



**ANNUAL  
REPORT  
2018/2019**

# Report from the Chair & Chief Executive

Kia ora tātou. Reflecting on the last financial year for TIA (1 April 2018 – 31 March 2019), it was a period of significant achievement within a changing environment. The visitor economy in New Zealand has entered a phase of less spectacular growth, signalling the end of a remarkable five-year period. Tourism in New Zealand was officially worth \$39.1 billion at the start of the period under review. In the short-term, growth will be steady rather than spectacular, but the long-term signals remain strong.

## **Sustainable growth**

To safeguard New Zealand's tourism future, TIA revised and updated the Tourism 2025 Growth Framework. Tourism 2025 and Beyond – A Sustainable Growth Framework Kaupapa Whakapakari Tāpoi was unveiled at TRENZ 2019. The framework now has sustainability firmly at its heart and is built on a foundation of the Māori values of kaitiakitanga, manaakitanga and whanaungatanga.

The New Zealand-Aotearoa Government Tourism Strategy was also unveiled at TRENZ 2019. TIA worked closely with the Ministry of Business, Innovation and Employment to ensure close alignment between the two strategic frameworks.

A key focus for TIA during the year under review was to embed the New Zealand Tourism Sustainability Commitment He Kupu Taurangi Kia Toitū Ai Te Tāpoitanga. It has been readily embraced by the industry and at the time of writing 1200 businesses have signed up. TIA's Sustainability Advocates have been promoting the Commitment across the industry, spearheading industry change and challenging tourism businesses to improve their operations. Our 2018 survey of industry saw a small 0.1 lift in the overall sustainability rating to 8.1, an early step in the right direction to achieve the 2025 target of 9.4.

Another significant move towards successful sustainability came in November 2018, with the launch of Tiaki - Care for New Zealand by TIA and six other organisations. The initiative explains New Zealand's behavioural and cultural expectations and encourages international and domestic travellers to act as guardians of Aotearoa.

TIA has made its own formal commitment to establishing cultural competency in tikanga Māori, embarking on a journey to weave Te Ao Māori into the way it goes about its business and engages with the tourism industry.

In order to widen support for tourism across New Zealand communities, TIA continued to work on telling the 'Tourism Story' - by proactively creating positive tourism content for traditional and social media, and empowering industry members to act as advocates to positively influence the discourse on tourism.

Having identified People and Skills as a critical sustainability area to tackle, TIA, along with Auckland Tourism, Events and Economic Development commissioned a research project into young people's perceptions of working in tourism. This insight has provided the foundation for further work on building a tourism workforce for the future.

## **Advocacy**

TIA continues to vigorously advocate on behalf of the industry on a wide range of issues. In 2018/19, the advocacy team had a busy programme covering a broad range of topics, from the new international visitor levy and employer-assisted work visas, to land transport and environmental management. From May to July 2018, TIA analysed and

provided feedback on more than 70 city, district and regional council draft 2018-2028 Long Term Plans.

### **Leadership platforms**

TIA again provided a portfolio of successful, industry-leading events in 2018/19 to strengthen trade and business relationships, aid industry growth, and inform on key initiatives. A reflection of their value was shown by TIA's Director of Marketing, Partnerships and Events, Emily Byrne, being named New Zealand's Best Event Professional in the 2018 New Zealand Event Association Awards.

TRENZ 2018 was held in Dunedin to overwhelmingly positive feedback and reports of high satisfaction levels from almost 100% of attendees.

Over 400 industry leaders attended the annual New Zealand Tourism Awards in Christchurch to celebrate businesses and individuals excelling in their respective fields. The Air New Zealand Supreme Award for 2018 was won by Tourism Holdings Ltd.

The annual Tourism Summit Aotearoa was held in Wellington in November 2018, bringing together government and business leaders in the industry, and the Discussing Tourism forums in 2018 were attended by 380 delegates across the four locations.

The 2019 New Zealand Hotel Industry Conference, co-hosted by TIA and Horwath HTL, was again successful with over 650 attendees.

### **Office relocation**

TIA faced a very direct challenge in April 2018 when the building housing its Wellington office was condemned and the team was given an hour and a half to vacate. Our strategic partners, ServiceIQ, kindly offered the use of some meeting rooms across the road. These became TIA's temporary home for the next eight months. It is an enormous credit to the entire TIA team that in less than ideal working conditions, they continued to perform at the highest level during this period. In December 2018, TIA moved into its new space at Inspire House, 125 Featherston St, which has quickly become 'home' and should serve the organisation well for a long time to come.

### **Adding value**

TIA is fortunate to have a strong and strategic Board with Directors representing all of our tourism sectors. The Board is very pleased with the strategic focus that TIA continues to have, with TIA reinforcing its position as an industry leader through the strengthening of the Tourism 2025 & Beyond framework and with the widespread take-up of the Tourism Sustainability Commitment.

TIA's success is possible because of the support of our members, and it is pleasing to see that member retention is very high. Total membership numbers grew during the financial year. The Board is also very grateful for the valuable support of TIA's Strategic Partners – Westpac, JLT, ServiceIQ, and Tourism Industry New Zealand Trust, along with the support of our many event sponsors.

Thank you to everyone that TIA works with. You help TIA accomplish what no single member or sector group could achieve by themselves.



Chris Roberts  
Chief Executive



Richard Lauder  
Chair

# **TIA Board of Directors**

**As at 31 March 2019**

## **Adventure and Outdoor Sector**

Trent Yeo, Executive Director, Ziptrek Ecotours

## **Air Transport Sector**

Steve Sanderson, Chief Executive, Wellington Airport

## **Attractions, Conferences and Events Sector**

Graeme Stephens, Chief Executive, SkyCity Entertainment Group

## **Culture and Heritage Sector**

Phillipa Tocker, Executive Director, Museums Aotearoa

## **General Industry Sector**

Justin Watson, Chief Commercial Officer – Aeronautical, Christchurch International Airport

## **General Industry Sector**

Richard Lauder (Chair), Chief Executive, Wayfare Group

## **Hotel and Lodges Sector**

Gillian Millar, Senior Vice President, New Zealand, Fiji and French Polynesia, Accor

## **Land Transport Sector**

Grant Webster (Deputy-Chair), Chief Executive, Tourism Holdings Ltd

## **Motels, Other Accommodation and Hospitality Sector**

Fergus Brown (Deputy-Chair), Chief Executive, Holiday Parks New Zealand

## **Regional Tourism Sector**

Graham Budd, Chief Executive, Destination Queenstown and Chair, Regional Tourism New Zealand

## **Tourism Services and Services to Tourism Sector**

Anna Black, Executive Director, General Travel NZ and President, Tourism Export Council New Zealand

## **Water Transport and Cruise Sector**

Debbie Summers, Executive Director, ID New Zealand and Cruise Association Chair

## **Tourism New Zealand Representative**

Stephen England-Hall, Chief Executive, Tourism New Zealand

## **Co-opted Director**

Reuben Levermore, Head of Tourism and Regional Affairs, Air New Zealand

## **Co-opted Director**

Kauahi Ngapora, General Manager, Whale Watch Kaikoura

# Board changes in 2018/19

## September 2018

Trent Yeo, Executive Director, Ziptrek Ecotours, was elected as the Adventure and Outdoor sector representative, replacing Joeroen Jongejans, Director, Dive! Tutukaka.

Previously appointed as Attractions, Conferences and Events sector representative (October 2017), Graeme Stephens, Chief Executive, SkyCity Entertainment Group was elected to this position.

Phillipa Tocker, Executive Director, Museums Aotearoa, was elected as Culture and Heritage sector representative, replacing Megan McSweeney, Director of Business, External Affairs and Tourism, Auckland War Memorial Museum.

Previously appointed as Tourism Services and Services to Tourism sector representative (October 2017), Anna Black, Executive Director, General Travel NZ and President, Tourism Export Council New Zealand was elected to this position.

Debbie Summers, Executive Director, ID New Zealand and Cruise Association Chair, was elected as Water Transport and Cruise Sector Representative, replacing Craig Harris (MNZM), Managing Director, McKay Shipping.

Reuben Levermore, Head of Tourism and Regional Affairs, Air New Zealand, was co-opted to the Board as Air New Zealand representative replacing Duncan Small who left his role as Head of Government and Industry Relations, Air New Zealand.

## TIA Strategic Partners



# **Financial Performance and Position – Tourism Industry Aotearoa**

The TIA operating result for the year ended 31 March 2019 shows a net surplus of \$37,901 (compared with \$181,448 the previous year). The membership of TIA comprises 1245 full members, 418 affiliate members, and 200 secondary schools.

## **Income**

The 2018/19 membership income increased by 9.8% to \$1,721,401 including a 2% fee increase. The commission, sponsorship, project funding and events income was \$1,162,379. Total income was \$3,772,686, an increase of 14.9% from the prior year.

A management fee of \$775,000 was charged by TIA to the Tourism Industry New Zealand Trust (TINZT) to deliver TRENZ, which was held in Rotorua in May 2018. An administration fee of \$15,000 was charged by TIA to TINZT for all other governance and administration costs. The total fees recovered from TINZT is unchanged from the previous year.

Interest received during the year was \$74,509 compared to \$64,513 the previous year.

## **Expenses**

Total expenses for the year were \$3,735,496 (compared with \$3,101,067 in 2017/18). Spending on strategic projects and research at \$414,341 was considerably higher in 2018/19. Total employment costs were also up, reflecting full staff retention during the year and one additional staff member.

One-off net costs of \$43,000 for the relocation of TIA Wellington office to Inspire House were incurred.

Taxation expense of \$25,595 was also incurred on taxable portion of the non-membership activities.

## **Financial Position**

The total accumulated funds of TIA as at 31 March 2019 was \$2.075 million, an increase of \$37,190 or 1.8% on the previous year, with \$2.564 million of cash at bank and short term deposits. Due to timing changes in the bulk membership renewals process, current debtors increased from \$0.820 million the previous year to \$1.547 million as at 31 March 2019.

In March 2019, TINZT fully repaid to TIA the 2007 Trust start-up funding of \$650,000.

## Financial Performance and Position – TIA

Under Financial Reporting Standards, TIA and the Tourism Industry New Zealand Trust are required to provide Consolidated Financial Statements. The two entities are separate structures with different purposes and the result below reflects TIA only.

A full copy of the consolidated group result is available on request.

<b>TOURISM INDUSTRY AOTEAROA</b>		
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>		
<b>FOR THE YEAR ENDED 31 MARCH 2019</b>		
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
<b>Membership Income</b>		
Membership Fees	1,721,401	1,567,951
	<u>1,721,401</u>	<u>1,567,951</u>
<b>Other Income</b>		
Secretariat & Management Fees	814,397	506,401
Interest Received	74,509	64,513
Commission, Sponsorship, Event & Other Income	1,162,379	1,143,650
	<u>2,051,285</u>	<u>1,714,564</u>
<b>Total Income</b>	<b><u>3,772,686</u></b>	<b><u>3,282,515</u></b>
<b>EXPENDITURE</b>		
AGM & Meeting Expenses	29,297	34,516
Business Development Expenses	26,955	27,039
Conferences & Subscriptions	22,585	21,439
Depreciation & Amortisation	69,120	49,876
Employment Expenses	2,170,045	1,997,500
Information Technology Expenses	119,646	109,726
Legal & Accounting Expenses	89,539	32,320
Membership Events	386,241	385,651
Office Expenses	124,244	91,404
Property & Occupancy Expenses	78,986	99,838
Projects & Research	414,341	106,079
Other Expenses	178,902	111,888
Taxation Expense	25,595	33,790
<b>Total Expenses</b>	<b><u>3,735,496</u></b>	<b><u>3,101,067</u></b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b><u>37,190</u></b>	<b><u>181,448</u></b>

**TOURISM INDUSTRY AOTEAROA  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>ACCUMULATED FUNDS</b>		
Balance at beginning of year	2,037,976	1,856,528
Net Surplus for year	<u>37,190</u>	<u>181,448</u>
<b>TOTAL ACCUMULATED FUNDS</b>	<b><u>2,075,166</u></b>	<b><u>2,037,976</u></b>
Represented by:		
<b>CURRENT ASSETS</b>		
Cash & Bank	1,311,524	1,364,660
Short Term Deposits	1,252,618	1,050,000
Accounts Receivable	1,547,369	820,748
Prepayments and other Current Assets	52,538	26,916
Loan to Tourism Industry NZ Trust	-	650,000
Taxation Receivable	<u>4,058</u>	<u>-</u>
	4,168,107	3,912,324
<b>CURRENT LIABILITIES</b>		
Income in Advance	1,418,517	1,505,630
Accounts Payable	311,787	85,967
Employee Entitlements	110,906	84,920
Other Accrued Liabilities	85,280	48,338
Taxation Payable	-	19,700
GST Payable	201,588	208,915
FBT Payable	<u>1,700</u>	<u>1,042</u>
	2,129,778	1,954,512
<b>NET WORKING CAPITAL</b>	<b><u>2,038,329</u></b>	<b><u>1,957,812</u></b>
<b>NON CURRENT ASSETS</b>		
Fixed Assets	36,837	36,880
Intangible Assets	<u>-</u>	<u>43,284</u>
	36,837	80,164
<b>TOTAL NET ASSETS</b>	<b><u>2,075,166</u></b>	<b><u>2,037,976</u></b>



**TOURISM INDUSTRY AOTEAROA  
CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Receipts from other non-exchange transactions	443,720	150,339
Receipts from membership fees	1,634,288	1,995,880
Receipts from secretarial and management fees	814,397	506,401
Receipts from other exchange transactions	(7,962)	970,109
Interest received	63,735	64,513
	<b>2,948,177</b>	<b>3,687,242</b>
<b>Payments</b>		
Payments to suppliers	1,479,458	1,370,484
Payments to employees	1,956,316	1,817,826
	3,435,773	3,188,310
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(487,596)</b>	<b>498,932</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Withdrawal of short term deposits	1,050,000	1,100,000
Repayment of loans from trust	650,000	-
	<b>1,700,000</b>	<b>1,100,000</b>
<b>Payments</b>		
Purchase of property plant and equipment	27,506	39,704
Investments in short term deposits	1,238,034	1,050,000
	<b>1,265,540</b>	<b>1,089,704</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>434,460</b>	<b>10,296</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
Net increase / (decrease) in cash and cash equivalents	(53,136)	509,229
Cash and cash equivalents at 1 April	1,364,660	855,432
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>1,311,524</b>	<b>1,364,660</b>

This is a summary of the full financial statements as at 31 March 2019. The full statements have been audited and are available on request from TIA. Please note that this summary has not been audited.

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**Websites:**

[www.tia.org.nz](http://www.tia.org.nz)

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