



**Kia ora,
Welcome.**

Dart River, Glenorchy

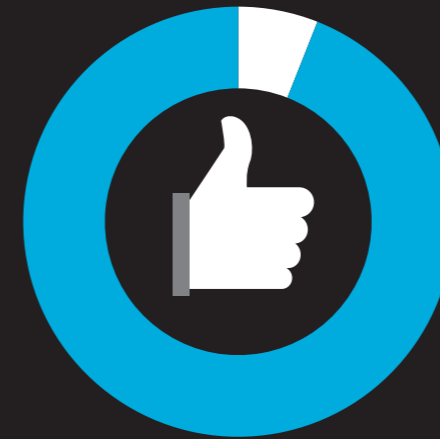
Highlights



International visitor spend with an average of

\$4,200

spent per holiday arrival



of Kiwis agree or strongly agree that international tourism is good for New Zealand
(‘Mood of the Nation’ survey average)

5.1M REFERRALS

to tourism businesses generated from Tourism New Zealand activity



worth of bids were supported through Tourism New Zealand’s Conference Assistance Programme



return on investment in all markets on partnership campaigns



value generated from international media about New Zealand



businesses registered for Tourism Transitions advice and support (at June 2020)



domestic tourism rebounding (July MRTes)



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2019/2020 at a glance

Chair and Chief Executive report

On behalf of Tourism New Zealand's Board and Executive team, we are pleased to present Tourism New Zealand's Annual Report for the financial year ending 30 June 2020.

Jamie Tuuta, *Tourism New Zealand Chair*

Stephen England-Hall, *Tourism New Zealand Chief Executive*



Jamie Tuuta,
Tourism New Zealand Chair

Stephen England-Hall,
Tourism New Zealand Chief Executive

“While there are tough roads ahead, I’m confident that there will be a viable and productive tourism sector for New Zealand. It’s vital that we continue to support those who need it, so that when activity does resume, there is a sector to return to.”

It has been a year of dramatic change in the tourism sector. With the impact of COVID-19, Tourism New Zealand’s mission is more important than ever, and we have reinvented ourselves to play a critical role in the restart and recovery of tourism in New Zealand.

The start of the financial year was characterised by softening arrivals figures, and in response we consolidated our efforts to drive value growth in our top three markets of China, Australia and the United States of America. Our work created real momentum in these markets, and New Zealand was well positioned to capitalise on an increase in demand:

- In China, we achieved stronger forward bookings for January/February and digital engagement compared to the previous year, particularly focused around the Chinese New Year holiday.
- In Australia, the market had good momentum facing into the market uncertainty created by the bushfire crisis.
- In the USA, forward bookings were up and the market was preparing for increased capacity with new American Airlines and Air New Zealand flights from October 2020.

Pre-COVID campaigns

In response to already softening tourism demand at the beginning of the financial year, we ran a number of highly successful campaigns, focused on concentrating and building demand from our core markets including Australia, China, and the United States of America.

At the beginning of the financial year we launched our **100% Pure Welcome and Good Morning World campaigns** to markets beyond Australia, including to China, the United Kingdom and the United States of America. Good Morning World was the highest performing campaign that TNZ has ever produced, creating long-term brand building and short term motivation in consumers. The campaign received a prestigious Global Effie award for one of the most effective multi-region marketing campaigns in the world.

In the **United Kingdom** we used radio for the first time as our primary medium, partnering with Bauer Media Group to send two prominent morning radio DJs to tour NZ for a week. Through this partnership, we reached an

audience of approximately 10 million – 20% of all adult listeners across the UK. Our campaign concluded with strong results, with 31% of listeners recalling the campaign and 70% of those listeners reporting they took action to research New Zealand holidays online as a direct result of the campaign.

In quarter two, we worked with The Late Show with Stephen Colbert in the **United States of America**. The show’s ‘New Zealand Week’ was a huge success, airing more than 50 minutes of New Zealand content to 3.5 million nightly viewers across 5 weeknight shows, at a value of \$20 million. This content was designed to build appeal for New Zealand as a destination in part to build demand in advance of the anticipated launch of new airline services to the United States in October 2020.

In **China** we continued our new audience segmentation to build appeal for New Zealand. Our leveraging of the China-New Zealand Year of Tourism culminated in a major partnership with Alibaba, lighting up the Canton Tower and showcasing New Zealand destinations and travel offers, resulting in a significant boost to attraction sales leading into 2020.

The ‘New Zealand Says 39’ campaign for the Rugby World Cup in **Japan** launched on 12 September in partnership with Air New Zealand and the All Blacks. The campaign, inspired by the similarity between the Japanese concept of ‘omotenashi’ and the Maori concept of ‘manaakitanga’, aimed to raise awareness of New Zealand as a welcoming destination and included a social media campaign and festival pop up events with the All Blacks and Prime Minister Ardern. The campaign concluded with Equivalent Advertising Value of over \$40 million.

In October 2019, we launched our first consumer campaign in **Taiwan** since 2010, focused on increasing awareness of New Zealand and leveraging the broadcast of the New Zealand-filmed episodes of the highly rated TV show ‘Mr Player’. This was strategically timed with the increase of direct flight services between New Zealand and Taiwan by Air New Zealand.

In **Australia** we partnered with Hello World, an Australian travel and lifestyle programme, to film four stories for the South Island Welcome campaign, reaching 5.6 million people per episode, and we supported Destination Rotorua to bring Channel 7’s Sunrise to New Zealand in September.

Partnering with other agencies to Enrich New Zealand

We worked with other agencies to ensure the tourism sector enriches New Zealand. Our collaborations in the first half of FY20 focused on Tiaki – Care for New Zealand, a set of guiding principles for visitors to follow during their stay,

Chair and Chief Executive report

“We’re working hard to encourage Kiwis to get out and try something new to support domestic travel and our tourism sector. At the same time, it’s equally important that we continue to build preference for New Zealand’s brand offshore to support exports today as well as drive our economic recovery when borders do reopen.”

preserving and protecting New Zealand’s land, waterways and oceans. As well as developing a new Tiaki visitor behaviour campaign we delivered a driver safety campaign and worked with local councils, Regional Tourism Organisations and the Ministry of Business, Innovation and Employment to create a Camp with Care campaign.

Impacts of COVID-19

The impact of COVID-19 on the global tourism sector in FY20 has been devastating. Effects were evident from quarter two of FY20, initially on Chinese holiday arrivals and then across all markets and confidence to travel more broadly. In New Zealand, from the end of quarter three, borders were closed for the first time ever, effectively halting international tourism. Domestic travel restrictions under alert levels three and four also stopped domestic tourism for about two months.

In the year to December 2019 total arrivals were 3.86m to 3.88m (0.7%) and holiday arrivals 2.02m to 1.95m (-3.3%). Since March 2020, holiday arrivals have been reduced to essentially zero. This is especially challenging as many of our international marketing activities were geared towards driving demand in quarters three and four.

Tourism will be harder hit and slower to recover than the wider economy due to the impact of ongoing border closures. New Zealand’s tourism industry relies on international visitors, which made up 42% of the sector in 2019. Tourism also relies on people movement and interaction which are subject to restrictions as part of the COVID-19 response. Even as lockdown levels have lifted, border closures, unemployment and domestic sentiment may suppress travel demand until well after other sectors such as forestry, retail and services begin to recover.

TNZ has risen to the challenge to drive a productive and sustainable tourism recovery for New Zealand. Since quarter three, our response to COVID-19 focused in four key areas:

- Driving domestic tourism demand
- Restarting international demand
- Supporting the tourism sector
- Advising the Government and the recovery

Driving domestic tourism demand

TNZ quickly extended our expertise to shape and stimulate domestic tourism, through launching our largest ever investment in a single market. We launched our “Do Something New, New Zealand” campaign in May. The intent of this campaign is focused on exciting New Zealanders about holidaying domestically and increasing the participation of New Zealanders in tourism, and their spend on commercial tourism products. In addition to our campaign activity we released updated market insights information to assist businesses to focus on the domestic market. We also launched a domestic version of newzealand.com allowing operators to promote offerings specifically for the domestic market.

Restarting international demand

TNZ is committed to keeping the New Zealand brand alive in the hearts and minds of global consumers and buyers, and also driving the halo effects of increased demand for New Zealand goods and exports. Towards the end of the financial year we have also been focused on ensuring we maintain our relevance in our key markets, to ensure that tourism is well positioned to recover in the post-COVID world. This has included new creative content focused on connecting consumers with New Zealand’s values during this time of global uncertainty.

Supporting the tourism sector

As part of our response to COVID-19, TNZ consulted across the tourism industry, including over 1,000 phone interviews, 2,500 businesses surveyed and 3,000 webinar attendees. We agree with the businesses in the sector that New Zealand has an opportunity to reimagine tourism as it recovers.

In quarter four we moved at pace to deliver business advisory services to tourism operators through Qualmark. Over 800 operators have taken advantage of the opportunity to work with experts to support their business viability and transition.

Advising Government and the recovery

Since the impact of COVID-19 has been felt, we have been working with other agencies including the Ministry of Business, Innovation and Employment and New Zealand Trade and Enterprise on the public sector’s response and recovery. We have also been advising our Minister and the Tourism Recovery Minister’s Group regarding options to support the tourism sector to build back better from the COVID-19 crisis. This support will continue into the current financial year.

Organisational outcomes













As a global whānau, TNZ was well placed to respond to the remote working and virtual engagement requirements of COVID-19 across our office locations. We have been working with our staff globally to make the most of our collective expertise and insights to support the tourism sector, and build resilience and agility across our teams to create and leverage opportunities for New Zealand.

Tourism New Zealand’s Board has been a wealth of knowledge and support during a challenging year for the tourism sector. We would both like to extend our personal thanks to the Board members for their time, insight and contributions to the organisation during these extraordinary times.

Tourism New Zealand has refocused our support for New Zealand in an extraordinary time of change. The coming year will include further challenges to what we know. Tourism will recover. Working together across the Government, tourism sector and our communities we will meet these challenges and rebuild a sustainable, resilient, and productive sector.

Ngā mihi,
Jamie Tuuta & Stephen England-Hall

Performance Overview

OUTCOMES		FY20
	Economic Contribution Grow the value contribution of International visitors to GDP (IVS)	▲ 2.0%*
	Socially Inclusive Growth Grow International visitor spend in the regions (MRTE)	▼ 14.6%
	Productive Growth Grow holiday arrivals in the off-peak season (ITM Mar-Nov)	▼ 39.5%
	Social license (Mood of the Nation) Kiwis agree tourism is good for New Zealand	92%
	Visitor experience Visitor experience meets or exceeds expectations (IVX VX)	96%*
	Brand Preference Grow global preference for New Zealand as a visitor destination (ACM)	67%
IMPACT		FY20
	PR (earned media) Equivalent advertising value from media	\$207M
	Partnerships JV partnerships campaign (ROI)	24:1
	Digital (paid and owned media) referrals from newzealand.com or third parties	5.1M
	Trade Market share impact in Tier 1 and 2 covered accounts (IATA)	▲ 4.1%
	Business Events Value of bids supported via Conference Assistance Programme (CAP)	\$112.3M
	Stakeholder performance TNZs overall performance, as rated by key stakeholders	68%

The COVID-19 outbreak affected IVS collection in quarter 4. YE March results are therefore used as the final FY20 result. *IVS samples for March 2020 were also lower than the target due to the difficulty in conducting surveys in March. Due to these issues, throughout this report we are presenting IVS results in italics.

Who we are and what we do

Our offices



Tourism New Zealand is responsible for promoting New Zealand and our famous manaakitanga to the world.

Since we were established in 1991 as a Crown Entity by the New Zealand Tourism Board, our staff have worked tirelessly to design and execute award-winning campaigns, marketing New Zealand as a desirable international visitor destination.

The heart of our promotions is the '100% Pure New Zealand' campaign, first launched in 1999, which has evolved continuously to tell the story of the unique experiences available in Aotearoa New Zealand.

We work with global media partners, influential travel sellers and airlines, high profile opinion

leaders, and New Zealand tourism operators. We provide relevant and up-to-date information for visitors, embracing social media and technology, and ensuring New Zealand's tourism product and experience is of the highest quality.

We provide insights and information about the visitor economy to operators and regional tourism organisations. We lead strategy and campaign work to guide visitor behaviour and make sure tourism gives back to communities more than it takes.

Tourism New Zealand owns Qualmark New Zealand, the quality assurance organisation. We also support the Visitor Information Network Inc, overseeing the i-SITE visitor information centres around New Zealand.

In April 2020, Tourism New Zealand was asked to kickstart domestic tourism to help the sector get back on its feet and help restart New Zealand's economy. This work includes research and insights, consumer marketing campaigns, industry engagement and other activity to ensure the domestic tourism industry is well positioned for recovery.

Tourism New Zealand has 13 offices around the world, and we co-locate staff in a further three locations. In total we have around 160 full-time staff members. We take a portfolio management approach to promoting New Zealand on the world stage, targeting 15 specific countries – plus, now, the domestic market.

OVERALL INTERNATIONAL ARRIVALS
2,919,339 (▼24.9%)

OVERALL HOLIDAY ARRIVALS
1,482,570 (▼25.9%)

OVERALL SPEND
\$11.5b (▲2.0%)
\$3,600 per person (▲9.0%)

OVERALL HOLIDAY SPEND
\$6.9b (▼1.0%)
\$4,200 per person (▲9.0%)



NEW ZEALAND
94% OF NEW ZEALANDERS have seen, heard or read something about holidaying in New Zealand recently

65% OF NEW ZEALANDERS have seen at least one of the 'Do Something New, New Zealand' campaign

- Kantar July-August 2020

Our markets

Priority one core markets



AUSTRALIA
FY20 HOLIDAY ARRIVALS
474,513 (▼21.1%)

OVERALL SPEND
\$2.9b (▲9.0%)
\$2,195 per person (▲0.6%)

AC PREFERENCE SCORE
64% (▲3.0%)



CHINA
FY20 HOLIDAY ARRIVALS
177,237 (▼43.9.0%)

OVERALL SPEND
\$1.5b (▼5.9%)
\$5,061 per person (▲24.0%)

AC PREFERENCE SCORE
81% (NC)



UNITED STATES OF AMERICA
FY20 HOLIDAY ARRIVALS
189,276 (▼22.3%)

OVERALL SPEND
\$1.5b (▲17.0%)
\$4,901 per person (▲20.0%)

AC PREFERENCE SCORE
60% (▲1.0%)

Priority two core markets



UNITED KINGDOM
FY20 HOLIDAY ARRIVALS
83,781 (▼3.3%)

OVERALL SPEND
\$979m (▼17.2%)
\$4,878 per person (▲15.9%)

AC PREFERENCE SCORE
66% (▲2.0%)



GERMANY
FY20 HOLIDAY ARRIVALS
60,993 (▼18.4%)

OVERALL SPEND
\$544m (▼2.9%)
\$6,283 per person (▲9.7%)

AC PREFERENCE SCORE
60% (▼6%)



JAPAN
FY20 HOLIDAY ARRIVALS
50,466 (▼24.7%)

OVERALL SPEND
\$254m (▼4.8%)
\$3,122 per person (▲13.3%)

AC PREFERENCE SCORE
63% (▲2%)

Priority emerging markets



INDIA
FY20 HOLIDAY ARRIVALS
19,908 (▼29.2%)



INDONESIA
FY20 HOLIDAY ARRIVALS
10,761 (▼42.1%)



ARGENTINA
FY20 HOLIDAY ARRIVALS
5,682 (▼44.8%)



BRAZIL
FY20 HOLIDAY ARRIVALS
6,792 (▼27.2%)



PHILIPPINES
FY20 HOLIDAY ARRIVALS
6,492 (▲41.9%)

Priority three markets



SOUTH KOREA
FY20 HOLIDAY ARRIVALS
49,380 (▼21.6%)



SINGAPORE
FY20 HOLIDAY ARRIVALS
32,271 (▼22.6%)



CANADA
FY20 HOLIDAY ARRIVALS
35,028 (▼16.9%)



MALAYSIA
FY20 HOLIDAY ARRIVALS
19,512 (▼47.5%)

The COVID-19 outbreak affected IVS collection in quarter 4. YE March results are therefore used as the final FY20 result. IVS samples for March 2020 were also lower than the target due to the difficulty of conducting surveys in March. Due to these issues, throughout this report we are presenting IVS results in italics.

The 2019/2020 year

Our overall objective

Tourism New Zealand is a Crown Agent governed by the Crown Entities Act 2004. Statutory functions under the Act include:

- Ensure that New Zealand is marketed as a visitor destination
- Maximize long term benefit to New Zealand
- Develop, implement and promote strategies for tourism
- Advise the Government and the New Zealand tourism industry on matters relating to the development, implementation and promotion of those strategies.

Measure	Target	Performance	Status
Grow the value contribution of international tourism to GDP (IVS spend)	An increase on 2018/19 figures	+2.0%	Achieved
Grow international visitor spend in the regions (MRTE)	An increase on 2018/19 figures	-14.6%	Not Achieved
Grow international arrivals in the off-peak season (ITM Mar-Nov)	An increase on 2018/19 figures	-39.5%	Not Achieved
Kiwis agree tourism is good for New Zealand (MOTN)	93%	92%	Not Achieved
Visitor experience meets or exceeds expectations (IVS VX)*	94%	96%	Achieved
Grow global preference for NZ as a visitor destination (ACM)	70%	67%	Not Achieved

**The COVID-19 outbreak affected IVS collection in quarter 4. YE March results are therefore used as the final FY20 result. IVS samples for March 2020 were also lower than the target due to the difficulty in conducting surveys in March. Due to these issues, throughout this report we are presenting IVS results in italics.*

A note on our performance

Virtually all measures have been significantly impacted by COVID-19, the closure of the New Zealand border and associated restrictions. COVID-19 impacted on our results from the beginning of the 2020 calendar year with the outbreak in China, New Zealand's border closure to China from February, and the broad border closure from March. Just six international holiday visitors came to New Zealand in April, down from 160,176 for the same month last year.

The table below shows performance by quarter to illustrate this impact for key results over time.

SPE Measure	Target	Q1	Q2	Q3	Q4	YTD
Outcome Measures						
Grow the value contribution of international tourism to GDP (IVS Spend)*	Grow	+\$247m	+\$287m	+\$213m	-	+\$213m
Grow international visitor spend in the regions (MRTE)	Grow	+\$47m	+\$64m	-\$93m	-\$510m	-\$586m
Grow international arrivals in the off-peak season (ITM Mar-Nov)	Grow	357,185	329,817	84,215	102	771,319
Kiwis agree tourism is good for New Zealand (MOTN)	93%	-	93%	92%	-	92%
Visitor Experience meets or exceeds expectations (IVS VX)*	94%	96%	96%	96%	-	96%
Grow global preference for NZ as a visitor destination (ACM)	70%	66%	67%	66%	67%	67%

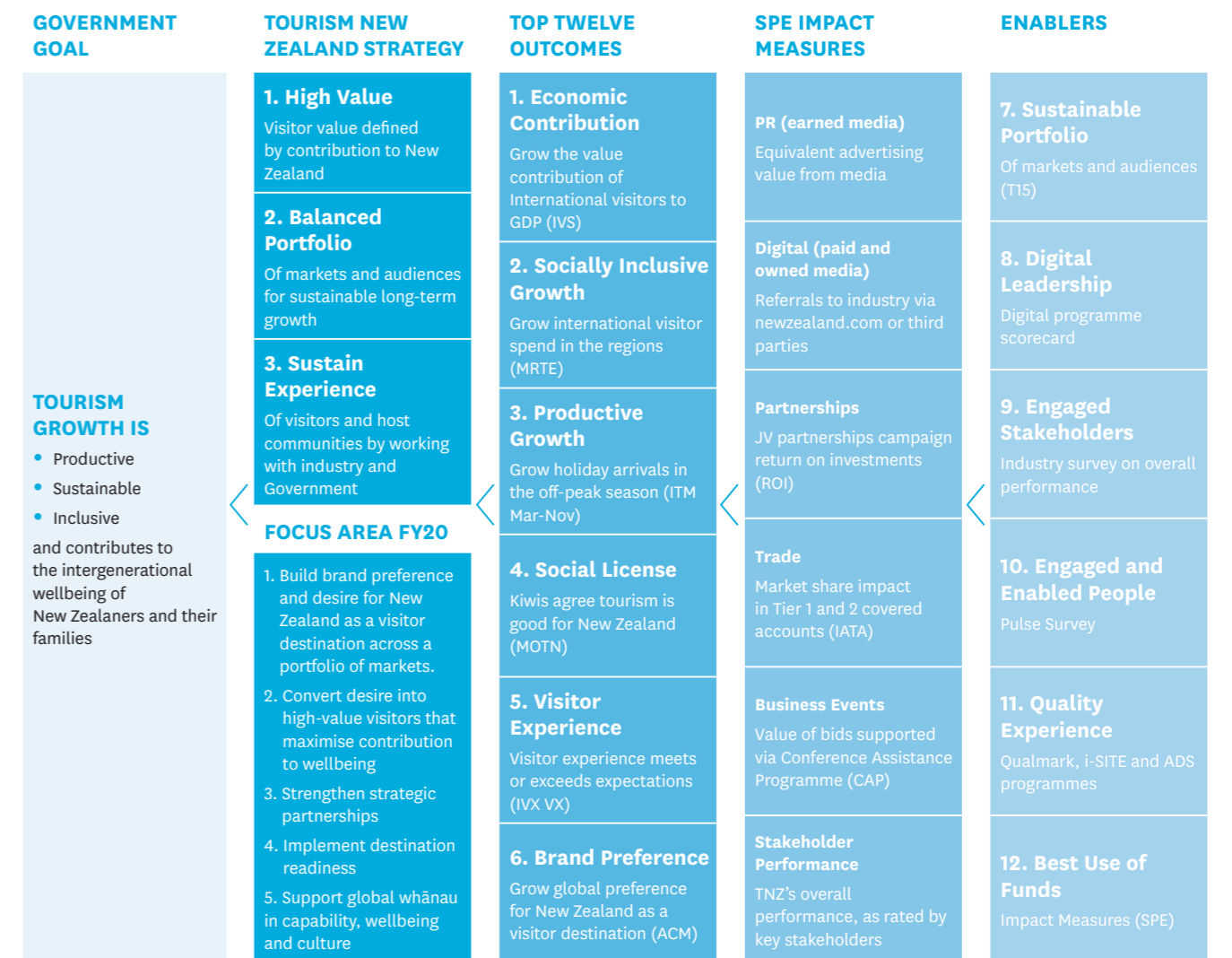
Impact Measures

PR: Total equivalent advertising value from media hosting and media content programmes	\$220M	\$56.1M	\$72.8M	\$57.2M	\$20.7M	\$207M
Joint Ventures: Campaign return on investment (ROI)	5:1	-	-	-	-	24:1
Digital: Referrals to industry via newzealand.com or third parties	6.0M	\$1.3M	\$1.4M	\$1.7M	\$7M	5.1M
Travel Trade: Share impact in Tier 1 and 2 covered accounts (IATA)	+2%	4.1%	4.2%	3.9%	2.5%	4.1%
Business Events: Value of bids supported via the Conference Assistance Programme (CAP)	\$130M	\$40.1M	\$28.6M	\$20.8M	\$22.8M	\$112.3M
Stakeholder Performance: TNZ's overall performance, as rated by key stakeholders	86%	-	-	-	-	68%

In 2020, TNZ reinvented its activity to respond to COVID-19. See 'Our response to COVID-19' section. We will continue to build on this work with an agile approach to managing our demand stimulation and support to the sector based on the varying restrictions that may apply at the border, and domestically.

Strategic priorities and outcomes framework

Tourism New Zealand's strategy is supported by outcomes and measures set out in the Statement of Intent (SOI) FY18-FY21 and the FY20 Statement of Performance Expectations.



Statement of Performance: Tourism New Zealand's activity

Tourism New Zealand's activities in FY20 were funded through the Budget 2019/20 Estimates of Appropriations for Vote Tourism.

	FY19 ACTUAL \$000'S	FY20 ACTUAL \$000'S	FY20 BUDGET \$000'S
Crown Revenue	111,739	113,803	111,480
Other Revenue ¹	4,407	3,804	5,100
Total Revenue	116,146	117,607	116,580
Total Expenses²	113,736	108,936	116,580

In FY20 our strategic priorities were to:

- Broaden our measures of value from near-term growth to long-term sustainability – redefining the way we value visitors (and therefore, how we work) to account not only for volume and spend, but also regional dispersal, seasonal shape and investment signals, geopolitical diversity, and long-term sustainability.
- Manage our portfolio of markets and sectors as a strategic investor – recognising multi-year evolution and path-dependence in the way we develop our portfolio of investments in markets, sectors, and regions, and to balance a portfolio of markets for managing growth and risk.
- Work with Government and industry partners to sustain and improve the experience of visitors and host communities – work closely with partners to provide market insights and align our respective activities. Through this we work to protect tourism's social license to operate, enhance the visitor experience, and support regional economic development.

- Tourism New Zealand also identified focus areas for FY20 that build on the momentum of previous years, while also responding to change in the global and domestic operating environments.
- Build brand preference and desire for New Zealand as a global visitor destination across a balanced portfolio of markets.
 - Convert consumer preference and desire into high-value visitation that maximizes the contribution of tourism for the intergenerational benefit of New Zealanders.
 - Strengthen and build strategic partnerships thereby extending the value delivered to New Zealand from TNZ's vote.
 - Implement destination readiness strategies to ensure tourism provides long term benefits to New Zealand.
 - Support our global TNZ whānau by investing in culture, capability, and wellbeing.

These were achieved through various activities grouped into six areas described in our Statement of Performance Expectations:

- Activity one: Deliver key visitor messages through the 100% Pure New Zealand campaign activity.
- Activity two: Deliver key visitor messages through third parties such as media, opinion leaders, and broadcast production.
- Activity three: Partner with the travel industry to convert interest in New Zealand into travel and to extend marketing reach.
- Activity four: Inform and inspire global travel sellers to assist them to market New Zealand.
- Activity five: Deliver inspiring and informative information for potential visitors.
- Activity six: Communicate and engage with New Zealand's tourism industry to align industry investment with Tourism New Zealand areas of focus.

APPROPRIATION ONE: MARKETING OF NEW ZEALAND AS A VISITOR DESTINATION	FY20 ACTUAL \$000'S	FY20 BUDGET \$000'S
Activity One: Deliver key visitor messages through the 100% Pure New Zealand campaign activity	\$41,644	\$43,823
Activity Two: Deliver key visitor messages through third parties such as media, opinion leaders and broadcast production	\$9,768	\$9,200
Activity Three: Partner with travel industry to convert interest in New Zealand into travel and to extend marketing reach	\$8,748	\$13,770
Activity Four: Inform and inspire global travel sellers to assist them to market New Zealand	\$9,457	\$12,538
Activity Five: Deliver inspiring and informative information for potential visitors	\$5,233	\$5,598
Activity Six: Communicate and engage with New Zealand's tourism industry to align industry investment with Tourism New Zealand areas of focus	\$3,105	\$1,775
New Zealand and Off Shore Support costs	\$31,165	\$29,876
Total	\$109,120	\$116,580



“If I could encourage the world to do one thing, it would be to believe in yourself.”

Bethells Beach, Auckland

FY20 activities: measures, targets and results

Activity one: Deliver key visitor messages through the 100% Pure New Zealand campaign activity.

In FY20 we focused on further improving the effectiveness of the targeting, quality and delivery of our marketing campaigns. We evolved the 100% Pure New Zealand campaign to reflect more of our people and cultural identity to ensure that New Zealand remains distinctive in an increasingly competitive global environment.

Link with Tourism New Zealand strategic priorities

Our campaign and market insights activity is a key vehicle for delivering the brand message in our off-shore markets and delivers against the following FY20 strategic priorities and focus areas:

- Broaden our measures of value from near-term growth to long-term sustainability
- Manage our portfolio of markets and sectors as a strategic investor
- Build brand preference and desire for New Zealand as a global visitor destination across a balanced portfolio of markets
- Convert consumer preference and desire into high-value visitation that maximizes the contribution of tourism for the intergenerational benefit of New Zealanders

How did we do?

July 2019 was the 20th anniversary of the launch of our 100% Pure New Zealand brand and global campaign. The next iteration of the campaign in FY20, 100% Pure New Zealand Welcome, built on its strong legacy by combining the warm embrace of our people with our landscapes and creating an opportunity to distinguish New Zealand as a destination through manaakitanga.

Good Morning World was launched in key markets at the end of FY19 and beginning of FY20. The campaign featured videos of real New Zealanders welcoming visitors to their special places around the country, with one video released each day on our social media platforms, and leveraged through media and PR activity. The campaign was paused during the height of the COVID-19 crisis, was restarted in May, and concluded in June.

Results were positive in all markets, with highlights including an increase of 2.1 million Active Considerers and a 10% lift in appeal over six months in Australia and an 18% increase in indirect sales in Brazil. The campaign received a prestigious [tbc gold/silver/bronze] Global Effie award as one of the most effective global marketing campaigns for the year.

The campaign launched in the USA and Canada in August as a fully integrated proposition across paid media, earned media and trade channels, resulting in unique reach of 17.6 million and 203,000 active visits. For China, Chinese

campaign pages for Good Morning World went live on newzealand.com in July. For the first time, TNZ split its target audience in China into three sub-segments for precise targeting. We saw impressive results in the first week, with 50 million impressions (ad views), 1 million page views, and engagement of 42,000 on top lifestyle social platform Little Red Book.

Launches in the UK and Germany commenced in September with films on 'International Hobbit Day' in the UK, and New Zealand's craft beer experiences timed for the opening of Oktoberfest. In the UK, we used radio as a medium for the first time with DJs touring New Zealand and broadcasting their experiences directly to the breakfast shows of the UK's Absolute and Magic radio stations, reaching an audience of approximately 12 million people, or 20% of all adult radio listeners across the UK. 31% of radio listeners recalled the campaign, and 70% of those listeners said they liked it so much they took action such as researching New Zealand holidays online, talking to their friends and family, or booking a trip.

Our South Island Welcome campaign launched in Australia in November, targeting Australian Independent Professionals with Good Morning World content and driving over 42,000 visits to newzealand.com in the first phase. A North Island Welcome campaign launched in January, with exceptional results including 8,400 referrals (142% of target).

The 'New Zealand Says 39' campaign for the Rugby World Cup in Japan launched in September in partnership with Air New Zealand and the All Blacks. The campaign, inspired by the similarity between the Japanese concept of 'omotenashi' and the Maori concept of 'manaakitanga', aimed to raise awareness of

New Zealand as a welcoming destination and included a social media campaign and festival pop up events with the All Blacks and Prime Minister Ardern. The campaign concluded with Equivalent Advertising Value of over \$40 million and created a platform for the launch of Good Morning World in Japan to follow.

The 2019 China-New Zealand Year of Tourism successfully concluded in November with the closing ceremony in Guangzhou. As part of the closing ceremony, New Zealand's Minister for Tourism, Kelvin Davis, joined the Chinese Minister of Culture and Tourism, Luo Shugang, in illuminating the 600-metre high Canton Tower. The light show was designed and coordinated by TNZ as part of a consumer campaign and displayed various messages about the New Zealand sky, inviting Chinese travellers to enjoy distinctive and unique experiences in New Zealand. A complementary campaign in partnership with Alibaba produced significant consumer sales outcomes.

From March, we reinvented our campaign activity to keep the New Zealand brand alive offshore to maintain brand saliency and build future visitor remand for economic recovery when borders reopen. We first captured the unique sentiment of people and connection during COVID with 'Pure' across key markets. We then drove consumer preference and intent to purchase and experience New Zealand exports with 'Messages from New Zealand'. In May we launched our first domestic campaign in decades to drive domestic tourism demand in the wake of COVID-19, with 'Do Something New, New Zealand'. More information on these projects can be found in the 'Our response to COVID-19' section.



“We want to tell a real, authentic story of our people and culture, and we need Kiwis to do it. There are no fancy scripts here, no fancy edits – this is us.”

GOOD MORNING WORLD CAMPAIGN RESULTS:

Impressions (ad views):
106,641,241

Views: 54,309,097

Sentiment: 98% positive

*Stephen England-Hall,
speaking about
Good Morning World*



Day 1/366

📍 Mangawhai Heads, Northland
Lola & Merts

FY20 activities: measures, targets and results

Activity two: Deliver key visitor messages through third parties such as media, opinion leaders, and broadcast production.

In FY20 we have continued our successful approach of using influencers, international media, key opinion leaders, and major events to promote New Zealand to the world and convert potential visitors into actual visitors through earned content.

Link with Tourism New Zealand strategic priorities

Tourism New Zealand's Public Relations (PR) activity is primarily aimed at driving desire for New Zealand and integrating messages across multiple platforms that:

- Broaden our measures of value from near-term growth to long-term sustainability
- Manage our portfolio of markets and sectors as a strategic investor
- Build brand preference and desire for New Zealand as a global visitor destination across a balanced portfolio of markets

How did we do?

TNZ's PR activity made New Zealand famous across film, TV, print, and social media in FY20. We hosted a range of carefully selected international broadcasters and influencers from priority markets, and ensured New Zealand was in the news in the right way and in the right places, covering themes and content to drive regional and seasonal value as well as a deeper understanding of New Zealand. Despite COVID-19 challenges in Quarter 4, we concluded the year with \$207 million, or 94% of our target.

A key highlight from the year was 'New Zealand Week' in November on the Late Show with Stephen Colbert, which featured nightly segments about Colbert's experience in New Zealand. The Colbert crew filmed segments including a visit with Prime Minister Jacinda Ardern, a Hobbiton tour with Peter Jackson, and a rugby session with the All Blacks. 'New Zealand Week' was a huge success, airing more than 50 minutes of New Zealand earned content to 3.5 million nightly viewers across 5 weeknight shows in the USA. The show also aired in several additional TNZ markets, including Canada, Australia, the Philippines, and in New Zealand. Organic Google searches for New Zealand spiked 300% and EAV was more than \$20 million. 37% of Active Considerers saw at least one of the episodes and 77% of this group claimed to have researched a New Zealand holiday after seeing the campaign - above average benchmarks for the USA.

In September the Brazilian broadcast Fantástico, the most popular Sunday show in Brazil with 40 million viewers, aired the first of five episodes shot in New Zealand and hosted by TNZ. The episodes focused on New Zealand's unique experiences and included activities in Auckland, Rotorua, Mount Cook, and Queenstown, with a total EAV of \$20 million.

We had a number of other key television projects air during FY20. In September 2019, New Zealand was the exclusive filming location for the fifth series of Taiwan variety show Mr Player, reaching an audience of 2.5 million viewers with an EAV of NZ\$20 million. We hosted Japanese broadcast TV show 'Another Sky', a popular Friday night travel programme featuring actor Hiroshi Tachi visiting Auckland and Rotorua, with an EAV of \$4.9 million; and travel show 'Tabi Salada' for four episodes including a feature on Eden Park as a mecca of rugby, with \$11.5 million EAV. We facilitated four episodes of Korean reality show 'Master in the House' showcasing Northland, with an EAV of \$13.7 million. US media personality Samantha Brown and her television show 'Places to Love' were hosted in August, filming two episodes of her Emmy-award winning US travel show in Auckland, Marlborough and Tasman. The two episodes aired to 700,000 viewers each and with a combined EAV of \$4.2 million.

In Australia we secured the filming of Delish Destinations, a national travel television show on the NINE Network. The program covered the top food and wine stories and experiences across New Zealand, featuring Auckland, Rotorua, and Dunedin across three episodes. We also partnered with Helloworld Travel Limited and Channel 7 to create four short stories showcasing New Zealand's 'South Island Welcome' on television, as well as digital screens in stores and social media.

In print, we secured a four page feature on travel sustainability, the Tiaki promise and South Island experiences in Vogue Australia. Stories in Travel + Leisure and Forbes India highlighted deep cultural, environment and sustainability commentary about New Zealand. The New York Times named Christchurch, the West Coast and Paparoa Track on its 52 Places to Go lists in 2019 and 2020. A partnership with American Airlines covered Christchurch in a 14-page editorial feature.

We continued to drive PR activity through our relationships with influencers and online media outlets. In October we hosted Shi Liu Po (Lady Pomegranate), a WeChat influencer and prominent name in China's new media, in Christchurch, Mt Cook, Tekapo, and Wanaka. We also partnered with Chinese music idol Theo Zhu to showcase New Zealand landscapes and Māori culture through content for his album MV, and we supported the visit of K-pop group BTS to film travel show 'Bon Voyage' showcasing a range of activities in the South Island.

In July, Karen Walker and Bryce Dallas Howard hosted dinner at the Musket Room in New York for fashion and lifestyle media. This event provided an opportunity to engage with media

outside standard travel circles and develop a deeper narrative about New Zealand's people and culture. A partnership with influencer Zanna van Dijk in the UK on travel, food and sustainability resulted in a range of outputs with overall EAV of \$322,000.

In addition to our paid media advertising for Good Morning World campaign, we created key earned media moments throughout the year. In China these included a Tencent 'Moment' ad featuring a Chinese influencer experiencing skydiving in Wanaka, generating record high traffic to Air New Zealand's booking channel. In mid-August, two bespoke social campaigns were launched on leading platforms Mafengwo and Qyer to further leverage GMW creative ideas and drive consideration for Chinese consumers to take a New Zealand holiday.

Following our earlier successes using Chinese online platforms Weibo, WeChat, and Little Red Book, we released a Mandarin-language campaign video on these platforms for the Winter Games NZ. The video, filmed at Wanaka's Cardrona Alpine Resort, featured young Chinese American ski star Eileen Gu, and promoted New Zealand as a desirable and welcoming winter holiday destination.

To drive content under the Good Morning World campaign in Germany, we launched the 'Brinner' concept to connect 12 incredible NZ personalities, including Kate Sylvester, Peter Gordan and Andrew Baker, for breakfast via Skype with 30 top-tier German media over their dinner. Feedback from the media was incredibly positive, creating a strong platform to drive exposure for our content.

After the closure of the border in March, some traditional forms of PR engagement were no longer possible. We innovated by using TNZ's own talent to showcase New Zealand to consumers during this time, with a livestreaming programme to Chinese consumers on Weibo and Mafengwo reaching millions of viewers by targeting engaging content and linking with influencers in-market.

In our domestic work, new partnerships with New Zealand media organisations Stuff and NZME showcased New Zealand destination content from around the country resulted in value of \$2.4 million and \$2.5 million respectively, as well as significant referrals to operators - one business reported 26,000 views on their business listing for May, when they would normally expect 300 - translating to over 100 nights of bookings in three days.

“New Zealand is one of the greatest places on earth. The people are incredible, the landscapes are absolutely breath-taking and it's home to both Lorde, and Lord of the Rings.”

Stephen Colbert

USA: STEPHEN COLBERT'S 'NEW ZEALAND WEEK'

Met with Prime Minister Jacinda Ardern, a Hobbiton tour with Peter Jackson, and a rugby session with the All Blacks.

3.5 million nightly viewers across 5 weeknights.

EAV: more than \$20 million

SAMANTHA BROWN'S EMMY-AWARD WINNING US TRAVEL SHOW 'PLACES TO LOVE'

Two episodes aired to 700,000 viewers each

EAV: \$4.2 million.

BRAZIL: THE MOST POPULAR SUNDAY SHOW IN BRAZIL FANTÁSTICO, AIRED THE FIRST OF FIVE EPISODES SHOT IN NEW ZEALAND

40 million viewers

EAV: \$20 million.

TAIWAN: VARIETY SHOW, MR PLAYER

2.5 million viewers

EAV: NZ\$20 million

JAPAN: POPULAR FRIDAY NIGHT TRAVEL PROGRAMME, 'ANOTHER SKY'

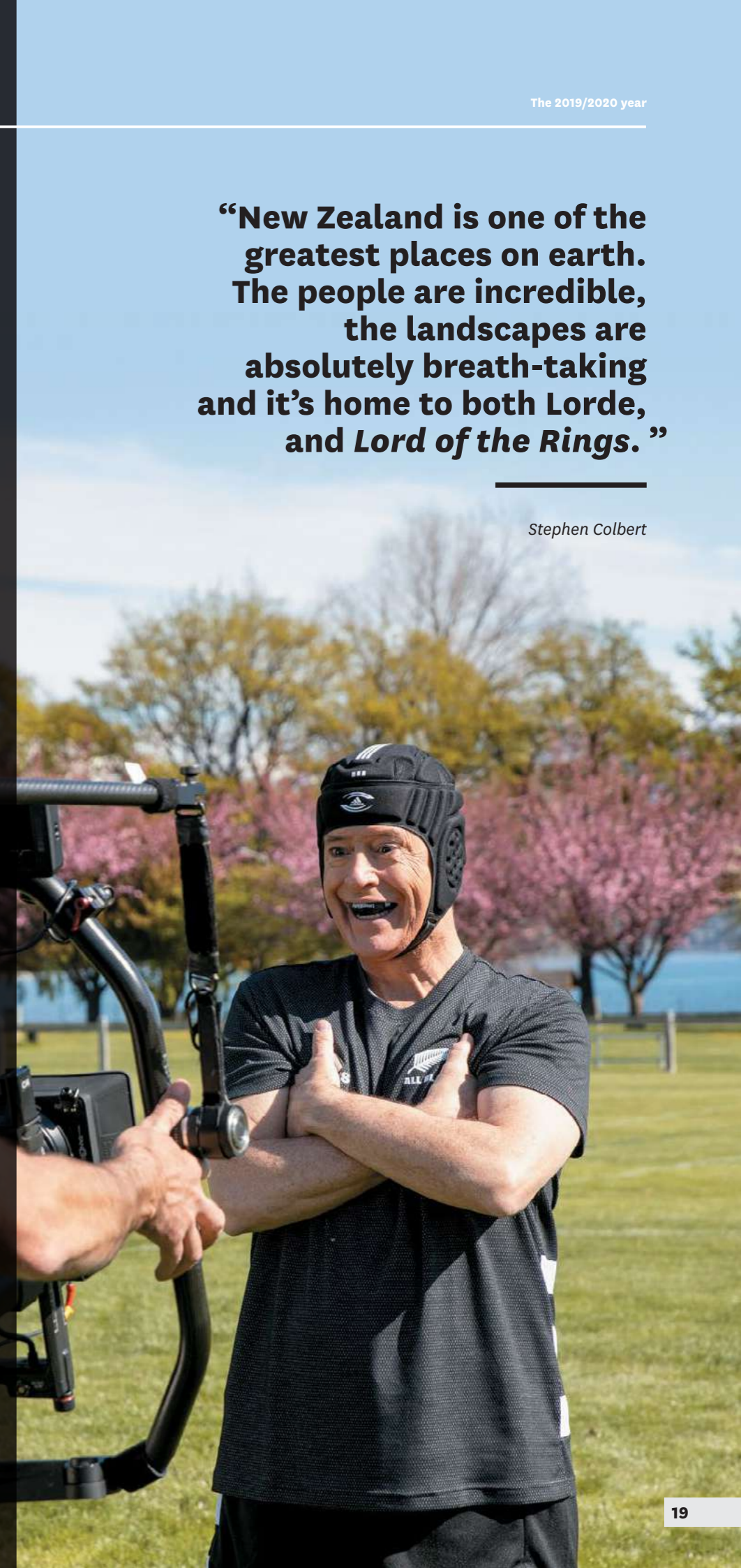
EAV \$4.9 million;

Travel show, 'Tabi Salada'

EAV: \$11.5 million

KOREA: REALITY SHOW 'MASTER IN THE HOUSE'

EAV: \$13.7 million.



FY20 activities: measures, targets and results

Activity three: Partner with the travel industry to convert interest in New Zealand into travel and to extend marketing reach.

Tourism New Zealand partners with travel trade, Regional Tourism Organisations (RTOs), and aviation partners in joint ventures that enable us to combine marketing messages with products that potential visitors can buy. This approach accelerates conversion and increases the pool of funding available. In FY20 we ran several high-impact joint venture campaigns and embarked on some new, innovative partnerships.

Link with Tourism New Zealand strategic priorities

Tourism New Zealand's joint venture and aviation activity is primarily aimed at achieving partnerships to activate conversion and extend marketing reach, and encompasses the following FY20 strategic priorities and focus areas:

- Broaden our measures of value from near-term growth to long-term sustainability
- Manage our portfolio of markets and sectors as a strategic investor
- Strengthen and build strategic partnerships thereby extending the value delivered to New Zealand from TNZ's vote

How did we do?

Our relationships with Regional Tourism Operators (RTOs) are critical to the success of our campaigns. We continued to strengthen our relationships with these operators, while also building our relationships further with airlines, airports and operators throughout the year.

In PR, we partnered with ten RTOs for the International Media Marketplace in February for the largest joint in-market activation for RTOs and TNZ, allowing RTOs to pitch destination New Zealand to top-tier Australian travel media. We also partnered with Flight Centre to create a campaign containing video montages of the best performing Good Morning Worlds to date. Audiences were linked directly to planning content and deals on newzealand.com and the activity was incredibly successful, delivering 73,000 visits to the site, 35,000 active visits, and 9,700 referrals.

Our presence was significant in Japan during the Rugby World Cup, and our 'New Zealand says 39' campaign in partnership with Air New Zealand and the All Blacks achieved results over our targets. New Zealand continued to say '39' to people of Japan throughout the Rugby World Cup with a showcase of gifts, appreciation, and manaakitanga via pop-up events over the six days and three weekends.

In Latin America we continued our partnership with Air New Zealand in a tactical campaign to increase ticket sales and promote New Zealand as a travel destination in Argentina and Brazil. In Argentina, the campaign achieved a 29% year-on-year increase in sales (ROI 1:12), and in Brazil a 54% year-on-year increase in sales (ROI 1:15). In Brazil, we launched a trade joint venture campaign with CVC Corp to include radio spots, pay TV, digital out of home media, training events, activation at travel agencies, and a paid media campaign.

In China, we signed an MoU with China Southern, Asia's largest airline, to jointly fund the promotion of premium tourism to New Zealand, with joint advertising, campaigns and cooperation at major trade shows. China Southern upgraded its Guangzhou to Christchurch flight from 3x to 5x weekly - the only increase to the airline's Australasia network over the winter.

A new partnership was formed with Mafengwo, a Chinese travel website focused on user-generated content to help inform travel plans, with a user base of over 100 million. TNZ's first consumer-targeted live stream on the platform ranked number 1 for views and engagement. Live streaming is popular in China, and it has an ability to showcase New Zealand people and culture in an interactive and authentic format.

We fostered key partnerships for our destination readiness activity, including with MBIE, RTOs and local councils for responsible camping and across the Tiaki Governance Group for the Tiaki - Care for New Zealand summer campaign.

With the impact of COVID-19, partnerships will continue to take new forms. TNZ's domestic campaign was designed for partnership, with assets able to be leveraged by RTOs and operators around the country, and specific regional campaigns activated for regional and seasonal stimulation, including to support ski destinations. We engaged with partners across the sector to develop TNZ's domestic strategy and build alignment to 'grow the domestic pie' rather than risk regions competing for the same business. Outreach included campaign workshops with regions and operators on a regular basis, as well as detailed partnership planning with Air New Zealand, the Automobile Association and the Department of Conservation.

NZ SAYS 39 CAMPAIGN

\$41.1m equivalent advertising value

14 million views

Record highest engagement and video views for TNZ Japan campaigns

LATAM PARTNERSHIP WITH AIR NZ

Argentina 29% year-on-year increase in sales

ROI 1:12

Brazil a 54% year-on-year increase in sales

ROI 1:15



FY20 activities: measures, targets and results

Activity four: Inform and inspire global travel sellers to assist them to market New Zealand.

Tourism New Zealand's work with global travel sellers is two-fold with our Trade team liaising with travel agents in-market, providing education, running famil and joint venture campaigns, and promoting premium travel; and our Business Events team liaising with conference and events managers and developing a pipeline of conference bids.

Link with Tourism New Zealand strategic priorities

Tourism New Zealand's activity in working with the travel trade area supported the following FY20 and overarching strategic priorities and focus areas:

- Broaden our measures of value from near-term growth to long-term sustainability
- Manage our portfolio of markets and sectors as a strategic investor
- Convert consumer preference and desire into high-value visitation that maximizes the contribution of tourism for the intergenerational benefit of New Zealanders
- Strengthen and build strategic partnerships thereby extending the value delivered to New Zealand from TNZ's vote

How did we do?

This year saw the development and rollout of a new trade marketing ecosystem, using digital media and new trade-ready digital content. This system is intended to reach 100,000 travel agents across the UK and Germany. Encouraging results have been achieved from this new approach, and with 80% of British and German visitors to New Zealand booking their trip through a travel agent, this new digital trade approach will enable TNZ to create an even bigger impact in the trade sector in the future. This platform will also be rolled out into further markets as they reopen from COVID-19 restrictions.

Despite the disruptions to the travel trade industry as a result of COVID-19 in quarter four, our robust performance in the first three quarters allowed us to end the year at +4.1% impact share, strongly outperforming our 2% annual target.

Our Good Morning World platform for travel trade was launched first in Australia in July, including trade-specific videos, itineraries, and content on the traveltrade.newzealand.com website. TNZ invited Australian travel agents to meet local New Zealand guides and operators through Good Morning World videos. The campaign kicked off in China in late July, with Premium Kiwi Partnership and trade partners in China using Good Morning World assets to launch joint venture campaigns to drive conversion through their own booking channels and to social media channels.

In the UK and Germany we launched the campaign with a trade launch event in London to 100 product managers and agents. It was then rolled out in paid trade and social media. There were a range of new trade sales tools on offer, including themed itineraries, videos from local guides, and interactive content to enable UK and German travel agents to sell New Zealand more confidently.

TNZ trained and worked with hundreds of travel sellers, business events buyers, luxury travel sellers, and tourism operators across priority and emerging markets in FY20. In July, the Australian Trade team held Travel Agent Training Events in Sydney, Brisbane, and Melbourne alongside seven RTOs. These events educated and inspired Australian travel agents about the 100% Pure New Zealand Specialist Programme to better convert preference into booking for consumers. In September, TNZ hosted a roadshow in Argentina and Brazil with 15 New Zealand suppliers, including Air New Zealand, visiting four cities - Rio de Janeiro, São Paulo, Porto Alegre, and Buenos Aires - and training approximately 600 travel agents.

We hosted 80 travel agents from Singapore, Malaysia, Philippines, India, and Indonesia to complete the New Zealand Specialist Programme. Agents passed ten online modules and experienced New Zealand products through a familiarisation visit in partnership with Air New Zealand. A workshop with RTOs at the Air New Zealand Innovation Centre allowed agents to meet RTOs and experience a showcase of regional offerings from around the country.

With our South China joint venture partner Yiqifei.com, we hosted our first 'sharing salon' including over 80 travel trade attendees in Guangzhou. Yiqifei is a top 3 ticketing distributor for Air New Zealand and China Southern Airlines and has a large and loyal customer base in South China.

We attended and contributed to a number of roadshows and events across FY20. In June 2019, Kia Ora South, hosted by Christchurch International Airport and supported by TNZ, was held successfully in Beijing, Shanghai, and Guangzhou. The roadshow attracted more than 700 Chinese buyers and established effective business relations with 6 RTOs and 8 operators in order to better promote South Island offerings, focusing on a snow/winter theme. The Kia Ora South roadshow visited the USA in August 2019, with over 300 travel advisors attending in New York City, Dallas, and Los Angeles. The events were supported by American Airlines, which celebrated the recent approval of their joint venture with Qantas. Agents enjoyed a cultural performance, conducted supplier meetings, and received a destination update from the TNZ team.

NEW TRADE MARKETING ECOSYSTEM

using digital media and new trade-ready digital content rolled out to 100,000 travel agents across the UK and Germany.

FY20 +4.1% IMPACT SHARE
(against 2% target).



FY20 activities: measures, targets and results

Activity four: Inform and inspire global travel sellers to assist them to market New Zealand. (Continued)

The USA trade team also took part in Virtuoso Travel Week 2019, the largest luxury travel event in the world, in Las Vegas alongside more than twenty-five New Zealand luxury travel suppliers. As well as daily appointments with more than 70 luxury travel advisors, we hosted a dedicated New Zealand lunch event for over 100 advisors, attended a tradeshow with over 450 scheduled appointments, and hosted selected advisors at a destination dinner.

In August, we attended the 2019 Travel Daily Conference and Digital Travel Show in Shanghai. For the first time, TNZ invited our South China Premier Kiwi Partners (PKP) to join the conference with us – providing benefits to China-based travel sellers in TNZ’s PKP programme, an incentive-based programme aimed at developing, marketing, and promoting longer stay and higher quality itineraries for Chinese visitors.

In conjunction with the China-New Zealand Year of Tourism, we supported the New Zealand Māori Arts and Crafts Institute with the promotion of the Tuku Iho – Living Legacy exhibition in Shanghai in November. The accompanying events programme included kapa haka, contemporary Māori singers and performers, as well as trade and tourism events, and collaboration with Chinese artists, cultural groups, and universities.

COVID-19 halted TNZ’s Kiwi Link programme in Asia and the USA. However, TNZ trade staff rose to the challenge of COVID-19 constraints with renewed innovation in trade training. Our team in China hosted a series of live streaming sessions to educate Chinese travel agents about New Zealand from February to May, reaching close to 110,000 people across 200 cities in 34 Chinese provinces – a new benchmark for virtual trade outreach. Investment in a virtual events platform will maintain our trade network and outreach to ensure travel trade remains a key champion of the New Zealand destination and brand in the future.

Business events

Our business events team continued to enjoy significant successes in confirming conference wins for New Zealand. The team also marked the eighth year of our relationship with Conventions and Incentives New Zealand, confirming cooperative activity and building on the momentum of previous years in the promotion of business events to New Zealand.

We announced the next stage of our ‘Enrich New Zealand – Conference Impact’ project at the Conventions and Incentives NZ Conference in Queenstown in October. Three international conferences will have their impacts measured as part of the pilot project to maximise the positive social impact of conferences for host

communities: INTECOL International Wetlands Conference 2020 in Christchurch, the World Leisure Congress 2022 in Dunedin, and the International Working Group on Women and Sport 2022 in Auckland.

We secured the following exciting events:

- Urban Parks World Congress for Auckland in 2025, with 600 delegates.
- The joint conference of the New Zealand Microbiological Society & Australian Society of Microbiology, Rotorua 2020 with up to 400 delegates.
- International Seed Testing Association Conference, Te Pae Convention Centre, Christchurch 2022 with up to 320 delegates.
- International Conference on Public Law, Wellington 2021 with 700 – 1,000 delegates.
- Asian International Conference on Leather Science and Technology, Queenstown 2022 with up to 275 delegates.
- The World Avocado Congress, Auckland 2023 with up to 3,000 delegates.
- The Epilepsy Society Australia & New Zealand meeting, Auckland 2021 with up to 250 delegates.

The business events industry was hit hard in FY20, first with the fire at the site of the New Zealand International Convention Centre in October 2019, and then again with the impacts of COVID-19. We convened a business events industry leadership group to understand the concerns of the industry and address the challenges and opportunities for a successful business events industry to restart and recover from COVID-19.

The full year results achieved by the global Business Events team were still strong despite nearly a full quarter of business development opportunities lost. We maintained our win rate ahead of target (64% against a target of 60%), and our submitted bid value was 86% of target. In the full year we also won \$46.5 million in value against our \$41 million target. A sizeable number of conference and incentive programmes have been affected, but pleasingly to date majority of affected wins have been postponed and not cancelled.

In the seven years that the business events team have been in full operation, our total won business now exceeds half a billion dollars (\$601 million).

BUSINESS EVENTS

FY20: Won \$46.5 million in value (against our \$41 million target).

In seven years of operation, Business Events has won business of over \$600 million

Win rate: 64% (against KPI 60%)



FY20 activities: measures, targets and results

Activity five: Deliver inspiring and informative information for potential visitors.

Tourism New Zealand's consumer website, newzealand.com, continues to serve as an essential hub for our activity, with regular updates to both content and functionality to convert people dreaming about New Zealand into planning, and current information about travel sellers and products to book. Our focus for FY20 was to continue to grow conversion to referrals to the travel industry from both paid marketing campaigns, and 'organic' search and social media, and to continue the process to update the website's content management system. Our visitor behaviour campaigns in FY20 were delivered under the banner of Tiaki – Care for New Zealand.

Link with Tourism New Zealand strategic priorities

Tourism New Zealand's newzealand.com activity is primarily aimed at driving preference for New Zealand, optimising delivery capability and the supporting the following FY20 strategic priorities:

- Broaden our measures of value from near-term growth to long-term sustainability
- Manage our portfolio of markets and sectors as a strategic investor
- Work with Government and industry partners to sustain and improve the experience of visitors and host communities
- Implement destination readiness strategies to ensure tourism provides long term benefits to New Zealand

How did we do?

Throughout the year, Tourism New Zealand's major campaigns led potential visitors to newzealand.com, our hub for attraction and referral activity, and/or partner websites. FY20 referrals achieved 84% of the full-year target despite referrals in Quarter 4 being down by 85% against the same time last year due to the cessation of media campaigns from the outbreak of COVID-19.

We worked this year to re-platform Tourism New Zealand's Operator Database to create a better experience for all users in terms of speed and usability, drive an increase in referral rates, and provide the industry with a platform that is fit for the future. The new Tourism Business Database provides over 4,000 New Zealand tourism operators with the ability to update their business listings and deals on newzealand.com. Business listings are also distributed to RTO and tourism websites through an application programming interface. These listings provide a key method for delivering referrals to tourism businesses around New Zealand. Following the launch of our domestic work, we developed a domestic version of newzealand.com to allow operators to create deals specifically for a New Zealand audience.

In July we launched a pilot Customer Journey Mapping project for Australian consumers. Customer Journey Mapping is a tool to achieve a deeper understanding of the consumer travel journey, including motivations, needs, and pleasure/pain points – both online and offline. Through this work, we identified opportunities in the customer journey for TNZ to intervene to help achieve our value and enrich goals and better refine the ways we can influence outcomes from marketing through to arrival.

With the advent of COVID-19 key visitor information on border closures and other information was delivered in appropriate ways through newzealand.com, TNZ social channels and via travel trade and media partners, to ensure consistent and clear understanding of the situation and response in New Zealand.

In November, the new Tiaki – Care for New Zealand campaign launched on behalf of the Tiaki Governance group in Wellington to raise further awareness of Tiaki among visitors and Kiwis and to encourage people to drive carefully, keep New Zealand clean, respect culture, be prepared and protect nature as they travel. The 'Promise for a Promise' campaign focused on engaging consumers with the connection between their actions and the future of the next generation.

We engaged with MBIE, councils, regional tourism organisations, and i-SITES across the country to create materials to encourage responsible camping for the upcoming summer. TNZ's 'Camp with Care' campaign used targeted digital advertising, a digital toolkit for industry and free access to wifi at key sites around the country to incentivise and educate about responsible camping. The campaign had significantly higher reach and views in FY20, with over 85,000 visits to camping.org.nz, 1.8 million impressions on YouTube, and 57,195 unique users accessing the wifi.

As well as our summer visiting drivers campaign, we continued a visiting driver safety campaign with a focus on targeting Chinese tourists visiting New Zealand for Golden Week. TNZ media partners Ctrip and Qyer supported TNZ's campaign free of charge, and the campaign was estimated to generate 3.5 million impressions.

TNZ subsidiary i-SITE New Zealand launched its new website isite.nz in August. The new website includes geolocation, designed to help users find their nearest i-SITES and DOC visitor centres, as well as showing how these centres can help them get more out of their holiday experience. It also provides safe travel advice including messaging on Tiaki, safer driving, responsible camping and outdoor safety as well as supporting key partners including RTOs, the Department of Conservation, Qualmark and NZ Cycle Trails.

NEW TOURISM BUSINESS DATABASE

Providing over 4,000 New Zealand tourism operators with the ability to update their business listings and deals on newzealand.com.

CUSTOMER JOURNEY MAPPING PROJECT FOR AUSTRALIAN CONSUMERS

Achieving a deeper understanding of the consumer online and offline travel journey.

TIAKI – CARE FOR NEW ZEALAND CAMPAIGN

The 'Promise for a Promise' campaign focused on the impact on the next generation.

'CAMP WITH CARE' CAMPAIGN

85,000 visits to camping.org.nz,
1.8 million impressions on YouTube,
57,195 unique users accessing the i-SITE wifi

VISITING DRIVER SAFETY CAMPAIGN

Targeted Chinese tourists visiting for Golden Week.
Generated 3.5 million impressions.

5.1M REFERRALS TO OPERATORS FROM NEWZEALAND.COM OR THIRD PARTY CAMPAIGNS

I-SITE NEW ZEALAND LAUNCHED ITS NEW WEBSITE ISITE.NZ



FY20 activities: measures, targets and results

Activity six: Communicate and engage with New Zealand's tourism industry to align industry investment with Tourism New Zealand areas of focus.

Tourism New Zealand's relationships with tourism operators are critical. We regularly engage with industry, informing them of our activity, learning about theirs, and gathering feedback to build alignment. In FY20 we focused on delivering 'voice of the visitor' insights to serve our destination readiness goals, as well as ongoing partnership work to sustain and enhance the visitor experience in targeted areas.

Link with Tourism New Zealand strategic priorities

Tourism New Zealand's activity in this area supports the following FY20 strategic priorities and focus areas:

- Work with Government and industry partners to sustain and improve the experience of visitors and host communities
- Implement destination readiness strategies to ensure tourism provides long term benefits to New Zealand

How did we do?

Tourism New Zealand's role in attracting high value visitors to New Zealand and preparing New Zealand to benefit socially, environmentally, and economically from tourism includes providing the 'voice of the visitor' to industry and other stakeholders, to ensure the country is 'destination ready'.

This financial year Tourism New Zealand formed part of a working group focused on developing a new approach to business events data collection and reporting. The new programme will measure and report business events activity and spend, specifically related to delegate spending and travel patterns, and business events venue activity.

TNZ hosted roadshows in November in Queenstown, Nelson, Rotorua and Auckland with over 400 delegates hearing the latest updates

on TNZ's onshore and offshore activity. 97% of respondents said they would attend again, and 87% would recommend the roadshow to others.

In response to COVID-19 TNZ increased its engagement with industry both with the commencement of domestic activity and to gather insight into the devastating impact of border closures and movement restrictions on individual businesses. We conducted over 1,000 one-on-one phone calls with operators and surveys covering 1,619 businesses, as well as large scale and regional webinars. Our stakeholder engagement result for FY20 reflects the broadening of TNZ's engagement needs in domestic marketing as well as the increased pressure on the sector following COVID-19. TNZ will continue to invest in genuine engagement processes with the sector to build the understanding and partnerships needed for the best possible tourism recovery.

Consumer insights relating to travel and New Zealand as a destination in the context of COVID-19 were published and shared with industry each month. To support the domestic market, a suite of domestic travel sentiment research was undertaken with results in June. With fast data critical, we also partnered with Data Ventures to use mobile phone data to look at visitor movements at key periods such as Queens Birthday to test the impact of demand stimulation activity.

Our China Market Development Unit maintained regular contact with Approved Destination Status (ADS) tour operators, adapting the scheme to waive fees to account for the impact of COVID-19 and commencing consultation for the reform of the ADS Code to make it fit for purpose for an eventual tourism recovery. ADS tours make up approximately 38% of the Chinese visitor market and were the first set of tourism operators to face financial losses due to COVID-19 when the Chinese Government put in place a travel ban for outbound tour groups.

MOOD OF THE NATION

Our Mood of the Nation score, measuring New Zealanders' sentiment towards tourism, is at a stable level at 92% average for the November and March surveys. Since the March results were gathered in January-February, prior to the significant impacts of COVID-19, we conducted further survey work in April, which provided further insights to New Zealanders' views at that time:

97% agree that that international tourism is important for New Zealand's economy

77% agree that important for New Zealand to get back to the same level of international visitors as before the pandemic as soon as possible

Our response to the Whakaari/White Island Eruption

Whakaari/White Island erupted on 9 December 2019. There were 47 people on the island at the time, 21 of whom were killed, and the remaining 26 suffered a range of injuries.

In the aftermath of the eruption, TNZ engaged with government agencies, local authorities,

and industry to support agencies and tourism operators during the response. We provided global media insight and consumer sentiment advice to government agencies, and we will continue to support the region's long term recovery.



Our response to COVID-19

“There is no New Zealand recovery without a tourism recovery. We have a holistic approach to tourism that is domestic and international. In order for us to get the kinds of economic, social and environmental outcomes we want in the long term, we need to have that mix.”

— Stephen England-Hall, Tourism New Zealand Chief Executive

As borders closed and New Zealand moved to COVID-19 Alert levels four and then three, COVID-19 halted both domestic and international tourism. While the length of time that COVID-19 may impact tourism is uncertain, it is likely, based on Treasury forecasts from April 2020, that domestic travel may be restricted in some ways for much of the 2020 calendar year, and international borders may not be fully open until 2022. Restrictions on movement will mean that the impact on the tourism sector will be felt more severely and for longer than other sectors. Tourism New Zealand quickly adapted our strategies as the impacts of COVID-19 were felt

both internationally and within New Zealand. We quickly reprioritised our work, working in global virtual teams to understand the impact of COVID-19 in each market and to create a plan for the recovery of the tourism sector.

We are delivering multiple workstreams in areas critical to New Zealand and the tourism sector's recovery:

- Driving domestic tourism demand
- Restarting international demand
- Supporting the tourism sector
- Advising the Government and the recovery

We approached our planning with the following principles:

- We must plan with agility and adapt according to new information and scenarios, ready to execute international plans when circumstances allow.
- The New Zealand visitor economy will be rebuilt on a domestic base first.
- Destination brand building is essential, even when people can't travel, to maintain brand saliency and accelerate economic recovery when borders reopen. Conversion of brand (desire) into demand (purchase) occurs between 3-9 months prior to departure.

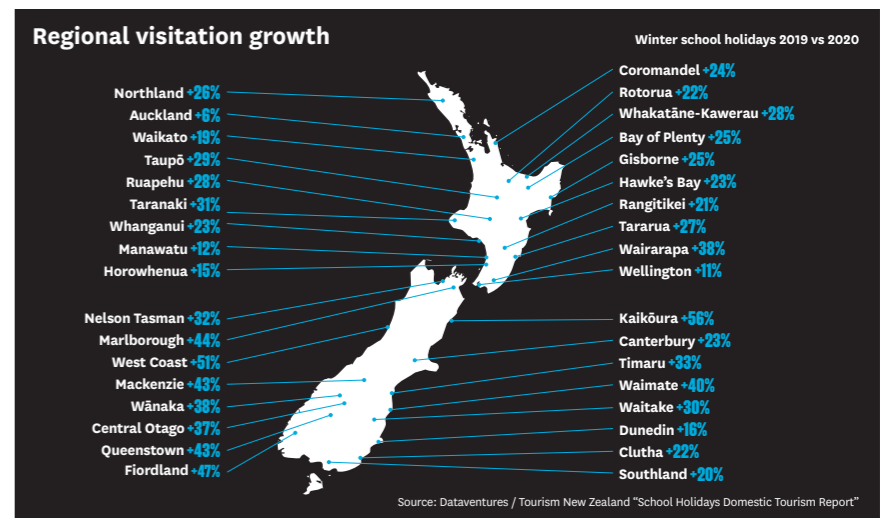
Driving domestic demand

In May we established a new domestic market team and commenced our first domestic marketing since the 1980s. This work, funded from baseline, is our single largest ever investment in a market, testament to the importance of driving domestic demand as the most equitable way to support the sector while borders are closed, and the first step in the restart of the tourism economy. Our “Do Something New, New Zealand” campaign is focused on exciting New Zealanders about holidaying domestically and increasing the participation of New Zealanders in tourism, and their spend on commercial tourism products.

The campaign has performed strongly. The campaign results at the end of June showed over half of all New Zealanders had seen the campaign, with an incredibly positive overall campaign sentiment of 88%, and an engagement rate of 2.1% (above benchmarks). It produced over 100,000 referrals to the tourism industry (paid and organic) and a 40% lift in visits to newzealand.com. Domestic spend in

June 2020 was only down -2.4% on last year, compared to declines of -36% in May and -88% in April. Momentum is building – domestic spend in July was up 24.2% on last year, and provisional electronic card spend data showed that in July 2020 Auckland residents spent \$206m outside of their home region, an increase of 37% on last year.

In addition to our campaign activity we established a new domestic market insights programme, releasing market insights to assist businesses to focus on the domestic market. A suite of domestic travel sentiment research was released in June. With fast data critical, we partnered with Data Ventures to use mobile phone data to look at visitor movements over Queens Birthday to test the impact of demand stimulation activity. This showed 520,000 New Zealanders travelled outside their home region and nearly all regions saw double digit, and in many cases 50%, growth in domestic visitors on the week prior. A domestic website edition of newzealand.com was established in May. This was created to support domestic campaign activity, provide more relevant information to a domestic audience, and to support the tourism industry in providing domestic specific product and offers to New Zealanders. The performance of the platform has been strong in the first 2 months with domestic visits to the site +22% vs. prior year and 73k referral leads delivered to industry (+55% vs. prior year).



TNZ's domestic market team has maintained a thorough programme of meetings with industry reference groups and webinar engagements to inform, and be informed by, industry as we develop our domestic approach. The campaign will move through further iterations to stimulate demand throughout the next financial year.

Building desire and appeal for New Zealand in global markets

While the border is closed, keeping the brand alive offshore is essential to retaining consumer

preference and consideration for New Zealand, to ensure the best possible market recovery when borders reopen. In May we launched 'Pure', a new piece of creative content tapping into the reflective mood of the time and connecting with New Zealand values. This had impressive results in markets including 47 million impressions in the United States.

While international visitation to New Zealand has ceased for now, New Zealand trade and export products are also an important way



DOMESTIC ACTIVITY RESULTS

May – September 2020

- 4 campaigns activated: Do Something New, New Zealand; New Zealand launch campaign; winter ski campaign; Level 2 re-entry and Auckland regional campaign
- 3 million+ people reached multiple times through TV, outdoor and online placements
- 16.2 million+ video completions across premium video sites such as YouTube, TVNZ, Mediaworks, Stuff and NZME
- 82 million+ impressions and 300,000 clicks
- 75,000 visits to newzealand.com per week
- 12.5% referral rate
- 27% increase in visits
- 51% increase in referrals from New Zealand-based customers



Our response to COVID-19

to experience and invest in New Zealand and strengthen the country's reputation as the world recovers. Destination marketing has a halo effect on other export sectors, building preference among consumers for New Zealand products and experiences. To follow Pure, during Quarter 4 we brought agencies together for the first time, including New Zealand Trade and Enterprise, New Zealand Story, the Ministry for Primary Industries and Education New Zealand, to deliver a joined-up brand campaign to keep New Zealand in the minds of international consumers, buyers, and investors as the world recovers from COVID-19. 'Messages from New Zealand' looks to build on the positive global sentiment for New Zealand. The campaign connects global audiences to New Zealand's values and identity, which can be experienced through export products, food and beverage, and support for sectors like film and investment. It also builds on New Zealand's reputation offshore as a great place to live, study, and visit again, when the time is right.

Market teams created agile plans to adapt to the COVID-19 situation and maintain readiness for market recovery. As borders open, TNZ's New Zealand and offshore teams will be ready to push strongly into international markets for the benefit of New Zealand's economic recovery. As part of this, TNZ established plans for marketing and demand development for the Trans-Tasman Travel Zone. This work, when the time is right, aims to grow the Australian market by capturing

a proportion of the 10.1 million annual outbound trips to other destinations where Australians are currently unable to travel.

Supporting the tourism sector

On 14 May the Government announced the Tourism Transitions Programme. TNZ-owned quality assurance organization Qualmark moved at pace to deliver business advisory services as part of the Programme, with evidence-based, tailored strategic, HR and finance offerings to both Qualmark and non-Qualmark tourism operators. 643 businesses had registered for the support by the end of June, with this number continuing to grow. The most common assistance sought includes strategic planning advice to address new operating conditions, shifting focus to domestic products and services, and digital capability, which will be the focus of a further phase of activity. Approximately two-thirds of operators are Qualmark license holders, and 33% are not currently licensed through Qualmark. The operators who have accessed support are spread across 15 different regions spanning the whole of New Zealand, with the highest representation from Otago (18%), Auckland (14%), and Canterbury (13%).

Advising the Government and recovery activity

During the response to COVID-19 we have continued to be the voice of the visitor to the tourism sector and Government. This has

included creating scenario modelling for the likely impact of COVID-19 restrictions on tourism demand (both domestic and international), and projecting when demand is likely to return.

In April, the Minister for Tourism asked TNZ to lead a piece of work to reimagine the tourism sector, with support from the Ministry of Business, Innovation and Employment (MBIE), Department of Conservation (DOC), and industry leaders. As part of this work, TNZ consulted broadly with the sector. We made over 1,000 one-on-one phone calls with industry, surveyed 1,619 businesses employing 40,950 FTEs, held large scale and regional webinars, and sought feedback from the broader public.

The outcome of this consultation showed broad agreement with stakeholders on both benefits and challenges for the tourism sector and the opportunity for change post COVID-19. The findings of TNZ's analysis informed government policy responses to COVID-19 during FY20 including the establishment of recovery funding and the Tourism Futures Taskforce.

Since that time we have provided advice to Tourism Recovery Ministers on the strategic assets process, tourism transitions, the state of and changes to the tourism sector, and participated as an ex-officio member of the Tourism Futures Taskforce. TNZ supports the intent to rebuild New Zealand's tourism sector in a new way, to ensure tourism enriches New Zealand's economy, society, environment and culture.



DO SOMETHING **NEW** NEW ZEALAND



📍 Bridge Climb, Auckland

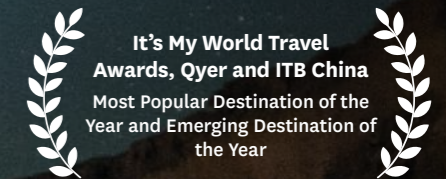
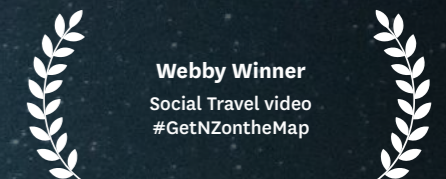
Awards

Tourism New Zealand's Good Morning World campaign concluded on Tuesday 16 June with Day 366. The campaign was awarded a Global Effie award in the Multi-Region category. This is the first time a New Zealand campaign has been recognised for this award in the competition's 16-year history.

The Global Effie Awards honour the most effective marketing efforts that run across multiple regions worldwide.

“Good Morning World is the highest performing campaign that Tourism New Zealand has ever produced by creating long-term brand building and short-term motivation in consumers. I am incredibly proud of all those involved in the work including the many Kiwis and industry players who appear in the campaign.”

Stephen England-Hall



“The most important thing in the world to me is when you can talk about your family... your community... your country. That’s what whānau is. We should all stick together.”



From top left to right

- Jamie Tuuta
- Roger Sharp
- Colleen Neville
- Kauahi Ngapora
- Mike O'Donnell
- Jan Hunt
- John Thorburn



Meet the Team

The Board

Jamie Tuuta - Chair

Award-winning Māori business leader Jamie Tuuta was first appointed to the Board in March 2013 and was appointed Chair in April 2019. Jamie also chairs the conservation project Taranaki Maunga and Māori Television, and was the Māori Trustee and Chief Executive of Te Tumu Paeroa. Jamie has held a range of governance positions in iwi development, agribusiness, fishing, investment, health, Māori development, tourism, and education. In 2015 Jamie received the Young Māori Business Leader Award at the Aotearoa NZ Māori Business Leaders Awards, and was awarded the Sir Peter Blake Emerging Leadership Award in 2010.

Roger Sharp – Deputy Chair

Roger has over 30 years' experience in travel, technology, and capital markets, and chairs global digital travel business, Webjet. Roger built and sold his first tech company in the 80s. He became an aviation banker in the 90s, advising on flagship transactions including the privatisation of Air New Zealand and Qantas.

After working for one of the world's largest financial institutions, he founded a technology investment banking firm in 2003. Since then he has invested in and chaired several stock exchange listed companies including ASX-listed online travel agent travel.com.au Limited, which was sold to Wotif.com in 2008. Roger was officially appointed to the board on 1 December 2018.

Colleen Neville

Colleen (Ngati Maniapoto, Waikato-Tainui) is the CEO of Te Arawa Group Holdings Limited, the commercial arm of Te Pumautanga o Te Arawa Trust. She has 16 years' experience as a Chartered Accountant in diverse sectors including tourism, forestry, agribusiness, and health services, and has extensive expertise in Māori post-settlement governance entities, Māori incorporations and Māori land trusts. Her governance experience has covered Scion, Poutama Trust, Te Ohu Kaimoana, Te Kakano Whakatipu Ltd, Te Arawa Agribusiness Ltd, and Te Matai Pacific Iwi Collective. She was appointed to the Board in September 2018.

Kauahi Ngapora

Kauahi is General Manager of Whale Watch Kaikoura Ltd and has 25 years of experience in the Māori tourism sector. His governance experience includes directorships at Tourism Industry Aotearoa and Whale Watch Australia.

He has also been Chair of Destination Kaikoura and is a member of the Tourism Infrastructure Fund panel. Kauahi was awarded the Outstanding Māori Business Leader Award at the 2018 University of Auckland's Aotearoa Māori Business Leaders Awards. He was appointed to the Board in September 2018.

Mike O'Donnell

Mike "MOD" O'Donnell is a full-time director with a background in eCommerce, technology, tourism, and funds management. Mike is chairman of cloud-based booking platform Timely, and is a director of Kiwibank, Kiwi Wealth, G2G Know-How, Serato Music, Raygun Performance Software, and Radio New Zealand.

The former Chief Operating Officer of Trade Me and vWork, MOD previously chaired Positively Wellington Tourism and has managed several online travel businesses. MOD was appointed to the New Zealand Tourism Board in October 2013.

Jan Hunt

Jan is a director at Skyline Enterprises and Jumping New Zealand. Previously she was a Board member of the Queenstown Chamber of Commerce and worked as a General Manager at Millbrook Resort, Sky City Hotel & Convention Centre, and Millennium Queenstown. Jan was appointed to the New Zealand Tourism Board in June 2017.

John Thorburn

John is Chief Executive of Entrada Travel Group and was previously the Chief Executive of Ngāi Tahu Tourism. John is also Director of InterCity Group Australia Pty Limited. He has held senior positions in a range of industries, including manufacturing, marketing and telecommunications. John has also held previous board positions with Tourism Industry Aotearoa and the New Zealand Conservation Authority. John was appointed to the New Zealand Tourism Board in August 2012.

From top left to right

- Stephen England-Hall
- René de Monchy
- Brodie Reid
- Sue Parcell
- Billie Moore
- Brendan Downey-Parish
- Natalie Haines



Meet the Team

Our Executive Team

Stephen England-Hall, Chief Executive

Stephen joined Tourism New Zealand as Chief Executive on 3 April 2017.

Stephen has worked extensively in management consulting in the digital marketing, data, and technology sectors across New Zealand, the United Kingdom, and North America. Prior to joining Tourism New Zealand, Stephen was Chief Executive Officer of Loyalty New Zealand, the company behind New Zealand's customer loyalty and data coalition, Fly Buys, and the analytics business LAB360.

He has a strong background in organisational leadership having held managerial positions including Chief Executive Officer, Managing Director, Growth and Innovation Director, and Chief Client Officer for social media marketing company Syncapse Corporation, global media agency Razorfish LLC (part of Publicis Groupe), DNA, EDS, BT Global Services, and CA Technologies.

As the Tourism New Zealand Chief Executive, Stephen is also a Board member of the New Zealand China Council Board, the Tourism Industry Association, and The New Zealand Story. He sits on the New Zealand Screen Production Grant Panel, and Significant Economic Benefits Verification Panel.

René de Monchy, Director of Commercial

René de Monchy joined Tourism New Zealand in August 2015 as Director of Trade, PR, and Major Events. René brings over 15 years' global experience in consumer-led businesses including local and international marketing roles for Fonterra and Heineken and most recently as Marketing Director at Asia Pacific Breweries in Singapore.

The primary objective of the Commercial Director role is to lead the in-market commercial arm of Tourism New Zealand through leveraging global and local relationships, prudent fiscal management, strategic direction, coordinated and effective execution as well as insight-led investment of all in-market activities across the planning and partnerships, marcomms, trade and public relations teams.

Brodie Reid, Director Marketing

Brodie led Tourism New Zealand's Global Brand Content team for two years before being appointed to the Director Marketing role. During this time she played a significant role in the development and delivery of the latest 100% Pure New Zealand, Tiaki - Care for New Zealand, and #getNZonthemap campaigns.

Brodie comes from a background in advertising, formerly working at Colenso BBDO and Saatchi & Saatchi in Auckland, and before that multiple agencies in London. She has also worked with brands such as Heineken, Toyota, Air New Zealand, Coca-Cola, Westpac, Nestle, Kraft, and O2.

Sue Parcell, Chief Financial Officer

Sue Parcell joined Tourism New Zealand in August 2010 and is responsible for managing and leading the financial and operational functions of Tourism New Zealand. She also oversees the performance reporting function.

Sue has Executive responsibility for Qualmark, TNZ's operator subsidiary. She has considerable experience in the tourism industry, including in senior finance and general management roles. Prior to TNZ she worked in finance roles in business services in New Zealand and overseas.

Billie Moore, Acting General Manager New Zealand and Government Relations

As Acting General Manager New Zealand and Government Relations, Billie oversees Tourism New Zealand's relationships with key New Zealand stakeholders, including industry and government agencies, and internal and external communications.

Before joining Tourism New Zealand in 2019, Billie worked as a New Zealand diplomat and foreign policy advisor for twelve years. During this time Billie served as New Zealand's Consul-General to New South Wales and Queensland from 2015-2018, and spent seven years working in the Beehive as an advisor to Ministers of Trade, Disarmament, and Foreign Affairs.

Brendan Downey-Parish, General Manager CX, Technology & Data

Brendan joined Tourism New Zealand in January 2016 and in 2018 was appointed to the role of General Manager CX, Technology, & Data.

Brendan leads a multi-disciplinary team to deliver a world class digital experience platform, drive impact by harnessing data for improved insight and ensure that customers have a seamless experience.

Brendan has more than 15 years marketing and innovation expertise gained across the beverage, food, and consumer goods sectors in New Zealand and internationally, including 7 years with Fonterra in the Middle East.

Natalie Haines, General Manager, People and Culture

Natalie joined Tourism New Zealand in May 2018 and leads our people, culture, safety, and wellbeing functions. She has experience in the fields of organisational change, capability development, culture and recruitment.

Prior to joining Tourism New Zealand Natalie held senior people and culture roles at Contact Energy and Oranga Tamariki - Ministry for Children. During this time both organisations were undergoing significant change.



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“Kate is an inspiration to the London office, continuously questioning and pushing to help ensure the team maximises the potential of their work.”

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“Chloe made a significant impact in her first year at TNZ through challenging the way we do things and working with the market teams to build connection and improve collaboration.”

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“Billie has had a profound and positive impact across TNZ and on our relationships across NZ Inc, representing the crucial work we do.”

.....

Meet the Team

Our Whānau

Our whānau are the lifeblood of Tourism New Zealand. By international standards, we are a relatively small team – however what we lack in relative size we more than make up for in attitude, collaboration and drive

Despite our geographical spread we are a close-knit global whānau. Our bi-annual internal Whetū awards recognise outstanding work and staff who live our values. Winners from the bi-annual awards are automatically nominated for our annual Whetū Nui Awards, which are chosen by our Executive team at the end of the calendar year. Winners receive our Whānau Pendant and Trophy.

- **Whetū Nui (Super Star)** – selected from the list of nominees from the previous two Whetū rounds.
- **Whetū Mātaiata (morning star)** – recognising the achievement of someone who is new to the Tourism New Zealand whānau.
- **Whetū Wheriko (glistening star)** – presented each year to an individual member of the whānau who has made an outstanding contribution to the organisation.



Whetū Nui

Kate Fenton

Kate, TNZ's Trade Manager for Europe, was recognised by our global whānau as going above and beyond to look after her team, sharing her huge level of industry insight, and living our values through her leadership. She is well known for the passion and enthusiasm she brings to her work every day. At the Aspire Awards in the UK where Tourism New Zealand won best Luxury Tourist Board, Kate was described as “the best in the business”.



Whetū Mātaiata

Chloe Hedley

Chloe joined TNZ as Digital Campaign and Conversion Specialist and within 6 months was promoted to Digital Content & Campaign Manager. Her achievements include the transition to the new SilverStripe platform, working with the brand and market teams to bring to life the 100% Pure Welcome campaign on newzealand.com, refining how the teams work together on campaigns to improve collaboration, and actively using and encouraging te reo in the CX, Tech and Data team and the broader organisation. Chloe lives our values through challenging the way we do things, building connections and championing the development of her team.



Whetū Wheriko

Billie Moore

Billie had an immediate impact in the new Government Partnerships role at TNZ. Her guiding hand behind the scenes resulted in TNZ's voice being heard across government, and positive action being taken on key issues and events critical to TNZ's work. She also had had immediate impact through her leadership of the China Market Development Unit.

Meet the Team

Governance

The Board

The New Zealand Tourism Board (trading as Tourism New Zealand) is a Crown entity established under the New Zealand Tourism Board Act 1991 and is a Crown agency for the purposes of the Crown Entities Act 2004.

Tourism New Zealand is governed by a Board appointed by the Minister of Tourism. All decisions relating to the operation of Tourism New Zealand are made by, or under the authority of, the Board in accordance with the New Zealand Tourism Board Act 1991, and the Crown Entities Act 2004.

In accordance with the New Zealand Tourism Board Act 1991, the Board must have no fewer than five, and no more than nine, members.

The Minister's formal line of accountability with Tourism New Zealand is through the Board's Chair. Board appointments are generally for two or three years, with reappointment possible. The composition of the Board reflects a balance of tourism industry and commercial expertise.

The Board meets at least six times a year, including a two-day meeting to review the organisation's ongoing strategic direction. This strategy meeting initiates the business planning process and informs the preparation of the annual Statement of Intent.

Delegation

The Board delegates day-to-day management of Tourism New Zealand to the Chief Executive who is directly accountable to the Board through the Chair. Tourism New Zealand's Delegated Authorities Policy is set by the Board and reviewed annually.

Appropriate formal processes are in place for reporting back to the Board.

Induction and Development

Tourism New Zealand introduces each new Board member to the organisation through an induction process, which includes time spent with senior executives and their teams. Members are also encouraged, where appropriate, to attend tourism-related events such as TRENZ and other industry events.

Conduct

Tourism New Zealand expects all its employees and board members to maintain the highest ethical standards. Tourism New Zealand has in place an employee code of conduct, which all staff sign when joining the organisation. Tourism New Zealand also has a formal code of conduct for its Board members, which is consistent with the code released by the State Services Commission.

Disclosure of Interests

The Board is conscious of its obligations to ensure that board members avoid any conflicts of interest in their decision-making process. The Board ensures that a proper process is followed and that members' interests are formally recorded, with any changes or additions being disclosed at the start of each meeting. Members excuse themselves from any discussions in which their duty as a member could be compromised.

Risk Management

Tourism New Zealand manages its risks through a risk management framework, a process that requires it to identify legislative and business risks arising from its strategic direction and operating environment.

Tourism New Zealand's Risk Management Policy is reviewed annually by the Audit Committee. The Chief Executive reports to the Board on the matter of new or escalated risks and the processes in place to manage these appropriately.

Tourism New Zealand conducts its own internal audits. Audits are agreed by the Audit Committee and programmes of work are developed with input by Tourism New Zealand's external auditors. The results are reported back to the Audit Committee.

Board Committees

Committees of the Board are convened to deal with specific matters and include the Audit Committee and Remuneration Committee.

The Audit Committee meets at least three times a year. It reviews Tourism New Zealand's internal control framework, external audit relationships and engagements, risk management, health and safety management, and financial reporting, including International Financial Reporting Standards (IFRS).

The Remuneration Committee meets three times per year. It reviews the performance and remuneration of the Chief Executive. The committee also approves the organisation wide remuneration policy, and remuneration changes for the Executive team.

Subsidiary companies

Tourism New Zealand has two subsidiary companies: Qualmark New Zealand (wholly owned), and the Visitor Information Network Incorporated, trading as i-SITE New Zealand. Legally Tourism New Zealand owns the Visitor Information Network, however, each of the 80-plus i-SITES in New Zealand are individually owned and operated.

A member of Tourism New Zealand's Executive Team Chairs the i-SITE Board, and the i-SITE executive comprises two Tourism New Zealand staff members. Qualmark New Zealand is chaired by Tourism New Zealand's Chief Financial Officer.



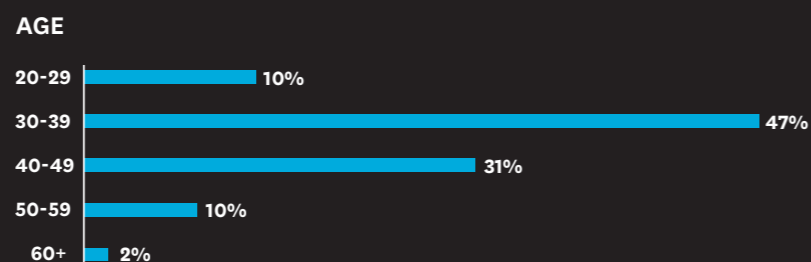
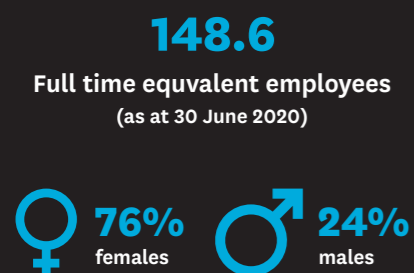
Meet the Team

Our People

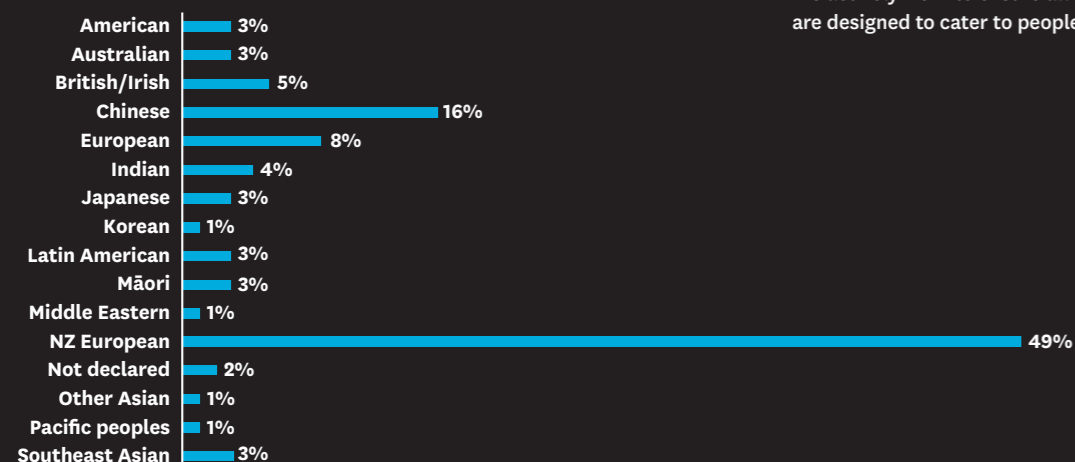
Under Section 151(1)(g) of the Crown Entities Act, Tourism New Zealand is required to provide information about compliance with obligations to be a good employer, including its Equal Employment Opportunities (EEO) Programme. Set out below is a workplace profile for Tourism New Zealand as at 30 June 2020.

Tourism New Zealand has offices in 12 offshore markets and employs people of different nationalities, race, and ethnicity. We recognise the value of a diverse workforce and the importance of working together to deliver outcomes.

OUR WORKFORCE PROFILE



ETHNICITY



DISABILITY

We actively work to ensure all our workplaces are designed to cater to people of all abilities.

Meet the Team

Our commitment to being a good employer

Tourism New Zealand prides itself on being a good employer. We are committed to equal employment opportunities. Our status as a good employer is assessed against the Human Rights Commission's seven elements of being a good employer.

1. Leadership, culture and accountability

Tourism New Zealand's values of māia (courage), manaaki (care), and hononga (connection) are now well embedded in our organisation with 93% of our employees strongly agreeing or agreeing that Tourism New Zealand demonstrates a genuine commitment to our values. Living these values has been reinforced through our leadership development, performance, recognition, and onboarding activities.

Twice a year we carry out our Kōrero Mai (have your say) survey with employees to understand

employee engagement. Employee engagement continues to be at a high level and increased to 76% in May 2020.

Employee contributions are celebrated through our Whetū recognition programme. Employees who have displayed our values in their work and their actions have had a positive impact on enriching New Zealand are nominated by their colleagues for a Whetū award.

Our leaders are committed to actively demonstrating leadership and accountability in all areas of Equal Employment Opportunities (EEO).

2. Recruitment, selection and on-boarding

Our recruitment and selection procedures ensure that all candidates are given the opportunity to participate equally in the recruitment process. The selection process

typically involves a structured competency interview, reference checking and screening - all of which support EEO principles.

All new employees participate in our induction programme called Whānau Welcome. This programme supports employees to connect to our purpose and values, understand our strategy and how the organisation works, and foster networks across the organisation. The induction includes health and safety development and noho marae to gain a deeper understanding of Māori culture.

Onboarding surveys are completed at the first two weeks and first three months of employment to gain insights from employees. This allows us to respond quickly to any gaps in our onboarding process.

Value	Question	Whakatauki
COURAGE Māia	Is this extraordinary work? <i>Ko te whakamana te whai?</i>	Kia kaha, kia māia, kia manawanui <i>Big hearted, dedicated, courageous.</i>
CARE Manaaki	Will this create a better future? <i>He ao houkura te whai?</i>	Manaaki whenua, manaaki tangata, haere whaka mua <i>Care for land, care for people, go forward.</i>
CONNECTION Hononga	Are you building on the strength of our global whānau? <i>Te whakamānawa i ngā hononga ā-iwi whānui o te ao te whai?</i>	Ehara taku toa i te toa takatahi, engari he toa takitini <i>My strength is not from me alone, but from many.</i>

Meet the Team

Our commitment to being a good employer

3. Employee development, promotion and exit

Leadership development continued this year with all employees to support realising our aspiration of enriching New Zealand. In addition, a leadership programme was launched in May 2020 with the aspiration of our leadership being extraordinary during the unprecedented times that have resulted from COVID-19. This program was designed for people leaders to ensure we authentically expressing our values, our teams feel well supported during these rapidly evolving times, our performance exceeds expectations, we are agile, and we are set up for the future.

With many employees working from home because of COVID-19 we encouraged and supported employees to make use of online learning to develop technical and professional skills to effectively carry out their roles.

We have continued to build capability to embrace our cultural heritage and share it with the world. This has included pepeha workshops, supporting Te Wiki e te Reo (Māori Language Week), and workshops tailored to specific teams and the work they deliver.

The increased focus on employee development during this year has resulted in 75% of employees agreeing that Tourism New Zealand is a great place to contribute to their development and 88% agreeing they had access to the learning and development they needed to do their job well.

We value internal mobility within the organisation and continued to see a high number of roles being filled internally, with 40% of roles filled by existing Tourism New Zealand employees this year.

All employees that leave the organisation are asked to complete an exit survey and the results from these surveys are reviewed on a regular basis.

4. Flexibility and work design

Tourism New Zealand embraces flexible working arrangements. We continued with our programme to support all teams to embrace flexible working. Our approach balances the needs of the individual, team, and organisation. We learned it is best to take a team approach to embracing flexible working and each team has developed a team charter to capture how they as a team embrace flexible working. This work meant that during COVID-19 lockdowns we were well set up to adapt to employees working from home. 95% of our employees agreed we had adapted well to changing work conditions (e.g. remote working) in response to the COVID-19 pandemic. Whilst flexible working is not everyone's preference, it does mean a lot to many of our global whānau.

5. Remuneration, recognition and conditions

Tourism New Zealand's reward practices value everyone's contribution, recognise performance, are fair and equitable, consider internal and external relativities, as well as the affordability to support the achievement of business objectives. Tourism New Zealand's remuneration practice is supported by independent job evaluation methodology and market remuneration information to establish salary ranges. Individuals identified as not meeting the requirements of their role are provided with support and development where required. Tourism New Zealand actively monitors remuneration to ensure pay equity. A Gender Pay Action Plan has been developed and is being implemented.

6. Harassment and bullying prevention

Tourism New Zealand has a Bullying, Harassment, and Discrimination Prevention Policy to ensure that employees and contractors work in an environment where they feel comfortable and respected. Employees at Tourism New Zealand work with a wide range of external stakeholders. To support employees working with external stakeholders, all new employees attend a 'Great Hosting' training programme that includes development of skills, knowledge, and confidence to respond and act should they experience or witness unprofessional behaviour.

7. Safety and healthy environment

To build on the good progress Tourism New Zealand has made in ensuring a safe work environment, our focus on wellbeing was continued throughout the year. Employees attended resilience workshops to equip them with skills to actively manage their resilience, and a Resilience Network has been set-up across the organisation of employees who volunteered to actively support resilience in their team.

Two Safety and Wellbeing Committees help ensure employee participation in safety and wellbeing across the time-zones in the 12 countries where Tourism New Zealand operates. Tourism New Zealand continued to provide driver training programmes, helping to ensure that all staff who host and drive are skilled to do so safely, and to a high standard. Workplace assessments and the provision of special equipment continue to be provided to ensure that employees can contribute safely and effectively.



Financials

Financial statements

In terms of the Crown Entities Act 2004, the Board is responsible for the preparation of the New Zealand Tourism Board’s financial statements and statement of service performance, and for the judgments made in them.

The Board of New Zealand Tourism Board has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board’s opinion, these financial statements and statement of service performance give a true and fair view of the financial position and operation of the New Zealand Tourism Board Group for the year ended 30 June 2020.

The Members of the New Zealand Tourism Board and Group authorised these financial statements for issue on 21 October 2020.

Signed on behalf of the Board:



Jamie Tuuta
Chair
21 October 2020



John Thorburn
Chair of the Audit Committee
21 October 2020



Financial statements

Statement of comprehensive revenue and expense

for the year ended 30 June 2020

Notes	Group			Parent			
	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	
Revenue from non-exchange transactions							
*Revenue from Crown	2	113,803	111,480	111,739	113,803	111,480	111,739
Other revenue	3	774	1,100	831	774	1,100	831
Revenue from exchange transactions							
Interest income		91	90	136	91	90	136
Other revenue	3	3,989	5,712	5,004	2,939	3,910	3,440
Total revenue		118,657	118,382	117,710	117,607	116,580	116,146
Expenditure							
Other expenses	4	108,990	117,337	114,503	107,993	115,559	112,778
Depreciation and amortisation	11,12	968	1,070	1,005	943	1,021	958
Total expenditure	5	109,958	118,407	115,508	108,936	116,580	113,736
Net operating surplus/(deficit) before foreign exchange and taxation		8,699	(25)	2,202	8,671	-	2,410
Fair value gain (losses) on derivative financial instruments	10	2,179	-	(3,989)	2,179	-	(3,989)
Income tax expense	20	-	-	-	-	-	-
Net surplus/(deficit) for the year		10,878	(25)	(1,787)	10,850	-	(1,579)
Total comprehensive revenue and (expense) for the year		10,878	(25)	(1,787)	10,850	-	(1,579)
Transfer from / (to) foreign exchange reserves	17	(100)	-	151	(100)	-	151
Net operating surplus/(deficit) after foreign exchange transfer		10,778	(25)	(1,636)	10,750	-	(1,428)
Net surplus/(deficit) for the year is attributable to:							
Non-controlling interest	6	8	(25)	(17)	-	-	-
Owners of the parent		10,870	-	(1,770)	10,850	-	(1,579)
		10,878	(25)	(1,787)	10,850	-	(1,579)
Total comprehensive revenue and (expense) for the year is attributable to:							
Non-controlling interest	6	8	(25)	(17)	-	-	-
Owners of the parent		10,870	-	(1,770)	10,850	-	(1,579)
		10,878	(25)	(1,787)	10,850	-	(1,579)
Surplus before Foreign Exchange movements		10,850	-	1,519	10,850	-	1,519

*Due to COVID-19 which closed New Zealand's borders on the 19th March 2020, and the resulting impact on Tourism New Zealand's activity, the Ministry of Business, Innovation and Employment (MBIE) had an In Principle Expense transfer (IPET) approved by Ministers to carry-over funds not spent in FY20 into FY21. This IPET is currently in the process of being confirmed by Ministers.

The notes and accounting policies on pages 67 to 76 form part of and are to be read in conjunction with these financial statements.

Statement of changes in equity

for the year ended 30 June 2020

Notes	Parent			
	Shareholders Equity \$000s	Foreign Exchange Reserve \$000s	Accumulated Comprehensive Revenue and Expense \$000s	Total \$000s
Balance at 1 July 2019	1,805	5,707	(2,837)	4,673
Total comprehensive revenue and expense for the year	-	-	10,849	10,849
Transfer from / (to) retained earnings to foreign exchange reserve	-	100	(100)	-
Net total after foreign exchange transfer	-	100	10,750	10,849
Balance at 30 June 2020	1,805	5,807	7,913	15,524

Statement of changes in equity

for the year ended 30 June 2019

Notes	Parent			
	Shareholders Equity \$000s	Foreign Exchange Reserve \$000s	Accumulated Comprehensive Revenue and Expense \$000s	Total \$000s
Balance at 1 July 2018	1,805	5,858	(1,409)	6,254
Total comprehensive revenue and expense for the year	-	-	(1,579)	(1,579)
Transfer from / (to) retained earnings to foreign exchange reserve	-	(151)	151	-
Net total after foreign exchange transfer	-	(151)	(1,428)	(1,579)
Balance at 30 June 2019	1,805	5,707	(2,837)	4,673

Statement of changes in equity

for the year ended 30 June 2020

Notes	Group				
	Shareholders Equity \$000s	Foreign Exchange Reserve \$000s	Accumulated Comprehensive Revenue and Expense \$000s	Non-Controlling Interest \$000s	Total \$000s
Balance at 1 July 2019	1,805	5,707	(3,586)	263	4,193
Total comprehensive revenue and expense for the year	-	-	10,869	8	10,877
Transfer from / (to) retained earnings to foreign exchange reserve	-	100	(100)	-	-
Net total after foreign exchange transfer	-	100	10,770	8	10,877
Balance at 30 June 2020	1,805	5,807	7,184	271	15,066

Statement of changes in equity

for the year ended 30 June 2019

Notes	Group				
	Shareholders Equity \$000s	Foreign Exchange Reserve \$000s	Accumulated Comprehensive Revenue and Expense \$000s	Non-Controlling Interest \$000s	Total \$000s
Balance at 1 July 2018	1,805	5,858	(1,967)	280	5,980
Total comprehensive revenue and expense for the year	-	-	(1,770)	(17)	(1,787)
Transfer from / (to) retained earnings to foreign exchange reserve	-	(151)	151	-	-
Net total after foreign exchange transfer	-	(151)	(1,619)	(17)	(1,787)
Balance at 30 June 2019	1,805	5,707	(3,586)	263	4,189

The notes and accounting policies on pages 67 to 76 form part of and are to be read in conjunction with these financial statements.

Financial statements

Statement of financial position

for the year ended 30 June 2020

Notes	Group			Parent			
	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	
Current Assets							
Cash and cash equivalents	8	16,333	5,335	12,010	15,805	5,000	11,767
Receivables from non-exchange transactions	9	-	177	14	-	160	14
Receivables from exchange transactions	9	1,192	1,688	2,225	1,066	1,500	2,150
Prepayments and other current assets		2,301	1,700	1,738	2,298	1,700	1,729
Derivative financial instruments	10	1,160	-	-	1,160	-	-
		20,986	8,900	15,987	20,329	8,360	15,660
Non-current Assets							
Property, plant and equipment	11	2,279	2,044	2,020	2,279	2,041	2,019
Intangible assets	12	688	1,629	813	561	1,554	728
Accommodation bonds	13	601	350	368	601	350	368
Investment in subsidiary	6	-	-	-	480	260	260
		3,568	4,023	3,201	3,921	4,205	3,375
Total Assets		24,554	12,923	19,188	24,250	12,565	19,035
Current Liabilities							
Creditors and other payables	14	7,063	6,748	10,263	6,570	6,600	9,889
Employee entitlements	15	1,210	820	820	1,193	800	803
Invoiced in advance		252	719	2,050	-	500	1,803
Provisions	16	196	120	196	196	120	196
Current Lease Incentive Liability		89	-	88	89	-	88
Derivative financial instruments	10	-	-	1,020	-	-	1,020
		8,810	8,407	14,437	8,048	8,020	13,799
Non-current Liabilities							
Provisions	16	394	100	190	394	100	190
Long Term Lease Incentive Liability		284	-	373	284	-	373
		678	100	563	678	100	563
Total Liabilities		9,488	8,507	15,000	8,726	8,120	14,362
Net Assets		15,066	4,416	4,189	15,524	4,445	4,673
Equity							
Equity attributable to equity holders of the parent							
Shareholder's Equity		1,805	1,845	1,805	1,805	1,805	1,805
Accumulated Comprehensive Revenue and Expense		7,184	(1,550)	(3,586)	7,913	(1,481)	(2,837)
Foreign Exchange Reserve	17	5,807	4,121	5,707	5,807	4,121	5,707
Parent interests		14,795	4,416	3,926	15,524	4,445	4,673
Non-controlling interests	6	271	-	263	-	-	-
Total Equity		15,066	4,416	4,189	15,524	4,445	4,673

The notes and accounting policies on pages 67 to 76 form part of and are to be read in conjunction with these financial statements.

Statement of cash flows

for the year ended 30 June 2020

Notes	Group			Parent			
	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	2020 Actual \$000s	2020 Budget \$000s	2019 Actual \$000s	
Cash flows from operating activities							
Crown revenue		113,803	111,480	111,739	113,803	111,480	111,739
Interest received		91	90	136	91	90	136
Other revenue from non-exchange transactions		786	1,100	950	786	1,100	950
Other revenue from exchange transactions		5,056	6,412	4,415	3,882	4,610	2,834
Payments to suppliers and employees		(114,158)	(118,802)	(109,131)	(113,179)	(116,980)	(107,467)
Goods and services tax (net)		344	-	(322)	409	-	(381)
Net cash inflow/(outflow) from operating activities	18	5,922	280	7,787	5,792	300	7,811
Cash flows from investing activities							
Purchase of property, plant and equipment		(931)	(300)	(1,093)	(930)	(300)	(954)
Purchase of intangible assets		(173)	(1,000)	-	(108)	(1,000)	(79)
Payments for accommodation bonds		(368)	-	(5)	(368)	-	(3)
Repayment of accommodation bonds		143	-	28	143	-	28
Net cash inflow/(outflow) from investing activities		(1,329)	(1,300)	(1,070)	(1,263)	(1,300)	(1,008)
Cash flows from financing activities							
Capital contribution		-	-	-	(220)	-	-
Non controlling interest capital contribution		-	-	-	-	-	-
Net cash inflow/(outflow) from financing activities		-	-	-	(220)	-	-
Net decrease in cash held		4,593	(1,020)	6,718	4,309	(1,000)	6,803
Effect of exchange rates on foreign currency balances		(271)	-	(12)	(271)	-	(12)
Opening cash brought forward		12,010	5,355	5,304	11,767	5,000	4,976
Cash at end of year	8	16,333	4,335	12,010	15,805	4,000	11,767

The notes and accounting policies on pages 67 to 76 form part of and are to be read in conjunction with these financial statements.

Notes to the financial statements

for the year ended 30 June 2020

Note 1

(a) Reporting Entity

Tourism New Zealand is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. Tourism New Zealand's primary objective is to improve tourism's contribution to economic growth by increasing the value of international visitors to New Zealand.

Tourism New Zealand does not operate to make a financial return.

For the purposes of financial reporting, Tourism New Zealand is classified as a Public Benefit Entity.

The financial statements for Tourism New Zealand (the parent) and its controlled subsidiaries (collectively the Group) are for the year ended 30 June 2020, and were approved by the Board on 21 October 2020.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The financial statements have been prepared in accordance with Public Benefit Entity (PBE) Standards.

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities as identified in this statement of accounting policies.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency is New Zealand dollars.

(c) Accounting standards and interpretations issued but not yet effective

There have been no changes in the accounting policies of the Group in the year ended 30 June 2020. All accounting policies and disclosures are consistent with those applied by the Group in the previous financial year.

The External Reporting Board has also issued amendments to the following standards to incorporate requirements and guidance for the not-for-profit sector. These amendments apply to PBEs with reporting periods beginning on or after 1 July 2021. Tourism New Zealand expects there will be minimal or no change in applying these updated accounting standards.

Standard	Title	Application date
PBE FRS 48	Service Performance Reporting	1 July 2022

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of New Zealand Tourism Board trading as Tourism New Zealand and its subsidiaries as at 30 June each year (the Group).

The acquisition of the subsidiaries are accounted for using the acquisition method. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Tourism New Zealand has control.

(e) Investment in Joint Venture (JV)

The Group's investment in JV is accounted for under the equity method of accounting in the consolidated financial statements.

The investment in the JV is carried in the consolidated Statement of Financial position at cost plus post-acquisition changes in the Group's share of net assets of the JV, less any impairment in value. The consolidated statement of comprehensive revenue and expense reflects the Group's share of the results of operations of the JV.

Where there has been a change recognised directly in the JV's equity, the Group recognises its share of any changes and discloses this, when applicable in the consolidated statement of changes in equity.

(f) Foreign currency

Transactions denominated in foreign currency are recorded in NZ Dollars by applying exchange rates that approximate rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance date.

Exchange gains and losses are recognised in the Statement of comprehensive revenue and expense.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(g) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office equipment	5 years
Motor vehicles	4 – 5 years
Furniture and fittings	5 – 8 years
Computer equipment	3 years
Leasehold improvements	Up to term of the lease

Realised gains and losses arising from the disposal of property, plant and equipment are recognised in the Statement of comprehensive revenue and expense in the period in which the transaction occurs.

Impairment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the Statement of comprehensive revenue and expense.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost approach.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

(h) Intangible assets

Intangible assets are recorded at cost at acquisition. Tourism New Zealand has no intangible assets with an infinite life.

The useful life of intangible assets are estimated at between 3 and 8 years.

Research costs are expensed as incurred.

(i) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any expected credit losses (ECL's).

For receivables from non-exchange and exchange transactions, the Group applies a simplified approach in calculating expected credit losses (ECL's). The Group bases this on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(j) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of comprehensive revenue and expense net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of comprehensive revenue and expense on a straight-line basis over the lease term.

The Group does not enter into finance leases.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from non-exchange transactions

Appropriation received from the Crown: Appropriations received from the Crown are recognised as revenue on receipt.

Sales and other revenue: Revenue includes fees received to attend offshore trade events and familiarisations in New Zealand, and fees received to become part of an Approved Destination Status programme. The revenue from such transactions does not approximately equal the value of goods provided by Tourism New Zealand and are therefore considered as non-exchange transactions.

Revenue is measured at the fair value of consideration received or receivable. The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from Services

The services provided have a return obligation and therefore the revenue from supply of services is recognised on a straight line basis over the specified period for the service unless an alternative method better represents the stage of completion of the transaction.

Revenue from exchange transactions

Sales and partnership revenue: Revenue includes contributions from partners and recharges to customers to recover full cost of expenses incurred on their behalf. The revenue from the such supply of goods and services is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Revenue from the supply of services is recognised on a straight line basis over the specified period for the service unless an alternative method better represents the stage of completion of the transaction.

Interest: Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(n) Income tax

Tourism New Zealand is exempt from income tax under the New Zealand Tourism Board Act 1991. Tourism New Zealand's subsidiaries are subject to income tax.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Statement of Financial Position date.

Deferred income tax is provided on all temporary differences at the Statement of Financial Position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each Statement of Financial Position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Statement of Financial Position date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(o) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(p) Financial instruments

Tourism New Zealand uses derivative financial instruments such as foreign currency contracts to manage its exposure to foreign exchange risk arising from its operational activities. Tourism New Zealand does not hold or issue these financial instruments for trading purposes. Tourism New Zealand has not adopted hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. Movements in the fair value of derivative financial instruments are recognised in the Statement of comprehensive revenue and expense.

Foreign exchange gains and losses resulting from the settlement of derivative financial

instruments and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive revenue and expense.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

(q) Employee Benefits

Employee entitlements for salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of comprehensive revenue and expense when they accrue to employees. Employee entitlements to be settled within 12 months are reported at the amount expected to be paid. The liability for long-term employee entitlements is reported as the present value of the estimated future cash flows.

Termination benefits are recognised in the Statement of comprehensive revenue and expense only where there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash flows.

Note 2

Revenue from Crown

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Baseline Funding	115,351	115,351	115,351	115,351
During the year, additional funding was provided by the Crown for the following:				
Additional Crown Funding	2,706	332	2,706	332
Total revenue received from the Crown	118,057	115,683	118,057	115,683
Less GST	4,254	3,944	4,254	3,944
Net revenue received from the Crown	113,803	111,739	113,803	111,739

Note 3

Other revenue

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Sales and Partnership revenue from exchange transactions	3,989	5,004	2,939	3,440
Sales and other revenue from non-exchange transactions	774	831	774	831
Total Other revenue	4,763	5,835	3,713	4,271

Note 4

Other expenses include:

	Group		Parent	
	2020	2019	2020	2019
Personnel expenses				
Number of permanent and fixed term staff	158	160	152	154
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Salaries and wages	19,691	18,014	19,139	17,516
Employer superannuation contributions	470	418	453	403
Increase/(decrease) in employee entitlements (note 15)	390	57	390	60
Other personnel expenses	1,232	1,405	1,224	1,380
	21,783	19,895	21,207	19,359
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Personnel costs for New Zealand and offshore staff were:				
New Zealand Personnel Expenses - Tourism New Zealand	11,658	10,710	11,658	10,710
New Zealand Personnel Expenses - Subsidiaries	575	535	-	-
Offshore Personnel Expenses	7,701	8,649	7,701	8,649
	19,934	19,894	19,359	19,359
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Compensation or other benefits paid to ceased staff	100	78	74	78
	2020	2019	2020	2019
Number of ceased staff	4	8	3	8
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Auditor's remuneration				
Amounts received or due and receivable by Ernst & Young for:				
The audit of the financial statements	88	86	88	86
	88	86	88	86
Amounts received or due and receivable by auditors other than Ernst & Young New Zealand for:				
The audit of the financial statements of subsidiary entities	10	9	-	-
Offshore assurance services	43	37	42	36
	141	133	130	122
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Other expenses				
Loss on disposal of property, plant and equipment	2	67	2	67
Lease expense	2,587	2,362	2,587	2,362
Remuneration of board members of Parent (See also note 30)	126	176	126	176

Note 5

Total expenditure of parent

	Parent	
	2020 \$000s	2019 \$000s
Total expenditure by geographic region:		
Australia	15,321	17,448
North America	14,148	16,473
China	10,963	11,931
United Kingdom and Europe	8,578	9,878
Japan	6,784	5,083
Asia	8,892	10,115
Other markets	2,020	2,606
New Zealand (a)	42,230	40,202
Total Expenditure of Parent	108,936	113,736

(a) New Zealand expenditure includes costs that apply to all markets and across a number of campaigns including spend on the 100% Pure New Zealand Campaign, brand development and the continued development of the newzealand.com website.

Note 6

Subsidiary companies

	Interest Held		Interest Held	
	2020	2019	2020	2019
Qualmark New Zealand Limited	100%	100%	100%	100%
Visitor Information Network Incorporated (trading as i-SITE NZ)	0%	0%	0%	0%

The financial year-end of both subsidiaries is 30 June.

Qualmark New Zealand Limited

Qualmark New Zealand Limited is New Zealand tourism's official quality agency. Qualmark licenses professional and trustworthy New Zealand tourism businesses to use the Qualmark® - tourism's official quality mark - to help international and domestic travellers select places to stay, things to do and ways to get around.

Qualmark's core activities are based around determining the eligibility of businesses to enter the licensing system. This is achieved by way of assessment, promoting and working with Qualmark® licensees and working closely with other organisations and sectors within the tourism industry. By doing so, quality standards are raised and New Zealand tourism businesses improved based on best-practice.

Visitor Information Network Incorporated (trading as i-SITE NZ)

Tourism New Zealand has control of Visitor Information Network Incorporated (VIN Inc), trading as i-SITE New Zealand, effective 21 August 2002.

Tourism New Zealand and i-SITE New Zealand have a relationship agreement that recognises the importance of having an effective and high quality network of visitor information centres, dedicated to delivering free, comprehensive and objective information. The terms and conditions of the relationship agreement mean that Tourism New Zealand meets the criteria determined in PBE IPSAS 35 for consolidating investments in subsidiaries.

The i-SITE brand creates a distinctive look, which distinguishes the official network from other information centres. The i-SITE Visitor Centres provide on-the-ground information to ensure the visitor experience is as enjoyable as possible.

Note 7

Joint Venture company

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
The New Zealand Way Limited	-	-	-	-

The financial year-end of The New Zealand Way Limited is 30 June.

Tourism New Zealand has a 50% shareholding in The New Zealand Way Limited. This Company is the operating entity of a joint venture between Tourism New Zealand and New Zealand Trade & Enterprise. The activities of the joint venture is limited to the marketing and promotion of Brand New Zealand (both within New Zealand and offshore), the licensing and control of the use of Intellectual Property, and such other activities as may be unanimously agreed in writing by the parties.

The New Zealand Way Brand provides marketing opportunities to those companies which meet quality and environmental standards. The Brand is promoted as a mark of outstanding quality, superior service and unique New Zealand characteristics.

There were no impairment losses relating to the investment in Joint Venture. There were also no capital commitments or other commitments relating to the Joint Venture.

During the year, there were no transactions in The New Zealand Way Limited (2019: Nil). Therefore the share of Joint Venture's revenue and (deficit)/surplus for the year is Nil (2019: Nil).

At year end, The New Zealand Way Limited's Net Assets were Nil (2019: Nil). Therefore the carrying amount in the Joint Venture at year end is Nil (2019: Nil).

Note 8

Cash and cash equivalents

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Cash holdings:				
Cash at bank and in hand	3,361	3,525	2,833	3,282
Call accounts - foreign currencies	10,005	3,177	10,005	3,177
Call accounts - New Zealand dollar	2,967	5,309	2,967	5,309
	16,333	12,010	15,805	11,767

Cash at bank and in hand generally earns interest at floating rates based on daily bank deposit rates. Call account deposits are made depending on the immediate cash requirements of the Group, and earn interest at the respective money market call rates.

	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Cash Holdings by Currency:				
New Zealand Dollar	4,244	6,712	3,717	6,469
United States Dollar	4,973	211	4,973	211
British Pound	683	206	683	206
Australian Dollar	1,545	2,094	1,545	2,094
European Euro	633	925	633	925
Japanese Yen	2,745	520	2,745	520
Singapore Dollar	591	228	591	228
Canadian Dollar	37	25	37	25
Indian Rupee	593	992	593	992
Other Asian Currencies	290	98	290	98
	16,333	12,010	15,805	11,767

Cash Holdings by Bank:

	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
HSBC Bank	12,975	6,142	12,448	5,899
ANZ Bank	3,149	5,648	3,149	5,648
ASB Bank	-	-	-	-
Bank of New Zealand	-	-	-	-
Tokyo Mitsubishi	208	220	208	220
	16,333	12,010	15,805	11,767

The fair value of cash and cash equivalents for the Group is \$16,333,000 (2019: \$12,010,000) and \$15,805,000 (2019: \$11,767,000) for the Parent. Tourism New Zealand holds a stand by Letter of Credit with HSBC bank for an amount of \$360,000 to serve as security against any non-payment of payroll. This letter of credit has no expiry date. HSBC also provides a financial guarantee to Datacom Business Services, Tourism New Zealand's payroll processor for Australian payroll an amount of AUD 42,000. Further, a financial guarantee for an amount of AUD 102,246 is also provided by HSBC bank for Sydney office rent until 26 May 2025. A cheque encashment facility for \$1,000 also exists with HSBC. Qualmark holds a stand by Letter of Credit with HSBC for an amount of \$26,000 to serve as security against any non-payment of payroll. This letter of credit has no expiry date.

Note 9

Receivables

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Receivables	-	14	-	14
Less: Provision for impairment	-	-	-	-
	-	14	-	14

Receivables from non-exchange transactions are non-interest bearing and are generally on 30-day terms. The carrying value of receivables approximates their fair value. As at 30 June 2020 and 2019, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	Parent					
	2020			2019		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Not past due	-	-	-	14	-	14
Past due 1 - 30 days	-	-	-	-	-	-
Past due 31 - 60 days	-	-	-	-	-	-
Past due 61 - 90 days	-	-	-	-	-	-
Past due > 91 days	-	-	-	-	-	-
	-	-	-	14	-	14

	Group					
	2020			2019		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Not past due	-	-	-	14	-	14
Past due 1 - 30 days	-	-	-	-	-	-
Past due 31 - 60 days	-	-	-	-	-	-
Past due 61 - 90 days	-	-	-	-	-	-
Past due > 91 days	-	-	-	-	-	-
	-	-	-	14	-	14

	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Receivables from exchange transactions				
Receivables	1,191	2,225	1,065	2,150
Less: Provision for impairment	-	-	-	-
	1,191	2,225	1,065	2,150

Receivables from exchange transactions are non-interest bearing and are generally on 30-day terms. The carrying value of receivables approximates their fair value. As at 30 June 2020 and 2019, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	Parent					
	2020			2019		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Not past due	1,006	-	1,006	1,615	-	1,615
Past due 1 - 30 days	-	-	-	227	-	227
Past due 31 - 60 days	-	-	-	22	-	22
Past due 61 - 90 days	43	-	43	18	-	18
Past due > 91 days	16	-	16	268	-	268
	1,065	-	1,065	2,150	-	2,150

	Group					
	2020			2019		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Not past due	1,051	-	1,051	1,884	-	1,884
Past due 1 - 30 days	-	-	-	236	-	236
Past due 31 - 60 days	3	-	3	33	-	33
Past due 61 - 90 days	47	-	47	21	-	21
Past due > 91 days	90	-	90	51	-	51
	1,191	-	1,191	2,225	-	2,225

Receivables from exchange transactions for the Group include GST/VAT refunds comprising 73% (2019: 57%) of total receivables as follows:

	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
GST Refund due from NZ Inland Revenue Department	176	559	176	559
GST Refund due from Australian Taxation Office	471	484	471	484
Consumption Tax Refund from Japan Tax Office	177	177	177	177
VAT Refund due from UK Revenue & Customs	48	51	48	51
	871	1,269	871	1,269

Note 10

Derivative financial instruments

Tourism New Zealand uses foreign exchange instruments in order to manage its exposure to fluctuations in foreign currency exchange rates on normal operating activities. The instruments are matched with anticipated future cash flows in foreign currencies. Tourism New Zealand does not use financial instruments for speculative purposes. At balance date Tourism New Zealand had 60 (2019: 74) foreign exchange contracts maturing at various dates over the next 12 months. The contracts are financial assets / liabilities at fair value through profit or loss and designated as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Revenue and Expense.

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Foreign currency forward exchange contracts:				
Foreign exchange contracts at 30 June - Sell Value	34,554	68,466	34,554	68,466
Fair value Derivatives in Gain / (Loss)	1,160	(1,020)	1,160	(1,020)
Foreign exchange contracts at 30 June - Buy Value	35,714	67,446	35,714	67,446
Foreign exchange contracts by currency (In NZD):				
United States Dollar	12,628	35,221	12,628	35,221
British Pound	2,273	4,450	2,273	4,450
Australian Dollar	15,941	15,590	15,941	15,590
European Euro	(19)	3,124	(19)	3,124
Japanese Yen	2,023	5,007	2,023	5,007
Singapore Dollar	2,868	3,919	2,868	3,919
Hong Kong Dollar	-	77	-	77
Canadian Dollar	-	58	-	58
	35,714	67,446	35,714	67,446

Note 11

Property, plant and equipment

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
All property, plant and equipment				
At cost	10,284	9,389	10,243	9,348
Accumulated depreciation	(8,004)	(7,370)	(7,964)	(7,329)
Net carrying amount	2,279	2,020	2,279	2,019
Property, plant and equipment for each class:				
Furniture and fittings				
At cost	1,308	1,282	1,281	1,255
Accumulated depreciation	(1,165)	(1,139)	(1,138)	(1,112)
Net carrying amount of furniture and fittings	143	143	143	143
Leasehold improvements				
At cost	3,909	3,277	3,909	3,277
Accumulated depreciation	(2,197)	(1,866)	(2,197)	(1,866)
Net carrying amount of leasehold improvements	1,712	1,411	1,712	1,411
Office equipment				
At cost	613	566	613	566
Accumulated depreciation	(523)	(473)	(523)	(473)
Net carrying amount of office equipment	89	93	89	93
Motor vehicles				
At cost	61	61	61	61
Accumulated depreciation	(61)	(61)	(61)	(61)
Net carrying amount of motor vehicles	-	-	-	-
Computer equipment				
At cost	4,393	4,203	4,379	4,189
Accumulated depreciation	(4,059)	(3,830)	(4,045)	(3,817)
Net carrying amount of computer equipment	334	373	334	372
Total property, plant and equipment	2,279	2,020	2,279	2,019
All property, plant and equipment reconciliation				
At 1 July, net of accumulated depreciation	2,020	1,840	2,019	1,836
Additions	931	955	931	955
Disposals and write back of depreciation	(2)	(67)	(2)	(67)
Depreciation charge for the year	(669)	(709)	(669)	(705)
At 30 June, net of accumulated depreciation	2,279	2,020	2,279	2,019
Depreciation by asset class:				
Furniture and fittings	26	18	25	18
Leasehold improvements	331	329	331	329
Office equipment	50	41	50	41
Computer equipment	263	321	263	317
Total Depreciation	670	709	669	705

Note 12

Intangible assets

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Intangible assets (Software)				
At cost	2,631	2,459	2,316	2,210
Accumulated amortisation	(1,944)	(1,646)	(1,756)	(1,482)
Net carrying amount	688	813	561	728
Intangible assets reconciliation				
At 1 July, net of accumulated amortisation	812	971	728	903
Additions	173	137	106	77
Impairment of Intangible assets	-	-	-	-
Amortisation charge for the year	(299)	(296)	(274)	(253)
At 30 June, net of accumulated amortisation	688	813	561	728

Intangible assets include investment into redevelopment of Tourism New Zealand's corporate website and intranet, Tourism New Zealand's and Qualmark's finance and HR system, and Visitor Information Network Incorporated's Bookit software.

Note 13

Accommodation bonds

Accommodation bonds are refundable deposits or key money paid for the lease of office and housing premises.

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Japan	225	139	225	139
North America	46	32	46	32
Asia	330	197	330	197
New Zealand	-	-	-	-
	601	368	601	368

Note 14

Creditors and other payables

Payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Creditors	1,842	4,309	1,563	4,075
Accrued expenses	5,221	5,954	5,007	5,814
	7,063	10,263	6,570	9,889

Note 15

Employee entitlements	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Annual Leave	1,210	820	1,193	803
	1,210	820	1,193	803

Note 16

Provisions

Tourism New Zealand has a number of potential future restoration costs relating to make good clauses on office rental leases. The provision recognises the present value of expected future payments for amounts in relation to make good. The provision relates to four Tourism New Zealand offices and is expected to be utilised over the next eight years.

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Provisions are represented by:				
Lease make-good	590	386	590	386
Total Provisions	590	386	590	386
Current provision	196	196	196	196
Non-current provision	394	190	394	190
	590	386	590	386
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Movements in provisions are as follows:				
Balance at 1 July	386	261	386	261
Additional provisions made	204	125	204	125
Balance at 30 June	590	386	590	386

Note 17

Foreign Exchange Reserve

Tourism New Zealand funds its overseas offices and operations in the local currency of that office or operation. Some of the surplus/(deficit) arising from foreign currency movements are held in reserve to finance changes in the New Zealand dollar cost of maintaining a consistent level of funding to those overseas offices or operations. Only the realised gains or losses on foreign currency transactions during the year are transferred to reserves, and the unrealised gains or losses on mark to market revaluation of derivatives held at year end are not transferred to reserves.

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Movements in reserve is as follows:				
Balance at 1 July	5,707	5,858	5,707	5,858
Transfer to Retained Earnings from Foreign Exchange Reserve	100	(151)	100	(151)
Balance at 30 June	5,807	5,707	5,807	5,707

Note 18

Reconciliation of surplus to net cash from operating activities

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Net surplus/(deficit)	10,878	(1,787)	10,850	(1,579)
Add/(less) non-cash items				
Depreciation and amortisation	968	1,005	943	958
Make good provision	204	125	204	125
Share of associate's surplus	-	-	-	-
Net (gains)/losses on derivative financial instruments	(2,179)	3,989	(2,179)	3,989
Net foreign exchange (gains)/losses	271	12	271	12
Total non-cash items	(736)	5,131	(761)	5,084
Add/(less) items classified as investing or financing activities				
Net Loss/(Gain) on disposal of assets	2	67	2	67
Movement in foreign currency accommodation bonds	(8)	(3)	(8)	(3)
Lease Incentive Liability	(90)	207	(90)	207
Total items classified as investing or financing activities	(96)	271	(96)	271
Add/(less) movements in working capital items				
Debtors and other receivables	1,048	(616)	1,099	(560)
Prepayments	(563)	(93)	(569)	(84)
Payables and accruals	(3,203)	3,490	(3,319)	3,350
Invoiced in advance	(1,797)	1,314	(1,803)	1,270
Employee entitlements	390	57	390	60
Net movements in working capital items	(4,125)	4,152	(4,202)	4,036
Net cash from operating activities	5,922	7,767	5,792	7,812

Note 19

Contingencies

Tourism New Zealand has no contingent assets or liabilities as at 30 June 2020.

In 2019/2020, Tourism New Zealand has provided a written undertaking to the Board of Qualmark New Zealand to provide ongoing support sufficient to enable Qualmark to meet its obligations when they were due.

Note 20

Income tax

Tourism New Zealand is exempt from income tax under the New Zealand Tourism Board Act 1991. Tourism New Zealand's subsidiaries are subject to income tax. The Group has tax losses that can be used to offset future taxable profits of \$971,048 (2019: \$796,898). A deferred tax asset has not been recognised in respect of these losses as they may not be used future taxable profits.

Note 21

Management of risk

Tourism New Zealand has developed a risk management framework and has undertaken a full risk assessment of its business. Management is required to sign off on a half yearly basis that no new exposures have arisen and that existing risks are being properly managed. Written policies and procedures exist covering those aspects of business which have the potential to generate risk for Tourism New Zealand. Adherence to these policies minimises potential risk to Tourism New Zealand. Employees are required as part of employment contracts to adhere to Tourism New Zealand policies and procedures.

Tourism New Zealand carries comprehensive insurance covering all normal business risks including Public Liability. Tourism New Zealand has purchased insurance to provide Board members and Officers Liability, Employers Liability and Professional Indemnity cover for Board members and employees. Tourism New Zealand also provides cover for its staff for offshore travel. Insured values are reviewed annually and adjusted to reflect changes in business operations.

Note 22

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. However these are not deemed to be significant. The judgements and estimates are based on historical experience and other factors that are reasonable under the circumstances and form the basis for the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions.

Note 23

Capital management

Tourism New Zealand's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets. Tourism New Zealand manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that Tourism New Zealand effectively achieves its objectives and purpose, whilst remaining a going concern.

Tourism New Zealand is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

Tourism New Zealand purchases a variety of foreign currencies to fund promotional activity offshore. As this is funded in NZ Dollars, there is an exposure to foreign exchange risk through the movement of NZ Dollars against those foreign currencies. To manage this risk and improve operational flexibility, a foreign exchange reserve was set up in 2009/10 that comprised of the realised gains from that year to be used solely to offset future realised foreign exchange gains and losses. Refer to Note 17 for more information.

Note 24

Categories of financial assets and liabilities

The carrying amounts of financial assets and liabilities in each of the PBE IFRS 9 categories are as follows:

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Financial assets:				
Cash and cash equivalents	16,333	12,010	15,805	11,767
Receivables	320	970	194	895
Total loans and receivables	16,653	12,980	15,999	12,662
Fair value through Surplus or Deficit held for trading:				
Derivative financial instrument assets / (liabilities)	1,160	(1,020)	1,160	(1,020)
Other financial liabilities:				
Creditors	7,063	10,263	6,570	9,889

Note 25

Capital commitments

There is no capital expenditure contracted for at balance date but not provided for in the financial statements. (2019:Nil)

Note 26

Operating commitments

Operating commitments include non-cancellable lease payments for premises, motor vehicles and office equipment and non-cancellable contracts for services like equipment maintenance and public relations.

	Group		Parent	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Operating commitments payable after balance date on:				
Non-cancellable accommodation leases:				
Up to One Year	2,472	2,070	2,472	2,070
One to Two Years	2,213	1,486	2,213	1,486
Two to Five Years	3,645	2,755	3,645	2,755
Over Five Years	932	1,254	932	1,254
	9,262	7,565	9,262	7,565
Non-cancellable motor vehicle and equipment Leases				
Up to One Year	16	78	16	78
One to Two Years	2	16	2	16
Two to Five Years	-	11	-	11
Over Five Years	-	-	-	-
	18	105	18	105
Non-cancellable contracts for goods and services				
Up to One Year	7,502	2,462	7,502	2,462
One to Two Years	440	592	440	592
Two to Five Years	203	241	203	241
Over Five Years	-	-	-	-
	8,145	3,295	8,145	3,295
Total operating commitments	17,425	10,965	17,425	10,965

Note 27

Related party transactions

Tourism New Zealand is a wholly owned entity of the Crown which has the ability to significantly influence its role. The Crown is Tourism New Zealand's major source of revenue.

Tourism New Zealand enters into transactions with government departments, state-owned enterprises and other Crown entities. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect Tourism New Zealand would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as related party transactions.

Tourism New Zealand also enters into transactions with its subsidiaries and associate. These transactions occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect Tourism New Zealand would have adopted if dealing with that entity at arm's length as well.

Tourism New Zealand also enters into transactions with board members and entities over which they have control or significant influence. These transactions occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect Tourism New Zealand would have adopted if dealing with that entity at arm's length. The following table provides the total amount of transactions that were entered into with these related parties.

Related Party and Transaction

	Transaction value year ended 30 June		Balance outstanding year ended 30 June	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Income has been received by Tourism New Zealand from:				
J Thorburn (Director): Entrada Travel Group - Income received by TNZ for tourism related services.	4	9	-	-
M O'Donnell (Director): Ruapehu Alpine Lifts Limited - Income received by TNZ for tourism related services.	-	100	-	-
J Hunt (Director): Skyline Enterprises - Income received by TNZ for tourism related services.	12	19	-	-
K Ngapora (Director): Whale Watch Kaikōura - Income received by TNZ for tourism related services.	21	13	-	-
J Tuuta (Director): Venture Taranaki Trust - Provision of tourism related services to TNZ	10	-	-	-
Payments have been made by Tourism New Zealand to:				
J Thorburn (Director): Entrada Travel Group - Provision of tourism related services to TNZ	4	-	-	-
S England-Hall (Director): Tourism Industry Association, New Zealand China Council & Figure New Zealand - provision of Tourism related services	156	119	-	-
M O'Donnell (Director): Kiwibank - Provision of tourism related services to TNZ	31	15	-	-
J Hunt (Director): Skyline Enterprises - Provision of tourism related services to TNZ	19	5	-	-
R Sharp (Director): Webjet Limited - Provision of tourism related services to TNZ	100	50	-	-
K Ngapora (Director): Whale Watch Kaikōura - Provision of tourism related services to TNZ	11	2	-	-

Key management personnel compensation

Key management personnel includes all board members, the Chief Executive and 6 (2019:5) members of the Executive Team.

For the 7 Board members (see note 30) it is not feasible to estimate the number of individuals on a FTE basis receiving remuneration.

	Balance outstanding year ended 30 June	
	2020 \$000s	2019 \$000s
Remuneration of the Board of Directors:		
Salaries and other short-term benefits	126	176
Remuneration of the Chief Executive and Executive Team:		
Salaries and other short-term benefits, FTE: 7 (2019: 6)	2,219	1,931
Total key management personnel compensation	2,344	2,107

Note 28

Financial instrument risks

Tourism New Zealand's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Tourism New Zealand has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature.

Market Risk

Interest rate risk - Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in interest rates. Tourism New Zealand is exposed to interest rate risk on its cash balances. Refer to note 8 for cash balances exposed to interest rate risk.

Interest rate risk sensitivity analysis - As at 30 June 2020, if interest rates on cash balances had increased/decreased by 0.5% (50 basis points) with all other variables held constant, the deficit/surplus and equity would have changed as follows:

	Surplus/(deficit) higher/(lower)		Equity higher/(lower)	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Group				
+ 0.5% (50 basis points)	15	28	15	28
- 0.5% (50 basis points)	(15)	(28)	(15)	(28)
Parent				
+ 0.5% (50 basis points)	15	28	15	28
- 0.5% (50 basis points)	(15)	(28)	(15)	(28)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

As a result of significant operations around the world, Tourism New Zealand is required to enter into transactions denominated in foreign currencies. As a result of these activities, Tourism New Zealand is exposed to foreign currency risk on its foreign denominated cash balances, receivables, creditors and other payables, and derivative instruments.

It is Tourism New Zealand's policy to manage foreign currency risks arising from contractual commitments and liabilities by entering into foreign exchange forward contracts to significantly reduce the foreign currency exposure. These forward exchange contracts are entered into prior to the commencement of the financial year to cover the exposure on budgeted NZD spend in targeted markets based on the market's economic outlook and other factors that might have an impact on their currency. Refer to Derivative financial Instruments (note 10) for details on the forward currency contracts held. Further exposures to foreign exchange risk through the movement of NZ Dollars against those foreign currencies are also managed through the foreign exchange reserve as explained in Note 17.

The basket of currencies that Tourism New Zealand holds also reduces the risk from any single currency as all currencies are not expected to move adversely against the NZD. Refer to the total expenditure of the Parent by geographic region (note 5) and Cash and cash equivalents (note 8) for currency exposures.

Currency risk sensitivity analysis - Tourism New Zealand is subject to volatility in financial performance associated with foreign currency rates. As at 30 June 2020, if the NZ Dollar had increased/decreased by 5% against various foreign currencies used by Tourism New Zealand with all other variables held constant, the deficit/surplus and equity would have changed as follows:

	Surplus/(deficit) higher/(lower)		Equity higher/(lower)	
	2020 \$000s	2019 \$000s	2020 \$000s	2019 \$000s
Group				
NZD to various currencies +5%	2,906	(3,178)	-	-
NZD to various currencies -5%	2,087	3,505	-	-
Parent				
NZD to basket of currencies +5%	2,906	(3,178)	-	-
NZD to basket of currencies -5%	2,087	3,505	-	-

This movement is attributable to foreign exchange gains/losses on translation of forward foreign exchange contracts and other foreign currency denominated assets and liabilities.

Credit risk

Credit risk is the risk that a third party will default on its obligations to Tourism New Zealand, causing Tourism New Zealand to incur a loss.

Tourism New Zealand has no significant concentrations of credit risk, as it has a small number of credit customers and only places funds with registered banks. With respect to foreign exchange instruments, Tourism New Zealand reduces its risk by limiting the counter parties to major trading banks and does not expect to incur any significant losses as a result of non performance by these counter parties.

Tourism New Zealand's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash (note 8), net debtors (note 9) and derivative financial instruments (note 10). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Liquidity risk

Liquidity risk is the risk that Tourism New Zealand will encounter difficulty raising liquid funds to meet commitments as they fall due.

Tourism New Zealand has no significant concentrations of liquidity risk. Tourism New Zealand annually agrees a funding schedule with the Crown which matches the estimated timing of its commitments and close out of market positions.

The following liquidity risk disclosures reflect all contractually fixed pay-offs, repayments and interest resulting from recognised financial and derivative financial instrument liabilities as of 30 June 2020. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

	< 6months \$000s	6-12 months \$000s	> 1 year \$000s	Total \$000s
Group - Year end 30 June 2020 Financial liabilities				
Creditors	(1,842)	-	-	(1,842)
Derivative financial instrument liabilities - gross settled				
Inflows	15,125	19,903	15,847	50,875
Outflows	(14,855)	(19,630)	(15,230)	(49,715)
	270	273	617	1,160
Net outflow	(1,572)	273	617	(682)
Parent - Year end 30 June 2020 Financial liabilities				
Creditors	(1,563)	-	-	(1,563)
Derivative financial instrument liabilities - gross settled				
Inflows	15,125	19,903	15,847	50,875
Outflows	(14,855)	(19,630)	(15,230)	(49,715)
	270	273	617	1,160
Net outflow	(1,293)	273	617	(403)
Group - Year end 30 June 2019 Financial liabilities				
Creditors	(4,309)	-	-	(4,309)
Derivative financial instrument liabilities - gross settled				
Inflows	33,185	33,736	-	66,921
Outflows	(33,712)	(34,229)	-	(67,941)
	(527)	(493)	-	(1,020)
Net outflow	(4,836)	(493)	-	(5,329)
Parent - Year end 30 June 2019 Financial liabilities				
Creditors	(4,075)	-	-	(4,075)
Derivative financial instrument liabilities - gross settled				
Inflows	33,185	33,736	-	66,921
Outflows	(33,712)	(34,229)	-	(67,941)
	(527)	(493)	-	(1,020)
Net outflow	(4,602)	(493)	-	(5,095)

Fair value

The Group can apply various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 - the fair value is calculated using quoted prices in active markets;
- Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Derivative financial instruments are classified as Level 2 and are valued using mid values of the forward contracts as determined by the New Zealand Debt Management Office based on inputs that are observable.

There were no transfers between Level 1 and Level 2 during the year.

Note 29

Remuneration of employees

During 2019/2020 70 (2019: 70) employees received remuneration and benefits which exceeded \$100,000 per annum as follows:

\$	2020	2019
100,000 - 109,999	10	12
110,000 - 119,999	10	6
120,000 - 129,999	7	6
130,000 - 139,999	8	10
140,000 - 149,999	8	5
150,000 - 159,999	6	5
160,000 - 169,999	4	4
170,000 - 179,999	2	3
180,000 - 189,999	1	1
190,000 - 199,999	6	4
200,000 - 209,999	1	2
210,000 - 219,999	4	1
220,000 - 229,999	1	2
230,000 - 239,999	1	2
240,000 - 249,999	1	1
250,000 - 259,999	-	1
260,000 - 269,999	1	1
270,000 - 279,999	-	-
280,000 - 289,999	2	-
290,000 - 299,999	-	-
300,000 - 309,999	-	-
310,000 - 319,999	-	1
320,000 - 329,999	1	1
330,000 - 339,999	-	-
340,000 - 349,999	-	-
410,000 - 419,999	1	-
490,000 - 499,999	-	-
540,000 - 549,999	-	1
570,000 - 579,999	-	-
580,000 - 589,999	1	-
630,000 - 639,999	-	1
650,000 - 659,999	1	-
	77	70

Employee numbers who have earned \$100,000 or more in FY20 has increased as a result of foreign exchange movements, staff returning from maternity leave and new roles created within this bracket.

Note 30

Remuneration of board members

Board members earned the following fees during the year:

\$	2020 \$000s	2019 \$000s
K Prendergast (Chair)	-	35
R Leggat (Deputy Chair)	-	7
John Thorburn	13	20
Jamie Tuuta (Chair)	41	29
Michael O'Donnell	16	20
Christopher Parkin	-	5
Jan Hunt	16	20
K Ngapora	13	15
C Neville	13	15
R Sharp (Deputy Chair)	16	10
	126	176

Change in board members:

Colleen Neville and Kauahi Ngapora were appointed on the 6th September 2018, with Roger Sharp appointed on 1 December 2018 to be Deputy Chair until 30 April 2022. Jan Hunt was reappointed until 30 June 2021 and Jamie Tuuta was appointed to the Board Chair position on 1 May 2019, expiring 30 April 2022. Richard Leggat, Christopher Parkin and Raewyn Idoine's positions all expired on the 5th September 2018. Kerry Prendergast finished as Board Chair on 31st March 2019.

Note 31

Events after the balance date

There were no significant events after balance date.

Note 32

Impact of COVID-19

On 12 March 2020 the World Health Organisation declared COVID-19 a Pandemic. On 25 March, the New Zealand Coronavirus Alert Level was moved to Level 4. This put the country into a nationwide lockdown, restricting the movement of all citizens, temporarily closing many business and the border into the country. Although New Zealand moved to lower Alert Levels, the borders remained closed for New Zealand and globally, this halted international tourism.

During this period, Tourism New Zealand's role was widened to allow for the ability to pivot from marketing to international tourists to instead promote domestic tourism due to the border closures. As a result a new team was set up to lead the change in strategy and during the last quarter of the year planned offshore marketing expenditure was reduced. This was no longer inline with budget which resulted in an underspend of \$10m and put the organisation into a profit position. The \$10m underspend will be carried forward and included in the FY21 budget.

Although Tourism New Zealand continues to spend on domestic tourism the expenditure is much less in comparison to the normal international tourism expenditure.

With the borders closed, this will enable Tourism New Zealand to help establish and coordinate a new business advisory service alongside the Ministry of Business Innovation and Employment and continue to keep the New Zealand brand alive internationally and prepare international market response plans in advance of our borders reopening in the future.

Since Tourism New Zealand launched its domestic marketing campaign as part of the rapid response to COVID-19, it has been identified that the appropriation that is used to fund TNZ is limited in its scope to "the promotion of New Zealand as a visitor destination in key overseas markets," and is limited in its intention to "achieve a contribution towards the increase in the value of international visitors to New Zealand." A process is underway by the Ministry for Business, Innovation and Employment to validate unappropriated spending in FY20 and propose permanent amendments to the appropriation's scope and intention statements to permit marketing towards domestic visitors.

Note 33

Explanations of major variance against budget

There are no major variations to budget other than those explained in the notes above.

Five year financial summary for parent

	Statement of Financial Position					
	2015 Actual \$000s	2016 Actual \$000s	2017 Actual \$000s	2018 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s
Current Assets						
Cash	6,206	4,903	4,770	4,978	11,767	15,805
Receivables	1,935	2,403	2,303	1,604	2,164	1,066
Prepayments and other current assets	1,545	1,402	2,094	1,645	1,729	2,298
Derivative financial instruments	5,716	-	-	2,969	-	1,160
	15,402	8,708	9,167	11,196	15,660	20,329
Non-current Assets						
Property, plant and equipment	1,699	1,477	2,023	1,836	2,019	2,279
Intangible Assets	1,554	1,257	1,014	903	728	561
Accommodation bonds	280	350	408	388	368	601
Investment in subsidiary		60	60	260	260	480
Derivative financial instruments	1,054	-	-	-	-	-
	4,587	3,144	3,505	3,387	3,375	3,921
Total Assets	19,989	11,852	12,672	14,583	19,035	24,250
Current Liabilities						
Creditors and other payables	5,705	4,578	4,468	6,539	9,889	6,570
Employee entitlements	772	796	766	743	803	1,193
Income in advance	502	483	125	533	1,803	-
Provisions	96	116	116	165	196	196
Current Lease Incentive Liability	-	-	52	52	88	89
Derivative financial instruments	-	1,456	1,103	-	1,020	-
	7,075	7,429	6,630	8,032	13,799	8,048
Non-current Liabilities						
Provisions	170	150	150	96	190	394
Long Term Lease Incentive Liability	-	-	249	202	373	284
Derivative financial instruments	-	177	177	-	-	-
	170	327	576	298	563	678
Total Liabilities	7,245	7,756	7,206	8,330	14,362	8,726
Net Assets	12,744	4,096	5,466	6,253	4,673	15,524
Equity						
Shareholder's equity	1,805	1,805	1,805	1,805	1,805	1,805
Retained earnings	6,295	(1,830)	(3,261)	(1,409)	(2,837)	7,913
Foreign Exchange Reserve	4,644	4,121	6,924	5,858	5,707	5,807
Total Equity	12,744	4,096	5,466	6,252	4,673	15,524

	Statement of Comprehensive Income					
	2015 Actual \$000s	2016 Actual \$000s	2017 Actual \$000s	2018 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s
Income						
Revenue from Crown	113,350	115,850	117,350	117,350	111,739	113,803
Interest	48	202	59	60	136	91
Other revenue	6,378	5,416	6,204	5,623	4,271	3,713
	119,776	121,468	123,613	123,033	116,146	117,607
Expenditure						
Other expenses	119,114	120,621	121,644	125,613	112,778	107,993
Depreciation, amortisation and impairment	968	1,092	951	883	958	943
	120,082	121,713	122,595	126,496	113,736	108,936
Unrealised Foreign exchange gains/(losses) on derivative financial instruments held at year end	8,536	(8,403)	355	4,249	(3,989)	2,179
Total comprehensive income / (expense)	8,230	(8,648)	1,372	785	(1,580)	10,849
Transfer from / (to) foreign exchange reserves	(527)	523	(2,803)	1,066	151	(100)
Net operating surplus/(deficit) after foreign exchange transfer	7,703	(8,125)	(1,431)	1,851	(1,428)	10,750

Independent Auditor's Report

To the readers of New Zealand Tourism Board and Group's financial statements and performance information for the year ended 30 June 2020



The Auditor-General is the auditor of New Zealand Tourism Board (the Entity) and group (the Group). The Auditor-General has appointed me, Emma Winsloe, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and the performance information, of the Entity and the Group on his behalf.

Opinion

We have audited:

- the financial statements of the Entity and the Group on pages 52 to 75, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Group on pages 14 to 28.

In our opinion:

- the financial statements of the Group on pages 52 to 75:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information on pages 14 to 28:
 - presents fairly, in all material respects, the Group's performance for the year ended 30 June 2020, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and

- its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 1 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board members and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Impact of COVID-19

Without modifying our opinion, we draw attention to the disclosures about the impact of COVID-19 on the Entity and the Group as set out in Note 32 to the financial statements

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board members for the financial statements and the performance information

The Board members are responsible on behalf of the Group for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board members are responsible for such internal control as it determines is necessary to enable them to prepare financial statements and performance information

that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board members are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board members are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Group, or there is no realistic alternative but to do so.

The Board members' responsibilities arise from the Crown Entities Act 2004 and the New Zealand Tourism Board Act 1991.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Entity's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial

statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board members are responsible for the other information. The other information comprises the information included on pages 1 to 13, 29 to 51, 76 to 77 and 80, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including international Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Entity or the Group.

Emma Winsloe

Emma Winsloe
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand

Other statutory reporting requirements

Ministerial directions

New Zealand Business Number

On 10 May 2016, the Minister of State Services and Minister of Finance issued a direction under section 107 of the Crown Entities Act 2004 to support a whole-of-Government approach to the New Zealand Business Number (NZBN).

The Agency has been classified as a Tier Three Agency. As such, we have to 'give effect' to some of the requirements, and 'have regard' to the others.

The Agency received a formal notice of updated NZBN implementation requirements and has assessed all of its business systems (e.g. procurement, finance system) for NZBN application. The decision was made to incorporate the requirements into any future systems implemented.

Disclosure of extension for Tourism New Zealand's Statement of Performance Expectations and Statement of Intent

Under section 149CA of the Crown Entities Act, the Minister of Tourism granted Tourism New Zealand an extension to the due date of its Statement of Performance Expectations (SPE) for FY21. The Minister also granted TNZ an extension to the due date of our Statement of Intent for FY22-FY25 under section 139B of the Act. In both cases, the extensions were granted due to the impact of COVID-19 on TNZ's planning and operating context.

“Down here in New Zealand we like to welcome our visitors as whānau – or family. And although we can't welcome you down here at the moment, we can't wait to see you all soon.”



Day 366/366

📍 Auckland
Lola



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