



TOURISM EXPORT
COUNCIL OF
NEW ZEALAND

ANNUAL REPORT

2021 - 2022



What's Inside?

- Chair Report
- Chief Executive Report
- Board of Directors and Benefits of Membership
- Life Members
- Key Projects and Advocacy
- YoungTEC Report
- Financial Statements

60
ITO
MEMBERS

11%



COMPARED TO
2021

FIGURES AS AT 31 MARCH 2022

230
ALLIED
MEMBERS

9%



COMPARED TO
2021

Allied Member Sectors

- 46 Accommodation
- 106 Attractions/activities
- 27 RTO
- 25 Tourism Services
- 26 Transport

CHAIR REPORT

Scott Mehrtens

Kia ora koutou, in preparing the Annual Report for the 2021-2022 year it struck the Board the enormous workload the organisation continues to maintain and how we've had to be so responsive to the constantly changing environment around the world and within New Zealand. It's certainly been one for the books and a year that we don't wish to repeat any time soon. Our report is longer than anticipated but we hope you find the annual account of TECNZ's activities an informative read.

COVID PANDEMIC IMPACT

Last year at conference when we celebrated ITOC/TECNZ's 50 years of bringing in international visitors and marketing New Zealand to the world, we thought after 18 months of the border being closed, members could finally look to the future with the prospect of visitors returning for the 2021-2022 season.

It was devastating to realise we were so wrong... the Delta COVID variant arrived in NZ and by 17 August 2021, the country was back at Alert Level 4 with almost all businesses (except essential services) closed for an unknown period of time.

By 21 September 2021 most of NZ had moved to Level 2 with the exception of Auckland, Waikato and Northland. With the major city still operating in Level 3 with stringent social distancing, gathering limits and mask restrictions, the rest of New Zealand was economically stymied as travel in/out Auckland hugely impacted domestic travel options due to Auckland being the largest visitor market for all regions.

NZ moved to the new COVID Protection Framework (traffic light system) on 2 December 2021. Most of the North Island was in red while lower North Island and South Island regions were in orange. Auckland finally moved to orange on the 30 December 2021 and Northland shifted to orange on the 20 January. For many, the continued social distancing restrictions meant most Kiwis only travelled locally within 1-2 hours.

Not only had tourism businesses still not had international visitors they'd lost domestic visitors. And then... late January 2022, the Omicron COVID variant arrived. New Zealand was operating at the red traffic light level. The roller coaster continued. New Zealand was in a self-imposed lockdown with Kiwis too afraid to travel. Balance sheet reserves eroded even further and the ability to trade and generate sales was looking grave. Businesses were on their knees trying to survive.



CHAIR REPORT

Scott Mehrtens

It wasn't until the 13 April 2022 that the whole country moved to operate at the orange level and Australian visitors were able to return to NZ. Visitors from key markets like UK, USA, Europe, Singapore etc. began to trickle back from May 2022. We were all still immensely worried. Would the international tourism sector survive?

The following section provides a summary of our key activities,

ADVOCACY AND STRATEGY

There has been a huge effort over the past twelve months to keep engaged with Ministers and Ministry of Business, Innovation and Employment (MBIE). It's been important to keep up to date to see how new policies affect international tourism's recovery and the business operating environment.

TECNZ has continued to present to Cabinet Ministers and MBIE how serious business survivability is and rational reasons why further tourism grant funding was needed. Unfortunately, we were unsuccessful with getting any additional funding for those most in need. Communication with Minister of Tourism office noted below.

- June 2021 – Kickstart Fund letter for all regions, not just 5 regions
- September 2021 – Restart Package funding request for members
- October 2021 – International Tourism Recovery Plan 2021-2025 and funding for all international tourism businesses \$115m (criteria based)
- February 2022 – State of International Tourism in NZ (very serious)
- Feb/Mar 2022 – Targeted Resilience Package funding \$50m for our members, an international tourism business case for funding

We also kept the Minister up to date with our international arrival forecasts, global tourism trends and inbound booking trends in NZ and advocated for earlier opening of the NZ border to keep in step with the rest of the world. The continued closure of NZ's border and travel restrictions (7days isolation on arrival, pre-departure tests and arrival tests) were stifling our recovery.

Since December 2019 the Board had planned to write a new strategic plan for the organisation. Events post March 2020 meant we put future strategic planning on hold in 2020 while the organisation looked at its own survival along with our members. We planned to revisit strategic planning again when the time was right.



CHAIR REPORT

Scott Mehrtens

The intention in the current 2022-2023 year is to look at creating a new strategic plan and potential new membership model. We'll provide an update on this as soon as we've looked at various ideas and options.

OPERATIONS AND MEMBERSHIP

The highlight of the year would have to be the 50th Anniversary gala dinner held in New Plymouth. The Board felt it was important not to miss celebrating the remarkable milestone of NZ's international tourism history, despite 2020 and 2021 being the worst two years of business operations for our members in its fifty-year history.



CEO Lynda and Anna Black (former Chair) did a wonderful job of crafting ITOC and TECNZ's trip down memory lane with a great 50th publication and some videos that captured key moments in time affecting international tourism in New Zealand.

We would like to say to all our members who renewed their membership over the past year, thank you. It has meant a lot and helped the organisation immensely. The Board and team appreciate and value your continued support of the organisation and our activities. We'd like to particularly thank NZ Māori Tourism for their ongoing partnership support. Without this support the organisation would not have been able to achieve a number of its objectives and return to financial stability. It has been immensely appreciated.

The team has done a great job for the organisation over the past year and we've appreciated Lynda's 'voice' on behalf of industry telling it like it is for those most impacted by Covid. There's been no glossing over the immense impact the pandemic has had on balance sheets and operational survival

To the TECNZ Board, my sincere thanks for your ongoing commitment and support. The wellbeing of each other, the team and industry colleagues has been a priority for the Board, and amongst the gloom, strong friendships have been forged and the Board has continued to show leadership on key issues affecting the return of international visitors. A notable thanks to Anna Black who stepped down last year after 12 years on the board, but has continued to keep an eye on things over the past 12 months as our immediate Past President.



CHAIR REPORT

Scott Mehrtens

FUTURE OF INTERNATIONAL TOURISM

What does the immediate future hold? Despite the ongoing global COVID challenges (including the Ukraine/Russia war) and nervousness about inbound bookings in the distribution system being fully realised (due to NZ still having some border requirements), there is cause for optimism. Inbound bookings are looking better than expected for the 22-23 season.

If our assumptions turn out to be correct our International Arrival Forecasts show, we expect to have a recovery rate of 58.5% by YE May 2023 for the upcoming season and 83% recovery rate by YE May 2024. Based on global trends we anticipate NZ will reach its pre-COVID visitor arrival number of 3.9million visitors by YE May 2025. It's not easy trying to crystal ball gaze into the future and only time will tell if we're right on the mark, off the mark or under-estimating the interest in travel to New Zealand.

International visitors will return and TECNZ will work hard to ensure our industry and members are in position to capitalize on opportunities and changing visitor patterns. There will be ongoing challenges. We will have no choice but to deal with the fallout of a global economy struggling to regain its composure and the impact of the Ukraine Russia war on rising fuel and oil prices, inflation, and higher cost of goods around the world.

Provided the organisation can be resourced appropriately to guide the international tourism sector through challenges and opportunities, we can approach the future with a degree of confidence. And, given time, we will once again emerge as one of New Zealand's leading export sectors.

Ehara taku toa,
i te toa takitahi,
Engari, he toa,
takitini

Success
is not the work of one but the work of many

Scott Mehrtens



CHIEF EXECUTIVE REPORT

Lynda Keene

Kia ora koutou.

Tough, anxious, hard, difficult, challenging, are all words that relate to the 2021-2022 year. Everyone is crystal ball gazing with a lot of uncertainty, and it hasn't been until the start of the 2022-2023 financial year we've been able to catch a breath and look to the future with any optimism.

Here's a brief snapshot of the work TECNZ has done over the past twelve months.

- Highlight of the year was the face-to-face conference in New Plymouth and celebrating ITOC/TECNZ's 50th Anniversary. Farewell 'Zoom'. It was wonderful to connect with everyone face-to-face after two years in digital Siberia.
- We published a 50th Anniversary history of ITOC/TECNZ's achievements over 5 decades and had a wonderful Gala Dinner.
- Prepared numerous funding business cases for government
- Wrote New Zealand International Tourism Recovery Plan 2021-2025
- Prepared monthly updated International Arrival Forecasts 2022-2025
- Regular engagement with MBIE, Ministers and political parties and other government agencies like Ministry of Transport, Conservation, Trade & Export Growth and Revenue.

FINANCIAL PERFORMANCE

The budgeted loss for the 2021-2022 financial year was \$(155,435). We're pleased to share a net surplus result of \$22,877.

The better-than-expected result is due to attracting more member fees and higher conference surplus than budget, NZ Māori Tourism partnership funding, and expenses well managed and on budget. Our thanks to NZ Māori Tourism for their continued support of TECNZ's activities. Without their support over the past two years our organisation would not be in the position today that we're in to continue to work on behalf of all our members and industry. It's very much appreciated.

- Total income \$517,211 increased by 57%
- Membership revenue \$301,250 increased by 18%
- Total expenses \$494,333 increased by 26%
- Net surplus of \$22,877 (previous year loss -\$65,425)
- Equity \$263,136 decrease of 20%



MEMBERSHIP

We were pleased with the retention rate of membership in the 21-22 financial year. Member support is highly valued and appreciated particularly in a tough trading environment.

Year	ITO	Allied	Young TEC
2018-2019	61	226	253
2019-2020	65	222	164
2020-2021	54	210	141
2021-2022	61	230	138

We've been working on completing a set of operational policies for members to review and use if they do not currently have any. We've finalized a governance set of policies which will be released in August 2022. We'd like to thank members for their contribution to the numerous surveys we've conducted over the past year. Data collated has been helpful in preparing briefing papers and letters to Ministers.

ADVOCACY

There's been a myriad of meetings with key national organisations, government officials and agencies and Ministers with TECNZ providing input and insights to relevant policies and changes to legislation. Many of these meetings were related to funding/business case requests we submitted for international tourism businesses most impacted with the ongoing closure of the border. We tried to put forward a 'pragmatic and realistic' viewpoint on all occasions.

- Minister of Tourism, Stuart Nash (4)
- Minister of Conservation, Kiritapu Allan (2) plus meetings with senior DOC executives (6)
- Minister of Transport, Michael Wood (1)
- Immigration NZ to keep updated with changing policy for new visitor visa online portal, group tour visas, Working Holiday Visas and the new Accredited Employer Working Visa changes
- Submissions to government on Adventure Regulations and Fair Pay Agreement and comment on the Milford Opportunities Project
- We've valiantly tried (4 requests) to get a meeting with the Minister of Revenue, David Parker about zero-rating GST paid by NZ ITOs on their facilitation fee, but no meeting as yet.

STRATEGIC PARTNERS

- **NZ Māori Tourism:** The ongoing strategic partnership we have with NZ Māori Tourism (NZMT) has been invaluable over the past year and allowed twenty-four 24 NZ Māori Tourism members to keep engaged with TECNZ as members and attend conference.
- **Tourism New Zealand:** Continued work with the Tourism NZ (TNZ) team particularly with the trade team. In 2021 we established a joint TNZ/ITO Working Party to look at how TNZ could support Inbound Tour Operators (ITOs) with re-engaging with offshore travel partners at major events.
- **Qualmark:** Numerous discussions with the Qualmark team to monitor ITO assessments and the role Qualmark plays in the industry.



- **Department of Conservation:** TECNZ meets regularly with senior executives of DOC to keep updated on issues relating to the DOC estate, changes in the legislative environment and concessions. In 2021 TECNZ started its preparation to work with DOC to submit its new 10-year concession for ITOs. An important benefit for our ITO members. Many changes have occurred over the past ten years when the first concession was granted, particularly changes in walks, and for some walks, engagement with Iwi is now required. We've been working diligently with DOC over the past year to on the current concession for ITOs. We hope to have the new concession finalized end August 2022.

HEALTH AND SAFETY

Health and Safety continues to be at the forefront of our member businesses and almost 200 businesses are signed up to the Tourism Trade Checklist and Covid Ready program.

As the border is now open, ITOs and offshore travel partners will be looking at the online portal for supplier information, please ensure you are registered. It will be critical for businesses welcoming back international visitors that they can demonstrate the business is taking Covid and health protocols seriously.



EVENTS

We ran a number of member events during the 2021-2022 year. Events held:

- ITO Forum 15 Jun 2021
- Allied Forum 4 Aug 2021 (conference)
- ITO Forum 4 Aug 2021 (conference)
- Full member Webinar 9 Dec 2021 (market updates, Air NZ, Tourism NZ)

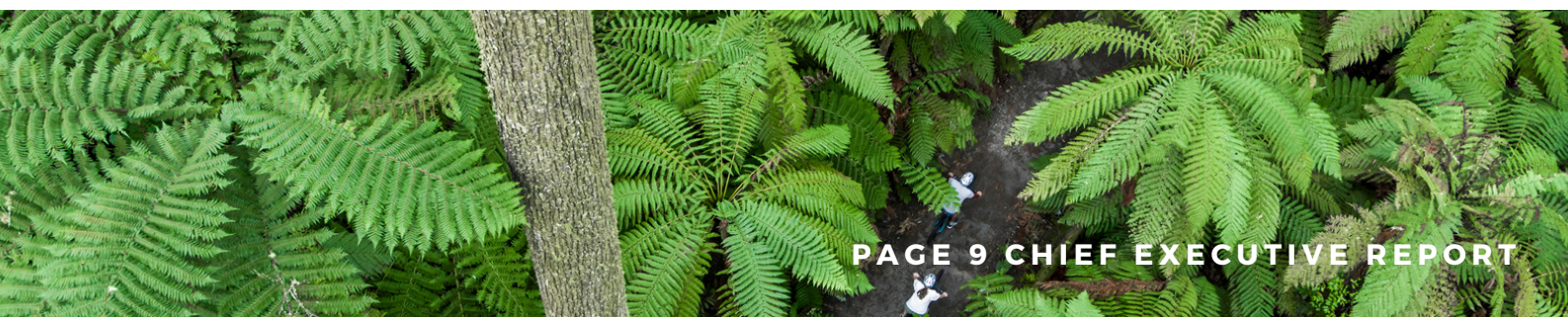
Plus, we were able to run our annual conference in New Plymouth 3/5 August 2021. We had 290 delegates on Day 1 and 250 delegates on Day 2.

Our new initiative the Tourism Trade Expo was a success. Sixty (60) suppliers and thirty (30) RTOs were able to have appointments with 33 ITOs.

COMMUNICATIONS 2021-2022

Communication (comms) continues to be a critical aspect to the work TECNZ does to keep members connected and informed of what's happening within the industry and on the political front.

- 5 Member Surveys
- 38 Newsletters
- 7 YTEC Newsletters
- 26 Articles where TECNZ provided comment in media
- Panellist/guest speaker industry events:



-
- NZ Cruise Destination Together webinar 31 Mar 2021
 - BBANZ 12 May 2021
 - BBANZ 7 Oct 2021
 - RTOs working with ITOs 7 Dec 2021

BOARD AND TEAM

Another year of high productivity, constant change, and meeting the needs of member enquiries. Louisa has done an outstanding job. A real credit and asset to the organisation.

My ongoing thanks to the Board for their continued quick responses to review work and provide input to key documents and papers going through to government. I highly value your insights and support and look forward to working with you again during the 2022-2023 year.

FUTURE OUTLOOK

At the time of writing this report (July 2022), the potential of the upcoming 22-23 visitor season is positive. However, there is still a level of nervousness that visitors currently booked in the inbound system might not all arrive in NZ. This is due to the government still holding NZ in 'orange' alert level and NZ still having arrival testing and isolation requirements if someone tests positive.

We know there will be some creaks and groans as the industry rebuilds to meet the needs and expectations of visitors. We also know that our members will do everything they possibly can to be ready and welcome back visitors with its unique brand of manaakitanga that we take pride in.

Wishing you all well and thank you for your ongoing support.



E tu kahikatea, hei wakapae uroroa
Awhi mai, awhi atu, tatou, tatou e.
Kahikatea stand together; their roots intertwine
strengthening each other.
We all help one another and together we will be strong..



BOARD DIRECTORS

REPRESENTING
TECNZ MEMBERS
2021 - 2022



Back row left to right:

Geoff Yee, John Gregory, Zac Watson (former YTEC Chairman), Brendan Davies, Adele Marsden, Tim Reid, Scott Mehrtens (ITO Chairman), Loren Heaphy, Jake Downing, Mark Badland. Front row left to right: Wendy van Lieshout (Vice Chairman), Lynda Keene (TECNZ CEO), Anna Black, Ben Thornton. Mark Ma and Charlotte Brady (YTEC Chairman) absent.

Benefits to Belonging to TECNZ



Connecting your products and services within the inbound tourism industry



An association that understands and advocates for inbound tourism



Shared industry communications and intelligence



Business networking and learning opportunities



Quality and sustainable world class practices



Membership to YoungTEC

OUR VISION

TO ACHIEVE SUSTAINABLE GROWTH IN EXPORT EARNINGS AND DELIVERY OF QUALITY TOURISM EXPERIENCES

OUR MISSION

TO SUPPORT AND REPRESENT OUR MEMBERS FOR THE PURPOSE OF FACILITATING BUSINESS PARTNERSHIPS IN THE TOURISM EXPORT SECTOR

Life Members



Graeme Badland



Mark Sainsbury



Chris Ireland

Welcome to TECNZ's new Life Members

In December 2020, the TECNZ Board passed a motion to acknowledge these pioneering inbound tour operators as new Life Members for their contribution to international tourism sector over the past thirty years. Due to COVID an event has not allowed us to make the presentation in either 2020 or 2021. We're delighted to advise there will be a ceremony at the Xmas Symposium on 6 December 2022 in Auckland. We hope you can join us.

Graeme Badland, Mark Sainsbury and Chris Ireland join an esteem list of TECNZ's existing Life Members:

- Blair Sheehy
- Keith Johnson (passed)
- Michael Wiedemann
- Peter Black
- Peter Lowry
- Russell White
- Tony McQuilken
- Warren Harford

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PAGE 12 DIRECTORS AND BENEFITS

YOUNGTEC REPORT

Charlotte Brady (YTEC Chair)

YoungTEC is a sub-association of the Tourism Export Council of New Zealand (TECNZ), with membership made up of young tourism professionals under the age of 36 years. YoungTEC membership offers regular networking events with other young professionals in the tourism industry, educational workshops and a professional development programme as well as other key events and initiatives to provide support and upskilling opportunities for YoungTEC members.

The landscape of YoungTEC has changed over the past couple of years, shifting from paid membership to a pay by play model that allows members to participate in the activities and events of their choosing. This allowed our members to still stay connected regardless of their employment circumstances changing, as well as include new initiatives and partnerships to further add value to our members.

One of the key events in the YoungTEC calendar each year is the Professional Development Programme (PDP). After putting on hold in 2020 due to Covid-19 the YoungTEC Executive were able to facilitate the PDP in 2021, this also included a partnership with New Zealand Maori Tourism who hosted an interactive last session via Zoom on Cultural Competency. There was a total of 35 attendees of the PDP in 2021.

A new initiative in 2021 was the Nurture the Next Generation Programme in collaboration with Go With Tourism, which launched in October. The programme saw tourism students matched up with YoungTEC members as their mentors. Giving the students first hand insights into the tourism industry as well as providing YoungTEC members the opportunity to upskill their own leadership experience as mentors. The Nurture the Next Generation Programme then led into our own YoungTEC Mentor Programme which was created after feedback from members wanting a mentor figure to further support them in their role. The YoungTEC Mentor Programme was a great success and saw 49 matches of YoungTEC members and Senior Industry Leaders.



YOUNGTEC REPORT

Charlotte Brady (YTEC Chair)

Another flagship event in the YoungTEC calendar is Leadership Day in partnership with The Icehouse and thanks to funding from The Hospitality Training Trust. The one-day workshop 'Resilient Leadership' was planned to occur on the 9th of December 2021 after the TEC Christmas Symposium. Unfortunately, the Christmas Symposium was cancelled due to Covid-19 restrictions. We are aiming to deliver Leadership Day in December 2022.

2022 is an extremely significant year for YoungTEC as this year we celebrate our 10th birthday, which is an incredible achievement for our association. The YoungTEC Executive would like to acknowledge and thank all past Executive members for their hard work and contributions to YoungTEC, which continues to grow from strength to strength despite the obvious challenges we are currently facing as a tourism industry. We are currently planning simultaneous events around the regions in celebration of 10 years of YoungTEC.

We would also like to extend our recognition and thanks to our sponsors and partners of key events and initiatives throughout 2021/2022. These include the Hospitality Training Trust, New Zealand Maori Tourism, New Zealand School of Tourism, Go With Tourism and Tourism Talent. This year YoungTEC will continue to provide support and networking opportunities for members as well as continue to deliver upskilling and development prospects for current members as well as nurturing and mentoring individuals that have just joined the industry.



FINANCIAL STATEMENTS

Summary Statement of Financial Performance: As at 31 March 2023

These financial statements were prepared prior to audit and are subject to change.
Please contact us if you would like a copy of the audited financial statements.

	2022	2021	Inc-Dec %
INCOME			
Membership Fees	301,250	254,543	18%
Conference and Symposium	212,276	20,325	944%
Other Revenue	2,015	50,837	-96%
Interest	1,670	2,964	-44%
Total Income	517,211	328,669	57%
EXPENDITURE			
AGM/Meetings	7,786	26,761	-71%
Employment Expenses	213,562	216,681	-1%
Legal and Accounting	6,514	9,999	-35%
PR and Communications	1,530	1,952	-22%
Office Expenses	29,164	27,951	4%
Special Projects/YTEC	19,460	33,825	-42%
Subscriptions - TIA, Qualmark	37,642	33,351	13%
Other Expenses	11,003	14,281	-23%
Conference/Symposium Expenses	167,672	26,036	544%
Total Expenses	494,333	390,837	26%
Net (Deficit)/Surplus before Tax	22,877	(62,168)	-137%
less income tax (refund)/expense	-	(3,257)	-100%
TOTAL SURPLUS (DEFICIT) FOR THE YEAR	22,877	(65,425)	-135%
STATEMENT OF MOVEMENT IN EQUITY			
Total recognised INCOME	517,211	328,669	57%
Total recognised EXPENSES	494,333	390,837	26%
(Deficit)/Surplus for the Year	22,877	(65,425)	-135%
Total recognised Income & Expenditure	22,877	(65,425)	-135%
Equity at Beginning of the Year	263,136	328,561	-20%
TOTAL EQUITY (END OF YR)	286,012	263,136	9%
STATEMENT OF FINANCIAL PERFORMANCE			
	2022	2021	Inc-Dec %
AS AT 31 MARCH 2022			
CURRENT ASSETS			
Bank Current and Call Accounts	158,636	122,216	30%
Bank Term Deposits	153,814	153,180	0%
Accounts Receivable	1,132	2,638	-
Accrued Income and Prepayments	4,109	4,237	-3%
GST Receivable	1,502	3,235	-54%
	319,194	285,506	12%
Non current Assets	10,077	13,457	-25%
Total Assets	329,271	298,963	10%
CURRENT LIABILITIES			
Accounts Payable	25,262	22,874	10%
Employee costs Payable	13,405	8,502	58%
Taxation Payable	4,590	4,450	3%
Total Liabilities	43,257	35,826	21%
Net Assets	286,012	263,136	9%
ACCUMULATED FUNDS			
Equity at beginning of year	263,136	328,561	-20%
Net (deficit)/surplus for the year	22,877	(65,425)	-135%
Total Accumulated Funds	286,012	263,136	9%