemoa Street,
Rotorua,
New Zealand

Address for Service

Iles Casey, Chartered Accountants,
1081 Hinemoa Street,
Rotorua,
New Zealand

Tel: +64 7 348 9984

Email: info@volcanicair.co.nz

Website: <https://volcanicair.co.nz>

32 Rotorua Duck Tours

Rotorua Duck Tours is the trading name for Rotorua Duck Tours Limited (1300825)

Rotorua Duck Tours operates in the Rotorua area. Rotorua Duck Tours operations, in relation to the subject services, comprises scenic boat rides.

Registered Office:

BDO Rotorua,
1130 Pukaki Street,
Rotorua,
New Zealand

Address for Service

BDO Rotorua,
1130 Pukaki Street,
Rotorua,
New Zealand

Tel: +64 345 6522

Email: info@ducktours.co.nz

Website: <https://rotoroaducktours.co.nz>

33 Rotorua Paddle Tours

Rotorua Paddle Tours is the trading name for Rotorua Paddle Tours Limited (3677171)

Rotorua Paddle Tours operates in the Rotorua area. Rotorua Paddle Tours operations, in relation to the subject services, comprises paddle board tours.

Registered Office:

3D Trout Pool Road, RD4,
Rotorua, 3074,
New Zealand

Address for Service

3D Trout Pool Road, RD4,
Rotorua, 3074,
New Zealand

Tel: 0800 772 384

Website: <https://rotorupaddletours.co.nz>

34 Lakeland Queen Cruises

Lakeland Queen Cruises is the trading name for Lakeland Queen (2006) Limited (1844040)

Lakeland Queen Cruises operates in the Rotorua area. Lakeland Queen Cruises operations, in relation to the subject services, comprises scenic boat rides.

Registered Office:

Bright Wild Thomas & Lee Ltd,
1168 Amohia Street,
Rotorua, 3010,
New Zealand

Address for Service

Bright Wild Thomas & Lee Ltd,
1168 Amohia Street,
Rotorua, 3010,
New Zealand

Tel: +64 7 348 0265

Website: <https://lakelandqueen.com>

35 Adrift Tongariro

Adrift Tongariro is the trading name for Adrift NZ Culture Tours Limited (3328478)

Adrift Tongariro operates in the Turangi area. Adrift Tongariro operations, in relation to the subject services, comprises:

35.1 Hiking Tours

35.2 Bike Tours

35.3 Canoeing Tours

Registered Office:

1/18 St Marks Road,
Epsom,
Auckland, 1051,
New Zealand

Address for Service:

1/18 St Marks Road,
Epsom,
Auckland, 1051,
New Zealand

Tel: +64 7 8992 751

Email: info@adriftnz.co.nz

Website: <https://adriftnz.co.nz/>

36 Taupo Wake Park

Taupo Wake Park is the trading name for Anarchy Boarding Park Limited (3914998)

Taupo Wake Park operates in the Taupo area. Taupo Wake Park operations, in relation to the subject services, comprises wake boarding

Registered Office:

201 Karetoto Road,
RD 4,
Taupo, 3384,
New Zealand

Address for Service:

201 Karetoto Road,
RD 4,
Taupo, 3384,
New Zealand

Tel: +64 7 378 7666

Email: taupowakepark@gmail.com

Website: <https://taupowakepark.com>

37 Mountain Air

Mountain Air is the trading name for Mountain Air Limited (1931750)

Mountain Air operates in the Taupo area. Mountain Air operations, in relation to the subject services, comprises scenic flights.

Registered Office:

201 Karetoto Road,
Erskine-Shaw Accountants Limited,
1197 Tutanekai Street,
Rotorua, 3010,
New Zealand

Address for Service:

201 Karetoto Road,
Erskine-Shaw Accountants Limited,
1197 Tutanekai Street,
Rotorua, 3010,
New Zealand

Tel: +64 7 892 2812

Email: info@mountainair.co.nz

Website: <https://mountainair.co.nz/>

38 Inflight Charters

Inflight Charters is the trading name for Inflight Charters Limited (3786957)

Inflight Charters operates in the Taupo area. Inflight Charter operations, in relation to the subject services, comprises:

38.1 Helicopter Flights

38.2 Scenic Flights

Registered Office:

1 Solent Street,
Mechanics Bay,
Auckland, 1010,
New Zealand

Address for Service:

1 Solent Street,
Mechanics Bay,

Auckland, 1010,
New Zealand

Tel: 0800 83 50 83

Email: info@inflitecharters.com

Website: <https://inflitecharters.com/>

39 Earnest Kemp Cruises

Earnest Kemp Cruises operates in the Taupo area. Earnest Kemp Cruises operations, in relation to the subject services, comprises scenic cruises.

Address:

65 Redoubt Street,
Taupo, 3377,
New Zealand

Tel: +64 7 378 3444

Website: <https://ernestkemp.co.nz/>

Appendix 13: Statistics New Zealand information: Average stay of visitors in Taupo (attached)



Commercial Accommodation Monitor:

September 2018

Taupo

newzealand.govt.nz

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Wellington, New Zealand

Preface

Commercial Accommodation Monitor: September 2018 – Taupo presents comprehensive and impartial information on short-term commercial accommodation for the Taupo Regional Tourism Organisation (RTO) area, from the Accommodation Survey. This survey is run by Stats NZ on behalf of the Ministry of Business, Innovation & Employment.

The data relates to the areas covered by the following local authority:

- Taupo District

Comparisons of monthly data with the same month of the previous year need to be treated with caution, as data for one period may be influenced by events for which there is no equivalent in the previous period (eg Chinese New Year, Easter).

For further data and commentary, see the monthly Accommodation Survey Hot Off the Press, and the monthly pivot tables – with variables by RTO and local authority area – both available on the Stats NZ website (www.stats.govt.nz).

The October 2018 monitor will be released on 17 December 2018.

Liz MacPherson
Government Statistician

Standards and further information

Percentage changes

Percentage movements are, in a number of cases, calculated using data of greater precision than that published. This could result in slight variations.

Rounding procedures

On occasion, figures are rounded to the nearest thousand or some other convenient unit. This may result in a total disagreeing slightly with the total of the individual items as shown in tables. Where figures are rounded the unit is in general expressed in words below the table headings, but where space does not allow this the unit may be shown as (000) for thousands, etc.

Source

All data is compiled by Stats NZ, except where otherwise stated. Both administrative and survey data has been used in this report.

Liability

While all care and diligence has been used in processing, analysing and extracting data and information in this report, Stats NZ gives no warranty it is error free and will not be liable for any loss or damage suffered as a result of the use, directly or indirectly, of information in this report.

Stats NZ Information Centre

For help finding and using statistical information available on our website, contact the Information Centre:

Email:	info@stats.govt.nz
Phone toll-free:	0508 525 525
Phone international:	+64 4 931 4600
Fax:	+64 4 931 4610
Post:	P O Box 2922, Wellington 6140, New Zealand
Website:	www.stats.govt.nz

Contact for the Commercial Accommodation Monitor

Zara Darbyshire or Mark Darbyshire
Wellington 04 931 4600
Email: info@stats.govt.nz

Contents

List of tables and figures	vi
1 Highlights	1
Monthly highlights	1
Year ended highlights	2
2 Accommodation variables	4
3 Origin of guests	6
4 National results	8
5 Regional comparison	9
6 Accommodation Survey technical notes.....	12

List of tables and figures

Tables by chapter

2 Accommodation variables

2.1 Taupo accommodation variables by accommodation type.....5

3 Origin of guests

3.1 Taupo and New Zealand monthly guest nights by origin of guest.....7

4 National results

4.1 Taupo and New Zealand guest nights by accommodation type.....8

5 Regional comparison

5.1 Regional tourism organisation areas' monthly guest nights by origin of guest..... 10

5.2 Regional tourism organisation areas' monthly occupancy rates by accommodation type 11

Figures by chapter

1 Highlights

1.1 Taupo RTO area monthly guest nights..... 1

1.2 Taupo RTO area monthly guest nights, change from same month of previous year.2

1.3 Taupo RTO area annual guest nights.....3

1.4 Taupo RTO area annual guest nights, change from previous year.....3

3 Origin of guests

3.1 Taupo RTO area monthly guest nights, by origin of guest.....6

1 Highlights

Monthly highlights

In September 2018 compared with September 2017:

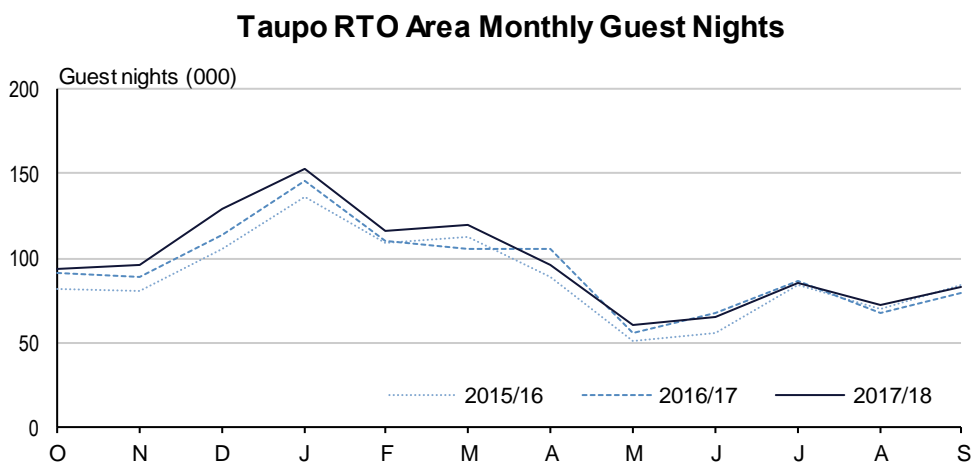
- Guest nights rose 4.6 percent to 82,941
- International guest nights rose 5.1 percent to 21,834
- Domestic guest nights rose 4.4 percent to 61,107
- The average length of stay fell from 1.90 nights to 1.86 nights
- The overall occupancy rate fell from 36.4 percent to 35.7 percent
- The occupancy rate, excluding holiday parks, was 46.4 percent in September 2018
- Accommodation capacity, excluding holiday parks, rose 2.9 percent.

Response rates for September 2018

The response rate for the Taupo RTO area was 78 percent for September 2018.

The proportion of the origin-of-guest estimate from unadjusted data was 64 percent.

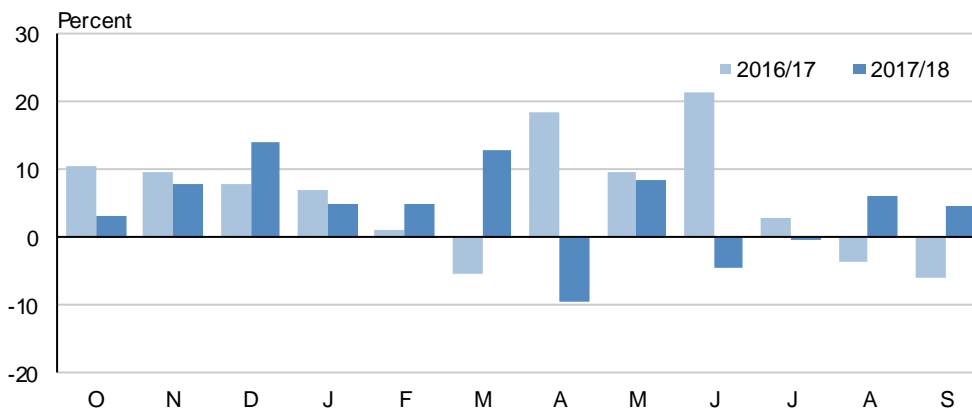
Figure 1.1



Source: Stats NZ

Figure 1.2

Taupo RTO Area Monthly Guest Nights
Change from same month of previous year



Source: Stats NZ

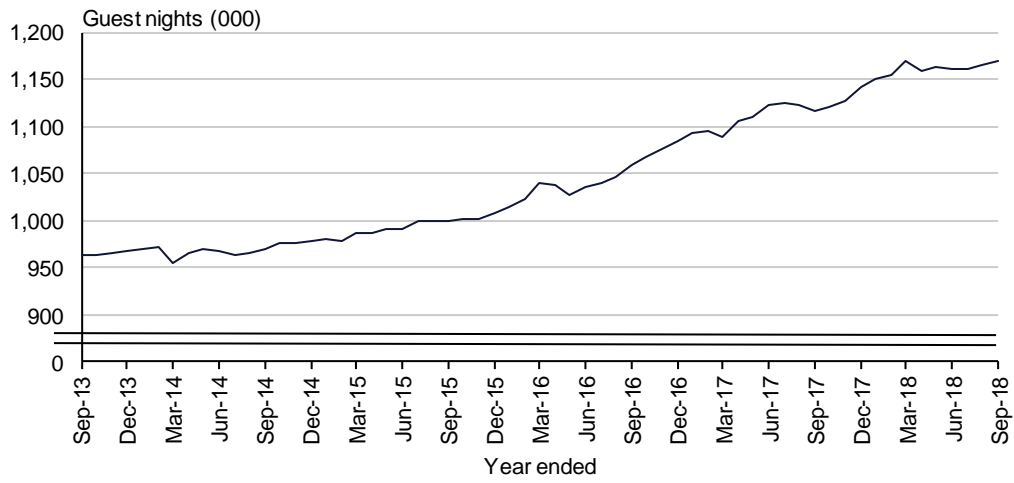
Year ended highlights

For the year ended September 2018 compared with the previous year:

- Guest nights rose 4.6 percent to 1,168,458
- International guest nights rose 5.4 percent to 429,199
- Domestic guest nights rose 4.2 percent to 739,258
- The average length of stay rose from 1.79 nights to 1.83 nights
- The overall occupancy rate rose from 42.0 percent to 42.2 percent
- The occupancy rate, excluding holiday parks, was 52.9 percent for the year ended September 2018
- Accommodation capacity, excluding holiday parks, rose 1.9 percent.

Figure 1.3

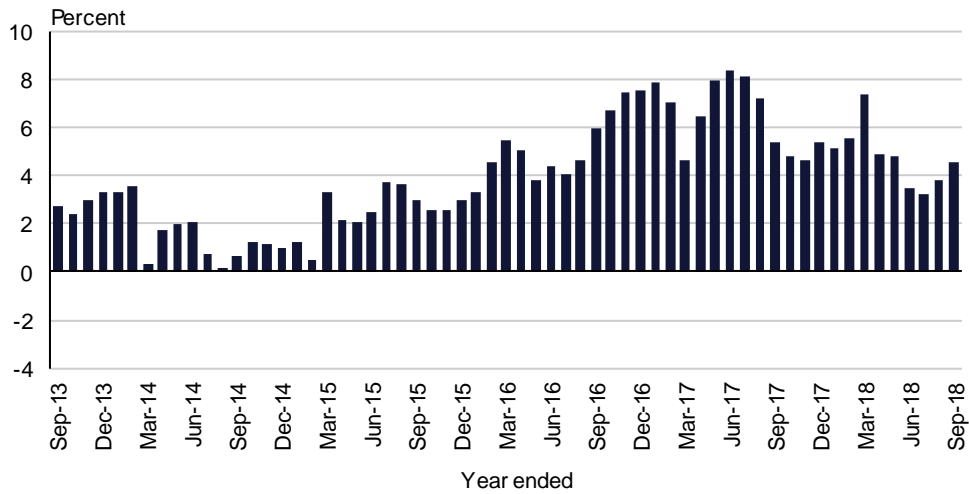
Taupo RTO Area Annual Guest Nights



Source: Stats NZ

Figure 1.4

Taupo RTO Area Annual Guest Nights
Change from previous year



Source: Stats NZ

2 Accommodation variables

In September 2018, compared with September 2017, there was an increase of 4.6 percent in total guest nights for the Taupo RTO area. Holiday parks had the largest increase, followed by motels.

For the year ended September 2018, compared with the previous September year, total guest nights for the Taupo RTO area increased 4.6 percent. Holiday parks had the largest increase, followed by backpackers. Motels had the only decrease.

See table 2.1 for comparisons of data across the main accommodation variables.

Table 2.1

Taupo Accommodation Variables*By accommodation type
Monthly and year ended⁽¹⁾⁽²⁾*

Accommodation type	Monthly			Annual		
	September		Percentage change	Year ended		Percentage change
	2017	2018		September 2017	September 2018	
Guest nights						
Total guest nights	79,326	82,941	4.6	1,116,960	1,168,458	4.6
International	20,775	21,834	5.1	407,402	429,199	5.4
Domestic	58,551	61,107	4.4	709,558	739,258	4.2
Hotels	17,174	17,955	4.5	223,146	232,320	4.1
Motels/apartments	38,596	39,697	2.9	533,919	522,697	-2.1
Backpackers	10,696	10,960	2.5	164,491	182,483	10.9
Holiday parks	12,860	14,329	11.4	195,404	230,958	18.2
Occupancy rates⁽³⁾ (%)						
Hotels	54.8	59.2	8.1	57.2	57.2	-0.1
Motels/apartments	55.5	56.0	0.9	62.7	60.0	-4.3
Backpackers	33.0	29.4	-10.7	42.6	42.7	0.3
Holiday parks	13.8	14.8	7.4	16.8	20.5	22.3
Total	36.4	35.7	-1.9	42.0	42.2	0.7
Total excluding holiday parks ⁽⁴⁾	47.0	46.4	-1.4	54.2	52.9	-2.4
Average length of stay⁽⁵⁾						
Hotels	2.22	1.95	-12.2	1.87	1.91	1.9
Motels/apartments	1.68	1.64	-2.6	1.60	1.59	-0.4
Backpackers	1.81	1.99	10.3	1.99	1.95	-1.9
Holiday parks	2.45	2.51	2.6	2.21	2.44	10.5
Total	1.90	1.86	-2.0	1.79	1.83	2.3
Guest arrivals						
Hotels	7,732	9,208	19.1	119,229	121,789	2.1
Motels/apartments	22,947	24,235	5.6	334,481	328,912	-1.7
Backpackers	5,918	5,500	-7.1	82,653	93,465	13.1
Holiday parks	5,256	5,708	8.6	88,375	94,541	7.0
Total	41,853	44,651	6.7	624,738	638,707	2.2
Establishments						
Hotels	8	8	0.0	8	8	0.0
Motels/apartments	61	61	0.0	61	61	0.0
Backpackers	15	15	0.0	15	15	0.0
Holiday parks	9	12	33.3	9	12	33.3
Total	93	96	3.2	93	96	3.2
Capacity⁽⁶⁾						
Hotels	15,960	15,960	0.0	194,180	194,180	0.0
Motels/apartments	32,880	32,880	0.0	399,102	399,981	0.2
Backpackers	28,680	30,900	7.7	342,118	359,412	5.1
Holiday parks	36,510	40,770	11.7	455,495	468,945	3.0
Total	114,030	120,510	5.7	1,390,895	1,422,518	2.3

(1) Reclassifications, new businesses, ceased businesses, and temporary closures may affect figures.

(2) Irregular events, such as airshows and Easter, may affect percentage changes and other figures.

(3) Occupancy rates are calculated as the ratio of used stay-unit nights to available stay-unit nights.

(4) Holiday parks often have high capacity and can mislead when included in total occupancy rates.

(5) Average length of stay is calculated as the ratio of guest nights to guest arrivals.

(6) Capacity is calculated as the number of available stay-units multiplied by the number of days in the month.

Symbol:

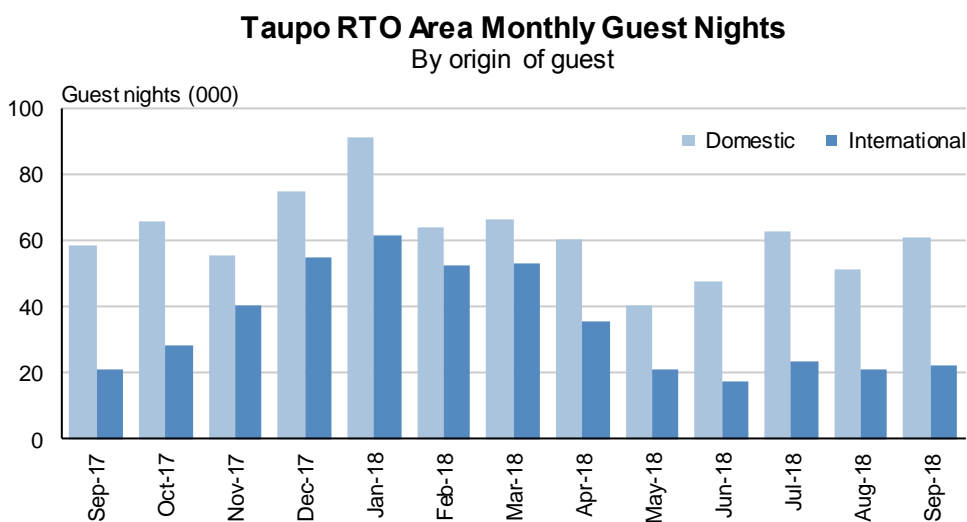
C confidential

3 Origin of guests

In September 2018, international guests accounted for 26.3 percent of all guest nights in the Taupo RTO area. When compared with September 2017, the number of international guest nights spent in the area in September 2018 was up 5.1 percent to 21,834. Domestic guest nights increased 4.4 percent, to 61,107, for the same period.

The proportion of the origin-of-guest estimate from actual data was 64 percent for September 2018.

Figure 3.1



Source: Stats NZ

Table 3.1

Taupo and New Zealand Monthly Guest Nights*By origin of guest*

		Taupo RTO ⁽¹⁾ area			New Zealand		
		Origin of guest		Total	Origin of guest		Total
		Domestic	International		Domestic	International	
Month							
2017	Sep	58,551	20,775	79,326	1,639,056	1,030,456	2,669,511
	Oct	65,534	28,192	93,726	1,843,147	1,303,650	3,146,797
	Nov	55,349	40,432	95,781	1,732,137	1,673,546	3,405,683
	Dec	74,720	54,637	129,357	2,215,289	1,926,411	4,141,700
2018	Jan	91,002	61,721	152,723	2,851,307	2,117,813	4,969,120
	Feb	63,823	52,150	115,973	1,938,307	2,092,637	4,030,944
	Mar	66,345	53,251	119,596	2,180,388	1,996,067	4,176,455
	Apr	60,385	35,174	95,558	1,860,719	1,569,372	3,430,091
	May	40,008	20,614	60,622	1,493,682	1,047,474	2,541,156
	Jun	47,367	17,215	64,582	1,443,331	824,407	2,267,738
	Jul	62,704	23,162	85,866	1,688,075	989,310	2,677,385
	Aug	50,916	20,816	71,731	1,571,502	952,679	2,524,181
	Sep	61,107	21,834	82,941	1,701,704	1,046,180	2,747,884
		Percent change from the current month of the previous year					
		4.4	5.1	4.6	3.8	1.5	2.9
Year ended							
September 2017		709,558	407,402	1,116,960	22,046,354	16,976,402	39,022,756
September 2018		739,258	429,199	1,168,458	22,519,587	17,539,546	40,059,134
		Percent change from previous year					
		4.2	5.4	4.6	2.1	3.3	2.7

(1) Regional tourism organisation

4 National results

In September 2018, a total of 2,748,000 guest nights were spent in short-term commercial accommodation in New Zealand, an increase of 78,000 nights (2.9 percent) from September 2017. Both the North Island (up 58,000 or 3.6 percent) and South Island (up 20,000 or 1.9 percent) recorded an increase.

All four accommodation types recorded an increase in guest nights in September 2018, compared with September 2017. Motels had the largest increase in guest nights (up 27,000 or 3.0 percent), followed by hotels (up 23,000 or 2.2 percent), holiday parks (up 23,000 or 6.1 percent), and backpackers (up 5,000 or 1.6 percent).

For the year ended September 2018, there were 40,059,000 guest nights, an increase of 1,036,000 (2.7 percent) from the previous September year.

Refer to Table 4.1 for comparisons of data.

Table 4.1

Taupo and New Zealand Guest Nights

*By accommodation type
Monthly and year ended*

Accommodation type	Total guest nights			Percentage change	
	2016	2017	2018	2016 to 2017	2017 to 2018
September month					
Taupo RTO area					
Hotels	18,714	17,174	17,955	-8.2	4.5
Motels	43,567	38,596	39,697	-11.4	2.9
Backpackers	10,049	10,696	10,960	6.4	2.5
Holiday parks	12,087	12,860	14,329	6.4	11.4
Total	84,418	79,326	82,941	-6.0	4.6
New Zealand					
Hotels	1,027,905	1,070,977	1,094,219	4.2	2.2
Motels	902,462	889,823	916,580	-1.4	3.0
Backpackers	333,840	326,488	331,715	-2.2	1.6
Holiday parks	369,457	382,224	405,370	3.5	6.1
Total	2,633,664	2,669,511	2,747,884	1.4	2.9
Year ended September					
Taupo RTO area					
Hotels	204,248	223,146	232,320	9.3	4.1
Motels	510,415	533,919	522,697	4.6	-2.1
Backpackers	165,971	164,491	182,483	-0.9	10.9
Holiday parks	179,259	195,404	230,958	9.0	18.2
Total	1,059,892	1,116,960	1,168,458	5.4	4.6
New Zealand					
Hotels	13,485,687	13,802,270	14,277,903	2.3	3.4
Motels	11,927,072	12,285,546	12,429,939	3.0	1.2
Backpackers	5,135,342	5,165,276	5,092,980	0.6	-1.4
Holiday parks	7,492,644	7,769,664	8,258,312	3.7	6.3
Total	38,040,745	39,022,756	40,059,134	2.6	2.7

5 Regional comparison

In September 2018, Auckland recorded the largest increase in guest nights (up 34,000 or 6.1 percent) from September 2017. This was followed by Wellington (up 15,000 or 7.1 percent), Dunedin (up 6,000 or 10.2 percent), Wanaka (up 6,000 or 9.2 percent), and Mackenzie (up 4,000 or 7.9 percent).

Marlborough recorded the largest decrease (down 9,000 or 18.4 percent), followed by West Coast (down 6,000 or 7.6 percent), Rotorua (down 5,000 or 3.3 percent), Taranaki (down 5,000 or 10.5 percent), and Timaru (down 1,000 or 4.5 percent).

Table 5.1

Regional Tourism Organisation Areas' Monthly Guest Nights*By origin of guest*

RTO area	September guest nights								
	Domestic			International			Total		
	2017	2018	Percent age change	2017	2018	Percent age change	2017	2018	Percent age change
Northland	61,585	69,608	13.0	33,982	26,955	-20.7	95,567	96,563	1.0
Auckland	315,331	324,739	3.0	237,704	261,999	10.2	553,035	586,738	6.1
Coromandel	30,359	33,115	9.1	11,555	11,307	-2.1	41,913	44,422	6.0
Waikato	78,529	79,151	0.8	18,818	20,040	6.5	97,347	99,191	1.9
Bay of Plenty	67,417	69,157	2.6	20,569	19,501	-5.2	87,985	88,658	0.8
Rotorua	93,574	95,632	2.2	64,213	56,947	-11.3	157,787	152,579	-3.3
Taupo	58,551	61,107	4.4	20,775	21,834	5.1	79,326	82,941	4.6
Whakatane-									
Kaw erau	11,671	12,860	10.2	2,971	2,192	-26.2	14,642	15,052	2.8
Gisborne	21,111	22,665	7.4	3,381	2,921	-13.6	24,493	25,586	4.5
Taranaki	41,137	37,960	-7.7	6,767	4,923	-27.3	47,904	42,883	-10.5
Haw ke's Bay	63,602	62,856	-1.2	14,433	17,435	20.8	78,035	80,291	2.9
Ruapehu	36,286	37,190	2.5	7,471	7,935	6.2	43,757	45,125	3.1
Manaw atu	41,420	45,035	8.7	6,820	4,821	-29.3	48,240	49,856	3.4
Whanganui	10,992	13,339	21.4	2,704	2,441	-9.7	13,696	15,780	15.2
Wairarapa	14,674	16,019	9.2	2,145	1,396	-34.9	16,818	17,414	3.5
Kapiti-Horow henua	14,531	15,098	3.9	1,838	1,971	7.3	16,369	17,070	4.3
Wellington	142,426	168,156	18.1	68,173	57,342	-15.9	210,599	225,499	7.1
Marlborough	30,599	27,041	-11.6	17,627	12,320	-30.1	48,226	39,360	-18.4
Nelson-Tasman	52,682	51,599	-2.1	20,181	23,043	14.2	72,862	74,643	2.4
Canterbury	161,182	153,071	-5.0	99,765	109,527	9.8	260,947	262,598	0.6
Hurunui	14,920	16,451	10.3	6,745	6,901	2.3	21,665	23,352	7.8
Mackenzie	16,061	16,337	1.7	35,707	39,505	10.6	51,768	55,842	7.9
Timaru	15,119	14,620	-3.3	5,149	4,745	-7.9	20,268	19,365	-4.5
West Coast	31,646	35,354	11.7	48,610	38,793	-20.2	80,257	74,147	-7.6
Wanaka	23,826	22,305	-6.4	36,939	44,075	19.3	60,765	66,381	9.2
Queenstow n	89,439	88,937	-0.6	177,678	178,118	0.2	267,117	267,055	0.0
Waitaki	12,036	15,298	27.1	8,644	8,429	-2.5	20,680	23,728	14.7
Central Otago	11,937	13,887	16.3	2,673	3,557	33.1	14,610	17,444	19.4
Dunedin	43,947	46,059	4.8	18,043	22,269	23.4	61,990	68,327	10.2
Clutha	3,127	4,176	33.6	1,018	1,556	52.7	4,145	5,732	38.3
Fiordland	8,633	10,535	22.0	20,636	22,571	9.4	29,269	33,106	13.1
Southland	20,710	22,346	7.9	6,720	8,812	31.1	27,430	31,158	13.6
Total	1,639,056	1,701,704	3.8	1,030,456	1,046,180	1.5	2,669,511	2,747,884	2.9

Table 5.2

Regional Tourism Organisation Areas' Monthly Occupancy Rates⁽¹⁾*By accommodation type*

RTO area	September 2018 occupancy rate					
	Accommodation type					
	Hotels	Motels	Backpackers	Holiday parks	Total	Total excluding holiday parks ⁽²⁾
	Percent					
Northland	35.1	48.3	27.9	8.9	20.6	38.5
Auckland	77.8	62.6	62.5	15.1	64.5	71.3
Coromandel	38.7	33.6	11.5	12.0	16.0	24.9
Waikato	56.3	63.7	25.5	10.8	36.8	52.2
Bay of Plenty	59.3	67.6	39.4	18.1	36.0	55.3
Rotorua	67.9	52.9	20.2	22.3	40.6	45.6
Taupo	59.2	56.0	29.4	14.8	35.7	46.4
Whakatane-Kawerau	C	54.8	C	6.4	16.8	47.7
Gisborne	C	54.5	C	7.6	21.7	51.2
Taranaki	47.5	46.1	24.9	12.6	30.6	42.3
Hawke's Bay	59.2	65.3	40.6	14.5	40.6	57.8
Ruapehu	54.7	40.0	C	C	40.7	C
Manawatu	45.6	60.9	C	C	42.0	C
Whanganui	C	54.6	45.5	C	32.7	C
Wairarapa	46.9	51.6	C	C	24.0	C
Kapiti-Horowhenua	C	55.5	C	11.9	17.0	22.9
Wellington	78.5	75.6	C	C	64.9	C
Marlborough	35.6	48.2	24.0	16.4	28.7	36.8
Nelson-Tasman	52.2	45.6	34.8	10.6	25.4	41.6
Canterbury	62.3	52.3	33.4	16.1	38.7	49.9
Hurunui	C	42.7	C	14.0	23.2	30.8
Mackenzie	C	48.8	C	21.4	44.7	56.9
Timaru	C	56.1	C	13.1	28.5	49.8
West Coast	29.1	42.5	18.0	14.9	25.2	29.2
Wanaka	71.4	72.3	46.0	16.4	37.5	61.3
Queenstown	74.9	54.6	57.6	28.0	60.3	65.7
Waitaki	C	48.7	C	3.5	10.6	39.2
Central Otago	C	47.7	C	4.9	10.4	30.3
Dunedin	61.1	67.1	30.4	24.6	49.9	56.5
Clutha	C	54.4	C	15.4	25.4	37.5
Fiordland	30.4	35.1	C	C	25.3	C
Southland	33.5	53.1	23.8	9.1	29.3	38.3
Total	64.7	55.3	36.6	12.8	38.6	53.3

(1) Occupancy rates are calculated as the ratio of stay unit nights to monthly capacity.

(2) Occupancy rates excluding holiday parks are included because the capacity of holiday parks can distort the total occupancy rates.

Symbols:

C confidential

... not applicable

6 Accommodation Survey technical notes

Data source

We collect data from accommodation providers or their representatives each month, mostly via a postal survey.

Coverage

The Accommodation Survey covers most short-term commercial accommodation in New Zealand.

The target population for this survey is all accommodation providers with the following characteristics:

- operating on a commercial basis
- providing mainly short-term (less than one month) accommodation
- economically significant (generally meaning being GST-registered and having a turnover of at least \$30,000 per year)
- included in class 4400 (accommodation) or class 4520 (pubs, taverns, and bars) in ANZSIC06 (Australian and New Zealand Standard Industrial Classification 2006)
- classified to 'hotels', 'motels', 'backpacker accommodation', or 'holiday parks'.

Excluded:

- hosted accommodation (such as 'bed & breakfast' establishments)
- marine vessels (such as cruise ships)
- private dwellings
- tramping huts (non-commercial)
- event-specific accommodation (such as temporary campervan parks)
- businesses that cease operation or no longer provide short-term commercial accommodation
- businesses that temporarily shut down (eg for renovations) – we remove them from the survey until they re-open.

Accommodation type classification

The predominant capacity provided by a business determines the accommodation type. For instance, if the business provides both motel and camping ground accommodation, but the majority of its stay units are motel rooms, then we classify it as a motel. We use the New Zealand Accommodation Classification, broadly defined below:

- hotels (including resorts)
- motels (including motor inns and serviced apartments)
- backpacker accommodation (including short-stay hostels)
- holiday parks (including caravan parks and camping grounds).

Confidentiality

'C' symbols are used in the tables where information has been suppressed. We do not release data from individual businesses.

Changes to survey content

Establishments may change the way they operate over time. If they do, they may be reclassified from one accommodation type to another. For example, if a holiday park adds sufficient motel units that it is operating more as a motel than a holiday park, it will be subject to reclassification to the 'motels' accommodation type. This type of change will tend to reduce surveyed guest nights and other figures for holiday parks (because there would be one fewer holiday park) while boosting guest nights and other figures for motels (because there would be one more motel).

Guest night and other movements, where the latest month is compared with the same month of the previous year, are affected for 12 months from the time that any reclassification is done. After 12 months, the reclassified establishment will appear in the same accommodation type in both comparison months.

Reclassifications of establishments are not the only changes that affect survey content and figures for the Accommodation Survey:

- When establishments temporarily cease operations, we take them out of the survey until they re-open. These changes affect figures for the number of establishments and available capacity.
- Businesses that start up, shut down, or move into or out of the short-term commercial accommodation industry also affect survey figures.

Survey errors

This survey aims for 100 percent coverage of the accommodation businesses in New Zealand (a full census). However, in practice, the overall response rate is usually between 76 and 80 percent. We estimate values for the remaining units based on the characteristics of similar establishments in the same or similar regions. This introduces unknown errors into the estimates, and users of the data should bear this in mind. The size of these unknown errors is difficult to quantify.

Other errors include respondent error, and errors in coverage, classification, and processing. Our editing processes identify and remove many errors, but some will likely remain. We cannot quantify the effect of the remaining errors.

Comparability

Accommodation Survey statistics are not always on the same basis as statistics from other sources. For example, 'average length of stay' in the Accommodation Survey is for all guests (domestic plus international), but in the [International Visitor Arrivals to New Zealand](#) reports, it is only for international guests.

More information

For further information on the Accommodation Survey, refer to webpage http://www.stats.govt.nz/browse_for_stats/industry_sectors/accommodation.aspx

Appendix 14: Extracts from Bungy NZ 2018/2019 Operating Plan and 2019/20 Operating Plan (attached)

{Confidential}

Appendix 15: DTK Survey Report - International Market (attached)

[Confidential]

Appendix 16: DTK Survey Report - Domestic Market (attached)

(Confidential)

Appendix 17: 2018 Visitor Insights Report for Queenstown (attached)



VISITOR INSIGHTS PROGRAMME
VISITOR EXPERIENCE
QUEENSTOWN

Q2 2018 (APRIL - JUNE)

The Visitor Experience

Overall visitor satisfaction in the Queenstown Region remains very high in Q2 2018; consistent with satisfaction levels in the same quarter last year. Queenstown's natural environment continues to be the most satisfying aspect of the region amongst all three visitor markets, while traffic and car parking still offer the most room for improvement. Propensity to recommend and return to Queenstown also remains high for the three visitor markets this quarter, with a significant increase in the percentage of Other International visitors very likely to return to the region in the future.

In-line with these positive results, experiences exceeded expectations for the majority of visitors across markets. Interestingly, in both the domestic and Australian markets, there was a significant increase in the proportion of visitors who agreed that the quality of accommodation and price of accommodation they stayed in exceeded their expectations. This could be either due to accommodation providers making changes to prices or service delivery in the region over the past year or alternatively a change in expectations over time.

Motivators for Visit

This quarter, the Queenstown region saw a different top travel motivator for each of the three main markets and with each visitor market also having two more notable travel motivators - it suggests a broad appeal for holiday/vacation makers to the region. The natural environment/scenery continues to be the key driver of destination choice for Queenstown, with beautiful natural landscapes and scenery also being the top expectation of the region.

Travel Behaviour

The most notable change in travel behaviour this quarter was the increase in Other International visitors staying in non-commercial accommodation, rather than hotels. It will be interesting to see if this is a one-off occurrence or a more permanent shift towards non-commercial accommodation.

Throughout report, arrows (↑/↓) indicate statistically significant increases/decreases vs. Q2 2017 at 95% confidence

MAIN REASON FOR VISIT

What is the main reason for your visit to the Queenstown region (on this trip)?

New Zealand

Australia

Other International



62% for a holiday/vacation or short-break



81% for a holiday/vacation or short-break



71% for a holiday/vacation or short-break



9% for other business reasons



10% to attend an event held by friends or family



7% for other business reasons



6% to attend an event held by friends or family



3% to visit family or friends



7% for education/study



6% to visit family or friends



3% for education/study



5% to visit family or friends

Main Reason for Visit [Single Response]	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Holiday/vacation or short-break	62%	52%	81%	86%	71% ↓	87%
Other business reasons	9%	17%	0%	3%	7% ↑	0%
Event held by friends or family	6%	6%	10%	3%	0%	0%
Visit family or friends	6%	5%	3%	9%	5%	6%
Education/study	1%	2%	3%	0%	7% ↑	0%
Conference or convention	4%	7%	0%	0%	1%	1%
Event held by someone else	2%	2%	0%	0%	1%	3%
Transport connection/just passing through	3%	8%	0%	0%	0%	1%
Other	7%	2%	3%	0%	7%	2%
Base: Total Sample	(123)	(125)	(31)	(35)	(97)	(90)

TRAVEL MOTIVATIONS

Which (if any) of the following were reasons for you deciding to visit the Queenstown region for a holiday/vacation or short-break?

New Zealand

Australia

Other International



41% to spend time with family, friends, or partner



48% to explore and discover uniquely different places and experiences



48% to visit a must-see destination that people talk about



33% to relax, recharge and feel refreshed



24% to relax, recharge and feel refreshed



39% to explore and discover uniquely different places and experiences



32% to explore and discover uniquely different places and experiences



20% to escape from the routine and pressures of everyday life



39% to experience adventure and excitement



24% to escape from the routine and pressures of everyday life



16% to visit a must-see destination that people talk about



25% to relax, recharge and feel refreshed

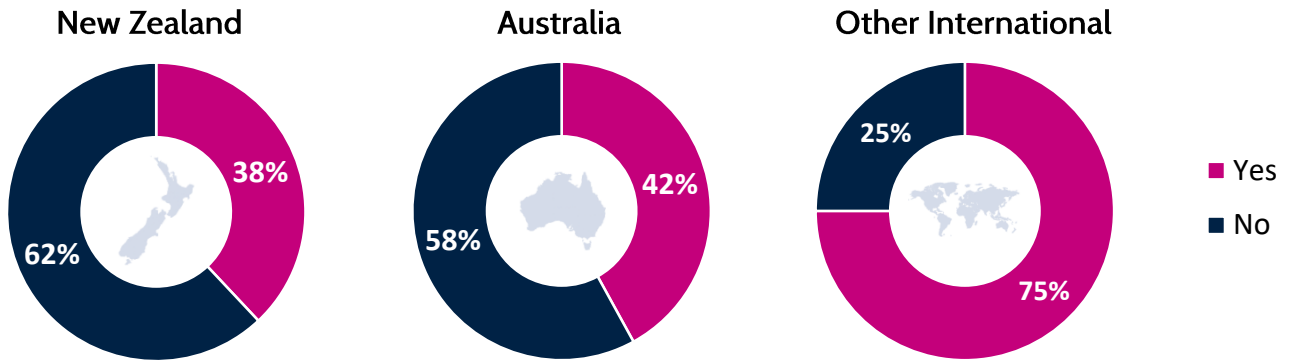
Travel Motivations [Multiple Response]	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Explore and discover uniquely different places /experiences	32%	43%	48%	37%	39%	42%
Relax, recharge and feel refreshed	33%	32%	24%	37%	25%	26%
Visit a must-see destination that people talk about	17%	31%	16%	43%	48% ↑	26%
Experience adventure and excitement	14%	23%	16%	23%	39%	44%
Spend time with my family, friends, or partner	41%	40%	16%	20%	12%	18%
Escape from the routine and pressures of everyday life	24%	29%	20%	27%	16%	13%
Meet new people and share experiences	12%	5%	8%	3%	17% ↑	4%
Indulge in comfort and be pampered	7%	9%	8%	3%	1%	0%
None of the above	7%	0%	0%	3%	0%	0%
<i>Base: Visitors on Holiday/Vacation or Short Break</i>	(76)	(65)	(25)*	(30)	(69)	(78)

*Small sample size (n>=30)



DRIVERS OF DESTINATION CHOICE

When planning your current trip, did you consider visiting any region in New Zealand instead of Queenstown?



Base: New Zealand (n=123), Australia (n=31) & Other International (n=97)

And which of the following were important in your decision to visit the Queenstown region (rather than somewhere else)?

Drivers of Destination Choice [Multiple Response]	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Natural environment/scenery	42%	45%	68%	45%	59%	55%
Activities/experiences available	35%	45%	48%	67%	38%	48%
Weather, climate, or seasons	20%	11%	24%	3%	21%	11%
Restaurants, cafes, nightlife or shopping	24%	15%	16%	6%	13%	10%
Recommendations by family or friends	14%	11%	20%	24%	18%	19%
People/culture	9%	4%	16%	15%	12%	10%
Reputation as a safe and secure destination	11%	10%	12%	18%	6%	9%
Accommodation options available	8%	10%	12%	6%	8%	6%
Wine/wineries	7%	17%	8%	9%	8%	2%
Stories or promotions I saw/heard about Queenstown	2%	7%	12%	12%	8%	15%
Family or friends I wanted to visit	11%	8%	8%	6%	1%	6%
Special deal offered on transport/activities/accommodation	10%	13%	0%	0%	7%	2%
Convenient travel options to get to/from Queenstown	9%	15%	0%	21%	7%	11%
An event, concert or festival	7%	3%	0%	6%	4%	1%
Recommendations by a travel advisor	2%	3%	0%	3%	9%	8%
Other	2%	6%	4%	3%	4%	4%
Base: Visitors on Holiday/Vacation or Short Break or Considered Visiting Alternative Region	(91)	(71)	(25)*	(33)	(90)	(89)

*Small sample size (n>=30)



EXPECTATIONS OF QUEENSTOWN

Which of the following did you expect to find in the Queenstown region?

New Zealand

Australia

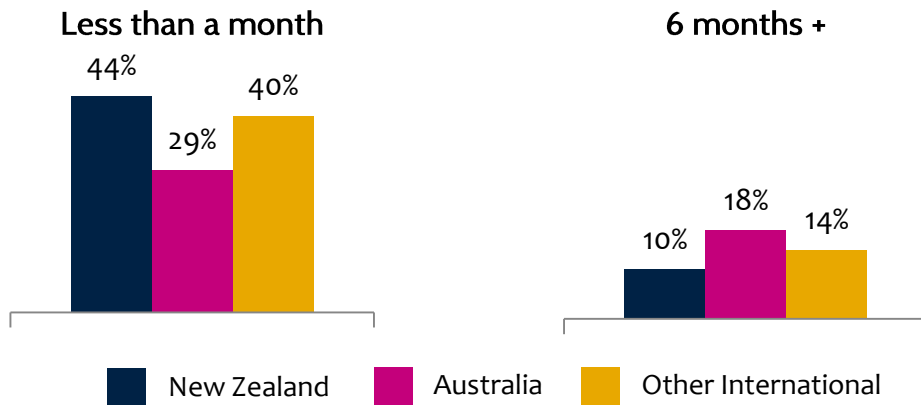
Other International



Expectations of Queenstown [Multiple Response]	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Beautiful natural landscapes and scenery	72%	78%	81%	80%	67%	74%
Adventure and excitement	42%	54%	65%	46%	56%	60%
A relaxing place to visit	45%	50%	58%	40%	35%	37%
A clean and unpolluted environment	37%	49%	55%	43%	39%	44%
Friendly local people	35%	40%	39%	51%	46%	39%
An appealing cityscape/townscape	40%	46%	48%	40%	32%	39%
A safe and secure place to visit	33%	45%	35%	49%	33%	38%
Good food and wine	41%	48%	29%	46%	30%	23%
A vibrant urban environment	27%	22%	19%	26%	21%	26%
Good weather	20%	28%	16%	11%	22%	18%
Unique history or heritage sites	20%	26%	26%	20%	8%	9%
Unique wildlife	7%	9%	23%	23%	19%	16%
An authentic culture	12%	10%	16%	17%	14%	9%
Unique bush or plants	11%	12%	16%	17%	9%	8%
Base: Total Sample	(123)	(125)	(31)	(35)	(97)	(90)

TIME BETWEEN BOOKING AND ARRIVAL

On your current trip, how long was it between when you first booked some or all of your trip to Queenstown (i.e. flights and/or accommodation) and when you actually arrived in the region?



No significant changes for any market versus Q2 2017

Booking to Arrival Lag [Single Response]	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
I didn't book anything before I arrived	3%	1%	0%	0%	2%	1%
Less than a week	23%	16%	19%	11%	18%	22%
One week to a month	21%	21%	10%	9%	22%	17%
1 month	16%	14%	16%	9%	16%	9%
2 months	15%	16%	3%	23%	13%	18%
3 months	7%	13%	23%	11%	9%	8%
4 months	4%	2%	3%	6%	2%	6%
5 months	2%	2%	6%	9%	3%	7%
6 months	5%	5%	3%	11%	5%	8%
7 months	1%	2%	3%	0%	1%	0%
8 months	0%	0%	3%	0%	1%	0%
9 months	0%	2%	3%	0%	0%	3%
10 months	1%	0%	0%	0%	1%	1%
11 months	0%	1%	0%	0%	2%	0%
12 months	1%	2%	3%	6%	2%	1%
Between one and two years	1%	3%	3%	3%	2%	0%
Between two and five years	1%	1%	0%	3%	0%	0%
More than five years	0%	1%	0%	0%	0%	0%
Base: Total Sample	(123)	(125)	(31)	(35)	(97)	(90)



TRAVEL COMPANIONS

Who is travelling with you on this trip to the Queenstown region?



Solo

New Zealand: 19%
Australia: 13%
Other International: 30%



2 People

New Zealand: 40%
Australia: 35%
Other International: 30%



Group (3+ people)

New Zealand: 41%
Australia: 52%
Other International: 39%

Travel Companions [Multiple Response]	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
No-one, I am travelling on my own	17%	27%	10%	9%	24%	19%
My partner/spouse	51%	46%	65%	57%	40%	40%
My child or children	11%	8%	10%	14%	7%	11%
Other members of my family	15%	16%	16%	14%	11%	14%
A friend or friends	17%	10%	13%	23%	25%	22%
Work/business colleagues	7%	7%	3%	3%	1%	1%
Other members of a tour group	2%	2%	3%	0%	5%	3%
Other members of an organised group	0%	0%	0%	0%	3%	0%
Other people	2%	0%	0%	0%	2%	0%
<i>Base: Total Sample</i>	(123)	(125)	(31)	(35)	(97)	(90)

Average Size of Travel Group

New Zealand

3.0 Adults
0.5 Children

Australia

4.6 Adults
0.9 Children

Other International

3.7 Adults
0.4 Children

Excludes outliers – travel groups of 50 or more excluded

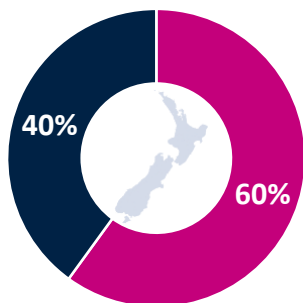


LENGTH OF CURRENT TRIP

How many nights in total do you intend to stay in the Queenstown region (on this trip)?

NZ: Including time spent in Queenstown, how many nights in total do you intend to stay away from home on this trip?

INT: Including time spent in Queenstown, how many nights in total do you intend to stay in New Zealand on this trip?

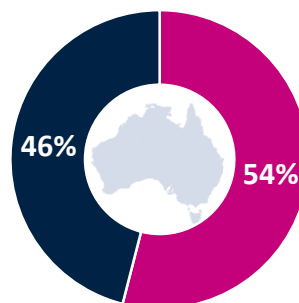


New Zealand Visitors:
Spent **60%** of their trip in Queenstown,
staying an average of **3.1 nights**

Q2 2017: 3.6 Nights

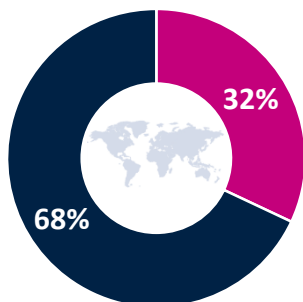
Australian Visitors:
Spent **54%** of their trip in Queenstown,
staying an average of **5.7 nights**

Q2 2017: 4.2 Nights



Other International Visitors:
Spent **32%** of their trip in Queenstown,
staying an average of **4.1 nights**

Q2 2017: 3.5 Nights

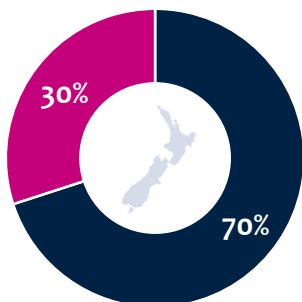


*Base - excludes outliers - staying in Queenstown for longer than a month:
New Zealand (n=123); Australia (n=31); Other International (n=97)*

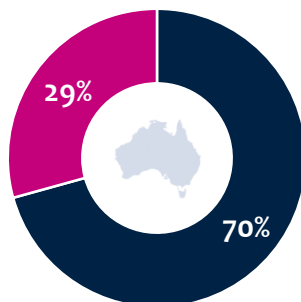
ACCOMMODATION

What is the main type of accommodation you are using on this visit to the Queenstown region?

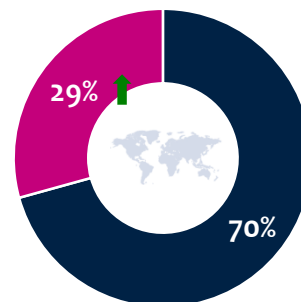
New Zealand



Australia



Other International



■ Commercial Accommodation

■ Non-Commercial Accommodation

Main Accommodation [Single Response]	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Commercial Accommodation	70%	68%	70%	71%	70%	82%
Hotel	37%	38%	32%	31%	21% ↓	36%
Motel	15%	10%	0%	11%	8%	8%
Serviced apartment	7%	8%	23%	3%	2%	3%
Backpackers/hostel	6%	5%	3%	6%	28%	24%
Exclusive/luxury lodge	3%	5%	6%	3%	2%	1%
Camping ground/holiday park	2%	2%	6%	17%	9%	10%
Non-Commercial Accommodation	30%	33%	29%	29%	29% ↑	17%
Private home/holiday home - no payment made	10%	12%	3%	6%	5%	3%
Private home/holiday home - rented	8%	10%	10%	11%	11%	4%
Bed/room in a private home - rented (e.g. Airbnb)	7%	3%	13%	9%	9%	6%
Bed and Breakfast	1%	1%	0%	0%	2%	2%
Homestay or Farmstay	0%	0%	3%	0%	2%	0%
National Park DoC hut or tent site	0%	0%	0%	3%	0%	0%
Freedom camping (tent, campervan etc.)	0%	0%	0%	0%	0%	2%
Other	4%	7%	0%	0%	0%	0%
<i>Base: Total Sample</i>	(123)	(125)	(31)	(35)	(97)	(90)

EXPERIENCES IN REGION

During your current stay in the Queenstown region, which of these have you done or do you intend to do?

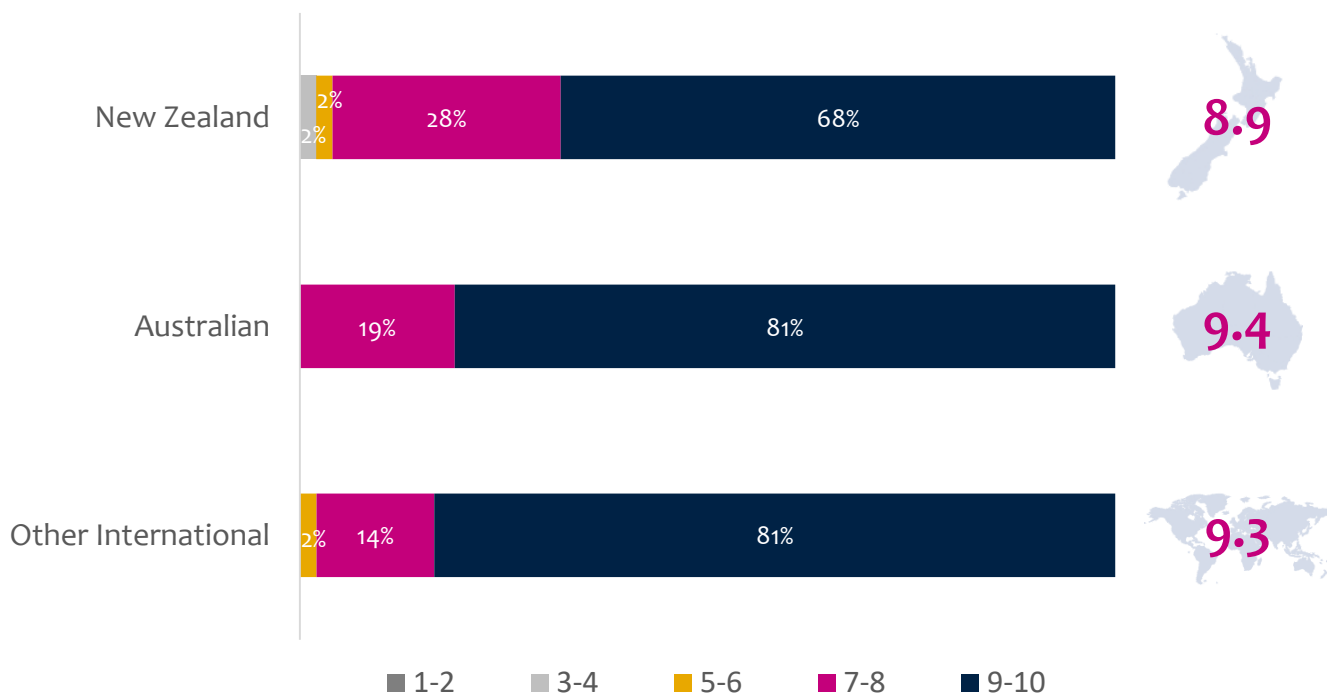
Experiences in Region [Multiple Response]	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Restaurants and cafes, bars/nightclubs	60%	61%	39%	49%	46%	51%
Skyline Gondola and lookout	41%	44%	55%	60%	48%	57%
Sightseeing	45%	45%	52%	60%	39%	41%
A visit to Arrowtown	43%	42%	55%	40%	33%	29%
Shopping	44%	43%	45%	23%	39%	26%
Walking, hiking, climbing, trekking, tramping	26%	24%	29%	43%	43%	50%
Extreme activities	15%	11%	26%	11%	34%	31%
A visit to Fiordland/Milford Sound	8% ↓	17%	29%	37%	37%	39%
River and lake adventures	15%	16%	19%	31%	31%	23%
Lake cruising or boating	18%	18%	26%	26%	20%	22%
Ski, snow, ice activities	11%	10%	29% ↑	9%	16%	7%
A visit to Glenorchy	16%	21%	19%	23%	15%	22%
Art galleries, museums, historic buildings or sites or other cultural or heritage attractions	21% ↑	10%	13%	14%	13%	9%
Wineries or other wine experiences	11%	18%	19%	23%	16%	12%
Wellness experiences	9%	9%	23%	17%	6%	4%
Other soft adventure and sports activities	5%	3%	16%	9%	8%	10%
Lord of the Rings, Hobbit or other film-related sightseeing tours and activities	4%	2%	6%	14%	18%	11%
Viewing, learning about or interacting with birds or animals	2% ↓	8%	10%	14%	15%	16%
Cycling/biking	6%	6%	10%	9%	10%	8%
Flying/air activities	1% ↓	6%	10%	11%	13%	11%
Event, concert or festivals	9%	10%	3%	3%	7%	4%
Golf	3%	2%	3%	9%	3%	1%
None of the above	5%	8%	0%	3%	3%	0%
Base: Total Sample	(123)	(125)	(31)	(35)	(97)	(90)



SATISFACTION

On a scale of 1 (not at all satisfied) to 10 (extremely satisfied), how satisfied are you with these aspects of your current experience in the Queenstown region?

Overall Experience in the Queenstown Region



	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Accommodation	8.4	8.2	9.2	8.4	8.5	8.4
Transport to Queenstown	8.3	8.0	8.7	8.7	8.8	8.5
Local transport options and services	7.5	7.7	8.5	7.8	8.3	7.8
Traffic and car parking	6.2	5.8	7.5	6.4	7.6	7.6
Public facilities (parks, toilets)	8.3	8.4	9.1	8.8	8.6	8.9
Natural environment	9.2	9.3	9.6	9.7	9.6	9.6
Cleanliness/presentation of town/region	8.7	8.7	9.4	9.1	9.3	9.3
Activities and attractions	8.8	8.9	9.4	9.1	9.3	9.1
Restaurants, cafes and bars in Queenstown	8.6	8.4	8.8	8.2	8.6	8.7
Overall experience in the Queenstown region	8.9	8.8	9.4	9.2	9.3	9.3
<i>Base: Total Sample</i>	(123)	(125)	(31)	(35)	(97)	(90)

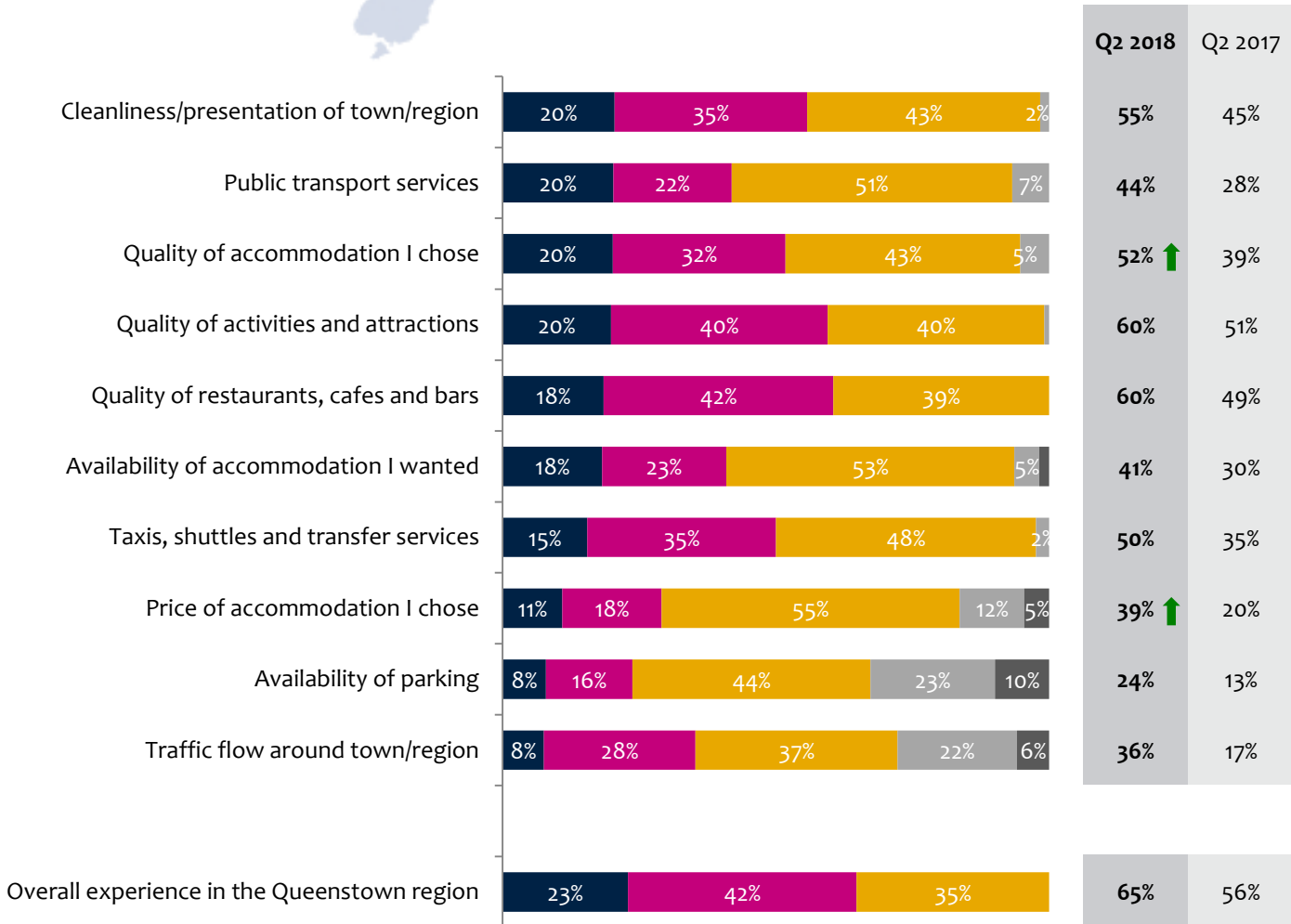
EXPERIENCE VS. EXPECTATIONS

Based on previous visits or on anything you had seen or heard about the Queenstown region before arriving, how has your experience (on this trip) lived up to your expectations for the following aspects?



New Zealand Visitors

Better than expected
(Top 2 Box)



Much better than expected
 Better than expected
 Just as expected
 Worse than expected
 Much worse than expected

NB: Please note that respondents answering "N/A" have been excluded from the above chart



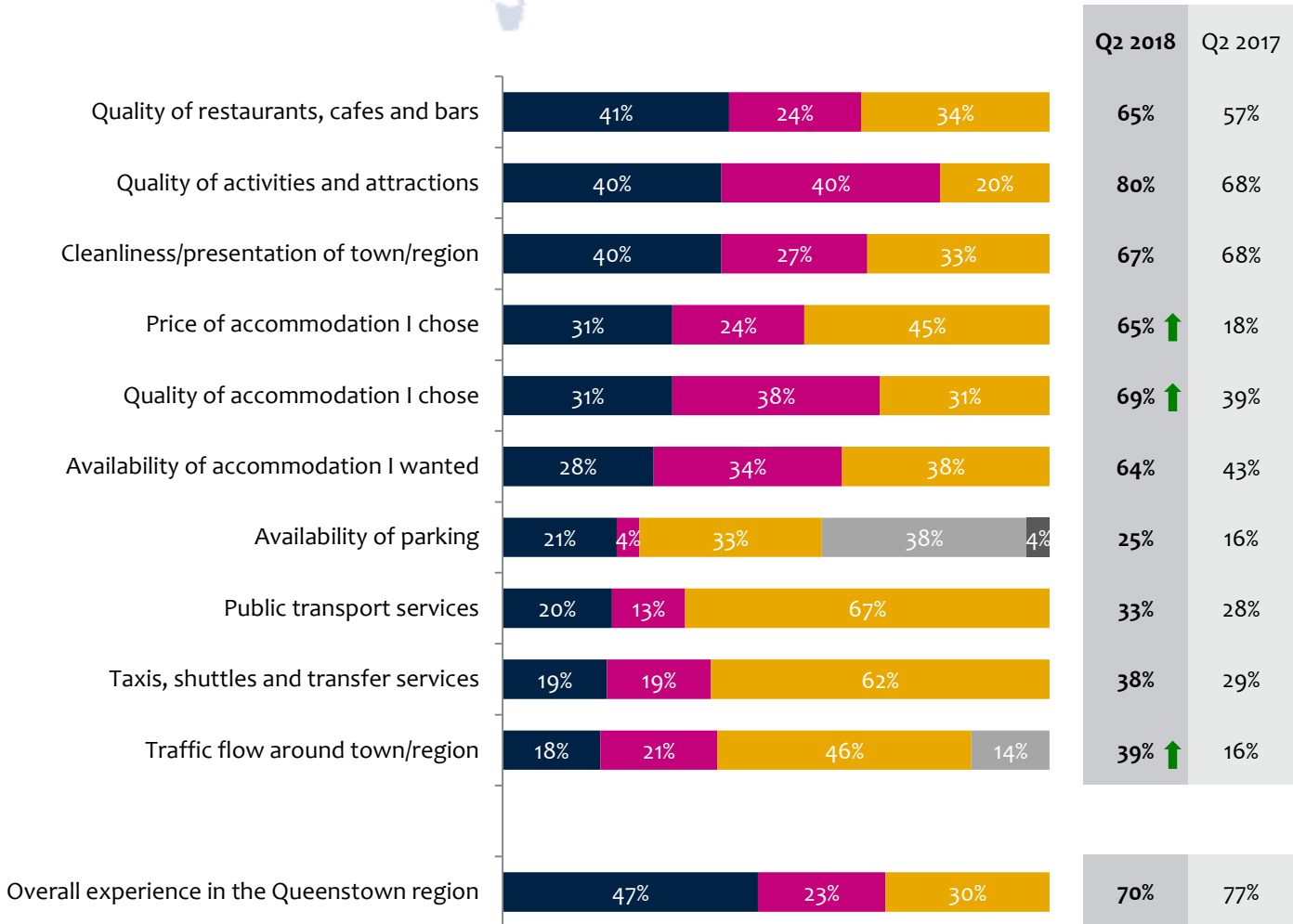
EXPERIENCE VS. EXPECTATIONS

Based on previous visits or on anything you had seen or heard about the Queenstown region before arriving, how has your experience (on this trip) lived up to your expectations for the following aspects?



Australian Visitors

Better than expected
(Top 2 Box)



Much better than expected
 Better than expected
 Just as expected
 Worse than expected
 Much worse than expected

NB: Please note that respondents answering "N/A" have been excluded from the above chart



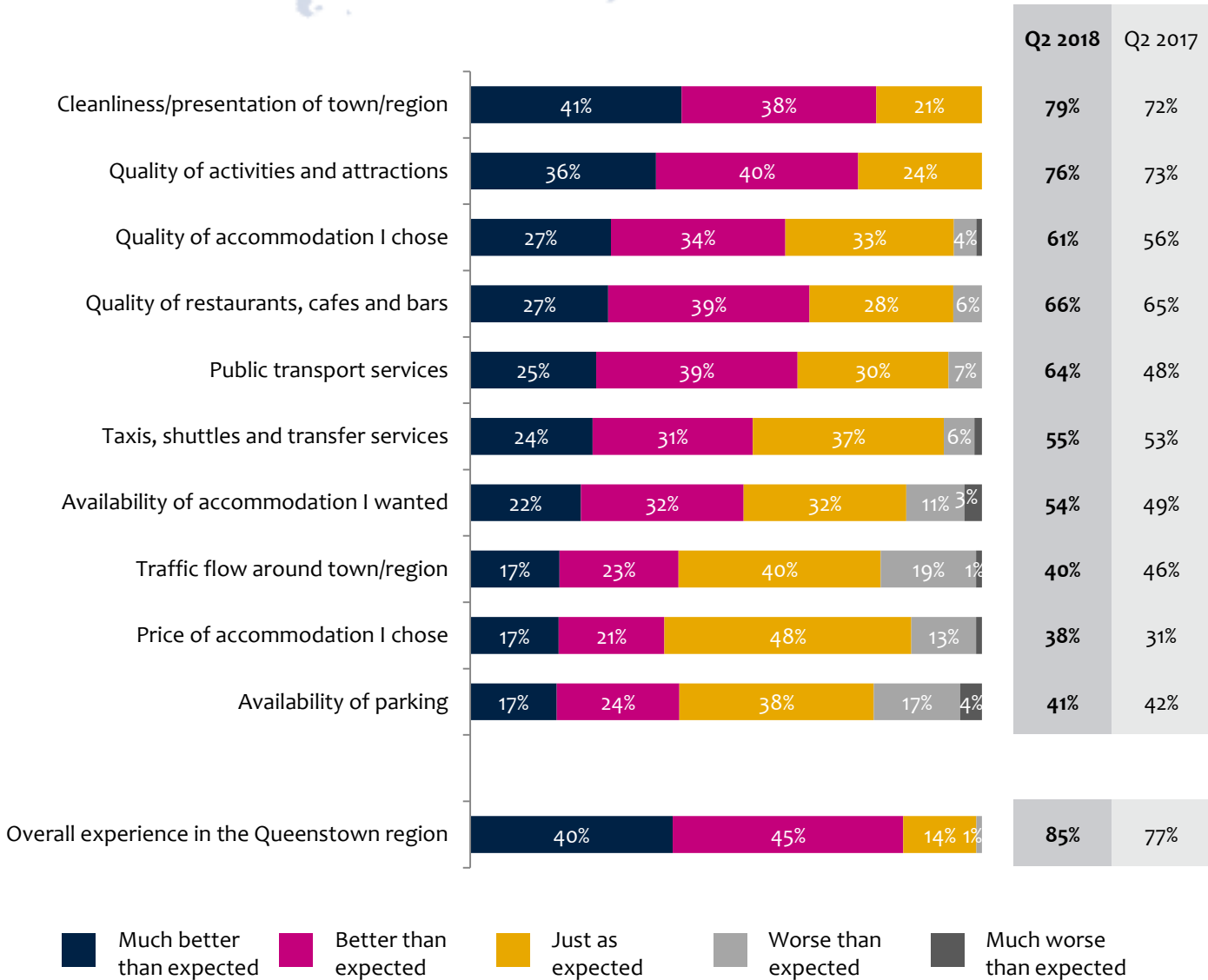
EXPERIENCE VS. EXPECTATIONS

Based on previous visits or on anything you had seen or heard about the Queenstown region before arriving, how has your experience (on this trip) lived up to your expectations for the following aspects?



Other International Visitors

Better than expected
(Top 2 Box)

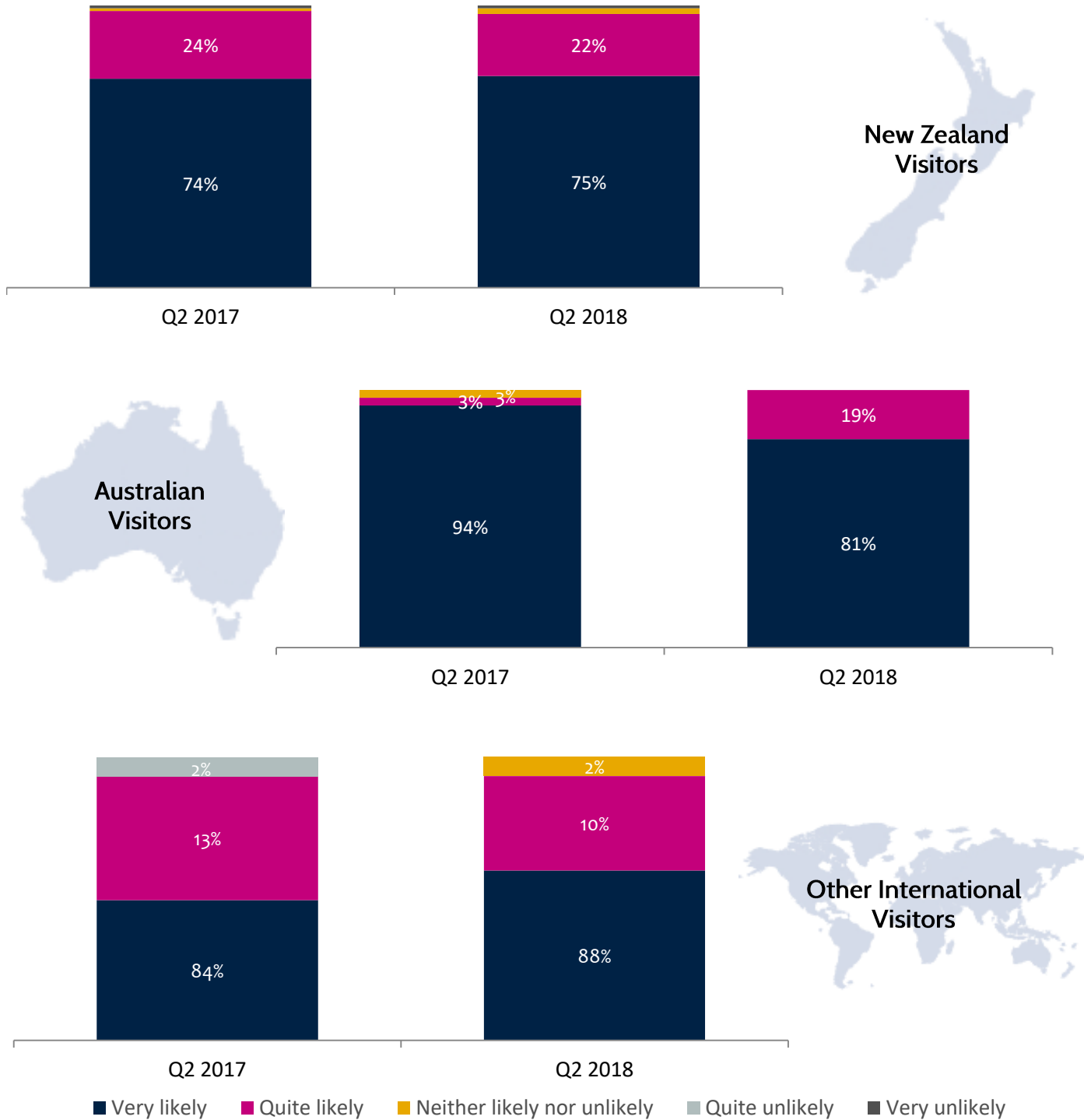


NB: Please note that respondents answering "N/A" have been excluded from the above chart



PROPENSITY TO RECOMMEND QUEENSTOWN

How likely is it that you will recommend the Queenstown region as a holiday destination to other people?



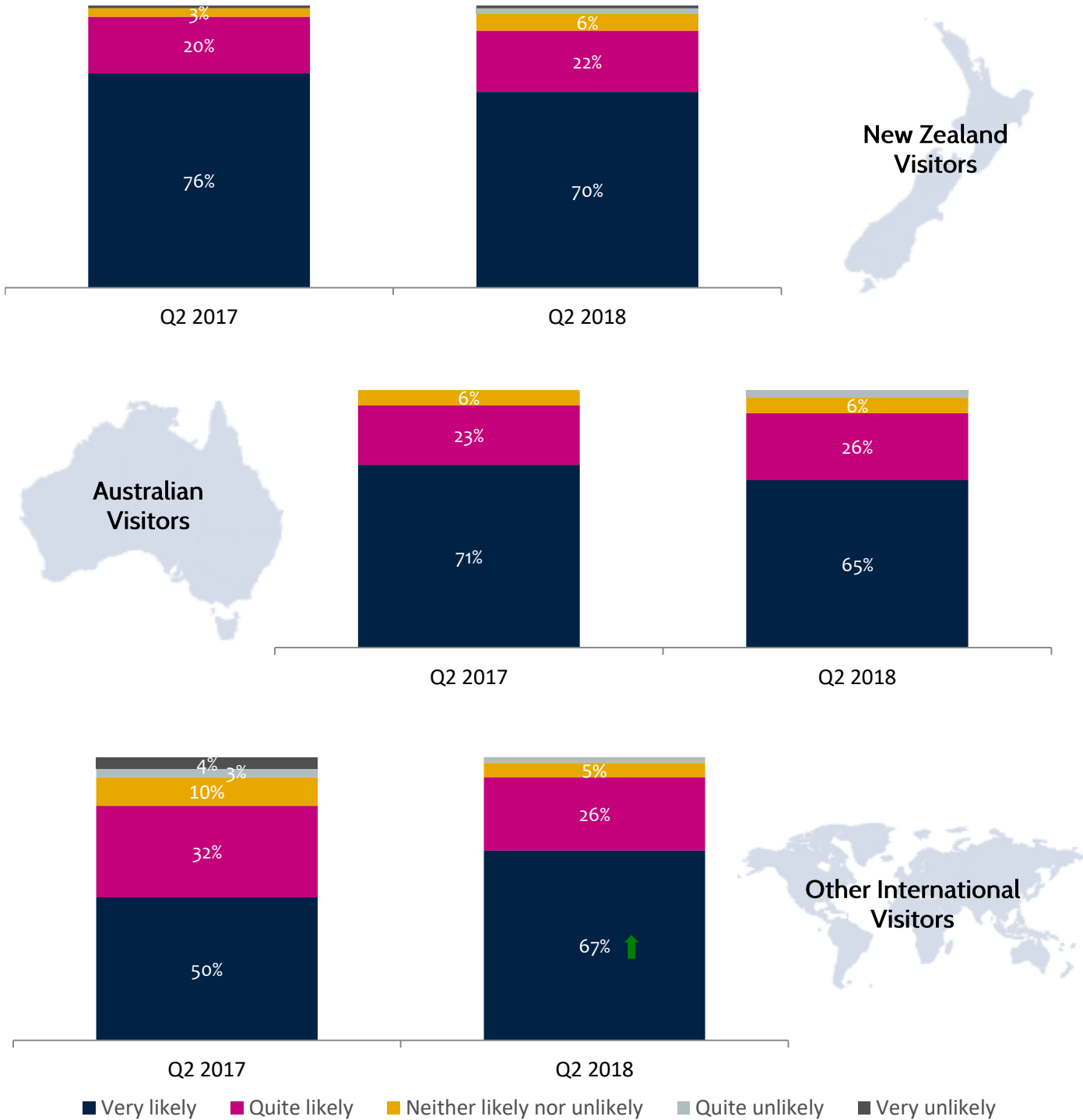
No significant changes for any market versus Q2 2017

Base: New Zealand (n=123); Australia (n=31); Other International (n=97)



PROPENSITY TO RETURN TO QUEENSTOWN

How likely is it that you will return to the Queenstown region again in the future?



Base: New Zealand (n=123); Australia (n=31); Other International (n=97)



DEMOGRAPHICS

Sample Profile

Gender	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
Male	48%	50%	48%	60%	52%	46%
Female	52%	50%	52%	40%	47%	53%

Age	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
15-17 years	5%	3%	3%	0%	2%	2%
18-19 years	5%	2%	3%	6%	5%	4%
20-24 years	15%	12%	6%	6%	24%	13%
25-29 years	13%	11%	19%	17%	25%	22%
30-34 years	10%	15%	10%	11%	15%	22%
35-39 years	7%	6%	10%	11%	9%	11%
40-44 years	8%	10%	6%	11%	2%	4%
45-49 years	9%	8%	10%	6%	6%	4%
50-54 years	7%	10%	13%	3%	4%	6%
55-59 years	7%	6%	6%	9%	2%	2%
60-64 years	4%	6%	3%	11%	1%	3%
65-69 years	5%	4%	6%	3%	3%	3%
70-74 years	3%	5%	0%	3%	1%	1%
75+ years	1%	3%	3%	3%	0%	0%
Would rather not say	1%	0%	0%	0%	0%	0%

Previous Visits to Queenstown	New Zealand		Australia		Other International	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
None (First Visit to Queenstown)	28%	18%	42%	40%	71%	72%
1-5 Previous Visits	45%	54%	48%	54%	20%	22%
6-10 Previous Visits	11%	13%	6%	3%	6%	3%
11-20 Previous Visits	4%	5%	3%	0%	1%	0%
21+ Previous Visits	11%	10%	0%	3%	2%	2%
Base: Total Sample	(123)	(125)	(31)	(35)	(97)	(90)



DEMOGRAPHICS

Sample Profile

Region of Residence (New Zealand)

	Q2 2018	Q2 2017
Northland	4%	3%
Auckland	29%	43%
Waikato	5%	8%
Bay of Plenty	6%	2%
Gisborne	0%	1%
Hawkes Bay	2%	2%
Taranaki	2%	2%
Manawatu/Whanganui	4%	2%
Wellington (& Wairarapa)	14%	9%
Marlborough	3%	1%
Nelson	1%	0%
Tasman	0%	0%
West Coast	2%	0%
Canterbury	14%	9%
Otago	12%	10%
Southland	2%	7%
<i>Base: New Zealand</i>	(123)	(125)

Country of Origin (Other International)

	Q2 2018	Q2 2017
United States	19%	17%
United Kingdom	13%	20%
China	4%	6%
Germany	9%	4%
India	7%	4%
Canada	4%	6%
Malaysia	4%	4%
Brazil	6%	3%
Argentina	2%	0%
Japan	1%	2%
Korea, Republic Of	0%	4%
Netherlands	0%	1%
Singapore	1%	3%
Thailand	1%	9%
France	2%	1%
Other	16%	27%
<i>Base: Other International</i>	(97)	(90)

Region of Residence (Australia)

	Q2 2018	Q2 2017
Australian Capital Territory	6%	3%
New South Wales	42%	40%
Northern Territory	0%	0%
Queensland	23%	14%
South Australia	3%	3%
Tasmania	3%	3%
Victoria	16%	26%
Western Australia	6%	11%
<i>Base: Australia</i>	(31)	(35)



Background

The Visitor Insights Programme (VIP) is an ongoing programme revealing how New Zealand's visitors think, feel and act. The Visitor Experience programme (the in-region component of the VIP) is designed to help Destination Queenstown to better understand the visitor experience in Queenstown (e.g. travel motivations, expectations, booking behaviour, travel behaviour, activities/experiences, satisfaction with the experience, and advocacy) and to investigate any other specific issues relevant to the region.

Research Method

The Visitor Experience programme is designed to provide quarterly or seasonal 'snapshots', with fieldwork ongoing throughout the year. A target of 250 interviews is completed in Queenstown in each quarter of the year, aggregating to a total of 1,000 interviews per year.

Respondents for the Visitor Experience programme are recruited at designated field sites around Queenstown, on between 9 and 13 randomly selected days each quarter. Survey sites are selected in consultation with Destination Queenstown and generally a combination of sites is used to ensure a good cross-section of visitors is involved. At each site and on each field day, standard random sampling procedures are used to select respondents to maximise the representativeness of the Visitor Experience programme sample (for example, selecting every nth person who passes a given point, selecting a person in a group who last had a birthday). However, to qualify to take part in the survey, respondents must be at least 15 years of age, live outside of Queenstown, and have stayed in Queenstown for at least one night at the time of participating in the survey. Quotas are set to ensure the sample includes an equal number of males and females, and an equal number of domestic and international visitors.

Respondents participate in the Visitor Experience programme via a questionnaire loaded on iPads. At the end of each survey day, data is transmitted electronically to a central server where it is held securely for aggregation and analysis at the end of the quarter.

Contact Details

For more information about the Visitor Experience programme please contact:-

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Survey Error and Known Sample Bias:

All surveys are prone to some degree of error. Sampling error arises from the fact that data is collected from a subset of the population concerned (i.e. a sample of visitors, rather than a census of visitors). Where surveys use straight probability (or random) sampling, the degree of sampling error can usually be measured from the sample data.

However, the Visitor Experience programme uses a combination of non-random and random sampling: non-random sampling in the selection of survey sites employed, and random sampling in the selection of respondents at those survey sites. The use of non-random sampling means that not every member of the population – in this instance, visitors – has an equal chance of being selected: for example, visitors who do not visit the specific survey sites have no chance of being selected for an interview. As a result, it is not possible to accurately calculate sampling error in relation to the Visitor Experience programme data. It is possible only to say that the margin of error associated with the Visitor Experience programme data is likely to be at least as high as that of a survey of similar scale in which respondents are randomly selected.

With this in mind, the Visitor Experience programme is based on a sample of around $n=1,000$ respondents interviewed in Queenstown per year. A randomly selected sample of $n=1,000$ attracts a maximum margin of error of $\pm 3\%$ (when expressed at the 95% confidence level). This means that had the survey been repeated 100 times, we would expect any result to be within 3% of the result reported on 95 out of the 100 occasions. Note that this report is based on one quarter of data ($n=250$) attracting a maximum margin or error of $\pm 6\%$ (when expressed at the 95% confidence level).

For example, if we found that 25% of visitors stayed in hotel accommodation for the year, we would expect this result to be within 22% and 28% on 95 occasions if the survey were repeated 100 times in the same period. As a consequence, this result would need to move below 22% or above 28% from one year to the next for the change to be regarded as statistically significant.

Calculating statistical significance on averages or means (e.g. 8.3 out of 10 vs. 8.7 out of 10) is somewhat more complex, taking into account as it does the question of standard deviation (the extent to which results in each instance vary from the average). For those with access to the Visitor Experience programme data, there are many online resources available to assist with analysis of statistical significance.

Non-sampling error: survey error can also be caused by factors unrelated to sampling procedures (for example, mistakes made by interviewers or respondents, by faulty questionnaires, inaccurate data entry or processing errors). The Visitor Experience programme has been designed to minimise such opportunities for error, with careful questionnaire design and single step data capture (respondent to database with no intermediary steps).

The Visitor Experience programme is an intercept survey in which interviews are undertaken with visitors recruited at a range of locations around Queenstown. While (multiple) survey sites are selected to provide the widest possible cross-section of visitors to Queenstown, the sample that results may not be representative of all visitors to Queenstown – for example it is likely that short stay and non-leisure visitors are under-represented, as they are less likely to be recruited. This in turn means that measures such as number of nights spent in Queenstown are likely to be biased towards longer stay, leisure visitors. Such measures are best used as a basis for comparison (e.g. what are the differences between short and long stay visitors), rather than as a measure of actual activity.