

## THE TOURISM EXPORT COUNCIL OF NEW ZEALAND - Code of Ethics & Practice



(Endorsed by the New Zealand Tourism Industry Association, NZTIA) approved by the TOURISM EXPORT COUNCIL (previously known as ITOC) Annual General Meeting, held in Wellington on Tuesday, 18 July 1995, amended by members in a postal ballot March 2002 and subsequently August 2010.

### GENERAL PRINCIPLES

- (i) The TOURISM EXPORT COUNCIL Code of Ethics is designed to advance the objects of the Association by requiring all members to adhere to and observe high standards of integrity and ethical conduct in all their business dealings.
- (ii) The recognition and practise of ethical conduct within the inbound tourism industry is a necessary and important component in achieving and maintaining the TOURISM EXPORT COUNCIL's goals of quality, integrity and professional excellence and thus the promotion of New Zealand as a visitor destination.
- (iii) The promotion of New Zealand as a visitor destination and the achievement by the TOURISM EXPORT COUNCIL of its other objectives is enhanced as a result of initiative, enterprise and competition where the same is founded on principals of fair trading but damaged by unfair competition and unethical conduct.
- (iv) TOURISM EXPORT COUNCIL full members in all dealings with each other, with overseas visitors, and with suppliers and in the conduct of their business generally shall not engage in unfair competitive practices.
- (v) By way of example, as a general principle, TOURISM EXPORT COUNCIL members should conduct their businesses on the basis that the cost of the product they sell is to be covered by the price paid by the purchaser for the product.
- (vi) The long term achievement of the objects for which the TOURISM EXPORT COUNCIL has been established cannot be sustained by business practices which are inconsistent with this basic principle. A business which places reliance upon the generation of revenue from indirect sources, such as commissions from retailers, and which seeks to obtain a competitive advantage in the pricing of its product on this basis, is likely to be regarded, upon investigation, as having breached this Code of Ethics. Reliance on such indirect sources of revenue as an integral component in the ability of the member to pay for and supply the product is regarded as detrimental to the promotion of New Zealand as a visitor destination and not in the interests of inbound tourism to New Zealand.
- (vii) Members shall comply with the requirements of the Fair Trading Act 1986, the Commerce Act 1986 and with all other statutes and Regulations which regulate trade and which govern business practices in New Zealand.
- (viii) In no circumstances are the provisions of this Code of Ethics to be interpreted as requiring members to adopt a course of conduct which is inconsistent with the requirements imposed upon them from time to time by the Fair Trading Act 1986, the Commerce Act 1986 or any other statutes or regulations which regulate trade or which govern business in New Zealand.

### PART ONE: Professional responsibility – Relations with Overseas Visitors and their Travel Agents/Wholesalers

- (i) It is the duty of the TOURISM EXPORT COUNCIL Full members to keep themselves and their staff fully informed on all aspects of New Zealand Travel, in order to be in a position to give visitors and their Travel Agents and Wholesalers professional advice on what New Zealand has to offer.
- (ii) TOURISM EXPORT COUNCIL Full and Allied Supplier members shall consider every transaction with a client to be strictly confidential, except in the case of default.
- (iii) TOURISM EXPORT COUNCIL Full members shall advise their clients of their standard terms and conditions of trade at the time of any change or prior to accepting bookings from a new client.
- (iv) TOURISM EXPORT COUNCIL Full and Allied Supplier members, in their advertising, shall not make misleading, incorrect or dishonest statements.
- (v) TOURISM EXPORT COUNCIL Full members will treat their clients as paramount and will not accept instructions creating or likely to create a conflict of interest.
- (vi) TOURISM EXPORT COUNCIL Full and Allied Supplier members will ensure that their staff are adequately trained and that service standards to all clients are at the highest possible level, in order to enhance the goodwill and reputation of New Zealand as a quality destination.

### PART TWO: Responsibilities in dealing with carriers and principal suppliers

- (i) TOURISM EXPORT COUNCIL Full members shall, at all times, follow the best traditions of salesmanship and fair dealing by according all carriers, hotels and product suppliers which they represent fair and responsible representation.
- (ii) TOURISM EXPORT COUNCIL Full members shall make themselves thoroughly conversant with agreements and with tariff rules and regulations. They shall make every endeavour to see that their staff know of these arrangements and rules, and have access to them and understand them.
- (iii) TOURISM EXPORT COUNCIL Full members shall not improperly attempt in any manner to influence the employees of carriers, hotels or product suppliers for the purpose of securing preferential consideration in the assignment of space or for any other purpose.

- (iv) TOURISM EXPORT COUNCIL Full members, in order to ease space availability problems of hotels, shall release promptly all unsold space and return unrequired accommodation as per their agreed terms and conditions with the hospitality division of the New Zealand Tourism Industry Association.
- (v) TOURISM EXPORT COUNCIL Full members should not overbook to protect space for possible business.
- (vi) TOURISM EXPORT COUNCIL Full members should avoid booking the same business at alternative properties to cover wait-listing situations.
- (vii) Orders placed by TOURISM EXPORT COUNCIL Full members for accommodation or services, shall be made and acknowledged in writing and will be binding.
- (viii) TOURISM EXPORT COUNCIL Full and Allied Supplier members shall adhere to the truth and shall not make false, deceptive or misleading statements or implications when called on to give an opinion of a carrier, hotel, tour operator or other product supplier.
- (ix) In the event of a complaint or grievance by a client against any carrier, hotel or other principals, TOURISM EXPORT COUNCIL Full members shall give the principal an opportunity to make a full investigation before taking any action against the principal supplier. Any complaint or grievance should be handled promptly.
- (x) TOURISM EXPORT COUNCIL Full members must adhere to all Agreements entered into by the Association.
- (xi) TOURISM EXPORT COUNCIL Allied Supplier member Carriers, Hotels and product suppliers should avoid overbooking to cover traditional or expected wastage when dealing with THE TOURISM EXPORT COUNCIL Full members, other than normal management of capacity.
- (xii) TOURISM EXPORT COUNCIL Allied Supplier member Carriers, Hotels and product suppliers will honour bookings made by TOURISM EXPORT COUNCIL Full members when a deposit or payment has been made.
- (xiii) In all matters where a TOURISM EXPORT COUNCIL Allied Supplier member is dealing with TOURISM EXPORT COUNCIL Full member, the responsibility to comply with agreed terms and conditions rests entirely with those parties. The activities or actions of any other parties should not in any way lessen such responsibility. In particular the responsibility for payment of all accounts (including cancellation fees) rests entirely with the TOURISM EXPORT COUNCIL Full member. Any disputes or delays caused by the original source of the business does not absolve the inbound operator from its responsibility.

### **PART THREE: Responsibilities in dealing with other members**

- (i) TOURISM EXPORT COUNCIL Allied Supplier member Carriers, Hotels and product suppliers agree that they will carry out their undertaking with proper care, skill and due diligence that they will assume full responsibility for any liability arising solely from their failure to give proper instructions to TOURISM EXPORT COUNCIL Full member or for incorrect or inaccurate instructions in their advertising materials. In return, TOURISM EXPORT COUNCIL Full members agree that they will carry out their undertaking with proper care, skill and due diligence to proper instructions given by Carriers, Hotels and product supplies and that they will assume full responsibility arising solely from their lack of proper care, skill and due diligence to instructions so given.
- (ii) TOURISM EXPORT COUNCIL Full members should not disparage the business practices of a competitor, nor volunteer a disparaging opinion of a competitor's transaction. If an opinion is sought it should be rendered with strict professional integrity and courtesy.
- (iii) TOURISM EXPORT COUNCIL Full members shall not wilfully interfere with or induce cancellation of an existing contract.
- (iv) TOURISM EXPORT COUNCIL Full members shall not initiate, simulate or copy any name, design, or style mark or pattern used by another TOURISM EXPORT COUNCIL member, hotel, carrier or product supplier without permission.
- (v) TOURISM EXPORT COUNCIL Full members are not justified in violating any provisions of these principles of professional conduct and ethics on the ground that some other THE TOURISM EXPORT COUNCIL member may be doing so.
- (vi) TOURISM EXPORT COUNCIL Full members should so conduct their business as to avoid controversies with their fellow TOURISM EXPORT COUNCIL members. In the event of a controversy between TOURISM EXPORT COUNCIL members such controversy may be submitted to TOURISM EXPORT COUNCIL ethics committee (in accordance with the constitution and rules) rather than initially resort to litigation. Should the suggested course of action recommended by the ethics committee not be acceptable to both parties then the dispute should be referred to an appeal panel of three, this panel to consist of the TOURISM EXPORT COUNCIL Chief Executive, the TOURISM EXPORT COUNCIL Solicitor and an independent arbitrator acceptable to both parties. The panel will only officiate if both parties agree to abide by the decision of the panel. If in the course of investigation by the ethics committee or the appeal panel a possible breach of this code of ethics is revealed the matter must be referred to the Board for investigation in accordance with Rule 36 of the constitution and rules of the Association.
- (vii) TOURISM EXPORT COUNCIL Full members are encouraged to offer preferred status to TOURISM EXPORT COUNCIL Allied Supplier members.
- (viii) TOURISM EXPORT COUNCIL Allied Supplier members are encouraged to offer preferred terms to TOURISM EXPORT COUNCIL Full members.