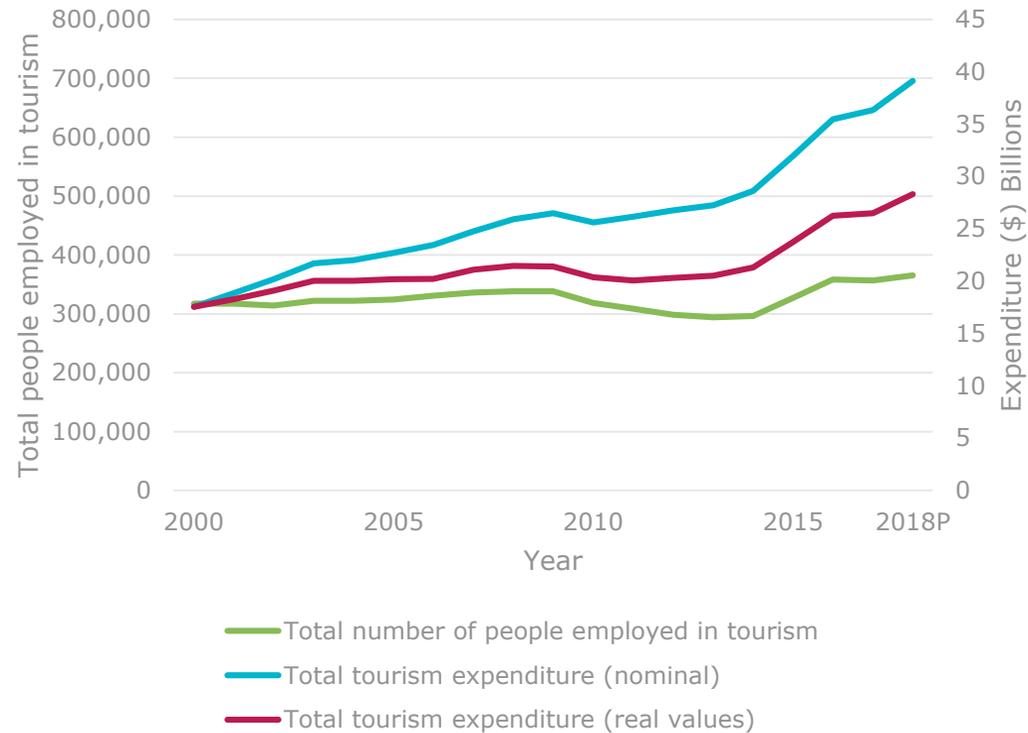


# INSIGHT AT A GLANCE – Tourism Employment and Expenditure - February 2019

An overview of tourism employment and expenditure from 2000 to 2018 using Tourism Satellite Account (TSA) data

### Tourism Employment vs Expenditure (Nominal and Real)



**Source:** Tourism Satellite Account, Stats NZ

**Real Value:** The nominal total tourism expenditure data has been modified by annual consumer price index (CPI) adjustments, bringing these in line with tourism expenditure in 2000.

In the year ended March 2000, 317,355 people were employed to support the \$17.5 billion tourism industry. This equated to \$55,143 associated with each person employed in tourism.

Leap forward to March 2018, and 365,316 people were employed to support the \$39.2 billion tourism industry, or \$107,034 associated with each person employed in tourism.

Over this period, total tourism expenditure increased by 124% compared to a 15% increase in the number of people employed.

When adjusted for inflation, real tourism expenditure increased by 61.4% between 2000 and 2018, compared to the number of people employed increasing by 15%.

The difference between these two rates of growth represents the real productivity increase of the tourism workforce: that is, the real expenditure associated with each person employed increased from \$55,276 in 2000 to the CPI-adjusted level of \$77,478 in 2018.

This represents a **40% increase in the productivity** of the tourism labour force between 2000 and 2018.

This shift will have been achieved through a number of contributing factors, including smarter business systems, greater use of capital and better targeting of value within the industry.

The implication of this productivity shift is important – as tourism grows and develops, it becomes better at extracting more from the factors of production it uses. Ideally, tourism productivity should be measured on a multi-factor basis. This analysis provides one dimension that can be seen as a proxy for overall industry productivity improvements.

A more productive tourism industry is good for the tourism workforce, the visitor economy, and more broadly the New Zealand economy and society.