# RESEARCH

# CROSSING AN ADMINISTRATIVE BOUNDARY

A NEW APPROACH TO LEAVING THE USUAL DOMESTIC ENVIRONMENT

> Discussion paper 2003-2

# Discover our true nature





Commission canadienne du tourisme



# Crossing An Administrative Boundary A New Approach To Leaving The Usual Domestic Environment

Prepared for

## The Canadian Tourism Commission

by Judy Rogers<sup>1</sup>

Ottawa, February 2002

<sup>1</sup> Judy Rogers, President, Research Resolutions & Consulting Ltd., is a survey research practitioner. In 1995 and in 2001, Ms Rogers undertook major reviews of the WTO's guidelines for tourism measurement on behalf of Canada's national, provincial and territorial tourism research organizations.

#### National Library of Canada cataloguing in publication data

Rogers, Judy

Crossing an administrative boundary : a new approach to leaving the usual domestic environment

Issued also in French under title: Le franchissement d'une frontière administrative. Includes bibliographical references. ISBN 0-662-35559-8 Cat. no. C86-182/2003E

- 1. Tourism Canada Statistical methods.
- 2. Tourism Statistical methods.
- I. Canadian Tourism Commission.
- II. Title.

G155.C3R63 2003 338.4'7917104648 C2003-980333-3

If you require additional copies, please visit our website at www.canadatourism.com or e-mail your order to the CTC Distribution Centre at: distribution@ctc-cct.ca. Please quote #C50274E when ordering by e-mail.

### Abstract

This article highlights issues associated with the measurement of domestic tourism that were identified in a recent review of operational definitions conducted in Canada. Primary attention is paid to the comparability of concepts and estimates between international and domestic tourism and some apparent inconsistencies in World Tourism Organization (WTO) guidelines. The paper raises the possibility of applying to domestic tourism measurement the same central criterion used in measuring international tourism – crossing an administrative boundary. The movement of people and money from one administrative region to another could be the operational equivalent to *leaving the usual environment* at the domestic and international levels. The goal is to reduce subjectivity and variability in domestic tourism measurement from country to country and to meet the increasingly rigorous input requirements for tourism satellite accounts (TSAs) at the national and sub-national levels (provincial tourism satellite accounts – PTSAs). Some preliminary analysis from Canadian surveys is provided and issues for further study are identified.

# **Table of Contents**

| Abstract                             | i  |
|--------------------------------------|----|
| Introduction                         | 1  |
| The Definitional Context             | 2  |
| Leaving A Usual Domestic Environment | 2  |
| Uniformity As A Desirable Goal       | 4  |
| Crossing An Administrative Boundary  | 5  |
| Areas Of Further Inquiry             | 7  |
| Conclusions                          | 9  |
| Appendix A                           | 10 |
| Appendix B:                          | 11 |
|                                      |    |

#### Introduction

Pressure to revisit the World Tourism Organization's (WTO) domestic tourism definition and associated measurement issues has intensified as countries approach a common methodology for tourism satellite accounts (TSAs) that incorporates domestic and international tourism spending. Demands for a clear and measurable definition of domestic tourism are also driven by the development of sub-national tourism satellite accounts such as Canada's provincial tourism satellite accounts (PTSAs).

This paper is an attempt to highlight some of the inconsistencies and problems inherent in operational definitions of international and domestic tourism and to provide some suggestions for harmonization such that measurement of the two phenomena will produce more consistently defined volume and value estimates.

The paper raises the possibility of applying to domestic tourism measurement the same central criterion used in measuring international tourism – crossing an administrative boundary. The movement of people and money from one administrative region to another could be the operational equivalent to *leaving the usual environment* at the domestic and international levels.

#### **The Definitional Context**

In order to reach a collective understanding of *domestic tourism*, it is necessary to agree on the definition and operationalization of *tourism* itself. The basic definition of *tourism* adopted by the WTO in 1995 is:

The activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.

Further, the WTO differentiates types of activities within the concept of *tourism* that establish a distinction between *travellers* and *visitors*. Only *visitors* are included in tourism statistics. Three criteria are provided to differentiate a "visitor" from "other travellers" (see Appendix A for more details).<sup>2</sup>

- 1. The trip should be to a place other than that of the usual environment, which would exclude more or less regular trips between the place in which the person carries out his/her work or study and the place in which s/he has his/her domicile;
- 2. The stay in the place visited should not last more than twelve consecutive months, beyond which the visitor would become a resident of that place (from the statistical standpoint); and,
- 3. The main purpose of the visit should be other than the exercise of an activity remunerated from within the place visited, which would exclude migratory movements for work purposes.

It becomes the tourism researcher's role to devise measurement tools that come as close as possible to capturing "tourism". For a variety of historical and practical reasons, harmonization of data collection and analysis from country to country has progressed further at the international level than at the domestic level. Comparatively little effort has been devoted to harmonizing international tourism definitional and operational principles with those at the domestic level or of harmonizing domestic measurement systems from one country to another. Even within a single country such as Canada, the "national" definition of domestic tourism and definitions used by some provinces differ from one another.

## Leaving A Usual Domestic Environment

Domestic tourism may have lagged behind international tourism measurement because of the persistently elusive concept of *usual environment* and how a traveller is known to have left it. Travellers who cross international borders are considered, by definition, to have left their *usual environment* by virtue of having left their national geography. Apart from border workers and some classes of military and diplomatic personnel, any traveller who crosses an international border is a *visitor* and contributes to tourism statistics. There is no direct analogy in differentiating domestic travel from domestic tourism. Consider the following examples:

• A Canadian resident lives within a few kilometres of the Canada - USA border. He/she goes to the theatre or to see friends who live a few kilometres away, across the border in the United States. This traveller is considered to be an international *tourist*.

<sup>2</sup> World Tourism Organization, Technical Manual No. 2, Collection of Tourism Expenditure Statistics, 1995, page 60.

• The same Canadian resident living within a few kilometres of the Canada - USA border takes a similar trip – goes an equal distance for the same purpose – to a Canadian destination. This traveller is unlikely to be considered a domestic *tourist* because he/she is not thought to have left the usual environment.

Measurement of domestic tourism is, in effect, more troubled by operationalization than is measurement of international tourism because in the domestic setting, the complex concept of the *usual environment* must act as the surrogate for crossing an international border.

In the interests of consistency from a definitional perspective and to feed the increasingly rigorous requirements of tourism satellite accounts at the sub-national level, Canada's tourism research community determined that it was time to re-visit how *domestic tourism* should be differentiated from *other domestic travel*. Upon completion of the investigation, it was determined that domestic tourism measurement poses some special problems for tourism researchers:

- 1. The methodological and economic history of tracking the flows of people and money *within* a country is shorter and less well-documented than is the case for movement across international borders, largely because traditional immigration and balance of payment (BOP) requirements have had an international focus.
- 2. Furthermore, there is no consistent administrative mechanism for "counting" internal movements of people that corresponds to border controls between countries. Because the entire domestic *travel* mix is not directly observable, it is not directly measurable and must be estimated from people's accounts of their behaviour.
- 3. With the positing of multiple usual environments for a single individual ("*a certain area around his/her place of residence plus all other places s/he frequently visits*"<sup>3</sup>) the WTO has created the need to take into account locational and frequency parameters in isolating *tourism* from *other travel* that are unique to domestic tourism.
- 4. Residents can be assumed to have a greater tendency to have multiple *usual environments* within the home country than when crossing international borders.<sup>4</sup> Examples of typical *multiple usual environments* are second homes, locations in which friends and family members reside that are visited on a frequent basis, and the like. Consistent principles for handling these potentially repetitive trips are required to ensure that estimates of domestic tourism are consistent from country to country.
- 5. Recent proposals for expanding pre-trip spending and tourism consumable goods categories for TSAs may be inconsistent with the direction some countries are taking in refining the parameters of domestic tourism. An example of possible divergence pertains to second homes. If visits to some or all second homes were excluded from domestic tourism statistics because they represent an example of *multiple usual environments*, reconciliation with the proposed inclusion of furniture and appliances in second homes as *tourism consumer durable goods* for satellite accounting purposes could be difficult to achieve.<sup>5</sup>
- 6. In Canada, overnight visits and spending associated with the portion of a trip with a foreign destination that takes place in the resident's country are excluded from official estimates of domestic tourism. This "internal" spending on an outbound trip is also excluded from official estimates of outbound tourism. Even though it is explicitly <u>included</u> in Canada's tourism satellite account, this spending seems to "fall between the cracks" of domestic and international tourism

<sup>3</sup> World Tourism Organization, Technical Manual No. 1, Concepts, Definitions and Classifications for Tourism Statistics, 1995, page 12/13.

<sup>4</sup> With the exception of those who live near an international border.

<sup>5</sup> Aranda Palmero, Eva. Análisis del concept do "entorno habitual" en la estadística Familitur, presented at the Tourism Satellite Accounts: Credible Numbers for Good Business Decisions Conference Vancouver, Canada, May 8/10, 2001; Tourism Satellite Account. Technical Document No. 2 Measuring Tourism Demand.

estimates provided by Statistics Canada for analysis by data users. To remedy this reporting gap, more direct instructions might be provided in the WTO manual associated with domestic tourism.<sup>6</sup>

7. Domestic travel is likely to involve more same-day excursions than is the case for international travel. Depending on how it is defined, same-day domestic tourism can produce high volumes with relatively low value. In fact, it is questionable whether all of the same-day trips that Canada currently includes in estimates of domestic tourism meet the WTO's requirement that the travel *entail demand on tourist facilities which are available for short periods* since so many of them are made to visit friends and relatives (see estimates for a large Canadian province, Table A).<sup>7</sup> Are these travellers relying on touristic facilities in the manner intended by the WTO? If not, is there justification for excluding them from domestic tourism?

| TOTAL (000S)            | Canada<br>43,705 | USA<br>22,239 | Overseas<br>269 |  |
|-------------------------|------------------|---------------|-----------------|--|
| Pleasure                | 37%              | 49%           | 49%             |  |
| Visit Friends/Relatives | 34%              | 13%           | 23%             |  |
| Business                | 11%              | 5%            | 17%             |  |
| Other Purposes          | 18%              | 33%           | 12%             |  |

Table A: Main Purpose of Same-Day Trips to a Large Canadian Province from...

Source: 1999 CTS/ITS Harmonized Special Tabulations, pages 2,3. Ontario Ministry of Tourism, Culture and Recreation.

8. Some jurisdictions minimize the problems associated with operationalizing "leaving the usual environment" by excluding same-day domestic trips. Such an approach creates inconsistencies in measurement and reporting from country to country, and between international and domestic tourism practices.

## **Uniformity As A Desirable Goal**

In addition to aiding reconciliation of tourism satellite accounts at the national and sub-national levels, efforts to achieve greater uniformity in the operational definition of international and domestic tourism are driven by the contribution domestic tourism makes to a country's estimates of tourism's total volume, value and economic significance.

In Canada's case, current measurement practices result in domestic tourism accounting for about 80% of all overnight trips in the country from all origins.<sup>8</sup> Major shifts in the principles associated with operationalizing leaving a usual domestic environment could, therefore, have substantive impacts on estimates of the size and economic importance of tourism.

<sup>6</sup> The domestic travel survey (Canadian Travel Survey) captures information about the domestic portion of outbound trips. This information is included in the TSA, but is not included by Statistics Canada when this agency publishes estimates of domestic tourism volume or value.

<sup>7</sup> World Tourism Organization, Collection of Domestic Tourism Statistics, pp. 10, 1995, Madrid.

<sup>8 1998</sup> Statistics Canada estimates of overnight person trips: Foreign = 18,828,000; Domestic = 74,409,000. Source: Canadian and International Travel Surveys. CTX Website, Canadian Tourism Commission, October, 2001.

| Total (000s)  | PERSON TRIPS | USA<br>22,239  |
|---|--------------|----------------|
| Total Overnight Domestic Tourism  | 84.2 million | \$16.7 billion |
| % of overnight person trips/spending with all nights in private cottage/second home | 13%          | 4%             |

 Table B: Overnight Private Cottage Trips by Canadians in Canada

Source: 1999 CTS/ITS Harmonized Special Tabulations, pages 2,3. Ontario Ministry of Tourism, Culture and Recreation.

For example, if trips to private cottages were excluded from Canada's estimates of domestic tourism because these destinations were considered to be one of a traveller's *multiple usual environments*, the number of overnight trips by Canadians in Canada would decline by about one-eighth (13%) and associated spending would decline by 4% or almost \$700 million (see Table B).

In the absence of directly observable behaviour and associated administrative records such as border counts that are available for measurement of international tourism, the way domestic tourism is explained to the public in a survey setting will largely determine the scale and scope of the phenomenon. Derivation of domestic volume and spending estimates is reliant on question wording and interpretation by the general public. In this measurement environment, the very subjectivity of the concept leads to potential disharmony across countries and places special demands on survey designers to provide clear and easily understood descriptions of the travel that is being measured (i.e., the *tourism* component only).

In the absence of access to convenient administrative measures such as immigration statistics, most countries covered in a recent review undertaken by Canada bypass *traveller* estimates altogether when measuring domestic tourism. Instead, countries such as Canada, USA, Australia, and the U.K. employ social survey tools to encourage the resident to filter out non-tourism trips at the reporting stage in order to arrive at estimates of domestic tourism activity and spending (Table C).

#### Table C: Estimating Tourism

**Border Counts** – [border workers/ those remunerated in place visited (commuters) + military personnel + diplomatic personnel + refugees + those in transit + those with maximum stay over one year] = **International Tourism** 

**Resident population reporting only** *tourism* **trips**, as filtered by the respondent to meet pre-set criteria such as distance minimums, and/or purpose (e.g., excluding commuters) with a maximum stay less than one year = **Domestic Tourism** 

#### **Crossing An Administrative Boundary**

The movement of people and their money across an administrative boundary is a central criterion used in measuring international tourism. This movement of people and economic activity over an international border is collected by means of administrative records and/or social survey instruments and refined by application of filters stipulated by the WTO such as trip purpose and duration. If the same approach were adopted for measuring domestic tourism, disparities from country to country, and between domestic and international measurement would be reconciled and much of the subjectivity inherent in operationalizing *leaving the usual domestic environment* would be removed.

Historically, Canada has relied on a combination of trip purposes, trip frequency (excluding commuters to work or school), and a minimum distance<sup>9</sup> from the permanent residence to separate *tourism* from *other travel*. The distance criterion has been the operational tool for determining whether a person left his/her usual environment or not.

In a recent review of tourism measurement issues, Canada's tourism research community agreed to consider a new approach to creating measurable boundaries for domestic tourism that would replace the distance minimum with movement from one administrative or economic unit to another as the mechanism to operationalize *leaving the usual domestic environment*. The Canadian report recommended that consideration be given to the following:

Abandon any distance criterion as the basis for leaving the usual environment, relying instead on the concepts of an economic centre and the transfer of economic activity from one administrative region to another, and on more elaborate "main purpose" and frequency measures.<sup>10</sup>

In contrast, Familitur (Spain) had a municipal boundary restriction on short duration trips to second homes in 1999 but is now assessing the impact of including these trips if they are in the same municipality as the primary residence.<sup>11 12</sup> Although the approaches taken by Canada and Spain may appear to be veering in different directions, they highlight the international community's efforts to refine and systematize measurement of domestic tourism by relying on administrative boundaries.

These efforts are driven, in part, by the increasing sophistication and systemization of tourism satellite accounting. For example, in a recent discussion paper on price indices and tourism consumption, Juan Manuel Pérez Mira notes that trips to second homes require special treatment in economic analysis.

In this case [vacationing at second homes], consumers transfer their consumption patterns to the destination venue, thereby converting their consumption into tourism consumption by virtue of being away from their usual environment. On the other hand, in the case of travel within the territory of the compiling economy carried out by residents other than to second homes, the pattern of consumption will be more similar to that of outbound tourism . . . the inclusion of second homes for vacationing automatically broadens the spectrum of goods and services for domestic tourism consumption to the entire set of all goods and services.<sup>13</sup>

<sup>9</sup> The national distance minimum is 80km+ one way from home. Some provinces apply no distance minimum for overnight travel but apply the 80km+ one way from home requirement for same-day trips. One province (Ontario) applies no distance minimum for overnight travel but applies a 40km+ one way from home requirement for same-day trips.

<sup>10</sup> Rogers, Judy. Measuring Tourism – A review of operational definitions, Prepared for Canada's provinces and territories, Canadian Tourism Commission, Parks Canada, Heritage Canada, January, 2001, page 65.

<sup>11</sup> Aranda, Eva Palmero. Análisis del concept do "entorno habitual" en la estadística Familitur, presented at the Tourism Satellite Accounts: Credible Numbers for Good Business Decisions Conference Vancouver, Canada, May 8/10, 2001

<sup>12</sup> In 1999, trips of four nights or less to second homes within the municipal boundaries of the permanent residence were excluded from domestic tourism estimates. In 2000, the survey was modified to capture information on trips to the second home within the municipality of the primary residence. Tests are currently underway to assess the impact of this change. Preliminary results suggest that volume estimates for domestic tourism would increase by approximately six percent if short duration second home trips within the respondent's municipality were included.

<sup>13</sup> Pérez, Juan Manuel Mira, Price Indices and Tourism Consumption in the Framework of the Tourism Satellite Account (TSA), University of Valencia, October, 2001, page 4.

Assumptions about the definition of domestic tourism and the dividing line between tourism and "everyday life" are raised by this example. If "all goods and services" are included in the concept of tourism consumption when the traveller goes to a second home, does this second home become a second "usual environment" or is the trip to this site outside the traveller's usual environment? In the first instance (second usual environment), the trip may or may not be included in domestic tourism estimates, pending reconciliation of the WTO's concept of *multiple usual environments* from definitional and operational perspectives. In the second instance (outside the traveller's usual environment), the trip would definitely fall within the boundaries of domestic tourism.

Additional questions raised by this example include whether the measurement community should consider sites to be *destination venues* if they are within the same municipality as the permanent residence or whether people visiting their second homes are consumers who "*transfer their consumption patterns to the destination venue*" in the fullest sense of the concept of "transfer".

As the tourism research community considers refinements to the TSA, there is an increasingly urgent need for consistent and practical boundaries for domestic tourism, including key travel segments such as second homes that can have considerable volume and value impacts on domestic estimates. So long as the tourism measurement community supports idiosyncratic approaches to measurement of the phenomenon of domestic tourism, it will be difficult to arrive at a set of economic measures and indicators that reflect the value of "tourism" world wide.

#### **Areas Of Further Inquiry**

If crossing an administrative boundary were to form the basis for leaving the usual domestic environment, a corollary for "country" would be required *within* each country. The corollary might be provinces, states or smaller administrative units within a country (e.g., counties, municipalities, etc.). Establishing guidelines for characteristics of domestic administrative units would introduce new definitional considerations for the tourism measurement community. Some factors that might require discussion and testing if this approach were to be seriously considered are described below.

• Is the administrative unit coincident with a primary census or sampling unit such that survey data could be effectively captured, weighted and projected for residents of the unit?

"Crossing an administrative boundary" as the starting point for defining domestic travel would create consistency for estimating international and domestic tourism but would not remedy the absence of border counts and their inherent convenience at the domestic level. Social survey data would still be the primary mechanism for collecting domestic "travel volumes" and may have to be considered for collecting international tourism estimates as regions such as Europe move away from administrative mechanisms such as immigration counts.

From a domestic perspective, it is important to consider restricting domestic administrative units to those that are measured in a population census.

• Would variability in the size and characteristics of domestic administrative units from country to country create new concerns about disharmony in estimating domestic tourism?

Canada has ten provinces, three territories and covers a land mass of 9 093 507 km<sup>2</sup>. Each province has anywhere from six to fourteen tourism or economic regions. In contrast, Spain has 52 provinces and covers a land mass of 504 782 km<sup>2</sup>. Using these two countries as examples, the same relative disparity that characterizes measurement of international tourism (outbound) would apply to domestic tourism if a "provincial" administrative unit were adopted. A Spaniard might have to travel considerably shorter distances (a) to leave Spain as an outbound international traveller or (b) to leave a Spanish province as an outbound domestic traveller than would the corresponding Canadian.

Distance and density disparities such as these have long been accepted in measurement of international tourism. By adopting an analogous administrative boundary or economic unit approach to defining the *internal* movement of people and money, countries such as Canada could face a substantial re-calibration of domestic tourism estimates. Some initial tests of the impacts of a transition from a distance-based definition of leaving the usual environment to crossing an administrative unit boundary were conducted in Canada (see Appendix B for details of the test).

The results of the preliminary test suggest that for overnight tourism, estimates vary in direction and size depending on the characteristics of the administrative unit (county). For example, in administrative units with comparatively small geographic areas and large populations, tourism estimates increase by moving from a minimum distance (80km one way from home) to a boundary-crossing method. For administrative units in rural areas, covering large geographic areas with small populations, tourism estimates decrease when the boundary-crossing method is applied.

• Does the administrative unit approach produce domestic tourism estimates that are useful to tourism planners and marketers at various sub-national levels (provinces, sub-provincial tourism regions, municipalities)?

As noted earlier, in a country such as Canada, 80% of all overnight tourism, as currently defined, is domestic. In light of the volumes and corresponding value of tourism to communities throughout the country, reliable information on the movement of Canadians is sought at the national, provincial and sub-provincial levels. These data demands have to be taken into account in developing guidelines for defining "administrative units".

• Are internal administrative boundaries sufficiently stable to use as the basis for trend data?

Administrative units within countries are more susceptible to boundary shifts due to economic, policy and social conditions than are international boundaries. Consideration would have to be given to the stability of these units prior to adopting them as the primary means of establishing a usual *domestic* environment.

### Conclusions

Measurement organizations in countries such as Spain and Canada are re-considering their operational definitions of domestic tourism, in part as a response to consolidation of TSA and PTSA principles. Definitional concerns extant in the measurement of domestic tourism may also have implications for international tourism as border controls become less commonplace among countries. In light of the emerging focus on tourism activity that must be measured without the benefit of border controls, it may be an optimal time to review the WTO's guidelines and recommendations regarding domestic tourism.

It is suggested here that the central construct used to define international tourism be considered for domestic tourism measurement – the movement of people and money from one administrative unit to another. Adopting this approach could reduce the subjectivity that currently exists from country to country in identifying the circumstances in which a traveller leaves his or her *usual domestic environment* and becomes a domestic visitor. Just as with international tourism measurement, additional temporal and main purpose parameters would likely be required to differentiate *domestic tourism* from *domestic travel*. Some of these additional parameters, and particularly the concept of *multiple usual environments*, might warrant special attention.

There is conceptual elegance in applying the same approach to *leaving the usual environment* for international and domestic tourism measurement. An important and outstanding question, however, is whether application of an administrative boundary approach to domestic tourism would result in acceptable and more uniform estimates than those currently generated. To answer this question, further thought and study by the WTO and member countries will be required. The outcomes may reduce the subjectivity and variability of domestic tourism estimates world wide, contribute to new measurement solutions for emerging borderless countries, and provide greater harmony in tourism statistics and tourism satellite accounting.

## Appendix A

Elaboration on inclusions and exclusions recommended by the WTO for "visitors" and the rationale are provided in the form of *guidelines* in the Concepts and Definitions Manual<sup>14</sup>. Those of immediate relevance to this discussion are listed in Table A1.

| CATEGORY  | WTO'S RECOMMENDATION  |
|---|---|
| Commuters travelling to regular place of work   | Excluded  |
| Business men/ women travelling between ancillary establishments of their firm   | Included when trip takes them outside usual environment   |
| Persons without a fixed place of work (pilots, truck drivers, etc.)   | Included when trip takes them outside usual environment and when<br>they are not (totally) remunerated from within the place visited  |
|   | Excluded if trip is to the base/head office.  |
| Commuter travel to regular place of study   | Excluded  |
| Students  | Included as visitors to the place or country in which they take up their study only if it is outside their usual environment and the stay is less than 12 months and the main purpose of travel to this place or country is not to exercise an activity remunerated from within this place or country. <sup>15</sup>                    |
| Persons travelling on a routine basis to certain places for<br>taking care of daily necessities, participating in sports,<br>cultural and other social and leisure activities, as<br>performers or spectators | Excluded whenever possible, irrespective whether or not these places are located in the same country as the place of residence.   |
| Travellers to localities in the direct vicinity of the place of residence   | Excluded when they remain inside their usual environment.   |
| Persons moving to another place within the same country for an intended stay of <i>more</i> than a year   | Excluded  |
| Persons moving to another place within the same country for an intended stay of <i>less</i> than a year   | Excluded when main purpose of trip is the exercise of an activity remunerated from within the place visited   |
| Diplomats and representatives of consulates and their dependents and household servants   | Exclude as international visitors when travelling from country of origin to duty station and vice versa.<br>Although they do not become resident of the country (and place) of their duty station, they should be assimilated with the residents of that country (and place) when they travel within the country of their duty station. |
| Members of the armed forces   | Exclude as international visitors when travelling from country of origin to duty station and vice versa. (see Diplomats)  |
| Persons leaving their own country of residence but not<br>entering another country, such as persons sailing in<br>international waters  | Domestic visitors in their own country.   |

| Table A1: | WTO | Guidelines f | for "Visitors" |
|-----------|-----|--------------|----------------|
|-----------|-----|--------------|----------------|

<sup>14</sup> World Tourism Organization, Technical Manual No. 1, Concepts, Definitions and Classifications for Tourism Statistics, 1995, Appendix B, pages 79/83.

<sup>15</sup> According to the manual, treatment of students is not wholly consistent with the International Monetary Fund's balance of payments manual. See page 80 of the manual for distinctions.

## Appendix B:

# Excerpts From Canada's Preliminary Testing Of Crossing an Administrative Boundary as the Proxy for Leaving The Usual Domestic Environment<sup>16</sup>

#### The Analytical Process

#### Limitations of the CTS Public Micro Data Files

In order to estimate the impact of abandoning the distance criteria, relying instead on the concept of an economic centre and the transfer of economic activity from one administrative region to another, as recommended in Chapter G, special tabulations of the 1999 CTS public micro data files were prepared. It is important to note the following limitations of this analysis:

- Public micro data files rely on the consumer's willingness to volunteer "any overnight trips" that were taken in the reference month *excluding* trips taken for the purpose of commuting to work or school, as a member of a work crew and/or moving to a new residence.
- This analysis should be interpreted with some caution because the geographic size of some "economic centres" is larger than desirable, but was constrained by the level of geographic detail provided in Statistics Canada's public micro data files. Although geo-coded at the Census Sub-Division (CSD) level in the main files, records in the public micro data files (available to the author) only contain geo-coding at the Census Division (CD), Census Metropolitan Area (CMA) or Tourism Region (TR) levels for reasons of confidentiality. As a consequence, the geographical size of the "economic centre" available for analysis is restricted to either Census Divisions or CMAs. In some cases, these geographical units cover a very large land mass, and are likely to be larger than the economic units that would ultimately be applied if this approach were adopted. If the approach to defining tourism based on economic centres were to be adopted, it is anticipated that Statistics Canada would filter the data on geographic units at the Enumeration Area (EA) and/or Census Sub-Division (CSD) level.
- Because "distance minimums" are imposed at the reporting stage in the Canadian Travel Survey (40km+ for Ontario; 80 km+ for the rest of Canada), it was impossible to determine the impact of a new "economic centre" definition on estimates of same-day trips. Consequently, all tabulations were run only on overnight trips.

#### **Definitions Used in the Economic Centre Analysis**

Estimates of total volume of overnight visits, spending and nights that would accrue to a Census Division or Census Metropolitan Area for 19 geographical units across Canada were prepared. Three different "definitions" were used, as follows:

1. Overnight Person Visits: all overnight person visits on any reported trip to a location, irrespective of distance from place of residence to destination or location of overnight stop. This is Ontario's current reporting standard.

<sup>16</sup> Rogers, Judy. Measuring Tourism – A review of operational definitions, Prepared for Canada's provinces and territories, Canadian Tourism Commission, Parks Canada, Heritage Canada, January, 2001, pages 74 - 78.

- 2. 80 KM+ One Way From Home: all overnight person visits to a location on a trip on which the destination named by the respondent is reported (by the respondent) to be at least 80KM one way from home (the location of overnight stops [visits] on the trip may or may not meet the distance minimum). This is the current Statistics Canada reporting standard.
- 3. At Least 1 Overnight Stop Outside Place of Residence: overnight person visits on an overnight *trip* on which at least one of the locations of overnight stop is outside the respondent's economic centre of residence (Census Division or CMA). So long as at least one overnight stop is outside the place of residence, all visits on the trip are included, even if they fall within the respondent's economic centre of residence.

Using these basic definitions (1 - 3), estimates of overnight tourism volume, value and nights spent in each location used in the analysis were produced. Effectively, once the "trip" qualified as a *tourism trip* using each definition, all visits were included in estimates of volume, value and nights. It should be noted that spending estimates, regardless of the definition used, include all spending assigned to the location because an overnight stop was made there. All fares for trips with destinations outside Canada are excluded from these calculations.

#### **Preliminary Findings**

Findings of the preliminary exercise are displayed in the form of percentage change between the 80km+ and the 1+ *stop outside the economic centre* definitions (see Tables C1, C2).

With some exceptions, a change to **leaving an administrative or economic centre** from an **80km**+ "trip" definition for overnight *tourism* results in:

- modestly higher estimates of volume (visits),
- marginal impacts on spending in the region, and
- a variable pattern of change for person nights in the region, depending on the size of the region.

The more pronounced impact on volume vis à vis value is likely indicative of the reduced spending on short-distance trips relative to long ones.

Three sites were used to exemplify "broad" and "narrower" definitions of a region. In each case, when the smaller geographic entity is used to define a region, there is an increase in the number of visits, spending and nights that accrue when moving from an **80km**+ to **at least one overnight stop outside the region** definition of tourism. The three cases are Chicoutimi CMA, the CD that includes but is geographically bigger than the CMA; the core of Toronto (CD) versus the geographically larger Toronto CMA and the core of Montreal (CD) versus the geographically larger Montreal CMA (larger).

|  | •                       |                 |                |                     |                  |                |                 |              |                    |                |  |
|--|-------------------------|-----------------|----------------|---------------------|------------------|----------------|-----------------|--------------|--------------------|----------------|--|
|  | Vancouver<br>CD 15      | VICTORIA<br>CMA | CALGARY<br>CMA | BANFF<br>NAT'L PARK | Saskatoon<br>CMA | WINNIPEG<br>CD | KITCHENER<br>CD | OSHAWA<br>CD | THUNDER<br>BAY CMA | Ремвroke<br>CD |  |
| OVERNIGHT PE   | Overnight Person Visits |                 |                |                     |                  |                |                 |              |                    |                |  |
| % Change 80+<br>km to At Least<br>1 Stop Outside<br>Location | 4.61%                   | 6.33%           | 0.59%          | 0.43%               | 0.75%            | 2.02%          | 16.60%          | 21.56%       | -2.58%             | -0.63%         |  |
| SPENDING IN LO   | OCATION                 |                 |                |                     |                  |                |                 |              |                    |                |  |
| % Change 80+<br>km to 1+ Stop<br>Outside<br>Location         | 1.15%                   | 1.86%           | -0.02%         | 0.07%               | 0.28%            | 0.67%          | 6.73%           | 11.22%       | -0.42%             | -2.84%         |  |
| PERSON NIGHT   | s                       |                 |                |                     |                  |                |                 |              |                    |                |  |
| % Change 80+<br>km to 1+ Stop<br>Outside<br>Location         | 2.25%                   | 2.55%           | 0.50%          | 1.06%               | 0.42%            | 1.12%          | 9.60%           | 16.31%       | -1.46%             | -0.25%         |  |

## Table C1: % Change in Visits, Value and Nights Between 80+ km and<br/>Economic Centre Domestic Tourism Trip Definitions

 Table C2:
 % Change in Visits, Value and Nights Between 80+ km and Economic Centre Domestic Tourism Trip Definitions

|  | Toronto<br>CD | Toronto<br>CMA | Снісоцтімі<br>СМА | CHICOUTIMI<br>CD 94 | Montreal<br>CD | Montreal<br>CMA | HALIFAX<br>CMA | Sт. Јонм's<br>CMA |
|--|---------------|----------------|-------------------|---------------------|----------------|-----------------|----------------|-------------------|
| OVERNIGHT PERSON VISITS                                |               |                |                   |                     |                |                 |                |                   |
| % Change 80+ km to At Least<br>1 Stop Outside Location | 4.65%         | 0.41%          | -0.36%            | -3.15%              | 4.14%          | 1.09%           | 0.83%          | 1.13%             |
| SPENDING IN LOCATION                                   |               |                |                   |                     |                |                 |                |                   |
| % Change 80+ km to 1+ Stop<br>Outside Location         | 2.23%         | 0.42%          | 0.67%             | -0.25%              | 0.73%          | 0.47%           | 0.36%          | 0.25%             |
| PERSON NIGHTS  |               |                |                   |                     |                |                 |                |                   |
| % Change 80+ km to 1+ Stop<br>Outside Location         | 3.00%         | -0.01%         | -0.27%            | -2.50%              | 2.31%          | 0.26%           | 0.19%          | 0.52%             |