



TOURISM EXPORT
COUNCIL OF
NEW ZEALAND



ANNUAL REPORT

2022 - 2023



WHATS INSIDE

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- BOARD OF DIRECTOR/MEMBERSHIP
- KEY PROJECTS AND ADVOCACY
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- FINANCIAL STATEMENTS

Allied Member Sectors

- 50 Accommodation
- 103 Attractions/activities
- 29 RTO
- 21 Tourism Services
- 41 Transport



FIGURES AS AT 31 MARCH 2023



CHAIR REPORT

Scott Mehrtens

Kia ora koutou,

When the new financial year started on 1 April 2022, it wasn't until then that we had an idea of government's plans with Covid-19 travel restrictions being lifted. New Zealand was a good six months behind the rest of the world so there was still uncertainty how markets would respond, and the country was still operating at Orange Alert Level. Trying to plan ahead still had a high level of uncertainty.

In July 2022, Australian ski visitors and visitors from visa-waive countries (US, Canada, UK, Europe, Singapore) were allowed back into New Zealand and they slowly trickled back in. It wasn't until October 2022 that visitors from all countries were allowed back to New Zealand, but the 7-day self-isolation requirement remained. This created a lot of angst for offshore travel partners who were trying to book their clients to New Zealand but were put off by the prospect that half of a fifteen-day holiday could be in isolation.

Last year we reported how responsive the organisation had to be to the constantly changing environment around the world and within New Zealand. We said we hoped we (the industry) wouldn't have another roller coaster year like we'd just had. Unfortunately, for different reasons, the restart of New Zealand's international tourism recovery was even more of an upheaval than we could have anticipated.

The industry always knew there would be creaks and groans with the restart. Low workforce numbers and unhelpful immigration policies restricting the number of getting Working Holiday Visa Holders (WHVs) into New Zealand put enormous strain and stress on businesses that tried valiantly to care for visitors to pre-Covid standards of service.

Whilst industry tried to manage the return of visitors with a reduced workforce and self-imposed capacities to manage service delivery, in the second half of the season (Jan-Mar), the wheels fell off in the North Island. Auckland experienced unprecedented flooding in January 2023 and in February the government declared a national state of emergency due to the impact of Cyclone Gabrielle with seven regions having major road closures. The North Island's traditional sunny summer season was cooked.

Unfortunately, that was not all that inbounds and suppliers had to contend with. The unexpected problems with reliability of service by Cook Strait ferries and two months of ferry cancellations, compounded problems for visitors (and New Zealanders) trying to get from the North to the South Island and vice versa. The workload of inbounds already under pressure with weather disrupts, almost hit breaking point as they frantically worked to get clients safely to their next destination to continue their New Zealand holiday the best they could.

Feedback from inbounds said it was the most difficult season ever encountered in fifty years. They never want to go through that again.

As much as it was a more turbulent restart than expected, international visitor arrivals (2,366,041) by year-end April 2023 showed New Zealand's international tourism recovery achieved 60.8% of pre-Covid international arrivals (3,891,255). This was a very good start to the three-year recovery plan.

The following section provides a summary of our key activities:

Advocacy and Influence

Advocacy will remain a core pillar of the organisation and it is critical we continue to educate and keep government agencies and Ministers updated with the role of Inbound Tour Operators (ITOs) and trends / impacts of policies on the return of international visitors and the business operating environment.

We also kept Ministry of Business, Innovation and Employment (MBIE officials) and Minister of Tourism up to date with our international arrival forecasts, global tourism trends and inbound booking trends in NZ.

Our CEO Lynda Keene continued to work at the coalface with several government agencies and national tourism organisations and we met with the Minister of Tourism a number of times during the year. Please read the CEO report for more details. Other matters TECNZ provided input (submissions and plans) to agencies included:

- Visitor Health Guidelines and Group Tour Guidelines
- Fair Pay Agreements Bill
- Immigration policy changes and impact on tourism sector
- Innovation Fund (\$54million)
- Tourism Industry Transformation Plan (ITP) and Better Work Action Plan
- Attended multiple VSEAG (Visitor Sector Emergency Advisory Group) from Jan-Mar 2023 to keep updated and provide input and impact due to Auckland flooding and Cyclone Gabrielle
- Changes/update to new digital NZ Traveller Declaration and passenger arrival card
- Keeping both the National and ACT parties updated with trends and forecast of international tourism

New Strategic Plan 2023-2026

The Board finalized the new [Strategic Plan 2023-2026](#) in March 2023 and we're pleased with the future roadmap detailing priority areas for investment in time and resources.

A number of strategic and operational documents have been aligned to reflect the focus on our core pillars.



Membership

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.

As a Board, we are delighted by the growth of our membership. The fact that we are not only retaining our core members, but also attracting new ones each year, is a testament to the value of TECNZ as an organisation.

We were delighted to welcome three new Life members (Graeme Badland - Pacific Destinations, Chris Ireland - Pan Pacific Travel and Mark Sainsbury - Pan Pacific Travel) to TECNZ with a small ceremony at the Xmas Symposium last year. It's important to recognize and acknowledge the work pioneers of the international tourism sector played in helping to create the world-class visitor offering we have today.



Board and Team

The team continues to do a great job for the organisation, and we know many members appreciate Lynda's sterling work and voice on behalf of industry telling it like it is for those most impacted by Covid, and more recently, with major weather and disruptive events. The zero to almost hero restart caused anxiety for many, and I know the Board joins me in thanking Lynda for her calm presence throughout another challenging year.

To the TECNZ Board, my sincere thanks for your ongoing commitment and support. The organisation would not be as effective as it is without strong leadership from Board members and the insights you share on key issues impacting and influencing the return of international visitors. We've had some good discussions around the Board table, and I look forward to this continuing over the next twelve months. I'd also like to thank outgoing Board member Tim Reid (Southern World) for his supportive role over the past six years. I know the Board will miss your insights and sense of humour.

More detail of TECNZ's activities will be provided in the Chief Executive report.

Future of International Tourism

It's encouraging that 60.8% of pre-Covid visitors returned to New Zealand over the twelve-month period YE April 2023. New Zealand had a good start with its recovery. Some markets came back strongly (Australia, USA, Canada, UK, Singapore) while other markets like Germany, other Europe, Asia, and China are coming back slower than expected. As much this is a positive story, from a financial stability perspective, there's still a way to go for businesses to feel secure about the state of their balance sheets.

Inbound bookings are looking good for the 2023-2024 season. If our assumptions turn out to be correct with our International Arrival Forecasts, we expect to have a recovery rate of 87% by 1 May 2024 for the upcoming season and anticipate we will back to 100% of pre-Covid visitor arrivals (3.9million) by 1 May 2025. Recovery will vary from market to market.

Airline connectivity, current high cost of flights and New Zealand still retaining the ridiculous 7-day self-isolation requirement (if visitor tests Covid positive) being the key determinants with future decision-making and results.

The future is still a little unknown however we know demand for New Zealand is positive. In saying that, New Zealand cannot afford to rest on its laurels in a highly competitive global market. We must be proactive in engaging with potential global travellers to ensure we don't lose market share to other countries who are seen to be more affordable and accessible over the next two years if we are to hit our forecasted recovery targets.

It's been a long, hard, three Covid years. If visitors arrive as forecast, immigration policies ease, particularly with shorter visitor visa processing times, and the business climate improves over the next six months, the industry might be able to take a breath at the end of the next season and say, 'thank goodness, we made it' and face the future once again with confidence.

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



CHIEF EXECUTIVE REPORT

Lynda Keene

Kia ora koutou.

Tough, anxious, hard, difficult are all words that related to the 2021-2022 year and sadly this trend continued for the 2022-2023 season that has just been. Add turbulent, disruptive, exhausting and highly stressful, and the picture painted only touches the surface of the anxiety many inbound and supplier members faced as we geared up to welcome back visitors.

Despite the rocky restart with the return of international arrivals, members deserve a commendable pat on the back for getting through another challenging season.

The highlight of the year was our Annual conference in Nelson and the Xmas Symposium in Auckland. It is always so great to feel the energy and catch up with colleagues as we brief, debrief, cringe, laugh and share how work is going and what's worked well and areas to improve for next season.

Financial Performance

The budgeted surplus for the 2022-2022 financial year was \$14,620. We're happy to share we achieved a very close result of \$13,229. A variance of \$1,392.

- Total income \$358,248
- Membership revenue \$270,562 (previous year \$163,224)
- Total expenses \$345,020 (previous year \$338,680)
- Net surplus of \$13,228 (previous year \$22,877)
- Total equity \$299,242 increase of 5%

Membership

We were very pleased with the retention rate of membership and in attracting new members in the 22-23 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
2022-2023	69	249	150

Advocacy

There's been a myriad of meetings with 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 Covid-19 self-isolation requirement and matters affecting the border. We've tried to put forward a 'pragmatic and realistic' viewpoint on all occasions.

- Minister of Tourism, Stuart Nash (2)
- Minister of Tourism, Peeni Henare (1)
- Immigration NZ to share international insights and 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 and changes to NZeTA (NZ Electronic Travel Authority)
- Customs NZ to keep updated with changes and implementation of new New Zealand Traveller Declaration (NZTD)
- Comment/meetings on the Milford Opportunities Project
- No progress has been made with a meeting with the Minister of Revenue, David Parker about zero-rating GST paid by NZ ITOs on their facilitation fee. We've been advised this is not a consideration for the current government. We have shared information with both National and ACT parties.

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 nineteen (19) 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.
- 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. The ITO new 10-year concession is still in a work-in-progress phase. We hope to have this reviewed and finalized by September 2023.
- Tourism Industry Aotearoa: We continue to work collaboratively with TIA looking to provide pragmatic input on numerous national matters affecting the future of international tourism.

Health and Safety

Health and Safety continues to be at the forefront of our member businesses.

TECNZ continues its support of Qualmark and particularly with strengthening its focus on health and safety for all suppliers and inbounds.

We have sought legal advice on a number of matters relating to health and safety systems and processes, so members are fully conversant of obligations under the Health & Safety at Work Act 2015, and to look at risk management strategies throughout their operations. Some of this work has been in preparation with the outcome of the Whakaari White Island court case still to come.

Approximately 200 businesses are signed up to the Tourism Trade Checklist and Covid Ready program.

<https://www.tourismtradechecklist.co.nz/>

Events

We ran several events during the 2022-2023 year. Events held:



- ITO Forum 22 June 2022
- Annual Conference 9/12 August 2022 (Nelson)
- Allied Forum 11 August 2022
- ITO Forum 11 August 2022
- Annual Xmas Symposium 6 December 2022 (Auckland)
- ITO Forum 6 Dec 2022

We had 275 delegates attend the annual Conference in Nelson. We ran the Tourism Trade Event again and this is fast becoming a valuable added benefit for Allied members to meet with ITO members. Ninety-six (96) suppliers were able to have appointments with 32 ITOs.

The annual Xmas Symposium in Auckland was another successful event attracting 270 delegates.

YoungTEC

Membership of YoungTEC took a bit of slide during the Covid years as a number of members left the tourism industry for other work. The YoungTEC Board has been doing some great work to reinvigorate the YoungTEC proposition to rebuild membership back up. My sincere thanks to YoungTEC Chair Charlotte Brady and the YoungTEC Board for their commitment, efforts and work in leading the way. A separate report on YoungTEC activities is on page 12 of the Annual Report.

We'd also like to thank all our employer members who support YoungTEC within their teams. Your support is valued and appreciated with building a future and emerging leader workforce.

Communications 2022-2023

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.

We appreciate the feedback on our communications and strive to share relevant and timely information

- 4 Member Surveys (thank you to members for participating)
- 27 Newsletters
- 11 YTEC Newsletters
- 17 Articles where TECNZ provided comment in media
- Industry events attended that TECNZ was a speaker or panellist on included:
 - ProGuides AGM May 2022
 - NZ Cruise Association Conference Aug 2022
 - Business Events Industry Aotearoa Conference Oct 2022
 - Bus and Coach Association Conference Oct 2022
 - NZ China Chamber of Commerce Oct 2022
 - West Coast Tourism Summit Nov 2022

Board and Team

We farewelled Louisa Turner in August 2022 after three great years of high productivity and support of members.

In May 2022 we welcomed the return of Tania Stevenson to the team. Tania looks after membership, communications, and operations (Qualmark, health and safety). Our new events executive Sharon McGeown joined the team in March 2023 and is going great with planning our upcoming 2023 Conference and Xmas Symposium. I would also like to acknowledge the great work Shelley Lancaster does for the Board and team as our accountant. TECNZ has been fortunate to have such high caliber staff working with the Board and on behalf of the membership. Having the support of such a great team is valued and appreciated. It's great to be productive, enjoy your work and have a few laughs with the people around you. Thanks team. .

My ongoing thanks to the Board for their continued support of the team's work. We continue to work in a fast-paced and adaptive environment, and I highly value the Board's forward thinking and support. I look forward to working with you again during the 2023-2024 year.

We wish all our members well over the next twelve months and thank you for your ongoing support.
Ngā mihi nu



Sybil Keene

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 stron



BOARD DIRECTORS

REPRESENTING
TECNZ MEMBERS
2022 - 2023



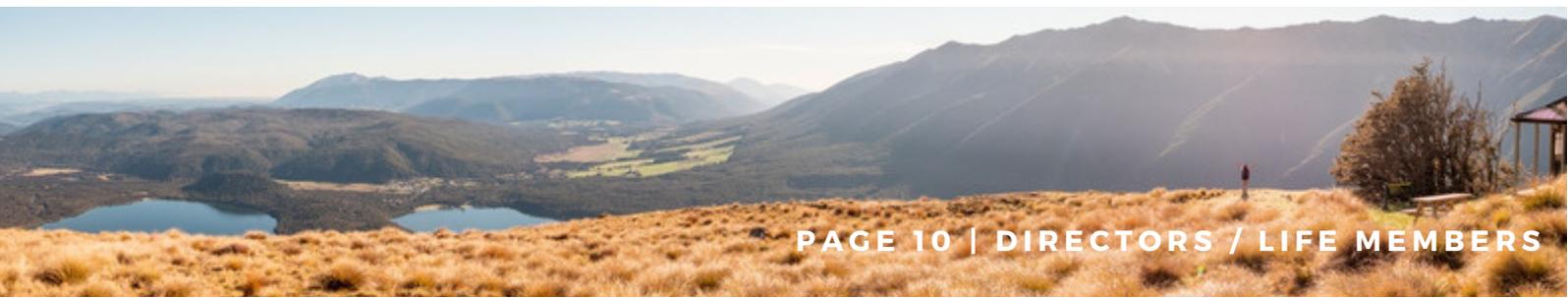
Back row left to right: Mark Ma, John Gregory, Charlotte Brady (YTEC Chair), Tim Reid, Eve Lawrence, Brendan Davies, Mark Badland.
Middle row: Geoff Yee, Ben Thornton.
Front row left to right: Scott Mehrstens (ITO Chairman), Lynda Keene (TECNZ CEO), Jake Downing (Allied Vice Chairman).
Absent – Wendy van Lieshout (ITO Vice Chairman)

LIFE MEMBERS

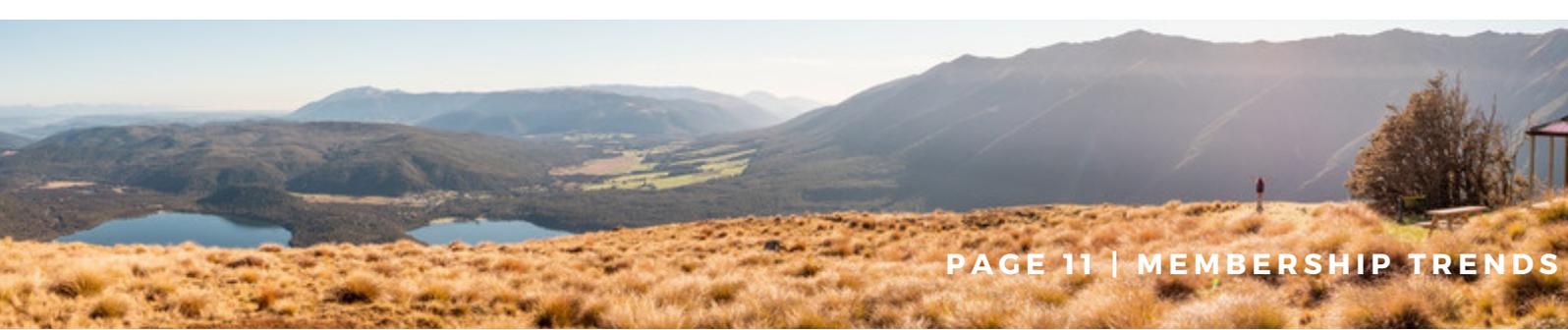
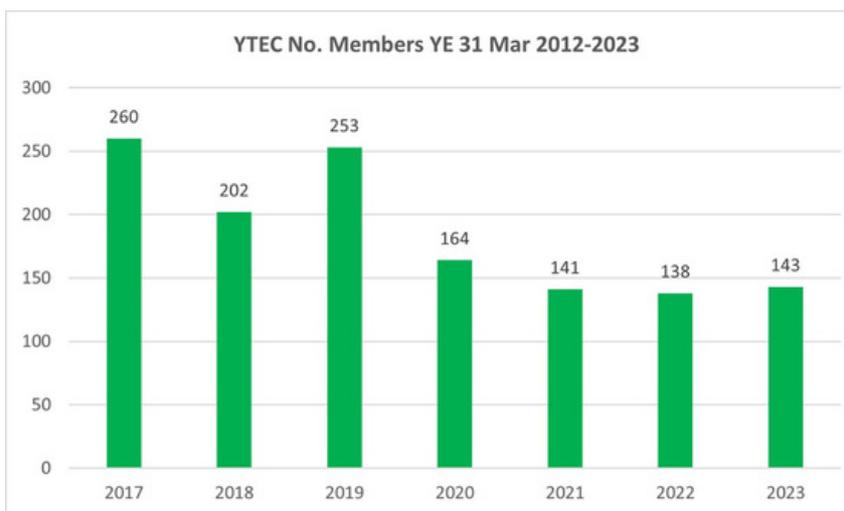
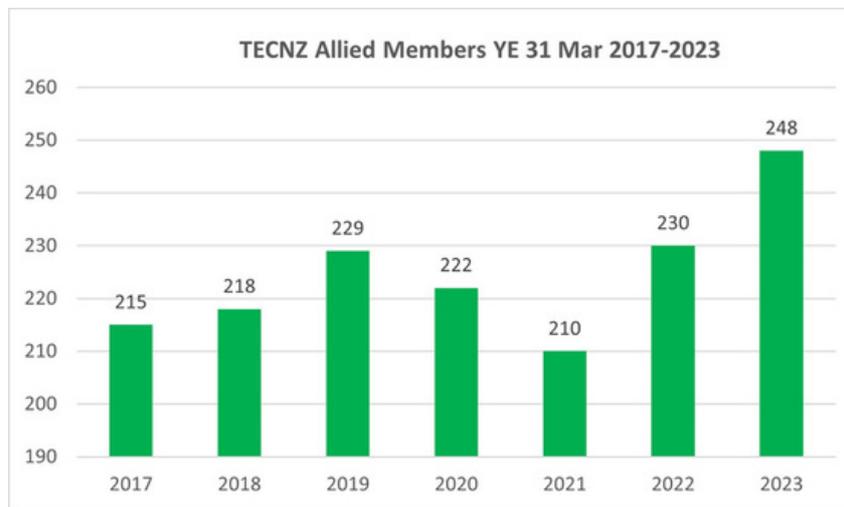
- Blair Sheehy
- Chris Ireland
- Graeme Badland
- Keith Johnson
- Mark Sainsbury
- Michael Wiedemann
- Peter Black
- Peter Lowry
- Russell White
- Tony McQuilken
- Warren Harford



New life members 2023: Graeme Badland, Chris Ireland
Absent: Mark Sainsbury



MEMBER TRENDS



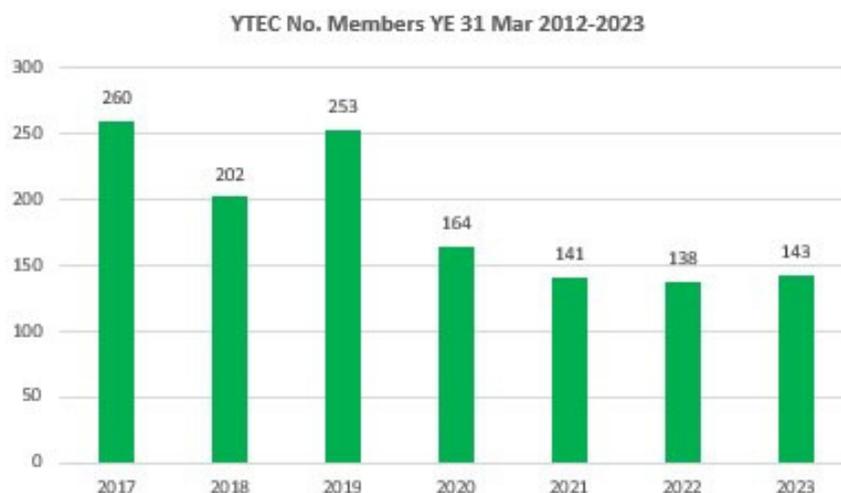
YOUNGTEC REPORT

Charlotte Brady (Chair)

YoungTEC is a sub association of the Tourism Export Council. Membership is 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.

2022 was an extremely significant year for YoungTEC, with the association celebrating its 10th birthday. The celebrations for the 10-year anniversary included the 2022 Chair and Vice Chair presenting at the Tourism Export Council Annual Conference in Nelson and the creation of a celebration video featuring past YoungTEC members which was also played at the conference. The current YoungTEC Executive would like to take this time to thank and acknowledge all past Executive members for their contributions to YoungTEC, which despite the obvious challenges we are facing as an industry, still provides professional development opportunities for all YoungTEC members.

YoungTEC membership continued as a pay by play model allowing members to participate in the activities and events of their choosing. Changing the membership model ensured that members were able to stay connected to YoungTEC regardless of their employment circumstances as well as being able to implement new partnerships and initiatives to continue to add value to members. The membership sign-up process was also updated and streamlined.



One of the events that YoungTEC delivered in 2022 was the Professional Development Programme (PDP). The PDP ran over 6 weeks, with a cost of \$25.00 per person. The PDP was delivered via Zoom to allow for as many members as possible to participate. There was a total of 65 attendees signed up for the PDP in 2022.

Another flagship event in the YoungTEC calendar is Leadership Day in partnership with The Icehouse and thanks to funding from The Hospitality Training Trust. After putting Leadership Day on hold due to Covid restrictions in previous years, the 2022 Leadership Day was held on the 7th of December. The theme for the day was 'Resilient Leadership' and had a total of 24 participants.

Following the success of 2021, YoungTEC continued the YoungTEC Mentor Programme (previously part of the PDP) to give YoungTEC members the opportunity to be mentored by a senior professional in the industry.

The latest iteration of the YoungTEC Summit event was held prior to the Tourism Export Council Christmas Symposium in December 2022. This end of year event included a tour of the iconic All Blacks Experience followed by a panel discussion from past YoungTEC members. This event was a great opportunity to get YoungTEC members together prior to attending the TEC Christmas Symposium.

We would also like to take this time to extend our recognition and thanks to our sponsors and partners of key events and initiatives throughout 2022-2023 as well as the TECNZ Board and Tourism Export Council team for their continued support and guidance. YoungTEC will continue to provide support and networking opportunities for members as well as nurturing and mentoring individuals that are new to the industry.

Charlotte Brady
YoungTEC Chair

Poipoiā te kākano kia puāwai
Ruki ki te mātauranga kia puta ki teoa Mārama

Like a nurtured seed blossoms
Enlightenment comes from nurturing wisdom..



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.

	2023	2022	Inc-Dec %
INCOME			
Membership Fees	282,677	301,250	-6%
Conference and Symposium	301,894	212,276	42%
Other Revenue	600	2,015	-70%
Interest	6,930	1,670	315%
Total Income	592,101	517,211	14%
EXPENDITURE			
AGM/Meetings	21,634	7,786	178%
Employment Expenses	201,629	213,562	-6%
Legal and Accounting	18,100	6,514	178%
PR and Communications	900	1,530	-41%
Office Expenses	29,503	29,164	1%
Special Projects/YTEC	12,703	19,460	-35%
Subscriptions - TIA, Qualmark	48,230	37,642	28%
Other Expenses	19,355	11,003	76%
Conference/Symposium Expenses	226,818	167,672	35%
Total Expenses	578,872	494,333	17%
Net (Deficit)/Surplus before Tax	13,229	22,878	-42%
less income tax (refund)/expense	-	-	0%
TOTAL SURPLUS (DEFICIT) FOR THE YEAR	13,229	22,877	-42%
STATEMENT OF MOVEMENT IN EQUITY			
Total recognised INCOME	592,101	517,211	14%
Total recognised EXPENSES	578,872	494,333	17%
(Deficit)/Surplus for the Year	(13,229)	22,877	-42%
Equity at Beginning of the Year	286,012	263,136	9%
TOTAL EQUITY (END OF YR)	299,242	286,012	5%
STATEMENT OF FINANCIAL POSITION			
AS AT 31 MARCH 2023			
CURRENT ASSETS			
Bank Current and Call Accounts	165,297	158,636	4%
Bank Term Deposits	155,320	153,814	1%
Accounts Receivable	4,213	1,132	-
Accrued Income and Prepayments	10,573	4,109	157%
GST Receivable	4,338	1,502	189%
	339,741	319,194	6%
Non current Assets	7,010	10,077	-30%
Total Assets	346,751	329,271	-5%
CURRENT LIABILITIES			
Accounts Payable	29,760	25,262	18%
Employee costs Payable	13,851	13,405	3%
Taxation Payable	3,897	4,590	-15%
Total Liabilities	47,508	43,257	10%
Net Assets	299,242	286,012	5%
ACCUMULATED FUNDS			
Equity at beginning of year	286,012	263,133	9%
Net (deficit)/surplus for the year	(13,229)	22,877	-42%
Total Accumulated Funds	299,242	286,012	5%