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**Enhancing Financial and Economic Yield
in Tourism:**

**Performance Benchmarks for New Zealand
Tourism Characteristic Enterprises Based on
Financial Yield**

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www.lincoln.ac.nz/trrec/tsmyield

Contents

Contents	i	
List of Tables	iii	
List of Figures.....	v	
Chapter 1	Introduction	1
	1.1 Financial Yield (FY) Relationships	1
	1.2 Measuring FY for TSA Sector Enterprises.....	2
	1.3 Interpretation Rules.....	3
	1.4 Establishing Benchmarks using FY.....	4
Chapter 2	Tourism Trading Climate during the Analysis Period	7
	2.1 Visitor Demand.....	7
	2.2 Price Competitiveness.....	8
Chapter 3	TSA Characteristic Industries Benchmarks	11
	3.1 Data Access.....	11
Chapter 4	Accommodation Benchmarks	13
	4.1 All TSA Accommodation	13
	4.2 Accommodation – Hotels	15
	4.3 Accommodation: Motels and Motor Inns.....	18
	4.4 Hosted Accommodation	20
	4.5 Backpacker and Youth Hostels.....	23
	4.6 Caravan Parks and Camping Grounds.....	26
	4.7 Accommodation ‘nec’ (Not elsewhere classified).....	29
Chapter 5	Pubs, Taverns, Cafes and Restaurant Benchmarks	31
	5.1 Pubs, Taverns and Bars.....	31
	5.2 Cafes and Restaurants.....	33
Chapter 6	All TSA Transport.....	37
	6.1 Long Distance Bus Transport	40
	6.2 Short Distance Bus Transport (incl Tramways)	42
	6.3 Taxi and Other Road Passenger Transport	45
	6.4 Scheduled International & Domestic and Non-scheduled Air Transport.....	48
	6.5 Travel Agency Services	50
Chapter 7	Leasing and Hiring	53
	7.1 Motor Vehicle Hiring.....	53
Chapter 8	Recreation.....	57
	8.1 ALL TSA Recreation.....	57
	8.2 Museums	60
	8.3 Zoological and Botanic Gardens.....	62
	8.4 Recreational Parks and Gardens	64
	8.5 Lotteries Casinos and Gambling Svces Nec	67
	8.6 Other Recreation Services	69

Chapter 9	Summary	71
Appendix 1	Benchmarks for Averaged Financial Parameters of TSA Divisions	
	1999-2003.....	73
	Commentary on Division Benchmarks	73

List of Tables

Table 1	Visitor Arrivals to New Zealand YE Dec 1998-2005.....	7
Table 2	TSA Characteristic Divisions analysed for FY 1999-2003	11
Table 3	All Accommodation FY Statistics	14
Table 4	All TSA Accommodation Financial Yield by Income Range	14
Table 5	Hotels FY Statistics 1999-2003	16
Table 6	Hotels FY by Income Range 1999-2003.....	17
Table 7	Motels and Motor Inns FY Statistics 1999-2003	19
Table 8	Motels and Motor Inns FY by income Range 1999-2003	19
Table 9	Hosted Accommodation Yield Statistics 1999-2003	21
Table 10	Hosted Accommodation Yield by Income Range 1999-2003	22
Table 11	Backpacker and Youth Hostels Yield Statistics 1999-2003	24
Table 12	Backpacker and Youth Hostels Yield by Income Range 1999-2003.....	25
Table 13	Caravan Parks and Camping Grounds Yield Statistics 1999-2003.....	27
Table 14	Caravan Parks and Camping Grounds Yield by Income Range 1999-2003.....	27
Table 15	Accommodation ‘nec’ FY Statistics 1999-2003	29
Table 16	Accommodation ‘nec’ FY by Income range 1999-2003	30
Table 17	Pubs Taverns and Bars FY Statistics	32
Table 18	Pubs Taverns and Bars FY distribution by Income	32
Table 19	Cafes and Restaurants FY Statistics	34
Table 20	Cafes and Restaurants FY by Income Distribution.....	35
Table 21	All TSA Transport FY Statistics.....	38
Table 22	All TSA Transport FY by Income Distribution.....	39
Table 23	Long Distance Bus Transport FY Statistics.....	41
Table 24	Long Distance Bus Transport FY by Income Range	41
Table 25	Short Distance Bus Transport FY Statistics.....	43
Table 26	Short Distance Bus Transport FY by Income Distribution.....	44
Table 27	Taxi and other Road Transport FY Statistics.....	46
Table 28	Taxi and Other Road Transport FY by Income Distribution.....	46
Table 29	I640X00 Sched International Domestic and Non Sched Air Transport FY Statistics	48
Table 30	I640X00 Sched International Domestic and Non Sched Air Transport FY by Income Distribution	49
Table 31	Travel Agency Services FY Statistics.....	51
Table 32	Travel Agency Services FY by Income Distribution.....	51
Table 33	Motor Vehicle Hiring FY Statistics	53
Table 34	Motor Vehicle Hiring FY Distribution by Income Range	54
Table 35	All TSA Recreation FY Statistics	58
Table 36	All TSA Recreation Average FY by Income	58
Table 37	Museums FY Statistics	61
Table 38	Museums FY Distribution by Income Range	61

Table 39	Zoological and Botanic Gardens FY Statistics	63
Table 40	Zoological and Botanic Gardens FY Distribution by Income Range	63
Table 41	Recreational Parks and Gardens Income FY Statistics	65
Table 42	Recreational Parks and Gardens Average FY Distribution by Income Range	66
Table 43	Lotteries Casinos and Gambling Svces Nec FY Statistics	67
Table 44	Lotteries Casinos and Gambling Svces Nec FY Distribution by Income Range...	68
Table 45	Other Recreation Services FY Distribution by Income Range	70
Table 46	Division Benchmarks for All Tourism Characteristic and Related Industries. 1999-2003 Average	74

List of Figures

Figure 1	Overnight Stay Ratios and Levels for International and Domestic Visitors.....	8
Figure 2:	Comparative Price Level, New Zealand versus Visitor Sources	9
Figure 3	Distribution of All Accommodation Income in 2003	13
Figure 4	Overall Accommodation Financial Yield by Income 1999-2003.....	15
Figure 5	Overall Accommodation Distribution of FY 1999-2003	15
Figure 6	Hotel Income Distribution in 2003 (\$000).....	16
Figure 7	Hotels Overall FY by Income Range 1999-2003.....	17
Figure 8	Hotels Spectrum and Distribution of FY 1999-2003	18
Figure 9	Income Distribution of the Motel and Motor Inn Division in 2003.....	18
Figure 10	Motels and Motor Inns Overall FY by Income Range 1999-2003	20
Figure 11	Motels and Motor Inns Spectrum and Distribution of FY 1999-2003.....	20
Figure 12	Hosted Accommodation Income Distribution (\$000) in 2003.....	21
Figure 13	Hosted Accommodation Yield by Income Range 1999-2003	22
Figure 14	Hosted Accommodation Spectrum and Distribution of FY 1999-2003	23
Figure 15	Backpacker and Youth Hostel Income Distribution (\$000) 2003.....	24
Figure 16	Backpacker and Youth Hostels Yield by Income Range 1999-2003.....	25
Figure 17	Backpacker and Youth Hostel Distribution of FY 1999-2003	25
Figure 18	Caravan Parks and Camping Grounds Income Distribution (\$000) 2003	26
Figure 19	Caravan Parks & Camping Grounds FY by Income Range 1999-2003	28
Figure 20	Caravan Parks & Camping Grounds Distribution of FY 1999-2003.....	28
Figure 21	Accommodation 'nec' Income Distribution (\$000) 2003.....	29
Figure 22	Accommodation 'nec' FY by Income Range 1999-2003	30
Figure 23	Accommodation 'nec' Distribution of FY 1999-2003.....	30
Figure 24	Pubs Taverns and Bars Income Distribution in 2003	31
Figure 25	Pubs Taverns and Bars Average FY by Income	33
Figure 26	Pubs Taverns and Bars, Spectrum of Financial Yield 1999-2003	33
Figure 27	Cafes and Restaurants Income Distribution 2003.....	34
Figure 28	Cafes and Restaurants FY by Income	35
Figure 29	Cafes and Restaurants Distribution of FY 1999-2003	36
Figure 30	All TSA Transport Income Distribution 2003	37
Figure 31	All TSA Transport Revenue by FY Distribution 2003	38
Figure 32	All TSA Transport Average FY by Income Distribution	39
Figure 33	All TSA Transport Average FY by Income Distribution	40
Figure 34	Long Distance Bus Transport Income Distribution in 2003	40
Figure 35	Long Distance Bus Transport Average FY by Income Range.....	42
Figure 36	Long Distance Bus Transport Distribution of FY 1999-2003	42
Figure 37	Short Distance Bus Transport Income Distribution 2003.....	43
Figure 38	Short Distance Bus Transport FY by Income Range 1999-2003.....	44
Figure 39	Short Distance Bus Transport Distribution of FY 1999-2003	45

Figure 40	Taxi and Other Transport Income Distribution 2003.....	45
Figure 41	Taxi and Other Road Transport FY by Income Distribution 1999-2003.....	47
Figure 42	Taxi and Other Road Transport Distribution of FY 1999-2003	47
Figure 43	Scheduled International & Domestic & Non-scheduled Air Transport Income Distribution 2003.	48
Figure 44	I640X00 Sched International Domestic and Non Sched Air Transport FY by Income Distribution	49
Figure 45	I640X00 Sched International Domestic and Non Sched Air Transport Distribution of FY 1999-2003	50
Figure 46	Travel Agency Services Distribution of Income for 2003	50
Figure 47	Travel Agency Services FY by Income Range.....	52
Figure 48	Travel Agency Services Distribution of FY 1999-2003	52
Figure 49	Motor Vehicle Hiring Income Distribution for 2003.....	53
Figure 50	Motor Vehicle Hiring Average FY by Income Range1999-2003.....	54
Figure 51	Motor Vehicle Hiring Distribution of FY	55
Figure 52	All TSA Recreation Income Distribution 2003	57
Figure 53	All TSA Recreation Average FY by Income Range.....	59
Figure 54	All TSA Recreation Distribution of FY	59
Figure 55	All TSA Recreation FY by Revenue Distribution	60
Figure 56	Museums Income Distribution 2003.....	60
Figure 57	Museums Average FY by Income Range	62
Figure 58	Museums Distribution of FY 1999-2003.....	62
Figure 59	Zoological and Botanic Gardens Income Distribution 2003	63
Figure 60	Zoological and Botanic Gardens Average FY by Income Range.....	64
Figure 61	Zoological and Botanic Gardens Distribution of FY 1999-2003.....	64
Figure 62	Recreational Parks and Gardens Income Distribution 2003	65
Figure 63	Recreational Parks and Gardens Average FY by Income Range 1999-2003	66
Figure 64	Recreational Parks and Gardens Distribution of FY 1999-2003	66
Figure 65	Lotteries Casinos and Gambling Svces Nec Income Distribution 2003.....	67
Figure 66	Lotteries Casinos and Gambling Svces Nec Average FY Distribution by Income Range	68
Figure 67	Lotteries Casinos and Gambling Svces Nec Distribution of FY	68
Figure 68	Other Recreation Services Income Distribution 2003	69
Figure 69	Other Recreation Services FY Statistics	69
Figure 70	Other Recreation Services Average FY Distribution by Income Range	70
Figure 71	Other Recreation Services Distribution of FY	70

Chapter 1

Introduction

Tourism Strategy 2010 identified the objective of achieving greater financial and economic sustainability from tourism businesses and observed that there were a number of mechanisms that might contribute. This paper has examined Statistics New Zealand Annual Enterprise Survey Data for the period 1999-2003 to investigate the financial performance of tourism characteristic enterprises. Whilst no single metric informs on every aspect of business performance, one that incorporates both trading and capital efficiency is appealing. This study uses 'financial yield' (FY) as a metric that provides insight into the efficiency of an enterprise and does so by examining the degree to which its assets generate cash returns to shareholders. The metric also assists with an estimation of financial and economic sustainability criteria as enterprises that consistently perform at particular levels of FY are able to be classified by the degree to which they meet these criteria.

The combination of FY and readily available market benchmarks from the Reserve bank and other financial services providers enables enterprises to gauge their performance relative to their tourism peers and the broader economy. This, together with appropriate diagnostic tools provides insight into opportunities for business improvement.

1.1 Financial Yield (FY) Relationships

The choice of FY as a means of measuring financial and economic sustainability is based on two common-sense observations. If an enterprise fails to generate more cash than it consumes it eventually ceases trading: i.e. it is not financially sustainable. Further, if an enterprise does generate more cash than it consumes, but less than what could be obtained by deploying the cash value of its assets elsewhere in the marketplace at a similar level of risk it is inefficient: i.e. not economically sustainable. These are consistent with the generally accepted solvency principles established in statute¹.

If these two observations are reduced to expressions that reflect business performance, then for financial sustainability,

Surplus cash from trading = Net Operating Profit after Tax (NOPAT) = All cash income - All cash expenses ≥ 0 ,

and for economic sustainability

$$NOPAT/Assets - (Alternative Operating Profit after Tax)/Assets \geq 0.$$

If Financial Yield (FY) is defined as $NOPAT/Assets$,

And if the Cost of Capital (CC) is defined as $(Alternative Operating Profit after Tax)/Assets$,

Then the expression that informs on both financial and economic sustainability is

¹ New Zealand Companies Act, 1993, Section 4

Equation 1

$$(FY - CC) * Assets \geq 0$$

This means that FY must be positive and also greater than CC, provided Assets are also positive. It is unlikely that the market return (CC) is negative. Calculating or obtaining a market return associated with an enterprise may be controversial as it depends on estimations of risk, the proportions of debt or equity involved in funding the enterprise and the value of a risk-free rate of return. However, for small and medium businesses, the market return is generally established by a trading bank – either as a commercial lending rate to new businesses (the base lending rate as published by the Reserve Bank) or the home mortgage rate where a proprietor uses personal equity in property as security to obtain finance. There are also estimates of CC for industrial sectors of the economy that are published by business services specialists such as Price Waterhouse Coopers.

An expression of FY is also found in the work by Stern & Stewart² in their definition of EVATM (economic value added) – a metric that is used to gauge the economic efficiency of an enterprise.

In summary, if FY can be measured for an enterprise and compared with the FY of other enterprises, a financial performance benchmark is obtained. If FY is generally greater than the market cost of capital (CC) then an economic benchmark is obtained.

1.2 Measuring FY for TSA Sector Enterprises

In practice, FY is measured by examining the enterprise's Statements of Financial Position and Financial Performance and applying several rules to ensure as equitable a degree of comparison as possible. The rules used in the estimation and reporting of FY are:

- Working proprietors are shareholders. For consistency with the treatment of other studies on FY, working proprietors are deemed to receive remuneration from dividends. Any salaries or wages paid to working proprietors are not treated as a business expense. This allows comparisons that are independent of Proprietor remuneration.
- Interest costs are a reflection of a particular method of funding. Business performance should not depend on whether funding is via external debt or proprietor equity. This allows comparisons that are independent of funding.
- Treatment of depreciation. Since depreciation is a non-cash expense it is usually added back to profit to reflect the cash profit –NOPAT. If depreciation is added back, the asset value must also be reduced by the same amount. The determination of asset value was problematic from Statistics NZ data because of confidentiality issues. However, (Equity + Liabilities) were available without restriction and this has been used instead. Of course, this expression does not isolate the fixed assets to which depreciation applies so an alternative approach was required. An approach providing the same result is to neither add back depreciation nor decrement the asset's value. This approach also mirrors competitive behaviour in that tourism's assets are the essence of the product and are generally to be

2 Stewart, G. Bennett, The Quest for Value: the EVATM Management Guide, HarperCollins Publishers, USA, 1991

found in ‘new’ condition. Depreciation is deemed to be the annual cost of ensuring that the asset is in ‘as-new’ condition.

- Assets may be either leased or purchased. Statistics NZ data does not isolate leased assets and consequently the assumption is that they are purchased. This is a gross assumption and usually leads to the overstatement of FY – although it can have a negligible effect if leased assets are in the minority and lease charges are a fraction of accounting profit, or even a negative effect if lease charges are significantly greater than accounting profit. Triangulation with interviewed respondents in a New Zealand Christchurch and Rotorua survey during June 2006 indicated that a lack of knowledge of the lease or purchase status of assets could overstate FY by up to 27 percent³ depending on the mix of enterprises.
- Results outside the range ± 30 percent were excluded from the survey. The basis for this was to enable comparisons with benchmark data obtained from Statistics New Zealand’s Datalab⁴. Outliers distorted the calculation of statistical measures such as mean and variance and generally occurred where the asset value was extremely low thus generating extraordinary values of FY.
- FY was calculated from the expression:

Equation 2

$$\frac{(GrossOperatingSurplus - Taxes + Interest)}{(Assets)}$$

The numerator describes Net Operating Profit after Tax as explained above and incorporates the assumptions regarding interest, proprietor remuneration and leases. Since FY is the ratio of cash operating profit to assets, it is unlikely that it will correlate strongly with common accounting measures, but should do so to some extent as any financial measure reflective of good trading performance or efficiency should also generate above average FY.

1.3 Interpretation Rules

This study examines tourism characteristic enterprises as represented by the Tourism Satellite Account. The sectors and divisions of the economy having characteristic enterprises are those with a tourism product ratio (TPR) in excess of 0.25. All enterprises in the sample are deemed to be tourism characteristic enterprises and as such there is no weighting applied to the results irrespective of the actual value of the TPR. Results are averaged by enterprise to obtain a range of statistical factors such as mean, variance, confidence and decile value.

Performance of an entire division or sector may only be estimated from the average performance of its enterprises where samples are distributed in proportion to revenues. In some cases, a sheer preponderance of enterprises (e.g. Taxis) biases FY in sympathy with their average performance whereas the FY of the overall division is quite different (e.g. Transport). Appendix 1 examines aggregate enterprise financial data to establish the sector or division FY.

3 Wason, K., Sleeman, R., and Simmons, D.G. Enhancing Financial and Economic Yield in Tourism: Small Tourism Business Survey Report No. 7, November 2007

4 Moriarty, J. Enhancing Financial and Economic Yield in Tourism: Sector Performance and Business Benchmarks, Report No.3, November 2007.

- Determination of performance deciles. A ‘Normal’ distribution was used to determine decile boundaries from a calculation of P(0.1), P(0.2), ,P(0.9). Decile values mark the upper limit for that decile range and higher performance applies to the next or higher deciles. Performance higher than P(0.9) is the 10th decile; performance lower than P(0.1) is the 1st decile.
- Taxation at the rate of 33 percent has been applied to Gross Operating Surplus to derive a nominal after tax profit.
- For consistency, the use of the term “yield” – if it stands alone in this document - refers to “financial yield” as calculated using the above relationship.

1.4 Establishing Benchmarks using FY

In this study, the following comparisons can be made against enterprise FY financial yield in any TSA division using a cost of capital (CC) chosen from the most appropriate option in the following list:

- a) Economy-wide financial yield derived from Statistics NZ Annual Enterprise Surveys for ANZSIC Divisions over the period 1999-2003
- b) Division or Sector-wide financial yield derived from the Statistics NZ analysis of TSA enterprises for each component division analysed. See Appendix 1.
- c) Nominal cost of debt comparison based on the principle that trading enterprises should generate returns that exceed:
 - Base lending rate (after tax) set by the Reserve Bank as the risk adjusted cost of debt for new business enterprises offering appropriate security, if this debt instrument is used, or
 - Secured property mortgage rate where SME proprietors secure debt against personal property assets, or
 - The weighted average cost of capital (WACC) as published⁵ by finance service providers such as Price Waterhouse Coopers, or
 - Calculated WACC from performance tools⁶ that factor proprietor or shareholder equity and third party debt along with the current risk free rate of return (e.g. government stock) and a market assessment of sector risk (β).

Benchmarking is the process of comparing enterprise FY with the benchmark CC chosen from the above list using Equation 1;

$$(FY - CC) * Assets \geq 0$$

If the long-run average FY exceeds the appropriate benchmark for CC over the same period, the enterprise is economically sustainable, and if FY is positive at all times – having regard for the timing of receivables and payables and meeting all obligations as they fall due – the enterprise is financially sustainable.

5 Cost of Capital Report, Price Waterhouse Coopers, Online Report, <http://www.pwc.com/Extweb/pwcpublishings.nsf/docid/C97F5F036AA3DFEECA256C8500113B25>

6 Moriarty, J., Tourism Enterprise Benchmarking for Financial and Economic Sustainability, April 2007, Excel Calculator for Tourism Business Benchmarking,

There are also other diagnostic benchmarks in Appendix 1. Ratios such as Cost/Revenue and Assets/Revenue assist with deeper diagnosis of operational performance where better insight into FY is required.

Chapter 2

Tourism Trading Climate during the Analysis Period

Measurements of financial yield reflect the trading performance of enterprises over time, but it is also important to acknowledge the trading climate as some of its factors may influence results.

There are many factors that influence trading but two are particularly important as they affect demand and price. Visitor arrivals reflect the inherent demand for tourism products and the degree to which visitors can afford to spend reflects their propensity do so and to some extent the prices they may be prepared to pay. These two factors also determine the quantum and volume of gross margin⁷ enterprises gain from trading, and if demand-independent costs (enterprise fixed costs such as asset financing, rental, core wages and salaries, etc) are met from working capital, gross margin determines the level of operating profit and financial yield over the short to medium term.

2.1 Visitor Demand

After the decline in visitor numbers arising from the ‘Asian crisis’ of 1998 demand rebounded rapidly from 1998 until 2003 where a further decline and rebound occurred after the international impact of September 2001 and SARS virus in 2003.

Table 1
Visitor Arrivals to New Zealand YE Dec 1998-2005

Year End Dec	International Arrivals	Annual Growth
1998	1,484,512	-1%
1999	1,607,241	8%
2000	1,786,765	11%
2001	1,909,381	7%
2002	2,045,064	7%
2003	2,104,420	3%
2004	2,334,153	11%
2005	2,447,740	5%

Table 2 illustrates the variability of annual growth and the rapid increase in visitors particularly between 1999 and 2003. Overall, the compound annual growth between these years was approximately 7 percent. This was a significant achievement in the face of considerable consumer reticence towards international travel coupled with the additional discomforts that accompanied the re-engineering of both physical and bio-security systems and processes on all major air routes throughout the world.

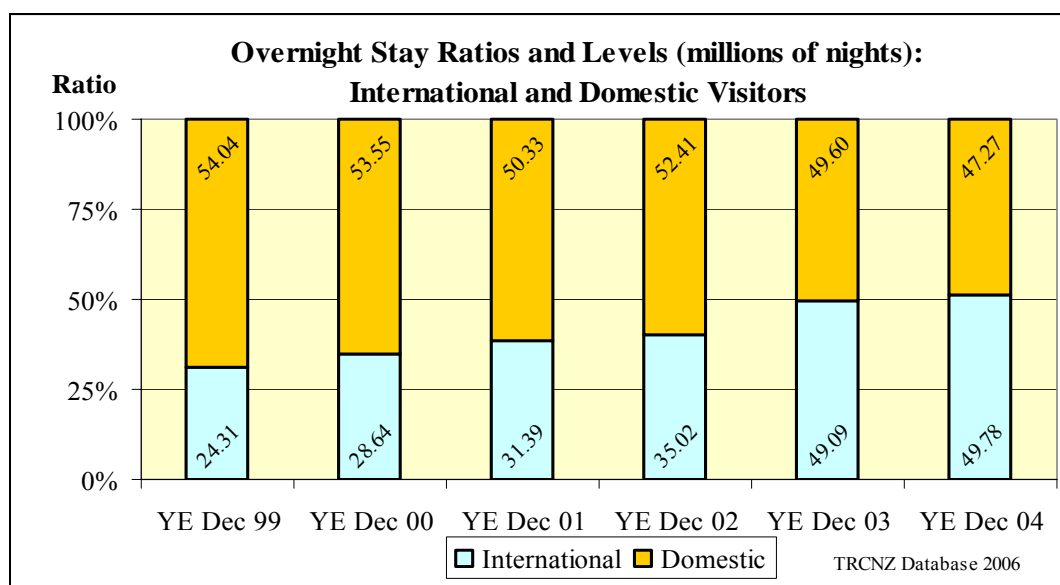
⁷ Gross Margin is the product price less the direct costs of that product and may also be expressed as a percentage of that cost. It is a reflection of the efficiency of a sale; high gross margins reflect high sales efficiency.

Regional tourism also increased as trans-Tasman travel was substituted for long-haul destinations thus providing increased visitor demand throughout both Australia and New Zealand for each other's products.

Domestic tourism, evidenced by overnight stays, has exhibited a declining trend since 1999, but overall overnight stays have increased as a result of increased international visitation. Domestic tourism increased by approximately 4 percent in 2001 as a consequence of instability in the global airline market that was precipitated by the event of 11th September in that year

Figure 1 illustrates the proportions and levels of domestic and international visitor demand.

Figure 1
Overnight Stay Ratios and Levels for International and Domestic Visitors



Perceptions of safety and airfare price competitiveness were also key drivers in re-directing the travel preferences of New Zealanders and Australians to each other's countries. These same factors also attracted international visitors seeking destinations that were perceived to be free of the perils that persisted after September 11, 2001. In summary, demand for New Zealand as a visitor destination had never been higher than it was over the period 1999-2003.

2.2 Price Competitiveness

Establishing direct relationships between visitor demand and price competitiveness is challenging because reasons for travel are generally multi-factored. Some of these factors are detailed and some are holistic. Examples of detailed factors include: perceptions as to the safety of a destination, the price of airfares (generally paid in local currency) and the 'fashion' for travel as opposed to expenditure on other consumer products. Holistic factors such as the trip's overall time efficiency and its affordability also influence consumer choice.

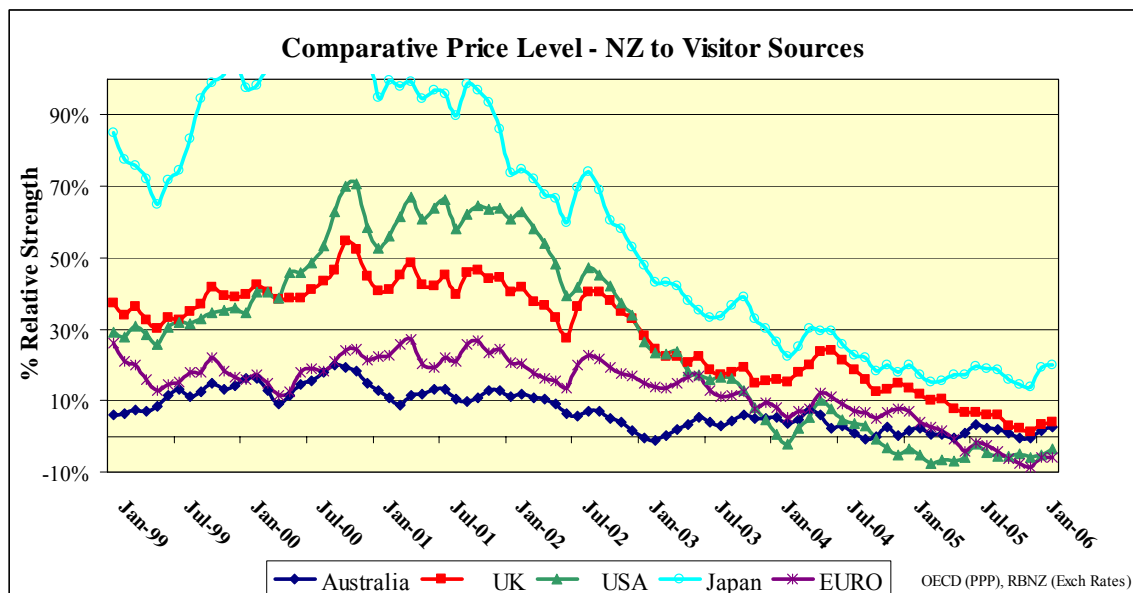
It is a common sense matter of affordability that intending visitors have an appreciation of the broad relativity of the strength of their home currency to that of their intended destination.

A metric that is used to estimate the relativity between earning in one country and spending it in another is the Comparative Price Level (CPL). Used by the OECD and World Bank, CPL reflects the relative spending power of national currencies on commodities throughout the world. This metric is the ratio of purchasing power parity (PPP) to exchange rate, where “PPP” is derived from per capita gross domestic product. Ideally PPP and exchange rates should be similar, but it is often not the case as they also reflect local conditions such as consumer prices, the trading environment and productivity.

High CPL at a destination confers advantage to the visitor as a unit of their currency will purchase more commodity items than it does in their home country, conversely a low CPL confers disadvantage as commodity purchases will be more expensive in the destination than at home.

Figure 2 highlights the CPL for international visitors to New Zealand since January 1999.

**Figure 2:
Comparative Price Level, New Zealand versus Visitor Sources**



What is evident is a significant advantage to visitors from the principal visitor sources from 1999 until the middle of 2003. In the case of Japan, the advantage exceeded 100 percent - interpreted as “visitors could purchase twice as much commodity product per converted unit of their currency within New Zealand as they could have done at home”.

For tourism, food, accommodation, local travel, and entertainment are commodities that account for a considerable component of visitor expenditure. Moreover, prices are also reflective of local demand (domestic tourism). In New Zealand’s case, domestic and international visitor-nights are comparable and suggest that prices are not solely determined by international demand.

Overall, visitor purchasing power during the period 1999-2003 was significantly high and in most cases at levels that made New Zealand appear a relatively inexpensive destination. It seems reasonable to expect that tourism prices and corresponding gross margins might reflect this and any evidence of it should appear in the annual trend of financial yields.

Chapter 3

TSA Characteristic Industries Benchmarks

The divisions included in this document represent the characteristic industries wherever possible. Respondent confidentiality precluded publishing results in many cases as there were simply insufficient samples on either a population or criteria basis. Divisions such as International Air Transport have both population and criteria difficulties if FY is analysed by income range over time. Where this occurs, divisions are either aggregated with others or criteria are adjusted so as to increase population.

The Divisions included in this study are given in the following table along with their ANZSIC code:

Table 2
TSA Characteristic Divisions analysed for FY 1999-2003

H5710x0	All Accommodation
H571010	Hotels (Accommodation)
H571020	Motels and Motor Inns
H571030	Hosted Accommodation
H571040	Backpacker and Youth Hostels
H571050	Caravan Parks and Camping Grounds
H571090	Accommodation nec
H572000	Pubs/ Taverns and Bars
H573000	Cafes and Restaurants
I61xxxx	All TSA Transport
I612100 & I62000	Long Distance Bus & Rail Transport
I612200	Short Distance Bus Transport (including Tramway)
I612300	Taxi and Other Road Passenger Transport
I640x00	Scheduled Domestic/International Air Transport
I664100	Travel Agency Services
L774100	Transport Vehicle Hiring & Leasing
P9xxxxx	All TSA Recreation
P921000	Libraries
P922000	Museums
P923x00	Zoos, Botanic Gardens, Recreational Parks and Gardens
P923900	Recreational Parks and Gardens
P9232x00	Lotteries, Casinos and Gambling Services nec
P93300	Other Recreation Services

3.1 Data Access

Access to the data used in this study was provided by Statistics New Zealand under conditions designed to give effect to the security and confidentiality provisions of the Statistics Act 1975. The results presented in this study are the work of the author, not Statistics New Zealand.

Chapter 4 Accommodation Benchmarks

4.1 All TSA Accommodation

Accommodation is subdivided into 6 categories under the ANZSIC coding convention:

- H571010 Hotels (Accommodation)
- H571020 Motels and Motor Inns
- H571030 Hosted Accommodation
- H571040 Backpacker and Youth Hostels
- H571050 Caravan Parks and Camping Grounds
- H571090 Accommodation nec

Italicised categories are analysed in following sections. The following results are for the aggregation of all 6 categories above.

**Figure 3
Distribution of All Accommodation Income in 2003**

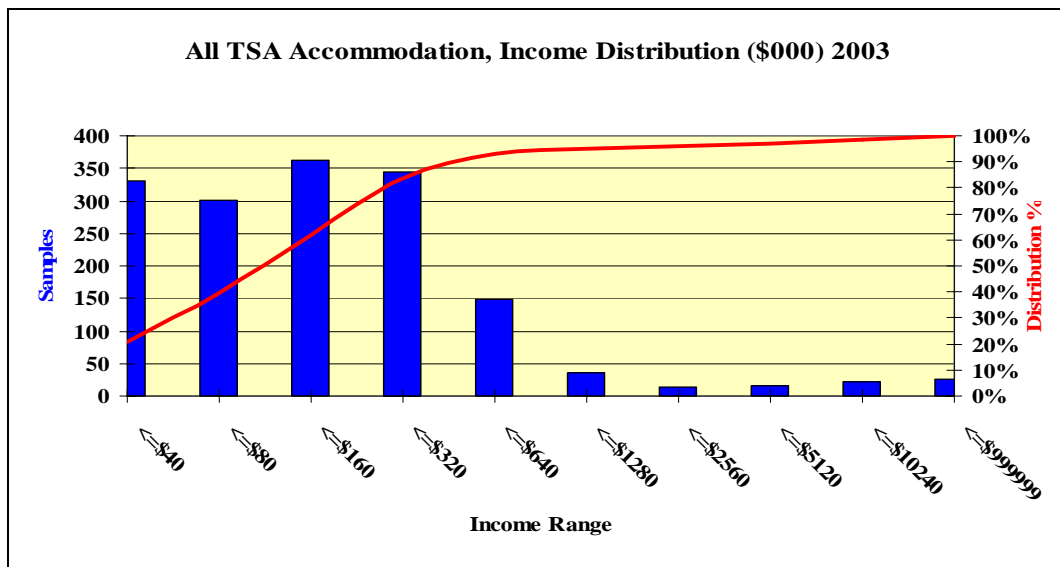


Table 3
All Accommodation FY Statistics

Yield Statistics	All TSA Accommodation					All
	1999	2000	2001	2002	2003	
Samples	1662	1685	1665	1632	1600	
Average	4.26%	4.59%	4.69%	5.52%	5.26%	4.86%
95% Conf ±	0.34%	0.35%	0.36%	0.36%	0.39%	0.36%
Variance	0.51%	0.53%	0.56%	0.55%	0.62%	0.55%
Std Dev	7.14%	7.28%	7.47%	7.40%	7.90%	7.44%
Max	29.76%	29.36%	30.00%	29.74%	29.94%	30.00%
Min	-27.88%	-26.15%	-30.00%	-28.81%	-29.69%	-30.00%
Deciles						
1	-4.89%	-4.74%	-4.88%	-3.96%	-4.87%	-4.67%
2	-1.75%	-1.54%	-1.60%	-0.71%	-1.39%	-1.40%
3	0.51%	0.77%	0.77%	1.64%	1.12%	0.96%
4	2.45%	2.74%	2.80%	3.64%	3.26%	2.98%
5	4.26%	4.59%	4.69%	5.52%	5.26%	4.86%
6	6.06%	6.43%	6.58%	7.39%	7.26%	6.75%
7	8.00%	8.41%	8.61%	9.40%	9.41%	8.76%
8	10.26%	10.72%	10.98%	11.75%	11.91%	11.12%
9	13.40%	13.92%	14.26%	15.00%	15.39%	14.40%
(According to a Normal Distribution of Yields)						

Table 4
All TSA Accommodation Financial Yield by Income Range

Average Yield by Income	1999	2000	2001	2002	2003	All Years
Income range (\$000)						
>\$0 <=\$40	-1.18%	-1.52%	-1.37%	-1.00%	-1.48%	-1.31%
>\$40 <=\$80	2.15%	3.14%	3.09%	3.89%	3.30%	3.11%
>\$80 <=\$160	5.07%	5.49%	6.18%	6.28%	6.45%	5.90%
>\$160 <=\$320	7.02%	7.87%	7.81%	9.32%	9.27%	8.26%
>\$320 <=\$640	8.96%	8.21%	9.46%	10.11%	11.02%	9.55%
>\$640 <=\$1280	6.42%	9.63%	6.25%	8.18%	9.58%	7.62%
>\$1280 <=\$2560	4.99%	6.11%	7.99%	8.03%	5.44%	6.51%
>\$2560 <=\$5120	6.45%	4.74%	4.29%	3.56%	3.41%	4.49%
>\$5120 <=\$10240	2.10%	2.91%	3.43%	6.95%	5.91%	4.26%
>\$10240 <=\$999999	4.87%	6.66%	2.20%	3.85%	5.60%	4.63%

Figure 4
Overall Accommodation Financial Yield by Income 1999-2003

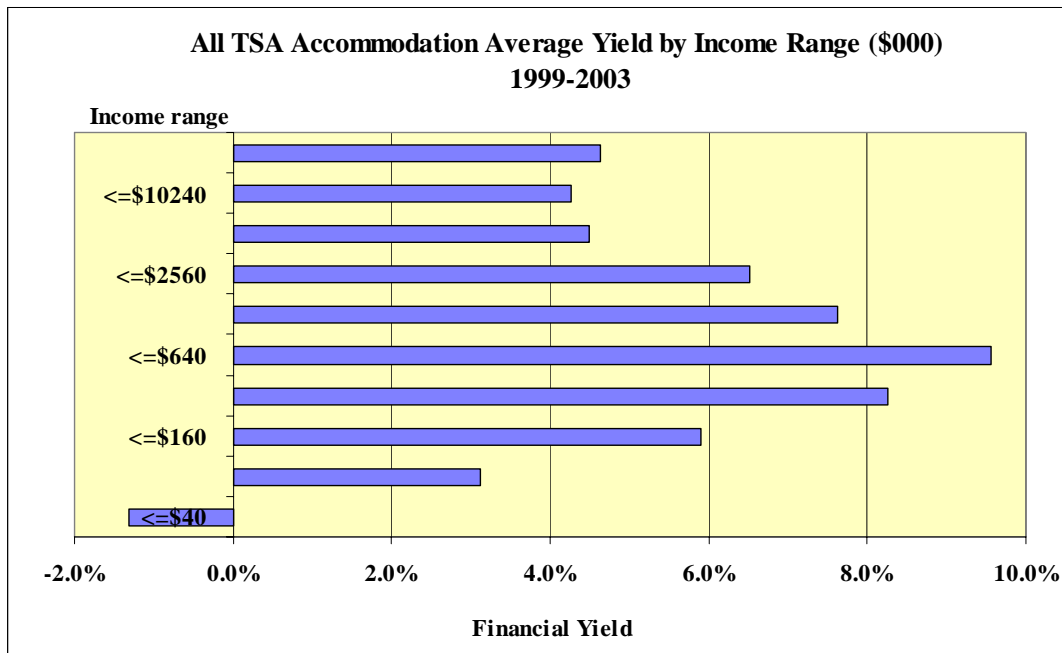
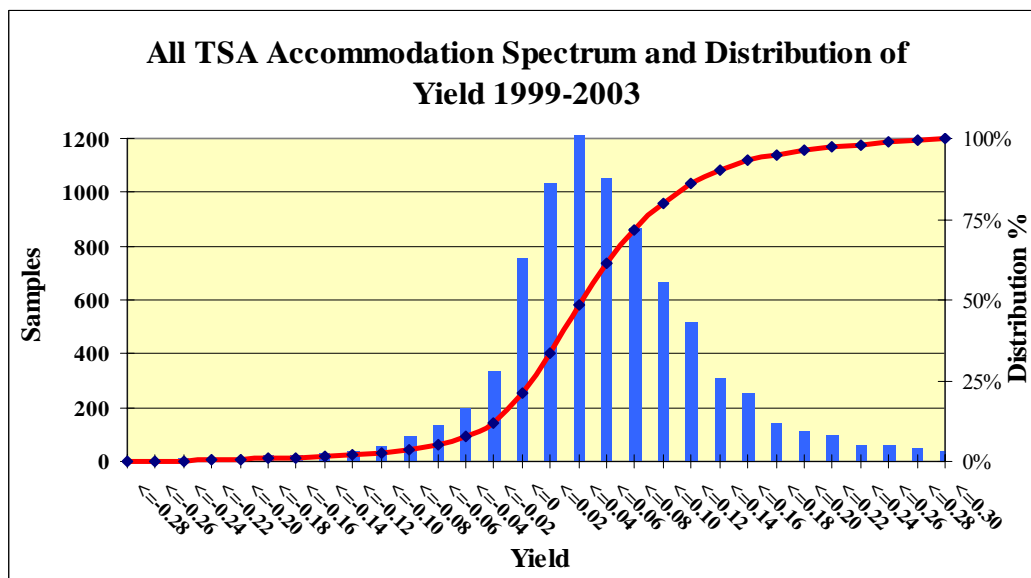


Figure 5
Overall Accommodation Distribution of FY 1999-2003



4.2 Accommodation – Hotels

The Hotel division is comprised of enterprises having the accommodation sector’s highest turnover and asset structure. Figure 6 illustrates that the median turnover lay in the range \$320,000 to \$640,000 for 2003, and that there were effectively two classes of enterprise with sharp distinction between them. Large hotels comprised 25 percent of the sample with incomes in excess of \$2,560,000 and small hotels comprised 75 percent of the sample with incomes less than \$2,560,000. Average asset value for the division lay between \$400,000 and

\$800,000 – suggesting that there are a significant number of leased properties whose asset value is represented by an annual rental or lease expense.

Figure 6
Hotel Income Distribution in 2003 (\$000)

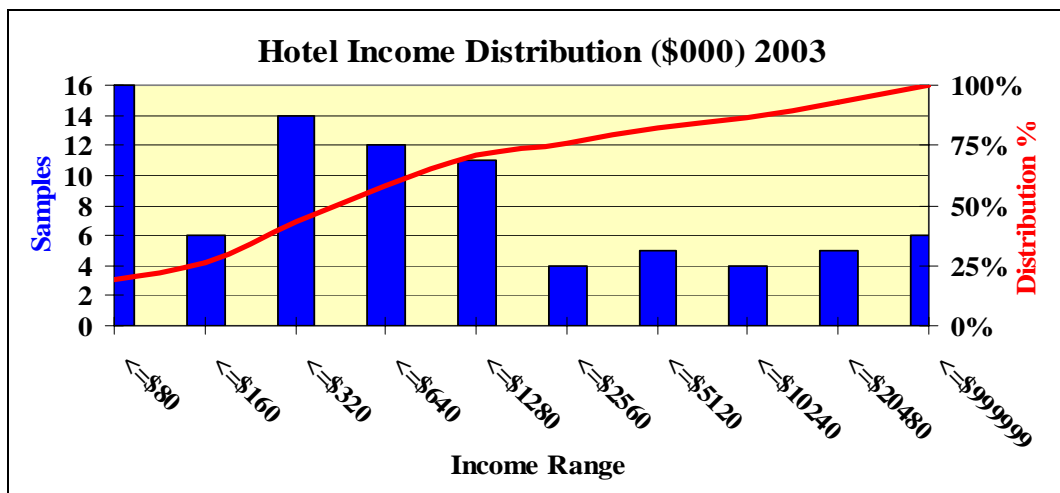


Table 5
Hotels FY Statistics 1999-2003

FY Statistics	Hotels (Accommodation)					All
	1999	2000	2001	2002	2003	
Samples per year	134	121	120	98	83	
Average	5.29%	5.76%	4.98%	6.45%	5.03%	5.50%
95% Conf ±	1.47%	1.62%	1.56%	1.76%	2.09%	1.70%
Variance	0.76%	0.83%	0.76%	0.79%	0.94%	0.82%
Std Dev	8.74%	9.10%	8.70%	8.90%	9.71%	9.03%
Max	29.73%	28.68%	29.31%	25.99%	29.66%	29.73%
Min	-22.29%	-19.83%	-29.93%	-21.85%	-22.22%	-29.93%
Deciles						
1	-5.91%	-5.90%	-6.16%	-4.96%	-7.42%	-6.07%
2	-2.07%	-1.90%	-2.34%	-1.04%	-3.15%	-2.10%
3	0.71%	0.99%	0.42%	1.78%	-0.06%	0.77%
4	3.08%	3.45%	2.78%	4.20%	2.57%	3.21%
5	5.29%	5.76%	4.98%	6.45%	5.03%	5.50%
6	7.51%	8.06%	7.19%	8.71%	7.49%	7.79%
7	9.88%	10.53%	9.55%	11.12%	10.12%	10.24%
8	12.65%	13.41%	12.31%	13.94%	13.20%	13.10%
9	16.50%	17.41%	16.13%	17.86%	17.48%	17.08%
	(According to a Normal Distribution of Yields)					

Table 6
Hotels FY by Income Range 1999-2003

Average Yield by Income Range (\$000)	1999	2000	2001	2002	2003	All Years
>=\$0 <=\$80	-1.37%	0.22%	0.30%	0.42%	0.91%	0.09%
>\$80 <=\$160	2.46%	1.73%	4.84%	4.00%	0.44%	2.69%
>\$160 <=\$320	6.91%	6.43%	6.51%	11.75%	7.65%	7.85%
>\$320 <=\$640	7.22%	6.77%	8.18%	8.77%	8.63%	7.91%
>\$640 <=\$1280	4.91%	10.94%	6.83%	6.47%	5.94%	7.02%
>\$1280 <=\$2560	11.88%	8.46%	12.83%	11.12%	5.13%	11.07%
>\$2560 <=\$5120	7.48%	4.28%	6.39%	3.62%	4.12%	5.18%
>\$5120 <=\$10240	3.87%	0.71%	1.13%	6.51%	6.58%	3.76%
>\$10240 <=\$20480	1.76%	2.34%	-8.23%	4.37%	3.81%	0.81%
>\$20480 <=\$999999	9.47%	12.66%	9.56%	2.33%	6.29%	8.06%

Figure 7
Hotels Overall FY by Income Range 1999-2003

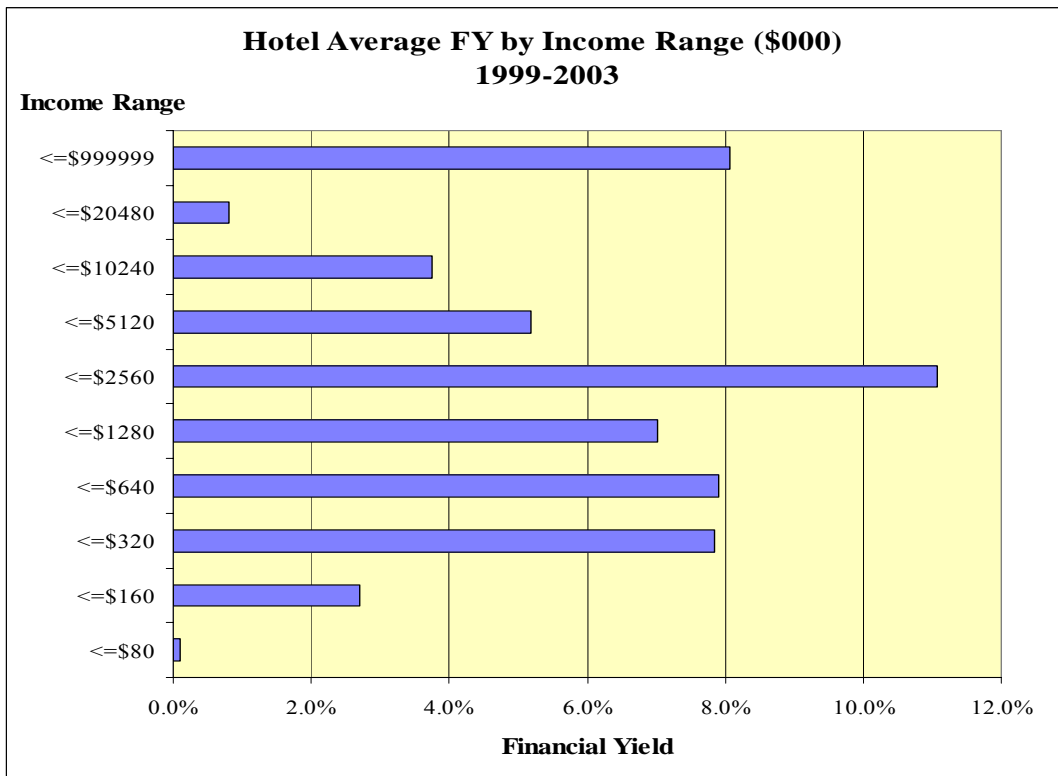
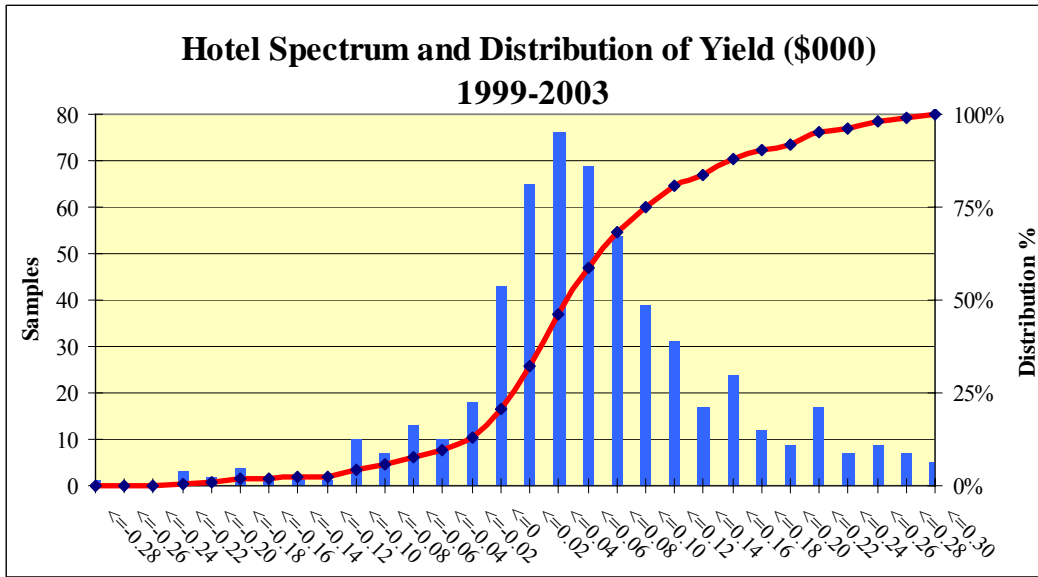


Figure 8
Hotels Spectrum and Distribution of FY 1999-2003



4.3 Accommodation: Motels and Motor Inns

In terms of the number of trading enterprises, motels and motor inns form the biggest division in the accommodation sector. Average income for the 695 samples in 2003 was between \$80,000 and \$160,000 with approximately 3 percent enterprises recording incomes in excess of \$1 million. In summary, a division comprised almost entirely of micro-businesses. Figure 13 illustrates the distribution of income amongst the sample range for 2003. Average asset value for the division was between \$200,000 and \$400,000 also suggesting that a significant proportion of enterprises lease or rent their properties.

Figure 9
Income Distribution of the Motel and Motor Inn Division in 2003

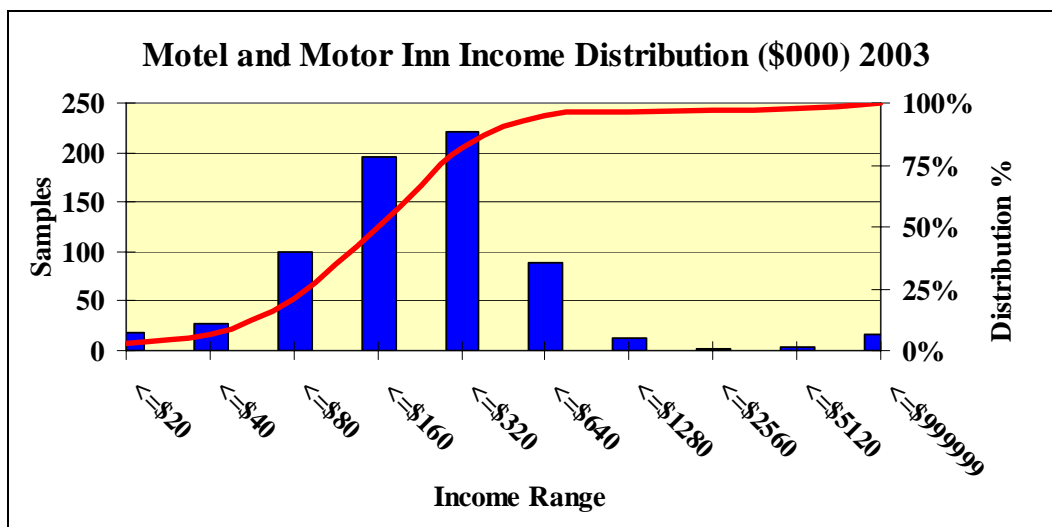


Table 7
Motels and Motor Inns FY Statistics 1999-2003

	H571020 Motels and Motor Inns					
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	804	779	770	741	687	
Average	4.69%	5.28%	5.59%	7.01%	7.12%	5.94%
95%Conf ±	0.45%	0.45%	0.46%	0.48%	0.53%	0.47%
Variance	0.42%	0.41%	0.42%	0.44%	0.51%	0.44%
Std Dev	6.46%	6.39%	6.49%	6.60%	7.14%	6.62%
Max	29.76%	29.36%	28.68%	29.74%	29.62%	29.76%
Min	-23.53%	-25.00%	-30.00%	-28.81%	-25.47%	-30.00%
Deciles						
1	-3.59%	-2.91%	-2.72%	-1.45%	-2.03%	-2.54%
2	-0.75%	-0.10%	0.13%	1.45%	1.11%	0.37%
3	1.30%	1.93%	2.19%	3.55%	3.38%	2.47%
4	3.05%	3.66%	3.95%	5.34%	5.31%	4.26%
5	4.69%	5.28%	5.59%	7.01%	7.12%	5.94%
6	6.33%	6.90%	7.24%	8.68%	8.93%	7.62%
7	8.08%	8.63%	9.00%	10.47%	10.87%	9.41%
8	10.13%	10.66%	11.06%	12.56%	13.14%	11.51%
9	12.97%	13.47%	13.91%	15.47%	16.28%	14.42%
(According to a Normal Distribution of Yields)						

Table 8
Motels and Motor Inns FY by income Range 1999-2003

Average Yield by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=\$0	<=\$20	-2.78%	-1.60%	-1.30%	-2.22%	-1.89%	-1.96%
>\$20	<=\$40	0.19%	0.74%	1.40%	0.60%	1.99%	0.98%
>\$40	<=\$80	1.88%	2.71%	3.02%	4.59%	3.45%	3.13%
>\$80	<=\$160	4.70%	5.05%	5.21%	6.51%	6.23%	5.54%
>\$160	<=\$320	6.03%	7.28%	7.44%	8.90%	9.21%	7.77%
>\$320	<=\$640	9.46%	8.33%	9.51%	9.85%	10.91%	9.29%
>\$640	<=\$1280	8.69%	9.12%	6.12%	9.16%	11.99%	9.02%
>\$1280	<=\$2560	1.36%	4.02%	7.80%	2.89%	8.47%	4.91%
>\$2560	<=\$5120	6.01%	2.76%	1.97%	4.97%	2.01%	3.54%
>\$5120	<=\$999999	2.89%	3.38%	3.45%	6.91%	7.62%	4.85%

Figure 10
Motels and Motor Inns Overall FY by Income Range 1999-2003

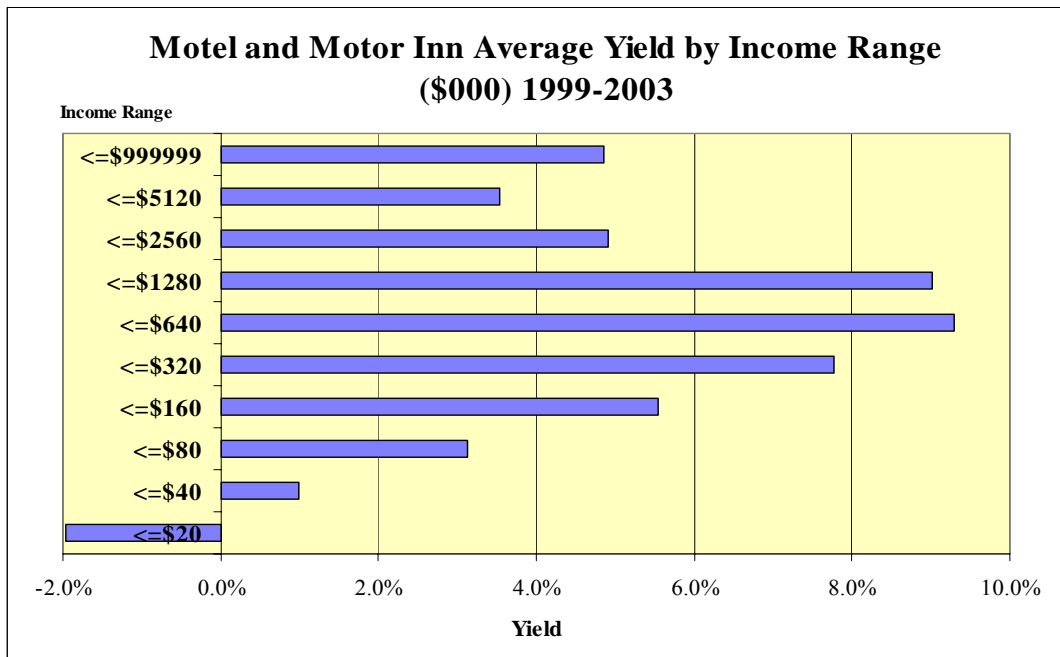
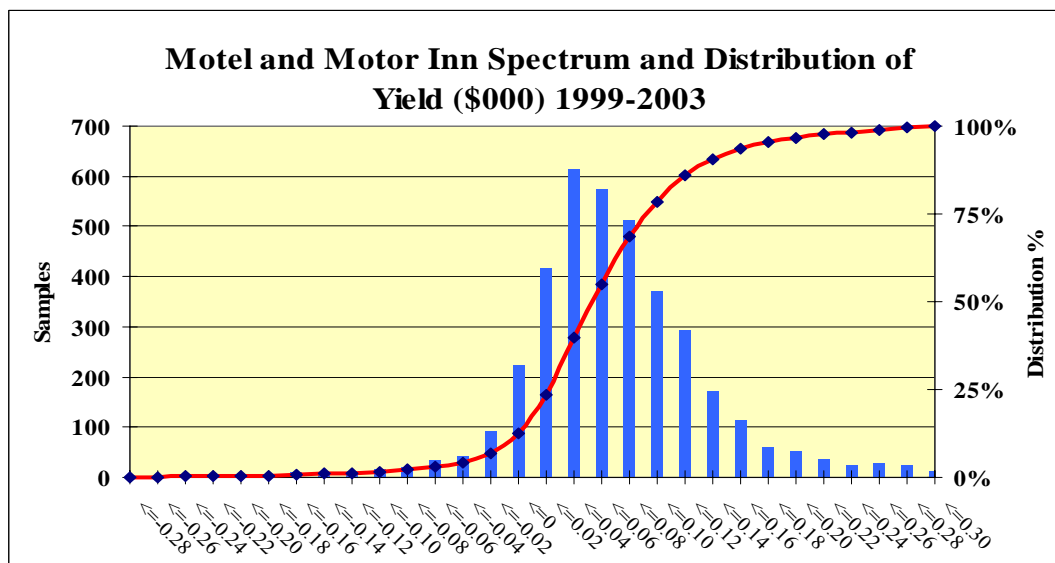


Figure 11
Motels and Motor Inns Spectrum and Distribution of FY 1999-2003



4.4 Hosted Accommodation

This division of the accommodation sector includes ‘home stays’, ‘cottages’, ‘farm stays’, ‘boutique accommodation’, ‘lodges’ and ‘traditional bed & breakfast’ enterprises where the visitor is also hosted by the proprietor in addition to receiving lodgings. Whilst hotels, motels and motor inns, backpacker and youth hostels and ‘holiday parks’ all offer varying styles of comfort and guest amenities, hosted accommodation is differentiated by the level of personal interaction with the host or proprietor and has gregarious or social dimension that is sought by customers.

Incomes for this division are generally low with 50 percent of the 433 enterprises sampled in 2003 recording annual incomes in the neighbourhood of \$40,000. Fewer than 10 enterprises recorded incomes in excess of \$640,000. Figure 18 illustrates this division's strong bias towards micro-enterprises.

Figure 12
Hosted Accommodation Income Distribution (\$000) in 2003

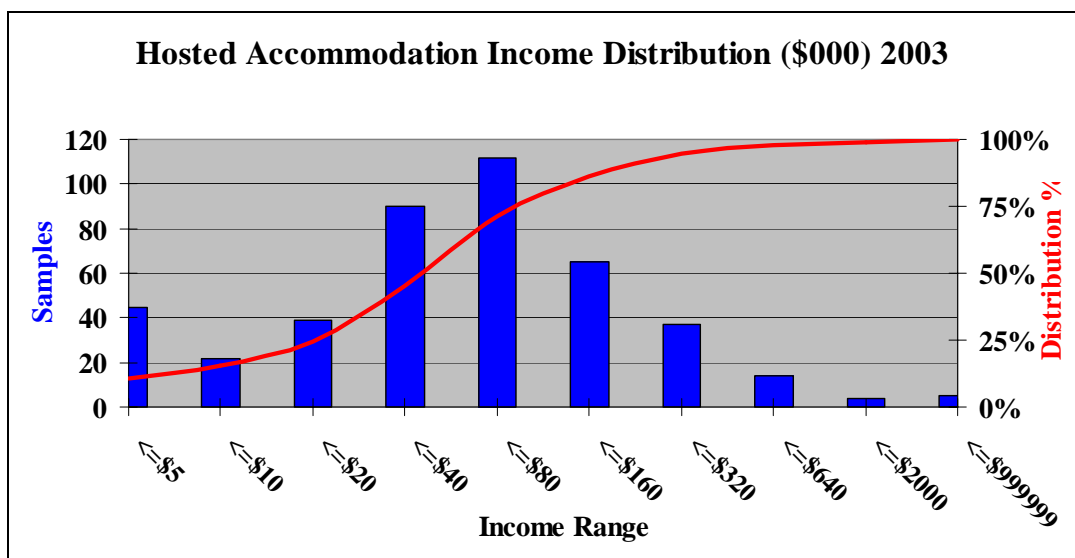


Table 9
Hosted Accommodation Yield Statistics 1999-2003

FY Statistics	H571030 Hosted Accommodation					All
	1999	2000	2001	2002	2003	
Samples per year	264	348	346	379	433	
Average	0.88%	1.08%	1.27%	1.37%	0.95%	1.11%
95%Conf ±	0.77%	0.76%	0.81%	0.68%	0.64%	0.74%
Variance	0.41%	0.52%	0.60%	0.46%	0.47%	0.49%
Std Dev	6.42%	7.24%	7.73%	6.78%	6.84%	7.00%
Max	24.08%	28.29%	30.00%	27.03%	29.48%	30.00%
Min	-25.94%	-26.15%	-27.38%	-26.75%	-29.69%	-29.69%
Deciles						
1	-7.35%	-8.20%	-8.63%	-7.32%	-7.82%	-7.86%
2	-4.53%	-5.02%	-5.23%	-4.34%	-4.81%	-4.78%
3	-2.49%	-2.72%	-2.78%	-2.18%	-2.63%	-2.56%
4	-0.75%	-0.76%	-0.68%	-0.35%	-0.78%	-0.66%
5	0.88%	1.08%	1.27%	1.37%	0.95%	1.11%
6	2.51%	2.91%	3.23%	3.09%	2.69%	2.89%
7	4.25%	4.87%	5.33%	4.93%	4.54%	4.78%
8	6.28%	7.17%	7.78%	7.08%	6.71%	7.01%
9	9.11%	10.35%	11.18%	10.06%	9.72%	10.09%
(According to a Normal Distribution of Yields)						

Table 10
Hosted Accommodation Yield by Income Range 1999-2003

Average Yield by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=\$0	<=\$5	-2.68%	-3.61%	-5.19%	-3.28%	-2.77%	-3.50%
>\$5	<=\$10	-4.70%	-4.94%	-5.24%	-0.56%	-3.47%	-3.78%
>\$10	<=\$20	-2.62%	-2.62%	-2.93%	-3.60%	-3.22%	-3.00%
>\$20	<=\$40	-1.08%	-1.34%	-1.40%	-1.02%	-2.03%	-1.37%
>\$40	<=\$80	0.82%	1.95%	2.35%	2.33%	1.70%	1.83%
>\$80	<=\$160	3.15%	4.39%	6.08%	3.51%	4.04%	4.28%
>\$160	<=\$320	6.84%	7.90%	7.65%	9.45%	7.91%	7.95%
>\$320	<=\$640	6.54%	5.51%	6.93%	9.34%	11.49%	7.96%
>\$640	<=\$2000	-1.78%	5.46%	5.21%	-0.60%	1.73%	2.01%
>\$2000	<=\$999999	6.93%	5.65%	3.44%	2.40%	1.79%	4.04%

Figure 13
Hosted Accommodation Yield by Income Range 1999-2003

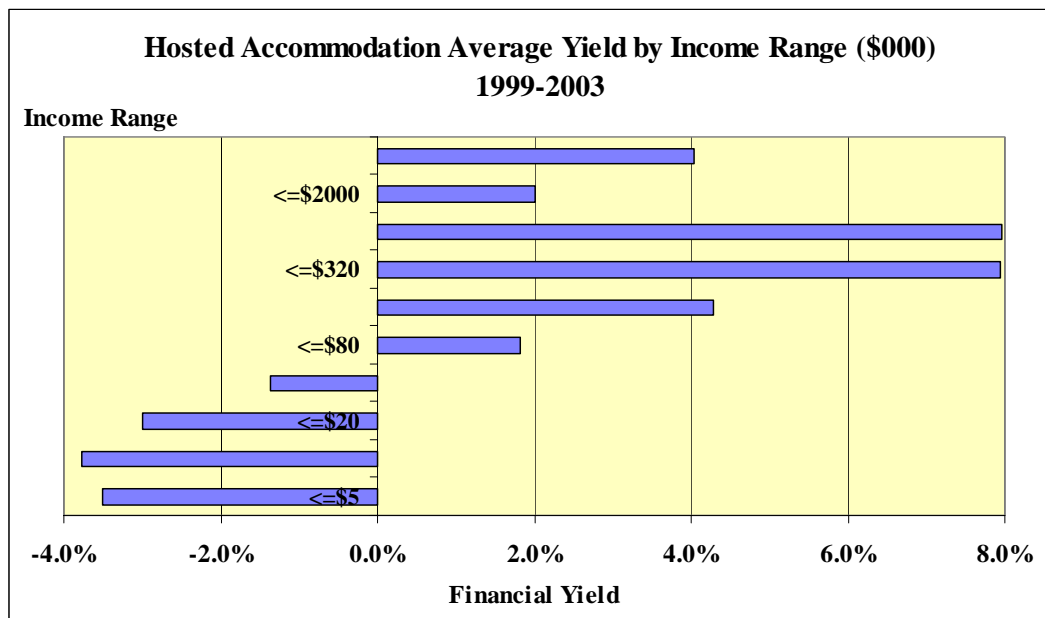
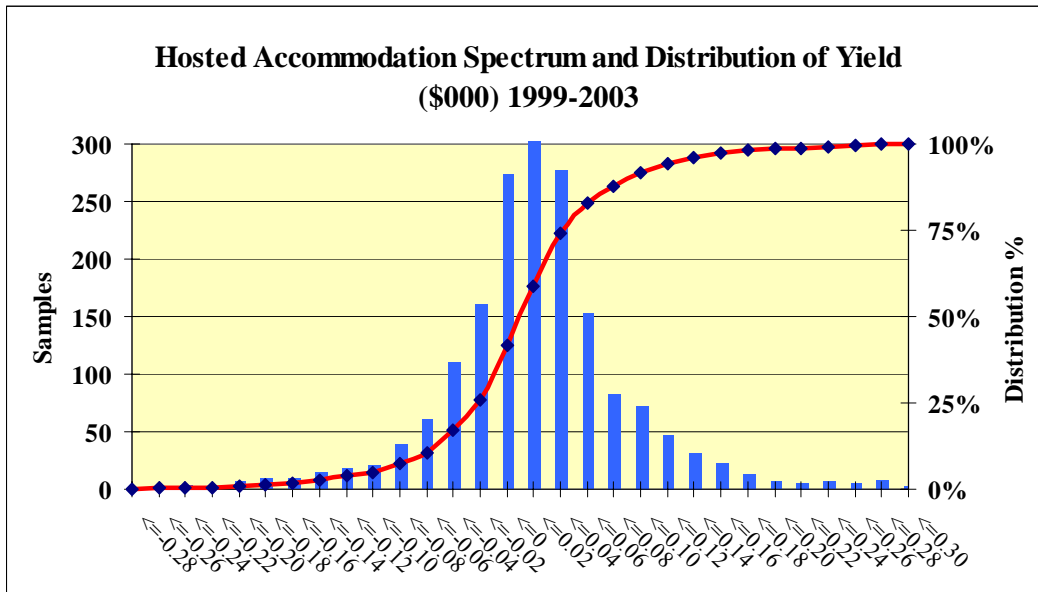


Figure 14
Hosted Accommodation Spectrum and Distribution of FY 1999-2003



4.5 Backpacker and Youth Hostels

This division of the accommodation sector caters for visitors requiring sufficient amenities for overnight accommodation with options for the provision of food and beverage – either self-prepared or perhaps from an adjacent restaurant. Backpacker and youth hostel accommodation generally appeals to younger free independent travellers (FIT) who prioritise activities and attractions ahead of accommodation and transportation. Accommodation styles vary considerably: at one end of the scale there are five-star “Qualmark” rated establishments and at the other end of the scale there are those offering basic bunk room facilities.

Compared with hosted accommodation, the 111 enterprises sampled in this division in 2003 had a substantially higher average annual income range of between \$100,000 and \$200,000.

Figure 15
Backpacker and Youth Hostel Income Distribution (\$000) 2003

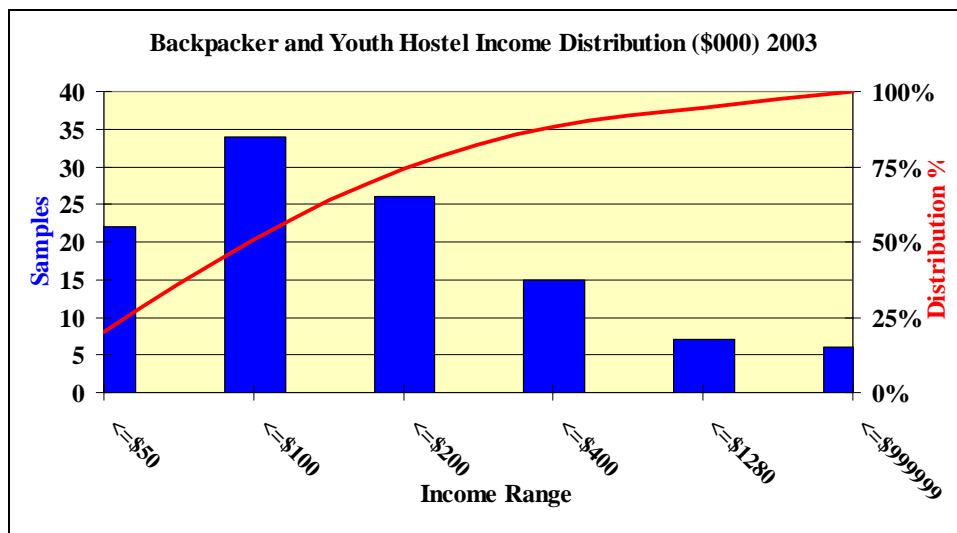


Table 11
Backpacker and Youth Hostels Yield Statistics 1999-2003

H571040 Backpacker and Youth Hostels						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	114	114	119	116	110	
Average	5.29%	6.90%	6.19%	7.20%	7.59%	6.64%
95%Conf ±	1.27%	1.30%	1.31%	1.45%	1.32%	1.33%
Variance	0.48%	0.50%	0.53%	0.63%	0.50%	0.53%
Std Dev	6.92%	7.10%	7.26%	7.94%	7.09%	7.26%
Max	29.00%	28.57%	25.83%	24.76%	28.55%	29.00%
Min	-27.76%	-19.67%	-15.71%	-28.81%	-21.95%	-28.81%
Deciles						
1	-3.58%	-2.19%	-3.12%	-2.98%	-1.49%	-2.67%
2	-0.54%	0.93%	0.08%	0.52%	1.63%	0.52%
3	1.66%	3.18%	2.38%	3.04%	3.87%	2.83%
4	3.53%	5.10%	4.35%	5.19%	5.80%	4.80%
5	5.29%	6.90%	6.19%	7.20%	7.59%	6.64%
6	7.04%	8.70%	8.03%	9.22%	9.39%	8.48%
7	8.92%	10.62%	10.00%	11.37%	11.31%	10.44%
8	11.11%	12.87%	12.31%	13.89%	13.56%	12.75%
9	14.16%	15.99%	15.50%	17.38%	16.68%	15.94%
(According to a Normal Distribution of Yields)						

Table 12
Backpacker and Youth Hostels Yield by Income Range 1999-2003

Average Yield by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=\$0	<=\$50	0.93%	2.31%	1.17%	0.80%	2.63%	1.57%
>\$50	<=\$100	5.67%	7.62%	6.04%	9.01%	7.01%	7.07%
>\$100	<=\$200	7.99%	10.12%	12.91%	9.67%	10.34%	10.21%
>\$200	<=\$400	10.56%	8.28%	9.17%	9.39%	12.42%	9.97%
>\$400	<=\$1280	6.69%	9.85%	6.99%	14.06%	8.75%	9.27%
>\$1280	<=\$999999	-1.21%	3.02%	4.72%	1.64%	3.74%	2.04%

Figure 16
Backpacker and Youth Hostels Yield by Income Range 1999-2003

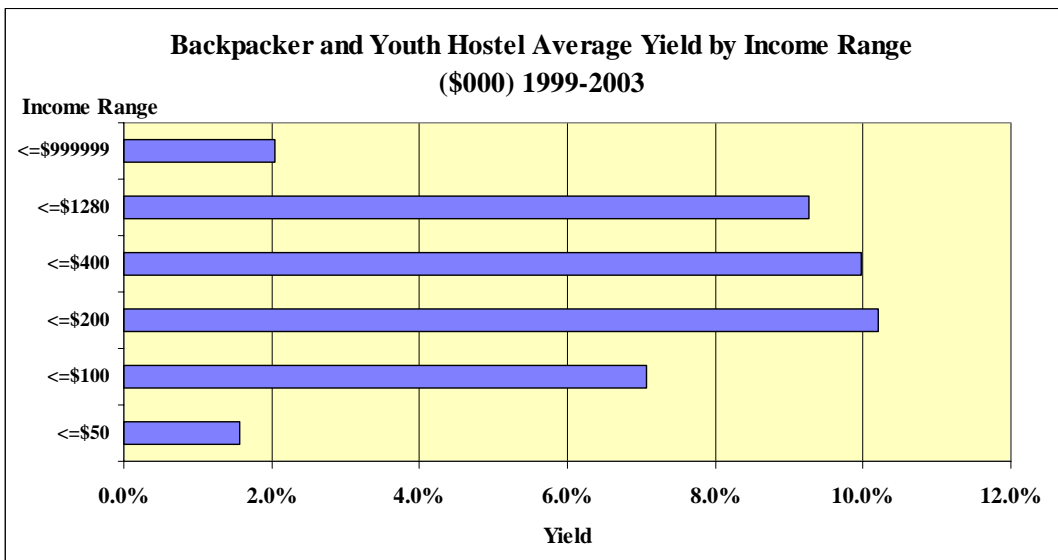
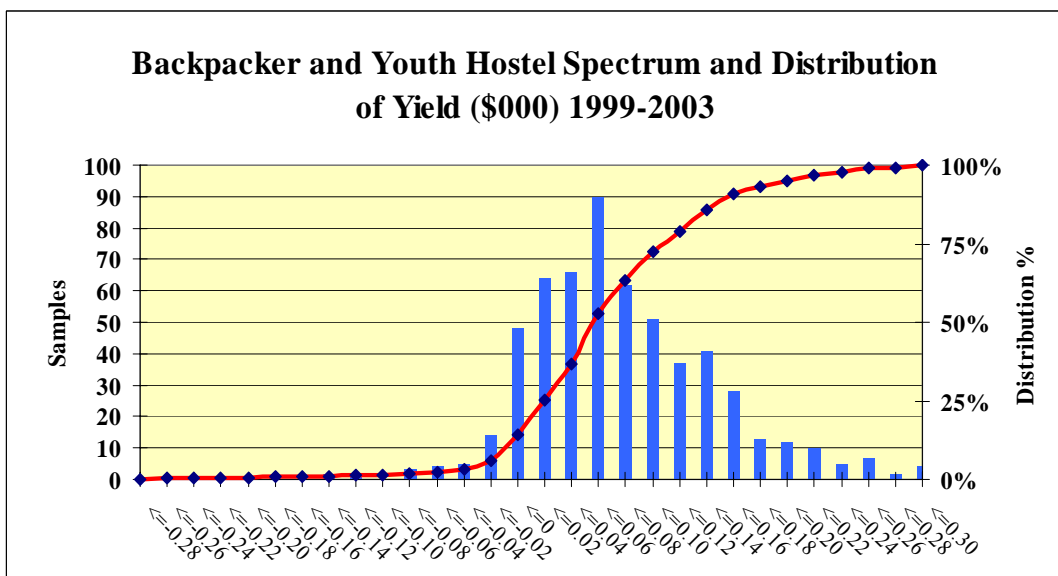


Figure 17
Backpacker and Youth Hostel Distribution of FY 1999-2003



4.6 Caravan Parks and Camping Grounds

This division caters for a broad range of domestic and international independent travellers whose needs range from longer stays in a locality to overnight stays en route. Motorised caravans or camper vans have also become increasingly popular with free independent travellers and caravan parks and camping grounds have become the preferred choice for overnight stays with this class of visitor since they provide power, waste and other communal facilities to complement this mode of travel.

Location is an important component of this division's product mix and enterprises are generally found adjacent to areas of natural beauty such as sea shores, rivers, lakes or scenic vistas or conveniently close to metropolitan areas.

Figure 18
Caravan Parks and Camping Grounds Income Distribution (\$000) 2003

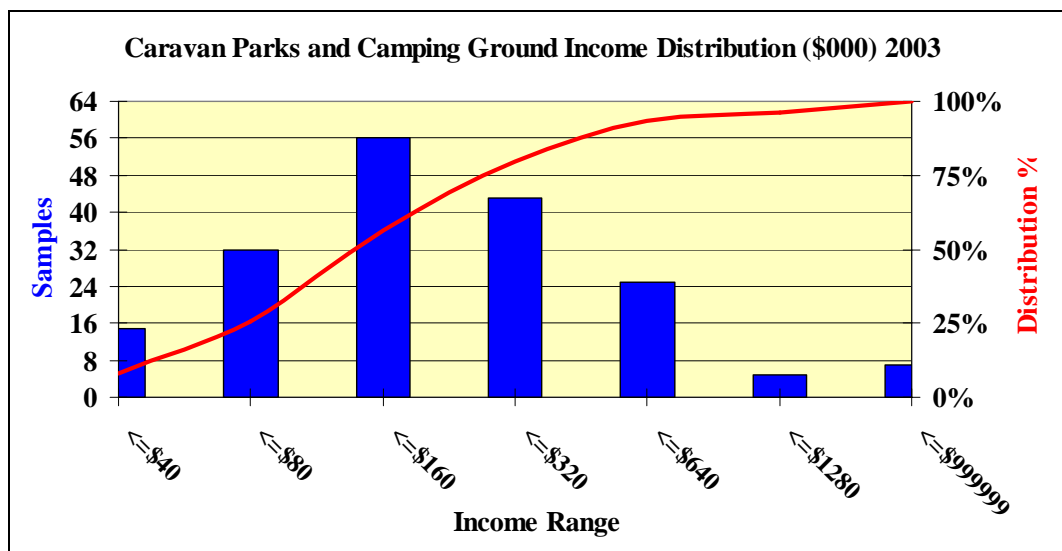


Table 13
Caravan Parks and Camping Grounds Yield Statistics 1999-2003

H571050 Caravan Parks and Camping Grounds						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	222	219	206	194	183	
Average	7.17%	6.96%	7.41%	7.92%	8.31%	7.56%
95% Conf ±	0.96%	1.00%	0.98%	1.02%	1.19%	1.03%
Variance	0.53%	0.57%	0.52%	0.52%	0.67%	0.56%
Std Dev	7.28%	7.57%	7.20%	7.22%	8.21%	7.50%
Max	29.57%	27.21%	29.00%	29.73%	29.94%	29.94%
Min	-14.14%	-22.89%	-20.61%	-13.42%	-17.65%	-22.89%
Deciles						
1	-2.16%	-2.74%	-1.82%	-1.34%	-2.21%	-2.05%
2	1.05%	0.59%	1.35%	1.84%	1.40%	1.25%
3	3.36%	2.99%	3.64%	4.13%	4.00%	3.62%
4	5.33%	5.04%	5.59%	6.09%	6.23%	5.66%
5	7.17%	6.96%	7.41%	7.92%	8.31%	7.56%
6	9.02%	8.88%	9.24%	9.75%	10.39%	9.46%
7	10.99%	10.93%	11.19%	11.71%	12.61%	11.49%
8	13.30%	13.33%	13.47%	14.00%	15.22%	13.87%
9	16.50%	16.66%	16.64%	17.18%	18.83%	17.16%
(According to a Normal Distribution of Yields)						

Table 14
Caravan Parks and Camping Grounds Yield by Income Range 1999-2003

Average Yield by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=\$0	<=\$40	2.10%	-0.74%	1.16%	2.83%	-0.52%	0.97%
>\$40	<=\$80	3.93%	3.81%	5.38%	5.31%	4.80%	4.64%
>\$80	<=\$160	7.78%	6.96%	8.32%	7.29%	9.88%	8.05%
>\$160	<=\$320	10.43%	10.92%	8.95%	9.93%	9.37%	9.92%
>\$320	<=\$640	8.90%	9.98%	10.79%	11.89%	12.46%	10.80%
>\$640	<=\$1280	10.13%	10.13%	6.94%	10.70%	9.66%	9.48%
>\$1280	<=\$999999	3.52%	5.77%	6.57%	5.82%	8.39%	6.01%

Figure 19
Caravan Parks & Camping Grounds FY by Income Range 1999-2003

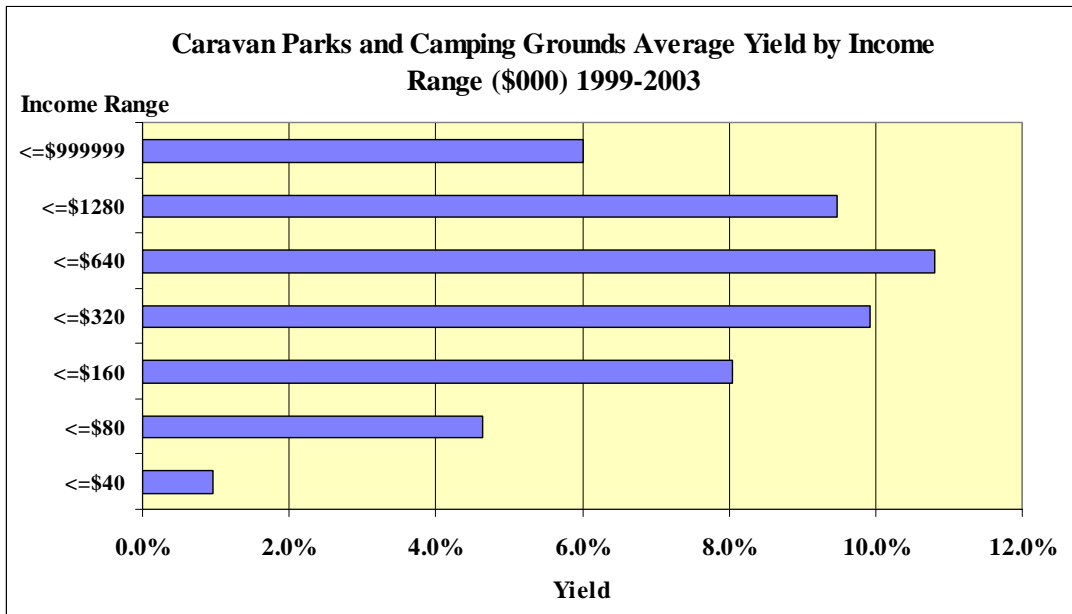
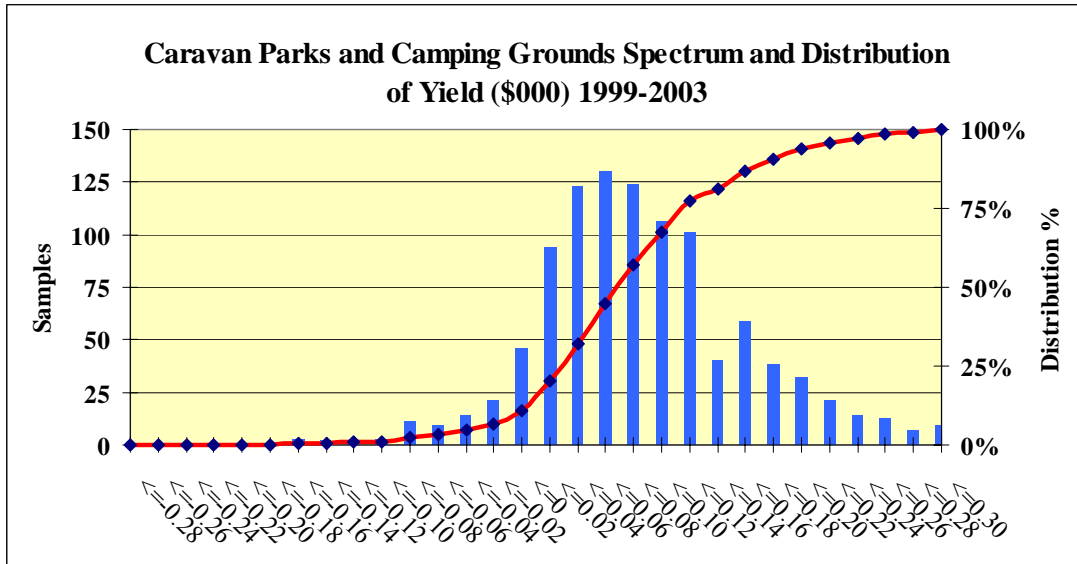


Figure 20
Caravan Parks & Camping Grounds Distribution of FY 1999-2003



4.7 Accommodation 'nec' (Not elsewhere classified)

This division of the accommodation sector captures a broad range of options such as lodges, boutique accommodation and some non-hosted options such as apartments and rural stays.

Overall, 7 percent of the samples were categorised this division where enterprises deployed assets ranging in value from \$200,000 to over \$25 million. The average capital deployed was relatively low and lay in the range \$200,000 to \$400,000 and suggests that leased or shared properties (as might be the case in rural stays) form a significant proportion of the sample.

Figure 21
Accommodation 'nec' Income Distribution (\$000) 2003

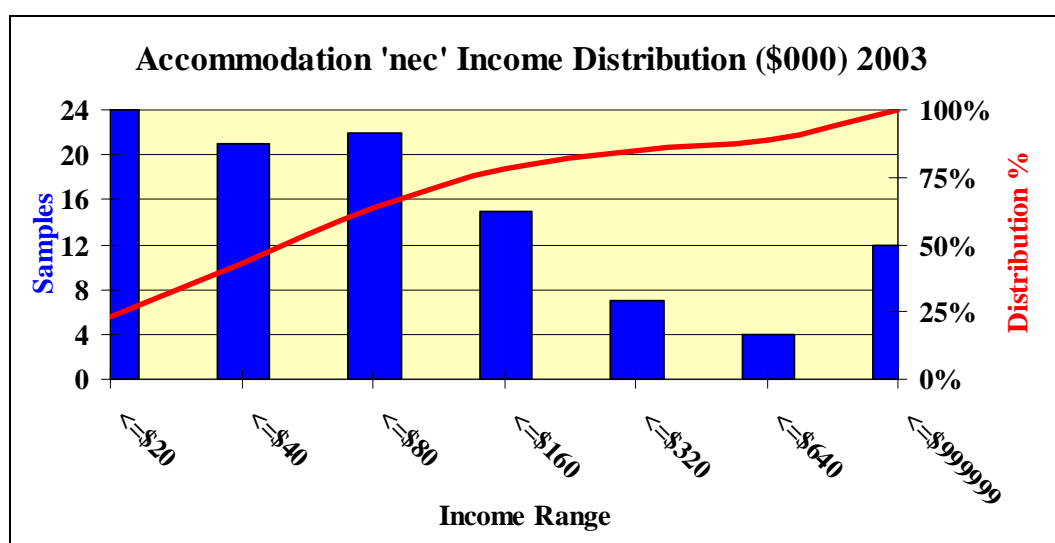


Table 15
Accommodation 'nec' FY Statistics 1999-2003

FY Statistics	H571090 Accommodation nec					All
	1999	2000	2001	2002	2003	
Samples per year	124	104	104	104	105	
Average	1.33%	2.27%	1.90%	2.79%	3.47%	2.35%
95%Conf ±	1.28%	1.15%	1.51%	1.19%	1.48%	1.32%
Variance	0.53%	0.36%	0.62%	0.38%	0.60%	0.50%
Std Dev	7.33%	6.00%	7.87%	6.18%	7.73%	7.02%
Max	23.67%	27.59%	27.65%	26.11%	29.20%	29.20%
Min	-27.88%	-18.00%	-25.10%	-11.54%	-15.47%	-27.88%
Deciles						
1	-8.06%	-5.42%	-8.19%	-5.13%	-6.43%	-6.64%
2	-4.83%	-2.78%	-4.72%	-2.41%	-3.03%	-3.56%
3	-2.51%	-0.88%	-2.22%	-0.45%	-0.58%	-1.33%
4	-0.52%	0.75%	-0.09%	1.22%	1.51%	0.57%
5	1.33%	2.27%	1.90%	2.79%	3.47%	2.35%
6	3.19%	3.79%	3.90%	4.35%	5.43%	4.13%
7	5.17%	5.41%	6.03%	6.02%	7.52%	6.03%
8	7.50%	7.31%	8.53%	7.98%	9.97%	8.26%
9	10.72%	9.95%	12.00%	10.70%	13.37%	11.35%
(According to a Normal Distribution of Yields)						

Table 16
Accommodation 'nec' FY by Income range 1999-2003

Average Yield by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=\$0	<=\$20	-2.45%	-2.60%	-2.13%	-0.36%	-1.31%	-1.77%
>\$20	<=\$40	-1.27%	0.93%	2.76%	0.94%	0.41%	0.76%
>\$40	<=\$80	3.95%	4.94%	1.86%	2.44%	3.90%	3.42%
>\$80	<=\$160	6.66%	4.36%	5.20%	5.08%	6.46%	5.55%
>\$160	<=\$320	4.84%	6.90%	10.53%	8.24%	8.47%	7.80%
>\$320	<=\$640	14.54%	4.86%	14.18%	10.47%	13.72%	11.01%
>\$640	<=\$999999	0.88%	5.21%	0.02%	6.23%	7.54%	3.98%

Figure 22
Accommodation 'nec' FY by Income Range 1999-2003

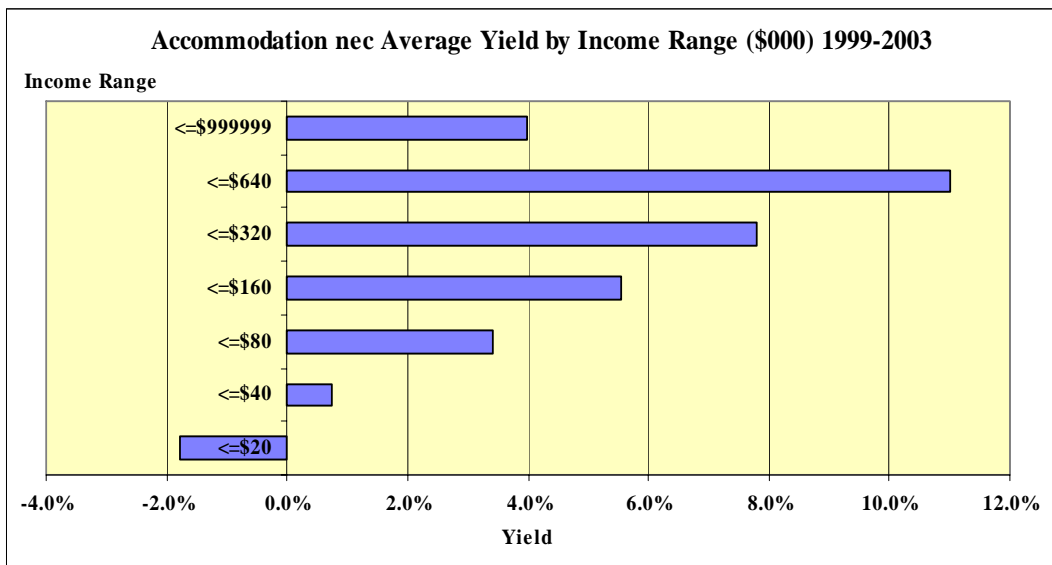
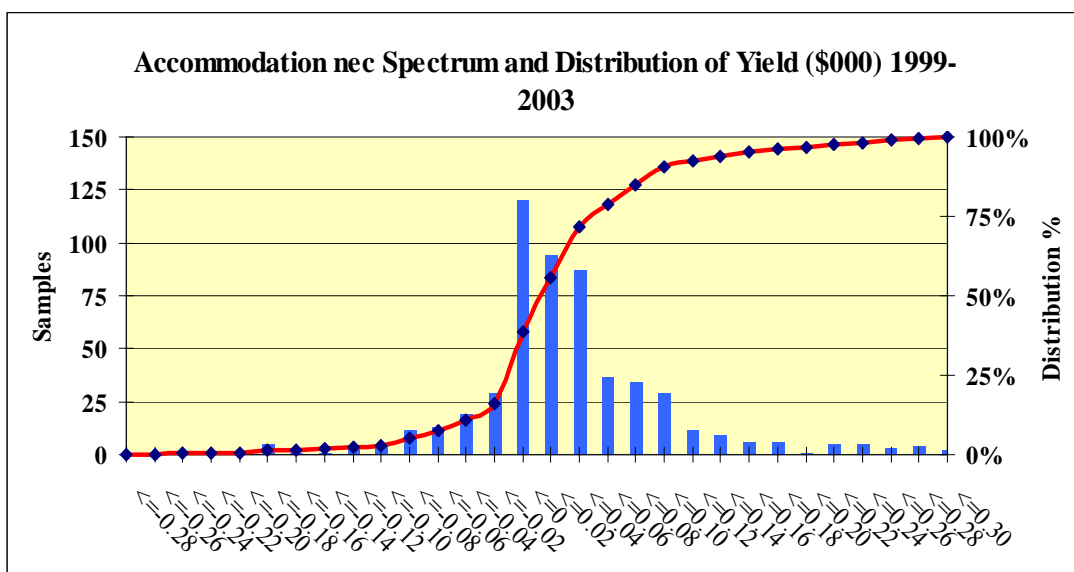


Figure 23
Accommodation 'nec' Distribution of FY 1999-2003



Chapter 5

Pubs, Taverns, Cafes and Restaurant Benchmarks

The following benchmarks relate to another important group of divisions within the tourism sector – food and beverage service and supply. Accommodation delivers about 95 percent of its outputs to visitors and although food and beverage serving services delivers only 41 percent of their outputs to visitors their overall size is such that they are actually the second largest satisfiers of tourism demand – Air Passenger Transport being the largest and Accommodation being third largest.

5.1 Pubs, Taverns and Bars

There were approximately 700 pubs, taverns and bars represented in the dataset and about 50 percent were analysed.

Figure 24
Pubs Taverns and Bars Income Distribution in 2003

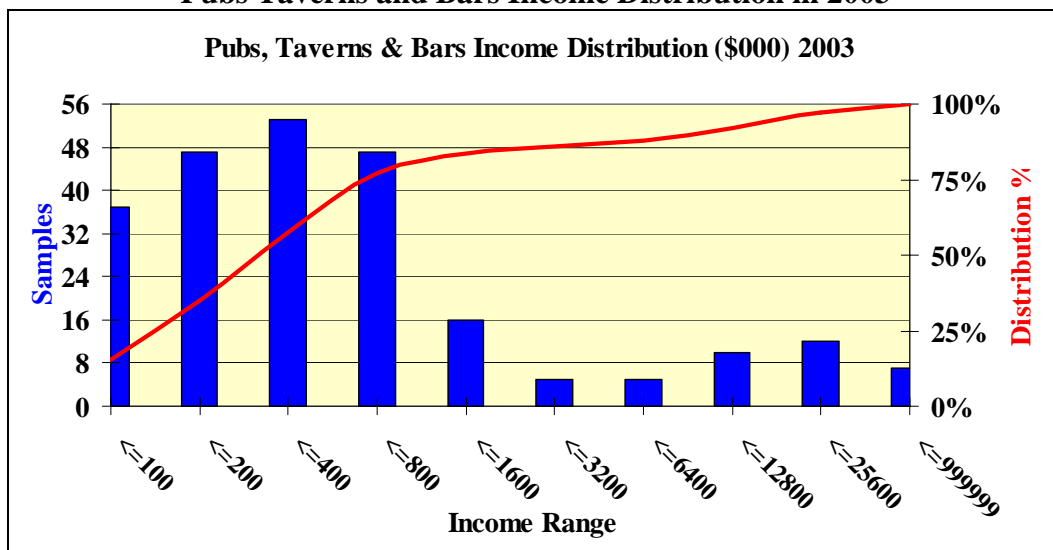


Table 17
Pubs Taverns and Bars FY Statistics

H572000 Pubs/ Taverns and Bars						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	300	305	296	260	239	
Average	7.54%	6.65%	7.31%	8.18%	7.93%	7.52%
95%Conf ±	1.17%	1.24%	1.16%	1.19%	1.48%	1.25%
Variance	1.07%	1.22%	1.04%	0.95%	1.36%	1.13%
Std Dev	10.36%	11.03%	10.17%	9.75%	11.66%	10.59%
Max	29.40%	29.65%	29.70%	29.58%	29.78%	29.78%
Min	-30.00%	-29.49%	-23.82%	-29.52%	-28.57%	-30.00%
Deciles						
1	-5.73%	-7.48%	-5.73%	-4.32%	-7.02%	-6.05%
2	-1.17%	-2.63%	-1.25%	-0.03%	-1.89%	-1.39%
3	2.11%	0.87%	1.98%	3.06%	1.81%	1.97%
4	4.92%	3.86%	4.73%	5.71%	4.97%	4.84%
5	7.54%	6.65%	7.31%	8.18%	7.93%	7.52%
6	10.17%	9.45%	9.89%	10.65%	10.88%	10.21%
7	12.98%	12.44%	12.65%	13.29%	14.04%	13.08%
8	16.26%	15.94%	15.88%	16.38%	17.74%	16.44%
9	20.82%	20.79%	20.35%	20.67%	22.87%	21.10%
(According to a Normal Distribution of Yields)						

Table 18
Pubs Taverns and Bars FY distribution by Income

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=100	2.78%	0.92%	2.94%	5.76%	4.46%	3.37%
>100	<=200	7.10%	4.99%	4.13%	6.90%	7.81%	6.19%
>200	<=400	7.40%	10.23%	8.92%	8.48%	7.43%	8.49%
>400	<=800	10.72%	8.68%	11.02%	10.32%	9.89%	10.13%
>800	<=1600	10.66%	8.23%	13.11%	10.71%	10.72%	10.69%
>1600	<=3200	8.13%	6.89%	12.78%	7.96%	0.47%	8.94%
>3200	<=6400	4.87%	-2.22%	-6.24%	5.20%	3.87%	1.10%
>6400	<=12800	2.19%	-0.06%	0.70%	6.72%	12.87%	4.48%
>12800	<=25600	10.02%	8.60%	8.47%	8.76%	7.11%	8.59%
>25600	<=999999	9.23%	9.82%	13.85%	7.77%	13.77%	10.89%

Figure 25
Pubs Taverns and Bars Average FY by Income

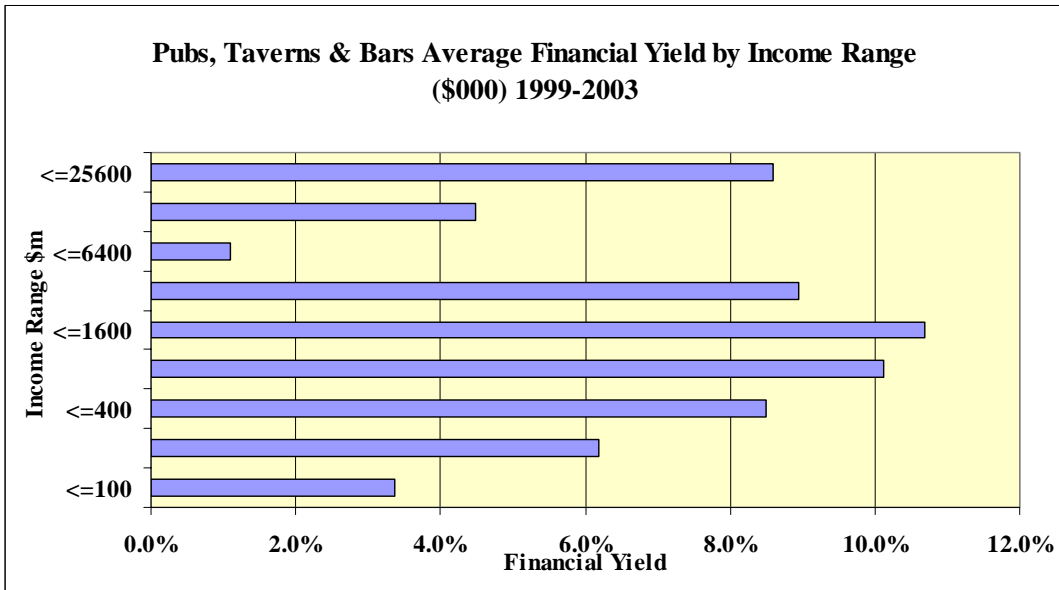
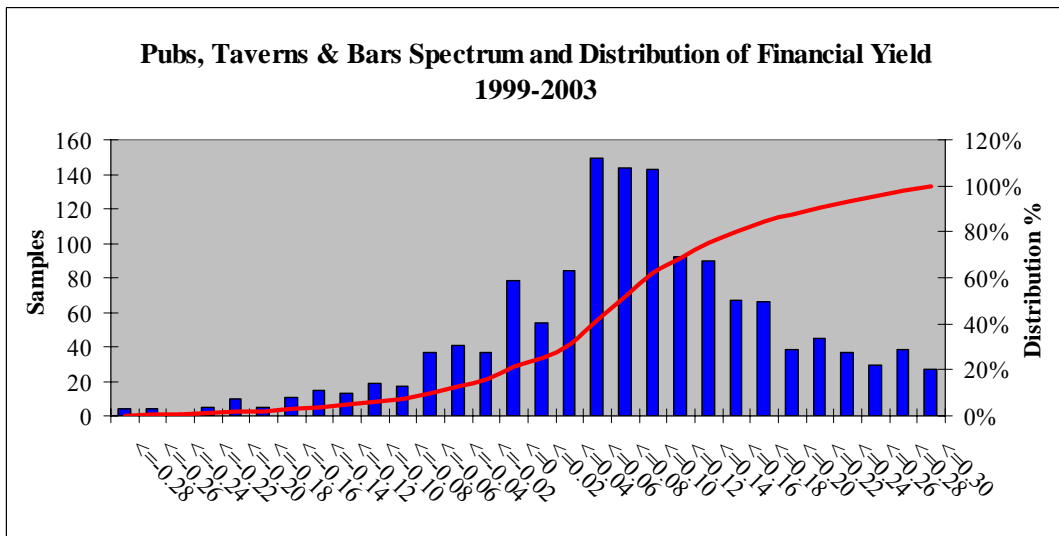


Figure 26
Pubs Taverns and Bars, Spectrum of Financial Yield 1999-2003



5.2 Cafes and Restaurants

This division is comprised of over 5000 enterprises from which 1300 were analysed. Income levels are relatively low with over 50 percent of enterprises reporting less than \$200, 000 for 2003.

Figure 27
Cafes and Restaurants Income Distribution 2003

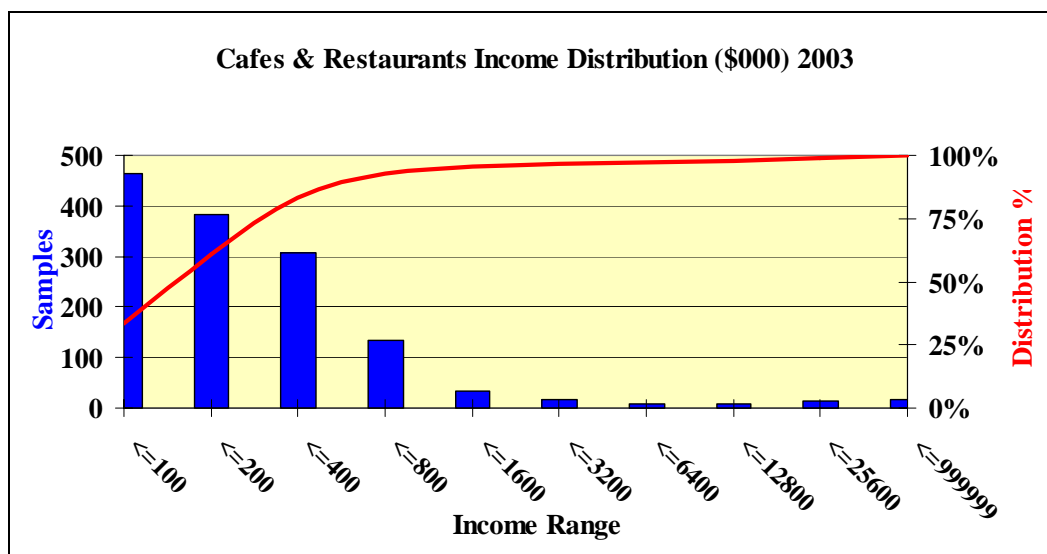


Table 19
Cafes and Restaurants FY Statistics

H573000 Cafes and Restaurants						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	1809	1781	1618	1470	1390	
Average	6.51%	6.83%	6.52%	7.11%	6.17%	6.63%
95%Conf ±	0.57%	0.59%	0.59%	0.64%	0.69%	0.62%
Variance	1.55%	1.61%	1.48%	1.59%	1.74%	1.59%
Std Dev	12.45%	12.70%	12.16%	12.61%	13.20%	12.62%
Max	29.99%	29.85%	30.00%	29.99%	30.00%	30.00%
Min	-29.79%	-30.00%	-30.00%	-29.31%	-30.00%	-30.00%
Deciles						
1	-9.44%	-9.44%	-9.06%	-9.04%	-10.74%	-9.54%
2	-3.96%	-3.85%	-3.72%	-3.50%	-4.94%	-3.99%
3	-0.01%	0.18%	0.14%	0.50%	-0.75%	0.01%
4	3.36%	3.62%	3.44%	3.92%	2.83%	3.43%
5	6.51%	6.83%	6.52%	7.11%	6.17%	6.63%
6	9.67%	10.05%	9.60%	10.31%	9.51%	9.83%
7	13.04%	13.49%	12.89%	13.72%	13.09%	13.25%
8	16.99%	17.52%	16.75%	17.72%	17.28%	17.25%
9	22.46%	23.11%	22.10%	23.27%	23.08%	22.80%
(According to a Normal Distribution of Yields)						

Table 20
Cafes and Restaurants FY by Income Distribution

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=100	3.25%	2.99%	3.80%	3.38%	2.33%	3.15%
>100	<=200	7.55%	8.30%	7.69%	8.20%	7.08%	7.77%
>200	<=400	10.23%	9.81%	8.99%	9.63%	8.55%	9.44%
>400	<=800	8.65%	11.32%	8.61%	11.56%	11.02%	10.23%
>800	<=1600	10.90%	11.52%	8.37%	10.84%	10.36%	10.40%
>1600	<=3200	6.98%	7.94%	5.11%	0.90%	5.09%	5.23%
>3200	<=6400	10.59%	7.44%	1.45%	4.95%	-1.61%	4.56%
>6400	<=12800	10.08%	11.02%	8.01%	0.70%	2.16%	6.39%
>12800	<=25600	6.95%	3.65%	2.18%	4.82%	5.94%	4.71%
>25600	<=999999	5.82%	7.80%	7.80%	8.74%	8.33%	7.70%

Figure 28
Cafes and Restaurants FY by Income

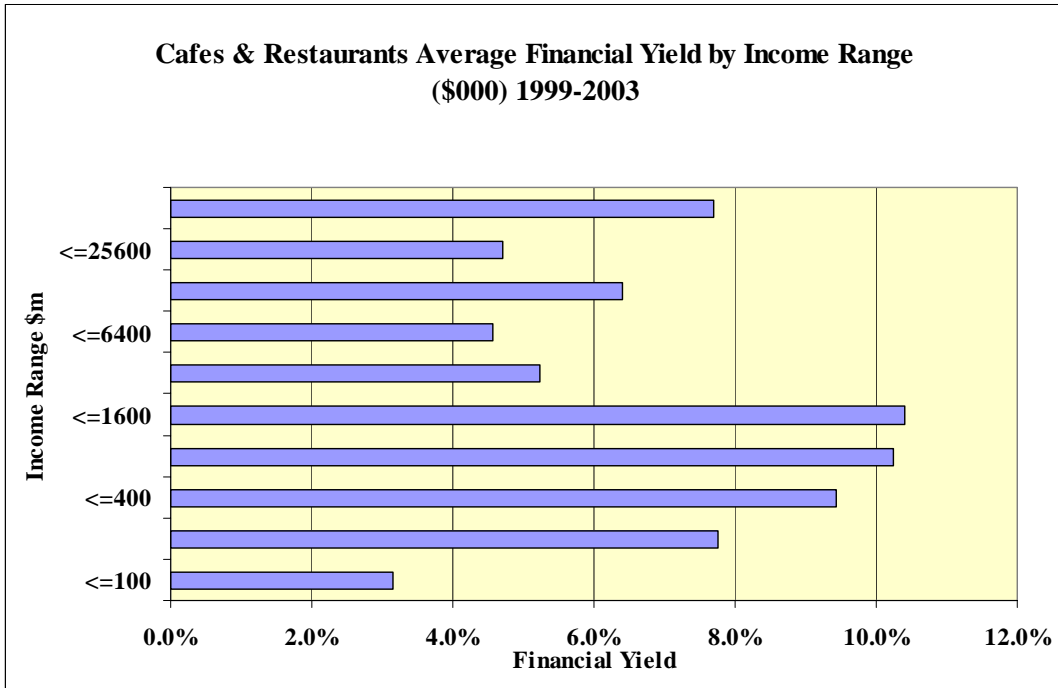
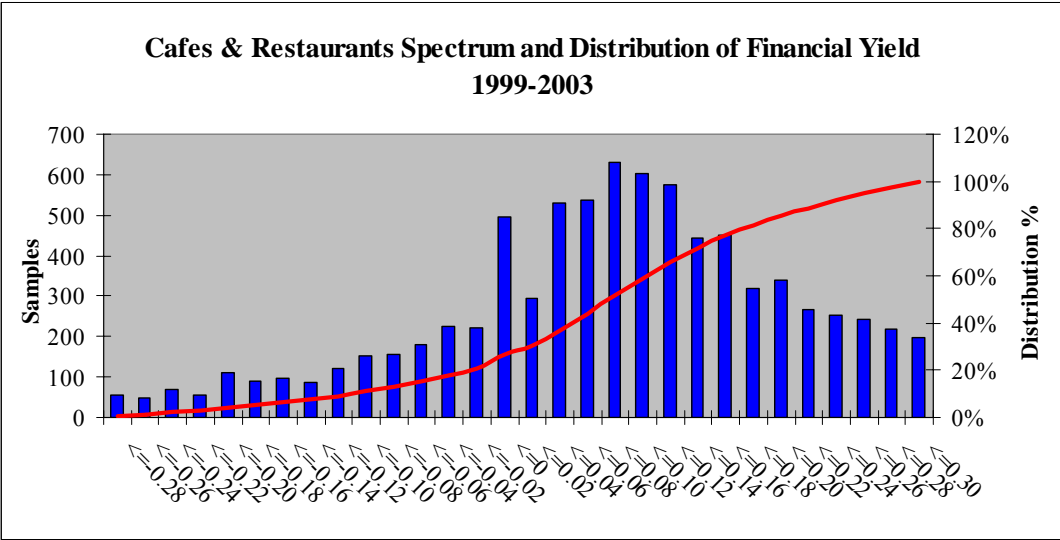


Figure 29
Cafes and Restaurants Distribution of FY 1999-2003



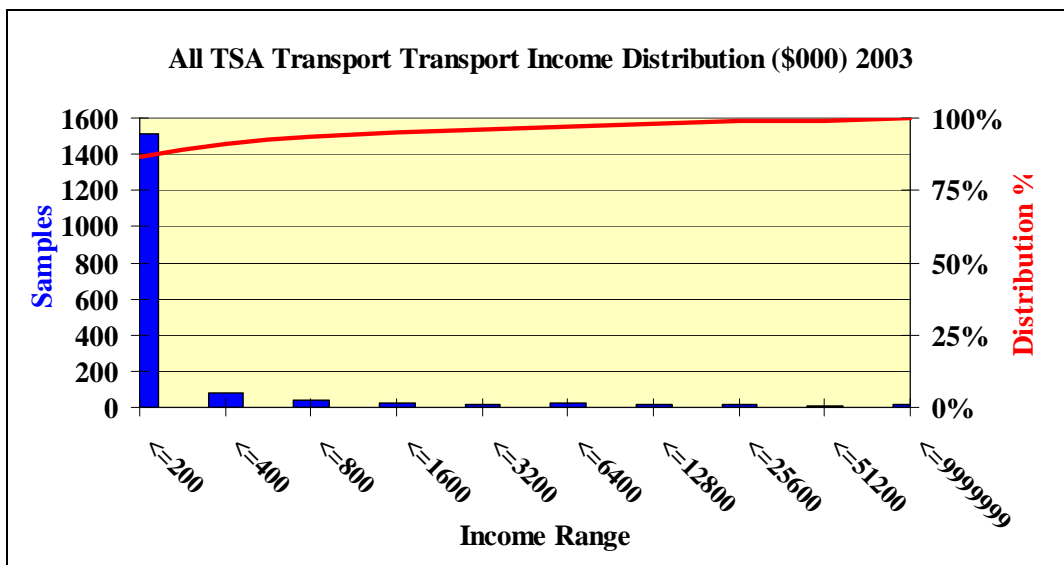
Chapter 6 All TSA Transport

This division contains the following categories and their ANZSIC Codes:

- I612100 Long Distance Bus Transport*
- I612200 Short Distance Bus Transport (including Tramway)*
- I612300 Taxi and Other Road Passenger Transport*
- I620000 Rail Transport
- I630100 International Sea Transport
- I630200 Coastal Water Transport
- I630300 Inland Water Transport
- I640100 Scheduled International Air Transport*
- I640200 Scheduled Domestic Air Transport*
- I640300 Non-Scheduled Air and Space Transport
- I650100 Pipeline Transport
- I650900 Transport nec
- I661100 Parking Services
- I661900 Services to Road Transport nec
- I662100 Stevedoring
- I662200 Water Transport Terminals
- I662300 Port Operators
- I662900 Services to Water Transport nec
- I663000 Services to Air Transport
- I664100 Travel Agency Services*
- I670100 Grain Storage
- I670900 Storage nec.

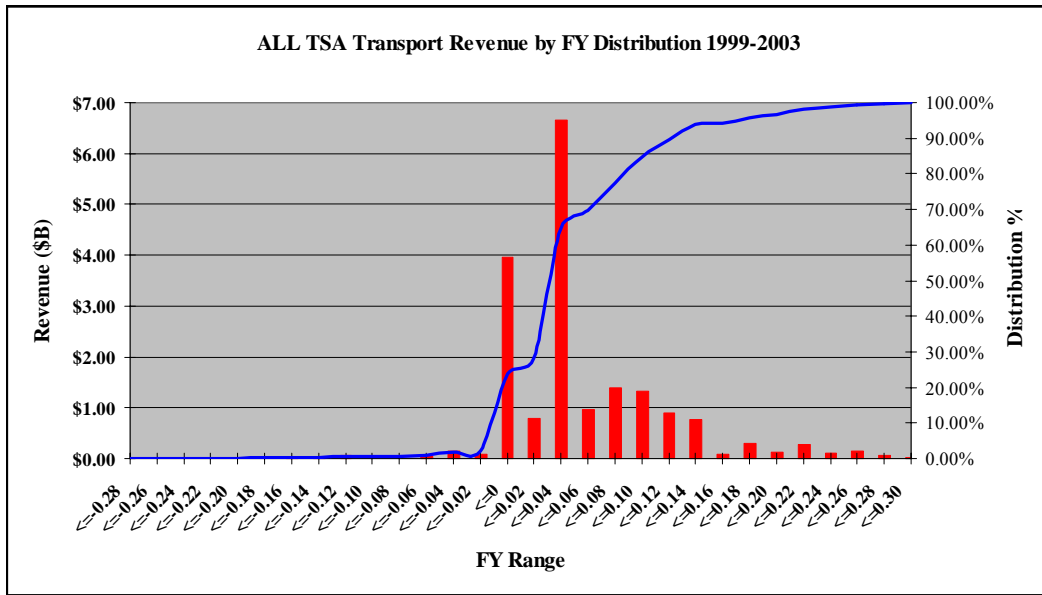
Italicised categories are analysed in subsequent sections of this report.

**Figure 30
All TSA Transport Income Distribution 2003**



The samples from this division were overwhelmingly attributed to very small enterprises and the distribution of revenue by FY reveals a better balance of the sector's composition.

Figure 31
All TSA Transport Revenue by FY Distribution 2003



This chart illustrates that FY is approximately 4 percent at the median of the revenue earned by All TSA Transport over the period 1999-2003. This contrasts with the average of the samples (10.2%) over the same period. The averaged aggregate (single entity) FY of All Transport over the period 1999-2003 is 3.9 percent.

Table 21
All TSA Transport FY Statistics

Yield Statistics	All TSA Transport Industries					All
	1999	2000	2001	2002	2003	
Samples	2055	2044	1902	1804	1751	
Average	10.41%	9.91%	9.61%	11.01%	10.10%	10.21%
95%Conf ±	0.52%	0.53%	0.55%	0.57%	0.60%	0.55%
Variance	1.43%	1.50%	1.49%	1.55%	1.63%	1.52%
Std Dev	11.97%	12.24%	12.19%	12.45%	12.78%	12.33%
Max	29.95%	29.83%	30.00%	29.94%	29.97%	30.00%
Min	-30.00%	-30.00%	-30.00%	-30.00%	-30.00%	-30.00%
Decile						
1	-4.93%	-5.77%	-6.02%	-4.94%	-6.28%	-5.59%
2	0.34%	-0.39%	-0.65%	0.53%	-0.66%	-0.17%
3	4.13%	3.49%	3.21%	4.48%	3.39%	3.74%
4	7.38%	6.81%	6.52%	7.86%	6.86%	7.08%
5	10.41%	9.91%	9.61%	11.01%	10.10%	10.21%
6	13.45%	13.01%	12.70%	14.17%	13.33%	13.33%
7	16.69%	16.33%	16.00%	17.54%	16.80%	16.67%
8	20.49%	20.21%	19.87%	21.49%	20.85%	20.58%
9	25.76%	25.59%	25.23%	26.97%	26.48%	26.00%
	(Assuming a Normal Distribution of Yields)					

Table 22
All TSA Transport FY by Income Distribution

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=\$0	<=\$200	10.82%	10.40%	10.06%	11.54%	10.40%	10.65%
>\$200	<=\$400	6.99%	7.66%	8.13%	9.61%	9.70%	8.42%
>\$400	<=\$800	9.06%	6.85%	5.65%	9.10%	8.83%	7.90%
>\$800	<=\$1600	5.63%	1.58%	-0.18%	2.32%	5.85%	3.04%
>\$1600	<=\$3200	2.63%	-0.17%	4.07%	3.08%	0.92%	2.10%
>\$3200	<=\$6400	9.17%	5.37%	9.02%	6.62%	7.65%	7.55%
>\$6400	<=\$12800	6.35%	8.49%	8.04%	6.83%	9.72%	7.89%
>\$12800	<=\$25600	10.52%	4.16%	7.94%	14.05%	8.22%	8.98%
>\$25600	<=\$51200	10.21%	8.82%	13.04%	8.87%	7.26%	9.64%
>\$51200	<=\$999999	6.87%	5.30%	6.32%	4.67%	9.44%	6.52%

Figure 32
All TSA Transport Average FY by Income Distribution

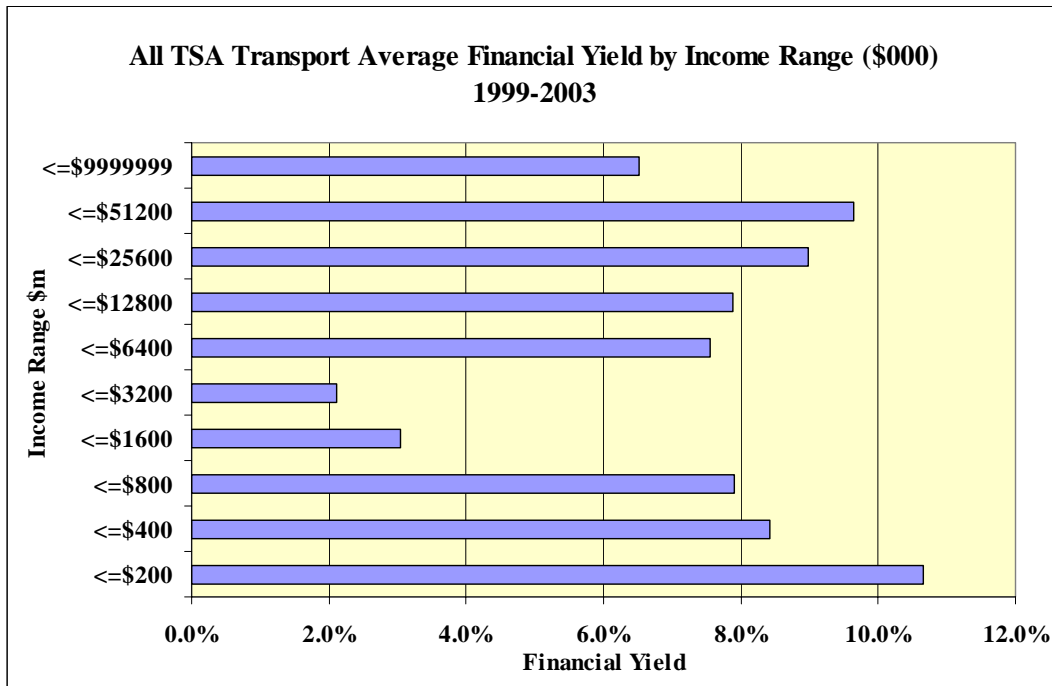
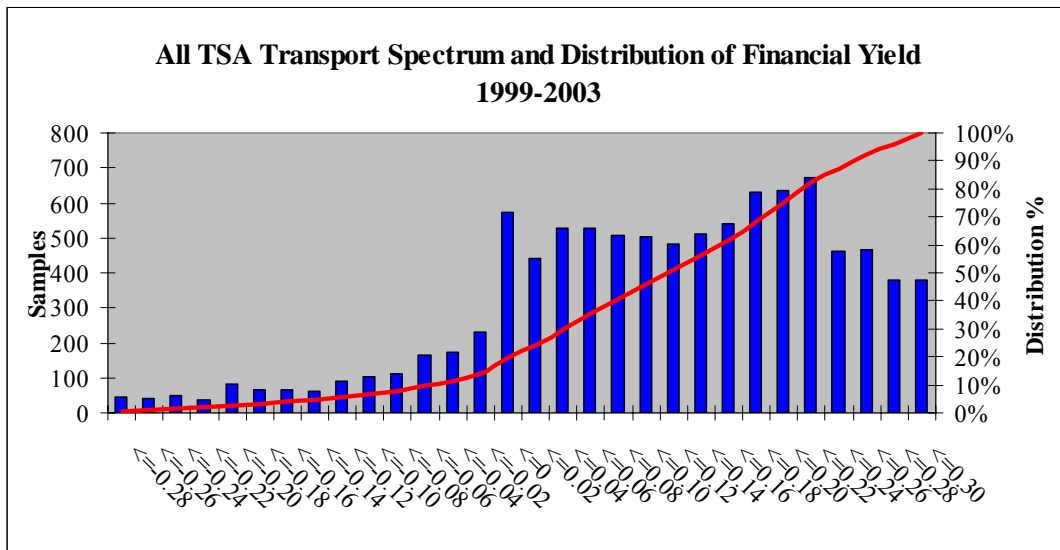


Figure 33
All TSA Transport Average FY by Income Distribution



6.1 Long Distance Bus Transport

This division is relatively small in comparison with others and results were available from an average of 30 enterprises per year. With this number of samples, only coarse resolution is possible so as to preserve confidentiality.

Figure 34
Long Distance Bus Transport Income Distribution in 2003

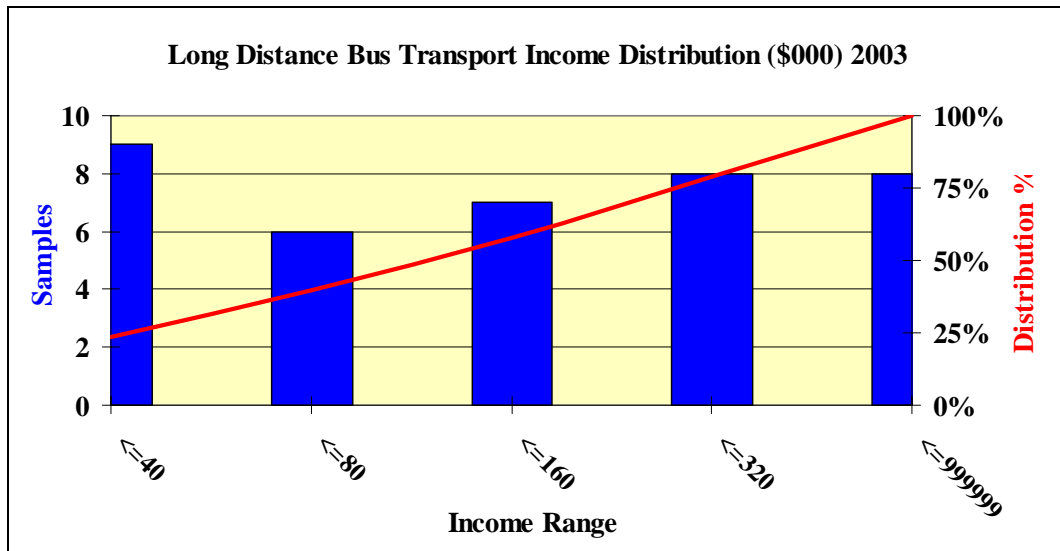


Table 23
Long Distance Bus Transport FY Statistics

I612100 Long Distance Bus Transport						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	29	31	29	28	30	
Average	9.52%	9.76%	5.25%	12.54%	11.61%	9.74%
95%Conf ±	4.75%	4.92%	4.83%	3.86%	3.56%	4.38%
Variance	1.71%	1.95%	1.76%	1.08%	0.99%	1.50%
Std Dev	13.29%	13.97%	13.28%	10.41%	9.96%	12.18%
Max	29.25%	29.56%	28.02%	26.86%	29.95%	29.95%
Min	-27.55%	-25.00%	-28.57%	-9.76%	-14.29%	-28.57%
Decile						
1	-7.51%	-8.15%	-11.77%	-0.80%	-1.15%	-5.87%
2	-1.67%	-2.00%	-5.92%	3.78%	3.23%	-0.52%
3	2.55%	2.43%	-1.71%	7.09%	6.39%	3.35%
4	6.15%	6.22%	1.89%	9.91%	9.09%	6.65%
5	9.52%	9.76%	5.25%	12.54%	11.61%	9.74%
6	12.89%	13.30%	8.62%	15.18%	14.14%	12.82%
7	16.49%	17.08%	12.22%	18.00%	16.83%	16.13%
8	20.70%	21.51%	16.43%	21.30%	19.99%	19.99%
9	26.55%	27.66%	22.28%	25.88%	24.37%	25.35%
(According to a Normal Distribution of Yields)						

Table 24
Long Distance Bus Transport FY by Income Range

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=40	6.51%	4.87%	-5.65%	3.56%	15.82%	5.02%
>40	<=80	13.10%	9.19%	7.08%	20.99%	3.44%	10.76%
>80	<=160	13.10%	23.11%	19.89%	17.70%	10.02%	16.76%
>160	<=320	14.66%	11.31%	13.19%	14.47%	16.11%	13.95%
>320	<=999999	5.27%	4.60%	4.48%	12.81%	13.37%	8.11%

Figure 35
Long Distance Bus Transport Average FY by Income Range

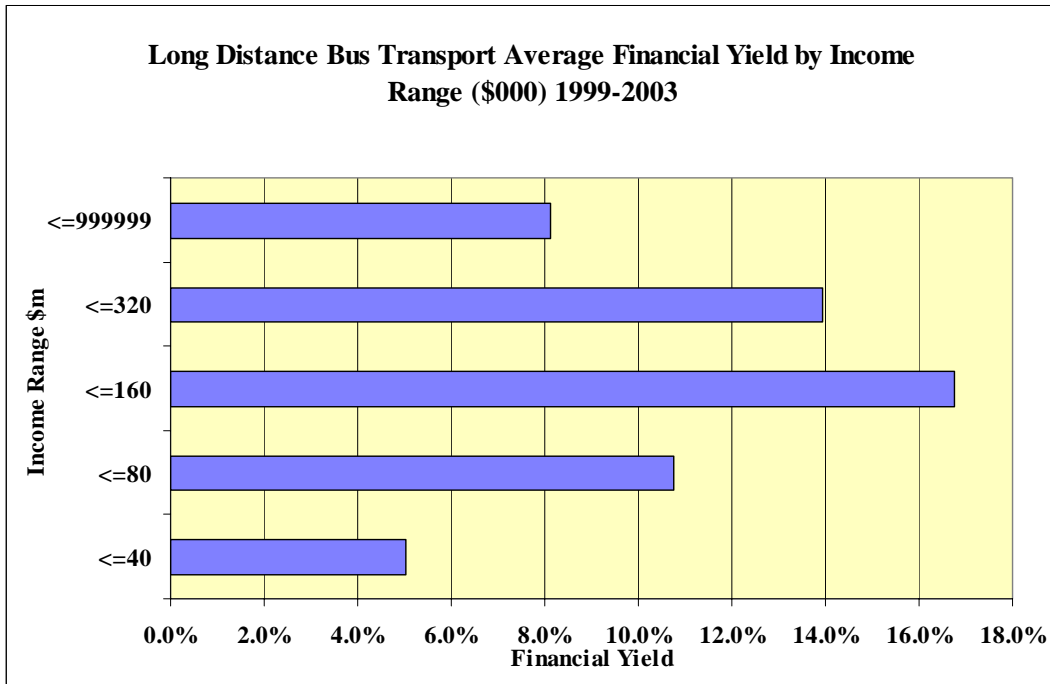
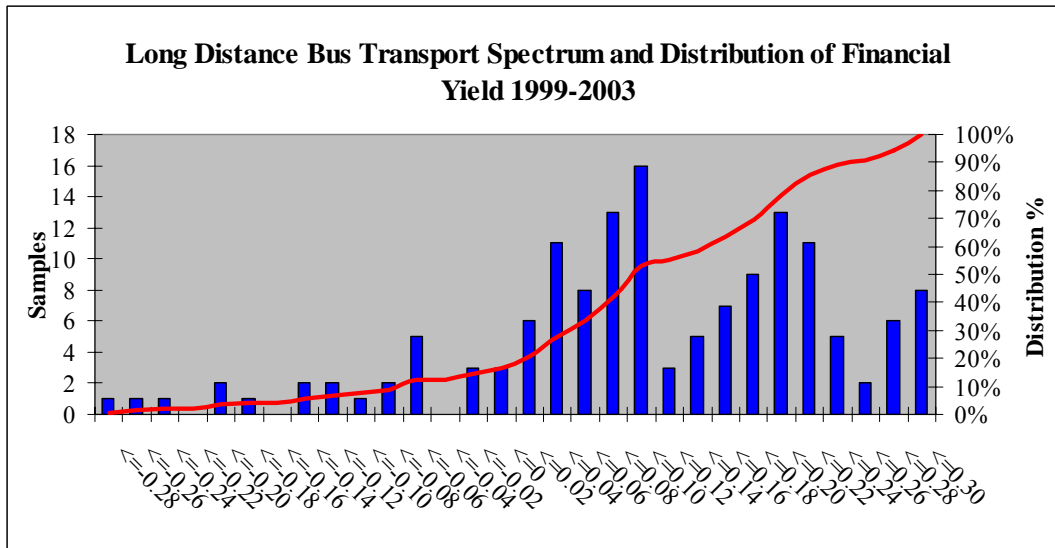


Figure 36
Long Distance Bus Transport Distribution of FY 1999-2003



This chart illustrates three distinct groupings of FY.

6.2 Short Distance Bus Transport (incl Tramways)

This division is considerably larger than its long-distance counterpart and over 150 enterprises were analysed.

Figure 37
Short Distance Bus Transport Income Distribution 2003

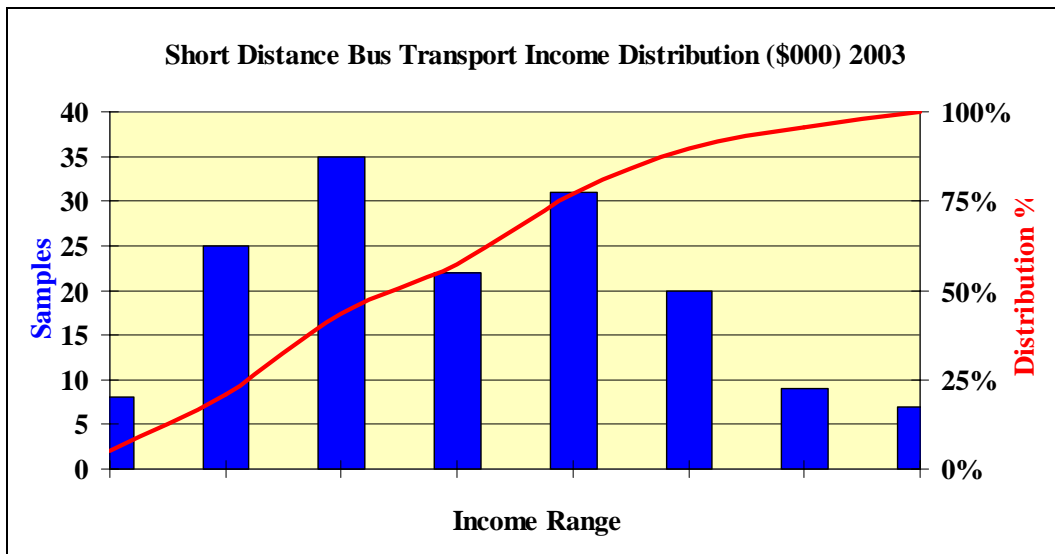


Table 25
Short Distance Bus Transport FY Statistics

I612200 Short Distance Bus Transport (incl Tramway)						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	152	156	155	150	157	
Average	9.43%	8.08%	7.83%	9.74%	8.70%	8.75%
95%Conf ±	1.90%	1.89%	1.90%	1.95%	1.84%	1.89%
Variance	1.42%	1.45%	1.46%	1.48%	1.38%	1.44%
Std Dev	11.97%	12.04%	12.08%	12.18%	11.74%	12.00%
Max	29.67%	29.78%	29.31%	29.66%	29.39%	29.78%
Min	-30.00%	-27.40%	-27.27%	-26.79%	-29.17%	-30.00%
Decile						
1	-5.91%	-7.36%	-7.65%	-5.88%	-6.34%	-6.63%
2	-0.65%	-2.06%	-2.33%	-0.52%	-1.18%	-1.35%
3	3.15%	1.76%	1.50%	3.35%	2.55%	2.46%
4	6.39%	5.02%	4.77%	6.65%	5.73%	5.71%
5	9.43%	8.08%	7.83%	9.74%	8.70%	8.75%
6	12.46%	11.13%	10.89%	12.82%	11.67%	11.79%
7	15.70%	14.39%	14.16%	16.13%	14.85%	15.05%
8	19.50%	18.21%	17.99%	19.99%	18.58%	18.85%
9	24.76%	23.51%	23.31%	25.35%	23.74%	24.13%
(According to a Normal Distribution of Yields)						

Table 26
Short Distance Bus Transport FY by Income Distribution

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=20	-1.23%	-6.20%	-7.47%	-3.00%	0.08%	-3.57%
>20	<=40	6.32%	3.89%	9.29%	8.30%	5.54%	6.67%
>40	<=80	11.68%	10.55%	6.65%	10.80%	7.70%	9.48%
>80	<=160	10.44%	11.88%	10.90%	11.83%	10.24%	11.06%
>160	<=320	10.41%	12.61%	7.91%	10.48%	11.77%	10.63%
>320	<=640	13.40%	8.47%	8.52%	12.37%	10.31%	10.69%
>640	<=1280	14.13%	7.05%	10.54%	10.36%	11.89%	10.79%
>1280	<=999999	3.44%	4.56%	4.80%	4.97%	7.72%	5.10%

Figure 38
Short Distance Bus Transport FY by Income Range 1999-2003

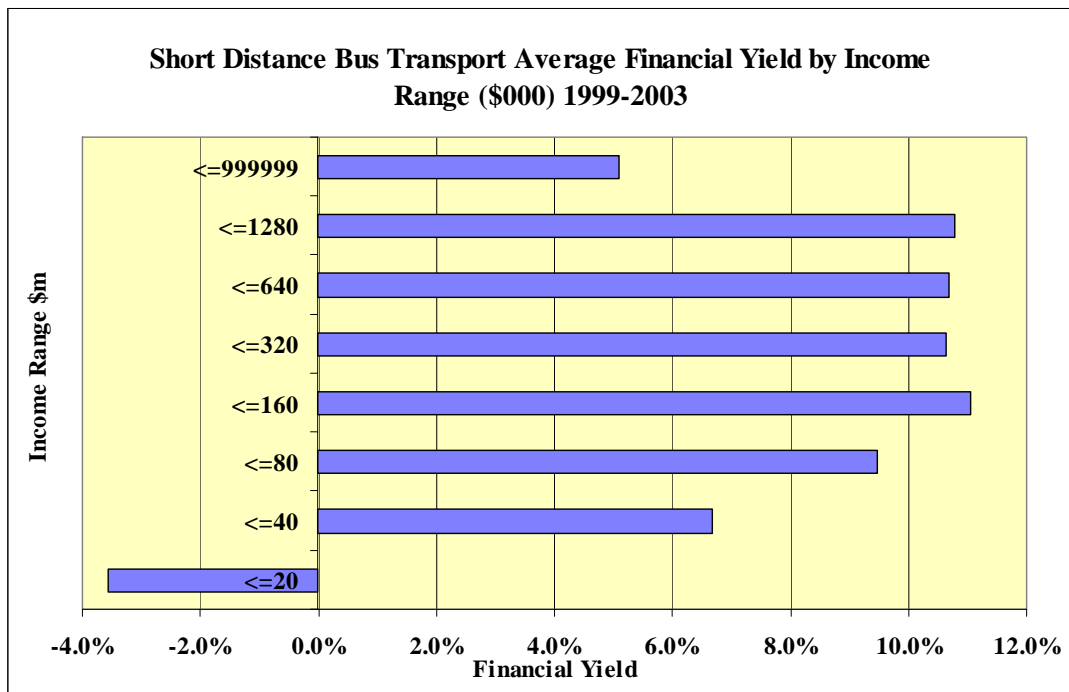
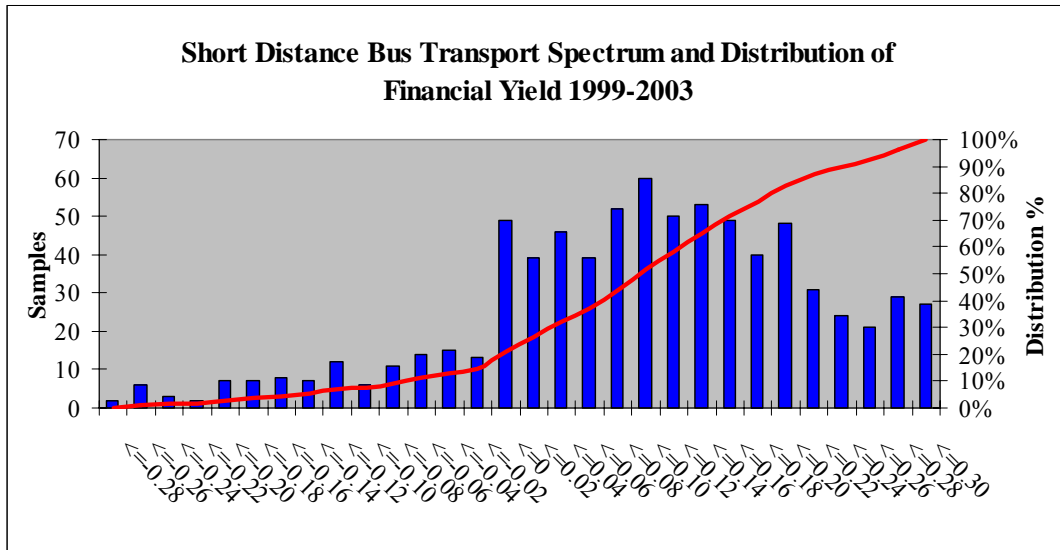


Figure 39
Short Distance Bus Transport Distribution of FY 1999-2003



6.3 Taxi and Other Road Passenger Transport

Figure 40
Taxi and Other Transport Income Distribution 2003

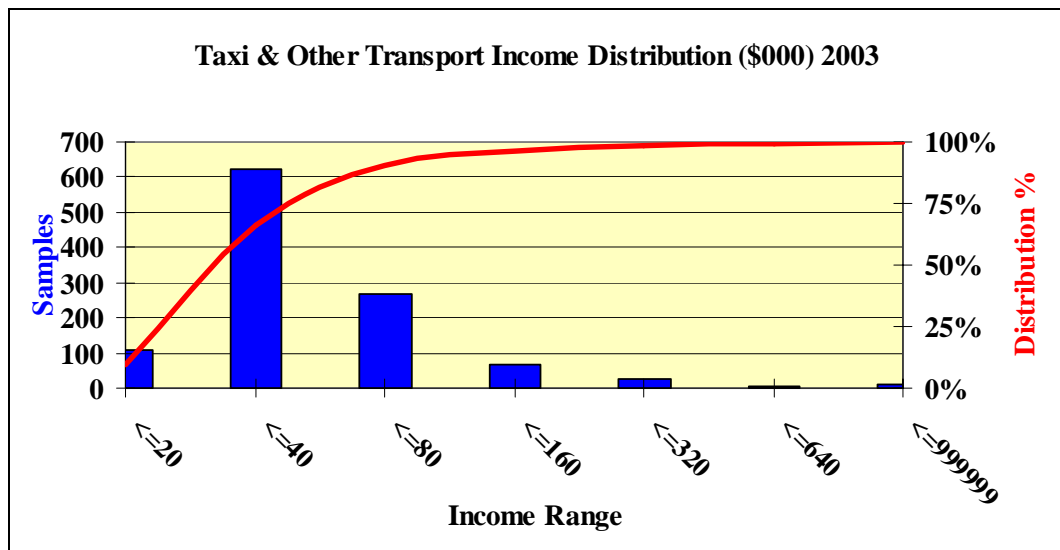


Table 27
Taxi and other Road Transport FY Statistics

I612300 Taxi and Other Road Passenger Transport						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	1326	1307	1210	1151	1102	
Average	12.32%	11.86%	11.51%	12.71%	11.80%	12.04%
95%Conf ±	0.65%	0.65%	0.69%	0.73%	0.77%	0.70%
Variance	1.46%	1.43%	1.50%	1.58%	1.69%	1.53%
Std Dev	12.09%	11.97%	12.24%	12.57%	13.00%	12.38%
Max	29.95%	29.83%	30.00%	29.91%	29.97%	30.00%
Min	-30.00%	-30.00%	-30.00%	-30.00%	-30.00%	-30.00%
Decile						
1	-3.17%	-3.48%	-4.18%	-3.40%	-4.86%	-3.82%
2	2.14%	1.79%	1.21%	2.13%	0.86%	1.62%
3	5.98%	5.58%	5.09%	6.12%	4.98%	5.55%
4	9.26%	8.83%	8.41%	9.52%	8.50%	8.90%
5	12.32%	11.86%	11.51%	12.71%	11.80%	12.04%
6	15.38%	14.89%	14.61%	15.89%	15.09%	15.18%
7	18.66%	18.14%	17.93%	19.30%	18.62%	18.53%
8	22.49%	21.94%	21.82%	23.29%	22.74%	22.46%
9	27.81%	27.20%	27.20%	28.82%	28.46%	27.90%
(According to a Normal Distribution of Yields)						

Table 28
Taxi and Other Road Transport FY by Income Distribution

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=20	2.09%	0.75%	0.38%	1.15%	1.00%	1.07%
>20	<=40	14.36%	13.05%	12.91%	13.76%	12.70%	13.36%
>40	<=80	14.12%	14.86%	13.97%	15.45%	14.52%	14.58%
>80	<=160	12.02%	13.03%	10.89%	9.35%	12.73%	11.60%
>160	<=320	7.10%	9.00%	6.46%	8.66%	9.31%	8.11%
>320	<=640	7.92%	14.82%	12.21%	12.92%	13.78%	11.97%
>640	<=99999	3.72%	6.84%	4.29%	11.16%	-1.10%	4.98%

Figure 41
Taxi and Other Road Transport FY by Income Distribution 1999-2003

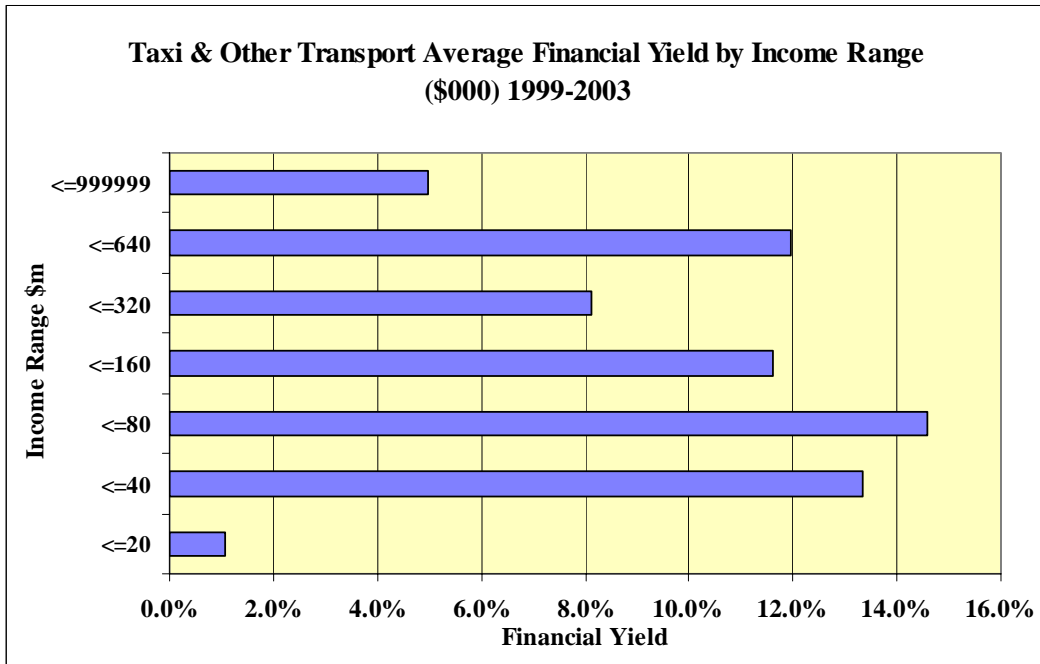
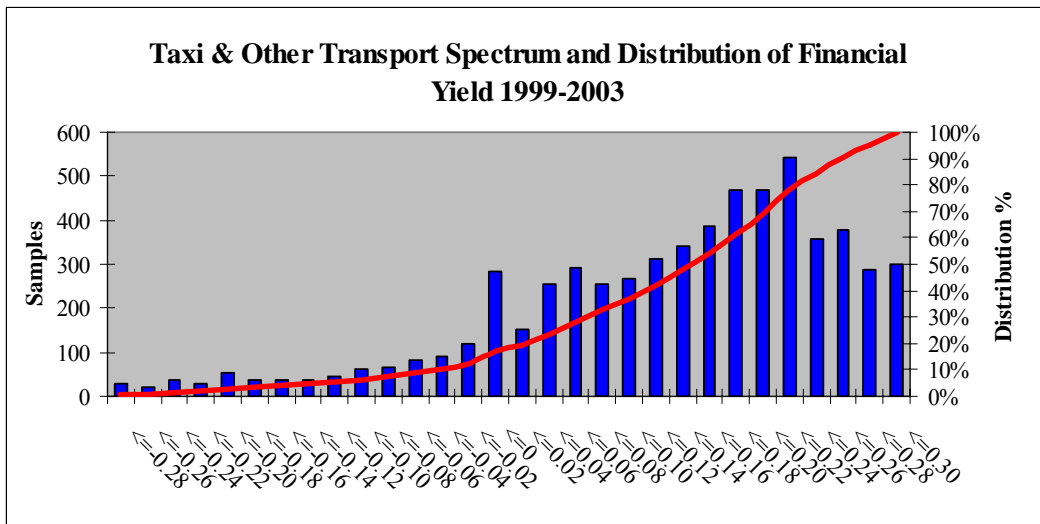


Figure 42
Taxi and Other Road Transport Distribution of FY 1999-2003



6.4 Scheduled International & Domestic and Non-scheduled Air Transport

This division includes all air transport through the combination of ANZSIC categories Scheduled International Air Transport, Scheduled Domestic Air Transport and Non-scheduled Air Transport services (I640100, I640200 and I640300 respectively. This is shown as I640X00).

Figure 43
Scheduled International & Domestic & Non-scheduled
Air Transport Income Distribution 2003.

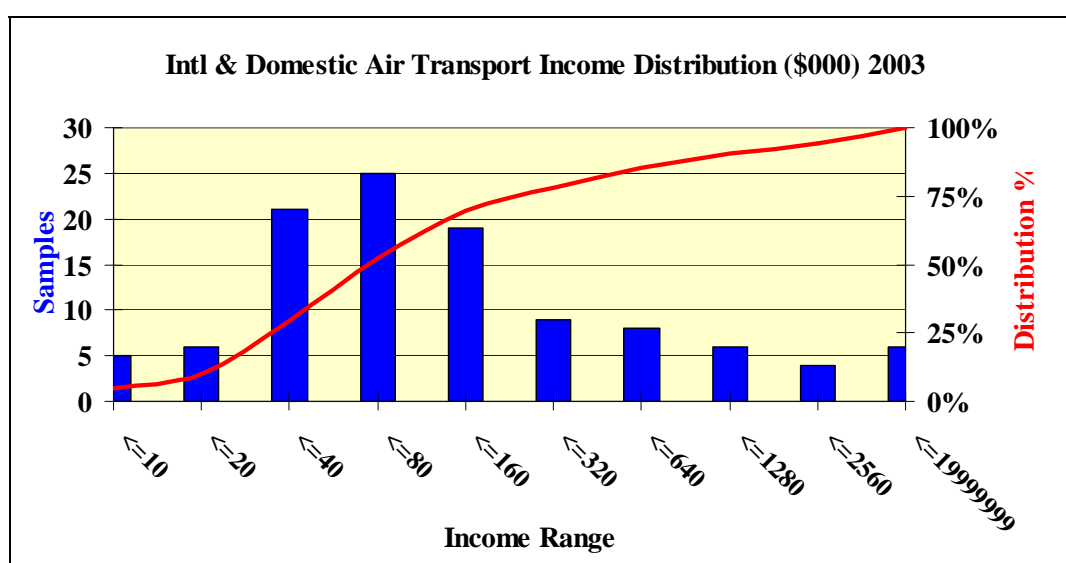


Table 29
I640X00 Sched International Domestic and Non Sched Air Transport FY Statistics

I640X00 Sched Int Domestic and Non Sched Air Transport						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	124	126	120	111	109	
Average	1.97%	1.37%	2.33%	4.04%	2.37%	2.42%
95%Conf ±	1.59%	1.46%	1.49%	1.91%	1.54%	1.60%
Variance	0.82%	0.70%	0.69%	1.05%	0.67%	0.79%
Std Dev	9.10%	8.37%	8.33%	10.26%	8.21%	8.85%
Max	28.82%	22.22%	24.12%	29.13%	24.68%	29.13%
Min	-22.73%	-28.71%	-29.00%	-26.42%	-28.26%	-29.00%
Decile						
1	-9.69%	-9.36%	-8.34%	-9.11%	-8.15%	-8.93%
2	-5.69%	-5.68%	-4.67%	-4.59%	-4.54%	-5.03%
3	-2.80%	-3.02%	-2.03%	-1.34%	-1.93%	-2.23%
4	-0.34%	-0.75%	0.22%	1.44%	0.29%	0.17%
5	1.97%	1.37%	2.33%	4.04%	2.37%	2.42%
6	4.27%	3.49%	4.44%	6.64%	4.45%	4.66%
7	6.74%	5.76%	6.70%	9.43%	6.67%	7.06%
8	9.62%	8.41%	9.34%	12.68%	9.28%	9.87%
9	13.63%	12.10%	13.00%	17.20%	12.89%	13.76%
(According to a Normal Distribution of Yields)						

Table 30
I640X00 Sched International Domestic and Non Sched Air Transport
FY by Income Distribution

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=10	-6.18%	-0.88%	-1.05%	-0.88%	-6.15%	-3.03%
>10	<=20	-1.60%	-3.56%	-1.52%	-0.12%	-0.34%	-1.43%
>20	<=40	-1.58%	-2.54%	1.73%	3.23%	0.34%	0.24%
>40	<=80	4.13%	1.39%	3.64%	4.07%	2.38%	3.12%
>80	<=160	8.75%	4.58%	3.46%	7.19%	2.44%	5.28%
>160	<=320	-0.91%	3.82%	3.95%	5.41%	9.60%	3.07%
>320	<=640	3.22%	1.89%	0.57%	-5.82%	1.28%	0.23%
>640	<=1280	6.02%	3.30%	-2.25%	7.16%	2.75%	3.40%
>1280	<=2560	1.18%	1.80%	3.41%	1.50%	0.88%	1.76%
>2560	<=1999999	3.27%	9.44%	8.23%	5.29%	10.26%	7.30%

Figure 44
I640X00 Sched International Domestic and Non Sched Air Transport
FY by Income Distribution

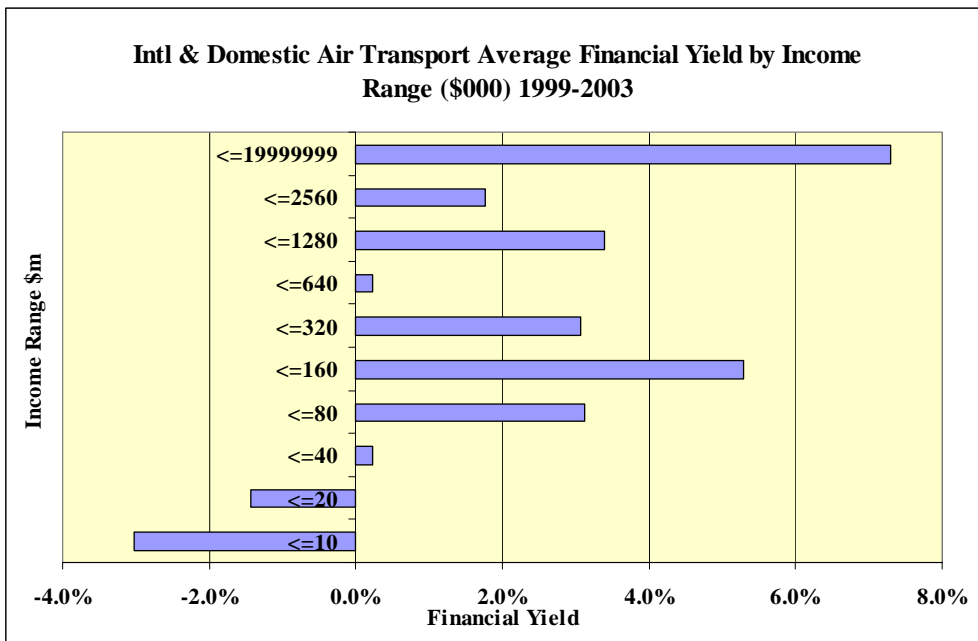
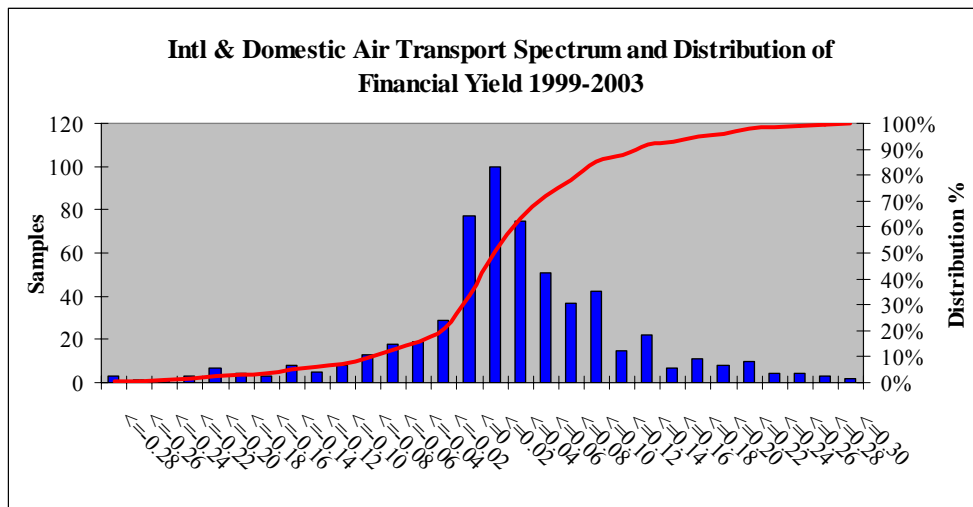


Figure 45
I640X00 Sched International Domestic and Non Sched Air Transport
Distribution of FY 1999-2003



6.5 Travel Agency Services

This Division (ANZSIC Code I664100) includes all travel agencies – including both wholesale and retail services.

Figure 46
Travel Agency Services Distribution of Income for 2003

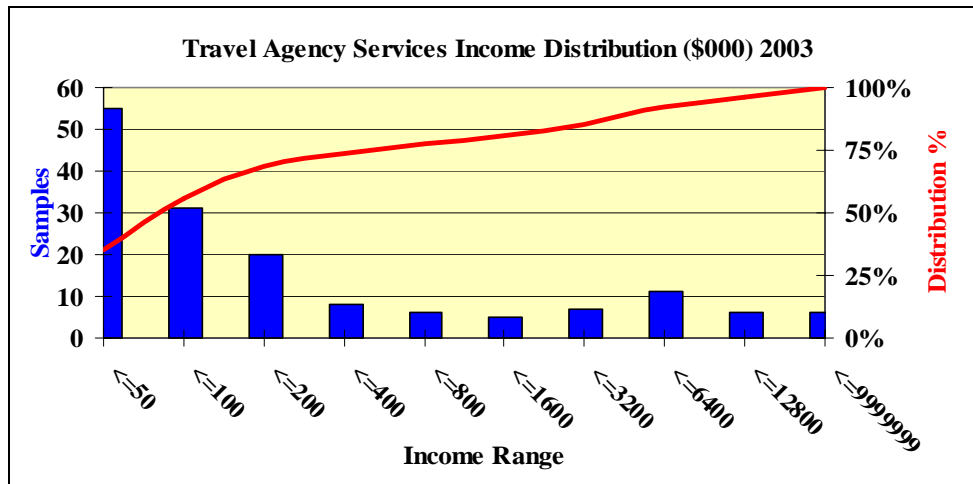


Table 31
Travel Agency Services FY Statistics

I664100 Travel Agency Services						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	195	198	181	175	150	
Average	7.77%	8.04%	6.88%	9.13%	8.01%	7.97%
95%Conf ±	1.43%	1.75%	1.80%	1.81%	2.28%	1.81%
Variance	1.04%	1.58%	1.52%	1.49%	2.02%	1.53%
Std Dev	10.21%	12.59%	12.34%	12.21%	14.22%	12.31%
Max	29.59%	29.42%	29.72%	29.30%	29.74%	29.74%
Min	-25.00%	-29.51%	-29.17%	-29.50%	-29.46%	-29.51%
Decile						
1	-5.31%	-8.09%	-8.93%	-6.52%	-10.21%	-7.81%
2	-0.82%	-2.55%	-3.50%	-1.15%	-3.95%	-2.40%
3	2.41%	1.44%	0.41%	2.72%	0.56%	1.51%
4	5.18%	4.86%	3.75%	6.04%	4.41%	4.85%
5	7.77%	8.04%	6.88%	9.13%	8.01%	7.97%
6	10.35%	11.23%	10.00%	12.22%	11.62%	11.09%
7	13.12%	14.64%	13.35%	15.54%	15.47%	14.42%
8	16.36%	18.64%	17.26%	19.41%	19.98%	18.33%
9	20.85%	24.18%	22.69%	24.78%	26.24%	23.75%
(According to a Normal Distribution of Yields)						

Table 32
Travel Agency Services FY by Income Distribution

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=50	6.49%	6.47%	3.53%	9.98%	10.14%	7.32%
>50	<=100	10.55%	12.34%	10.72%	11.92%	3.82%	9.87%
>100	<=200	6.56%	12.80%	12.00%	9.55%	7.37%	9.66%
>200	<=400	6.73%	11.43%	12.74%	14.40%	7.82%	10.63%
>400	<=800	9.38%	5.59%	6.07%	12.30%	6.81%	8.03%
>800	<=1600	5.70%	2.59%	-2.37%	-1.88%	8.87%	1.01%
>1600	<=3200	1.88%	-2.00%	6.06%	-1.59%	2.52%	1.37%
>3200	<=6400	12.02%	7.39%	9.88%	8.57%	10.63%	9.70%
>6400	<=12800	2.41%	13.54%	11.17%	8.15%	16.09%	10.28%
>12800	<=9999999	12.74%	7.62%	15.52%	15.73%	4.38%	11.20%

Figure 47
Travel Agency Services FY by Income Range

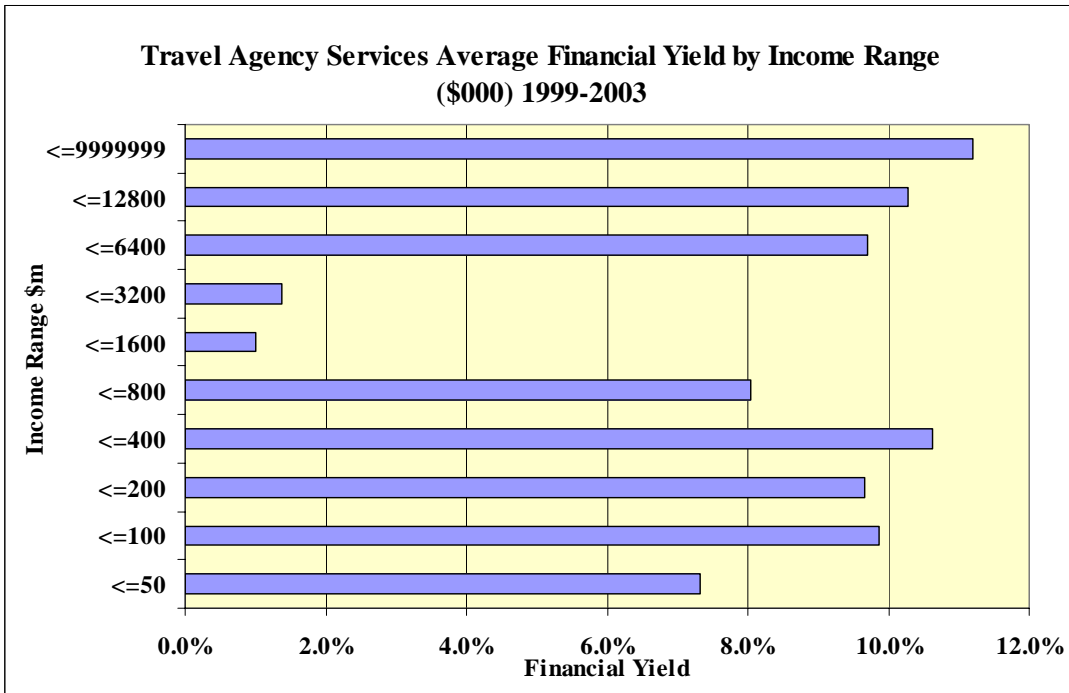
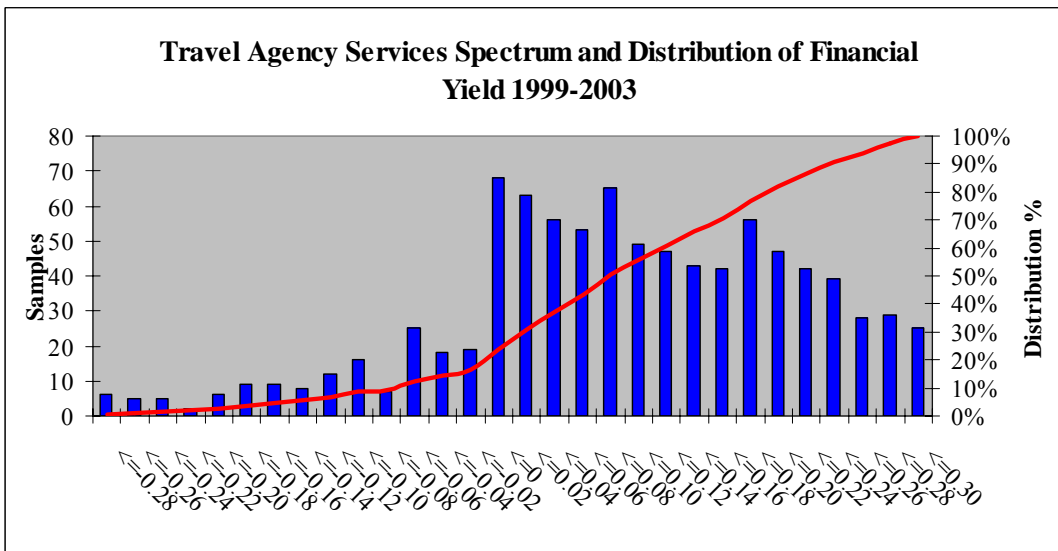


Figure 48
Travel Agency Services Distribution of FY 1999-2003



Chapter 7 Leasing and Hiring

7.1 Motor Vehicle Hiring

This division (ANZSIC Code L774100) relates to all motor vehicle hiring (rental vehicles, camper vans, etc).

Figure 49
Motor Vehicle Hiring Income Distribution for 2003

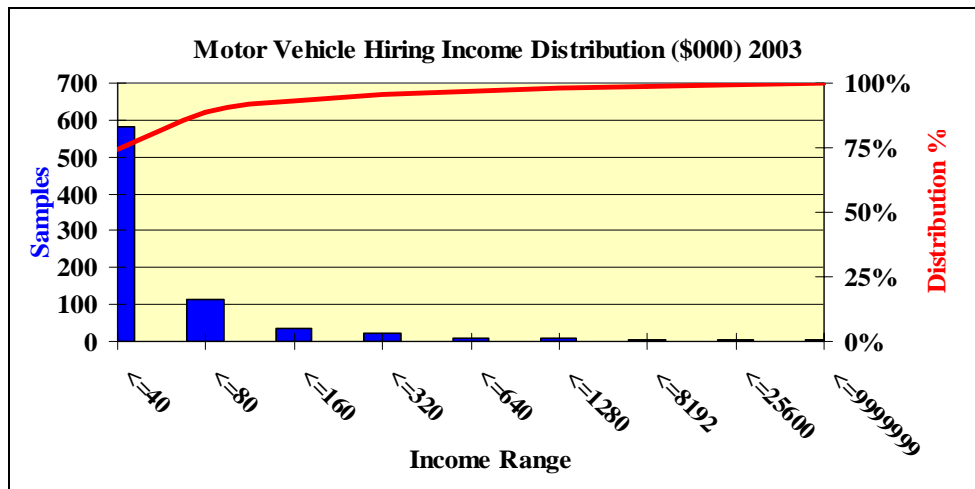


Table 33
Motor Vehicle Hiring FY Statistics

Yield Statistics	1999	2000	2001	2002	2003	All
Samples per year	468	481	539	582	785	
Average	2.76%	4.34%	3.12%	3.09%	2.76%	3.21%
95%Conf ±	0.71%	0.78%	0.69%	0.68%	0.57%	0.69%
Variance	0.62%	0.76%	0.68%	0.69%	0.67%	0.68%
Std Dev	7.89%	8.74%	8.23%	8.32%	8.17%	8.27%
Max	29.58%	29.41%	29.63%	29.19%	29.71%	29.71%
Min	-29.81%	-28.16%	-27.27%	-29.79%	-26.96%	-29.81%
Deciles						
1	-7.35%	-6.85%	-7.42%	-7.56%	-7.71%	-7.38%
2	-3.88%	-3.01%	-3.80%	-3.90%	-4.11%	-3.74%
3	-1.38%	-0.24%	-1.20%	-1.27%	-1.52%	-1.12%
4	0.76%	2.13%	1.03%	0.99%	0.69%	1.12%
5	2.76%	4.34%	3.12%	3.09%	2.76%	3.21%
6	4.75%	6.55%	5.20%	5.20%	4.83%	5.31%
7	6.89%	8.92%	7.43%	7.46%	7.04%	7.55%
8	9.39%	11.69%	10.04%	10.09%	9.63%	10.17%
9	12.86%	15.54%	13.66%	13.75%	13.23%	13.81%
	(Assuming a Normal Distribution of Yields)					

Table 34
Motor Vehicle Hiring FY Distribution by Income Range

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=40	1.20%	2.09%	1.44%	0.87%	0.87%	1.30%
>40	<=80	4.36%	7.36%	7.61%	7.15%	6.79%	6.65%
>80	<=160	9.10%	10.39%	8.04%	11.07%	10.89%	9.90%
>160	<=320	9.39%	12.37%	11.65%	5.31%	14.53%	10.65%
>320	<=640	9.67%	12.46%	12.78%	7.16%	8.99%	10.21%
>640	<=1280	-6.00%	-1.59%	3.84%	0.82%	3.57%	-0.73%
>1280	<=8192	-0.07%	7.86%	12.62%	9.79%	1.99%	6.44%
>8192	<=25600	1.90%	4.23%	4.20%	3.68%	13.26%	5.45%
>25600	<=9999999	3.15%	4.68%	5.09%	3.10%	2.58%	3.72%

Figure 50
Motor Vehicle Hiring Average FY by Income Range 1999-2003

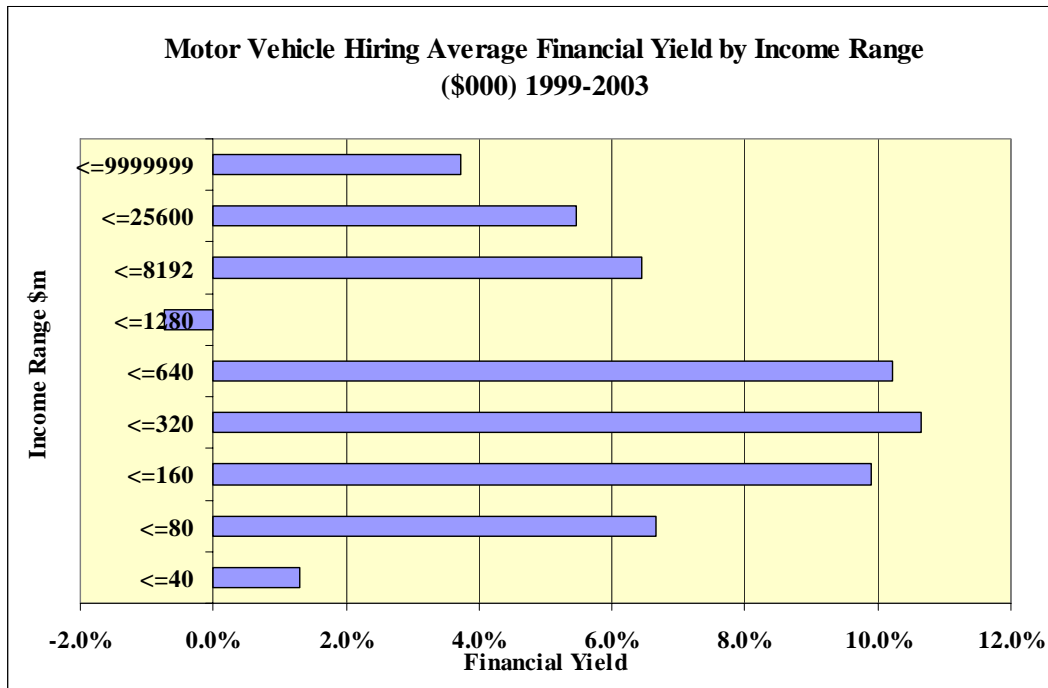
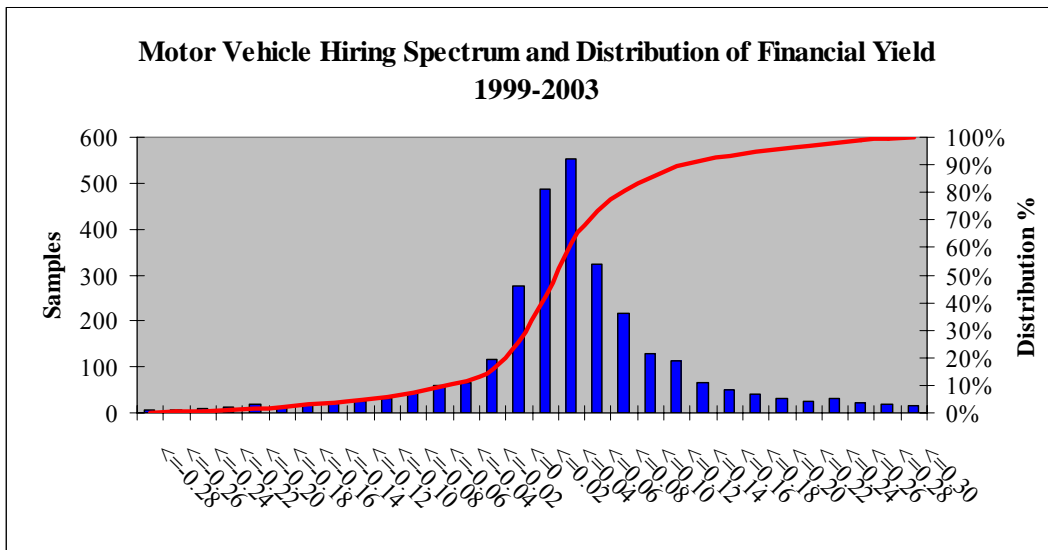


Figure 51
Motor Vehicle Hiring Distribution of FY



Chapter 8 Recreation

The recreation divisions include numerous tourism activities, many in the public domain but not exclusively so (museums, botanic gardens and zoos) and other forms such as gambling, culture and arts and general recreational activities where many of the attractions are categorised. Apart from a few specific categories, the majority of trading occurs in 'Other Recreation' which is not further subdivided.

8.1 ALL TSA Recreation

This Division includes P921000 Libraries

P922000 Museums

P923100 Zoological and Botanic Gardens

P923900 Recreational Parks and Gardens

P924100 Music and Theatre Productions

P924200 Creative Arts

P925100 Sound Recording Studios

P925200 Performing Arts Venues

P925900 Services to the Arts nec

P931110 Racing Clubs and Track Operation (excluding Training and Ownership)

P931120 Horse and Dog Training (excluding Racing and Ownership)

P931200 Sports Grounds and Facilities nec

P931900 Sports and Services to Sports nec

P932100 Lotteries

P932200 Casinos

P932900 Gambling Services nec

P933000 Other Recreation Services.

Italicised categories are analysed in subsequent sections.

**Figure 52
All TSA Recreation Income Distribution 2003**

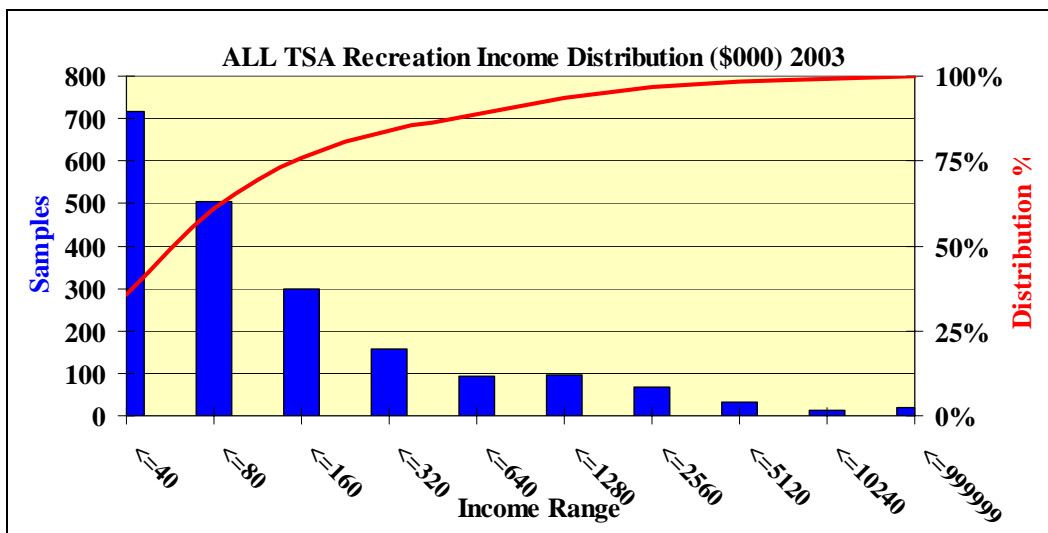


Table 35
All TSA Recreation FY Statistics

FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	2641	2699	2166	2071	2003	
Average	5.22%	5.54%	5.46%	6.16%	5.71%	5.62%
95%Conf ±	0.40%	0.42%	0.49%	0.48%	0.51%	0.46%
Variance	1.12%	1.23%	1.35%	1.25%	1.37%	1.27%
Std Dev	10.58%	11.08%	11.64%	11.19%	11.73%	11.24%
Max	29.95%	29.89%	30.00%	29.97%	29.96%	30.00%
Min	-29.94%	-30.00%	-30.00%	-29.79%	-30.00%	-30.00%
Decile						
1	-8.35%	-8.66%	-9.46%	-8.18%	-9.32%	-8.79%
2	-3.69%	-3.78%	-4.34%	-3.26%	-4.16%	-3.85%
3	-0.33%	-0.27%	-0.64%	0.29%	-0.44%	-0.28%
4	2.53%	2.73%	2.51%	3.33%	2.74%	2.77%
5	5.22%	5.54%	5.46%	6.16%	5.71%	5.62%
6	7.90%	8.35%	8.41%	9.00%	8.68%	8.47%
7	10.76%	11.35%	11.56%	12.03%	11.86%	11.51%
8	14.12%	14.87%	15.26%	15.58%	15.58%	15.08%
9	18.78%	19.74%	20.38%	20.51%	20.74%	20.03%
(Assuming a Normal Distribution of Yields)						

Table 36
All TSA Recreation Average FY by Income

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=40	4.85%	4.90%	3.34%	4.22%	2.62%	3.99%
>40	<=80	7.08%	7.46%	7.32%	8.30%	8.39%	7.71%
>80	<=160	7.04%	7.13%	8.24%	8.56%	8.73%	7.94%
>160	<=320	4.17%	5.14%	8.69%	9.33%	9.08%	7.28%
>320	<=640	3.41%	4.50%	7.69%	5.29%	5.14%	5.21%
>640	<=1280	2.95%	3.71%	2.55%	3.02%	2.42%	3.06%
>1280	<=2560	3.45%	5.19%	2.02%	2.61%	3.13%	3.28%
>2560	<=5120	5.99%	0.88%	1.29%	3.87%	2.06%	2.82%
>5120	<=10240	6.06%	3.20%	6.50%	1.04%	9.42%	5.25%
>10240	<=999999	4.34%	2.02%	9.35%	4.94%	7.93%	5.72%

Figure 53
All TSA Recreation Average FY by Income Range

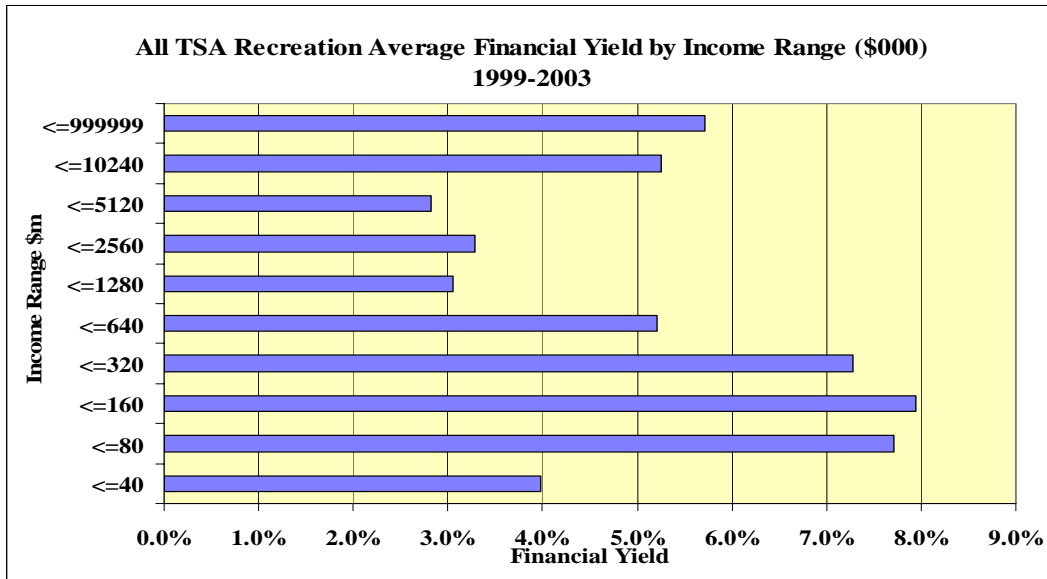


Figure 54
All TSA Recreation Distribution of FY

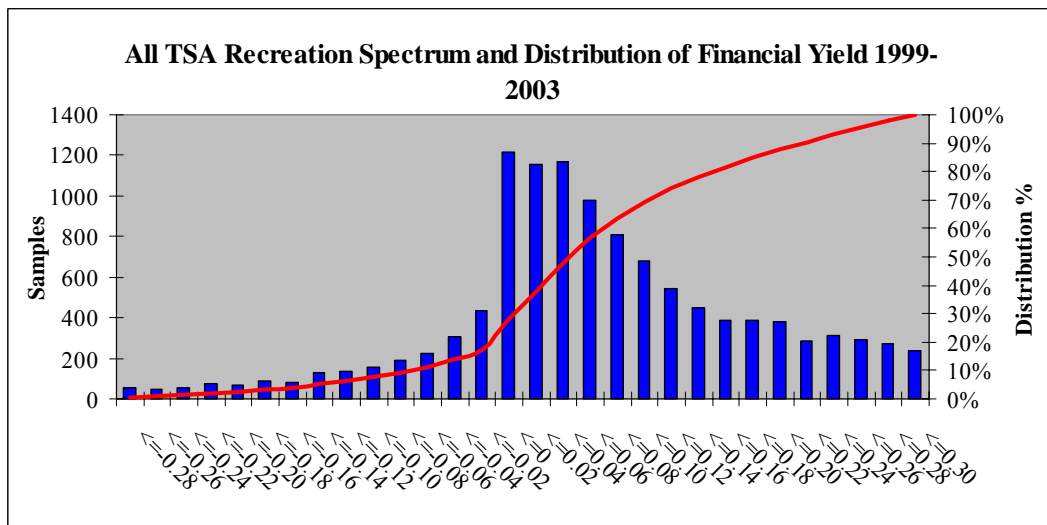
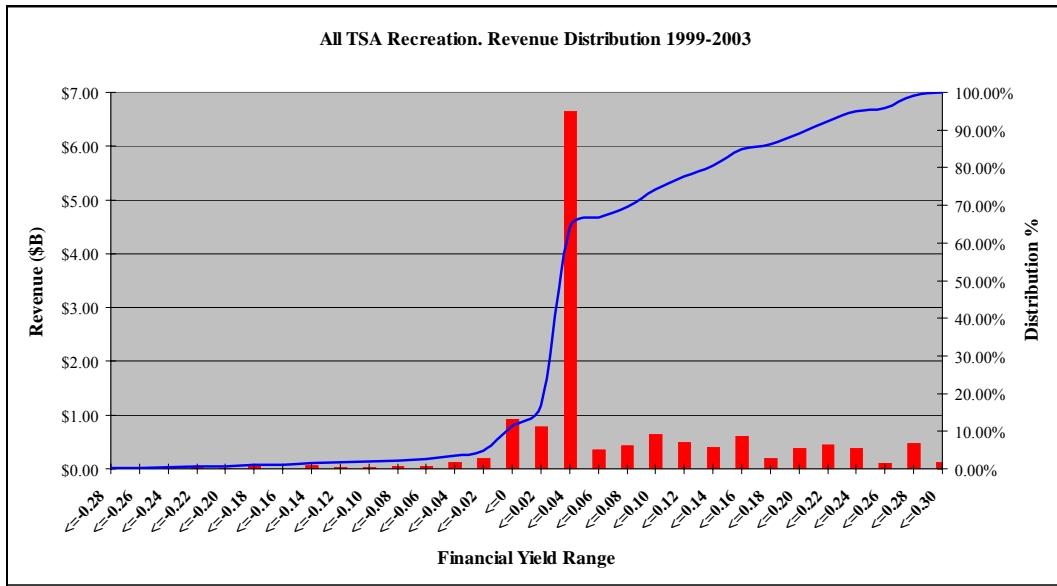


Figure 55
All TSA Recreation FY by Revenue Distribution



8.2 Museums

This division (ANZSIC Code P922000) relates to all public and private museums and galleries.

Figure 56
Museums Income Distribution 2003

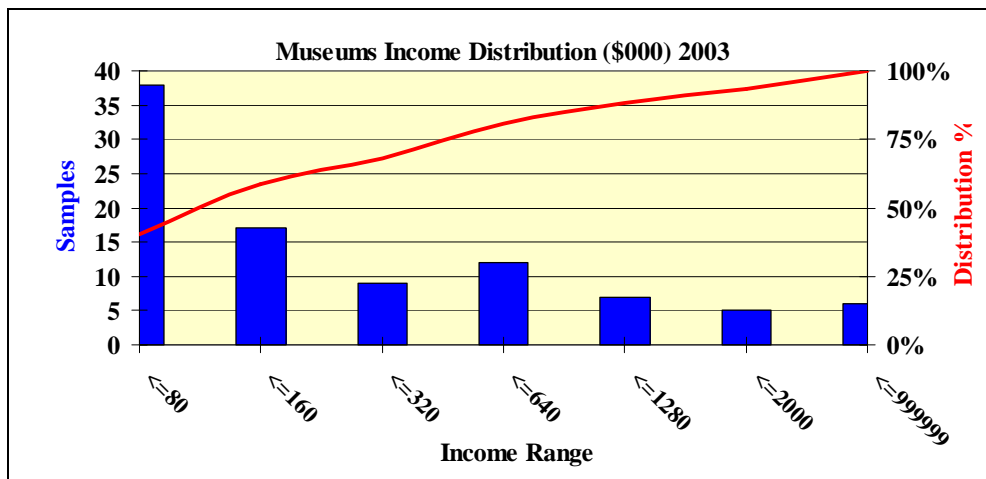


Table 37
Museums FY Statistics

	P922000 Museums					
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	72	79	75	88	94	
Average	4.08%	1.31%	1.72%	4.12%	3.41%	2.93%
95%Conf ±	1.84%	2.45%	2.03%	2.02%	1.95%	2.06%
Variance	0.63%	1.23%	0.81%	0.93%	0.93%	0.91%
Std Dev	8.01%	11.10%	8.98%	9.66%	9.62%	9.48%
Max	24.97%	27.00%	17.99%	27.30%	27.18%	27.30%
Min	-14.93%	-27.84%	-28.92%	-23.16%	-29.76%	-29.76%
Decile						
1	-6.18%	-12.91%	-9.80%	-8.26%	-8.92%	-9.22%
2	-2.66%	-8.03%	-5.84%	-4.01%	-4.69%	-5.05%
3	-0.12%	-4.51%	-2.99%	-0.95%	-1.64%	-2.04%
4	2.05%	-1.50%	-0.56%	1.67%	0.97%	0.53%
5	4.08%	1.31%	1.72%	4.12%	3.41%	2.93%
6	6.11%	4.13%	3.99%	6.57%	5.85%	5.33%
7	8.28%	7.14%	6.43%	9.19%	8.45%	7.90%
8	10.82%	10.66%	9.28%	12.26%	11.51%	10.90%
9	14.35%	15.54%	13.23%	16.51%	15.74%	15.07%

Table 38
Museums FY Distribution by Income Range

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=80	2.82%	-2.81%	-1.86%	1.24%	3.59%	0.60%
>80	<=160	5.64%	3.09%	7.99%	4.74%	4.57%	5.21%
>160	<=320	5.40%	4.47%	0.68%	9.98%	4.51%	5.01%
>320	<=640	5.34%	7.09%	3.70%	3.13%	4.53%	4.76%
>640	<=1280	5.73%	0.68%	1.26%	3.91%	2.67%	2.85%
>1280	<=2000	6.25%	9.96%	0.19%	-3.35%	-8.42%	3.26%
>2000	<=999999	-2.02%	3.53%	7.32%	6.28%	2.24%	3.47%

Figure 57
Museums Average FY by Income Range

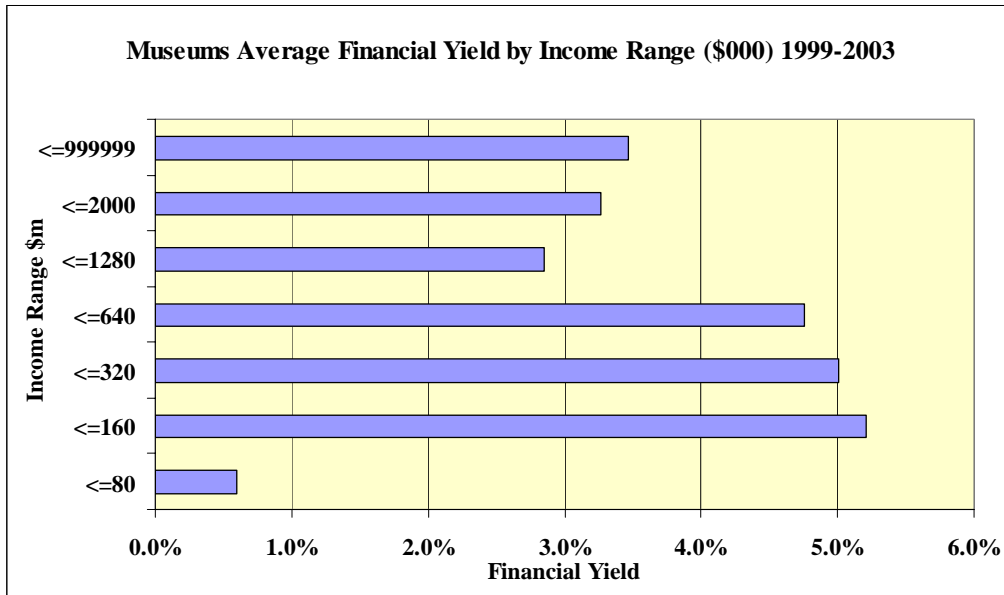
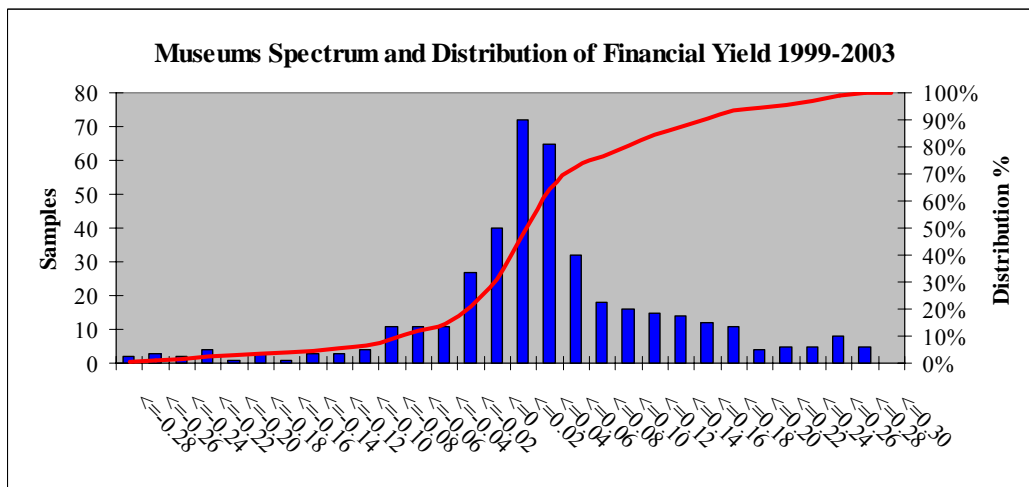


Figure 58
Museums Distribution of FY 1999-2003



8.3 Zoological and Botanic Gardens

This division (ANZSIC Code P923100) relates to all zoos and botanic gardens, but not to recreational parks and gardens. These enterprises are predominantly but not exclusively in the public domain often trading as a Local Authority Trading Entity (LATE). Samples have been aggregated to preserve respondent confidentiality.

Figure 59
Zoological and Botanic Gardens Income Distribution 2003

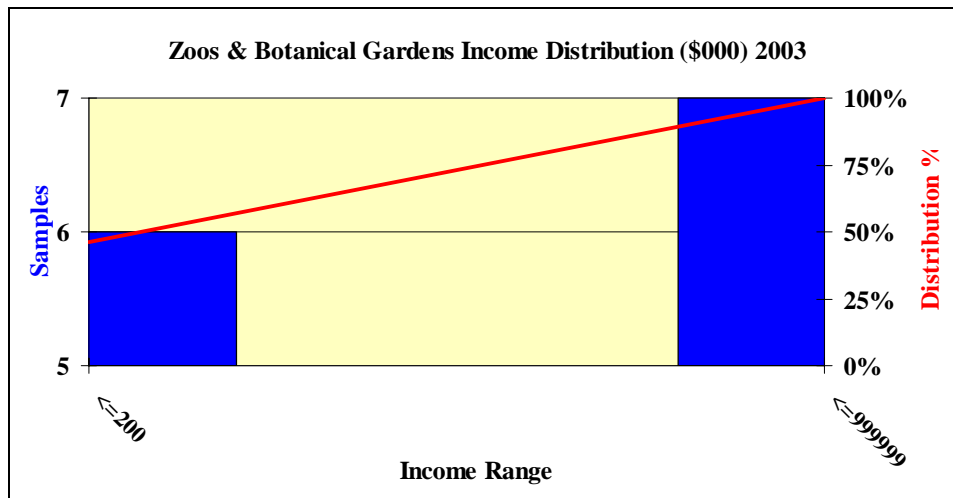


Table 39
Zoological and Botanic Gardens FY Statistics

P923100 Zoological and Botanic Gardens						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	11	15	12	11	13	
Average	2.60%	0.89%	0.69%	-2.16%	0.93%	0.59%
95%Conf ±	5.46%	4.25%	3.21%	5.64%	2.72%	4.26%
Variance	0.85%	0.71%	0.32%	0.91%	0.25%	0.61%
Std Dev	9.69%	8.40%	5.68%	9.54%	5.00%	7.66%
Max	19.56%	23.10%	9.55%	10.12%	8.20%	23.10%
Min	-16.23%	-17.27%	-11.63%	-25.20%	-8.26%	-25.20%
Decile						
1	-9.82%	-9.87%	-6.60%	-14.40%	-5.47%	-9.23%
2	-5.56%	-6.17%	-4.10%	-10.20%	-3.27%	-5.86%
3	-2.48%	-3.51%	-2.29%	-7.17%	-1.69%	-3.43%
4	0.15%	-1.23%	-0.75%	-4.58%	-0.34%	-1.35%
5	2.60%	0.89%	0.69%	-2.16%	0.93%	0.59%
6	5.05%	3.02%	2.13%	0.25%	2.20%	2.53%
7	7.68%	5.30%	3.67%	2.84%	3.55%	4.61%
8	10.75%	7.96%	5.47%	5.87%	5.13%	7.04%
9	15.02%	11.66%	7.97%	10.07%	7.33%	10.41%
(According to a Normal Distribution of Yields)						

Table 40
Zoological and Botanic Gardens FY Distribution by Income Range

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=200	-3.66%	0.39%	-1.57%	-6.70%	0.50%	-2.21%
>200	<=999999	7.81%	1.33%	2.29%	5.78%	1.30%	3.70%

Figure 60
Zoological and Botanic Gardens Average FY by Income Range

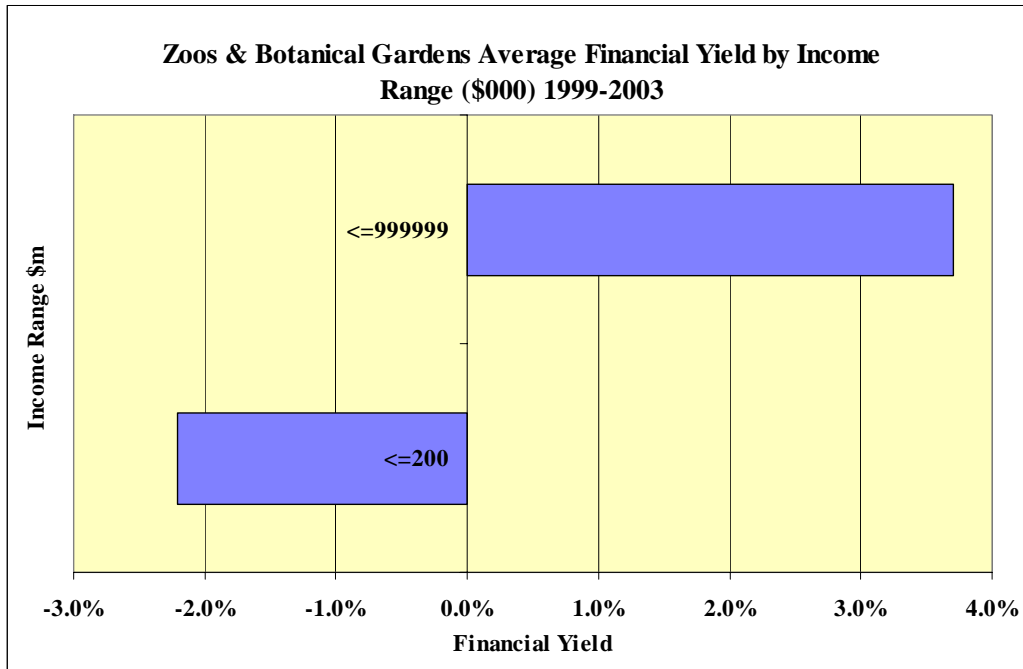
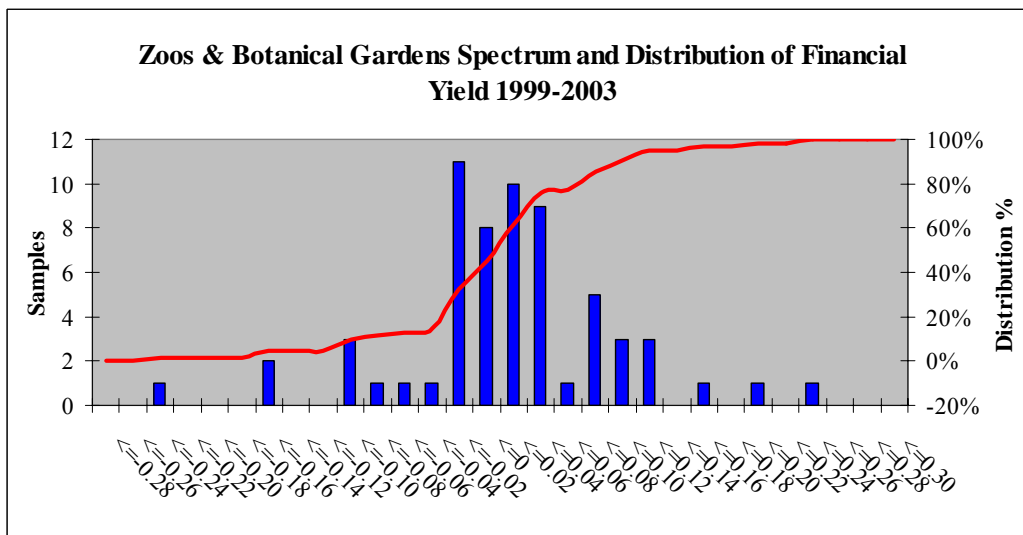


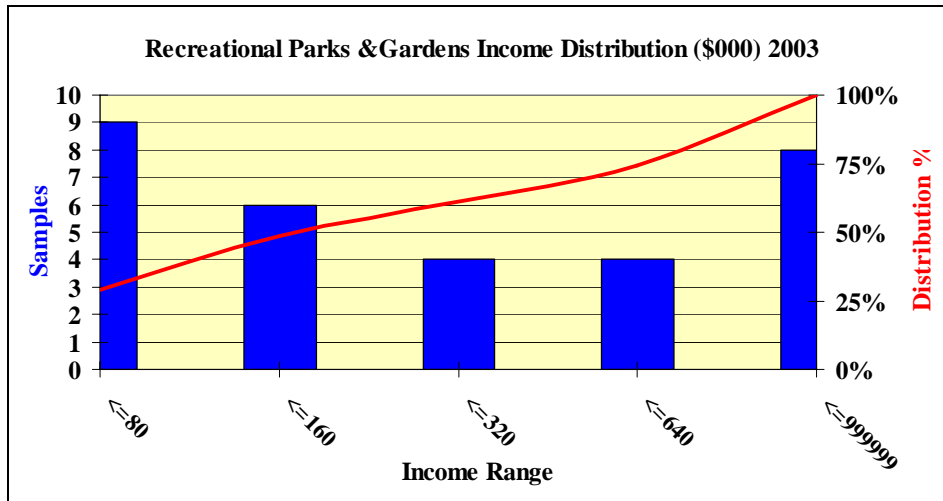
Figure 61
Zoological and Botanic Gardens Distribution of FY 1999-2003



8.4 Recreational Parks and Gardens

This division (ANZSIC Code P923900) relates to all recreational parks and gardens but not to sports grounds and facilities. These enterprises are mainly in the public domain - where they might trade as a Local Authority Trading Entity (LATE) or a Trust. Samples have been aggregated to preserve respondent confidentiality.

**Figure 62
Recreational Parks and Gardens Income Distribution 2003**



**Table 41
Recreational Parks and Gardens Income FY Statistics**

P923900 Recreational Parks and Gardens						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	20	24	24	27	30	
Average	2.42%	3.95%	0.10%	4.00%	2.34%	2.56%
95%Conf ±	4.13%	3.97%	2.78%	2.81%	3.67%	3.47%
Variance	0.89%	0.99%	0.48%	0.56%	1.05%	0.79%
Std Dev	9.67%	9.94%	6.94%	7.46%	10.26%	8.85%
Max	17.87%	25.63%	11.38%	20.55%	24.93%	25.63%
Min	-29.90%	-18.30%	-22.22%	-12.88%	-26.23%	-29.90%
Decile						
1	-9.96%	-8.79%	-8.80%	-5.55%	-10.81%	-8.78%
2	-5.71%	-4.42%	-5.75%	-2.27%	-6.29%	-4.89%
3	-2.65%	-1.26%	-3.55%	0.10%	-3.04%	-2.08%
4	-0.02%	1.43%	-1.66%	2.12%	-0.26%	0.32%
5	2.42%	3.95%	0.10%	4.00%	2.34%	2.56%
6	4.87%	6.46%	1.86%	5.89%	4.94%	4.80%
7	7.49%	9.16%	3.74%	7.91%	7.72%	7.20%
8	10.56%	12.31%	5.94%	10.28%	10.97%	10.01%
9	14.81%	16.68%	8.99%	13.56%	15.48%	13.90%
(According to a Normal Distribution of Yields)						

Table 42
Recreational Parks and Gardens Average FY Distribution by Income Range

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=80	1.22%	4.48%	-1.67%	5.03%	4.26%	2.66%
>80	<=160	5.91%	5.82%	-2.97%	4.33%	3.62%	3.34%
>160	<=320	-8.64%	-3.04%	2.61%	5.65%	4.57%	0.23%
>320	<=640	5.60%	6.58%	-4.95%	-2.76%	-7.74%	-0.65%
>640	<=999999	7.76%	8.82%	6.34%	3.64%	1.87%	5.69%

Figure 63
Recreational Parks and Gardens Average FY by Income Range 1999-2003

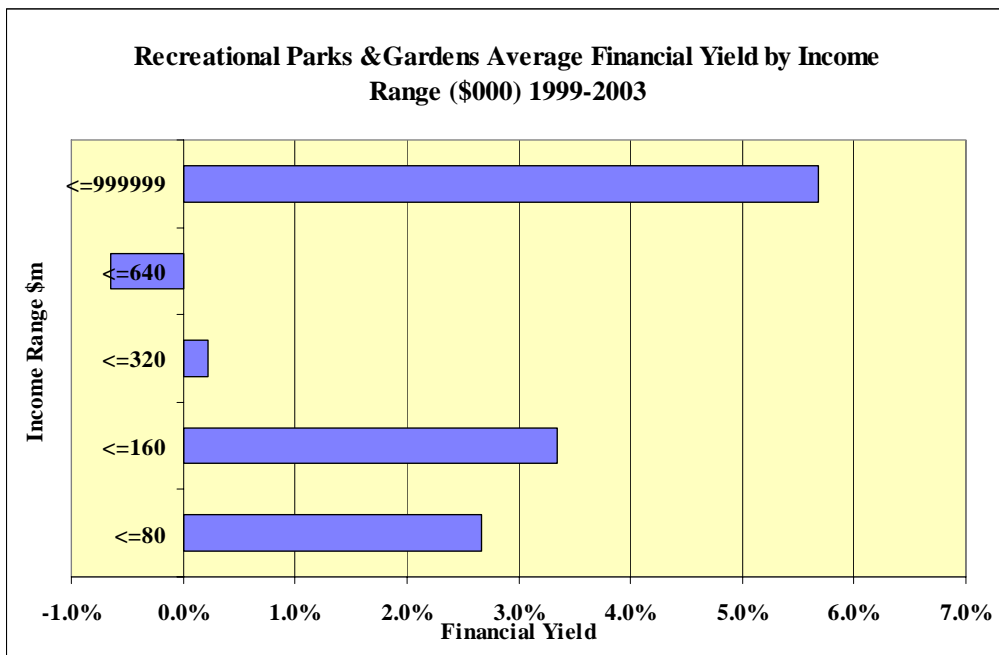
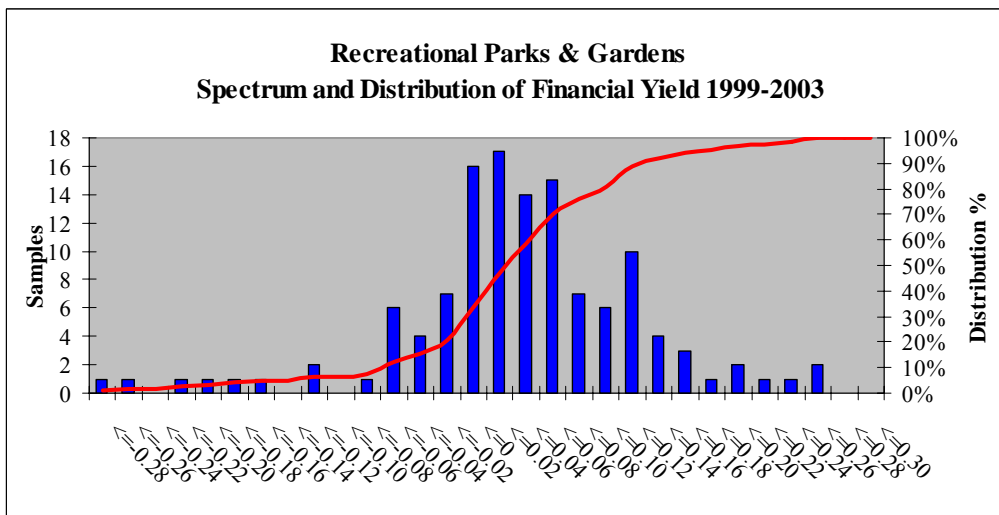


Figure 64
Recreational Parks and Gardens Distribution of FY 1999-2003



8.5 Lotteries Casinos and Gambling Svces Nec

This division relates to the aggregation of Lotteries Casinos and Gambling Services nec (ANZSIC Codes P932100, P932200, P932900 respectively). Respondent confidentiality precludes finer sub-division as there are only a few enterprises that offer significant levels of gambling services.

Figure 65
Lotteries Casinos and Gambling Svces Nec Income Distribution 2003

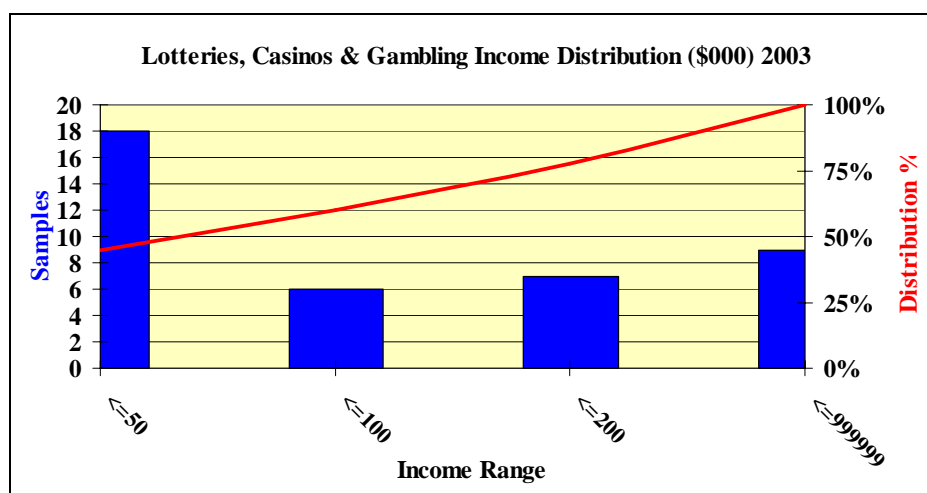


Table 43
Lotteries Casinos and Gambling Svces Nec FY Statistics

	P932x00 Lotteries Casinos and Gambling Svces Nec					
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	49	39	41	46	40	
Average	7.08%	5.61%	7.16%	5.81%	4.33%	6.00%
95%Conf ±	2.93%	3.14%	2.72%	2.61%	3.35%	2.95%
Variance	1.10%	1.00%	0.79%	0.81%	1.17%	0.97%
Std Dev	10.58%	10.02%	8.90%	9.03%	10.81%	9.87%
Max	28.86%	27.26%	28.04%	27.30%	23.68%	28.86%
Min	-24.00%	-25.00%	-11.76%	-15.38%	-29.41%	-29.41%
Decile						
1	-6.48%	-7.23%	-4.24%	-5.76%	-9.51%	-6.64%
2	-1.83%	-2.82%	-0.33%	-1.79%	-4.76%	-2.30%
3	1.53%	0.36%	2.49%	1.08%	-1.33%	0.82%
4	4.40%	3.07%	4.91%	3.52%	1.60%	3.50%
5	7.08%	5.61%	7.16%	5.81%	4.33%	6.00%
6	9.76%	8.15%	9.41%	8.10%	7.07%	8.50%
7	12.62%	10.87%	11.83%	10.54%	10.00%	11.17%
8	15.98%	14.04%	14.65%	13.41%	13.43%	14.30%
9	20.63%	18.45%	18.56%	17.38%	18.18%	18.64%
	(According to a Normal Distribution of Yields)					

Table 44
Lotteries Casinos and Gambling Svces Nec FY Distribution by Income Range

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
≥0	≤50	0.87%	-0.51%	0.62%	0.35%	0.50%	0.37%
>50	≤100	6.44%	4.70%	7.40%	7.48%	9.55%	7.12%
>100	≤200	13.23%	8.34%	9.26%	8.57%	5.39%	8.96%
>200	≤999999	-6.57%	5.46%	15.22%	14.30%	7.71%	7.22%

Figure 66
Lotteries Casinos and Gambling Svces Nec Average FY Distribution by Income Range

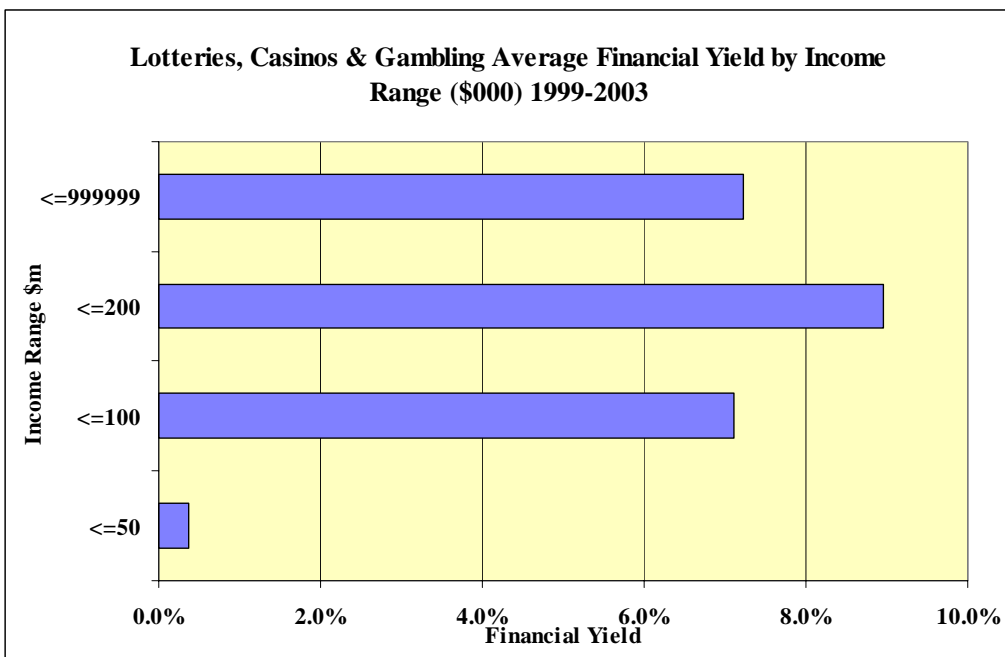
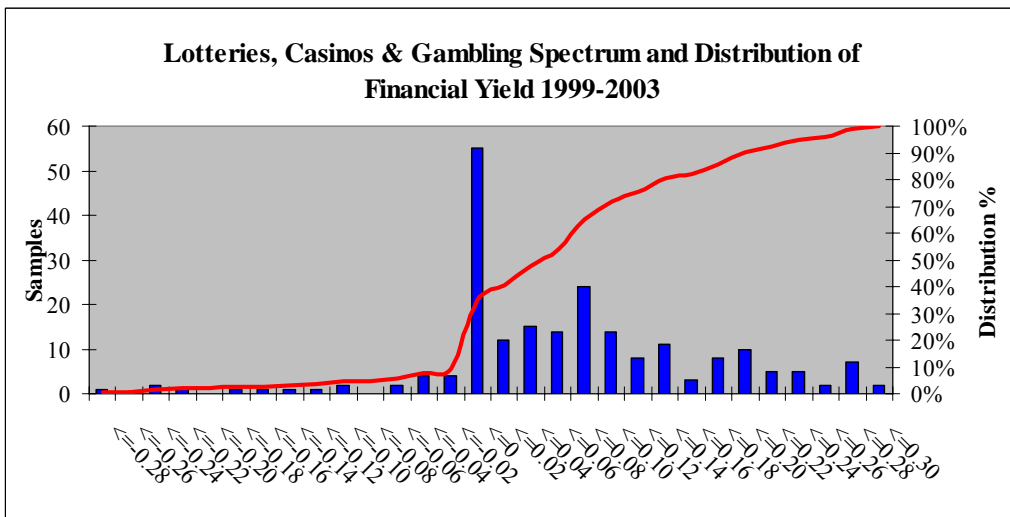


Figure 67
Lotteries Casinos and Gambling Svces Nec Distribution of FY



8.6 Other Recreation Services

This division relates to all Other Recreation Services (ANZSIC P933000) and encompasses a very wide range of tourism activities. The well known categories of attractions, guided outdoor activities, bungee, skiing, etc are not itemised and appear in this group.

Figure 68
Other Recreation Services Income Distribution 2003

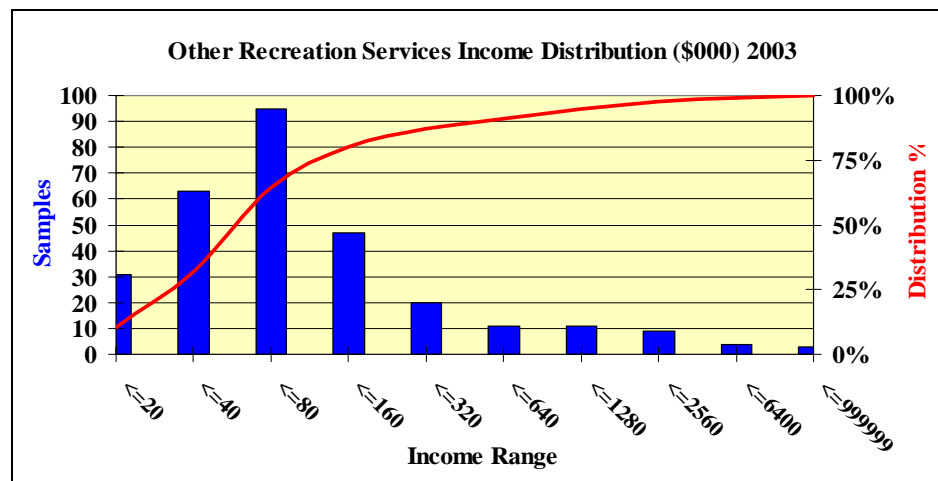


Figure 69
Other Recreation Services FY Statistics

P933000 Other Recreation Services						
FY Statistics	1999	2000	2001	2002	2003	All
Samples per year	315	353	343	308	294	
Average	3.47%	3.92%	3.60%	3.81%	4.17%	3.79%
95%Conf ±	1.13%	1.15%	1.19%	1.15%	1.34%	1.19%
Variance	1.05%	1.22%	1.26%	1.07%	1.37%	1.19%
Std Dev	10.28%	11.06%	11.23%	10.32%	11.70%	10.92%
Max	29.85%	29.78%	29.52%	29.92%	29.86%	29.92%
Min	-29.94%	-27.54%	-28.07%	-29.69%	-29.87%	-29.94%
Decile						
1	-6.10%	-6.39%	-6.87%	-5.82%	-6.75%	-6.40%
2	-2.57%	-2.59%	-3.01%	-2.27%	-2.72%	-2.64%
3	-0.22%	-0.06%	-0.44%	0.10%	-0.04%	-0.14%
4	1.71%	2.01%	1.66%	2.03%	2.15%	1.91%
5	3.47%	3.92%	3.60%	3.81%	4.17%	3.79%
6	5.24%	5.82%	5.53%	5.58%	6.18%	5.67%
7	7.17%	7.89%	7.63%	7.52%	8.38%	7.72%
8	9.51%	10.42%	10.20%	9.88%	11.05%	10.22%
9	13.05%	14.23%	14.07%	13.43%	15.08%	13.98%
(Assuming a Logistics Distribution of Yields)						

Table 45
Other Recreation Services FY Distribution by Income Range

Average FY by Income		1999	2000	2001	2002	2003	All Years
Income Range (\$000)							
>=0	<=20	-6.29%	-4.06%	-5.85%	-4.35%	-6.51%	-5.41%
>20	<=40	1.12%	2.14%	1.56%	0.52%	1.06%	1.28%
>40	<=80	5.32%	4.02%	6.39%	6.20%	5.59%	5.51%
>80	<=160	7.00%	9.13%	9.28%	8.22%	9.10%	8.55%
>160	<=320	3.80%	8.91%	10.98%	8.17%	8.64%	8.10%
>320	<=640	5.77%	8.18%	6.74%	5.39%	12.59%	6.52%
>640	<=1280	8.23%	5.55%	3.24%	4.69%	4.23%	5.19%
>1280	<=2560	2.82%	5.09%	1.71%	-1.61%	3.24%	2.25%
>2560	<=6400	11.72%	3.77%	1.25%	2.96%	1.51%	4.24%
>6400	<=999999	2.76%	4.59%	7.80%	6.30%	3.45%	4.98%

Figure 70
Other Recreation Services Average FY Distribution by Income Range

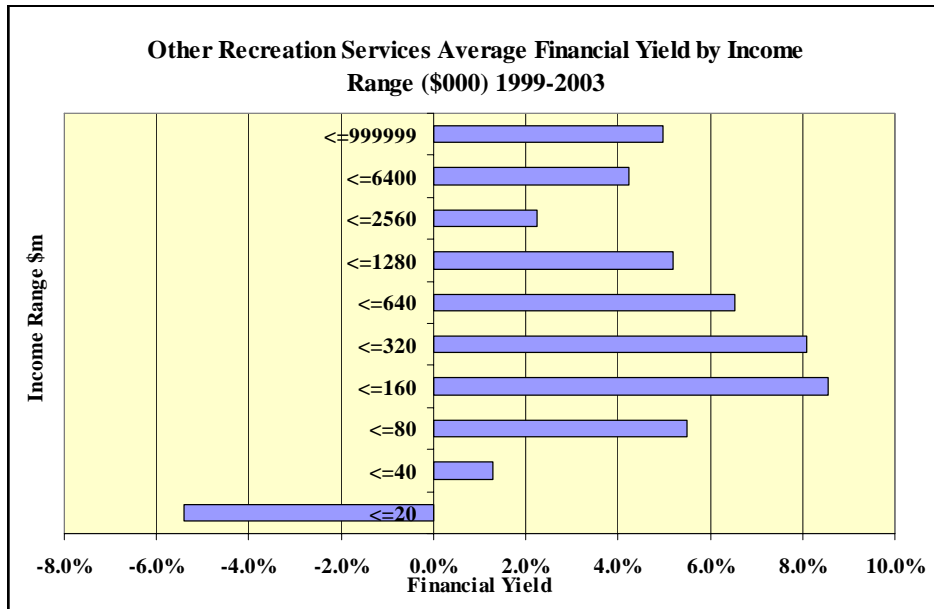
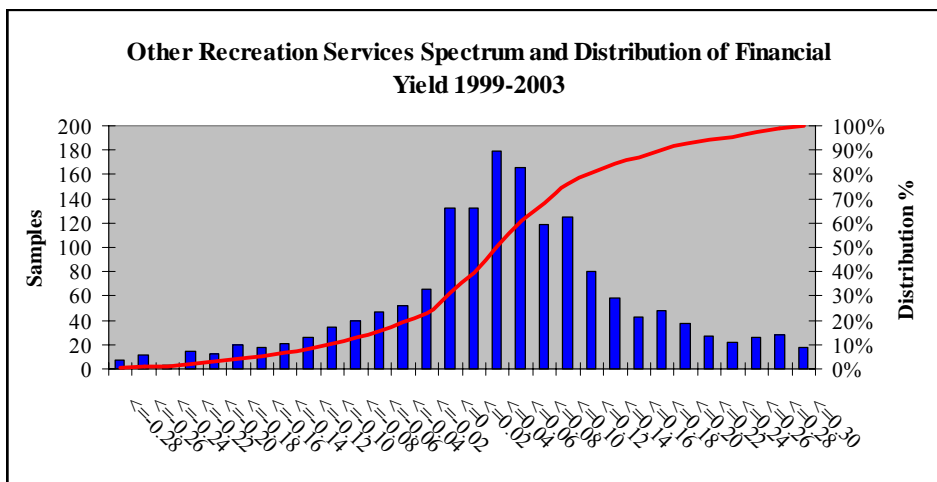


Figure 71
Other Recreation Services Distribution of FY



Chapter 9 Summary

Appraising tourism enterprise financial and economic performance using relevant benchmarks has been difficult as the information required is generally confidential to proprietors. This document accesses data made available to Statistics NZ by anonymous respondents through Annual Enterprise Surveys and Taxation Returns and enables an appraisal of performance of tourism's characteristic industries.

The data required to provide an unambiguous view of FY is unavailable in detailed form and assumptions have had to be made in the areas of asset values and lease expenses. These assumptions will add uncertainty to the values of FY where a proportion of samples differ from the majority as to the method of financing assets. Even so, the method of estimating FY is as comprehensive as is able to be obtained in New Zealand and can only be improved if enterprise costs and assets are itemised.

Itemisation has been possible for a small number of tourism characteristic enterprises in Rotorua and Christchurch and suggested that FY estimations using Statistics NZ data might be overstated by as much as 27 percent. However, if subsequent enterprise benchmarking is performed on the same basis as used in this document, proprietors will be able to place themselves in a decile range and also compare themselves with other divisions. The provision of other diagnostic benchmarks such as *Cost/Revenue* assists with finer comparison of operational behaviour than is possible from a simple comparison of FY.

Although FY is able to be measured at any point of time, it is best used as a measure of economic sustainability where its trends are viewed over a number of years. As FY is consistent with solvency criteria, it relies on strict adherence to these criteria if it is to be used as a financial sustainability indicator. It is also consistent with marketplace measures such as Stern and Stewart's EVATM, although it is much more simply constructed given the dearth of itemised data available.

FY has been compiled from data pertinent to the period 1999-2003 and these results are a product of the trading climate prevailing at that time. Subsequent trading may be quite different, but the assertion that economic sustainability is based on the ability of an enterprise to equal or exceed current marketplace costs of capital and to maintain a cash surplus so as to meet all obligations as they fall due is an intrinsic characteristic of FY in any trading climate.

Appendix 1

Benchmarks for Averaged Financial Parameters of TSA Divisions 1999-2003.

Note: These Benchmarks may not be reliable indicators of past or future performance.

Definitions:

Tax Rate:	\$0.33 per dollar
SWWP:	Salaries and Wages paid to Working Proprietors recorded as Expenses Total Salaries –Employee Salaries
GOS:	Gross Operating Surplus. (Revenue –Costs + SWWP)
FY:	(GOS*(1-Tax Rate) + Financial Charges)/ (Assets)
FCF:	Free Cash Flow. GOS*(1-Tax Rate) + Financial Charges
Assets:	Equity + Liabilities.
All Salaries:	Total payroll including SWWP
Employee Salaries:	Total payroll excluding SWWP

Commentary on Division Benchmarks

In Table 46, FY is driven by nominal free cash flow (FCF) and assets. Tourism Characteristic Industries generate above average FCF:Revenue ratios (10%) in comparison with Tourism Related Industries (5%) but have much higher Asset:Revenue ratios (194%) in comparison with the Tourism Related Industries (37%).

In terms of financial sustainability, high FCF is often reflective of low turnover, high gross margin trading that must also support significant debt servicing (or leasing) costs since competitive pressure generally militates against high after-tax margins. Consistent and low FCF is often associated with high turnover, low margin trading supporting moderate debt servicing costs (asset financing). FY is an indicator of economic sustainability and low values may influence independent investment decisions especially if higher returns are available at comparable levels of risk elsewhere in the economy.

In summary: consistently positive FCF ensures that enterprises are financially sustainable. However consistently low FY, regardless of FCF levels, may indicate asset inefficiency and impair longer term economic sustainability since the cost of debt would rise if independent investors obtained better returns elsewhere at lower or comparable levels of risk.

Table 46
Division Benchmarks for All Tourism Characteristic and
Related Industries. 1999-2003 Average

Related and Characteristic Division	1999-2002	1999-2003	1999-2003	1999-2003	1999-2003	1999-2003	1999-2003
	Financial Yield	Average Free Cash Flow/Rev	Average Total Expenses/Rev	Average Financial Cost/Rev	Average Assets/Rev	Average All Salary/Rev	Average Employee Salary/Rev
<i>G511010 Supermarkets</i>	12.6%	2.7%	96.7%	0.3%	21.1%	8.6%	8.3%
<i>G511020 Groceries and Dairies</i>	13.3%	4.4%	96.6%	0.5%	33.1%	5.6%	3.2%
<i>G512100 Fresh Meat/ Fish and Poultry Retailing</i>	14.6%	2.9%	98.3%	0.8%	20.1%	14.0%	12.6%
<i>G512200 Fruit and Vegetable Retailing</i>	16.0%	3.6%	96.9%	0.7%	22.5%	8.0%	6.8%
<i>G512300 Liquor Retailing</i>	9.7%	2.9%	97.1%	0.5%	30.3%	7.3%	6.6%
<i>G512400 Bread and Cake Retailing</i>	8.5%	4.0%	98.7%	1.3%	47.7%	24.7%	22.0%
<i>G5125xx Takeaway Food</i>	8.7%	4.3%	95.7%	0.8%	48.9%	13.2%	12.2%
<i>G512600 Milk Vending</i>	17.7%	6.2%	93.5%	0.9%	35.2%	7.3%	5.7%
<i>G512900 Specialised Food Retailing nec</i>	10.2%	4.1%	97.5%	0.9%	40.3%	13.6%	11.3%
<i>G521000 Department Stores</i>	11.9%	3.4%	95.5%	0.3%	28.2%	10.5%	10.5%
<i>G522100 Clothing Retailing</i>	18.5%	5.3%	95.1%	1.0%	28.7%	13.3%	11.7%
<i>G522200 Footwear Retailing</i>	15.5%	5.2%	97.0%	0.9%	33.6%	15.2%	11.8%
<i>G522300 Fabrics and other Soft Good Retailing</i>	10.1%	3.3%	99.2%	1.1%	32.9%	17.5%	15.0%
<i>G523100 Furniture Retailing</i>	18.1%	5.2%	96.1%	0.7%	28.8%	12.4%	9.5%
<i>G523200 Floor Covering Retailing</i>	17.4%	4.9%	97.2%	0.5%	28.1%	13.4%	9.7%
<i>G523300 Domestic Hardware and Houseware Retailing</i>	14.0%	4.5%	97.0%	1.0%	32.1%	13.6%	11.3%
<i>G523400 Domestic Appliance Retailing</i>	8.4%	2.9%	97.6%	0.5%	34.8%	10.4%	9.3%
<i>G523500 Recorded Music Retailing</i>	39.9%	4.1%	98.3%	0.8%	10.2%	13.1%	9.9%
<i>G524100 Sport and Camping Equipment Retailing</i>	7.9%	5.2%	96.1%	1.1%	65.9%	11.9%	9.7%
<i>G524200 Toy and Game Retailing</i>	22.8%	8.8%	94.2%	1.2%	38.8%	13.9%	8.3%
<i>G524300 Newspaper/ Book and Stationery Retailing</i>	13.5%	4.4%	95.4%	0.6%	32.7%	12.9%	11.9%
<i>G524400 Photographic Equipment Retailing</i>	23.7%	3.6%	101.3%	0.7%	15.2%	18.0%	12.4%
<i>G524500 Marine Equipment Retailing</i>	10.4%	4.2%	97.1%	0.9%	40.8%	8.7%	6.6%
<i>G525100 Pharmaceutical/ Cosmetic and Toiletry Retailing</i>	17.9%	7.3%	94.7%	0.7%	41.0%	17.1%	12.4%
<i>G525200 Antique and Used Good Retailing</i>	14.7%	10.3%	91.2%	1.7%	70.5%	14.9%	10.8%
<i>G525300 Garden Supplies Retailing</i>	13.4%	5.1%	96.6%	0.9%	37.8%	16.9%	14.1%
<i>G525400 Flower Retailing</i>	15.5%	7.7%	94.0%	1.5%	49.9%	14.8%	11.5%
<i>G525500 Watch and Jewellery Retailing</i>	9.0%	5.8%	95.2%	1.2%	64.3%	15.6%	13.4%
<i>G525900 Retailing nec</i>	9.5%	4.8%	96.4%	1.0%	50.9%	12.5%	10.4%
<i>G532100 Automotive Fuel Retailing</i>	13.3%	2.2%	98.5%	0.4%	16.4%	7.9%	6.9%
<i>G532200 Automotive Electrical Services</i>	16.6%	7.7%	97.2%	1.1%	46.2%	28.4%	21.3%
<i>G532300 Smash Repairing</i>	18.4%	7.8%	96.3%	1.1%	42.1%	28.8%	22.6%
<i>G532400 Tyre Retailing</i>	19.0%	6.2%	93.4%	0.4%	32.7%	13.8%	11.8%
<i>G532900 Automotive Repair and Services nec</i>	20.8%	8.3%	94.5%	1.3%	40.1%	20.7%	15.6%
H571010 Hotels (Accommodation)	4.3%	5.8%	99.2%	4.8%	133.5%	25.8%	25.2%
H571020 Motels and Motor Inns	5.3%	11.7%	93.3%	5.3%	219.2%	18.3%	15.5%
H571030 Hosted Accommodation	2.7%	11.7%	99.0%	8.2%	427.9%	19.3%	15.2%
H571040 Backpacker and Youth Hostels	6.7%	15.6%	89.5%	7.1%	233.7%	18.7%	16.4%
H571050 Caravan Parks and Camping Grounds	3.7%	13.0%	88.8%	4.5%	352.8%	17.8%	16.4%
H571090 Accommodation nec	4.3%	8.9%	91.7%	3.1%	205.0%	26.5%	26.2%
H572000 Pubs/ Taverns and Bars	11.4%	5.8%	95.6%	1.3%	50.6%	20.0%	17.7%
H573000 Cafes and Restaurants	10.0%	5.4%	96.8%	1.6%	53.9%	27.3%	24.8%
H574000 Clubs (Hospitality)	3.0%	6.2%	94.9%	2.8%	210.7%	28.2%	28.2%
I612100 & I62000 Long Distance Bus & Rail Transport	4.3%	5.7%	96.4%	3.2%	132.8%	27.5%	27.3%
I612200 Short Distance Bus Transport (including Tramway)	9.9%	13.8%	84.5%	2.7%	140.0%	34.3%	33.2%
I612300 Taxi and Other Road Passenger Transport	7.6%	13.3%	86.3%	2.5%	174.3%	23.2%	20.8%
I630x00 International, Coastal and Inland Water Transport	4.7%	5.7%	95.9%	2.9%	120.3%	26.3%	26.2%
I640300 Non-Scheduled Air and Space Transport	6.7%	11.9%	92.2%	5.3%	175.8%	11.7%	9.7%
I640x00 Scheduled Dom/Int Air Transport	-8.2%	-5.8%	107.1%	1.2%	71.1%	13.5%	13.4%
I650900 & I661900 Services to Road Transport & Transport nec	4.8%	7.9%	95.3%	2.4%	162.4%	26.9%	23.5%
I661100 Parking Services	10.2%	17.7%	80.5%	4.5%	173.5%	23.8%	23.6%
I662x100 Services & Operations to Water Transport	8.9%	20.7%	75.3%	3.9%	233.1%	26.0%	25.7%
I663000 Services to Air Transport	8.7%	29.1%	69.6%	8.7%	335.1%	24.0%	24.0%
I664100 Travel Agency Services	-8.5%	-6.6%	109.0%	1.3%	77.3%	18.2%	17.1%
L774100 Motor Vehicle Hiring & Leasing	7.0%	10.2%	93.3%	5.3%	144.8%	12.6%	12.0%
P921000 Libraries	7.1%	17.1%	80.9%	4.2%	242.2%	29.0%	28.9%
P922000 Museums	1.8%	11.9%	87.8%	3.5%	654.7%	29.4%	29.1%
P923x00 Zoos, Botanic Gardens, Recreational Parks and Gardens	4.5%	9.7%	89.1%	2.3%	216.5%	37.7%	37.5%
P924x000:P925x000 Creative Arts and Arts nec	7.3%	1.3%	80.8%	1.3%	17.9%	4.4%	23.6%
P93xxxx Racing, Gaming, Gambling, Sports nec and All Other Rec Services	7.0%	6.5%	98.4%	5.2%	92.3%	14.9%	14.4%

Enterprise Benchmarks for NZ Tourism Divisions 1999-2003
The Division Proprietors deem most accurately reflects the totality of their tourism business should be selected for the benchmark.

