

Embargoed until 10:45am – 11 September 2008

## Accommodation Survey: July 2008

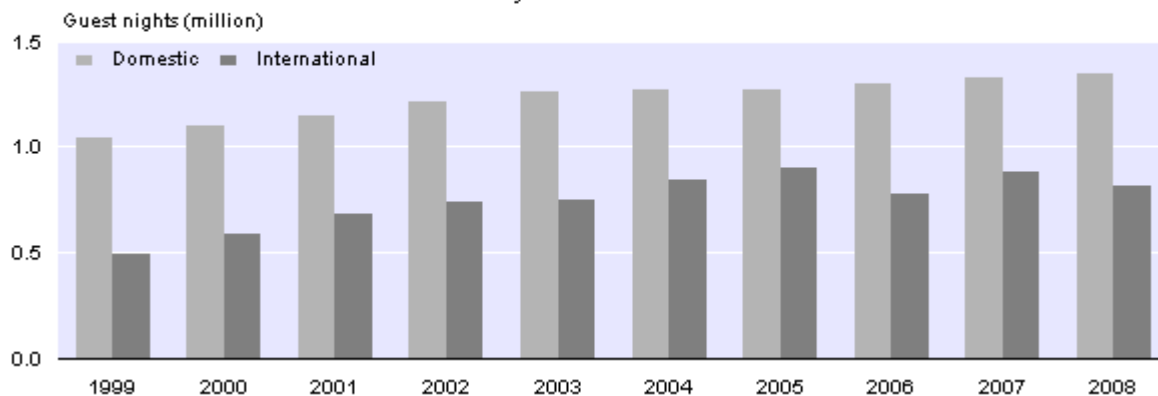
### Highlights

In July 2008 compared with July 2007:

- Total guest nights decreased 46,000 (2 percent).
- International guest nights decreased 67,000 (8 percent).
- Domestic guest nights increased 21,000 (2 percent).
- Guest nights in the North Island fell 4 percent while South Island guest nights remained steady.
- Eight of the twelve regions recorded fewer guest nights, led by Waikato and Auckland.
- Four of the five accommodation types had fewer guest nights, led by motels.

### Domestic and International Guest Nights

July 1999–2008



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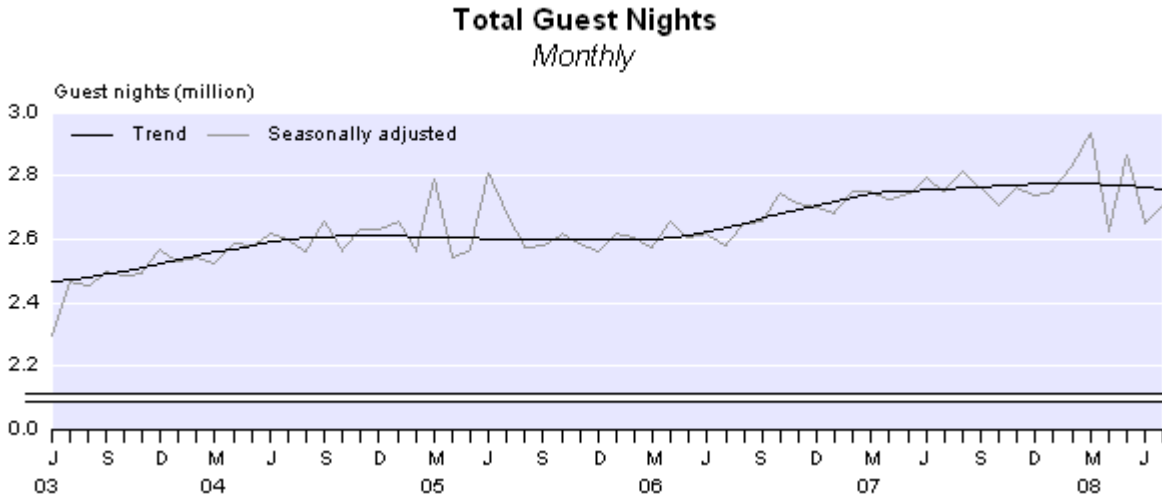
See also [Accommodation Survey: July 2008 – Media release](#).

# Commentary

## Total guest nights

Total guest nights in short-term commercial accommodation were 2.2 million in July 2008, a 2 percent decrease compared with July 2007 and a 4 percent increase compared with July 2006.

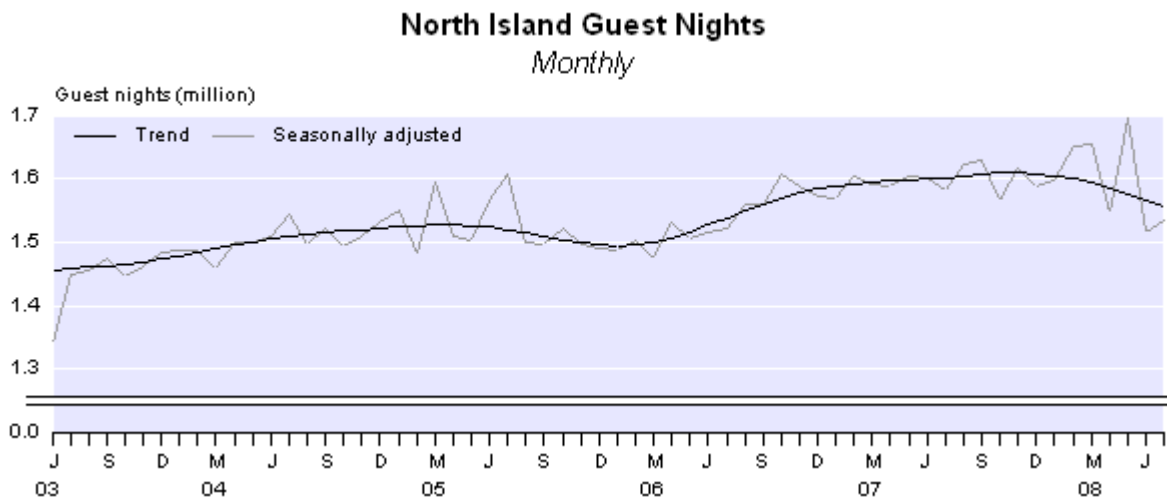
In July 2008, the trend series was at a similar level to July 2007 and 4 percent higher than in July 2006.



## Guest nights by island

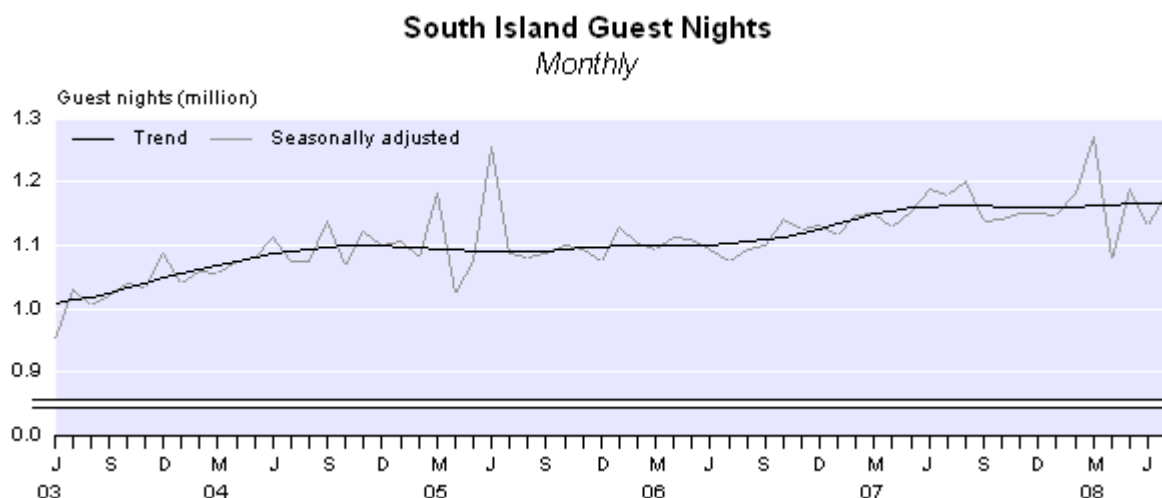
Guest nights in the North Island were 1.3 million in July 2008, a decrease of 4 percent compared with July 2007 and similar to July 2006.

In July 2008, the trend level was 3 percent lower than in July 2007 and 1 percent higher than in July 2006. The trend for North Island guest nights has been decreasing since November 2007, although this apparent change in direction should be treated with caution, as time series analysis suggests more data is required for the direction of the trend to be confirmed.



Guest nights in the South Island were 0.9 million in July 2008, similar to July 2007 and an increase of 10 percent compared with July 2006.

The trend for South Island guest nights has been relatively flat since mid-2007. In July 2008, the trend level was similar to July 2007 and 6 percent higher than in July 2006.



## Guest nights by region

In July 2008, eight of the twelve regions recorded fewer guest nights than in July 2007, with the following regions showing the largest decreases:

- Waikato (down 20,000 or 11 percent)
- Auckland (down 17,000 or 4 percent).

The regions with the largest increases were:

- Canterbury (up 14,000 or 4 percent)
- Wellington (up 10,000 or 5 percent).

## Origin of guests

International guest nights decreased in July 2008, down 67,000 or 8 percent from July 2007. The regions with the largest decreases in international guest nights were:

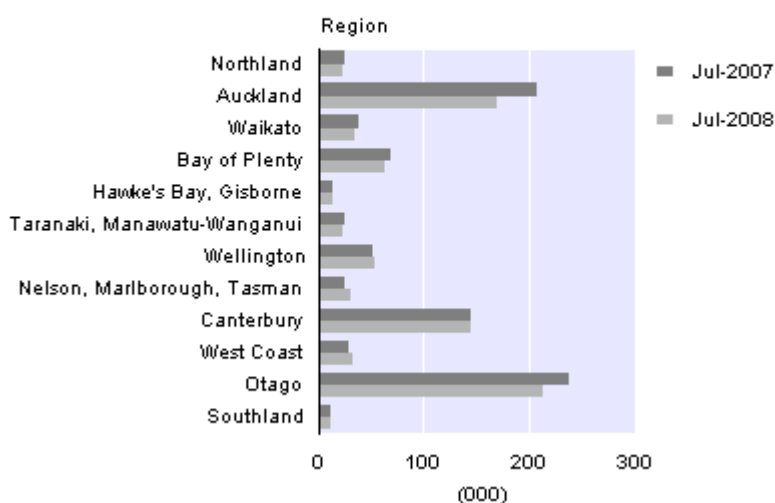
- Auckland (down 39,000 or 19 percent)
- Otago (down 25,000 or 11 percent).

International guest nights were down 12 percent in the North Island and down 3 percent in the South Island. In July 2008, 53 percent of total international guest nights were spent in the South Island.

## International Guest Nights

*By region*

July 2007 and July 2008



However, the decrease in international guest nights was partly offset by an increase in domestic guest nights, up 21,000 or 2 percent. Auckland and Otago also had the largest increases in domestic guest nights:

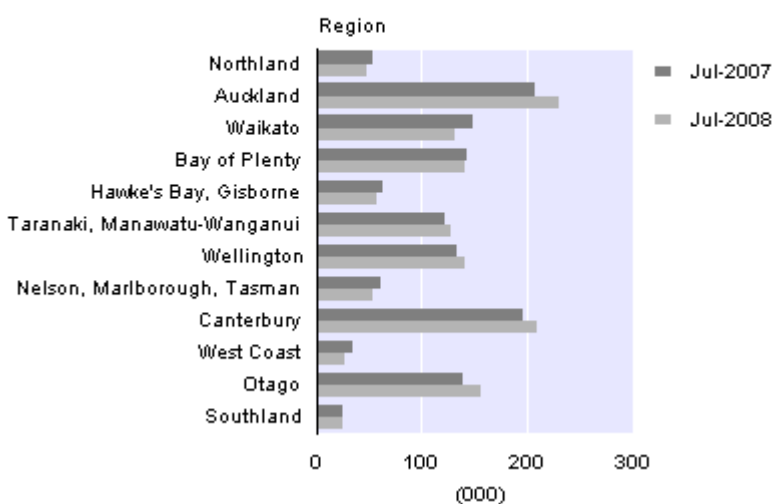
- Auckland (up 22,000 or 10 percent)
- Otago (up 18,000 or 13 percent).

Domestic guest nights were up 1 percent in the North Island and up 3 percent in the South Island. In July 2008, 65 percent of total domestic guest nights were spent in the North Island.

## Domestic Guest Nights

*By region*

July 2007 and July 2008



Domestic guest nights were 62 percent of total guest nights in July 2008. In the North Island, domestic guest nights contributed 70 percent of the North Island's total guest nights. In the South Island, domestic guest nights were 52 percent of its total. Ten of the twelve regions had more domestic than international guest nights.

## Survey change

From the November 2007 survey month, information on domestic and international guest nights is available on a monthly basis. Previous information on 'origin of guest by country' is no longer available. This is the first stage of changes being made, following a review of the Accommodation Survey, which aim to balance the need for high-quality information against the need to reduce respondent load.

In July 2008, there was a response rate of 66 percent to the Accommodation Survey question on 'origin of guests'. Before the survey change, the response rate for this question ranged between 55 and 60 percent. Figures for those establishments that failed to respond have been imputed. Such high levels of imputation can affect data quality, especially for regional statistics and those for accommodation type.

## Comparison with short-term overseas visitor arrival statistics

*International Travel and Migration: July 2008* shows that short-term overseas visitor arrivals to New Zealand in July 2008 were up 2,700 (2 percent) from July 2007. This increase followed a decrease of 3,100 (2 percent) in June 2008 compared with June 2007.

More visitors came to visit friends and relatives (up 3,768 or 9 percent) in July 2008 compared with July 2007, while fewer visitors were on holiday (down 2,352 or 3 percent) and on business (down 1,416 or 7 percent).

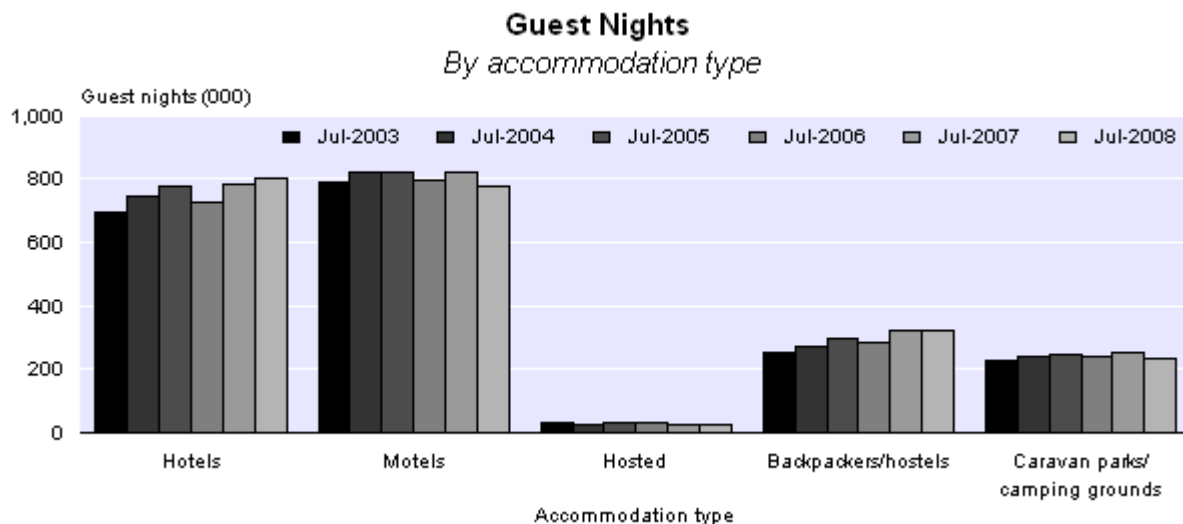
The estimated average number of visitors who were in New Zealand during July 2008 was up 4 percent from July 2007.

New Zealand resident short-term departures for July 2008 were up 16,700 (9 percent) from July 2007. This increase followed a decrease of 22,300 (11 percent) in June 2008 compared with June 2007.

## Guest nights by accommodation type

In July 2008, guest nights for four of the five accommodation types decreased compared with July 2007. Motels had the largest decrease, down 47,000 (6 percent), followed by caravan parks/camping grounds, down 17,000 (7 percent).

In July 2008, hotels had the largest share of total guest nights (37 percent), followed by motels (36 percent) and backpackers/hostels (15 percent).



## Occupancy rate

In July 2008, the occupancy rate, excluding caravan parks/camping grounds, was 43 percent, compared with 44 percent in July 2007.

Accommodation capacity, excluding caravan parks/camping grounds, was 3 percent above the July 2007 level.

Hotels had the highest occupancy rate (49 percent) of all the accommodation types in July 2008, followed by motels (44 percent) and backpackers/hostels (37 percent).

Excluding the caravan parks/camping grounds category, the Otago region had the highest occupancy rate (57 percent) in July 2008, followed by Wellington (54 percent).

## Response rates

Response rates by accommodation type for July 2008			
Accommodation type	Establishments responding to questions on guest nights, guest arrivals and stay unit nights	Proportion of guest-night estimate from actual data	Proportion of origin-of-guest estimate from actual data
	Percentage		
Hotels	79	89	70
Motels	77	81	65
Hosted	81	85	71
Backpackers/hostels	76	81	55
Caravan parks/camping grounds	79	89	75
<b>Total</b>	<b>78</b>	<b>85</b>	<b>66</b>

When respondents do not answer questions in the Accommodation Survey, Statistics New Zealand estimates the missing information based on data from similar establishments in the same and/or similar areas. For more information, please refer to the Technical notes of this release or contact Statistics NZ.

## Survey sponsorship

The Accommodation Survey is a monthly survey undertaken by Statistics NZ and sponsored by the Ministry of Tourism.

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### Next release ...

*Accommodation Survey: August 2008* will be released on 10 October 2008.

## **Technical notes**

### **Population**

The target population for this survey is all 'geographic units' (called 'establishments' in this publication) that are classified as short-term (less than one month) commercial accommodation providers operating in New Zealand. In terms of the Australian and New Zealand Standard Industrial Classification (ANZSIC), the target population is taken from class 5710 (accommodation), and the part of class 5720 (pubs, taverns and bars) that also provides accommodation.

The survey frame is all short-term commercial accommodation-providing geographic units belonging to an economically significant 'enterprise'. Economic significance is generally determined as being GST registered and having a turnover of at least \$30,000 per annum.

### **Survey errors**

This survey aims for 100 percent coverage of the population (a full census). In practice, however, an overall response rate of between 76 and 80 percent is usually achieved. The remaining units are given imputed values based upon the characteristics of similar establishments in the same or similar regions. Imputation 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 occur for reasons such as respondent error, frame quality and errors in processing. While every effort is made to minimise these errors, they will still occur. It is not possible to quantify their effect.

### **Trend estimates**

For any series, the survey estimates can be broken down into three components: trend, seasonal and irregular. While seasonally adjusted series have had the seasonal component removed, the trend series have had both the seasonal and the irregular components removed. Trend estimates reveal the underlying direction of movement in a series, and are likely to indicate turning points more accurately than seasonally adjusted estimates.

The accommodation trend series are calculated using the X-12-ARIMA seasonal adjustment package. They are based on optimal moving averages of the seasonally adjusted series, with an adjustment for outlying values. The X-12-ARIMA package is an updated version of X-11-ARIMA, developed by the U.S. Census Bureau.

The trend estimates towards the end of the series incorporate new data as it becomes available, and can therefore change as more observations are added to the series. Revisions can be particularly large if an observation is treated as an outlier in one month, but is found to be part of the underlying trend as further observations are added to the series. All trend estimates are subject to revisions each month, but normally only the last two or three estimates are likely to be substantially altered.

### **Trend estimates versus month-on-month comparisons**

Trend estimates reveal the underlying direction of the movement in a series. In contrast, comparisons between one month and the same month in the previous year(s) do not take account of data recorded in between these periods, and are subject to one-off fluctuations. Reasons for fluctuations include changes in the timing of holidays, international crises, and large sporting and cultural events.

## Seasonally adjusted estimates

The X-12-ARIMA package has been used to produce the seasonally adjusted estimates referred to in the Commentary text. Seasonal adjustment aims to eliminate the impact of regular seasonal events. These may be due to climatic effects (such as more guests staying in camping grounds during the summer) or calendar effects (such as holidays). This makes the data for adjacent months more comparable. All seasonally adjusted figures are subject to revision each month.

Further information about [seasonal adjustment](#) is available on the Statistics New Zealand website.

## Classification of accommodation type

The predominant capacity provided determines the accommodation type. For instance, if a business provides both motel and camping ground accommodation, but the majority of its stay units are motel rooms, then it would be classified as a motel. The classification system used is the New Zealand Accommodation Classification, broadly defined below:

- Hotels: includes both hotels and resorts
- Motels: includes motor inns, apartments and motels
- Hosted: includes private hotels, guest houses, bed and breakfasts, and holiday farm (farmstay) accommodation
- Backpackers/hostels
- Caravan parks/camping grounds.

Further information on the classification system is available on request.

## Origin of guests

From November 2007, information on total domestic and international guest nights will be available on a monthly basis but the breakdown by region or country will no longer be available.

## **Other definitions**

### **Business frame**

A register (maintained by Statistics NZ) of all economically significant businesses operating in New Zealand from which the survey population is drawn.

### **Establishment**

The smallest statistical unit operating within a single physical location and owned by a single enterprise. The term is used to represent what is usually called the 'geographic unit' in other Statistics NZ publications.

### **Guest night**

A guest night is equivalent to one guest spending one night at an establishment. For example, a motel with 15 guests spending two nights would report provision of 30 guest nights of accommodation.

### **Stay unit**

The term used to describe the unit of accommodation that is available to be charged out to guests (for example a powered site in a caravan park, a bed in a backpackers, a room in a hotel or motel).

### **Capacity (stay unit nights available)**

This is the basic measure of an establishment's accommodation capacity. It is defined as one stay unit multiplied by one night. For example, 10 units in a motel available for guest use (whether occupied or not) for the full 31 days in July would have an accommodation capacity of 310 stay unit nights.

### **Occupancy rate**

This derived variable is calculated by dividing stay unit nights occupied by stay unit nights available. In the case of the motel above, if six of its 10 units were occupied every night in July, it would have  $6 \times 31 = 186$  stay unit nights occupied, and its occupancy rate would be 60 percent.

### **Average length of stay**

This derived variable is calculated by dividing total guest nights by total guest first nights.

## **More information**

For more information, follow the [link](#) from the Technical notes of this release on the Statistics NZ website.

## **Confidentiality**

Data collected and information contained in this publication must conform to the provisions of the Statistics Act 1975. This requires that published information maintains the confidentiality of individual respondents.

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## **Timing**

Timed statistical releases are delivered using postal and electronic services provided by third parties. Delivery of these releases may be delayed by circumstances outside the control of Statistics NZ. Statistics NZ accepts no responsibility for any such delays.

## Tables

The following tables are printed with this Hot Off The Press and can also be downloaded from the Statistics New Zealand website in Excel format. If you do not have access to Excel, you may use the [Excel file viewer](#) to view, print and export the contents of the file.

1. Establishments, capacity, guest nights, occupancy rate and average stay, by accommodation type
2. Occupancy rate excluding caravan parks/camping grounds, by region
3. Total guest nights
4. Seasonally adjusted and trend guest nights, by accommodation type
5. North Island guest nights
6. South Island guest nights
7. Regional guest nights

## Accommodation pivot tables

The Accommodation pivot tables provide more detailed information, breaking the survey variables down by regional tourism organisation areas and territorial authority areas. These tables can be downloaded from the Statistics NZ website.

- **Regional Tourism Organisation (RTO) Area by Accommodation Type (Type)**  
Contains number of establishments, capacity, occupancy rates, guest nights, guest arrivals, length of stay and some ratios of these variables. The graph on the first worksheet will change to display the RTO and Type you select on the second worksheet. When printing the graph, select a cell rather than the graph so the heading will print.
- **Total Accommodation by Territorial Authority (TA)**  
Contains number of establishments, capacity, occupancy rates, guest nights, guest arrivals, length of stay and some ratios of these variables.
- **Origin of Guests and Employment Information by Regional Tourism Organisation (RTO)**  
Contains domestic and international guest night variables and employees.