



**ANNUAL
REPORT
2014**

OUR MISSION:

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

TECNZ MEMBERS 2014



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Statement of Financial Position

TECNZ was Founded in 1971
Inbound Member Tour Operators - 50
Allied Supplier Member - 210
as at 31 March 2014

2013/2014 TOURISM EXPORT COUNCIL BOARD



Back left to right: Vance Boyd, Steve Shearer, Dylan Rushbrook, Adele Marsden, Stuart Neels, Rainer Heidtke, Geoff Yee

Front left to right: Jenny Simpson, Michelle Caldwell, Stephen Ecclestone, Lesley Immink (CEO), Martin Horgan (President), 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

Stephen Ecclestone

Inbound Groups Country
Manager NZ, Kuoni GTA
AUCKLAND

Rainer Heidtke

Managing Director
C & E Tours
CHRISTCHURCH

Anna Black

General Manager
General Travel NZ
AUCKLAND

Stuart Neels

General Manager
ATS Pacific NZ
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

Vance Boyd

Managing Director
Kiwi Discovery
QUEENSTOWN

Steve Shearer

Director of International Sales &
Brand Development
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 2014 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, whilst the China juggernaut has pulled back to a respectful 8.0% growth in

arrivals, (the year prior we witnessed a staggering 26% increase), what I am thrilled to see is that traditional markets of USA, UK and Germany have grown arrivals by 12%, 3% and 16% respectfully. This is all great stuff and overall at the end of June 2014, New Zealand visitor arrivals were up 5.7%.

What's even better news is that already the season ahead is already looking to be very strong with almost all markets buoyant and engaged. It's a nice feeling, and I think we're in a good place right now.

Through various formats 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'.

At last year's Wairarapa Conference we received a clear mandate to voice more strongly to government our position re the protection of the environment – and therefore New Zealand's tourism reputation. Our member survey in October clearly supported this and we submitted our

position to the respective environment, conservation and tourism ministers. There was a collective sigh of relief when the Ministers decision declining the monorail to Milford was released – but that's just the start. TECNZ will continue its work advocating for the environment and at conference this year we will have the opportunity to hear from all major parties what their commitment to tourism and the environment will be.

Advocating for the environment is just one thread in social responsibility mandate our board is currently working, 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 28% 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. This year we farewell and thank Stuart Neels from ATS Pacific, Stephen Ecclestone from Kuoni GTA and Vance Boyd from Kiwi Discovery. Stu, Stephen and Vance have all contributed greatly to the Board over the past 5 years during a period of great change for the organisation. We welcome Mark Badland from Pacific Destinationz, John Gregory from Pan Pacific Travel and Ryan Ingram from Real Journeys.

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

A stylized, handwritten signature in green ink, appearing to read 'Martin Horgan'.

Martin Horgan
President



CHIEF EXECUTIVE'S REPORT

– THE YEAR IN REVIEW 1 APRIL 2013 – 31 MARCH 2014



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, promotion re the protection of the environment so we can live up to our 100% Pure New Zealand promise, 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 President's Report.

MEMBERSHIP

Membership at March 2014 shows 50 Inbound tour operator members, an increase of 9.2% compared to the previous year and 210 Allied supplier members, an increase of 9.6% over the previous year. This is a great reflection re the health of the organisation and our value to the industry.

FINANCE

This year annual membership fees have a \$20 increase for Inbound Tour Operators at \$2585+GST with Allied members remaining at \$700+GST. The inbound member fee also includes the annual Qualmark licence fee and membership to TIA.

Subscription income increased 9.4% from \$248,562 to \$262,203 in the 2013/2014 year. Good financial management saw the Association produce a surplus of \$28,328. Net assets and equity now stand at **\$236,332** with the Association being in the best financial position in its history.

MARKETING AND PUBLIC RELATIONS

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 printed collateral for the organisation. The trade manual has a distribution of 8000 with the majority in offshore agents/wholesalers/TNZ/NZTE offices. There is an e-book and PDF version of the Directory available on the website.

Annual Conference

The Tourism Export Council Conference was held in Masterton, Wairarapa 20-23 August 2013 with 211 attendees including 36 local West Coast tour operators. Many thanks to Destination Wairarapa for hosting a highly successful conference!

Hamilton Waikato Tourism were successful with their bid for the 2014 Conference. The event will be held at the Novotel Tainui Hotel 26/27 August. The local industry looks forward to welcoming and hosting delegates.

YOUNG TEC – young Tourism Export Council

Young TEC has made great progress with 140 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.

Another new Young TEC 'first' is 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. The winner will be announced at the annual tourism conference.

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 270 members and guests attending the event at the Pullman 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** on being elected as the Tourism Export Council Allied 'Operator of the Year' for 2013. Other finalists were Hobbiton Movie Set Tours and Skycity Hotels.

The winner of the 'Inbound Tour Operator of the Year 2013' was once again **Pacific Destinationz** with finalists New Zealand Journeys (2007) Ltd and Southern World. 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. Eleven inbound members were also present as Buyers.

STANDARDS & PERFORMANCE

Goods & Services Tax (GST):

Over the past year, this item remained the single most important issue for inbound members. TECNZ 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. The Board and inbound operators have decided not to pursue this issue any further.

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 has acted as a trial to identify anomalies and allow members to cost fees into future itineraries. The success of the agreement is dependent on DOC's level of compliance and ability to identify and prosecute non compliant inbound operators.

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, TECNZ 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 2014

	2014	2013
INCOME		
Membership fees	264,490	250,862
Conference & Symposium	37,715	29,864
Sponsorship	9,500	7,250
Interest	6,962	6,558
Total income:	318,667	294,535
EXPENDITURE		
AGM/Meetings	33,847	21,704
Employment Expenses	129,575	115,203
Legal & Accounting	7,166	6,786
PR & Communications	13,677	12,942
Office Expenses	31,349	26,485
Special projects/YTEC	13,348	16,876
Subscriptions - TIA, Qualmark	57,950	53,933
Other expenses	2,183	2,642
Total expenses	289,095	265,571
Net Surplus for Year before Tax	29,592	37,964
Less Income Tax Expense	1,264	2,012
NET SURPLUS FOR YEAR AFTER TAX	28,328	35,952

STATEMENT OF MOVEMENT IN EQUITY

FOR THE YEAR ENDED 31st MARCH 2014

	2014	2013
Total recognised REVENUES	318,688	294,535
Total recognised EXPENSES	290,359	258,583
Surplus for the Year	28,328	35,953
Total recognised Income & Expenditure	28,327	35,953
Equity at Beginning of the Year	208,005	172,052
TOTAL EQUITY AT END OF THE YEAR	236,332	208,005

STATEMENT OF FINANCIAL POSITION

AS AT 31st MARCH 2014

	2014	2013
CURRENT ASSETS		
Bank Current & Call Accounts	133,199	39,247
Bank Term Deposits	81,331	142,310
Accounts Receivable	12,720	11,695
Accrued Income & Prepayments	29,046	24,472
GST Receivable	1,041	0
257,337	217,724	
CURRENT LIABILITIES		
Accounts Payable	5,969	2,317
Accruals	8,479	6,894
Income in Advance	10,000	0
GST Payable	0	1,685
Taxation Payable	600	833
Total Liabilities	25,049	11,729
Working Capital	232,288	205,995
Fixed Assets	4,045	2,009
NET ASSETS	236,332	208,004
EQUITY	236,332	208,004

FOR AND ON BEHALF OF THE COUNCIL

This is a summary of the full *financial statements as at 31 March 2014*. The full statements have been audited and are available on request from TECNZ. Note, *this summary has not been audited*.

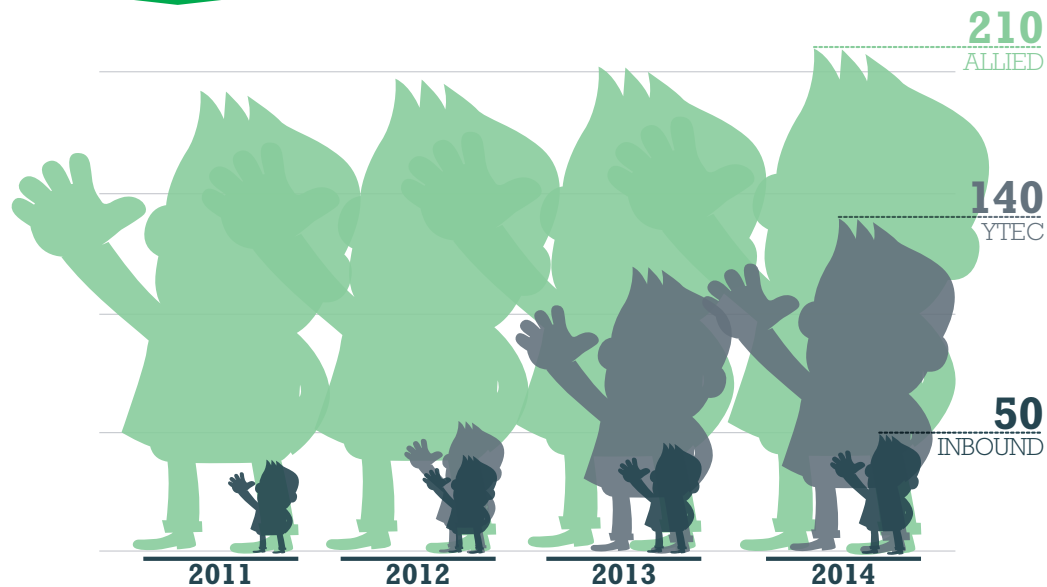
Chief Executive

Date: 20 JULY 2014

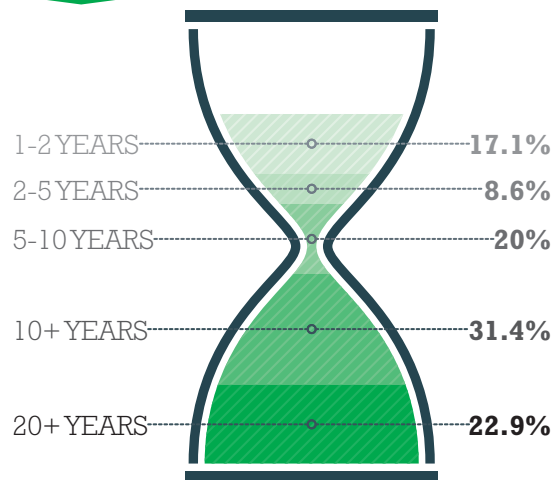
FINANCIAL RESULTS



MEMBERSHIP NUMBERS



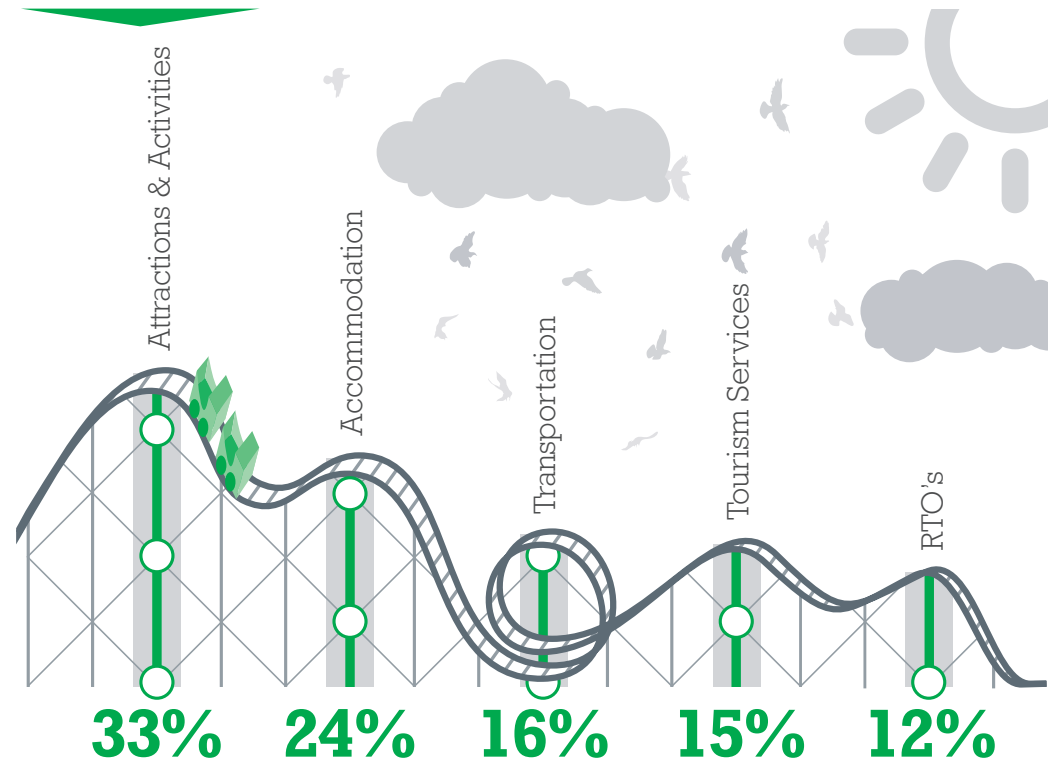
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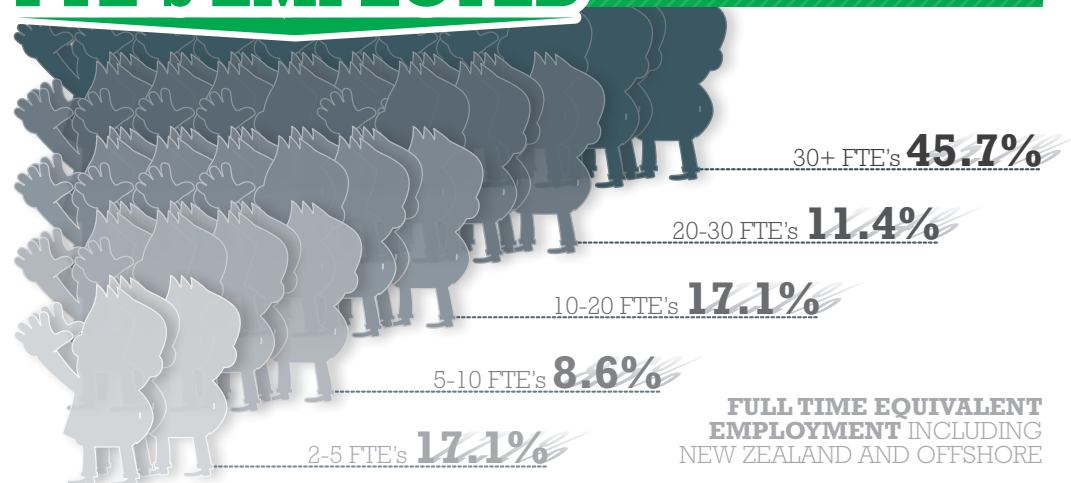
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HAVE HAD A GOOD-EXCELLENT 2013 AND ARE EXPECTING THE COMING SEASON TO BE LIKEWISE

ALLIED



FTE'S EMPLOYED





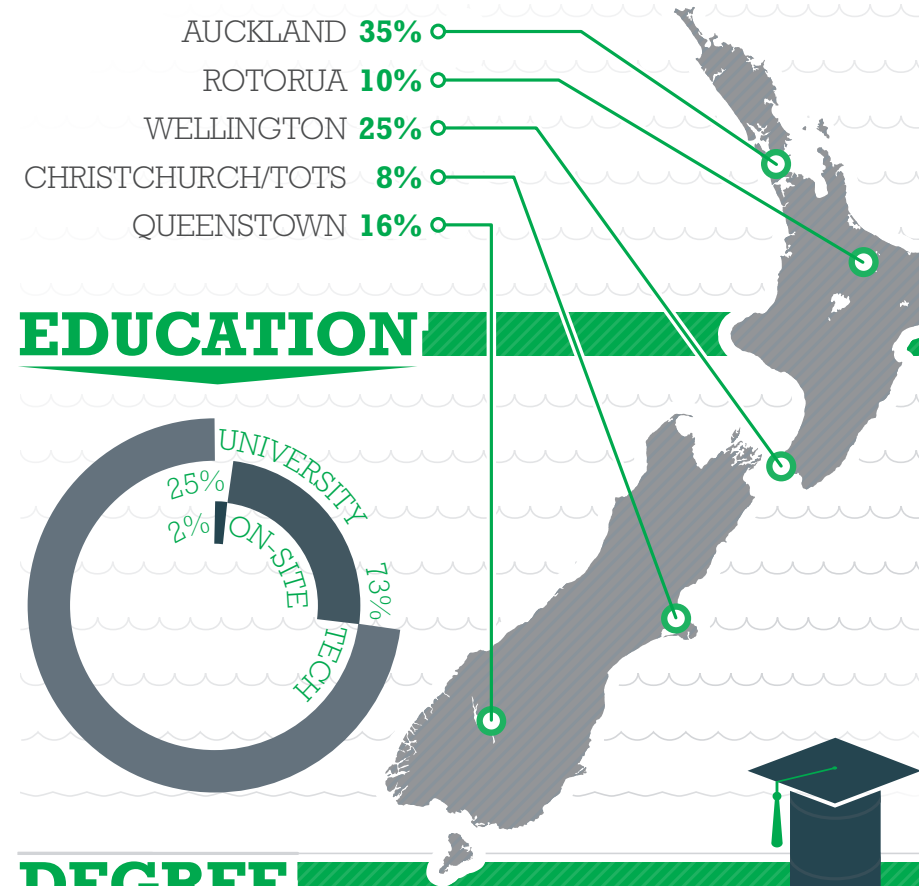
The *young Tourism Export Council* organisation provides networking and mentoring opportunities to *young* people in the tourism industry to develop industry knowledge and skills. *young TEC* is aimed at those under the age of 36 years and the company they work for is a Tourism Export Council of New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

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

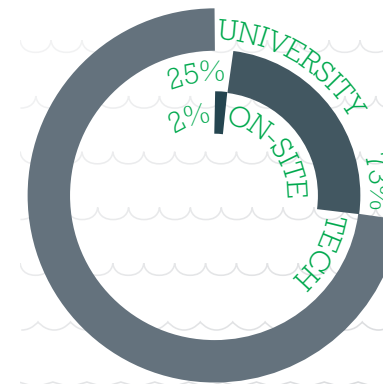
young TEC will help to create a highly skilled tourism sector with operators who are encouraged to grow and develop, and invest in the future of New Zealand Tourism. It is free to join for employees of Tourism Export Council members and can help you further your career in the tourism industry.



YOUNG TEC REGIONS



EDUCATION



DEGREE

