



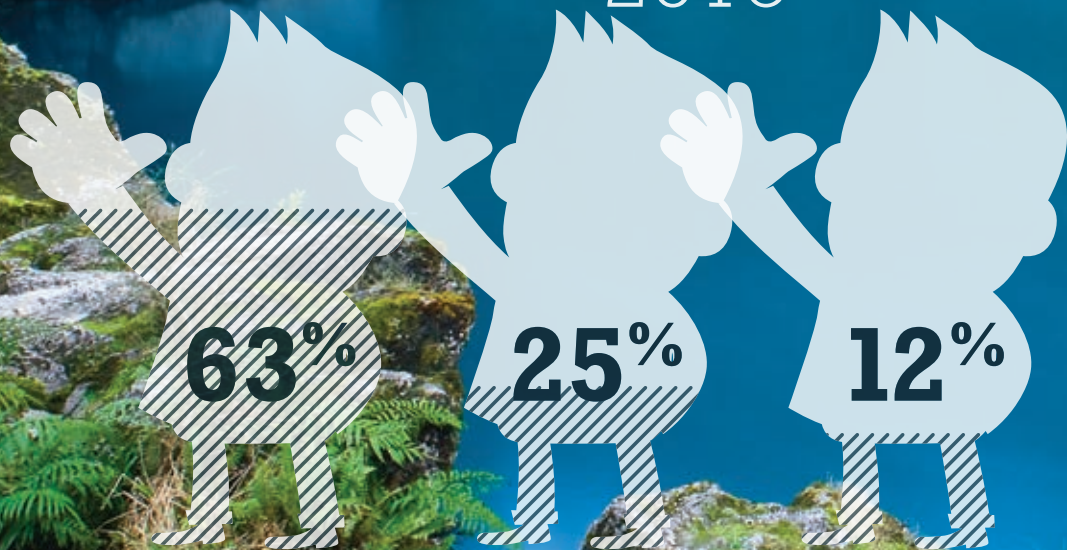
tourism export council
OF NEW ZEALAND

**ANNUAL
REPORT
2015**

OUR MISSION:

To support and represent our members for the purpose of facilitating business partnerships in the tourism export sector.

TECNZ MEMBERS 2015



ALLIED MEMBER
Product Supplier

INBOUND MEMBER
Inbound Tour Operator

ALLIED MEMBER
Tourism Services
Organisation

WHAT'S INSIDE

2014/2015 Board of Directors and Secretariat

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Chief Executive's Report

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Statement of Financial Performance
Statement of Movement in Equity
Statement of Financial Position

Benefits of Belonging

TECNZ was Founded in 1971
Inbound Member Tour Operators - 51
Allied Supplier Member - 212
as at 31 March 2015

2014/2015 TOURISM EXPORT COUNCIL BOARD



Back left to right: Mark Badland, Rainer Heidtke, Jenny Simpson, Dylan Rushbrook, Michelle Caldwell, Adele Marsden, Ryan Ingram, John Gregory

Front left to right: Geoff Yee, Lesley Immink (CEO), Martin Horgan (President), Steve Shearer

Absent: Anna Black, Dominic Cheng

PRESIDENT

Martin Horgan
Managing Director
Southern World NZ
CHRISTCHURCH

VICE PRESIDENT

Geoff Yee
Managing Director
GSN Pacific
AUCKLAND

VICE PRESIDENT

Steve Shearer
Director International Sales
Scenic Hotel Group
AUCKLAND



REPRESENTING INBOUND TOUR OPERATOR MEMBERS

Martin Horgan
Managing Director
Southern World NZ
CHRISTCHURCH

Mark Badland
Managing Director
Pacific Destinationz
AUCKLAND

Rainer Heidtke
Managing Director
Terra Nova Coach Tours
CHRISTCHURCH

Anna Black
Executive Director
General Travel NZ
AUCKLAND

John Gregory
Director
Pan Pacific Travel
AUCKLAND

Adele Marsden
Director
New Zealand Educational Tours
TAURANGA

Dominic Cheng
Director
Winchester Travel
AUCKLAND

Geoff Yee
Managing Director
GSN Travel
AUCKLAND

REPRESENTING ALLIED MEMBER SUPPLIERS

Ryan Ingram
Director of Sales
Real Journeys
QUEENSTOWN

Steve Shearer
Director of International Sales
Scenic Hotels Group
AUCKLAND

Michelle Caldwell
Central North Island
Regional Manager – Huka Falls Jet,
Agrodome Ngai Tahu Tourism,
Rainbow Springs
ROTORUA

CO-OPTED BOARD MEMBERS

Jenny Simpson
International Marketing and Tourism Development Manager
Air New Zealand
AUCKLAND

Dylan Rushbrook
Chair – Young TEC
Skycity Hotels
AUCKLAND

LIFE MEMBERS

Keith Johnston
AUCKLAND

Blair Sheehy
AUCKLAND

Russell White
AUCKLAND

Michael Wiedemann
AUCKLAND

Peter Lowry
WELLINGTON

Warren Harford
ROTORUA

PRESIDENT'S REPORT

MARTIN
HORGAN



I am pleased to present the Tourism Export Council of New Zealand's 2015 annual report.

Last year when I wrote this report, the industry was feeling positive, more than just a little optimistic that with the world back on its feet, the worm had finally turned and normal service has resumed for New Zealand inbound tourism.

Well, we were right! We should be feeling good about ourselves and the inbound tourism industry.

We've now had 2 seasons of really positive growth. Over the last year from Asia we saw China have a 29% increase, Korea 33% and India 29%. What I am thrilled to see is that traditional markets of USA, UK and Germany have grown arrivals by 9%, 2% and 6% respectfully. This is all great stuff and overall at the end of May 2015, New Zealand visitor arrivals were up 6.9% and 3 million visitors soon to knocking on our door.

Through various formats from such as China Market Funding, Tourism Growth Partnership initiative and significant extra funding to Tourism New Zealand the Government has continued to invest in our sector. This confidence in our industry has been the catalyst for growth, but also our own desire to improve productivity, profitability and finally, an aspiration to create a vision for the future with 'Tourism 2025'.

It is important that we keep pressure across the political spectrum in mitigating barriers to doing better business. These include not being able to zero rate on margins GST, concession fees, visa processing, the new border charges and employment issues and receiving tourism intelligence and data in a timely manner. We also

need to demonstrate leadership in protecting the environment so that we are able to continue marketing New Zealand as a 100% Pure New Zealand destination far into the future. Advocating for the environment is just one thread in a social responsibility mandate (tourist driver safety being another) our board is currently working on and we need to continue to lead from the front - inspire, advocate and educate.

Tourism Export Council membership continues to grow with both new inbound and supplier members with a 30% increase of inbound members in the past three years. This is a strong indicator that the industry and our members, now more than ever, recognise the value in wholesale distribution. TECNZ is a significant and valued private sector tourism industry and will remain relevant, add value and be responsive to our members' needs.

Our CEO, Lesley Immink has had a very productive 12 months and again been a strong ambassador for the association and Young TEC. Young TEC is now firmly established with its own structure and we look forward to hearing more of their progress during the year at conference. The Board and I

want to thank Lesley again for her commitment, contagious enthusiasm and energy.

We have again held elections for the board and it's excellent to see strong interest from our members who are prepared to commit valuable time to the Tourism Export Council Board. The Board remains the same for the coming year but our sincere thanks to all who put themselves forward.

Looking forward to seeing you all at conference in Dunedin.

A stylized, handwritten signature in green ink, consisting of several loops and a long horizontal stroke at the end.

Martin Horgan
President



CHIEF EXECUTIVE'S REPORT

– THE YEAR IN REVIEW 1 APRIL 2014 – 31 MARCH 2015



It has been a busy year working with members and my thanks goes to everyone for your regular communication and support. Key areas of work the Board has been working on include the zero rating of GST on inbound tour operator facilitation fees, DOC guiding concession fees and the important issue of Immigration and visa issues for visitors and employees. We continue to add our perspective to the agencies concerned and strengthen our industry relationships. Most of these areas are covered in the Chairman's Report.

MEMBERSHIP

Membership at March 2015 shows **51** Inbound tour operator members and **212** Allied supplier members, both up from the previous year. Thank you to members for your on-going support and the health of the organisation is reflected in our continued growth.

FINANCE

This year annual membership fees remained the same for Inbound Tour Operators at \$2585+GST and Allied members at \$700+GST. The inbound member fee also includes the annual Qualmark licence fee and membership to TIA.

Subscription income increased from \$262,203 to \$266,530 in the 2014/2015 year. New projects and Young TEC expenses produced a budget deficit of \$2756. However it is great to report that our level of activity and engagement with members has increased significantly in recent years and we continue to operate in a positive and proactive manner. Net assets and equity now stand at **\$233,577** with the Association remaining in a very good financial position.

MARKETING AND PUBLIC RELATIONS

TEC communications continue on a regular basis with email newsletters and more emphasis was placed on our website as a membership tool linking it with social media channels.

The website has been updated and has the ability to do more detailed filtering and searches. eg. Which inbound operators work in the India market? Which allied members do rental car hire? Hotel accommodation in Otago or Auckland? We encourage members to visit www.tourismexportcouncil.org.nz/members page.

The annual *Tourism Export Council Inbound Travel Directory* remained the primary collateral for the organisation, sharing contact and trade information about inbound and allied members.

This is available as an e-book and PDF version of the Directory – both available on the website.

New for 2014 was the “Planning for Inbound Success” manual designed to provide operators with the basic tools, knowledge and key contacts needed to enter the export tourism market. The manual contains advice on how to:

- Understand the travel distribution system
- Recognise the different styles of inbound travellers
- Information on pricing your product and working with international trade

The manual is free to all tour operators with a small cost for printed copies. It has been well received with 800 print copies and 1000 pdf downloads.

Annual Conference

The Tourism Export Council Conference was held in Hamilton, Waikato 26/27 August 2014 with 207 attendees including 20 local Waikato tour operators. Many thanks to Hamilton Waikato Tourism for hosting a highly successful conference!

Enterprise Dunedin were successful with their bid for the 2015 Conference. The event will be held at the Dunedin Town Hall 17/18 August. The local industry looks forward to welcoming and hosting delegates.

YOUNG TEC – young Tourism Export Council

Young TEC has made great progress with 180 members with a volunteer executive committee and regional co-ordinators in Auckland, Rotorua, Wellington, Christchurch and Queenstown. They have their own constitution and election process modelled on the Tourism Export Council.

A series of ‘after 5’ and breakfast networking sessions around the country have been held during the past year and the Young TEC conference held the day before the Xmas Symposium was

highly successful. During the winter months of 2014, the “national development programme” with mentors was initiated with 23 participants.

Another new Young TEC ‘first’ was the Excellence Award. Proudly sponsored by Tourism New Zealand, Air New Zealand, Accor Hotels and the Tourism Export Council, the successful winner will spend two weeks in a Tourism New Zealand offshore office. Congratulations to **Dylan Rushbrook** of Skycity Hotels who was the inaugural winner!

Member Forums

Our members always value getting together to discuss issues, network and socialise. Inbound members have several forums during the year and our December member update and Christmas Networking Function is a firm fixture on the industry calendar. Last December was a great success with 260 members and guests attending the event at the Rendezvous Grand Hotel, Auckland.

Inbound and Operator of the Year Awards

Tourism Export Council Inbound Tour Operators nominate Allied supplier members for the award and Allied members nominate Inbound Tour Operators. The Board assesses nominees based on a points system and choose three finalists. These finalists are then assessed by inbound and allied members respectively and they vote for the winner.

Congratulations go to **Hobbiton Movie Set Tours** on being elected as the Tourism Export Council Allied ‘Operator of the Year’ for 2014. Other finalists were Real Journeys and Southern Discoveries.

The winner of the ‘Inbound Tour Operator of the Year 2014’ was once again **Pacific Destinationz** with finalists New Zealand Journeys (2007) Ltd and Contiki New Zealand. Pacific Destinationz as a triple award winner also received a “Distinction Award”. Congratulations to all the finalists and winners!

TRENZ

Over 150 Tourism Export Council Members exhibited at TRENZ in April 2014 in Auckland. It is great to see 50% of exhibitors are Tourism Export Council members. Fourteen inbound members were also present as Buyers.

STANDARDS & PERFORMANCE

Goods & Services Tax (GST)

Over the past year, this item remains the single most important issue for inbound members. TEC considers it unfair that inbound tour operators that are owned offshore can still zero rate the facilitation fee on their New Zealand packages making it difficult for locally owned companies to compete. A similar situation exists in Australia and during the year an inbound tour operator won a judgement in the high court, ruling that GST could be zero rated. This opened the door for further discussions with IRD and Government in New Zealand but the latter appeal decision was overturned. Should the Australian position change, we will re-present our case to IRD and the Government.

DoC National Guiding Concession

The Tourism Export Council and the Department of Conservation (DOC) guiding concession allows Tourism Export Council inbound tour operators to accompany clients during stops of up to one hour at public conservation areas for short walks, view points and photo opportunities.

The concession came into effect April 1 2012 and the 2013-2014 year acted as a trial to identify anomalies and allow members to cost fees into future itineraries. Fees have been collected and paid for the past year but the success of the agreement is dependent on DOC's level of

compliance and ability to identify and prosecute non compliant inbound operators.

Immigration and Visa issues

Visa facilitation for international visitors and employment of migrant workers has moved this issue into a priority space. Efficient processing of visas and ease of entry to the country is critical if New Zealand is to remain competitive with other destinations all vying for the international visitors.

Being able to employ staff with multiple language skills is a 'must' if we are to deliver the best possible visitor experience. More work is being done with Immigration agencies to ensure we stay competitive in our visa processing and assisting members who have language and acute staff shortages.

Qualmark

All inbound tour operator members must be Qualmark accredited under the inbound tour operators endorsed criteria. Since committing to Qualmark as a compulsory part of our inbound membership criteria, TEC believes overall standards have improved and the benefits have been seen by both members and the wider industry alike. Inbound tour operators who wish to work with Tourism New Zealand offshore must either have our endorsement (be a member) or the option of a 'visitor services' category Qualmark endorsement.

To conclude I'd like to extend my thanks to Tourism Export Council President Martin Horgan and other Board members for their support and I look forward to the coming year.

Lesley Immink
Chief Executive

BENEFITS OF BELONGING TO THE TOURISM EXPORT COUNCIL

- Marketing opportunities to promote your products & services
- An association that understands inbound tourism
- Quality and sustainable world class practises
- Shared industry communications and intelligence
- Membership to *young* Tourism Export Council
- Business networking opportunities which include:

Tourism Export Council of New Zealand Annual Conference:

In August each year the Tourism Export Council holds an industry conference, which includes a market update by Tourism New Zealand senior executives and overseas managers.

Tourism Export Council of New Zealand Xmas Symposium:

Each December the Tourism Export Council holds its Xmas Members update and networking function in Auckland.

- Inbound member forums hosted twice during the year
- Board meetings are bi-monthly with two hosted regionally.



SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

AS AT 31 MARCH 2015

	2015	2014
INCOME		
Membership fees	267,930	264,490
Conference & Symposium	19,742	37,715
Sponsorship	16,199	9,500
Interest	8,192	6,982
Total income:	312,065	318,688
EXPENDITURE		
AGM/Meetings	30,605	33,847
Employment Expenses	146,510	129,575
Legal & Accounting	7,570	7,166
PR & Communications	16,307	13,677
Office Expenses	34,442	0
Special projects/YTEC	16,134	13,348
Subscriptions - TIA, Qualmark	62,168	57,950
Other expenses	2,534	2,183
Total expenses	316,269	257,746
Net Surplus for Year before Tax	-4,204	29,592
Less Income Tax Expense	-1,448	1,264
NET SURPLUS FOR YEAR AFTER TAX	-2,756	28,328

STATEMENT OF MOVEMENT IN EQUITY

FOR THE YEAR ENDED 31st MARCH 2015

	2015	2014
Total recognised REVENUES	312,065	318,688
Total recognised EXPENSES	314,820	290,359
Surplus for the Year	-2,756	28,328
Total recognised Income & Expenditure	-2,756	28,327
Equity at Beginning of the Year	236,332	208,005
TOTAL EQUITY AT END OF THE YEAR	233,577	236,332

STATEMENT OF FINANCIAL POSITION

AS AT 31st MARCH 2015

	2015	2014
CURRENT ASSETS		
Bank Current & Call Accounts	52,569	133,199
Bank Term Deposits	154,037	81,331
Accounts Receivable	1,504	12,720
Accrued Income & Prepayments	32,488	29,046
GST Receivable	1,168	1,041
Taxation Receivable	641	-600
	242,406	256,737
CURRENT LIABILITIES		
Accounts Payable	1,946	5,969
Accruals	9,813	8,479
Income in Advance	0	10,000
Total Liabilities	11,759	24,449
Working Capital	230,648	232,288
Fixed Assets	2,928	4,045
NET ASSETS	233,577	236,332
EQUITY	233,577	236,332

FOR AND ON BEHALF OF THE COUNCIL

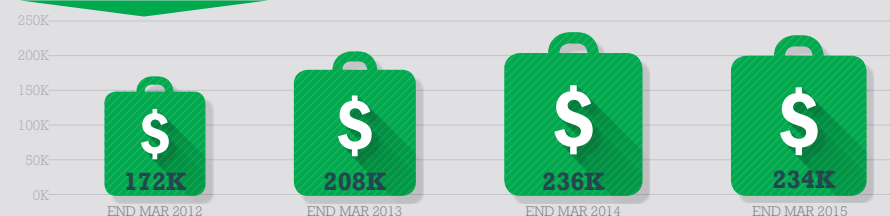


This is a summary of the full *financial statements as at 31 March 2015*. The full statements have been audited and are available on request from TECNZ. Note, *this summary has not been audited*.

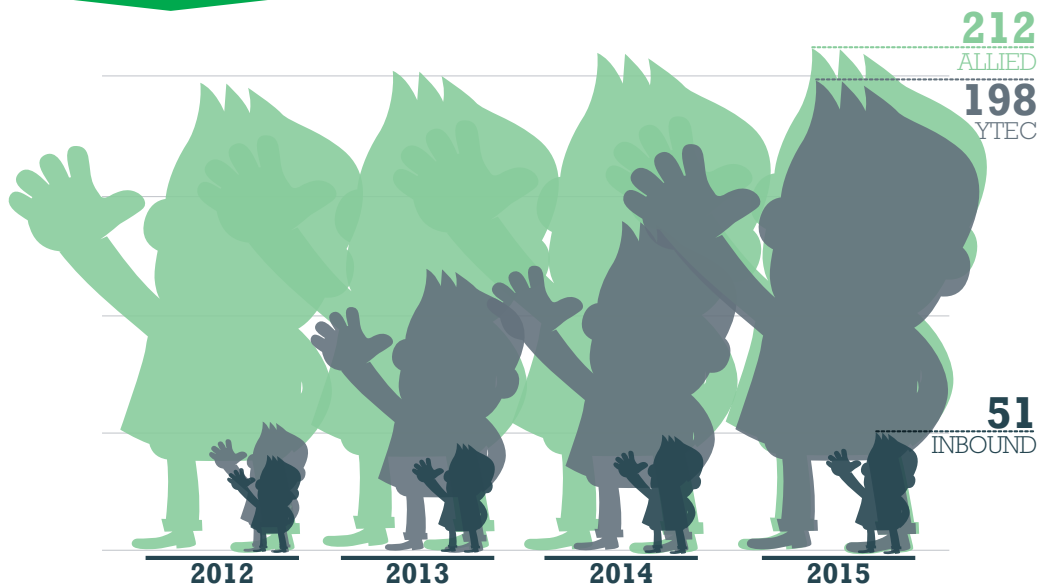
Chief Executive

Date: 20 JULY 2015

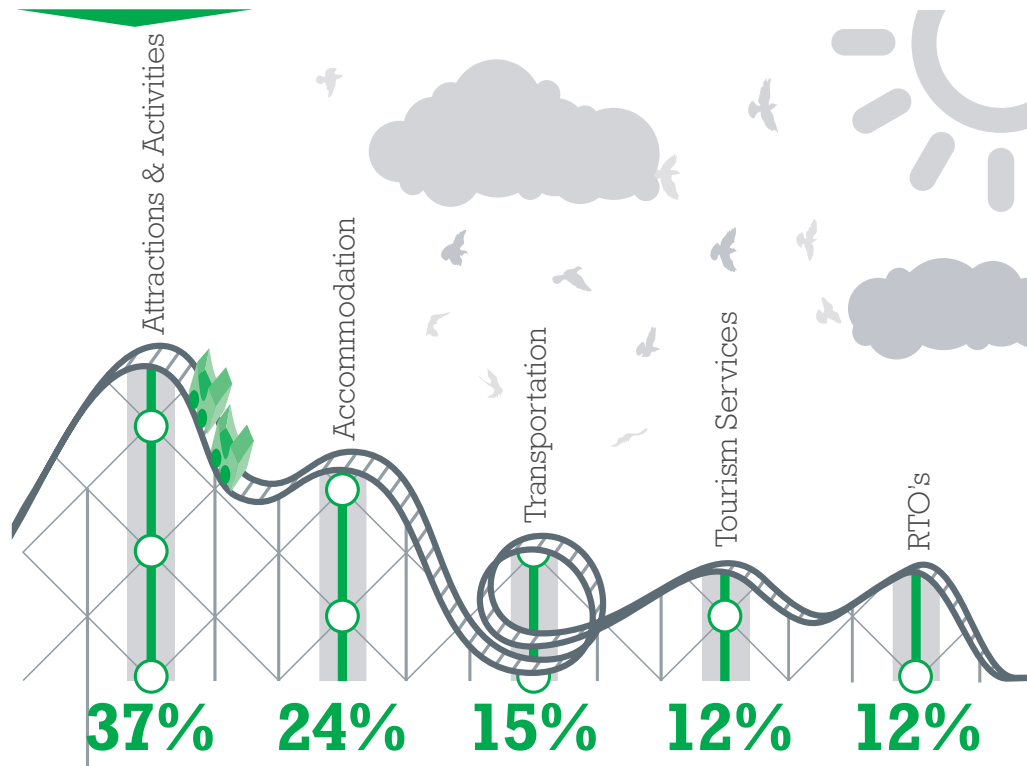
FINANCIAL RESULTS



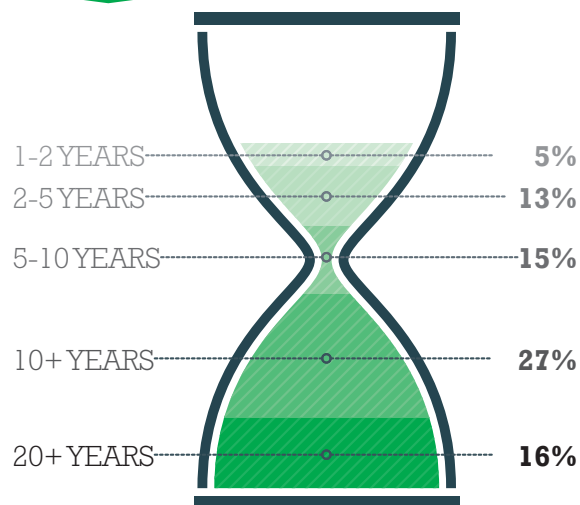
MEMBERSHIP NUMBERS



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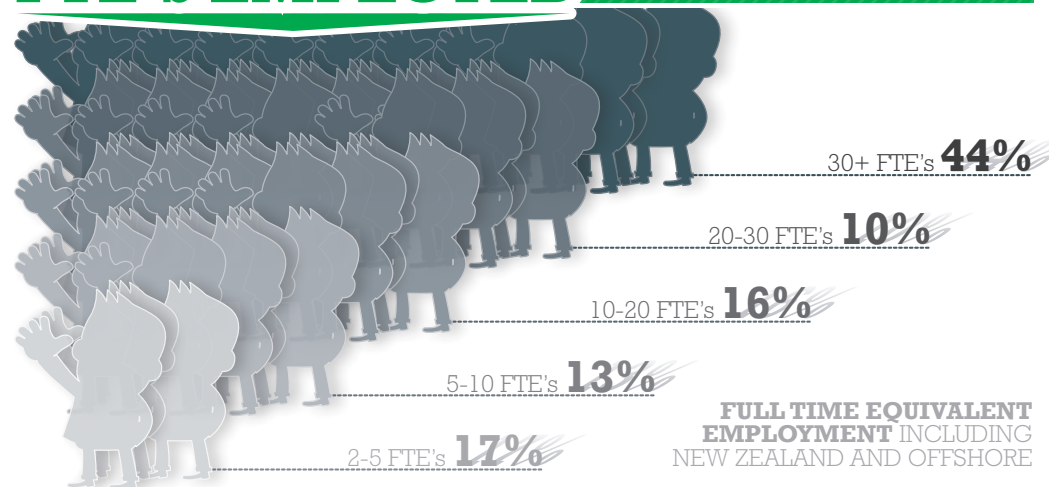


LENGTH



94% HAVE HAD A GOOD-EXCELLENT 2014 AND ARE EXPECTING THE COMING SEASON TO BE LIKEWISE

FTE'S EMPLOYED





The *young Tourism Export Council* organisation provides networking and mentoring opportunities to *young* people in the tourism industry to develop industry knowledge and skills. *young TEC* is aimed at those under the age of 36 years and the company they work for is a Tourism Export Council of New Zealand member.

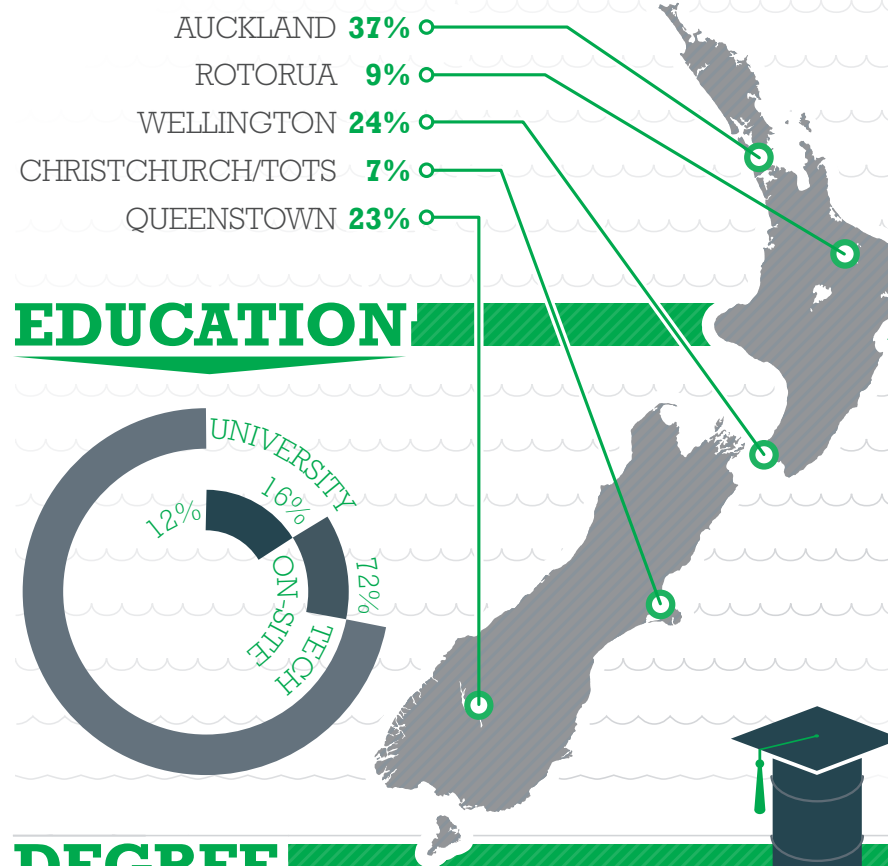
young TEC offers its members regular networking events with other *young* professionals working in the tourism industry, educational workshops and a mentoring and development program providing up-to-date tourism information and tips to take into their own workplace.

young TEC will help to create a highly skilled tourism sector with operators who are encouraged to grow and develop, and invest in the future of New Zealand Tourism. It is free to join for employees of Tourism Export Council members and can help you further your career in the tourism industry.

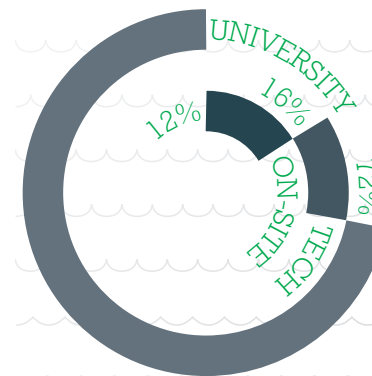


YOUNG TEC

REGIONS



EDUCATION



DEGREE

