



**THE FIRST 25 YEARS**

# AIR NEW ZEALAND CONGRATULATE I.T.O.C. IN THEIR 25TH YEAR.



When anyone in our industry seeks to develop an international market or attract more tourists to New Zealand it's often Air New Zealand who is the catalyst that ensures our experts travel throughout the world economically and in comfort.

COMMITTED TO DEVELOPING NEW ZEALAND TOURISM



## AIR NEW ZEALAND

# Foreword



If there was ever an opportunity for New Zealand to stand out on the world stage it is now. In fewer than 1000 days New Zealand will be the first country in the world to welcome in the new millennium and that presents an unique range of opportunities for our tourism industry.

While we are busy looking forward, the Inbound Tour Operators Council's 25th anniversary gives us an opportunity to look backwards at some of the very real achievements our industry has made during the past few years.

ITOC has been a key contributor to the growth and development in existing and new markets that our industry has witnessed. I have no doubt this contribution will continue as ITOC and the rest of the industry meet the challenge ahead.

I sincerely congratulate the Inbound Tour Operators Council on 25 years of contribution to the development of the New Zealand tourism industry. It is a very different industry now than it was in 1972 and ITOC can be proud it has been a major player in its success.

Congratulations ITOC on 25 years of achievements. I look forward to working with you in the exciting and challenging years ahead.

A stylized, handwritten signature in dark ink, appearing to read 'Murray McCully'.

Hon Murray McCully,  
Minister of Tourism, Sport Fitness and Leisure, Minister of  
Housing,  
Parliament Buildings,  
Wellington.

## Past presidents/life members of ITOC

1971-1973	David Napier, Farm Stay Ltd, Box 263, Warkworth.		Silver Fern Travel Ltd, Box 4379, Auckland.
1973-1975	Keith Johnston, Managing Director, ID Tours South Pacific Ltd, Private Bag 92171, Auckland.	1988-1990	Peter Cleary, Managing Director, ITS South Pacific, Box 610, Pukekohe, South Auckland.
1975-1977	Don Banks (deceased)	1990-1994	Michael Wiedemann, Managing Director, Wiedemann Travel Ltd, Box 7134, Auckland.
1977-1979	Barry Doody, Executive Chairman, Contract Pacific Ltd, Box 14181, Christchurch.	1994-1996	Greig Ritchie, Managing Director, Contract Pacific Ltd, Box 14181, Christchurch.
1979-1981	Paul O'Ryan, Operations Director, National Car Rental, Box 73134, Auckland.	1996-	Mark Sainsbury, Chairman of Directors, Pan Pacific Travel Corp Ltd, Box 3744, Newmarket, Auckland.
1981	George Hudson Chairman Fullers Group Ltd, Box 1346, Auckland.		
1981-1984	David Williams, Director, Kiwi Tours, Lower Shotover Road, Frankton, Queenstown.		
1984-1987	Russell White, Managing Director, ATS Pacific Ltd, Box 557, Auckland.		
1987-1988	Bruce Coe, Managing Director,		
		<b>Life members</b>	Blair Sheehy, Director of Sales International, SPHC Group, Box 6841, Wellesley Street, Auckland. Michael Wiedemann, Managing Director, Wiedemann Travel.

## **ITOC Operator of the Year Award Winners**

1982	Mount Cook Line- Coronet Cresta Run, Queenstown.	1989	The Christchurch Parkroyal Hotel, Christchurch.
1983	Rainbow Spring, Rotorua.	1990	Fiordland Travel.
1984	Air Safaris & Service (NZ) Ltd, Lake Tekapo.	1991	Ansett New Zealand.
1985	The Charter Cruise Company, Auckland.	1992	Routeburn Walk Ltd, Queenstown.
1986	Skyline Skyrides, Rotorua.	1993	Air New Zealand International.
1987	The Department of Conservation as the guardian of the New Zealand National Parks system to mark the national parks centennial.	1994	Agrodome Leisure Park, Rotorua.
1988	Kelly Tarlton's Underwater World, Auckland.	1995	Shotover Jet Ltd, Queenstown.
		1996	Paradise Valley Springs, Rotorua.
		1997	Larnach Castle, Dunedin

---

**This book was commissioned by the Inbound Tour Operators Council of New Zealand (ITOC) to commemorate its silver anniversary in 1997. The invaluable assistance given to the author Anthony D Glanville in its preparation is greatly appreciated, in particular the help received from David Napier, Russell White, Keith Johnston, Michael Wiedemann, David Williams, Barry Doody, Paul O’Ryan, Colin Ellis, Blair Sheehy, Warren and George Harford and the executive director Peter Lowry. Acknowledgement is also given to those companies, both full and allied, who have contributed to its production by way of advertising.**

**Copyright. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical photocopying, recording or otherwise, without permission first being sought and obtained in writing from the publishers.**

**Printed by Maxwell Printing Ltd, Auckland, New Zealand.**

**First published in 1997 by Inhouse Publications, a division of Travel Publications Co Ltd, Box 20446, Glen Eden, Auckland, New Zealand. Telephone (09) 818 9678, fax (09) 818 9660.**

# Chapter 1 - The Club

**T**he 1970s had dawned. New Zealand was being discovered slowly by North Americans and a little more aggressively by Australians, thanks to the New Zealand Tourist and Publicity Department and the Tourist Hotel Corporation, but arrival figures were still small by today's comparisons.

Visitors were mainly on fully inclusive pre-packaged tours, sticking to tried and proven routes and outside the main centres of Auckland, Wellington and Christchurch, geared mainly to using accommodation provided by THC properties. At that time there was little other choice in the scenic beauty spots of the country.

The Japanese had yet to make any mark and visitors from Korea, Taiwan and South East Asia were still a pipe dream. While there was some movement from what was known as the visiting friends and relatives market mainly from the United Kingdom and parts of Europe, there was little general visitation.

Tourism was not a particularly high profile industry in the eyes of politicians, who more often than not regarded it much as they would candy floss - all froth and no substance.

Larger well established companies such as Group Travel, Newmans Coach Tours, Guthreys NZ Tours, Mount Cook & Southern Lakes Tourist Company and the NZTP's commercial offshoot Tiki Tours, were at the forefront of the inbound industry.

Throughout the 1960s and into the early 1970s, these companies as well as the likes of Hunts of the Pacific of NZ, Thomas Cook & Son, Atlantic and Pacific Travel, Stars Travel, Travelees, White Heron Travel, Mutual Travel Services and Associated Travel Agencies, had to undergo an annual plotting conference, organised firstly by the Government Tourist Bureau and subsequently by the Tourist Hotel Corporation, to get accommodation allocations in the main tourist spots for the year.

These conferences were mandatory and controlled with an iron hand. Allocations were based on the previous year's performance and the conferences lasted a week. All the tour companies viewed these conferences - held firstly in Wellington and subsequently in Auckland - with a good deal of trepidation.

The rates were set by the THC and the tour operators had no choice but to accept them if they wished to secure accommodation for their groups.





**Whenever your clients may have an  
unfortunate mishap**



**ICIB can be there to assist.**

**ICIB providing both Accident &  
Liability Insurance to ITOC**

**Congratulations to ITOC on its  
25th Anniversary**

**Industrial & Commercial Insurance Brokers Ltd  
PO Box 5734, Auckland  
Phone [09] 379-5772 Fax [09] 309-5457**

Established operators were given preference, but the newer operators had to wait in the wings and often it was not until near the end of the week they found out how many rooms they would be given at prime spots such as The Hermitage, the Chateau at Mount Ruapehu and the Waitangi Hotel in the Bay of Islands.

It was only then could the tour operators begin negotiations with other hoteliers. At the time the Tourist Hotel Corporation's mandate forbid it from having properties in main cities such as Auckland, Wellington and Christchurch and it had no property in Queenstown.

In the mid to late 1960s Auckland had begun to be recognised as a city in need of good upmarket accommodation and developers had built the South Pacific Hotel (now the Novotel) on the site of a previous hotel on the corner of Queen and Customs Streets in the heart of the city.

InterContinental Hotels had become the first major international management company to operate an hotel in the city when it assumed control of a brand new high rise property on the corner of Waterloo Quadrant and Princes Street - ironically an hotel designed without air conditioning because it was said designers a long way away had taken note of average temperatures in Auckland and felt it wasn't necessary.

They had forgotten the hotel sat on the top of a rise with no likelihood of anything being built around it of any size, allowing the sun to stream over the property without interruption.

Since then the hotel has changed hands several times, has had air conditioning installed and is now the Hyatt Regency.

The Travelodge New Zealand group was competing with growing companies such as Vacation Hotels and in Rotorua, entrepreneur Jimmy Lowe's independent Travelodge was competing hard against the THC.

Other smaller hotel groups and individual properties were springing up and the motel industry was expanding.

This meant tour operators had to negotiate independently. All the accommodation houses had different rate seasons and different policies on numerous matters such as how many in a group qualified for free tour leader's room.

Coming on top of the plotting conferences, the tour operator's plight was not a comfortable one.

Overseas the Government Tourist Bureau had a monopoly, particularly in the main markets of North America and Australia. Not only was it promoting New Zealand through its network of offices, a job which the privately run New Zealand inbound tour operators felt should be its primary role, it was



also said to be directing as much traffic as it could to its own tour operation in New Zealand - Tiki Tours - and to its sister government organisation, the THC, for accommodation.

And when beds became hard to get in New Zealand, word came back to the tour operators here that North American outbound wholesalers would stand a better chance of getting what they wanted if they directed business through the GTB. Most of the larger series operators in North America operated through the GTB.

This then was the environment in which the privately owned inbound tour operators found themselves.

For some it was not a very palatable position. David Napier, who was general manager of Auckland based multi faceted company Russell and Somers whose interests ranged from steel to retail travel and inbound tourism, didn't like it at all.

He and a number of his colleagues used to meet regularly at their local watering hole, the South Pacific and informally talk about the need "to get something done" about the situation. Napier sussed out those who showed most interest and organised a lunch time meeting at the top floor restaurant of the hotel. Before it was over all five present, who included Keith Johnston (then with Stars Travel) and Lionel Newton (working for NZ Tours and Travel and who later ended up running United Touring) agreed there was a need to form a loose association and to circularise all other companies in the business including the Government Tourist Bureau.

Ironically the first official meeting was held in the old GTB offices in the Government Life Building in Queen Street on July 20, 1972. It was decided the new organisation should be called the Inbound Tour Wholesalers (NZ) Inc and almost all the companies which attended agreed to join.

The one exception was the GTB, which felt it could not belong formally but wanted to be involved and was prepared to provide space for them to hold their meetings.

Napier explained at the meeting there was a need to try and achieve some standardisation within the industry so far as rate setting, seasons, hotel house policies and a variety of other matters were concerned, including liaison with airlines to try and find a solution to a problem which even now still plagues the industry - a shortage of airline seats at peak times. At that time the airlines, including Air New Zealand, were not particularly interested in the inbound market. Their preoccupation was taking people out of New Zealand.

By coming together periodically they would be able to air common problems and formulate policies to enable approaches to be made to other sectors

of the industry in an attempt to make trading conditions easier and less complex for all.

As the instigator of the organisation, Napier, who now runs his own business, Farm Stay, from his home near Warkworth north of Auckland, was unanimously elected its first chairman. He was proposed by Lionel Newton and seconded by Keith Johnston. Vice chairman was Robert Hebden of Thomas Cook & Son and committee members were John Coppleston (Atlantic and Pacific Travel), Jack Ballinger (Mt Cook & Southern Lakes Tourist Company), Tony Taylor (Guthreys) and Lionel Newton.

Its first official decision was to fill in the required forms to register the group as an incorporated society. It was followed by a decision to set the annual fee at \$20 for each company and to agree to a listing in the Travel Executives publication.

Member companies, however, were spread throughout the country and it soon became apparent more formal meetings on a regular basis would be required if the committee were going to achieve any progress.

The next meeting was on November 22 that year, again in the GTB offices, when nine companies were represented and two sent their apologies. It was reported the certification of incorporation had been approved and received



*A different picture today. ITW chairman David Napier (left) with the then minister of tourism Bert Walker looking at tourism receipts for 1971.*



## ITOC is very much part of the plans.

The 146 luxurious new rooms that are being added to the Carlton Hotel - Auckland, is the best vote of confidence we can give ITOC.

We wouldn't be doing it without you.

Thank you for your invaluable contribution to the New Zealand Tourist Industry and congratulations on your Silver Jubilee Year.



**New Zealand's Hotel of the year**

MARSHALL DRIVE & VINCENT STREET, AUCKLAND, NEW ZEALAND. TELEPHONE: 64-9-366 2000 OR (800) CARLTON. FAX: 64-9-366 0121.

*A member of the Carlton Group of Hotels: Auckland, Brisbane, Melbourne, Singapore, Sydney.*

on August 21 and 16 companies were enrolled as foundation members. They were: Associated Travel Agencies Ltd, Atlantic & Pacific Travel Ltd, Thos Cook & Son Ltd, Guthreys NZ Tours Ltd, Hibiscus Tours, Hunts of the Pacific of NZ Ltd (a joint venture formed by Russell & Somers and Fiji based Hunts of the Pacific), Maui Tours of NZ Ltd, Mutual Travel Services Ltd, Newmans Coach Tours Ltd, Russell & Somers (Wgtn) Ltd, South Pacific Safaris Ltd, Stars Travel Ltd, TBS Tours Ltd, Travelees Ltd, White Heron Travel Ltd and Mt Cook and Southern Lakes Tourist Co Ltd.

Some of these companies have disappeared, some have merged with other companies and yet others have dropped out of the inbound industry, but a number of individuals involved in the early days are still active.

The minutes record that Jack Ballinger had to resign from the committee because his company felt such a position would not be compatible with Mt Cook's prime role as a transport operator. The group elected Keith Johnston to take his place.

It also appeared the society wasn't happy with the advertisement placed in Travel Executives and resolved to approach the publishers.

The society also took its first move to protect the interests of its members when Colin Rouse (Newmans) was the first to represent it at a meeting of the Bus and Coach Association in Wellington on November 30. He was delegated to express the society's views on keeping proposed increases in transport costs to a minimum and to comment on the quotation of rates on a net basis to tour wholesalers.

Although the minutes show the certification of incorporation had been received, no one in later years could find it. The society which overseas incorporations couldn't find a record of it either.

It wasn't until 1992 that the organisation, then called the Inbound Tour Operators Council, was finally and apparently officially incorporated.

They were a close knit group, competitors all but brought together by a common desire. They found it difficult at the start to get recognition from other groups within the industry, but through persistence and a willingness to consider all points of view, they gradually became an accepted body.

They initially struggled with how to handle the Government Tourist Bureau, mainly because many of those on the council had originally started their careers with the GTB. While these people, who included Keith Johnston and Lionel Newton, were with the majority in trying to persuade the bureau to drop its commercial activities, they recognised the value of the organisation's network overseas and were keen to make sure relationships continued.



*A 1986 meeting between the opposition spokesman on tourism John Banks (left) and chairman of the Tourism Council John Milne (second from right) with ITOC chairman Russell White (second left) and vice chairmen Peter Cleary (centre) and Bill Glasgow (far right).*

Only a year or so earlier many of them had been on the Destination South Pacific promotion through the US for six weeks, during which time they visited 50 different cities in North America.

The object was to promote the South Pacific and among the group were representatives from Tahiti, Fiji and Australia. Much of the organisational side of the trip had been handled by the Government Tourist Bureau and the assistance it provided and its presence throughout was well recognised by the operators.

However cracks were beginning to appear to break the GTB and by association Tourist Hotel Corporation monopoly. A number of major North American operators were anxious to be rid of the straightjacket and wanted to deal with whom they pleased in New Zealand. American Express, for instance, had not long before appointed Stars Travel in Tauranga to be its representative in New Zealand; for some years it had used the GTB.

So the society played very much a game of brinkmanship with the GTB, never losing the opportunity to remind the bureau it shouldn't be actively selling against ITW members, but encouraging close contact which extend-

ed to the top echelons of the organisation.

In those days, as today, many ITW members contracted coaches to move their groups around the country. The Bus and Coach Association was a pretty strong group which needed to act in a concerted manner to protect its interests when the regular wage and condition bargaining rounds with the respective unions took place.

At that time coach drivers were on the same rates as local bus drivers and no recognition was given for the extra skills needed by the coach drivers. They were not only responsible for driving the coaches, but they gave the commentary on board, briefed the passengers on what to do and checked people in and out of their respective accommodations.

The Bus and Coach Association didn't want a separate award for coach drivers, so the tour drivers pushed for better conditions including overnight and away from home allowances and even for newspaper money.

In those days the rates set by inbound operators were subject to the cost of the drivers' conditions being borne by the operators themselves and these often took place long after they had set their rates for overseas wholesalers. It meant the inbound operators really had no idea what they were in for if wage and conditions rounds were some months away.

The bus and coach owners appeared to be quite happy to give way on claims for better allowances, knowing full well they could get them back off the inbound operators. But they would fight tooth and nail to cut back on the wage demands, because that was an area in which they couldn't get recompense.

The only way the inbound operators could have any influence on the outcome was by being recognised as an interested body before the Arbitration Court. That ITW and subsequently the Inbound Tour Operators Committee was able to achieve and for a number of years deputed Barry Doody to represent its interests.

Normally such sessions were scheduled for a week and Doody would find himself sitting around a table with the "heavies" of the union and employers movements. While it had its interesting times, it was often a boring process.

During the week talks would regularly break down over what appeared to be simple matters, but each side knew a decision had to be reached by the end of the week, otherwise negotiations would be adjourned, sometimes for months due to the court's calendar. Not only that delegates from both sides had planes to catch on the Friday afternoon.

Usually the award would be settled by around 4 pm on the Friday and everyone would go home, but those meetings did help to reinforce the



# I.D. Tours New Zealand Ltd & Southern World Vacations [NZ] Ltd

Inbound operators & Destination management companies to Australia, New Zealand & Fiji

*I.D. Tours and Southern World Vacations congratulate ITOC on its 25th anniversary.*

- Quality Service
- Expert Knowledge
- Excellent Value
- Innovation

#### Auckland Office

Level 9, Quay Tower, Cnr Customs & Albert Streets, Private Bag 92-171, Auckland.  
Tel: 64-9-379 6820  
Fax: 64-9-309 4156  
Email: [idtours@idtours.co.nz](mailto:idtours@idtours.co.nz)

#### Christchurch Office

530-544 Memorial Ave,  
P.O. Box 14-069, Christchurch.  
Tel: 64-3-353 5600  
Fax: 64-3-353 5646  
Email: [rsvns@swvnz.co.nz](mailto:rsvns@swvnz.co.nz)



Keith Johnston  
director



Ron McMahon  
director



Richard Peate  
director



*Experience*  
The New Zealand Way



inbound operators' position and once again succeeded in putting inbound tour operators on the map.

The society also recognised early on it needed to cultivate its relationships



*ITW chairman David Napier (seated bottom right) with several important principals who were involved with the fledgling society. Top row from left Pat Foster (NZ Shipping) John Wisdom (Air New Zealand) Eddie Prentice (Canadian Pacific - who still sports his trademark bow ties) and seated left Harold Denton (Air New Zealand).*

with the growing number of hoteliers, moteliers, sightseeing and facility operators with whom its members dealt on an individual basis.

After two years Napier stepped down and was replaced by Keith Johnston as chairman and before the end of his tenure in 1975 the group felt sufficiently strong enough to start holding its own conferences.

A conscious decision was made to hold these conferences in centres away from Auckland in order for members to have the opportunity to meet with as many of the suppliers as they could on their own territory.

So it was in 1975 they travelled to Queenstown and the following year went to Waitangi. The local suppliers were enthusiastic about the visits and went out of their way to show the operators what they had to offer and the operators replied by putting on a cocktail party and dinner as a way of saying thanks.

But the conferences themselves were always closed to suppliers.

Gradually however the organisation began to incorporate sessions involving the suppliers. An afternoon or morning would be devoted to a forum during which individual sections of the industry such as the hoteliers, transport operators and sightseeing/facility groups would get up on the stage and a no holds barred discussion would ensue.

## ITOC 25th ANNIVERSARY



*Partners in Tourism*  
*Thankyou ITOC for leading the way*



**AIR SAFARIS**

LAKE TEKAPO, Glentanner Park  
and Franz Josef

**Tollfree 0800 806 880**

One of the sessions which always produced a few fireworks involved the hoteliers. Times were fairly buoyant for both the operators and hoteliers and both sides had become a little greedy. Arrival figures were increasing but the infrastructure, particularly as far as good class accommodation was concerned, wasn't keeping pace.

The roads were full of tour buses and the hoteliers, happy to accept the business, tended to overbook hotels. The upshot was many a tour group in places such as Queenstown, Te Anau and Rotorua found itself split between numerous properties, including motels and lodges because they couldn't cope.

Stories abound of hoteliers greeting groups only to tell them some would have to be accommodated elsewhere, but here's a meal ticket. Those with blue tickets should be back by such and such a time and those given red tickets should turn up half an hour later.

These sessions served as good sounding boards for both sides, but when it came to formal matters the "club" closed the door. The suppliers were left to their own devices before the evening's social events began.

In 1975 the Travel Agents Association made an approach to the society through its then president Duncan Hamilton to join TAANZ. Hamilton attended the meeting on April 8 that year and suggested the society should disband and become a committee in similar fashion to another organisation which looked after outbound tour operators, the Overseas Tour Operators Committee (now the Overseas Tour Operators Council).

It would mean all members of the ITW would have to become fully bonded members of TAANZ. However its chairman or his representative would be able to sit at the TAANZ board meetings, although he wouldn't have voting rights.

However at its meeting a month later the ITW decided to decline the invitation, mainly because many operators might not qualify to become fully bonded members of TAANZ. It was suggested, however, that changes would be made to the society's constitution to encourage those that wanted to to become members of TAANZ.

It was also at that meeting the society decided to change its name to the Inbound Tour Operators Committee (NZ) Inc and a month later at its annual general meeting in the Travelodge Hotel in Queenstown adopted the new name.

The question of an association with TAANZ was also raised again and ITOC decided to accept an offer to have its chairman attend TAANZ executive meetings and agreed to having a TAANZ representative at its meetings.

# Your guide to Quality in New Zealand tourism



NZHOST, in association with Telecom Directory Ltd, is a detailed visitor information database of New Zealand tourism related services.



KiwiHost is New Zealand's premier customer training programme designed to raise the quality of service and hospitality throughout the country.



The Visitor Information Network (VIN) has over 80 centres located throughout New Zealand, dedicated to the provision of up-to-date, accurate and comprehensive information in what to do, where to go and what to see.



The New Zealand Way

The New Zealand Way is a brand mark appearing on New Zealand products and services which meet the highest standards of quality, excellence and environmental responsibility. A joint initiative with Tourism.



Qualmark is a nationally consistent independent rating scheme for New Zealand tourism services and facilities in the accommodation sector. A joint initiative with the New Zealand Accommodation Association Inc.

Congratulations TQC, we value our  
25 years' professional association

These quality initiatives are supported by the  
New Zealand Tourism Board

New Zealand Tourism Board, PO Box 90, Wellington, New Zealand.  
Telephone: 01-4722 1000, Fax: 01-4722 7800, Email: [info@nzta.co.nz](mailto:info@nzta.co.nz)



In 1975 Keith Johnston was succeeded by probably one of the most flamboyant characters in the industry at the time, Don Banks. Banks ran a company called Southern Cross Tours from Auckland and his ability to lighten up otherwise serious meetings with an endless stream of jokes plus his iron constitution which came to the fore during social occasions, are almost legendary.

It was only two months after Banks took on the role the ITOC was moved to call a special general meeting to discuss the implications of a recent devaluation of the New Zealand dollar and its affects particularly on the Australian market.

The meeting decided to recommend New Zealand based operators decrease their Australian retail price by 12 ½ per cent on land content for the next four months - but hold off any announcement for a week or "until the full ramifications of devaluation are made known".

Discussions then took place with coach operators and at another meeting two weeks later ITOC accepted the reduction should be 10 per cent and not the original 12 ½ per cent.

Banks stayed in the industry for some years after his tenure finished, but in the 1980s his company was taken over and he moved into a different arena. Banks was succeeded by Barry Doody at the 1977 conference held back in Queenstown. But Doody almost didn't stay around long enough to occupy the chair. On the day he was elected he was lying in a hospital bed in Invercargill and given a 50/50 per cent chance of survival after contracting a virus which attacked his brain.

Fortunately for him he survived and it was during his time the association changed from being one which operated along semi formal lines, to one with more defined criteria. In 1978 it again changed its name, this time to the Inbound Tour Operators Council (NZ) Inc and set itself the following objectives.

They were:

- \*to assist in co-ordinating the sectional interests of the visitor industry;
- \*to initiate, recommend and assist in the creation of new visitor facilities and to promote better usage and rationalisation of existing visitor plant and facilities;
- \*to ensure the maintenance of satisfactory standards of service by operators of visitor plant;
- \*to promote rate uniformity and cost stability among New Zealand ground and accommodation services;
- \*to protect members' interests by exchanging information concerning





*ITOC wasn't averse to mixing with a bit of glamour to brighten things up a little when the opportunity arose. Chairman Keith Johnston and executive member Lionel Newton chatting with Miss Hertz and her companion at one of the early meetings.*

financially unstable overseas agents and wholesalers;

- \*to seek improved educational opportunities for those engaged in marketing New Zealand's visitor facilities;

- \*to become involved in any matter which may relate to the interest of all members as it affects their business operations;

- \*to co-operate or confer with or make representations to the government and its agents, local bodies and other public bodies and authorities on administration, finance and policies in respect of inbound tourism within the travel industry; and

- \*to co-operate with all other bodies, associations and industries regularly formed within the travel industry.

That year also was recognised as a landmark for the association, for it started to attract the notice of various ministers involved with tourism and transport and in 1978 the conference at Wairakei was attended by the then minister of tourism Harry Lapwood. The following year it was the turn of his successor Warren Cooper. As a result the delegations from the Tourist and Publicity Department became larger and more senior.

Much of that was due to the cultivation of relations with the Tourist and Publicity Department and in particular with its then recently appointed general manager Mike Roberts.

He was the first one to pay something more than lip service to the operators' concerns about the government sector competing with its private counterparts and he was also instrumental in getting inbound operators recognised as export earners.

The 1979 conference had been timed to coincide with the National Party's Budget Day announcements for that year. The morning after the budget was released Roberts was at the conference explaining how members could become part of the export club and qualify in much the same way as farmers or manufacturers could for special incentives.

This was a major fillip, coming at a time when tourism arrivals were starting to show a decline, particularly out of Australia. Other markets by this time had started to develop and the availability of these export incentives enabled inbound tour operators to establish their own offices in some of these emerging countries such as Japan. North America and Europe were also targeted.

The incentives, however did not extend to the accommodation and transport industries, even though many of the bums in beds and seats belonged to overseas visitors.

**ROSS  
MELVILLE  
PKF**

CHARTERED ACCOUNTANTS



Congratulations to ITOC on its silver jubilee. We have been associated with ITOC for over 20 years, offering services in: Business Support/Coaching : Trusts : Tax : Due Diligence : Financial Reporting : Audit : Buying and Selling Businesses : Franchising : Retirement Planning : Business Valuation : Forecasts/Budgets : Investments : Mergers : IT Support : Matrimonial : Secretarial : Industry Surveys

Ph: 09 373 0100 Fax 09 309 3247

Contacts: Jugdis Parbhu [jparbhu@rmpkf.co.nz](mailto:jparbhu@rmpkf.co.nz)

Russell Toplis [rtoplis@rmpkf.co.nz](mailto:rtoplis@rmpkf.co.nz)

PO Box 8811 Auckland

CHARTERED  
ACCOUNTANTS

*Adding  
Value*



## Chapter Two - the linking of hands

**N**ineteen seventy nine also marked another milestone - it was the year ITOC finally decided to align itself with the Travel Agents Association of New Zealand.

Both groups had their own selfish reasons for moving closer together. ITOC was getting involved in numerous issues and it was finding it more and more difficult to sustain itself operating as it did with voluntary help and inefficient record keeping.

TAANZ on the other hand had begun a policy of holding its own conferences overseas once every three years and this had started to attract the ire of the then prime minister Rob Muldoon.

The National government wasn't at all keen on seeing a rather large group of people - anything up to 500 to 600 and more - travel overseas and spend a lot of hard won currency in another country.

TAANZ could see it was heading for a showdown, so decided to woo ITOC, reasoning if it could show to the government it was just as interested in developing inbound travel as it was maintaining the freedom of its retail and wholesale members to go where they wished, the government would stay out of its affairs.

But there had to be some sweeteners: ITOC's dues would not increase even though TAANZ would handle its secretarial affairs; it would retain its independence and name although within TAANZ it would become the Inbound and Domestic Committee of the association; the ITOC chairman would be a board member of TAANZ with full voting rights; and the TAANZ bonding scheme (which protects the consumer against agencies defaulting) would be amended to protect defaulting ITOC members.

That decision was actually taken on board a ferry boat. The annual general meeting had started at Fiordland Lodge and had been addressed by the TAANZ president Rodney Walshe and by its executive director Peter Lowry.

However ITOC did not manage to get through all its agenda before it had to be adjourned to fulfil an obligation the organisation had made to visit the Te Anau caves. The meeting was reconvened on the boat after the caves visit.

That meeting also saw the approval of membership of a company called Freedom Holidays, based in Christchurch - but more on that later.

The first chairman of ITOC under the new arrangement was Paul O'Ryan who was then working for Newmans and is now a director of National Car

Rental.

It was shortly into his tenure the question of allied members first came up. ITOC decided to amend its own constitution to restrict membership to those who could become fully bonded members of TAANZ, but there was at least one company which was already a member of ITOC which wouldn't qualify.

So it was decided the executive would have the power to admit as an allied member a person or corporation engaged in the industry or activities allied with the industry but who or which would not qualify under the TAANZ criteria. However there would be no voting rights or eligibility for office. The first company to be admitted under this category was Chauffeurlux Services, an Auckland company run by Mike Scott.

In his first annual report O'Ryan commented on the continuing decline in the number of Australians coming to New Zealand on holiday - over the previous three year period the percentage had dropped by 17.

"This is an astounding figure in anyone's language," he reported. "But when it is remembered this market has historically been the provider of longer stay visitors - averaging 21 days - and other smaller markets maintaining a much shorter length of stay, there is little wonder that hoteliers and plant operators, especially in remote areas, are becoming concerned about their future."



*ITOC chairman Peter Cleary (left) chats with tourism minister Jonathan Hunt during a meeting in the TAANZ boardroom.*

The figures indicated for the first time ever arrivals from Australia dropped below 50 per cent of all visitor arrivals, yet in the previous four years the number of Australians leaving their shores for holidays elsewhere had increased by 45 per cent. New Zealand's share of the market had in fact dropped from 26 per cent to 18 per cent.

He believed there were three main reasons.

- \*the trans Tasman air fare conditions were too restrictive, but approaches made to the managements of airlines and to the Departments of Transport in both countries to reinstate the IT fare and conditions, had fallen on deaf ears.

- \*capacity shortages, particularly in and out of Christchurch and frequencies were likely to be even more reduced once Air New Zealand's new 747 jumbo jets came into service. The seat shortage had not been helped by the unprecedented demand for New Zealanders travelling overseas.

- \*the lack of things to do for visitors, particularly in the resort areas. The "incongruous" Shop Trading Hours Act was detrimental to the livelihood of all operators.

O'Ryan also had a word to say about the shortage of top grade accommodation, particularly in Auckland, even though hoteliers maintained it was not true. There was also need for more accommodation in Rotorua, Christchurch, Queenstown and Wellington before long.

Then came the sting directed at the hoteliers. "It amazes me that although most areas have suffered recent downturns in occupancy, tour groups still get pushed around and treated like second rate guests. It seems that in many cases the attitude is because we have negotiated a volume rate then we must expect to accept discounted service.

"How often does a coach pull in at say 6 pm and passengers told in no uncertain terms they must be in the dining room in 30 minutes. Hoteliers may have got away with it five or six years ago when we were in boom times, but not anymore."

At that time it also seems inbound tour operators were not doing enough to encourage more travel from Asia, even though New Zealand was directly linked with Hong Kong and Singapore.

On the top side arrivals from Japan were increasing and were likely to continue so with the new direct air services between Japan and the South Pacific. However he sounded a word of warning in wondering how long it would be before Japanese companies start their own inbound operations in New Zealand.

Travel from North America was also looking brighter and arrival figures had shown an increase.

During the tenure of Mike Roberts at the Tourist and Publicity Department he had instituted a review of the activities of the Government Tourist Bureau, to which ITOC contributed. While O'Ryan believed there had been a noticeable improvement in the GTB's attitude towards the private sector, it still irked that it was continuing to process travel and operating its Tiki Tour division.

It was obvious at that time relations in particular between the national carrier Air New Zealand and the operators were not that good. At an earlier meeting of the council O'Ryan had reported on a meeting he had had, along with representatives of the Accommodation Council, with the then chief executive Morrie Davis. They had discussed Air New Zealand's role in promoting tourism, but it turned out to be more confrontational than anything else. Davis had made it plain Air New Zealand was a transport operator, whose object was to make a profit. All suggestions on interlining, point to point fares, capacity and problems in the Japanese market were rejected by the carrier.

By contrast a meeting between ITOC, TAANZ and OTOC and the Civil Aviation Division of the Ministry of Transport, had been very worthwhile and the ministry had indicated it was quite happy to talk with the organisations on matters of mutual interest.

By this time ITOC had 31 members and was taking a more positive approach in its dealings with various other organisations, confident in the fact it was becoming accepted as one of the major organisations speaking on inbound affairs. It had been represented at the TAANZ conference in Hobart in 1979 and important submissions to both the then minister of tourism and to an organisation known as the Trans Tasman Council - set up between bodies on both sides of the Tasman in an attempt to sort out Tasman travel problems - had been prepared.

ITOC had been attending meetings of the National Travel Association's Policy Committee and was active in its liaison with officials at Auckland International Airport.

One situation had irked ITOC for some time; a lack of good statistical data. Numbers were collated by the Tourist and Publicity Department, but no one knew how much those visitors spent, what they spent it on or where they went. ITOC believed it was essential to have this information for it would assist in market research and would prove helpful in negotiations with carriers and plant operators.

It was initially decided in principle to appoint Auckland company ASMAL to compile monthly statistics from figures supplied by ITOC members, but



The world is

# now

truly your oyster.

The first airline in history to fly around the world now goes even further.

No matter how distant the land you want to visit, you can get there with Qantas. Our network in Australia and the world spans 97 cities, in 28 countries, on 5 continents.

Indeed, in conjunction with our partner airline British Airways, there isn't a corner of this earth to which we can't take you - in our own inimitable style.

Qantas. The world is now being served.

**QANTAS**



by August that year (1980) a proposal from Ross, Melville, Bridgeman and Co was accepted which would give ITOC a computerised statistical data programme to be effective from October.

As a condition of membership all ITOC members had to provide their figures - confidentially - from which the accountancy firm would be able to build up an historic record.

That process continued for many years and provided valuable information, but as statistical research from other government agencies became more sophisticated it was discontinued in its original form and now consists of an annual survey.

Markets were by this time diversifying and it had become necessary to employ foreign speaking tour guides, but guides were playing one company off against another as far as rates were concerned. So the organisation set its own rates by which all companies were to comply and these, too, stayed in place for many years.

However with the advent of the Commerce Act in 1989 they had to be discontinued.

O'Ryan had originally only intended to stay on for one year as chairman, but at the annual meeting in 1980 he was persuaded to carry on for another year.

It was at a meeting on November 10 1980 ITOC accepted the membership - subject to it meeting the council's criteria - of Funway Travel & Holidays (a division of Wiedemann Travel Ltd). Although at the time it was not considered in any other light than gaining an extra member, the decision led to the introduction of Michael Wiedemann who was to have a profound effect on the future of the council in years to come.

ITOC and TAANZ were solidifying their relationship and by the end of the TAANZ convention in Invercargill in October 1980, it had four elected members on the board including its chairman.

It is also interesting to note that in April 1981 the National Travel Association was formally asked to recommend the travel industry in general opposes the forthcoming Springbok rugby tour of New Zealand because of the apartheid system which existed in South Africa.

The letter was passed to ITOC which decided it was not the place of the travel industry to interfere in what was basically a political issue.

It also came out at that meeting Freedom Holidays had failed to meet TAANZ bonding requirements and as a result its membership of ITOC should lapse, although attempts would be made to encourage the company to meet the requirements.

O'Ryan's annual report for that year was a little more optimistic. Overall figures had increased slightly, but it was no thanks to the Australian market, which was still dropping. Market increases had come from Japan in particular since the start of direct services by Air New Zealand and Japan Airlines. For its part Japan Airlines anticipated there would be a need for eight jumbo flights a week to cope with the traffic. All other markets had shown increases and the Export Performance Incentives announced in the 1979 budget were beginning to have an effect.

The accommodation scene was improving, particularly in Auckland and Rotorua, but Queenstown was giving cause for concern, whose older hotels were becoming less acceptable to "demanding northern hemisphere tourists".

At that annual meeting at Mount Cook, the question of the size of the annual conference came up. By design the conferences were always tagged to that of the National Travel Association and many present also attended the NTA event.

ITOC, however, had become so popular that its size was now giving cause for concern. In 1980 140 people attended and there were more than 160 at Mount Cook. O'Ryan commented it had grown too large and the meeting decided from then on to hold its conference at a different time to that of the NTA and to restrict attendance to invitees only.

George Hudson, then operating Fourways Australian Pacific Tours, was elected chairman at that conference, but he only occupied the position for a few months before resigning due to a change in circumstances. Among other moves he made he went into the ferry business, which took him out of the role of being a tour operator.

So it was at a special general meeting in September at the InterContinental Hotel in Auckland that David Williams (Horizon Holidays) began his chairmanship. For Williams, now a director of Kiwi Tours as well as acting as a tourism consultant, it was beginning of a period of great change within the industry and no less a great deal of drama.

For one thing ITOC was becoming not a little concerned about how the industry's export incentive status was being viewed from outside. The incentive, together with the Export Market Development Incentive which had been in place for some years, had encouraged tour operators to invest heavily in overseas promotion and offshore offices.

The National Travel Association had started to conduct a survey, but as many ITOC members were not members of the NTA they couldn't participate. The general feeling among the council members was the survey would



show export incentives were not advantageous to the industry in general.

ITOC arranged to have meetings with both the minister of tourism Derek Quigley and Labour party spokesman on tourism Trevor Young, to try and find out the thinking of both parties about their continuation or otherwise.

Quigley indicated the incentive scheme would remain until at least 1985, even though he had commented during an address to the NTA conference in Christchurch that year there was some evidence the incentives were being inappropriately used to pay higher commissions. Young assured ITOC they would also continue with them if Labour became the government.

It also turned out the NTA survey had in fact given the thumbs up for the incentive scheme to continue.

Apart from the annual conference in Wanganui in June when Williams pointed out how effectively the incentives were being used, particularly in Australia and would view with concern any government cutbacks in this area, ITOC itself only held two meetings in 1982.

But inbound operators were getting increasingly edgy about the scheme's continuance. A considerable amount of behind the scenes activity took place culminating in a major submission to the minister of tourism, who was by then Rob Talbot.

The submission showed there had been a 96 per cent increase in overseas exchange receipts since 1979, an increase all the more remarkable for the fact that there was a continuing world recession, a sag in world tourism growth rates and an extremely competitive (but latterly sluggish) Australian market.

Since the EPI had been introduced in 1980, New Zealand tourism promotion overseas had soared from \$4 million to over \$10 million - a growth rate with clear parallels in the industry's taking up of the incentives.

It also made the point since the EPI came in "the industry's consciousness of the world beyond Australia has been greatly raised".

"In 1979 only 21 per cent of promotional spending had to cover all overseas markets beyond Australia. By 1982 that percentage had risen to 58 per cent, a revolutionary change.

"Recent declines in profitability indicate the difficulties of the industry in managing exchange variations in its principal markets. These difficulties are expected to continue and assistance will be necessary to cushion promoters against unexpected short term currency movements.

"The industry has unquestionably responded to meet the requirements of government policy and the results indicate an improvement in New Zealand's overall tourist balance.

*Cape Reinga*  
**Waitiki Landing  
Complex**  
THE SPIRITUAL CROWN OF N.Z.



*Congratulations to ITOC from the Spiritual North*

**Flights from the Bay of Islands. 4WD tours to  
Cape Reinga and surrounds only 30 minutes away.  
90 Mile Beach is even closer!**

**Fishing, diving, tramping, sandsliding  
- it's all here. So is the peace and quiet -  
just the area for cleansing the soul.**

Our facilities include cabins, camping ground, licensed  
restaurant, bar, dairy, petrol and we accept most major  
credit cards. Group catering a speciality.

**We like to think of our place as a  
home away from home**

Telephone/Fax 09 409-7508 or 09 409-7523 R.D.4, Kaitiaki

"But the evidence also suggests that without government assistance, overseas promotional spending in particular will sag to the detriment of our exchange earnings, industry profitability and domestic economy alike. Given the low levels of governmental promotional spending overseas, this factor is critical in maintaining the marketplace investment levels required to improve the flow of inbound tourists."

At its meeting on December 16 Williams was still saying he was confident they would continue, although a review was to be undertaken. However in his annual report in June 1983 Williams was saying the inbound incentive system would be looked at in isolation and not lumped in the same category as other export industries. This, he described as a major step forward.

Despite all the lobbying the scheme was cancelled in 1984 following a change of government. Not only were the export incentives phased out for tour operators, but virtually every other industry which had enjoyed the benefits.

This was also the time of the price and wages freeze, which had a major affect within New Zealand. ITOC, however, believed members were able to increase their prices to overseas suppliers who were sending people to this country, provided they were invoiced overseas.

However the Department of Trade and Industry didn't see it that way because the services were being provided by New Zealand companies.

By September 1982 Freedom Holidays had fulfilled its requirements with regard to becoming a full member of TAANZ and as a result was accepted as a full member of ITOC.

Relations with the national carrier had also taken a turn for the better since a change of management at head office and the carrier had told ITOC it wanted to become very closely involved and allied to inbound tourism. ITOC, however, was still concerned with some of the air fare incentives being put into the market.

Nineteen eighty two was also the year ITOC instituted its annual Operator of the Year Award. The inaugural winner was Rainbow Springs of Rotorua.

For some time the future of the National Travel Association had been in doubt; it appeared from the outside it wasn't really getting anywhere and was too hidebound and, although still accepted by the government as the official voice of the travel and tourism industry, was in many respect ineffectual.

In 1983 there were plans put forward to change the NTA into the Tourist Industry Federation in an endeavour to lift its profile. It would be split into three major groups consisting of industry associations, industry members (mostly major companies) and regional promotional bodies. ITOC accepted

the concept of the new organisation, but with the proviso that no one organisation dominated and there would be no loss of identity to any section of the industry.

The question of ITOC associate membership came up during the annual meeting in 1984, but after a long debate, it was decided against any new such category.

Williams was the first president to serve for three years. During that time he was also on the TAANZ board and had become a vice president of the association and was in line to become its president, which showed how seriously TAANZ took its domestic and inbound role at the time. He however elected not to put himself forward for the presidency.

Williams was succeeded as ITOC chairman in those turbulent times by Russell White, who was and still is managing director of Australian Travel Services Pacific (better known as ATS Pacific).

The 1984 annual general meeting at Coronet Peak in Queenstown was also notable for the fact it elected its first woman vice chairman, Teresa Connors (Funway Travel & Holidays), who was one of the few women who attended ITOC on a regular basis. Connors was also very much concerned with training aspects within the industry and it was she and Colin Ellis (at the time with Mount Cook Tours and now executive director of Tourmasters South Pacific) who were instrumental in introducing a tour guide training scheme for the industry.

They worked closely with the Aviation and Travel Industry Training Board (now merged into the ATTTO - Aviation Tourism Travel Training Organisation) to produce the course. At the time the Japanese market was taking off and there was a need to have qualified guides to look after them. The problem was some Japanese were coming to this country on temporary work permits and were beginning to work within the industry as guides, even though they knew little about the country.

It was becoming embarrassing and complaints from dissatisfied customers were mounting.

ITOC set up a program giving basic instruction. Once they passed they were given a badge and a certificate which indicated some degree of proficiency. A register of accreditation was also maintained. Anyone new to the industry was supposed to go through the course first, but at that stage ITOC didn't have the disciplinary powers to insist on its members using only qualified guides.

Nevertheless it progressed to become a more detailed course through the distance learning program run by Auckland University. However the course

became too academic and it died a natural death.

Training has now been reintroduced on a variety of levels through the new ATTTO.

By the time White was ready to present his first report at the conference in Palmerston North in June 1985, the industry, along with the rest of the country, had been hit by a 20 per cent devaluation and the planned introduction of the goods and services tax.

Devaluation immediately put up the costs of promotion overseas. Conversely it should have benefited tourism by reducing the cost for visitors to this country, but it didn't work out like that - at least not as far as accommodation was concerned.

Business at the time was pretty buoyant and some hoteliers thought they were on to a good wicket by taking advantage of the devaluation and immediately notified they were putting up their tariffs by 20 per cent.

ITOC members were not the only ones incensed by this decision; overseas operators particularly those in Japan, North America and Europe were equally upset. They weren't keen to have increases thrown at them during existing contract periods. They already had brochured product out in the market and couldn't pass on such high increases. ITOC members weren't in a position to absorb the increases either. Cancellations came in thick and fast.

The situation became so tense with the Japanese that at one stage a deputation, led by the then president of the newly formed Tourist Industry Federation Rodney Walshe, had to fly to Japan to explain to the industry there what had happened in New Zealand.

Meanwhile back home ITOC mustered all its forces and held meeting after meeting with the hoteliers, some of which were described as stormy particularly with the Tourist Hotel Corporation. The hoteliers maintained the increases were necessary to cover increased import costs and to restore profitability. However they eventually agreed to tone down the rate of increase. Some were instituted but nowhere near the 20 per cent level.

Although ITOC couldn't prove it, its members felt the unsettling period did have an affect on the tourist numbers for the year.

GST was another factor which contributed to rising costs during the 1980s. ITOC - and many other organisations throughout the country - lobbied to have its industry exempted from the tax, or at the very least zero rated.

The government - it was Labour at the time - had by then come round to believing tourism was good for the country and ITOC had developed very good relations with the minister of the period Mike Moore and the fruits of hard work which had gone into creating good relations with the Tourist and



Alone's Reward



Warmly Congratulates



On the celebration of their  
Silver Jubilee

Publicity Department - then under general manager Neil Plimmer - were paying off.

Even right up to two or three months before GST was introduced in October 1986, ITOC was reasonably confident it would be granted zero rating status. Meetings had been held with both Moore and his group and with the National Party caucus finance committee and the opposition spokesman on tourism John Banks and from each ITOC gained the impression it would succeed. It had backed up its claims with a major submission to a government select committee reviewing amendments to the GST legislation.

But it all came to nought. Minister of finance Roger Douglas was determined GST would be applicable to everyone.

Again ITOC believed the imposition caused a slowdown in arrivals.

In that first report of his White sounded a warning to the accommodation industry in particular to beware of inflicting excessive rate increases, which would be seen by major tourist producers as attempts to inflict further indignities on them.

"We should not believe because our plant is full now, the overseas visitor and the tour operator have no choice but to pay the rate we demand. They do have a choice - they can drop New Zealand from itineraries. It has happened before in other countries. We should not be complacent.

"The time of highest risk is when we are running 100 per cent and memories of poorer times have dimmed. To quote again Dave Williams [the immediate past president] the wheel turns," he said.

The accommodation panel session at the Palmerston North conference, with such heavyweights as the general manager of the THC Mike Hoy, general manager of Travelodge Laughton Wilkinson, chairman of the Accommodation Council Tim Hurley and the general managers of three of the main hotels in Auckland - Regent, Sheraton and Hyatt Kingsgate - was to say the least a lively affair.

White also had a go at what he described as the "apparent eagerness" of both Air New Zealand and the Tourist and Publicity Department to promote the unstructured market - that portion of the market which arrives in this country without pre booked accommodation, transport or tours.

ITOC, he said, had recognised changing tourist patterns and had produced new product to meet visitor demands such as fly drive packages and motorhomes and even bare boat charters. These and other products were promoted for presale in many overseas countries and while these showed growth, there was also a further growth in the sale of traditional coaches tours underlining the continuing demand for fully structured holidays.



He referred to the extensive promotion in Australia aimed at what he called the "unstructured bargain bookers" in a period when the no vacancy signs were out all over the place in this country. The industry did itself and its customers an extreme disservice by actively encouraging him to book after arrival. "To continue to do so would be unprofessional and damaging to the future health of our industry," he said.

"In a time of high demand and restricted hotel space, it is the structured market which provides the most efficient utilisation of available resources. Encouragement of structured visitors maximised the economic and employment related benefits to New Zealand."

The previous year the then chairman David Williams commented on the lack of government overseas promotional funding. White, however, finished his 1984/85 report on a positive note, following the release of a tourism budget package.

"The announcement in the last few days by tourism minister Mike Moore must be applauded by most in our industry," he said. "If I may exercise a chairman's privilege and state a personal view I believe the government has done what it said it would do all along and put its money where its mouth is.

"Of late some scepticism has been felt in the industry with the passage of time and the withdrawal of the EPI and uncertainty over the EMDI. In the general environment of government cost cutting, for tourism to receive a major funding boost clearly indicates a strong priority towards our industry."

Then came Christmas 1985 and the collapse of Freedom Holidays, a full member of both ITOC and TAANZ.

The following is quoted from the book Billion Dollar Miracle commissioned by TAANZ to celebrate its own 25th anniversary in 1987.

*"Freedom Holidays NZ Ltd went into voluntary liquidation owing unsecured creditors \$1,287,000 plus tourists who had paid \$437,000 through the banking system to Freedom Holidays in New Zealand, for which no service could be provided.*

*"TAANZ was faced with the largest collapse of a member company ever recorded with a limit of \$250,000 on our bonding scheme protection. This meant we either cancelled all the tours and paid out approximately 60 cents in the dollar to the overseas visitors who had lost their New Zealand holiday, or mounted a major rescue operation to fully protect the good name of New Zealand tourism.*

*"We chose the latter path and after many meetings and considerable negotiation were successful in reaching agreement with the New South Wales Government Travel Agents Registration Board (TARB) in Sydney,*

whereby it agreed to meeting \$100,000 in claims. This special agreement was only gained after a ministerial instruction from the New South Wales minister of consumer affairs.

"We thank the minister and TARB for their tremendous co-operation and assistance at a time of great need. Without this positive support from New South Wales we could not have mounted the rescue operation and Australian tourists would have been stranded in New Zealand or have lost their holiday over the Christmas/New Year period and received only part refund through the TAANZ bonding scheme.

("These tourists incidentally included some 100 Boy Scouts, who had saved for three years for their holiday in New Zealand.)

"In addition members of the Inbound Tour Operators Council (ITOC) agreed to meet additional claims over and above the limitations of the TAANZ bonding scheme. It was a wonderful example of industry support and demonstration.

"At the sharp end of this rescue operation was the former vice president of TAANZ, David Williams, managing director of Horizon Holidays NZ.

"Words cannot express our gratitude to David Williams, his staff and his company for their tremendous assistance in rearranging travel for all Freedom Holidays' disadvantaged clients so that no overseas tourists to New Zealand would be and would receive their holiday in New Zealand.

"As a result TAANZ, ITOC and the New Zealand tourism industry as a whole can hold up their heads proudly in the full knowledge that all consumers were fully protected and the good name of New Zealand tourism in Australia was preserved.

"Suppliers were paid and costly cancellations at the peak of the season did not occur. New Zealand continued to earn overseas funds from over 500 visitors and the trans Tasman airlines were still able to carry the Australians and be paid in full for doing so.

"Finally New Zealand tourism as a whole did not have to face a crisis which would have had far reaching repercussions for many years to come.

"This view was endorsed in a letter to TAANZ from tourism minister Mike Moore. 'I would like to extend my sincere thanks for the superb job that TAANZ and the ITOC members did over the New Year period in handling the Freedom Holidays crisis. There is no doubt in my mind that without your action the Australian press would have had a field day and the repercussions on the New Zealand inbound group tour market would have been little short of disastrous'."

Some \$305,000 was recovered from the owners through securities held by

**ITOC**  
**25th**  
**Anniversary**  
*Congratulations*



運通旅遊有限公司

WINCHESTER TRAVEL LTD.

Level 8, 17 Albert St, Auckland N.Z.

Tel: (09) 366 0018 Fax: (09) 366 0039

TAANZ, from the layer insurance paid out and from the liquidator following the sale of the assets. As a result the nett claim against the TAANZ bond was \$102,000.

However as a result of the claim TAANZ lost its layer insurance facility and TAANZ members at their 1986 annual meeting decided to delete third party transactions and inbound tour operator business from the protection given to the consumer. Thus ITOC ceased to be a party to the consumer bonding protection.

This meant changes would be needed to the membership and financial criteria for ITOC and at the 1987 conference it was agreed those members who were not involved in the sale of travel to the consumer in New Zealand could if they wished opt out of the TAANZ bonding scheme. However they would still be required to submit their annual accounts and pay a small fee.

During this time another disaster occurred, although it did not result on any call on any bond. The Russian ship Mikhail Lermontov sank at the entrance to Marlborough Sounds with the loss of a few lives. One of the companies involved in assisting the passengers was ID Tours South Pacific.

In 1986 White told the annual meeting in Te Anau there was still cause for optimism for tourism for the year, but it was tinged with a note of caution. On the positive side statistics showed solid growth from most markets, extra air services from Japan, Canada and North and South America and increased promotional funding from the NZTP. Worrying areas included the value of the New Zealand dollar, the effect of GST and inflation on price competitiveness, the negative effect of terrorism on travel worldwide and further delays in the development of new hotels in key tourist areas.

It was disappointing to note the several major hotel projects confidently projected at the 1985 conference remain apparently stalled. "As a country we must urgently find the right formulae of profitability, investment attraction, approval procedure fast tracking that will put the hotel plant in place to carry this industry into the '90s. It is a problem the whole industry must face and share or risk seeing a slowdown in the years ahead."

His comments were written before the announcement a day or so earlier of the half billion dollar plus Walter Peak Resort in Queenstown.

Interestingly enough during a keynote address by the associate minister of tourism Peter Tapsell to the conference that year he said tourism had come of age. "It's been close for a long time," he said. "But could never quite make the grade into the big time league."

"I'm sure many of you can well remember the frustration you felt because tourism was relegated to somewhere near the bottom of the pile."

"We are still paying for those think big projects and reaping the cruel benefits of protecting our farmers from marketplace realities.

"Tourism is bringing in the dollars and creating the jobs...it's looking good and riding all time high. Tourism is centre stage as we get out of the mess and build new economic realities to take us well into the 21st century."

Tapsell took up White's comments on accommodation and said investment was taking place and that investment was coming from untraditional resources. By that time the THC had gained permission to start building in main areas and for its new resort hotel in Queenstown had raised the money through a bond issue on the European money markets. Singaporean money underpinned the Kingsgate Corporation, Hong Kong funding was used for the Regent Hotel in Auckland and Japanese investment was becoming visible.

"New Zealand tourism is no longer isolated from the mainstream of international tourism development," he said.

He encouraged inbound operators to diversify and to take heed of the new breed of people entering the industry. While ITOC had responded to a major consumer shift towards the unstructured market, there were some conflicting signals beginning to emerge from ITOC members.

"You have responded to the changes in consumer preferences the growth in the unstructured market has brought about, but for many people ITOC is still associated with passive tourism. You are seen to market products that perpetuate a milk run itinerary with schedules so tight even Japanese visitors are expressing concern.

"You can stand on street corners after dark and watch tour bus after tour bus head into town after the shops have closed. You can see the hotel room lights switched on at 5 am as tired loopies drag themselves up for yet another early start. Your clients see so many smorgasbords they probably think it's our national dish.

"Your products are similar - the same attractions, the same options. There really appears to be little difference. In your overseas marketing activities particularly in Australia, I believe too much attention is paid to competing for market share rather than new market development and creating additional business."

Hard words.

ITOC at this time was also doing a lot of behind the scenes work with officials at the Auckland International Airport and its suggestions and comments helped lead towards the major changes which have been and are still being instituted at the airport now.

It was during White's term the government instituted the Tourism Overseas Marketing Support Scheme (TOMSS) designed to provide an incentive for companies to increase their expenditure on overseas marketing activities during the phase down period of the EPI and the EMDI. It was to run for two years.

However by the time the 1988 conference came around market conditions had changed dramatically. White had been succeeded as chairman by Bruce Coe (then with Atlantic and Pacific Travel and now running his own retail travel agency). White, however, had been appointed to the TOMSS management committee and it had been decided he should stay on it in order to represent the interests of ITOC.

Interestingly enough the TOMSS committee must have been privy to what Coe was going to say in his annual report to the annual meeting that year. Coe was prepared to have a go at the scheme, which was supposed to provide \$20 million in grants over the two year period. He said Tourism Council figures showed \$3.28 million had been allocated, but Coe said only a relatively small percentage of the money allocated had in fact been paid out.

"It is the ITOC view this is because the methods of application and claim are far too stringent, coupled with the fact the scheme only permitted applications for 'new' market ventures.



## **PACIFICA LODGES & INNS**

*One of New Zealand's largest accommodation groups, with over 70 properties in 46 locations throughout New Zealand, offering quality and value for money accommodation.*

**Pacifica Lodges & Inns is a major supporter of ITOC and wishes to congratulate it on its 25th Jubilee year.**

*For further details on Pacifica Lodges & Inns, please contact*

**Phone: 09 303 3566 Fax: 09 303 3564**

**Internet: <http://www.pacificlodges.co.nz>**

**Email: [pacifica@pacificlodges.co.nz](mailto:pacifica@pacificlodges.co.nz)**



**Lake Hawea Motor Inn**



Happy  
25th  
Anniversary  
ITOC

We thank you  
ITOC members for  
supporting the  
"grand lady" of  
Auckland for the  
last 25 years and  
look forward to  
welcoming your  
clients to Hyatt  
Regency Auckland  
over the next 25  
years.

Feel the Hyatt touch



HYATT REGENCY AUCKLAND, PRINCES STREET, AUCKLAND, NEW ZEALAND TELEPHONE (64) (9) 366 1234 FAX (64) (9) 363 2932

"This discriminated against ITOC members who wished to maintain their role in certain markets and we hope that suggested amendments to this scheme, including proposals put up by the executive of ITOC will allow those who have invested over a long period in inbound tourism to New Zealand, an opportunity to gain the benefit from these promotional funds."

The day before the annual meeting ITOC received a letter from the TOMSS secretariat indicating a change of approach was needed because of the more difficult economic circumstances faced by the industry. Accordingly two special categories had been added and initiatives geared towards allowing ITOC members whose marketing activities and budgets then didn't allow them to qualify for TOMSS assistance, to do so and they were going to be announced at the conference by tourism minister Phil Goff.

One of those who had started to attend the ITOC meetings was Paul Winter, then working for Newmans Tours after a long stint with Air New Zealand followed by a short period with Atlantic and Pacific. Winter is now the chief executive officer of the Tourism Board.

TOMSS didn't even rate a mention the annual report of 1990, nor was it recorded as part of the discussion at the annual meeting.

ITOC, although still only a small organisation by most organisation's standards, had over the years attracted considerable support from the suppliers and other interested parties. At one stage it drew criticism from the Tourist Industry Federation that some delegates to ITOC who would normally go to the TIF conference had decided against the latter because the two conferences were held only two or three days apart.

But of late the suppliers who went to ITOC were becoming a little concerned they were not getting a fair go. In an effort to placate them and to show ITOC did recognise their interest and their support, it decided for the 1986 meeting in Nelson, it would hold its annual meeting in Picton and the rest of the conference in Nelson, where it would be open to everybody.

ITOC continued with this policy the following year, when it was split between Queenstown and Te Anau and likewise in 1988 when it was held in Waitangi and Kaitia. The same format was continued for several years afterwards.

At the outset of ITOC, then known as the Inbound Tour Wholesalers Inc, one of the group's main protagonists was the Bus and Coach Association. By 1988 the two organisations were working much more closely together and in that year the bus and coach owners had enlisted ITOC's help concerning proposed changes to the Transport Act and the difficulties being experienced by coach tour operators on the restrictions to drivers' hours.

Numerous meetings were held with the Ministry of Transport on a number of recommendations put forward but at the 1989 annual meeting in Christchurch, it was reported much of what had been promulgated had fallen on deaf ears. It was evident the ministry, it was said, considered people in the same light as freight.

By this time Peter Cleary (who worked under various company names associated with Counties Travel) had succeeded Coe as chairman.

It was during his term the government instituted a review of tourism under the collective title of Taskforce 2000 to initiate plans for developing tourism to the year 2000. The task force had come up with three main conclusions: a target should be set of three million visitors by the year 2000; \$100 million marketing was needed to promote New Zealand; and there should be a restructured NZTP (to fall perhaps within the ambit of a proposed tourism board).

ITOC was closely concerned with the committee, but was somewhat disappointed by certain aspects of its final report. It did, however, support its three major conclusions.

The task force put a lot of emphasis on a strong Tourist Industry Federation and said the TIF should have clout similar to that of Federated Farmers. But tourism's greatest weakness was its inability to market the destination effectively through lack of adequate funding. Having a strong TIF would not turn that around.

"It is not Federated Farmers or TIF which generate the business," added Cleary in a policy statement issued after the group produced its findings. "Most of their members are the beneficiaries, which in TIF's case are the suppliers. It is the producer boards which generate the foreign exchange such as the Meat Board, Wool Board and Inbound Tour Operators Council.

"There is no question the industry needs a strong federation as an industry hub. However we would all be fooling ourselves if we thought a rejuvenated TIF would be the means of creating a better industry to generate more tourists to make our industry grow.

"It is without doubt the inbound tour operators, Air New Zealand and government marketing budget through the NZTP are the major producers of foreign exchange. ITOC members generate approximately 50 per cent of the total number of holiday visitor arrivals. It is through these bodies [any proposed] tourist board should be structured.

"An election of board members through TIF in our view would not elect the right people. The bottom line is how we spend \$100 million in conjunction

with the private sector to achieve the three million visitor target. We need a competitive strategy to achieve the target and a strong body with leadership who can drive the industry."

ITOC believed a tourism board should have a single objective and that was to drive a management team under the dynamic leadership of a chief executive who would work from a tourism blue print to generate growth by increasing visitor arrivals, increase profitability and encourage investment. "The TIF has an important role to play in industry affairs, but the success or failure of our industry will lie with the three main producers," added Cleary's statement.

According to ITOC the task force had paid no attention to New Zealand's neighbours and this was regarded as shortfall. "We are a small nation positioned in the South Pacific, part of a group of islands...we are a unique paradise. We are close together, separated only by sparkling waters.

"If we the South Pacific nations could work towards putting together an unique marketing strategy, we could have a major impact in the tourist markets in the northern hemisphere. It would create great awareness to the consumer and we would still maintain our identity. Inbound tour operators, Air New Zealand and Qantas are already doing this."

The task force was also inconclusive as to the role of the NZTP under the proposed tourism board and consequently a core function in marketing was not raised as a key to succeed in increasing visitor arrivals.

The proposed method of funding also came in for criticism. The task force had suggested imposing a tax or levy. ITOC however said the government should first analyse all levies/taxes already generated by the industry before imposing a new one.

"The task force report stated that tourism contributed \$696 million to taxation. If government were to consider investing taxpayers' money into promotion from the point of view of an investment to generate more tax by growth in the tourism industry, we would see a far greater return to the New Zealand economy, versus \$1 billion a year spent on unemployment which gives no return to the economy. We are currently seeing a retrenched economy with an expanding social welfare and a greater amount of tax collection than ever before."

The statement went on: "The tourist industry is questioning the amount of confidence it can give government. The last five years of change in government policy has put the industry through a great deal of difficulty. At a time of growth and investment the industry was challenged with high interest rates, high inflation and the introduction of GST.

"This has resulted in a decline in growth, profitability and a lack of investor confidence. If we are to believe we are now in a position of a stabilised economy we must look at ways to stimulate growth."

It was necessary to quantify in financial terms what three million visitors would mean. ITOC believed the industry's target for the year 2000 should be \$6 billion in 1989 dollar terms.

"However it is all very well to have targets, goals and benefits but without the strategy and skills of an industry marketing initiative, we will waste \$100 million, lose the benefits of a restructured NZTP and will not achieve three million visitors by the year 2000."

In his report to the 1990 conference in Wellington, Cleary referred to that policy statement and added it was disappointing the minister of tourism Fran Wilde had not adopted the recommendations of the task force. At the same time he said ITOC was also disappointed the government had not heeded calls by the minister and supported by ITOC for more direct funding for promotion.

However the minister had decided to set up a strategic marketing group and the creation of the Tourism Forum, which replaced yet another industry-body the Tourism Council. The marketing group, consisting of leaders in the tourist industry as well as government representatives, was charged with developing a co-ordinated national marketing strategy.

At this time, too, a review and report on the future structure of the Tourist Industry Federation had been carried out.

## Chapter 3 - A new era begins

**C**leary stood down at that Wellington meeting to make way for Michael Wiedemann (whose company Wiedemann Travel had taken the place of one of its subsidiaries, Funway Travel, as the full member of ITOC). It was to mark the beginning of yet another era in the development of ITOC.

For some time Wiedemann had believed New Zealand's future tourism success lay in its ability to market this country along with its neighbours - a view shared by Cleary - and in his acceptance comments at the end of the 1990 conference he reiterated his view Australia, New Zealand and the South Pacific should be marketed as one region in a co-ordinated way.

For some time ITOC and its sister organisation in Australia, the Inbound Tourism Organisation of Australia, had been working closely together. Wiedemann had been the link between the two associations and although it took a time to develop, relations became very close.

ITOA was a much larger organisation with diverse membership and one of his prime objectives was to study how the Australian organisation operated.

He then prepared a report and presented it to ITOC on how ITOC should gear itself towards the future. In the back of his mind was the nagging question of whether ITOC should open up its own membership to include the suppliers as allied members.

His mind was more or less made up before he went to the Wellington conference in 1990 and it was reinforced during an after midnight session around a table with a group mainly made up of suppliers.

They had obviously had a good time during the conference, but the feeling came across very much they felt they were isolated; although they took part in open sessions, could chat with inbound operators and listen to the various speakers, they still felt out of it.

The answer they felt was to belong properly to an organisation which affected their business lives so much. People like George Harford and his son Warren (from the Agrodome in Rotorua), Neville Lobb and his son Martin (Polynesian Pools, also in Rotorua) and Blair Sheehy (who variously had been with O'Connell's Hotel right at the beginning of the ITW, subsequently at Vacation Hotels and is now with Southern Pacific Hotel Corporation), all had had a long association, but had been powerless on decisions which affected their interests.

For a number of years many of them had regarded ITOC in much the same way as the industry in general had perceived it - a club for a few select play-



ers. It had muddled along and from their point of view hadn't really achieved much in its early years. The early conferences were good for generating contacts and for a number of them lasting friendships, as well as for doing a bit of business on the side.

Through the 1980s they had started to change their minds. The supplier industry had matured, new people and new product had come into the market, but still they couldn't break into the one group which had a great bearing on their lives.

Wiedemann, in his careful methodical Germanic manner, began to lobby among his colleagues, promoting all the time the way the Australian organisation was set up.

But there were a few within ITOC who were not in favour of such a move. They reasoned by letting in suppliers as allied members they would lose control of a body which they had nurtured along for so many years. The admittance of suppliers could also cause a conflict of interest.

At the same time as this move was being contemplated, Wiedemann was canvassing for a change of name. ITOC had by then become a very strong organisation, responsible for 50 per cent or more of the inbound holiday market. It was being listened to and consulted by various other bodies, including government departments and ministers and had been the energiser behind TAANZ's attempts to be recognised as an organisation which also had the inbound and domestic New Zealand market very much in its sights. The Tourist Industry Federation was struggling and about to go through a metamorphosis.

Now it was time ITOC separated from TAANZ and stood on its own two feet again. It was strong enough and had the right calibre of people, backed by a strong constitution.

By the time the 1991 annual meeting in Rotorua came around Wiedemann had a plan which would not only see an allied membership created, but also a provisional category, as well as a name change - Inbound Tourism Organisations Council - ready. The new name used the same acronym but conveyed a different meaning.

It wasn't seen at the time but the proposed name change would lead it into problems over the next two years. Only a matter of weeks before the annual meeting the government had approved the creation of the New Zealand Tourism Board and within a short time the TIF would start to be changed into the New Zealand Tourism Industry Association following the introduction of a tourism blueprint by former minister Fran Wilde, which was carried on by her successor John Banks. The establishment of both led to some dissension

from these two bodies over the role and position of ITOC in the marketplace.

The hard work Wiedemann had put in to convince his colleagues on the executive it was time to admit suppliers as allied members, paid off when the proposal was put to the meeting. But the meeting felt it was too early to also introduce a provisional category - designed to allow newcomers to the industry to join the group as a provisional full member until they could prove they were capable of being admitted as a full member.

The proposal also included allowing allied members to become part of the executive, but this was more difficult to get through. Eventually it was decided to have a maximum of three allied representatives, but it was made quite clear that no allied member could succeed to the top job.

It was, after all, an inbound operators organisation and that control should remain within the ambit of inbound operators.

While allied members were still prevented from voting on general issues, they were allowed to vote for their own allied members. Later they were allowed to vote for all members of the board.

The meeting also voted to change the name of the chairman to that of president and to have two vice presidents instead of one.

There had been a lot of anticipation among the suppliers that this meeting was going to be the one at which they would become an accepted part of the council and before the end of the conference, many had already said they would join.

ITOC took its allied membership category seriously. It spelled out to all applicants how they could benefit from membership, but stressed they had to take an active part in securing those benefits. Among the objectives were improvements in quality and efficiency for the industry as a whole.

By the end of the first year over 100 suppliers had become allied members, but there had also been a few resignations. Those resigning had felt the perceived benefits were not forthcoming, but on closer examination it was shown the allied members themselves had made no attempts to obtain these benefits.

The change of name was influenced by the way ITOA was structured, representing as it did all areas of inbound tourism. And by Wiedemann's vision of Australia and New Zealand marketing together as far as long haul markets were concerned.

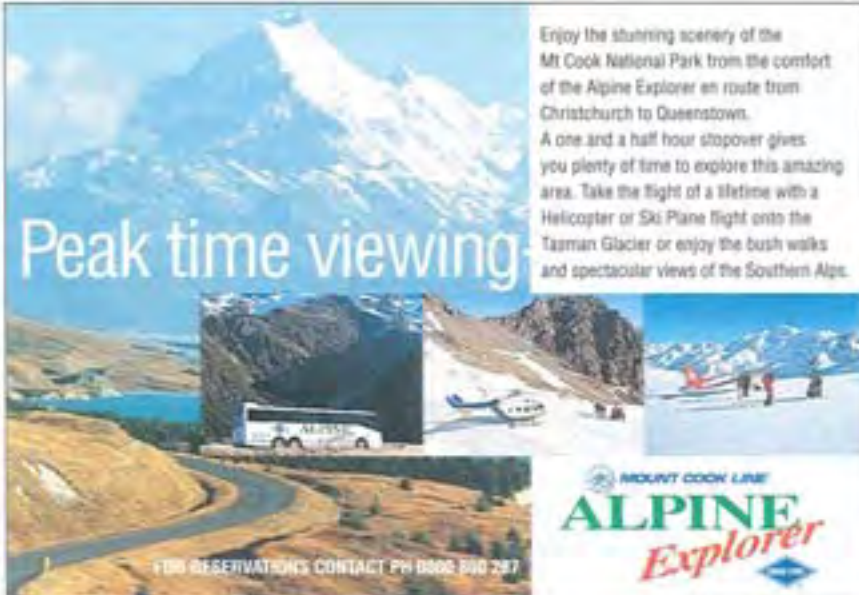
It meant ITOC would separate itself from TAANZ and become an incorporated society. It would retain the same membership and financial criteria for full members as TAANZ. The fees paid for administration and secretarial services would in future be paid to ITOC.

Shortly after this meeting it was agreed between TAANZ and ITOC the TAANZ secretariat, whose chief executive Peter Lowry had been looking after ITOC as part of his TAANZ responsibilities, would divide his time equally between ITOC and TAANZ. It marked little change for Lowry, who had in fact looked after ITOC in its various guises since 1978.

These significant changes in the way ITOC was structured and would operate came during a year of considerable upheaval politically and commercially. The National government had replaced Labour and one of ITOC's major supporters during his years as a politician, John Banks switched roles from being Opposition spokesman on tourism to tourism minister.

Lower interest rates had come with lower inflation, but unemployment had risen. And then there was the disruptions caused by the Gulf War, which threatened to set back all the gains of recent years. But in his annual report Wiedemann was optimistic the second half of the year would bring about a full recovery.

He also commented on Air New Zealand's plan to increase its flights into and out of Japan and begin a second weekly service to Frankfurt. These developments, plus the knowledge that one in 10 New Zealanders in the workforce would depend on tourism for their job by the turn of the century,



Enjoy the stunning scenery of the Mt Cook National Park from the comfort of the Alpine Explorer en route from Christchurch to Queenstown. A one and a half hour stopover gives you plenty of time to explore this amazing area. Take the flight of a lifetime with a Helicopter or Ski Plane flight onto the Tasman Glacier or enjoy the bush walks and spectacular views of the Southern Alps.

Peak time viewing

FOR RESERVATIONS CONTACT PH 0800 890 287

MOUNT COOK LINE  
**ALPINE**  
*Explorer*

made it imperative a sound Destination New Zealand strategy was paramount.

Wiedemann also commented on the formation of the Tourism Board. While ITOC strongly applauded the concept of the board, the council was somewhat shell shocked by the omission of at least one hands on inbound tour operator on the board.

"ITOC is a major industry organisation," he said. "It is in fact the only industry organisation dealing with inbound tourism - the area which is the prime focus of the new board. It therefore stands to reason ITOC should have direct representation on the board. The minister [Banks] may in his wisdom agree to have the size of the board increased to accommodate ITOC."

Despite repeated attempts the situation has not changed to this day, although the Tourism Board has had several members who were allied members of ITOC.

Members of ITOC have however participated in many promotions organised by the board, including one within weeks of the 1991 annual meeting, which went to North America.

Nineteen ninety one was also the year the predecessor of TRENZ was first held. ITOC was instrumental in getting this travel exchange off the ground, along with a private organisation.

It attracted 76 delegates from 18 countries to The Regent in Auckland, to meet with 66 representatives from 51 different New Zealand companies.

This, too, was to later irk the Tourism Board and the newly constituted TIA for it looked as though ITOC, working under its new name was the major organisation handling inbound affairs in this country, thus taking away the focus from both of these other groups.

ITOC achieved an international milestone in the early part of 1992 when it introduced a travel accident insurance scheme. It had become apparent accident compensation administered through the Accident Compensation Corporation didn't apply to overseas visitors. A fatal small aircraft crash involving several Japanese visitors in the South Island resulted in major concerns being expressed by Japanese outbound wholesalers about the coverage given to their clients.

ITOC was sufficiently worried by these concerns it negotiated with a brokerage firm Industrial and Commercial Insurance Brokers, to introduce a scheme to cover visitors not just to New Zealand, but also to Australia and parts of the South Pacific.

It was confined to ITOC members, who paid a premium based on each passenger carried. It was sufficiently broad in its application to cover virtually

any kind of activity including bungy jumping, skiing and a variety of other semi dangerous pastimes.

It provided death cover as well as cover for a range of serious injuries from total disability to the permanent loss of speech, eyes and/or hearing. Cover was for \$250,000 for everyone 16 and over and \$5000 for those under 16.

The first members to take advantage of the scheme were Silver Fern Holidays (whose then principal Kiyomi Gunji was closely involved in its establishment), Thomas Cook and Pan Pacific Travel.

The scheme was used by many companies within ITOC and proved to be a major benefit.

The 1992 annual meeting in Dunedin saw allied members elected to the board for the first time. By design each represented a different sphere of the industry. Paul Brann (Ansett New Zealand) came from the airlines, Warren Harford (5 Star Attractions Rotorua) was the board member representing attractions/facility operators and Blair Sheehy (Southern Pacific Hotel Corporation) looked after accommodation interests.

Later that year ITOC also co-opted representatives from Air New Zealand and the Tourism Board to its board.

Relations between the Tourism Board and ITOC appeared on the surface to be cordial, but beneath there was a current of dissatisfaction, which came

*The Aotearoa Maori  
Tourism Federation  
Staff and Members  
congratulate ITOC  
on the Silver Jubilee  
and forthcoming  
celebrations.*



**Aotearoa Maori Tourism**  
F E D E R A T I O N

*All correspondence & communications to:*

CHIEF EXECUTIVE  
AOTEAROA MAORI  
TOURISM FEDERATION

P.O. BOX 1064,  
ROTORUA

TEL: +64 7 348 0120

FAX: +64 7 348 0122

EMAIL: [info@maori-tourism.org.nz](mailto:info@maori-tourism.org.nz)

to a head with the planned formation of the Tourism Industry Association.

ITOC believed the Tourism Board felt the council was becoming too powerful; it wanted the new TIA to be the pre-eminent organisation. ITOC was getting flack from other quarters as well and for months Wiedemann and his executive were having to defend the organisation's role - it was the words Tourism Organisations which seemed to be upsetting people most.

It was tending to give the impression ITOC represented all sections of the industry involved with inbound activities and it was being approached more and more from overseas.

It was felt in some quarters the best way to get the TIA off the ground was to get ITOC to close itself down and encourage all its members to join the TIA.

The Tourist Industry Federation approved the creation of the TIA at its annual meeting in June 1993 and under its new chief executive designate Paul Winter, who had held a similar post with the TIF since March that year, set about generating interest and support for the organisation. A special general meeting called by the TIF in September approved the constitution and proposed framework of the new organisation.

ITOC, which wasn't against the formation of a rejuvenated organisation, together with TAANZ, which was also in favour of it, spent many hours working with Winter to determine how best both groups could become part of the new TIA without sacrificing their identity.

The upshot was at a meeting of the ITOC board in October that year, ITOC agreed to participate in TIA as a member of one of its specific divisions - distribution - the same area that TAANZ agreed to go into a short while later. Since then ITOC has contributed more than \$80,000 to TIA coffers and has fully supported it from its inception.

It was a major fillip for TIA, which at that stage was struggling to convince many groups that membership would be worthwhile.

There would be no sacrifice of ITOC's or TAANZ's autonomy, would give individual members of both organisations the opportunity to belong separately to TIA and would encourage other groups to join.

ITOC decided it was time to step back a little and concentrate on its core activities, that of co-ordinating and supplying inbound travellers while the suppliers provided the facilities.

It ceased to be involved in the management of the annual TRENZ show, letting the Tourism Board take over much of the organisation but still assisting in many areas.

But its biggest change came in 1994 when at its annual meeting in





# GREAT SIGHTS

## NEW ZEALAND COACH TOURING WITH GREAT SIGHTS



Proud to be a  
member of ITOC  
celebrating our  
Silver Jubilee.



0800 **SIGHTS**

Great Sights: Private Bag 92637, Symonds Street, Auckland 1035,  
New Zealand. Phone: (+64 9) 303 1170 Fax: (+64 9) 379 6649  
Email: [gsinfo@greatsights.co.nz](mailto:gsinfo@greatsights.co.nz) INTERNET: [http://www.discover.co.nz/gs\\_intro.html](http://www.discover.co.nz/gs_intro.html)

Christchurch on May 5, it decided to revert to its old name Inbound Tour Operators Council. ITOC felt this would clearly identify its activities within the TIA and the distribution division.

As a result of this ITOC promoted the annual TIA conferences as the major annual event within the industry and its own conferences would be to some extent downgraded. They would become networking forums and the annual meeting would be held separately.

By the time the 1994 annual meeting came around Wiedemann had been in the chair for four years through perhaps one of the most difficult but rewarding periods in ITOC's history.

Before he gave up office, however, Wiedemann saw the advent of an allied vice president and the first to be given this position was Blair Sheehy. Sheehy remained a vice president until stepping down at the end of the 1996 conference to be replaced by Warren Harford (5 Star Attractions Rotorua).

Nineteen ninety four also saw the introduction by the European Community of a new set of rules governing packaged travel, which had widespread ramifications for the industry worldwide.

The rules said while the initial contract was invested in the original contractor, the responsibilities for making sure the client obtained what he paid for, reached down to the supplier in the country the client spent his holiday.

It meant overseas organisers started to insist on watertight and enforceable contracts with their suppliers and many would only do business with suppliers prepared to enter into this type of contract.

ITOC, together with TAAZ, sought legal opinion on the effects on operators in this country and the opinion was made available to operators.

Wiedemann was succeeded at the annual meeting in Christchurch in 1994 by Greig Ritchie (Contract Pacific).

In September that year he called a special general meeting to set what was termed the future direction of the organisation. Among the items set down for discussion was one on developing a code of conduct and practice.

That code came into force at the annual meeting in Wellington on July 18 1995 and in essence sets out rules and regulations for ensuring ITOC members operate in an ethical and professional manner.

That meeting also approved new membership and financial criteria for full members, updating criteria which had been in existence for several years.

Relationships with sister organisation ITOA also showed signs of strengthening, with the two groups holding joint board meetings. The two organisations also decided to cooperate on a centralised system for notifying bad debts and slow payers, although the Privacy Act in this country had some

bearing on how far this could be taken.

ITOC had started to become very concerned about the Korean market in particular and a special sub committee was created to try and identify the main problem areas and come up with guidelines.

At the same time ITOC began investigations into setting up a credit insurance protection plan to protect allied members when a full member of ITOC or the overseas wholesaler with which he dealt, went into liquidation. That is still being worked on with an Auckland broker Access Insurance.

It had also become very obvious that relations between the Tourism Board and ITOC had improved considerably, so much so that ITOC took to inviting a senior member of the management board to meet with the ITOC board at each ITOC board meeting to develop relations further.

The policy of holding regional meetings was paying off, with large attendances reported at all meetings.

The 1996 meeting saw Ritchie step down after two years. His successor was Mark Sainsbury (Pan Pacific Travel Corporation Auckland). At that meeting ITOC also created its first two life members - Michael Wiedemann and Blair Sheehy. It also elected its first woman board member for many years, Eva Lau (Winchester Travel Auckland).

One of Sainsbury's first tastes of public exposure came with the bad publicity given to what the press described as kickbacks to tour drivers and escorts.

ITOC, together with the Bus and Coach Association, the Tour Drivers Guild and the TIA, have worked on guidelines to discourage payment of excessive commissions and kickbacks. Some suppliers were reporting they were having to pay up to 40 per cent just to ensure groups visited their facilities.

ITOC has recognised the hard fact these payments may never be stamped out, but can and should be discouraged.

In his annual report to the 1997 annual meeting in Rotorua, Sainsbury followed the theme of a number of his predecessors in continuing to advocate the South Pacific should be marketed as one region and commented ITOC and ITOA were evaluating a joint promotional strategy.

As the turn of the century approaches ITOC has spent many hours preparing a strategy plan designed to ensure its members - full and allied alike and any who fall into any subsequent category which might come into force - are well prepared to take advantage of what the new millennium offers.

That plan and the courses of action to be followed are detailed in this booklet.



**THE MILLENNIUM AND BEYOND**

# ITOC AND CDL HOTELS BEDDING DOWN FOR THE NEXT MILLENNIUM



CDL Hotels congratulates ITOC on 25 years of support,  
service and excellent achievement



Members of the CDL Hotel Group



# Chapter 4 - into the new millennium

**T**he contribution to New Zealand's economy by members of the Inbound Tour Operators Council is immense by anyone's standards. Carefully kept statistics over many years show inbound tour operators and their supplier colleagues now earn an estimated \$1.5 billion - almost 30 per cent of New Zealand's total foreign exchange earnings and well above many traditional industry earners.

Its members are now responsible for 42 per cent of holiday arrivals into this country and it has set its sights on getting a minimum of 50 per cent.

From a small group of interested individuals who formed themselves into what was then known as the Inbound Tour Wholesalers Inc in 1972, has grown an active, forward thinking organisation representing 40 different inbound tour operators supported by almost 200 supplier companies from around the country.

It has become recognised by other trade organisations within the travel and tourism sector and by governments and government departments as a professional, well organised association dedicated to improving standards and ethics, not only of its own members, but of the industry as a whole.

In many ways it has united what would otherwise be a fragmented industry, made up as it is of so many disparate parts. It has developed strong relationships with organisations overseas in particular its sister association in Australia, the Inbound Tourism Organisation of Australia (ITOA) and its vision is to see the region marketed effectively in longhaul markets overseas, always remembering its primary objective is to improve the inflow of tourists into this country.

Over the years ITOC has recognised - often before it has become generally accepted - the changing nature of the marketplace and has geared itself to meeting those challenges.

It has strong relationships with the Tourism Board and is committed to strengthening them. Its involvement at the outset with the Tourism Industry Association has immeasurably helped that organisation to become the recognised voice of the industry as a whole, listened to and consulted by government and government departments alike.

Now ITOC is preparing to take itself into the new millennium, stronger and more focused than ever before, with a new strategy plan incorporating a number of goals.



## Goal 1

To identify and take action for members on market opportunities trends and issues

## Objectives

To implement an ITOC Marketing Strategy that meets the needs of members and the wider industry

For membership to be informed market developments and opportunities available

## Tasks

Strategy for Internal Marketing: Membership

December 1997 ongoing

Strategy for External Marketing:

Industry at large

December 1997 ongoing

*Include:*

- ITOC Homepage on Internet, hotlinked to ITOA

December 1997

- New Zealand Host available to all Full Members

October 1997

- map and brochure

- Annual Research Survey

investigate further research opportunities for the

benefit of members

Public Relations Plan

press kits, journalist briefings

identification of spokesperson on

specific issues

- Brand/visual identity

Establish Market Portfolio Group

December 1997

Portfolio Group to meet twice yearly, to "scan" marketplace and project market trends and issues for members

### Goal 1

To identify and take action for members on market opportunities trends and issues

### Objectives

For membership to be informed on technological developments and opportunities available

To have Joint Marketing Strategies with identified industry groups

### Tasks

Outcomes of Portfolio Group to be conveyed to members

Establish Technology Portfolio Group ongoing

December 1997  
Portfolio Group to meet twice yearly, to "scan" marketplace and project technological trends and issues for members

Outcomes of Portfolio Group to be conveyed to members

ongoing  
NZTB/ITOC Joint Marketing Strategy

March 1998  
NZTIA/ITOC Joint Marketing Strategy

March 1998  
ITOA/ITOC Joint Marketing Strategy

March 1998  
RTOS/ITOC Joint Marketing Strategy

### Tasks

To be approached market by market  
Set up pilot Market Standards

Task Force

- Arrange for and facilitate key operators  
(Full, Allied, NZTB) involved in specified market

### Goal 2

To advocate joint industry and membership approaches to increase profitability, foster commercial relationships and information exchanges

### Objective

To establish a joint strategy to pre payment, pricing and quality standards in specified markets

## Goal 2

To advocate joint industry and membership approaches to increase profitability, foster commercial relationships and information exchange

## Objective

To provide insurance protection for membership

To provide opportunities for membership and wider industry to network

Tasks	
- Identify the guidelines	
- Acceptance and utilisation of guidelines	
- Report back to membership	January 1998
Promote Credit Insurance Scheme	
monitor and provide a review on Credit Insurance Scheme	July 1998
Maintain and promote Public Liability and Professional Negligence Insurance Package	ongoing
Keep membership informed and provide advice on further opportunities and developments in insurance protection	ongoing
Host Annual Network Weekend	ongoing
Co Host Regional Seminars with RTOs	ongoing
Establish Market & Technology Portfolio Groups	See Goal 1
Establish Market Standards Task Force in this Goal	
Identify specific issues that would benefit from a Portfolio/Task Force approach and establish as and when required	ongoing

### Goal 3

To advance partnerships and strategic Alliances with industry groups and political bodies

### Objective

To have an effective working relationship with NZTB

### Tasks

Invite NZTB (chief executive and or management team) to attend meetings and ITOC regional seminars ongoing  
Address the position of ITOC and NZTB in the overall strategy for New Zealand Tourism ongoing  
Identify NZTB representation on Market Portfolio Group See Goal 1  
Invite NZTB presence on pilot Market Standards Task Force See Goal 4  
Complete Joint Marketing Strategy See Goal 1  
Invite the chief executive and or management team to attend and participate at ITOC board meetings and ITOC regional seminars when appropriate ongoing  
Address the position of ITOC and NZTIA in the overall strategy for New Zealand Tourism ongoing  
Identify joint opportunities to the commercial and strategic benefit of ITOC members ongoing  
Complete Joint Marketing Strategy See Goal 1  
Continue with annual joint board

### Goal 3

To advance partnerships and strategic Alliances with industry groups and political bodies

### Objective

relationship between ITOC and ITOA

Tasks	ongoing
meeting	
Address the position of ITOC and ITOA in the overall strategy for Australasia and the South Pacific	
<i>Include:</i>	
Investigation of joint Australasian approach to pre payment price and quality in identified markets	
Joint Marketing Strategy	
	<b>See Goal 1</b>
Meet with RTOs and VINs twice yearly	<b>ongoing</b>
Enlist all RTOs to be members of ITOC	<b>July 1998</b>
Maintain regional seminar circuit in conjunction with RTOs	<b>ongoing</b>
Increase the scope and opportunities of the regional seminars in conjunction with RTOs	<b>July 1998</b>
Complete Joint Marketing Strategy with RTOs	<b>See Goal 1</b>
Identify joint opportunities with VINs	<b>ongoing</b>
Meet with Aotearoa Maori Tourism Federation Board	
Address the position of ITOC and AMTF in the overall strategy for New Zealand Tourism	
Identify joint opportunities that can	

To have effective working relationships with RTOs and VINs

To establish a working relationship with Aotearoa Maori Tourism Federation

### Goal 3

To advance partnerships and strategic Alliances with industry groups and political bodies

#### Objective

To have an effective working relationship with TAANZ

To continue to develop industry links

#### Tasks

be further developed July 1998

Identify and monitor distribution issues ongoing

Maintain Air New Zealand co-opt on board and co-opt other airline

representatives as needs arise ongoing

Retain links and work with

accommodation sectors, NZTIA

Hospitality Division and MAP ongoing

Identify opportunities with other

industry related bodies and develop

dialogue ongoing

#### Tasks

Advise membership on ITOC stan-

dards as set by ITOC Codes of

Ethics and Practice, Constitution

and Rules ongoing

Advise membership on reviewed

or new standards as they are being

developed ongoing

Maintain financial membership

criteria and annual review process

ongoing

Use Code Of Ethics and Practice and

the Constitution and Rules in the

monitoring of membership

compliance ongoing

### Goal 4

To set identified standards of excellence for ITOC membership to attain

#### Objective

To have all membership operating

within the specified ITOC

standards

**Goal 4**  
**To set identified standards of excellence for ITOC membership to attain**

Objective	Tasks
To have ITOC standards that meets the needs of members and the wider industry	<p>Select ITOC Operator of the Year ongoing</p> <p>Investigate and propose other award categories ongoing</p> <p>Review the Code of Ethics and Practice July 1998</p> <p>Advise and promote standards and guidelines on commission payments on optional sightseeing and related activities as negotiated with the Bus &amp; Coach Association and the NZ Tour Drivers Guild</p> <p>Monitor members based on the commissions guidelines ongoing</p> <p>Identify issues of standards that would benefit from a Task Force approach within the membership and/or the wider industry and action ongoing</p> <p>Complete research into the needs of members</p> <p>Report back to board on options/proposals December 1997</p> <p>Education/Training Seminars operating January 1998</p> <p>Maintain ATTTO representation ongoing</p>
To have membership access to education/training seminars specifically tailored to meet the practical and operational needs of members	
To provide ITOC input into the setting of standards within the education and training sector of the industry	



<b>Goal 4</b> To set identified standards of excellence for ITOC membership to attain	<b>Objective</b> To have New Zealand based tour guides accredited, managed and monitored by ITOC	<b>Tasks</b> Liaise with ATTO, NZTB, NZTIA to develop accreditation process <b>July 1998</b>
<b>Goal 5</b> To establish an infrastructure that will provide the direction and ensure the resources are available to achieve the goals	<b>Objective</b> To have a wider cross section of membership and industry involved in setting the direction for ITOC	<b>Tasks</b> Establish Portfolio Groups as identified <b>December 1997</b>
	To ensure the membership and board structure meets the needs of the membership and the industry	Utilise Task Forces consisting of membership and related industry bodies as and when required <b>ongoing</b>
		Review membership categories selection, term of board and voting rights <i>Include:</i> - the ability for Full Members to address issues specific to them - the opportunity to include those who currently do not meet the criteria or qualify for Full Member status - accommodation of Portfolio Groups within board structure <b>July 1998</b>
	To have a Staff Management Plan that will meet the future needs of ITOC	Determine staffing & resource needs <b>July 1998</b> <i>Include:</i> - consideration of part time vs full time CEO position - financial feasibility of any staffing changes