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Kia ora

Future of Industrial Classifications in Aotearoa New Zealand: TIA Submission

Tourism Industry Aotearoa welcomes the opportunity to submit on the process Stats NZ has underway to shape the future of the industrial classification used in Aotearoa New Zealand.

Tourism Industry Aotearoa

TIA is the peak body for the tourism industry in Aotearoa New Zealand. With around 1,300 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure activities, attractions, retail, airports and airlines, transport, as well as related-tourism services.

TIA is sharply focused on ensuring the sustainable future of the industry, and this is clearly articulated in our key guiding documents and programmes. These include the tourism industry's strategic framework, *Tourism 2050 – A Blueprint for Impact, He Pae Tukutuku*.

Tourism 2050 has ten Actions, one of which is 'Power-up Data and Research' which aims to improve the provision of tourism and data across the tourism system, including data quality and accessibility, with coverage across the regenerative tourism framework and with better regional data.

As part of this, the Blueprint supports the MBIE-convened Tourism Data Leadership Group, upon which TIA has a member. The group itself is working to advance the provision of tourism data, and it has an important and influential role to play in advancing this agenda.

Industrial Classifications

The classifications used directly relate to the resultant data that is produced. As our country changes so must the classifications to ensure we produce the data we need to operate our society and economy.

The tourism industry is not well served by the current classifications. The ANZSIC classifications do not reflect tourism well, with the consequence that tourism's role and contribution is not well measured. With the idea that 'we measure what matters', and given the size and importance of tourism in New Zealand, it is important we get this right for the benefit of wide public and private interests.

Particular Points

Following are some thoughts or questions that emerged from our considerations of this matter:

- **Inappropriateness of current classifications.** The tourism sector has long felt poorly served with the classifications that effectively limit data that could be made available for tourism-specific activities at the levels needed. For instance, accommodation is an ANZSIC group, but this is highly aggregated whereas there would

ideally be a number of sub-groups. For instance, hotels, motels, camping groups and holiday parks, short term holiday accommodation and other accommodation. We note this breakdown is similar to ISIC Rev 5. With accommodation being a \$2.1 billion sector in New Zealand it warrants more granular measurement and understanding.¹

There are several other tourism sectors that would benefit from further disaggregation, for instance, travel agency services and tour operator activities. We suggest a process should be undertaken with tourism interests to discuss the wider tourism requirements. This will be necessary to enable a comprehensive tourism response to the detailed 'Changes and Implication' section set out in the latter part of the Consultation Document.

- **Role of ANZSIC.** We were interested in the references in the Consultation Document on the future of ANZSIC, whether there were choices Australia may take, or New Zealand might take. The paper notes that Australia has already consulted and is considering change. Is New Zealand involved in this?

We are interested in this because we know our equivalent organisation in Australia, the Tourism and Transport Forum, has been working with the ABS on industry classifications. We would certainly like to ensure this work is looked at from a New Zealand perspective to assess it for application in our context if appropriate.

- **Relationship with ANZSO.** We understand that there is a similar Trans-Tasman approach to occupation classifications with ANZSCO as with ANZSIC for industrial classifications. Are these being looked at the same time, or is there an uncoupling of these two systems? Getting clarity on this would be appreciated.

Further responses to the consultation questions are attached.

Overall Comment

We appreciate the work Stats NZ is doing in this space as it has been an area of ongoing frustration for the tourism industry as data misaligns to what it is needed. This process can provide a pathway, and we are pleased that the document states "...this is the start of the process..."

As such, we in the tourism industry will be keen to engage you to arrive at industrial classifications that better reflect the modern tourism industry.

Please do not hesitate to get in contact for engagement on next steps. Bruce Bassett can be contacted on 021 609 674 or bruce.bassett@tia.org.nz.

Ngā mihi,



Rebecca Ingram
Chief Executive

¹ Stats NZ, Tourism Satellite Account, Year-ended March 2023

Answers to Specific Questions

	Question	Answer
1.	How do you use the ANZSIC and related classifications?	<p>The current classifications do not sufficiently reflect many relevant tourism sectors, and we believe that a process should be undertaken to address this while the ANZSIC system is under consideration.</p> <p>Due to the current shortcomings, the use of data is much lower than it would be if more useful and relevant data was produced.</p>
2.	Is there anything from a Te Tiriti or te ao Maori lens that we should consider in the classifications?	<p>There is an almost complete lack of tourism data within the industry classification field that has a Te Tiriti or te ao Maori perspective. We believe that this is an area to be addressed as part of this review.</p> <p>The Tourism Data Leadership Group is also of this view and is looking to ensure the delivery of data about and for Maori that will meet evolving needs.</p>
3.	Should a te ao Maori view be best addressed through enhanced classifications or by another classification?	<p>TIA is open to the best approach whether an enhanced classification, or a new one. This will need to be advanced with appropriate qualified groups.</p>
4.	Are there any weaknesses or limitations you would like to be addressed regarding ANZSIC and related classifications?	<p>TIA would like to see a process undertaken to identify the tourism industry needs and then investigate how the desired classifications can be implemented.</p> <p>The key weakness is that the classifications used do not reflect the real nature of tourism, nor its size and importance that should justify comprehensive measurement to enable better management of the tourism system itself.</p>
5.	What challenges do you foresee if we were to make changes to the industrial classifications?	<p>We see two key challenges:</p> <ul style="list-style-type: none"> • To create a set of more disaggregated sectors that reflect the tourism industry. For sectors like accommodation, which would lend itself to breakdown to smaller units, such as hotels, motels, holiday parks, etc. Others will be more difficult to establish. • To navigate the practical difficulty in tourism that arises from the reality that tourism demand often only makes up only a portion of other existing classifications, such as retail sales, food and beverage service, road transport, and many others. <p>The Tourism Satellite Account that is prepared by Stats NZ applies ratios to these sectors but we wonder if more can be done by refining the classifications themselves which would then ultimately improve the TSA.</p> <p>Issues such as this would be part of a review process.</p>
6.	Any other feedback?	<p>Need to look into the work in Australia on ANZSIC (or whatever might emerge) particularly on any tourism developments involving the ABS and the Travel and Tourism Forum.</p>