



**ANNUAL  
REPORT  
2016**



## OUR MISSION:

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

# TECNZ MEMBERS 2016

63%

**ALLIED MEMBER**  
Product Supplier

25%

**INBOUND MEMBER**  
Inbound Tour Operator

12%

**ALLIED MEMBER**  
Tourism Services  
Organisation

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#### Benefits of Belonging

TECNZ was Founded in 1971

Inbound Member Tour Operators - 51

Allied Supplier Member - 212

as at 31 March 2016



# 2015/2016 TOURISM EXPORT COUNCIL BOARD



**Front left to right:** John Gregory, Ryan Ingram, Steve Shearer, Michelle Caldwell, Lesley Immink (CEO), Rainer Heidtke, Martin Horgan (Chairman), Adele Marsden, Loren Heaphy, Geoff Yee, Jenny Simpson, Mark Badland

**Absent:** Anna Black, Dominic Cheng

## CHAIRMAN

Martin Horgan  
Managing Director  
Southern World NZ  
CHRISTCHURCH

## VICE CHAIR

Anna Black  
Executive Director  
General Travel NZ

## VICE CHAIR

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

Destinate NZ  
TAUPO

## CO-OPTED BOARD MEMBERS

### Jenny Simpson

International Marketing and Tourism Development Manager  
Air New Zealand  
AUCKLAND

### Loren Heaphy

Chair – Young TEC  
ATEED  
AUCKLAND

## LIFE MEMBERS

### Keith Johnston

AUCKLAND

### Blair Sheehy

AUCKLAND

### Russell White

AUCKLAND

### Michael Wiedemann

AUCKLAND

### Peter Lowry

WELLINGTON

### Warren Harford

ROTORUA



# CHAIRMAN'S REPORT

MARTIN  
HORGAN



I am pleased to present the Tourism Export Council of New Zealand's 2016 annual report.

The 2015/2016 season was the third consecutive period of accelerated growth for the New Zealand Tourism Industry and we know already that momentum continues to grow as we look forward to the season ahead.

Whilst the infrastructure and inventory problems we're encountering and that will be amplified during the 2016/17 season could be seen by

many as good problems to have, they are none the less very real problems for the industry moving forward. Our ability to maintain growth and even service the needs of existing long term New Zealand clients is currently jeopardised.

To succeed moving forward our industry requires growth and investment from both the public and private sectors. It's clear that growth can't come fast enough to satisfy the new level of demand we are experiencing and in the meantime we'll need to manage growth through regional distribution and managing seasonality.

Our CEO and Board have had a very busy 12 months with key projects around Health and Safety, Youngtec, DOC, Environment and Immigration, Inventory concerns, lobbying and general business.

Moving forward it's important that TECNZ continues to represent its inbound and allied memberships by representing our interests across the tourism and political spectrum and by mitigating barriers for achieving better business and results.

Our inbound members are reporting growth that far exceeds the 10.5% increase in arrivals to May 2016. This is a sure indicator that the industry

and our members, now more than ever are relevant and ahead of the curve in terms of seeking our new opportunities and quality business for New Zealand.

I'm proud of TECNZ's desire 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. Over the summer we supported the Choose Clean Water campaign with financial and political support in regards to the aspiration of swimmable versus wadeable as the minimum benchmark. It was a worthy project to support and has started a much wider discussion on the protection of the environment and the importance it is for our industry and country. Advocating for the environment is just one thread in social responsibility our organisation strives to lead, inspire, advocate and educate.

I wish to thank the TECNZ Executive Board for sharing their time and experience to ensure TECNZ remains a significant and valued private sector tourism industry that continue to add value across the board to our membership. A special thanks to retiring board members Mark Badland,

Steve Shearer and Ryan Ingram for their board tenures. We look forward to welcoming Dylan Rushbrook, Stephen Lester and Stuart Neels to the 2016/17 Board.

A final thanks to our CEO, Lesley Immink for her strong leadership, enthusiasm and commitment over the last year.

Looking forward to seeing you all at conference in the Taupo.



**Martin Horgan**  
Chairman



# CHIEF EXECUTIVE'S REPORT

– THE YEAR IN REVIEW 1 APRIL 2015 – 31 MARCH 2016

LESLEY  
IMMINK



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.

## 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 for Inbound Tour Operators was \$2600+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 \$266,530 to \$274,633 in the 2015/2016 year. An increase in expenses for Young TEC events, support to the Choose Clean Water campaign, meeting & travel expenses saw the Association producing a budget deficit of \$4,574. 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 \$229,003 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 and an information portal.

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](http://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.

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 has continued being a relevant and trade education tool. 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 3000 pdf downloads.

## Annual Conference

The Tourism Export Council Conference was held in Dunedin 17/18 August 2015 with 210 attendees including 15 local Dunedin tour operators. Many thanks to Enterprise Dunedin for hosting a highly successful conference!

Wairakei Resort, Taupo were successful with their bid to host the 2016 Conference. The event will be held at the hotel 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 230 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 2015, the “national development programme” with mentors was initiated with 39 participants.

The Young TEC Excellence Award is proudly sponsored by Tourism New Zealand, Air New Zealand, Accor Hotels and the Tourism Export Council. Congratulations to Loren Heaphy of ATEED who was the successful winner and who will spend two weeks in a Tourism New Zealand offshore office.

New for Young TEC was the ‘Rising Star’ Award which is fully sponsored by the Tourism Export Council. The inaugural winner was Shayne Forrest of Hobbiton Movie Set Tours.

## 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 Heritage 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 Real Journeys & Southern Discoveries who were joint Allied ‘Operator of the Year’ winners for 2015. The other finalist was Avis-Budget Car Rentals.

The winner of the ‘Inbound Tour Operator of the Year 2015’ was Pan Pacific Travel with finalists Southern World and General Travel. Well done to all finalists!



## TRENZ

Over 160 Tourism Export Council Members exhibited at TRENZ in April 2015 in Rotorua. It is great to see 60% of exhibitors are Tourism Export Council members. Nineteen 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. During the year Australian inbound tour operators won a judgement against the Australian Tax Office 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 and once the official written ruling has been received, we will continue working with government to have our GST policies reviewed.

### 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 2012 and since then fees have been collected and paid but the success of the agreement is dependent on DOC's level of compliance and ability to identify and prosecute non compliant inbound operators.

### Environment – Choose Clean Water Campaign

The Tourism Export Council after receiving a mandate from its members to do more to support the Environment. sponsored the Choose

Clean Water Campaign with the purpose of raising awareness re our freshwater quality and measurable standards. The campaign achieved more than 13,000 petition signatures with mainstream New Zealand and policy makers aware of tourism's position on the Environment in trying to live up to our clean, green image.

### Immigration and Tour Escort 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 including an exemption for tour escort visas.

### 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.

To conclude I'd like to extend my thanks to Tourism Export Council Chairman 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 2016

	2016	2015
<b>INCOME*</b>		
Membership fees	276,133	267,930
Conference & Symposium*	166,309	165,532
Other Revenue	8,833	16,199
Interest	8,406	8,192
<b>Total income:</b>	<b>459,681</b>	<b>457,853</b>
<b>EXPENDITURE</b>		
AGM/Meetings	36,004	32,605
Employment Expenses	149,584	146,510
Legal & Accounting	7,589	7,570
PR & Communications	15,782	15,863
Office Expenses	30,934	34,886
Special projects/YTEC	23,882	16,134
Subscriptions - TIA, Qualmark	63,154	62,168
Other expenses	2,290	2,534
Conference/Symposium expenses*	133,943	143,789
*restated for adoption of PBE standards		
<b>Total expenses</b>	<b>463,162</b>	<b>462,059</b>
Net (Loss) Surplus for Year before Tax	-3,481	-4,204
Less Income Tax (Refund) Expense	-1093	-1,448
<b>TOTAL SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>-4,574</b>	<b>-2,756</b>

## STATEMENT OF MOVEMENT IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2016

	2016	2015
Total recognised REVENUES	459,681	457,853
Total recognised EXPENSES	463,163	462,059
Surplus (deficit) for the Year	-4,574	-2,756
Total recognised Income & Expenditure	-4,574	-2,756
Equity at Beginning of the Year	233,576	236,332
<b>TOTAL EQUITY AT END OF THE YEAR</b>	<b>229,003</b>	<b>233,576</b>

# STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>st</sup> MARCH 2016

	2016	2015
<b>CURRENT ASSETS</b>		
Bank Current & Call Accounts	51,293	52,569
Bank Term Deposits	157,375	154,037
Accounts Receivable	1,560	1,504
Accrued Income & Prepayments	30,520	32,488
GST Receivable	6,200	1,168
Taxation Receivable/(payable)	-20	641
	<b>246,928</b>	<b>242,407</b>
Non-current Assets	1,386	2,928
<b>Total Assets</b>	<b>248,314</b>	<b>245,335</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	5,219	1,946
Accruals	14,094	9,813
<b>Total Liabilities</b>	<b>19,311</b>	<b>11,759</b>
<b>Net Assets</b>	<b>229,003</b>	<b>233,576</b>
<b>Accumulated Funds</b>		
Equity at beginning of year	233,576	236,332
Net surplus (deficit) for the year	-4,574	-2,756
<b>Total accumulated Funds</b>	<b>229,003</b>	<b>233,576</b>

FOR AND ON BEHALF OF THE COUNCIL



Chief Executive

Date: 20 JULY 2016

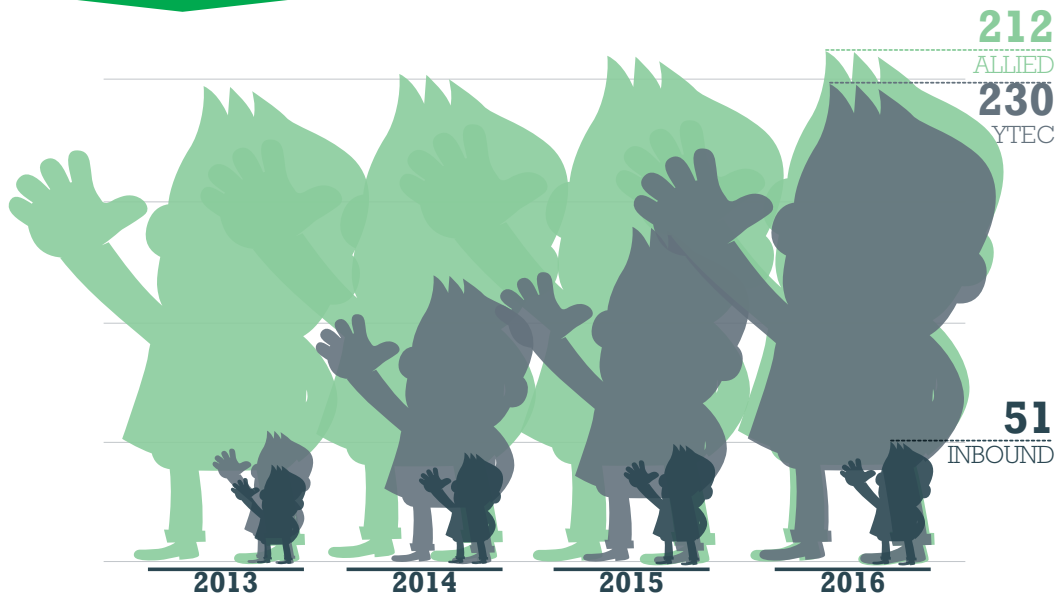
This is a summary of the full *financial statements as at 31 March 2016*. The full statements have been audited and are available on request from TECNZ. Note, *this summary has not been audited*.

## FINANCIAL RESULTS

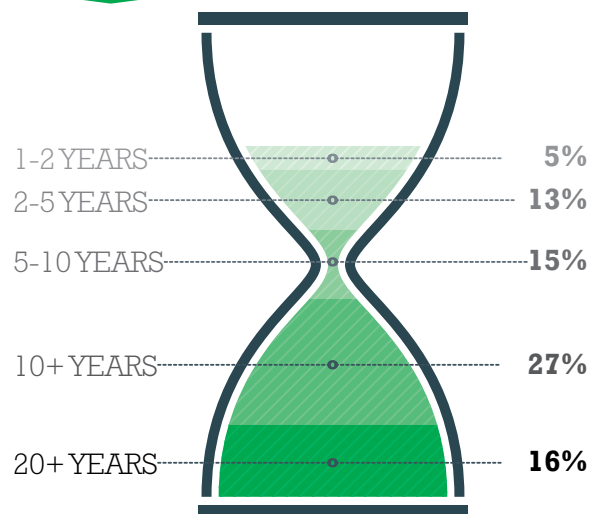


# MEMBERSHIP

## NUMBERS



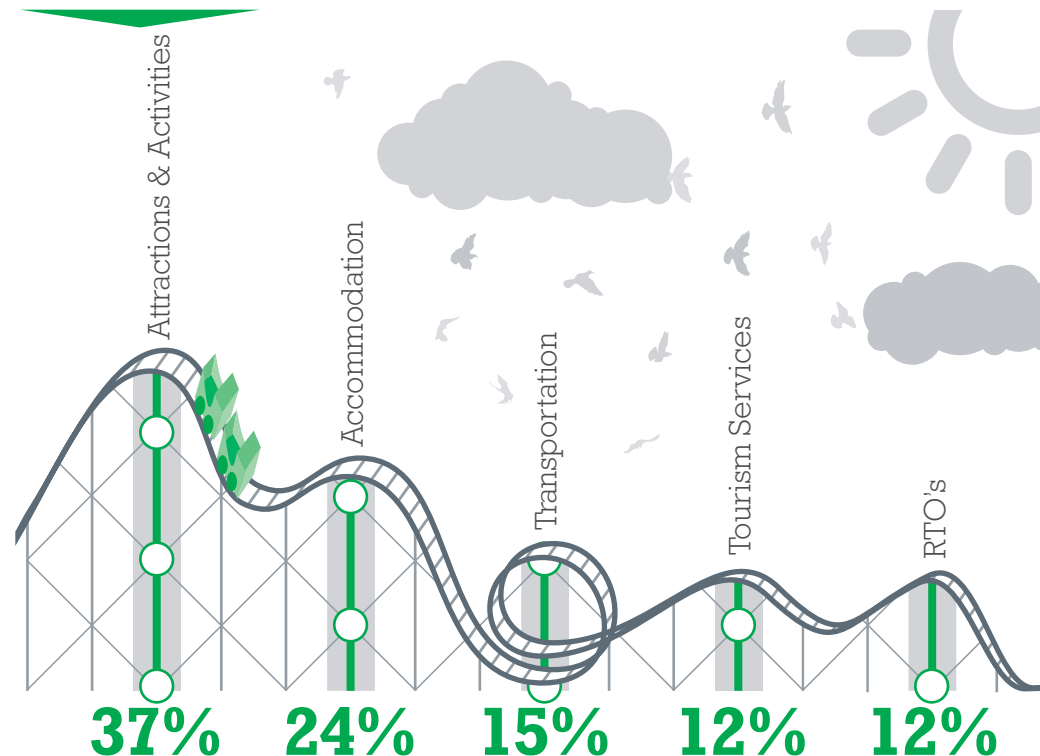
## LENGTH



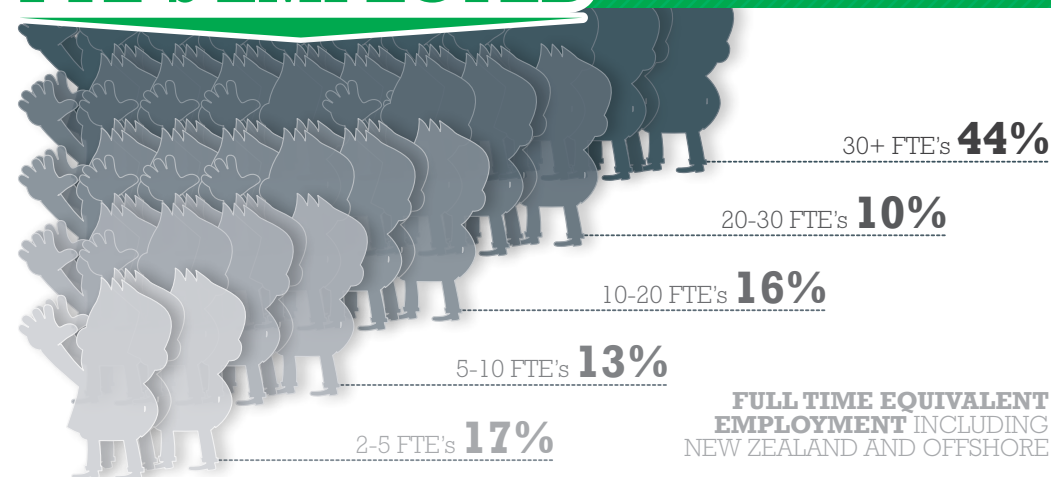
**94%**

HAVE HAD A GOOD-EXCELLENT 2015  
AND ARE EXPECTING THE COMING  
SEASON TO BE LIKEWISE

## ALLIED



## FTE'S EMPLOYED







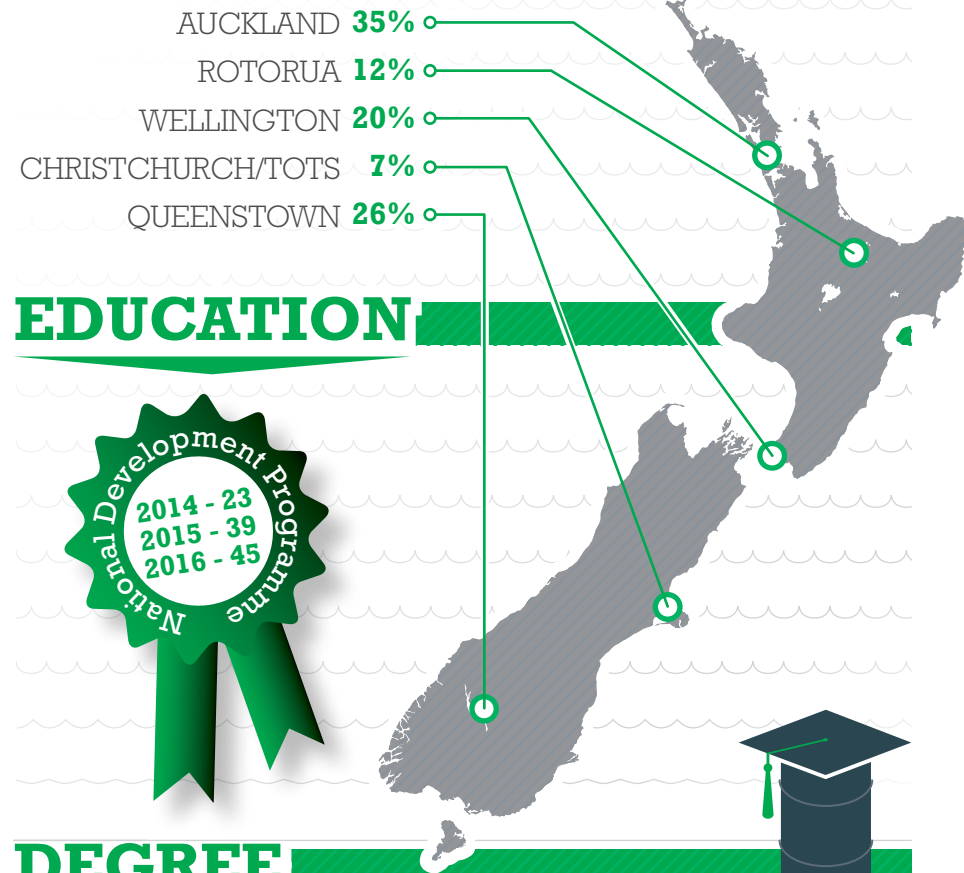
The *young Tourism Export Council* organisation provides networking and mentoring opportunities to *young* people in the tourism industry to develop industry knowledge and skills. *young TEC* is aimed at those under the age of 36 years and the company they work for is a Tourism Export Council of New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

*young TEC* offers its members regular networking events with other *young* professionals working in the tourism industry, educational workshops and mentoring programme. The National Development Programme (NDP) provides up-to-date tourism intelligence and expert 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

