

Tourism Futures Taskforce

TIA Position Paper 3: Resetting the Tourism Data System

15 September 2020

Purpose

To set out for the Tourism Futures Taskforce the thinking of Tourism Industry Aotearoa on its vision for the Tourism Data System.

The primary recommendation is that a future-proofed and enduring system for the provision of comprehensive, trusted and independent tourism data is a vital component of the future tourism system.

Focus of this Paper

The large, diverse, societally integrated tourism industry involves many complex processes, each of which need to be supported by decision-aligned, trusted and timely data and insight.

At TIA, we consider that there is a 'knowledge spectrum' for the industry that essentially has base measurement data at one end, and blue-sky research at the other. In between there is a range of analysis and research. For the purposes of the Taskforce's consideration of the industry's future knowledge needs, we are treating data and research separately given that they require different solutions. As such, TIA has a Position Paper on Data, and another on Research.

It is our observation that tourism data is a perpetual area of concern that is regularly cited as a key industry issue, but which is repeatedly not substantively addressed.

Strategic Context

The importance of providing better tourism data is well signalled in the industry's strategic documents.

Industry Strategic Documents

- **New Zealand-Aotearoa Government Tourism Strategy**, MBIE (2019).¹ Better data and insights is one of the four top priorities for Government for 2019/2020. Specific actions include to implement the Tourism Data Domain Plan, coordinate and share data with industry, and investigate new data on regional visitation, flows, motivation and satisfaction.
- **Tourism 2025 & Beyond – Sustainable Growth Framework**, TIA (2018).² Investing to deliver quality tourism data and research was one of the top ten actions from Tourism 2025 & Beyond, stating 'Industry requires a comprehensive set of trusted data with sufficient rigour and detail to support good decision-making'. Specific actions

¹ <https://www.mbie.govt.nz/dmsdocument/5482-2019-new-zealand-aotearoa-government-tourism-strategy-pdf>

² <https://tia.org.nz/tourism-2025/>

include to implement the Tourism Insight Framework and to work with Government to advance development of the Tourism Data Domain Plan.

Joint TIA-government priorities

In September 2019, at Tourism Summit Aotearoa, TIA and MBIE revealed five joint priority areas for immediate action to ensure a sustainable tourism future for New Zealand, including 'Improved data and insight.' Through these workstreams, the strategic imperatives for better tourism data are clearly established.

Data-specific Documents and Programmes

- **Tourism Insight Framework**, TIA (2018).³ TIA convened an industry group and worked through a consultative process to develop this framework. It provides a still-relevant account of the then current state of industry insight and what a future state would look like (refer Appendix 1).

Following this, TIA convened the Insight Leadership Panel to advance the actions set out in the TIF. This group worked on a number of areas, including to establish a set of insight priorities and explore ways to get things done. However, the lack of resources to implement the identified priorities meant the Panel was not able to sustain its effort and in effect its work was superseded by the Data Hui work outlined below. The lesson learned is that the provision of resources, especially funding, is needed to make substantive progress in activating the well-considered priorities.

- **Tourism Data Domain Plan**, MBIE (2019).⁴ Domain Plans are a government tool designed to set out data requirements across sectors or industries. The 2018 Domain Plan is a comprehensive report that set out many of the characteristics, needs, issues and challenges associated with the provision of tourism data. The main implementation action to date has been to convene the Data Hui (refer below).

Data Hui

In late 2019, MBIE convened the 'Tourism Information and Data Hui' to set a path towards a 'collaborative dynamic tourism data system that generates value'. It was attended by 80 people from industry, government and research communities to examine information needs, opportunities for development and what a collaborative data system should look like.

The Hui had good buy-in and was considered a success. Its key ideas included the need for a system that actively promotes and supports collaboration and the need to address data gaps, including regional/local insights, domestic tourism, environmental and social indicators, and Māori tourism offerings.

In the period since, MBIE has engaged PricewaterhouseCoopers to advise on a co-governance model for tourism data, with this report due shortly. TIA understands that MBIE has developed ideas around the use of IVL funds for tourism data. TIA supports the co-governance concept, and we believe it must involve co-decision making powers to make it real. To do this, the industry needs skin in the game which is problematic due to market failure issues. To address this, TIA supports a portion of the IVL, or some other finding

³ <https://tia.org.nz/resources-and-tools/insight/new-tourism-insight-framework>

⁴ <https://www.mbie.govt.nz/assets/157deaf9d8/tourism-data-domain-plan-2018.pdf>

mechanism, being vested with industry as its contribution. This arrangement will, in turn, facilitate direct industry contributions. Again, these workstreams highlight a lot of good intent, and TIA is determined they effect substantive gains.

TIA's Perspective on Tourism Data

As indicated by its own work in this area, TIA is deeply committed to working to improve the tourism data situation. We consider the current system to be in a poor state and in need of major improvement. We see this as being completely interdependent with all moves towards a better tourism system in Aotearoa New Zealand. We will address this space by considering a few key areas:

- ***Who are the users of tourism data and insights?***

Because any data is 'on the topic' of a particular sector or industry does not mean that that sector or industry is the sole beneficiary of that data. In the case of tourism data, there is a very wide set of users (refer Appendix 2) that have diverse interests in tourism as it operates in New Zealand's society, economy and environment.

The key take-out from this is that there is no single beneficiary from tourism data which means there is a wide public interest in ensuring its provision.

- ***What are the data needs?***

To get a good picture of tourism and to be in a position to manage it well, it is important data is available to sustain analysis across many different aspects of the industry – supply-side/demand-side, national/regional, international/domestic, historic/real-time/future, economic/social/environmental, etc. (refer Appendix 3).

The key take-out of this is that to understand and manage tourism in all of its complexity and interrelationships, coverage of a wide set of variables is needed. Having only one or two data points means narrow and likely underinformed decision-making. The more complete the matrix of information provided, the better off the wide set of stakeholders will be.

Another key aspect relates to the ability to access the available data in the formats and time periods, etc. that users need. TIA considers that significant improvements in the data dissemination channels can be made with appropriate investment

Increasingly, sustainability and wider wellbeing indicator sets are required, including to measure societal progress towards the Government's Living Standards Framework and its Four Capitals. There must be tourism-relevant measures in these areas.

- ***How are we doing in delivering to this need?***

There are some positive developments in the system in recent times, for instance the work of Data Ventures in using administrative data to explore traveller density and MBIE's work on the Monthly Regional Visitor Estimates and their progressive development.

However, there is no doubt that the range of tourism data is much less than it was a decade ago (refer Appendix 4). While there may have been good reasons for the loss of each data set, it is clear that cumulatively the standing of tourism data has gone backwards. This is despite the large growth in tourism - from \$25 billion in 2010 to \$41

billion in 2019. Tracking the spend by government on tourism data is difficult but the estimated current data spend of \$3 million is considerably less than a decade ago. TIA contends that there is a large gap between the size and importance of tourism and the investment in its data resources.

The key take-out is that tourism data has not kept pace with either user need or industry growth. This is a fundamental conclusion that needs to be factored into the design of the future tourism system.

- ***What will future tourism data look like?***

It is clear that the environment for producing tourism data is changing enormously. Increasingly, the traditional data collecting methods are becoming obsolete. For instance: manually completed departure cards have been eliminated and this will likely happen to the arrivals card at some point; airline lounge interviewing for the IVS became too hard and expensive and has been superseded by online surveying (which has its own limitations); phone interviews for domestic travel again couldn't be sustained; the very manual Accommodation Survey became too expensive for Stats NZ to operate; and so on. This trend will undoubtedly continue.

This means that new and different data sources are needed. There is a vast amount of administrative data to tap into, including electronic card transactions, phone use, GPS, industry data, and much more. The issue here is that making good use of this data is technically very difficult and therefore expensive. With its difficulty and complexity, using this data is not straightforward for all users. For instance, users need to know what the data is really saying – is it representing the whole population, is the definition of a 'visitor' fully defined and understood, how is 'normal behaviour' filtered out from the tourism data the users want or think they are getting?

The key take-out here is that the current changes to data collection and provision will continue. What comes next has great potential, but it is difficult and expensive to do well. This is a major challenge.

- ***How can we get there?***

The Data Hui key follow-up has been to look at co-governance structures for tourism data, and TIA supports this work. However, it is equally important to have a very well-developed understanding of what the future tourism data system will look like so that as much of the tourism data matrix as possible can be provided safely to users. In addition to co-governance, there needs to be co-design, and a capability to do the difficult and complex work. In this, there needs to be recognition of the broad public-good benefit of the core data, with this funded accordingly. The migration to comprehensive use of administrative data will be challenging and will need right-sized investment. The stronger the core base of data, the easier it will be to draw in industry data sources to broaden the provision of the overall data provided.

A dedicated capability resource is needed with a number of parts: dedicated capability, right-sized funding, co-governance (with joint decision-making), innovation ethos, different skill-sets, and a clear idea of the data to be provided. Such a model represents a step change from the current setting and is consistent with the current co-governance moves.

Opportunity for the Future Tourism System

There is now an important opportunity for the Tourism Futures Taskforce to recommend and drive a paradigm shift in the tourism data system for a stronger and more sustainable future. In this, it is important to remember that the data is not an end in itself, but it is the way the data is used that creates the value proposition.

Key characteristics of the Tourism Data System that the Taskforce can agree to support include:

- The fundamental need and importance for a comprehensive and adaptive Tourism Data System that is sustainably funded at the level required to do the work required of it
- The importance of defining the data to be provided against the broad matrix of data needs
- The need to have the skills and capability to evolve from traditional data collection methods to those based on a wide range of administrative data and technologies
- The need for guidance, rules and protocols to allow users to understand and safely use the data provided
- The establishment of meaningful governance arrangements within government and with industry and other stakeholders to enable this system to operate on an effective, open and accountable basis.

Solutions for the Taskforce

- Identify a future-proofed and enduring system for the provision of comprehensive, trusted and independent tourism data as an essential baseline component for the future tourism system
- Set out the requirements for the future Tourism Data System with specification of the actions needed to ensure its successful implementation.

Appendix 1: Tourism Insight Framework – Current and Future Analysis

2017

Current state of industry insight

The current tourism insight system has the following issues:

- Lacks clear leadership vision
- Quality and trustworthiness concerns
- Funding sources fragmented, unclear and often non-existent
- Confusing for users due to ad hoc use of technology and multiple platforms
- Difficult to extract value from large amounts of disparate data
- Industry lacks capability to access and use available insight
- Products are strongly skewed to providing historical insight.

Future state - what the industry needs

The desired future insight system has the following attributes:

- An insight 'ecosystem' where insight is openly shared
- Industry leadership determines priorities and harness public and private sector support
- Access to a range of sustainable funding sources
- Industry demands insight it can use to maximise economic and social returns
- Users can ask research questions to produce insight relevant to their needs
- Trusted quality insight supports robust decision-making
- Technology is used to produce and deliver a broad range of insight
- Insight is accessible, readily available, easy to use, fit for purpose
- A focus on forecasting data and forward-looking research
- A pipeline of new insight products to support business planning and decision-making.

Benefits of change

- A user-friendly insight ecosystem
- A well-funded insight ecosystem
- An industry culture that understands and values insight
- A pipeline of insight products that meets a wide range of needs
- Better decision-making by users via easy-to-use tools providing access to trusted data
- Insight help to exploit big strategic opportunities and respond to challenges of growth
- A more robust understanding of the future.

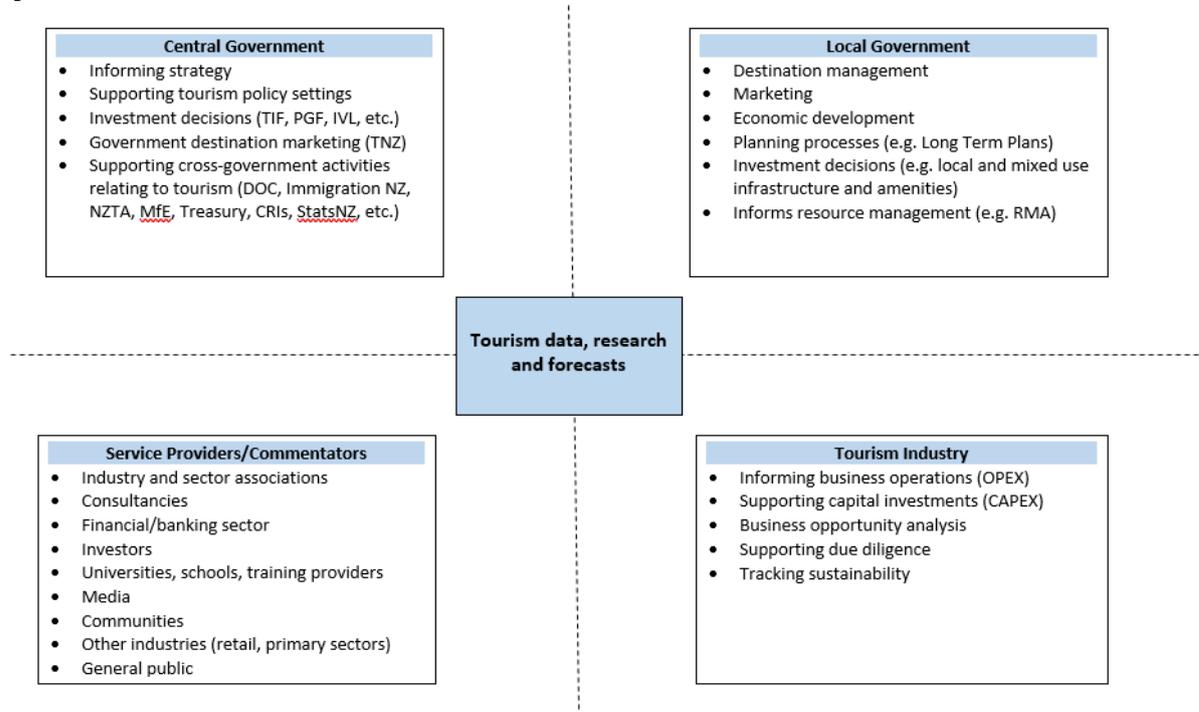
Appendix 2: Tourism Data Users

Attachment 2

Tourism Data and Research User Community

Tourism Industry Aotearoa

August 2020

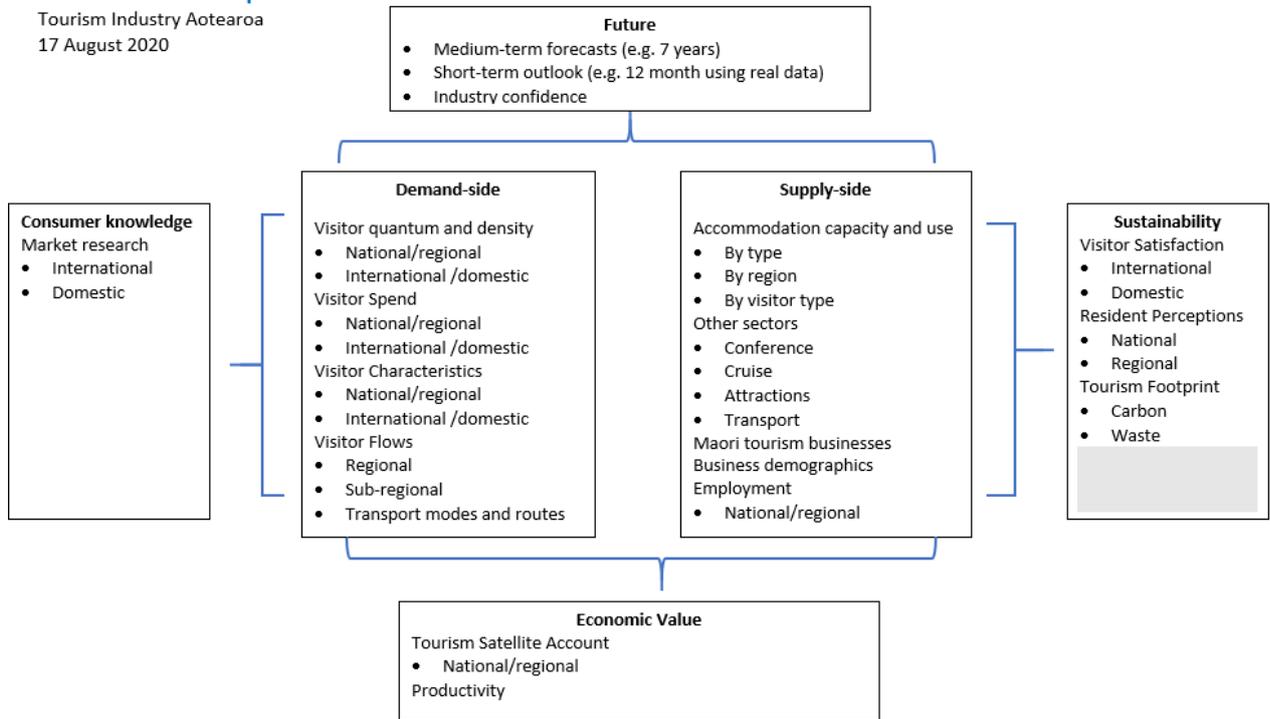


Appendix 3: Tourism Data Model

Attachment 3

Tourism Data: Conceptual Model

Tourism Industry Aotearoa
17 August 2020



Appendix 4

TIA Assessment of the Components of the Tourism Data System – Past and Present

August 2020

Data Collection	Abbreviation	Owner	Provider	Status	Comment
Current					
Tourism Satellite Account	TSA	MBIE	SNZ	Strong	Tourism's official annual measurement. Base understanding of tourism in the economy – GDP, exports, employment, etc. Includes direct and indirect impacts, making the NZ TSA a world best. Relies on other tourism data (esp. IVS) as well as a wide range of economic data.
International Visitor Arrivals	IVA	MBIE	SNZ	Strong	Strong tourism dataset. Long and stable series. Very useful weekly provisional data is released.
Monthly Regional Tourism Estimates	MRTE	MBIE	MBIE	Strong	Key regional-level series - used extensively by regions. Subject to annual adjustments to align with the TSA which can impact user confidence (especially if being used as a KPI). International/domestic data, and by commodity.
International Visitor Survey	IVS	MBIE	Kantar	On hold	Provides head-line expenditure data to SNZ's National Accounts and Balance of Payments, and into the TSA. Key source of marketing data on international visitors. Note: Not operating in COVID-19 period. Stats NZ and MBIE looking at alternate method for calculating expenditure estimates.
International Tourism Forecasts	Forecasts	MBIE	MBIE	On hold	Key national forecasts for international arrivals. Does not cover domestic or NZ outbound forecasts, nor any breakdown within New Zealand. Independent forecasting of key variables creates internal inconsistencies. Note: Not undertaken in 2020 due to COVID-19 which has made historically-based forecasting impossible to conduct. TNZ has done some scenario forecasts in the COVID-19 period.
New					
Population Density	-	-	Stats NZ (Data Ventures)	New	Use of mobile phone and card data to track population density for tourism as well as for other sectors. Innovative approach. Support from TNZ in COVID-19 period.

In Transition					
Accommodation Survey	CAM	MBIE	Was SNZ Now Fresh Info Ltd	In transition	The CAM was stopped for budgetary reasons in 2019. Procurement for a replacement completed and new provider will report July data the initial release. Will not be a census as the CAM was, but potentially other benefits.
Business Events Research Programme	BERP	MBIE	Fresh Info	In transition	While a narrow sector, having supply and demand metrics has supported the development of the business meetings sector. New provider underway.
Reduced					
New Zealand Outbound Travel	-	-	SNZ	Reduced	Departure Card loss has reduced data on domestic travellers' place of residence that is valued by airports and the outbound travel sector. Respondent load and cost benefits from eliminating the Departure Card but the loss of data an important downside.
Stopped					
Domestic Travel Survey	DTS	MED	AC Nielsen	Gone	The phone-based DTS was expensive and difficult to operate but has left a significant data gap for 60% of the New Zealand tourism industry. Gap partially filled by the AA Traveller Monitor which is now called 'Domestic Travel Survey'. Work needed to assess how this survey can be best used. Overall, domestic data is a key gap.
Regional Visitor Monitor	RVM	MED (and participating regions)	Angus and Associates	Gone	A response to demand for better understanding of tourism activity in regions. Being continued partially by Angus and Associates on a commercial basis through its Visitor Insights Programme.
Tourism Industry Monitor	TIM	MED	Covec	Gone	Provided a bridge between the annual forecasts in providing a short-term outlook/sentiment measure.
Visitor Flows Model	VFM	MED	Covec	Gone	The model could not be sustained with the loss of IVS and DTS itinerary data. Administrative data such as from phone, GPS and bank data sources may enable a new tourism flows methodology to be developed.