


Annual Report

Tourism New Zealand | 2021/2022



 Rotorua
Bay of Plenty



**100% PURE
NEW ZEALAND**



Highlights



Overseas visitor arrivals were

229,000

in the March 2022 year,
up 177,000 from the
March 2021 year

(TSA StatsNZ)



in domestic tourism spend
in FY22. Down on FY21
domestic spend
(11.2B) but up on FY19



referrals to industry via
newzealand.com

34 conference
wins valued at

\$41.6m



16 airlines

flying in and out
of New Zealand

(SABRE)



27,017

travel sellers trained online

\$106m

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



\$156m

generated from international and
domestic marketing media coverage



94%

of New Zealand agree that
New Zealand delivers to expectations
as a holiday destination

(DTVR June 2022)



89%

of New Zealanders
agree that tourism is
good for New Zealand

(DTVR June 2022)



1527

native trees donated via
our Trees That Count
partnership



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2021/2022 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
ended 30 June 2022.**

Jamie Tuuta, Tourism New Zealand Chair

René de Monchy, Tourism New Zealand Chief Executive



Jamie Tuuta,
Tourism New Zealand Chair

René de Monchy,
Tourism New Zealand Chief Executive

“How do you make people fall in love with New Zealand when the borders are closed? Our challenge this past year was to keep New Zealand in consideration as a holiday destination and at the top of the holiday wish list.”

Tourism New Zealand is New Zealand’s tourism marketing agency. Our role is to generate and shape tourism demand, or less formally, help people fall in love with New Zealand.

How do you make people fall in love with New Zealand when the borders are closed? Our challenge this past year was to keep New Zealand in consideration as a holiday destination and at the top of the holiday wish list.

To keep people dreaming about coming to New Zealand, our Messages from New Zealand campaign sent a strong *kia kaha* to the world fighting COVID-19, shared some of our favourite places in New Zealand and expressed our genuine desire to welcome visitors safely back to New Zealand when the time was right.

We continued to encourage our fellow Kiwis to Do Something New, evolving our domestic campaign seasonally, trying Something Autumn and making the most of the chilly weather with Winter, So Hot Right Now. Deals on newzealand.com offered school holiday family packages and by adding new website functionality visitors to newzealand.com could purchase a tourism experience to gift to friends and family for Christmas. The Best Summer Ever campaign exceeded expectations, with more than 500 operators taking part with estimated purchases totalling \$4 million. The campaign has turned into a permanent feature and the ability to gift experiences now runs year-round.

In pre COVID-19 times, Tourism New Zealand hosted international media and travel agents to

experience New Zealand first hand. Without the ability to do that, we used technology to reach our travel sellers with livestreamed activities, city tours and virtual visits to local attractions highlighting the experiences on offer.

Our events moved online too. We utilised technology to connect regional tourism operators with international travel buyers and conduct business virtually until events could be held in person.

Business Events is an important part of what Tourism New Zealand does. Our Conference Assistance Programme supports associations and regional conference bureaux to prepare bids to host international conferences. With long lead times for bidding and hosting a conference, that work continued with the Business Events team securing 34 conferences worth \$41 million and looking past 2022 to conferences as far away as 2027.

Behind the scenes, Tourism New Zealand worked with other government agencies to ensure that New Zealand maintained our air connections in planning for a border reopening and that people looking to visit New Zealand knew about new health and entry requirements before departure.

Tourism New Zealand creates the demand for New Zealand, and Qualmark (owned by Tourism New Zealand) strengthens the experience. Our Qualmark team continued to support businesses with information on product pricing strategies and providing a COVID Clean checklist for operators to highlight that rigorous cleaning and hygiene measures were being followed.

Two of our valued Board members completed their terms in FY22 and we would like to acknowledge the significant contribution made by Roger Sharp, formerly our Deputy Chair and Mike O’Donnell who served on Tourism New Zealand’s Board for seven years.

While it’s been a challenging year, we’ve made good progress. We’ve laid the groundwork for what lies ahead with a better understanding of our audience, to better target our advertising. We’re ready to generate and shape tourism demand in a way that gives back more than it takes to Aotearoa New Zealand and supports the government’s objective of transitioning to a regenerative tourism model.

FY23 will see Tourism New Zealand scale up activity internationally, reactivate partnerships and joint venture activity and work to support travel sellers to make New Zealand the number one destination of choice.

Ngā mihi,

Jamie Tuuta & René de Monchy

Who we are and what we do

Our offices



Tourism New Zealand is New Zealand's national destination marketing organisation. Our objective under the New Zealand Tourism Board Act 1991 is to:

- Ensure New Zealand is marketed as a visitor destination as to maximise long term benefits to New Zealand.

Our function is to:

- 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.

To do this, we work closely with:

The Ministry of Business, Innovation and Employment who provides tourism policy advice to the Minister of Tourism and works with other government departments on key tourism policy issues, commission research and provide tourism statistics.

Regional Tourism Organisations (RTOs), often council or local membership funded organisations who carry out destination marketing and management at a regional level.

And with the **Tourism Industry** who provide tourism products and activities.

Tourism is a dispersed and diverse sector that supports the economy, employment and social amenity in New Zealand communities. Tourism creates the opportunity for New Zealand to share our culture, heritage and experiences with both domestic and international visitors. A successful tourism industry and strong destination brand keeps New Zealand firmly in the minds of consumers, businesses and decision makers all over the world and increases the profile of New Zealand exports.

Tourism New Zealand employs approximately 160 staff across 12 offices in nine countries. To support our portfolio strategy, Tourism New Zealand uses a regional model for its offshore teams with hubs based in:

- Sydney – servicing Australia
- Los Angeles – servicing Americas
- Shanghai – servicing Greater China
- London - servicing UK & Europe
- Singapore – servicing Asia

In addition, Tourism New Zealand has satellite offices in Beijing, Guangzhou, Tokyo, Seoul and Mumbai to manage trade and media relationships.

Tourism New Zealand owns Qualmark New Zealand, which is a quality assurance organisation. We also support the Visitor Information Network, and its i-SITE visitor information centres around New Zealand.

The 2021/2022 year

Assessment of Performance

Measure	FY21	FY22 target	FY22	Status
Grow domestic visitor spend in New Zealand	\$11,2b	Grow year on year	\$10,3b	●
Grow international arrivals in the off-peak season	\$23,222	Grow year on year	N/A	●
Grow international visitor spend in the regions	\$303m	Grow year on year	N/A	●
Grow the value contribution of international tourism to GDP	N/A	Grow year on year	Released as part of the Tourism Satellite Account produced by StatsNZ. Will be published March 2023	●

● Achieved ● Not Achieved

Note on appropriation measures

Tourism New Zealand's appropriation measures were established prior to the COVID-19 pandemic and have been carried over for several years. Regional dispersal and international spend are an important part of the tourism strategy to even out visitor peaks and troughs throughout the year and ensure that all regions benefit from tourism.

New Zealand's borders were closed to international visitors for most of the financial year and are only beginning to re-open to visitors. Regional spread and international spend are still important, but our focus this financial year shifted to evolving our domestic tourism promotion campaign and maintaining

our international brand. Our appropriation measures have been updated to reflect our role in New Zealand's economic recovery.

We have removed the measure 'growing international spend in the off-peak season'. We anticipate airlines will return in the peak season in the first instance to gauge demand. Our efforts will still be focussed on making sure that the kinds of international visitors we market to will stay longer and spend more, no matter when they arrive.

The work Tourism New Zealand does in domestic tourism promotion has helped to grow spend in the off-peak period and Tourism New Zealand's year-round marketing encourages travel across seasons and regions.

This measure can be revisited after the review into Tourism New Zealand's role in domestic tourism has been undertaken and these measures may be re-instated in future years.

"Grow international visitor spend in the regions" has been removed. Traditionally, this measure has been defined as growth in areas outside of New Zealand's gateways - Auckland, Christchurch, Queenstown and Wellington, i.e. areas without international airports. Given the Government investment in supporting areas most impacted by closed borders and the drive to support tourism's overall recovery, wording has been amended to "grow the value of tourism" overall to GDP taking into account Tourism New Zealand's domestic focus.

The 2021/2022 year

Tourism New Zealand Performance Overview

Outcome Measures		Q1	Q2	Q3	Q4	FY22 Result	FY22 Target	Status
Outcome	Measure							
Grow the economic value of International and domestic tourism	Total tourism value – Australia	\$60m	\$40m	\$28m	\$111m	\$239m	\$2.8b	●
	Total tourism value – Domestic	\$2.1b	\$2.6b	\$2.7b	\$2.7b	\$10.3b	\$9.4b	●
Tourism is more sustainable	Growth in Qualmark members	2150	2131	2199	2188	2188	2008	●
	New Zealanders' awareness of Tiaki	N/A	15%	19%	22%	22%	16%	●
Grow brand desire for destination New Zealand	Destination Appeal	56%	54%	54%	55%	55%	59%	●
	Top Box Preference	43%	43%	41%	42%	42%	43%	●
	Intention of taking a holiday in New Zealand in the next 12 months	69%	65%	68%	63%	66%	69%	●
Regions benefit from tourism	Regional Spend increase	0/31	5/31	3/31	12/31	6/31	All regions grow	●
	New Zealanders agree tourism is good for New Zealand	82%	82%	81%	83%	83%	81%	●
High quality tourism experiences	New Zealand delivers to expectation as a domestic holiday destination	48%	46%	48%	45%	47%	53%	●
	Increase In percentage of Qualmark members achieving Gold status	23%	23%	24%	27%	27%	30%	●
	New Zealand offers the opportunity to experience local culture	67%	67%	66%	67%	67%	65%	●
An effective and agile organisation	Development and delivery of Te Ao Māori strategy	1/4	1/4	1/4	2/4	2/4 measures achieved	4/4 measures achieved	●
Impact Measures		Q1	Q2	Q3	Q4	FY22 Result	FY22 Target	Status
Impact	Measure							
Value and reach of digital marketing	Referrals to Industry	522k	483k	503k	1.1m	2.6m	2m	●
	Organic Media Value	\$3.7m	\$3.3m	\$3.7m	\$4m	\$14.8m	\$14m	●
Value and reach of earned marketing	PR (EAV)	\$19m	\$35m	\$56m	\$46m			●
Value and reach of trade marketing	Trade engagement score			6.7	8.5	8.5	Benchmark	●
	Return on investment of trade joint ventures				12:1	12:1	5:1	●
Value and reach of business events	Business Events	\$37m	\$9m	\$22m	\$38m	\$106m	\$90m	●
Our impact in the views of stakeholders	Stakeholder Performance				83%	83%	81%	●

● Achieved ● Not Achieved

Performance summary

Tourism New Zealand's Statement of Performance Expectations (SPE) targets for FY22 were based on borders opening to Australians from April 2021 and that there would be a relatively uninterrupted travel period between Australia and New Zealand, with tourism spend growing to 100% of pre-COVID value levels by June 2022.

With borders opening later than expected to Australians in April 2022, visa waiver countries in May 2022 and New Zealand scheduled to open to rest of the world on 31 July 2022, there was an impact on our annual performance targets.

Grow economic value of international and domestic

Overall Tourism New Zealand sustained domestic spend and although FY22 spend was down 8% on FY21, it was 8% up on 2019 (TECT MBIE, August 2022) reflecting the exceptional amount of domestic travel by New Zealanders in 2021 and 2022.

Once the border opened for New Zealanders to come and go in May 2022, we saw a dip in domestic spend that was likely caused by some Kiwis opting for international travel. In addition, inflation and the cost of living began to have an impact on consumer spending on travel and holidays in the last quarter.

New Zealand's appeal as a destination sat at 55% at the end of the year, just short of our FY22 target of 59%. With reduced international marketing, retaining this level of appeal bodes well for FY23.

Build brand

The number of people who say New Zealand is their number one holiday destination, is what we refer to as Top Box preference. We finished the year with 42.4% of our target audience putting New Zealand at the top of their holiday wish list. This is a two percent increase on FY21 and the highest preference result in the last five years. We have an audience primed and ready to travel to New Zealand.

New Zealander's intention to take a domestic holiday declined, finishing the year down on the previous year. Looking ahead, it will be interesting to see whether that intention translates to a decline in domestic spend. Fatigue with domestic travel and the looming opportunity to travel internationally may also impact future domestic spend.

Growth in Qualmark membership

Qualmark continued to assist the industry through training, business development support, and acting as a conduit to other government support services for small and medium sized businesses.

Qualmark remained fee free and gained 86 new members ending the year with a total of

2188 members. While a good increase, some businesses withdrew from Qualmark because the business went into hibernation or could no longer meet the Qualmark requirements.

Increase in Qualmark members achieving gold status

Although there has been an increase in Qualmark members, the 23% increase in businesses achieving gold status fell short of our 30% target. This is likely due to businesses focussing on maintaining their Qualmark accreditation and deferring investment in improvements to meet Qualmark Gold status.

Tiaki – Care for New Zealand

Visitors come to New Zealand to experience our places and spaces, but what they remember on their return home is the interactions they've had with local people and culture. Our success in tourism is reliant on manaakitanga (hospitality) from New Zealanders and the willingness of local communities to host visitors.

Increased awareness of cultural and safety elements of travel increases social license for tourism in New Zealand's communities and encourages respect and safety while travelling.

Tiaki – Care for New Zealand is a partnership with seven tourism related organisations to promote safety, respect and sustainability to both our international and domestic visitors. Based on the spirit of kaitiakitanga or guardianship, Tiaki encourages visitors and residents alike to look after the land and the people they are visiting.

On the back of a summer marketing campaign and through collaborative work with our Tiaki partners, awareness of Tiaki amongst New Zealanders is at an all-time high of 22% at the end of FY22.

New Zealanders agree tourism is good for New Zealand

Research shows that 83% of New Zealanders think that tourism is good for New Zealand and that 89% of New Zealanders think that tourism is important for the economy.

New Zealand delivers to expectation as a domestic holiday destination

94% of New Zealanders agree that New Zealand delivers to expectation as a domestic holiday destination. This number has remained steady throughout the year.

New Zealand offers the opportunity to experience local culture

This measure is holding at 67% and is above the baseline of 65%.

In FY22 Tourism New Zealand celebrated and supported Matariki by promoting content about this offshore which garnered significant media

coverage. We also ran a regional test campaign to encourage New Zealanders to visit cultural tourism experiences. The results of that test will be used to inform our future domestic campaign work.

An effective and agile organisation

Tourism New Zealand developed a Rautaki Māori, this strategy focusses on building partnerships through engagement with iwi in the regions; building cultural confidence and capability in our employees through language and tikanga training; and ensuring authentic storytelling in our marketing of destination Aotearoa New Zealand.

Of four Rautaki Māori measures, two were achieved. Tourism New Zealand increased the number of annual contracts awarded to Māori businesses and 100% of Tourism New Zealand staff participated in a Tourism New Zealand cultural development programme meeting two of our four measures.

We continue to work towards growing the number of Māori employees.

Digital marketing impact

Newzealand.com and TNZ's digital channels continued to perform well at a time where being online and maximising our audience was key. Improvements across Tourism New Zealand's suite of websites provided newer and more modern back-end technology, improved analytics and insights, all of which has allowed TNZ to better understand our audiences. We also completed the first phase of a site-wide redesign aligned to the brand and an enhanced user experience.

Earned marketing impact

Tourism New Zealand's earned marketing impact ended the year below target at \$156 million. New Zealand borders being closed to international visitors made it harder to achieve earned marketing coverage for New Zealand as a holiday destination and the amount achieved was through good media partnerships and strategic media channel use.

Trade marketing impact

Tourism New Zealand monitors trade engagement and interaction with Tourism New Zealand's platforms and events to see what Tourism New Zealand products travel sellers are engaging with to better understand their training and education needs.

More than 27,000 travel sellers were trained in FY22 to maintain seller knowledge of New Zealand products, and visibility of New Zealand as destination. Continued demand for Tourism New Zealand trade training programmes, reflected the level of interest in New Zealand experiences and New Zealand as a destination.

The 2021/2022 year

Performance summary (continued)

Business Events impact

With long lead times to lock in events, Tourism New Zealand continued to secure conference business for 2023 and beyond and in FY22 supported international bids for conferences worth over \$106 million, exceeding our target of \$90m.

While conferences New Zealand were due to host were cancelled or postponed, the level of interest in New Zealand as a conference destination remained steady.

Stakeholder impact

Tourism New Zealand continued to share visitor insights across government and to industry to inform decision making about the border reopening and what airlines needed from government to commit to routes. In addition, Tourism New Zealand has contributed to government programmes which aim to support tourism recovery and transition to a regenerative tourism model such as the Industry Transformation Plan.

Tourism New Zealand runs an annual survey asking a mix of industry and government

stakeholders about Tourism New Zealand’s performance, engagement and support to industry and other government agencies.

83% of respondents rated Tourism New Zealand’s performance as very good or excellent, and 85% of stakeholders were satisfied with Tourism New Zealand’s level of engagement with them. Nearly all industry stakeholders feel supported by Tourism New Zealand to respond to future challenges in the sector. 89% of industry stakeholders agree that Tourism New Zealand provides valuable research and insights.

Strategic priorities and outcomes framework

GOVERNMENT GOAL	STRATEGIC INTENTIONS FY22-25	FOCUS AREAS FOR FY22	SUCCESS LOOKS LIKE...
<p>Tourism growth is</p> <ul style="list-style-type: none"> Productive Sustainable Inclusive <p>And contributes to the intergenerational wellbeing of New Zealanders and their families</p>	<p>Build our brand Build extraordinary value in New Zealand’s destination brand and reputation</p> <p>Accelerate recovery and transition Accelerate tourism’s recovery and transition to a more sustainable, productive, and inclusive future</p> <p>Maximise contribution Shape demand to maximise the contribution of visitors to the four capitals</p>	<ol style="list-style-type: none"> Boldly grow brand desire to make New Zealand irresistible to visitors that will enrich Aotearoa Drive domestic demand and lay the foundation for long-term value Accelerate the recovery by scaling up high-value conversion across markets and priority audiences as borders re-open Embed te ao Māori into TNZ’s strategy, work and ways of working Support industry to deliver quality visitor experiences that enrich New Zealand for both domestic and international visitors Actively inform and contribute to all-of-Government programmes for tourism recovery and transition 	<p>Brand</p> <ul style="list-style-type: none"> Appeal and preference for Brand New Zealand is higher than it’s ever been The outtake of our storytelling is consistent with that of our values and truth Implementing and leveraging audience mindsets for higher quality targeting <p>Domestic</p> <ul style="list-style-type: none"> Value remains higher than pre-COVID-19 New Zealand delivers to expectations as a holiday destination for New Zealanders More New Zealanders are aware of Tiaki <p>International Recovery</p> <ul style="list-style-type: none"> Recovery of value from Australian market and other markets ready to follow All regions grow in value Increase the percent of direct bookings for industry Aviation partnership planning to re-start key routes with airlines and airports Trade networks are supported, reconnected and inspired to showcase and sell New Zealand <p>Te ao Māori</p> <ul style="list-style-type: none"> Implementation of overarching Māori strategy Strong and enduring partnerships with Māori that enrich New Zealanders Brand and content reflects a deeper cultural value set <p>Support Industry</p> <ul style="list-style-type: none"> Qualmark membership and Gold members grow Industry is heard, part of, informed and engaged with TNZ’s activity <p>Contribute to Government programmes</p> <ul style="list-style-type: none"> TNZ’s reputation is protected and enhanced through our recovery contribution Decision-making about tourism in Government is informed by TNZ’s specialist advice

Statement of Performance: Tourism New Zealand's activity

Tourism New Zealand's activities in FY22 were funded through the Budget 2021/22 Estimates of Appropriation for Vote Business, Science and Innovation.

	FY21 ACTUAL \$000'S	FY22 ACTUAL \$000'S	FY22 BUDGET \$000'S
Tourism: Marketing New Zealand as a Visitor Destination to the domestic market	51,471		
Tourism: Marketing of New Zealand as a Visitor Destination to overseas markets	79,679		
Tourism: Marketing of New Zealand as a Visitor Destination		101,450	111,450
TOTAL	131,150	101,450	111,450

	FY21 ACTUAL \$000'S	FY22 ACTUAL \$000'S	FY22 BUDGET \$000'S
Crown Revenue	133,150	102,214	111,450
Other Revenue	1,478	520	2,020
Total Revenue	134,628	102,734	113,470
Total Expenses	126,929	119,287	128,470

Operating environment

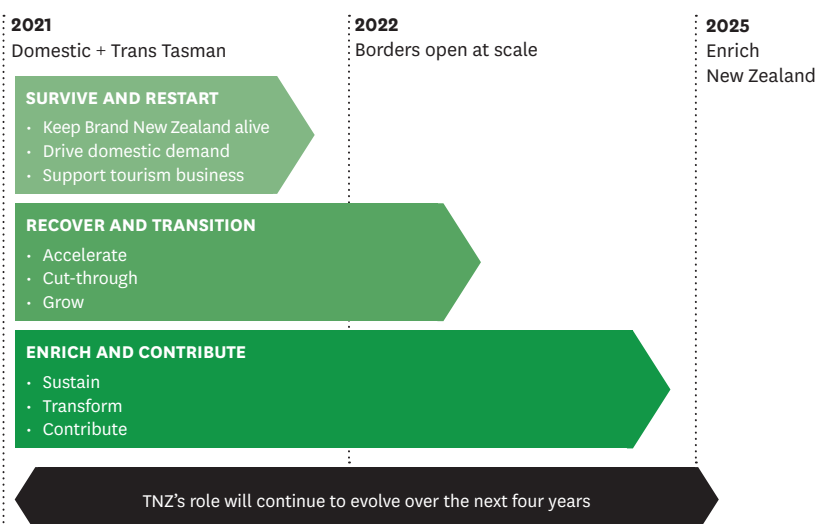
Tourism New Zealand has been agile in a travel environment that has remained uncertain. Given forecast border opening scenarios, our marketing strategy continued to evolve and adapt.

FY22 was a year of recovery and transition. International tourism was beginning across the world and New Zealand was preparing for border reopening. Tourism New Zealand's strategy in FY22 was to operate a reduced presence in key international markets while continuing seasonal domestic campaigns to boost spend throughout the regions and sustaining local tourism businesses.

Looking forward, Tourism New Zealand's strategy and activity will focus on increasing both international and domestic marketing and gathering visitor insights to promote a sustainable tourism system that contributes to New Zealand not only on an economic scale but also improving our communities, our environment, and our culture.

Tourism Post-COVID-19

We will bridge between different phases from now until 2025



The 2021/2022 year

Summary of Performance Framework

Strategic intentions

TNZ's four-year strategy is set out in its 2021 – 2025 Statement of Intent (SOI).

The SOI outlines three new strategic intentions:

1. Build extraordinary value in New Zealand's destination brand and reputation.
2. Accelerate tourism's recovery and transition to a more sustainable, productive and inclusive future.
3. Shape demand to maximise the contribution of international and domestic visitors to the four capitals.

In FY22, TNZ will leverage our activities to build further domestic tourism value and productivity, and in support of an active, deliberate and coordinated approach to the return of international tourism that contributes to the economy, culture, society and environment.

Activity classes

TNZ delivers its work through the following activity groupings:

- **Activity one:** Develop and deliver brand and demand driving campaigns to the tourism consumer.
- **Activity two:** Build desire, appeal and awareness via New Zealand stories through third party earned content and partnerships.
- **Activity three:** Inspire, educate and partner with the trade and tourism sector, along with other sector experts, to spread key tourism and business events messages and campaign information through their channels.
- **Activity four:** Develop, deliver and analyse engaging content and messages, supporting our activity through TNZ-owned channels, including newzealand.com.
- **Activity five:** Engage, inform and work with the tourism sector, government and other agencies in New Zealand to support and strengthen the recovery of the sector.

TNZ's focus areas for FY22

1. Boldly grow brand desire to make New Zealand irresistible to visitors that will enrich Aotearoa.
2. Drive domestic demand and lay the foundation for long-term value.
3. Accelerate the recovery by scaling up high-value conversion across markets and priority audiences as borders re-open.
4. Embed te ao Māori into TNZ's strategy, work, and ways of working.
5. Support industry to deliver quality visitor experiences that enrich New Zealand for both domestic and international visitors.
6. Actively inform and contribute to all-of-Government programmes for tourism recovery and transition.

APPROPRIATION ONE: MARKETING OF NEW ZEALAND AS A VISITOR DESTINATION	FY22 ACTUAL \$000'S	FY22 BUDGET \$000'S
Activity One: Develop and deliver brand and demand driving campaigns to the tourism consumer	59,788	59,106
Activity Two: Build desire, appeal and awareness via New Zealand stories through third party earned content and partnerships	7,906	10,364
Activity Three: Inspire, educate and partner with the trade and tourism sector, along with other sector experts, to spread key tourism and business events messages and campaign information through their channels	10,002	13,986
Activity Four: Develop, deliver and analyse engaging content and messages, supporting our activity through Tourism New Zealand-owned channels including newzealand.com	5,606	6,983
Activity Five: Engage, inform and work with the tourism sector, Government and other agencies in New Zealand to support and strengthen the recovery of the sector	6,118	8,314
New Zealand and Off Shore Support costs	29,868	31,130
Total	119,287	129,883



 Cathedral Cove
The Coromandel

FY22 activities: Measures, Targets and Results

Activity one: Develop and deliver brand and demand driving campaigns to the tourism consumer.

We continued to evolve our creative marketing strategy, using bold and inventive ways to attract visitors to New Zealand. Creating desire for our brand in turn creates demand for New Zealand as a destination that can then be converted into bookings by our market teams and partners.

In the past year the job for Tourism New Zealand has been to drive domestic demand, laying the foundation for the return of international tourism and growing the value of domestic spend and contribution to the economy, culture, environment and people of New Zealand.

In our second year of domestic marketing, we evolved the approach from trying something new, to get New Zealanders thinking differently about what a New Zealand holiday experience could be with the overall goal to encourage higher domestic tourism spend to support productivity and tourism businesses in all regions.

Our *Best Summer Ever* campaign delivered customer leads directly to operators through an online gifting feature. The *Do Something Autumn* and the *Winter, So Hot Right Now* campaigns encouraged short trip travel and family travel in the shoulder and low seasons.

Do Something Autumn resulted in more than 450,000 visits to newzealand.com with the highest number of referrals and the highest level of engagement of any domestic campaign to date. The campaign generated more than 14,000 new email sign ups surpassing our target of 10,000.

The *Winter, So Hot Right Now* campaign encouraged New Zealanders to spend money on travel and experiences in New Zealand, when borders were opening for international travel, inflation was tightening pockets and when winter is a habitual time to hibernate and avoid the cold.

Reframing thinking around what a winter holiday could be, *So Hot Right Now*, asked New Zealanders to embrace the cold and make the most of the winter activities on offer. The campaign was launched in May 2022 and has been Tourism New Zealand's most successful domestic campaign to date. The campaign drove over 450,000 visits to newzealand.com and directed over 185,000 referrals to tourism operators throughout the country.

Domestic marketing campaigns were impacted by lockdowns in Auckland and Waikato from September to December to contain COVID-19. This included the October school holiday period which has traditionally provided a boost to operators and an increase in spend across the regions.

Tourism New Zealand remained focussed on driving as much domestic tourism activity as possible while also adjusting marketing content and media mix quickly to adapt to changing

COVID-19 measures and regional lockdowns.

Internationally, the *Messages From New Zealand* campaign continued to run in all key markets, allowing Tourism New Zealand to maintain brand presence and continue to build desire for New Zealand as a visitor destination. Working to a timeframe of borders reopening to the rest of the world in early 2022, TNZ put plans in place to address pent up demand for travel and scale up value across the sector as travel began to resume.

In reality, at the end of FY22, New Zealand's borders were still closed to visitors from visa waiver countries. International activity was paused or put on hold as travel conditions changed or COVID-19 cases rose in international markets. Rather than rely on a global campaign, it was important during this time to tailor make content to meet specific market needs.

Australia

Restrictions on Australians travelling to New Zealand were lifted in April 2022. The *Within Your Wildest Dreams* campaign launched in March after the border announcement and was followed by *'Stop Dreaming About New Zealand and Go'* to encourage bookings.

'Stop Dreaming', was a two week campaign completed prior to closure of quarantine free travel, encouraging booking. The campaign reached 7.9 million people with 42 million views of campaign content. This campaign saw online engagement with Tourism New Zealand digital channels return to pre-COVID-19 levels. Public relations activity generated \$5.7 million in equivalent advertising value (EAV - what it would have cost to pay for the same coverage), *Stop Dreaming* media coverage earned \$114,000 in EAV, with those stories reaching an audience of more than 215,000.

United States

The *Messages from New Zealand* campaign continued to run in the United States with refreshed video content.

Beginning January 2022 in New York City, the US based team began attending and hosting media networking events with the objective to re-connect with top tier media and kick off dialogue about covering New Zealand in 2022.

Prime Minister Jacinda Ardern led a trade mission to the United States in May, to support New Zealand's economic rebuild through reconnecting, with tourism being one of the key themes of the mission.

China

Pre-COVID-19, China was New Zealand's second largest source of visitor arrivals and remains an important market for New Zealand.

The *Little Wishes* campaign was launched in China in late November to lift New Zealand's brand appeal.

The focus in China in the past year has been maintaining our brand with both Chinese consumers and the Chinese travel trade, while also remaining flexible to any changes in China's travel restrictions.

Asia and Europe

The *Messages From New Zealand* campaign was extended across several markets in Asia and Europe, featuring best performing videos from FY21 and newly edited assets to maintain brand presence and build desire for New Zealand. Singapore resumed paid marketing activity on select social channels in September. Paid social activity also recommenced in the United Kingdom in October with the United Kingdom and Europe team collaborating with the Americas team on a partnership with National Geographic in early 2022.



**TIAKI
CARE FOR NEW ZEALAND**

What is Tiaki?

New Zealand’s people, culture and natural environment are what makes us unique and we all have a shared responsibility to look after our place and people and to help others do the same.

Tiaki means to care for and protect in Te Reo Māori. Tiaki – Care for New Zealand is a guiding principle to encourage all to care for Aotearoa New Zealand.

Through the Tiaki kaupapa, we invite New Zealanders and visitors alike to stand behind the principles of Tiaki and act as proud guardians while they are travelling around New Zealand.

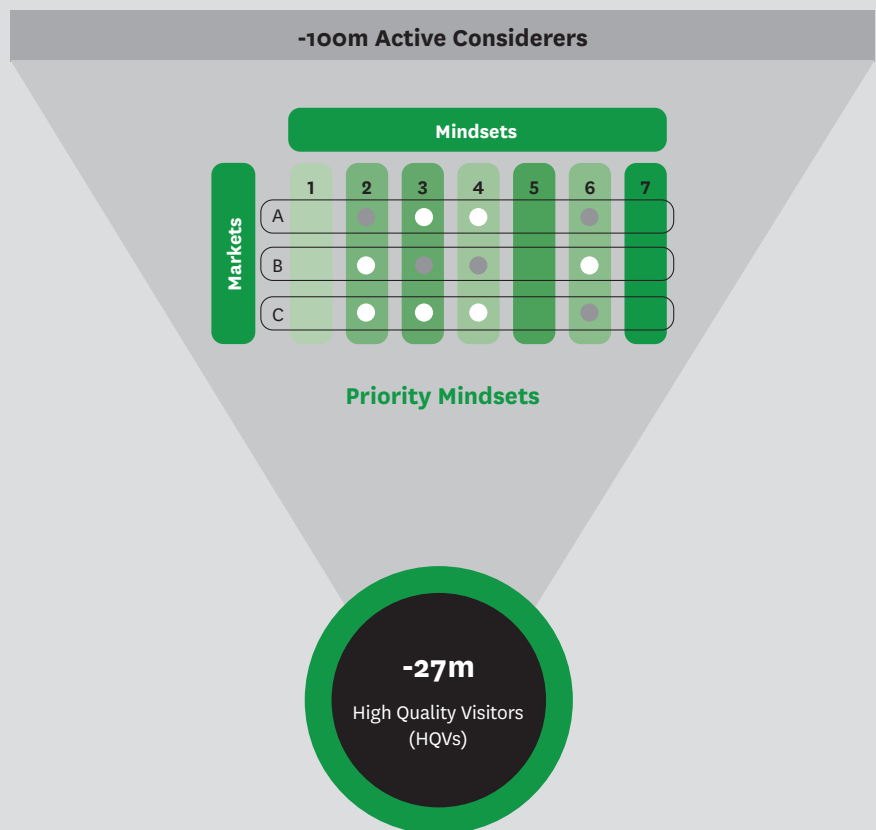
The Tiaki Promise promotes responsible and safe travel behaviour and actively encourages international and domestic visitors to experience New Zealand in a way that keeps everyone safe, protects our environment, respects our culture and protects the country for future generations.



Who does Tourism New Zealand target?

Tourism New Zealand targets Active Considerers in their marketing efforts. Active Considerers are people who are aware of New Zealand, seriously considering a holiday here, and meet a minimum spend criteria. To get the best value from our marketing spend, we have greater impact by focusing on this audience already predisposed to visiting New Zealand.

From our actively considering audience, TNZ’s goal is to prioritise and attract high quality visitors (HQVs) into arrivals who enrich Aotearoa and contribute more deeply across the four capitals of Economy, Culture, Society and Environment.



What is a high quality visitor?

High quality visitors are defined by more than the money they spend – this audience is defined by the way they contribute to our natural environment, culture, society and economy. The high-quality visitor is determined by the type of visitor, their scope of activities, travel across seasons and regions, environmental consciousness and engagement with our local culture and communities. TNZ’s mindsets approach will better find and target high-quality visitors.

We identify our High Quality Visitors through a segmentation approach. Priority segments within this pool were chosen based on their contribution to Aotearoa, their consideration for New Zealand, the way they travel across seasons and regions, their intended spend, their environmental outlook and intention to engage with culture and community.

Our high quality visitor attraction strategy is targeted to those that fall within these priority segments.

**100% PURE
NEW ZEALAND**
newzealand.com



FY22 activities: Measures, Targets and Results

Activity two: Build desire, appeal and awareness via New Zealand stories through third party earned content and partnerships.

Public relations and partnerships are a key part of Tourism New Zealand’s marketing strategy and help drive desire for New Zealand and tell stories of our people and place.

Partnerships with airlines, travel providers and media outlets provided an effective way to lift our destination profile. While special events like Matariki, the 20th anniversary of the Lord of the Rings films and a partnership with the Department of Conservation (DoC) to celebrate the anniversary of the New Zealand Great Walks were other promotion opportunities.

The Great Walks 30th Anniversary gained good media coverage, with over 80 articles generated based on Tourism New Zealand’s content, the equivalent of \$2.3 million of paid advertising, reaching over 884 million people and generating an impressive return on investment of \$17:1.

Partnerships with Stuff, NZME (NZ Herald) Discovery and Television New Zealand strengthened and supported our campaign activity and provided a platform to highlight the best of each New Zealand region.

A partnership with Stuff, produced nine regional destination ‘GoTo’ guides with nearly 200 stories in print and online, reaching an audience of over two million people.



Our partnership with NZME produced 300 travel stories online, 480 pages of print and reached over three million people.

Trade Partnerships with national travel agencies Flight Centre and House of Travel generated more than \$11 million in domestic travel sales over the year.

In FY22 we also continued to work with former All Black captain Richie McCaw as a brand ambassador on a number of activities including the Stuff series, McCaws on Tour and in the promotion of the Qualmark Sustainability Awards.

International

In early 2022, international markets that opened ahead of New Zealand were beginning to return to business as usual.

In the United States we used this time to build and reinforce relationships with media, attending and hosting media networking events with the objective to re-connect with top tier travel outlets and editors.

In conjunction with Prime Minister Jacinda Ardern’s visit to the US, Tourism New Zealand hosted a roundtable discussion with New York’s top travel editors to discuss New Zealand’s re-opening and the importance of tourism. The objective of the event was to build relationships

with these editors, to secure future editorial coverage. The New York Times, Condé Nast Traveler, Travel + Leisure and NBC News were some of the high-profile outlets that attended. Off the back of this event, coverage was secured in The New York Times, Forbes.com and future opportunities discussed with main United States television networks

The Prime Minister’s visit also allowed Tourism New Zealand to secure another guest appearance on The Late Show with Stephen Colbert. The Late Show with Stephen Colbert is the highest rated late night TV show in the US with an average of three million nightly viewers. The 15-minute interview highlighted that New Zealand is now open for American travellers to visit and emphasized Air New Zealand’s new direct New York to Auckland service, providing increased connectivity to East Coast travellers to New Zealand.

The segment generated media coverage worth USD\$750,000, with clips posted on CBS.com and on the show’s YouTube channel, where it received more than 1 million views. Google searches for New Zealand spiked after the segment was aired.

In the United States and the United Kingdom, we also continued our partnership with National Geographic in the first half of 2022, focussing on New Zealand landscapes and culture. Campaign content continued to build awareness of New Zealand experiences and provided a platform for joint ventures with North American airline partners to promote flights to New Zealand.

Collaboration with other New Zealand offshore government agencies offered a good opportunity to promote New Zealand more broadly, in partnership with New Zealand Trade and Enterprise (NZTE), quality New Zealand food and beverage was highlighted in the US through *Made with Care*.

Metatrip

Although China had travel restrictions and lockdowns in place in FY22, there was an opportunity to create something online that could transport people to New Zealand and keep New Zealand as a destination alive in the China market.

In partnership with Condé Nast Traveller in China, New Zealand hosted the world’s first virtual travel editor in a ‘Metatrip’ to New Zealand, a hybrid virtual reality and social media campaign. This campaign inspired Chinese consumers in new and unexpected ways to build an emotional connection with New Zealand.

With this, Tourism New Zealand became the first national tourism organisation in China to

invite Condé Nast Traveller China’s virtual editor “YOYO” and virtual idol “Vila” for an overseas trip. The virtual editor sent e-postcards filled with New Zealand content to celebrities and influencers after their interviews and asked them to share their New Zealand travel stories.

The online campaign was complemented with features in Condé Nast Traveller China magazine reaching an audience of 1.2 million and earning an equivalent media value of \$624, 000. Metatrip was promoted on Tourism New Zealand’s social media accounts in China, Weibo, WeChatVideo and WeChat and Douyin. The campaign received more than 9 million views, with 21 million views online.

Matariki



Matariki is a fundamental part of New Zealand history and culture that is unique to New Zealand. In FY22 it was formally recognised as a public holiday on Friday 24 June.

The Matariki celebration is based around three principles:

- Remembrance – Honouring those we have lost since the last rising of Matariki
- Celebrating the present – Gathering together to give thanks for what we have
- Looking to the future – Looking forward to the promise of a new year

Tourism New Zealand worked with Dr Rangī Mātāmua, Chair of the Governments Matariki Advisory Committee, to shape the work and celebrate the rising of Matariki with international audiences.

Tourism New Zealand partnered with Jerome Kavanagh, a Grammy Award-winning featured solo artist, and internationally renowned Māori Taonga Pūoro (traditional indigenous instruments) musician. Through this partnership, Ngā Taritari o Matariki (the Winds of Matariki) was created. The composition called on New Zealanders to gather, reconnect and reflect with whānau and loved ones and was posted to Tourism New Zealand’s Spotify channel. Winds of Matariki content generated more than 80 articles worldwide, worth more than \$2.3 million with a return on investment of over 17:1



Domestically, Tourism New Zealand’s celebration of Matariki between May and June 2022 generated 12 original articles and provided a positive boost to domestic partnerships with outlets like Sunday Star - Times including this in its lists of great activities and events across Aotearoa New Zealand.

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THE GREAT WALKS 30TH ANNIVERSARY VIDEO

Over 80 articles generated worth the equivalent of \$2.3 million worth of paid advertising reaching over 884 million people and generating an impressive return on investment of \$17:1

STUFF PARTNERSHIP

Reached an audience of over two million people

NZME PARTNERSHIP

Produced 300 travel stories online, 480 pages of print and reached over three million people.

FLIGHT CENTRE AND HOUSE OF TRAVEL TRADE PARTNERSHIPS

Generated more than \$11 million in domestic travel sales over the year.

15-MINUTE INTERVIEW ON THE LATE SHOW WITH STEPHEN COLBERT

Highlighted that New Zealand is now open for American travellers
Three million nightly viewers

FEATURES IN CONDÉ NASTÉ TRAVELLER CHINA MAGAZINE

EAV: \$624,000
1.5 million audience


RICHIE AND GEMMA MCCAW ACTIVITY

EAV: more than \$1.68 million

.....



FY22 activities: Measures, Targets and Results

 Lake Mapourika
West Coast

Activity three: inspire, educate and partner with the trade and tourism sector, along with other sector experts, to spread key tourism and business events messages and campaign information through their channels.

Trade

Tourism New Zealand aims to be the easiest destination for travel sellers to engage with. Our goal with the travel trade in FY22 was to ensure that they felt supported, reconnected and inspired to showcase and sell New Zealand when borders open.

Our online training and virtual 'visits' to New Zealand showcased the products on offer, Tourism New Zealand's regional marketing hubs make it easy to access marketing material that can be customised to their business. User data from our trade sites measures the level of engagement with Tourism New Zealand's promotional and educational modules and interest in modules by country so we can see what is being used and refine our training and educational content for the travel trade to better match demand and meet their needs.

Throughout FY22 the work with international trade was virtual, leading to some innovative and creative ways of showing what New Zealand has to offer and making the most of our online channels.

Travel agents could take a virtual cycle tour in Martinborough and be guided through the vineyards with commentary on wine growing in the Wairarapa. Operators were able to conduct business with overseas buyers and regions could showcase their product offerings, in online virtual trade shows. Themed livestreamed tours brought international travel agents to New Zealand without having to set foot on a plane.

In late 2021, more destinations began opening their borders and with that came a slow transition back to in person events. In May, Tourism New Zealand hosted a regional showcase in Australia to reconnect New Zealand operators with the Australian travel trade. Tourism Minister Hon Stuart Nash travelled with regional tourism organisations to Australia, attended the showcase and met with key Australian tourism operators to discuss New Zealand's reopening strategy.

Our consumer insights research showed a growing use of travel agents and online travel companies to book travel given the complexities of travelling during COVID-19 and differing requirements for entry between countries.

Offshore Trade Team have increased engagement levels with activities to keep New Zealand top of mind with travel sellers. Trade education and incentives grew regional Facebook groups and increasing interest in visits to the regional marketing hubs for customised marketing content.

Business Events

Securing Business Events is a priority for Tourism New Zealand and has the potential to play a significant role in tourism recovery in New Zealand through attracting high value conferences and incentive events.

Business Events enrich New Zealand beyond the economy, delivering broader benefit to New Zealand through shared knowledge, international collaboration and cultural exchange. Hosting an international conference is an opportunity to bring the world's thought leaders to New Zealand while also showcasing New Zealand expertise on a global stage.

Tourism New Zealand works with academics and thought leaders to prepare bids to host conferences in New Zealand.



The objective of our FY22 Bid Champion campaign “We’re Calling for You” was to motivate more academics or associations to bid for conferences in New Zealand and grow awareness of the support and funding that Tourism New Zealand provides.

Marketing business events internationally, Tourism New Zealand took a different approach to selling New Zealand using the platform ‘Far from Generic’.

Far From Generic highlighted the experiences that made New Zealand a unique business events destination, and far from ordinary. New display and branding elements were used in our digital and trade media and our trade show elements were redesigned to embrace the new creative idea.

Tourism New Zealand’s Conference Assistance Programme (CAP) provides funding to organisations, universities and associations that want to bid to host an international conference in New Zealand. CAP support includes a financial feasibility study for the event, production of bid documents, funding to cover the cost of presenting the bid, and marketing resources to increase event attendance.

Planning, bidding for and winning international conferences takes multiple years and the support of many people, from New Zealand academics and business bid champions, through to regional partners, venues and operators.

While borders were closed, CAP continued to support bids for international conferences in 2023 and beyond, including a diverse line up of international experts ranging from volcanologists to pest control specialists, to surgeons. New Zealand secured 34 conference wins in FY22 at a 67% win rate, above the annual target of 60%.

Conference Assistance Programme

CAP	FY22 TARGET	FY22 ACHIEVED
Bids	50	72
Bid Value	\$90m	\$106m
Wins	60%	67%

Total: 34 Wins

Value: \$41.6m

New, larger capacity conference venues are now available, New Zealand’s airline connections have returned positively, and hotel accommodation is being refurbished, creating new and attractive events propositions.

There is still growing competition from other destinations to host events. International convention bureaux, often subsidised by their governments, offer incentives to host events. Tourism New Zealand made additional funding available for conferences that were aligned to Government priority topics, had at least 1,000 delegates, had a 1:1 funding match by third parties (venue/city), and had a minimum return on investment of 30:1.

This has resulted in three bids being approved, with \$172,000 in supporting bids for conferences that could bring an estimated \$20 million in economic value to New Zealand.

FY22 activities: Measures, Targets and Results

Activity four: develop, deliver and analyse engaging content and messages, supporting our activity through Tourism New Zealand-owned channels, including newzealand.com.

Technology enables us to deliver on and grow the economic value of high-quality visitors.

Data and analytics have become a powerful tool in marketing and advertising, and we gain valuable insights into our audience through our site analytics and performance data.

With this information we can also change our advertising depending on the type of person viewing the content, we can target the advertising we buy to publications and opportunities that align with where our customers are, leading to greater impact for our marketing activity and a higher return on our advertising spend.

Our analytics build an overall picture of performance in as real time as we can get it and provides us with valuable insight into how our work is performing, what items people are clicking on and which sites have led them to our content.

New approaches to advertising on Newzealand.com saw more direct bookings to operators. A new site experience was developed for newzealand.com to deliver increased discoverability and findability of tourism products.

With a stronger focus on travel experiences, a desire for open spaces after long periods inside, and a longer booking window for travel, FY22 saw Tourism New Zealand testing new approaches for bookings and experiences with the *Make the Most of Your Summer* campaign.

Make the Most of Summer encouraged New Zealanders to gift travel experiences for Christmas to give their loved ones the best summer ever. The benefit of gifting gave operators revenue upfront, New Zealanders certainly that despite the recent lockdowns, the gifts they were giving could be used at any time and tapped into a move away from buying things to gifting experiences. *Make the Most of Summer* launched on 18 October and ran until 24 December 2021. Our initial target was to have 200 operators sign up for the promotion. In total 575 operators took part and an estimated more than \$4 million was spent on gift vouchers during that two-month period.

Make The Most of Summer generated 169,000 visits to the newzealand.com gift hub, 41,000 referrals from other sites. The strongest results came from google search and social media channels click throughs. 47% of the referrals were to activities, 39% accommodation and 5% to tours. The campaign concept was so successful that the gifting feature is now available year-round.

A new travel trade website went live in January 2022 and is showing a strong improvement in performance in engaging travel agents around the world. The average number of pages viewed per visit has increased from 1.8 to 3.2 and the bounce rate has dropped from 72% to 41%

The key focus of our social media activity in FY22 was to keep the existing followers engaged and excited about visiting New Zealand once travel resumes.

MAKE THE MOST OF SUMMER CAMPAIGN

Target: to have 200 operators sign up for the promotion

Result: 575 operators took part

Value: more than \$4 million spent on gift vouchers during the two-month period

Reach: 169,000 visits to the newzealand.com gift hub. 41,000 referrals from other sites

TRAVEL TRADE WEBSITE

Increase from 1.8 to 3.2 average number of pages viewed

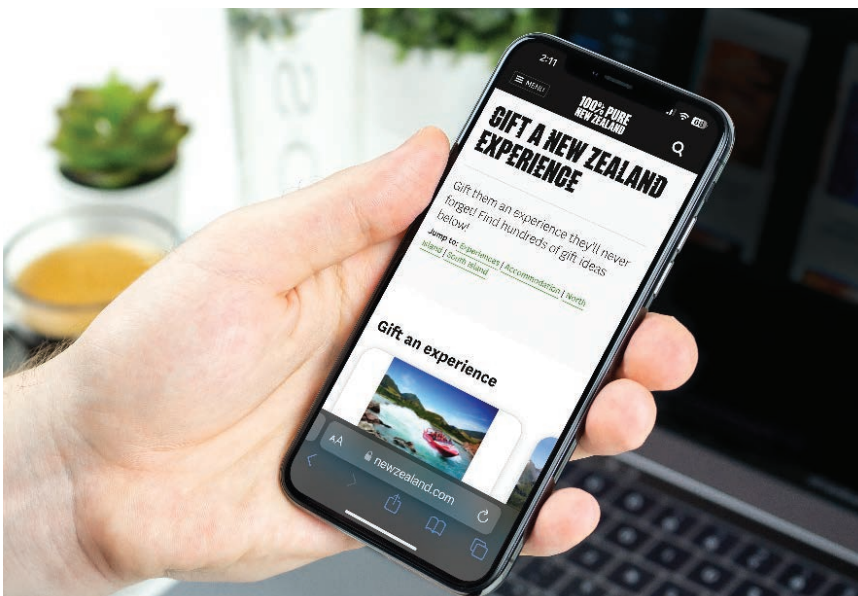
Bounce rate dropped from 72% to 41%

SOCIAL MEDIA

Overall engagement rate of 7%

Social media audience grew by 2% across all channels

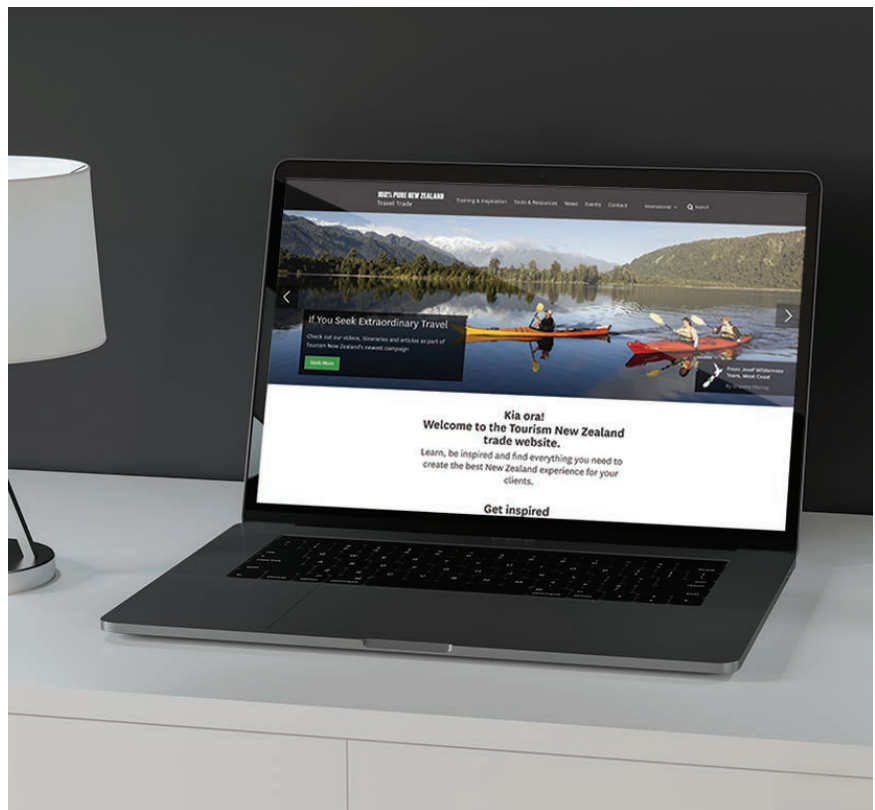
70,000 new followers



To measure the interest on social media, we calculate engagements based on the ratio of comments, likes and shares to the number of times the content is viewed which gives us an engagement rate. Engagement rates vary between social platforms. Good engagement can look like 1% engagement rate on Twitter or up to 6% engagement on LinkedIn in FY22, Tourism New Zealand maintained an overall engagement rate of 7%.

However, the year-on-year decrease in the impressions and engagements metrics can be directly attributed to the lower post frequency due to reduced international marketing activity and an increase in paid advertising content.

Tourism New Zealand’s social media audience grew by 2% across all channels, adding 70,000 new followers.



FY22 Social Scoreboard

	897 TOTAL POSTS (-46%)	4.47 MILLION TOTAL AUDIENCE (+2%)	93,888,856 TOTAL IMPRESSIONS (-50%)	7,006,881 TOTAL ENGAGEMENTS (-29%)	7% OVERALL ENGAGEMENT RATE (-0.12%)
NETWORK	POSTS	AUDIENCE	IMPRESSIONS	ENGAGEMENTS	AVG. ENGAGEMENT RATE
	201	3.1 million	49,550,409* (-58%)	3,941,846* (-25%)	7.96% (+2.2%)
	211	1.1 million	34,020,226* (-37%)	2,718,457* (-29%)	7.99% (+0.89%)
	209	203k	6,168,221 (-55%)	262,446* (-61%)	4.25% (-0.65%)
	258	42.8k	n/a	20,732	n/a
	n/a	8.3k	4,150,000	63,400	1.53%
	18	16.2k	n/a	n/a	n/a

* Organic
+ Paid data

FY22 activities: Measures, Targets and Results

Activity five: engage, inform and work with the tourism sector, Government and other agencies in New Zealand to support and strengthen the recovery of the sector.

Sharing market and consumer insights with the sector and Government

Tourism New Zealand plays an important role as a conduit between visitors, the industry and Government. We share 'the voice of the visitor' with the sector, providing advice and insights from our research, from international data sources and from staff in our key markets. We proactively share these insights with the industry to inform and grow tourism businesses and to government to support and inform decision making.

Air connections are vital to both New Zealand tourism to bring visitors to New Zealand, and to transport our exports to international markets. In FY22 airlines needed clear signals about New Zealand's border reopening to plan routes, lock in schedules and begin bringing planes out of storage and recommissioning crew. Working across government agencies, and with Auckland International and Christchurch International Airports, Tourism New Zealand worked to quantify the capacity issue to key decision makers.

Tourism New Zealand also partnered with other government agencies to provide tourism insights to key decisions on entry processes and MIQ requirements.

While the border was closed Tourism New Zealand monitored our key markets to understand the impact of COVID-19 on international travel. Our research sought to understand future travel intentions, willingness to travel, how soon potential visitors might want to travel after borders reopened and what barriers there might be to booking a holiday. These insights informed Tourism New Zealand's marketing and messaging in those key markets and was shared with relevant government agencies and the tourism sector to support the sector to recover and transition to a regenerative tourism mode.

We also monitored travel trends and spend within New Zealand and understand more about New Zealanders travel preferences that we used to inform our domestic marketing strategy and shared the insights with industry to guide them in servicing the domestic market.

Collaborating across Government

Between April and June, Tourism New Zealand supported visits by the Minister of Tourism to Australia, and the Prime Minister's trade missions to Japan and Singapore, the United States, Australia and Europe. Tourism New Zealand took the opportunity to leverage these visits to gain media coverage that promoted

New Zealand as a visitor destination and supported the missions' overall key message that New Zealand was open for business and looks forward to welcoming visitors back.

Industry engagement

We partner and engage with industry to help support the sector to deliver an experience that exceeds visitor expectations. This includes engaging and meeting with industry regularly including via our engagement hui events.

Qualmark

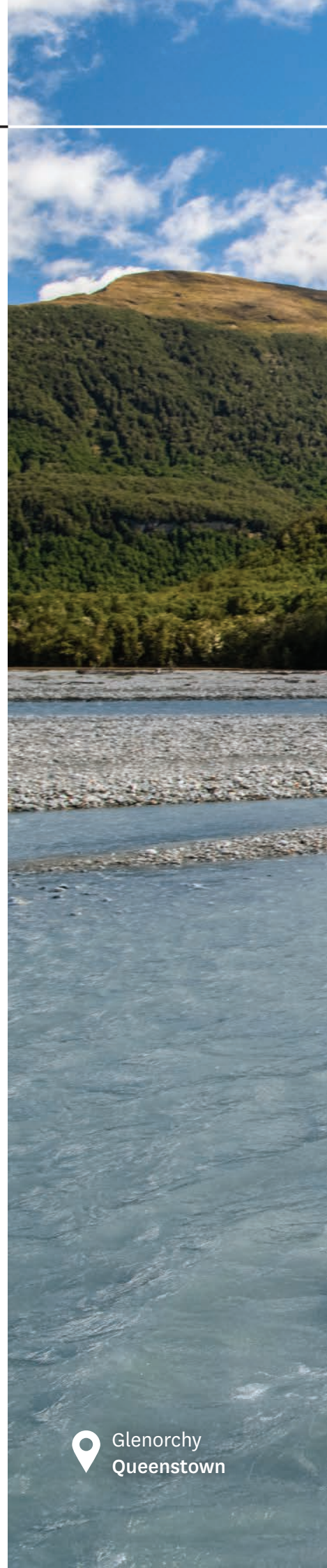
Tourism New Zealand shapes the demand for tourism, Qualmark (a subsidiary of Tourism New Zealand) shapes tourism experiences. As the industry prepared to welcome back international visitors it was vital that New Zealand tourism attractions and accommodation met quality standards and visitor expectations to protect New Zealand's reputation as a quality destination.

Qualmark remained fee free in FY22 and continued to build its membership and to assist businesses through recovery with practical support and advice. Membership overall has remained stable over the year, some businesses have closed or withdrawn from the programme, but it has continued to attract new members that see the benefits of a nationwide quality assurance rating and the advice and support Qualmark provides to operators.

A COVID Clean Approved self-assessment tool was launched in July, 2021. Developed by Qualmark for its licence holders, the assessment offers information and checklists compiled by Qualmark and based on the Government's COVID-19 guidelines, to help tourism businesses adhere to health and cleaning protocols. 1466 operators completed the COVID Clean Approved online self-assessment demonstrating to visitors and staff their awareness of COVID-19 government guidelines.

Qualmark continued to support operators running a series of workshops on sustainable pricing and packaging. Qualmark also worked with RTOs from smaller regions on product development.

The Air New Zealand online booking platform moved to display only Qualmark accredited operators from November 2021 which was a significant boost and additional benefit for members.









From top left to right

Jamie Tuuta

Roger Sharp

Colleen Neville

Jan Hunt

John Thorburn

Kauahi Ngapora

Mike O'Donnell



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 New Zealand 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 1980s. He became an aviation banker in the 1990s, 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, Roger 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 appointed to the Board on 1 December 2018 and stepped down 31 May 2022.

Colleen Neville

Colleen (Ngati Maniapoto, Waikato-Tainui) is the CEO of Te Arawa Group Holdings Limited, the commercial arm of Te Pūmāutanga o Te Arawa Trust. She is an experienced 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. Colleen was appointed to the Board in September 2018.

Jan Hunt

Jan is currently the Chair at Skyline Enterprises and has been on the Board of Skyline Enterprises since 2008. Previous roles have included Board member of the Queenstown Chamber of Commerce, Chair of Destination Queenstown and Director of biosecurity. Jan was General Manager at Millbrook Resort, Sky City Hotel, Sky Tower & Convention Centre, and Millennium Queenstown. Jan was appointed to the Board of Tourism New Zealand 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 Board in August 2012.

Kauahi Ngapora

Kauahi is Head of Operations (Chief Operations Officer) of Whale Watch Kaikōura Ltd and has 30 years of experience in the tourism and Māori tourism sector. He is currently a Director of Whale Watch Australia Pty Ltd, a member of the Kaikōura Marine Guardians and the International Visitor Conservation and Tourism Levy Advisory Group. He is a former Chair of Destination Kaikōura, Director of Tourism Industry Aotearoa and member of the Tourism Infrastructure Fund. In 2018 he was awarded the University of Auckland's Aotearoa Māori Business Leaders Award. Kauahi 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 Chair of the NZ Cabinet Cyber Security Advisory Committee and of Garage Project Brewery and is Deputy Chair of NZ Trade and Enterprise. He is also Director of Kiwi Wealth, Serato Music, www.realestate.co.nz, Pay Sauce and Radio New Zealand. A 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 Board in October 2013 and stepped down on 30 April 2022.

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 Performance Expectations.

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.

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.

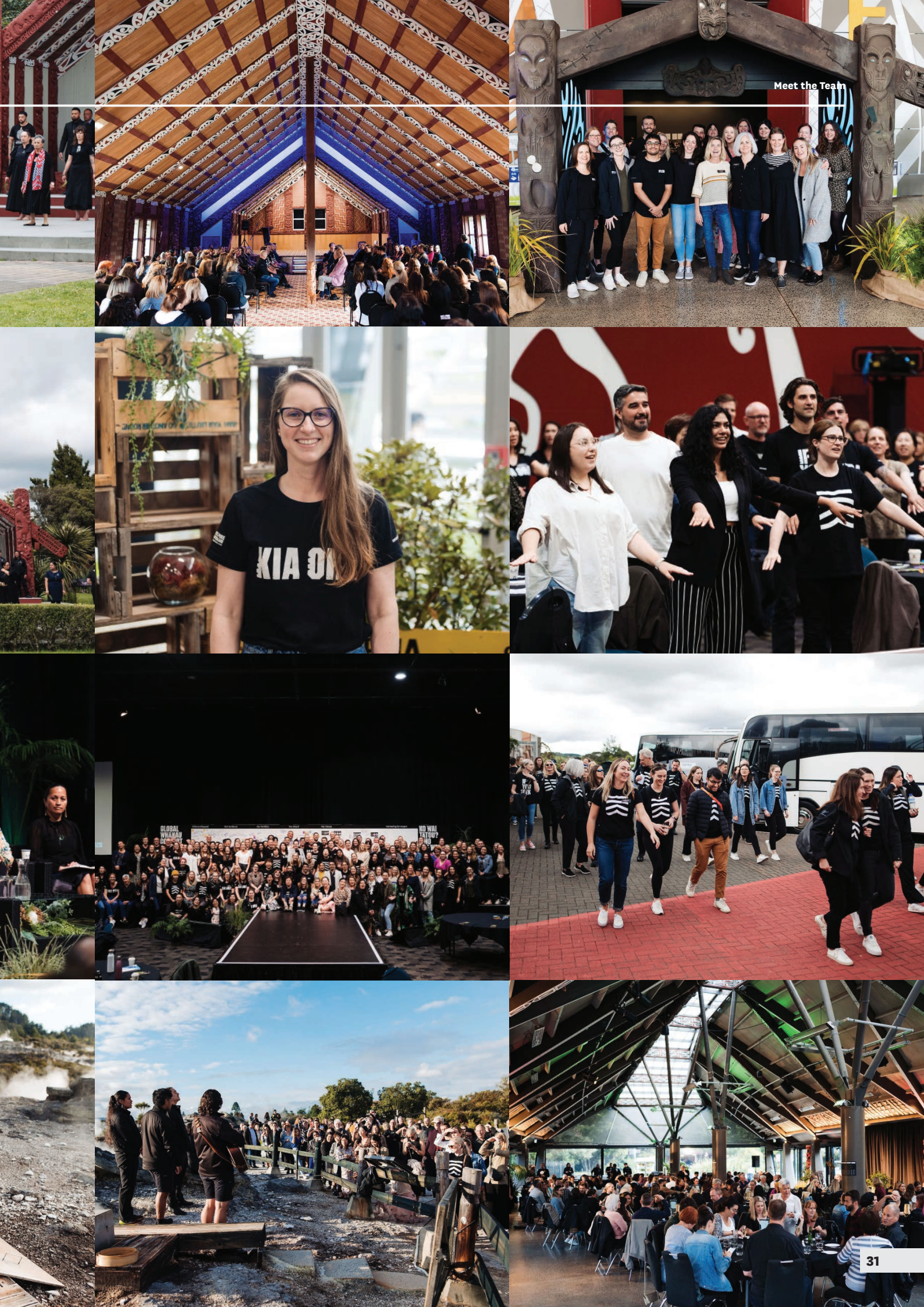
Board committees

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

Qualmark New Zealand is a Tourism New Zealand subsidiary company, focussing on product quality assurance. The Chief Executive of Tourism New Zealand and the General Manager New Zealand and Business Events are Directors for Qualmark New Zealand.





Meet the Team

KIA ORA

From top left to right

René de Monchy

Brendan Downey-Parish

Natalie Haines

Brodie McLeish

Bjoern Spreitzer

Gregg Wafelbakker



Meet the Team

Our Executive Team

René de Monchy, Chief Executive

René de Monchy joined Tourism New Zealand in August 2015 bringing 20 years global experience in consumer-led businesses, including local and international marketing roles for Fonterra and Heineken and Asia Pacific Breweries in Singapore.

René was appointed Chief Executive of Tourism New Zealand in April 2021.

Prior to this, he was Tourism New Zealand's Director Commercial. In this role, René led the teams across the international markets and Business Events and was responsible for identifying key markets and audiences to travel to New Zealand. René also led the development of Tourism New Zealand's aviation strategy to guide partnerships with international airlines.

René is passionate about the tourism sector and active in tourism industry engagement, undertaking regular speaking engagements and panel discussions.

Brendan Downey-Parish, General Manager, Insights, Performance and Technology

Brendan joined Tourism New Zealand in January 2016 and in 2022 was appointed General Manager Insights, Performance and Technology. In that role he is responsible for insights, digital analytics, performance analytics, business planning, platform development and delivery.

He has significant marketing and innovation expertise across the beverage, food, and consumer goods sectors in New Zealand and internationally, including seven years with Fonterra in the Middle East.

Natalie Haines, General Manager, People and Corporate Affairs

Natalie joined Tourism New Zealand in 2018 as General Manager People and Culture and in 2022 was appointed to the role of General Manager, People and Corporate Affairs. She is responsible for leading our people, government relations and corporate communications functions. Natalie has a strong background in organisational change, as well as capability and culture development. Previously, she has worked in senior human resources roles in the public and private sector.

Brodie McLeish, General Manager, Marketing

With over 15 years' experience in brand storytelling and marketing communications, Brodie's responsibilities include global brand strategy, marketing content, trade, social and digital experience, marketing planning and global partnerships.

Brodie comes from a background in the brand, creative and advertising sector. She worked as the Tourism New Zealand Brand and Content Manager, and prior to that at multiple advertising agencies both here and in London. She's worked with global brands such as Heineken, Toyota, Air New Zealand, Coca-Cola, Westpac and Nestle.

Bjoern Spreitzer, General Manager, New Zealand and Business Events

Bjoern brings a strong background in commercial partnerships and the tourism sector. His career in destination marketing includes various positions at Tourism New Zealand including General Manager Domestic, Global Manager Planning and Partnerships, and General Manager Americas & Western Europe. Originally from Germany, he has worked across multiple international markets including the UK, Europe, and the Americas.

In his current role as General Manager New Zealand and Business Events, he's responsible for domestic marketing activity, Business Events, Qualmark and industry partnerships.

Gregg Wafelbakker, Interim General Manager, International

In FY22 Gregg Wafelbakker was appointed acting General Manager International after René de Monchy was appointed Chief Executive. In this role Gregg led Tourism New Zealand's offshore in-market teams to coordinate the delivery of Tourism New Zealand's international marketing strategy through both consumer and trade activities. This involved overseeing the development and implementation of targeted campaigns and leveraging global and local stakeholder relationships to maximise Tourism New Zealand's impact internationally.

Gregg joined Tourism New Zealand in 2017 as General Manager Asia. He brings 20 years of international experience in Business to Business (B2B), Business to Consumer (B2C) marketing from the food and beverage sectors in New Zealand, USA, Singapore, Thailand, Germany and China.

Prior to joining Tourism New Zealand, Gregg was General Manager China for Westland Milk Products.

Dana Hussey, Interim Chief Financial Officer



Our values guide us

MĀIĀ
Courage

MANĀAKI
Care

HONONGĀ
Connection

Meet the Team

Our Whānau

We are a diverse global marketing organisation committed to winning the hearts and minds of visitors to choose New Zealand as their next holiday destination – and when they visit, influence their travels in a way that enriches New Zealand. We employ staff across 12 global offices in 9 countries to bring our activity to life.

Our people have an unwavering passion for New Zealand and our organisation values of māia (courage), manaaki (care) and hononga (connection) guide how we deliver our work.



Whetū Award

H1 FY22

The finance team

The Finance Team demonstrated our values as they helped the business transition across to our new finance system.

H2 FY22

Laoise Collins, Public Relations Manager and Grace Phethean, Media Relations Officer

Laoise and Grace demonstrated our values in their approach to achieving outstanding media coverage in the United Kingdom market.



OUR WORKFORCE PROFILE

GENDER

The following graph shows our workforce gender diversity was 77% female and 23% male as at 30 June 2022 which is similar to previous years.



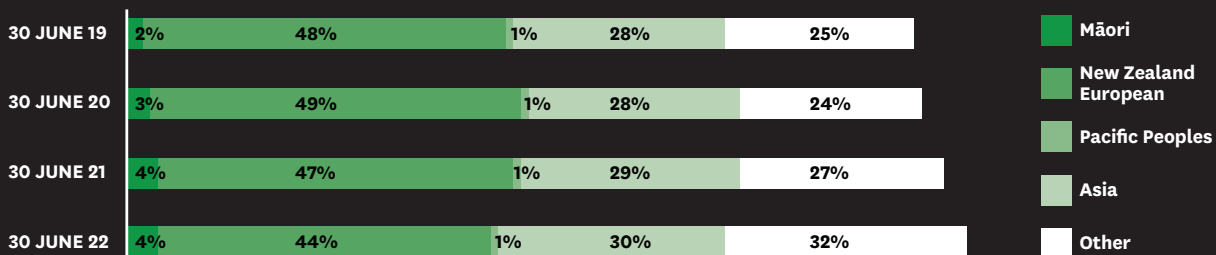
GENDER REPRESENTATION BY LEADERSHIP LEVELS

As at 30 June 2022 Tourism New Zealand had a three vacancies on its Board and three in its Executive team which has impacted the gender balance across both groups. The gender diversity of people leaders largely reflects the gender diversity of the organisation.



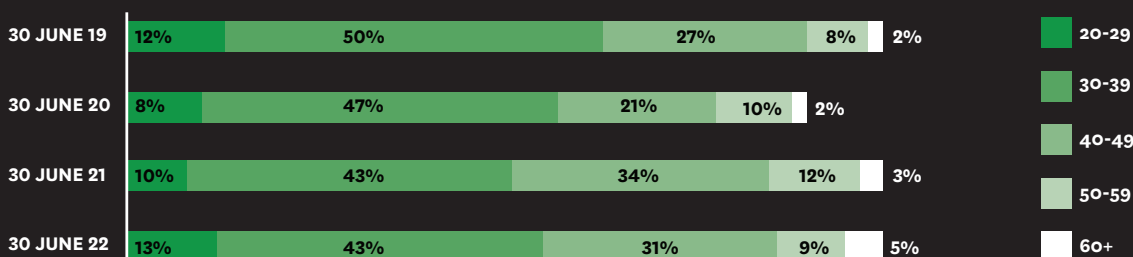
ETHNICITY

The following table shows our workforce ethnicity based on our employees self-reporting their ethnicity and the trend over previous years. Employees can choose to self-identify with more than one ethnicity group.



AGE

The following graph shows our workforce age profile as at 30 June and the trend over the previous years



DISABILITY

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

Our People

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 and below is information on how Tourism New Zealand complies with these obligations.

Leadership, accountability, and culture

Tourism New Zealand's values of māia (courage), manaaki (care), and hononga (connection) are well embedded in our organisation. Living these values has been reinforced through our leadership development, performance, recognition, and onboarding activities.

In FY22 we carried out our Kōrero Mai (have your say) engagement survey with employees in May to understand employee engagement. Employee engagement was 66% in May 2022.

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. 85% of employees agree or strongly agree they are proud to work at Tourism New Zealand and 80% would recommend Tourism New Zealand as a great place to work.

Recruitment, selection and induction

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 equal employment opportunities principles.

All new employees participate in an induction programme called Whānau Welcome. This programme supports employees to connect to our purpose and values, understand our strategy and how the organisation works, as well

as foster networks across the organisation. The induction includes development in health and safety and building a deeper understanding of Māori culture.

Onboarding surveys are completed after the first month of employment to gain insights from employees. This allows us to respond quickly to any gaps in our onboarding process. Onboarding engagement for the 12 months to 30 June 2022 was 97%.

Employee development, promotion, and exit

Leadership development continued this year with a focus on how we work collaboratively.

Employees have access to online learning and are supported with development to further build skills to effectively carry out their roles that is connected to their development plan.

We have continued to build capability to embrace our cultural heritage and share it with the world and supporting Te Wiki o te Reo (Māori Language Week) and Matariki.

The focus on employee development resulted in 70% agreeing they had access to the learning and development they needed to do their job well.

We value internal mobility within the organisation and continue to see a high number of roles being filled internally, with 28% 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. Exit engagement for the 12 months to 30 June 2022 was 77%.

Flexibility and work design

Tourism New Zealand embraces flexible working arrangements. 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. 79% of employees agree that they were genuinely supported to make use of flexible working arrangements. Whilst flexible working is not everyone's preference, it does mean a lot to many of our global whānau.

Remuneration, recognition, and conditions

Tourism New Zealand works to ensure reward practices are fair and equitable, value contribution and capability, consider internal and external relativities, and 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.

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 training that includes development of skills, knowledge, and confidence to respond should they experience or witness unprofessional behaviour.

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. 89% of employees agree/strongly agree that their manager supports their wellbeing.

Tourism New Zealand continued to provide driver training, helping to ensure that all staff who drive for work are skilled to do so safely. Workplace assessments and the provision of special equipment continues to be provided to ensure that employees can contribute safely and effectively.

Our People

Diversity and inclusion

Tourism New Zealand promotes diversity and inclusion through its offshore and New Zealand offices. We recognise the value of a diverse workforce and the importance of working inclusively to deliver outcomes.

Gender Pay Gap Action Plan

Tourism New Zealand has a Gender Pay Gap Action Plan which is focused on:

- People practices: that are free from the effects of conscious and unconscious bias.
- Flexible working: providing flexible working options to all genders that don't undermine development of pay.
- Diverse and inclusive culture: ensuring gender representation is balanced across the organisation.

Through implementing a Gender Pay Gap Action Plan, Tourism New Zealand has been able to reduce its gender pay gap from 32% in 2018 to 16% in 2022 for New Zealand based roles and work continues to reduce this further. The majority of Tourism New Zealand's employees are female and the pay gap is primarily due to having very few males in lower grade roles. Given Tourism New Zealand is a global workforce a more robust way to measure pay gap across the organisation is by looking at the difference in average earnings between females and males in the same job band. By analysing pay by job band we can group together roles that require a similar level of capability and have a similar level of responsibility, this enables more statistically robust comparisons. When we look at gender pay in this way, Tourism New Zealand achieved pay equity in FY22. Tourism New Zealand's progress on pay equity is captured in the

table below.

Difference in average position in range between male and female as at:

30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22
+1% for male	+3% for male	+1% for male	0% - pay equity achieved

Tourism New Zealand has too few employees to robustly calculate ethnicity pay gaps.

Papa Pounamu

Tourism New Zealand is committed to supporting Papa Pounamu, the Public Service-wide diversity and inclusion work program and the five focus areas of this program:

In FY22 Tourism New Zealand's work in those focus areas included:

Cultural Competence

Tourism New Zealand has a plan to develop Māori culture capability and confidence. This supports the Mahi Tahī that Tourism New Zealand signed with Te Taura Whiri i Te Reo Māori (The Māori Language Commission) in 2019. In FY22, 100% of employees complete cultural capability development (excluding those that started in the last quarter of the year). Development aimed to build cultural awareness including growing capability in Te Reo Māori and understanding Te Tiriti o Waitangi.

Addressing Bias

Work has been done to remove gender bias from our people practices with a strong focus on recruitment and remuneration practices this year.

Inclusive leadership

Tourism New Zealand's leadership development program in FY22 focused on working together (mahī tahī) and included building capability for leaders on how we inclusively collaborative. In our engagement survey 76% of employees agree/strongly agree that Tourism New Zealand values diversity.

Building Relationships


Tourism New Zealand's values provide the basis for building strong working relationships at Tourism New Zealand. We've refreshed the characteristics of our values in FY22 to highlight our approach to working collectively, enhancing mana and founding relationships on shared purpose. The organisation connects regularly through our fortnightly all employee calls and having regular 1:1 with their manager. In our engagement survey 74% of employees were favourable about living our values.

Employee-led Networks

Two Safety and Wellbeing Committees are forums for employees to contribute to safety and wellbeing across the time-zones in the countries where Tourism New Zealand operates. In addition, there is a New Zealand Safety and Wellbeing Working Group for roles that have a strong focus on safety. Tourism New Zealand has established a Wellbeing Network, which is a group of employees who support and advocate for wellbeing in the organisation and provide guidance on where the organisation should focus wellbeing efforts. In our engagement survey 77% of employees were favourable towards alignment and involvement.





 Wānaka
Lake Wānaka

Appendix One

Glossary

The list below sets out the definitions of TNZ’s SPE measures.

Grow the economic value of international and domestic tourism

- **Total tourism value – Australia.** This will be measured through the International Visitor Survey (IVS). The 69 percent target is an annualised figure, based on starting from zero, and an expected border opening date of April 2021. It is based on a relatively uninterrupted travel period, growing to 100 percent of pre-COVID-19 value levels by June 2022.
- **Total tourism value – domestic.** The value of domestic tourism is currently measured by MBIE’s Tourism Electronic Card Transactions (TECTs), an interim replacement to the Monthly Regional Tourism Estimates (MRTE).

Tourism is more sustainable

- **Growth in Qualmark members.** Qualmark members are tourism businesses engaged in quality and sustainability standards through its accreditations and capability programmes.
- **New Zealanders’ awareness of Tiaki.** In February 2020, 16 percent of New Zealanders were aware of Tiaki – Care for New Zealand (measured by Tourism New Zealand’s Domestic Travel View Report).

Grow brand desire for destination New Zealand

- **Destination appeal.** Tourism New Zealand targets marketing activity to consumers actively considering New Zealand for a holiday. Appeal and preference are measured by the six-monthly Active Considerer Monitor (ACM) survey in key global markets. To grow brand desire, the challenge is to grow appeal from its current base and grow Top Box Preference to increase New Zealand’s position relative to key competitors. Appeal is the percentage of the online population who find New Zealand as a destination highly appealing.

- **Top Box Preference.** Top Box Preference is the proportion of global Active Considerer consumers who rate New Zealand as their first-choice destination.
- **Intention of taking a domestic holiday in the next 12 months.** This is measured through Tourism New Zealand’s Domestic Travel View Report.

Regions benefit from tourism

- **Regional spend increases.** Ensuring all regions benefit from tourism is critical to TNZ’s mission. In the sector’s recovery phase, where key issues like air connectivity need to be addressed and gateway regions are facing large spend gaps from the lack of international visitation, TNZ will focus on ensuring all regions grow, rather than focusing wholly on dispersing visitors outside gateways. The Ministry of Business, Innovation and Employment’s Tourism Electronic Transactions (TECTs) data.
- **New Zealanders agree tourism is good for New Zealand.** This is measured through Tourism New Zealand’s New Zealanders Views of Tourism survey. Survey respondents rate their agreement with the statement “tourism is good for New Zealand”.

High quality tourism experiences

- **New Zealand delivers to expectation as a holiday destination.** This is measured through Domestic Travel View research. The survey asks: ‘overall, how well does New Zealand deliver to your expectations as a holiday destination?’ The measure will be those who rate this as excellent (8-10), as this aligns to delivering great visitor experiences. We will focus on this domestic measurement until the MBIE IVS can recommence.
- **Increase in percentage of Qualmark members achieving gold status.** This is measured through Qualmark individual assessments of tourism businesses.
- **New Zealand offers opportunity to experience local culture.** This is measured through Tourism New Zealand’s Active Considerer Monitor.

An effective and agile organisation

- **Development and delivery of te ao Māori strategy.** Specific objectives within this strategy are under development and will be detailed in quarterly reporting.

Value and reach of digital marketing

- **Referrals to industry via newzealand.com and third parties.** This comprises global unpaid referrals to businesses; paid New Zealand referrals; and paid Australian referrals. Referrals via newzealand.com measure the number of people who, after visiting newzealand.com as a result of organic search or paid marketing activity, are then referred to an operator or partner website where travel or experiences can be purchased. Third party referrals (TPRs) measure the number of people who are referred to an operator or partners’ website directly from paid marketing activity.
- **Organic media value.** This is the value of unpaid visits to newzealand.com, if TNZ had to pay for these visits via advertising. This is measured through the Ahrefs third-party tool.

Value and reach of earned marketing

- **Equivalent advertising value (EAV) from media and content.** EAV is an estimate of the value of media coverage that results from public relations activity. EAV is based on the equivalent cost to purchase results and is not always available for all activity, so reported results will underestimate the actual value.

Value and reach of trade marketing

- **Trade engagement** – a new measure of Business to Business engagement with partners. This will be measured through Tourism New Zealand’s Trade Customer Relationship Management (CRM) database.
- **ROI of trade joint ventures (JV).** With international trade activity restarting in FY22, TNZ is reverting to its prior measures of joint venture ROI. ROI is calculated by the ratio: $[\text{passengers booked}] \times [\text{average visitor spend for market}] \div [\text{campaign spend}]$.

This ratio shows that, for every dollar spent, JV campaigns generated ‘x’ amount of value.

Note: ROI relates to JV marketing campaign spend only and is not intended to represent a ROI for overall TNZ activity. The ROI measure was last present in the FY20 SPE and is being added back in FY22 with borders opening.

Value and reach of business events

- **Value of bids supported via the Tourism New Zealand Conference Assistance Programme (CAP).**

The estimated value of Business Events bids supported through CAP.

Stakeholder impact

- **Tourism New Zealand's overall performance, as rated by key stakeholders.** The data source used for this measure is Tourism New Zealand's annual stakeholder survey. Respondents rate their agreement with the question: 'In fulfilling its role as New Zealand's National Tourism Organisation, how do you rate TNZ's overall performance?' The measure counts respondents who rate 'very good' or 'excellent' as a percent of total responses.

Continuity of data sources for TNZ performance measurement

Two data sources are traditionally used to measure visitor spend. The MBIE MRTE survey of domestic and international visitor spend by region; and the Statistics IVS of total international visitor expenditure.

The MRTE series was disrupted by COVID-19, as the methodology for weighting the measured electronic card transaction spend up to the whole of industry spend became unusable. The TECTs have been established by MBIE as an interim replacement for the MRTEs. The TECTs aim to present the measured electronic card transactions (ECT) attributable to tourism, but without any attempt to represent the total spend. This method is the best way to provide spend data to the industry while travel is severely affected by COVID-19 border restrictions. There are limitations to this approach, as it represents card spending only and cannot be compared to past MRTE results.

The IVS has been unable to be run at international airports since the border closures near the end of March 2020. As well as spend, TNZ has used the IVS for other key measures over time including visitor satisfaction. Until the IVS is re-established and builds a new reliable baseline of information, TNZ's measures will be in a transitional phase and we will continue to find other ways to test our performance.



Hooker Valley Track
Aoraki Mount Cook National Park

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 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 2022.

The Members of the New Zealand Tourism Board and Group authorised these financial statements for issue on 15 December 2022.

Signed on behalf of the Board:



Jamie Tuuta
Chair, Tourism New Zealand
15 December 2022



Colleen Neville
Chair of the Audit and Risk Committee
15 December 2022



Financial statements

Statement of comprehensive revenue and expense

for the year ended 30 June 2022

	Notes	2022 Actual \$000s	2022 Budget \$000s	2021 Actual \$000s
Revenue from non-exchange transactions				
*Revenue from Crown	2	102,214	111,450	133,150
Other revenue	3	22	-	-
Revenue from exchange transactions				
Interest income		58	20	19
Other revenue	3	433	2,000	594
Total revenue		102,727	113,470	133,763
Expenditure				
Other expenses	4	122,158	127,449	119,041
Depreciation and amortisation	10,11	741	1,021	1,072
Total expenditure		122,899	128,470	120,113
Net Operating Surplus/(Deficit) before Fair Value Gain or Loss on Derivatives and Taxation		(20,172)	(15,000)	13,650
Fair value gain (losses) on derivative financial instruments	9	(764)	-	(349)
Income tax expense	19	-	-	20
Net surplus/(deficit) for the year		(20,936)	(15,000)	13,321
Total comprehensive revenue and (expense) for the year		(20,936)	(15,000)	13,321
Transfer from / (to) foreign exchange reserves	16	(17)	-	(113)
Net operating surplus/(deficit) after foreign exchange transfer		(20,953)	(15,000)	13,208
Net surplus/(deficit) for the year is attributable to:				
Non-controlling interest	5	98	-	74
Owners of the parent		(21,034)	-	13,207
		(20,936)	-	13,281
Total comprehensive revenue and (expense) for the year is attributable to:				
Non-controlling interest	5	98	-	74
Owners of the parent		(21,034)	-	13,207
Surplus/(Deficit) before Foreign Exchange movements		(20,936)	-	13,281

The notes and accounting policies on pages 48 to 65 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 2022

	Notes	Shareholders Equity \$000s	Foreign Exchange Reserve \$000s	Accumulated Comprehensive Revenue and Expense \$000s	Non- Controlling Interest \$000s	Total \$000s
Balance at 1 July 2021		1,805	5,920	20,277	345	28,349
Total comprehensive revenue and expense for the year		-	-	(21,016)	98	(20,918)
Transfer from / (to) retained earnings to foreign exchange reserve	16	-	17	(17)	-	-
Net total after foreign exchange transfer		-	17	(21,033)	98	(20,918)
Balance at 30 June 2022		1,805	5,937	(756)	443	7,429

Statement of changes in equity

for the year ended 30 June 2021

	Notes	Shareholders Equity \$000s	Foreign Exchange Reserve \$000s	Accumulated Comprehensive Revenue and Expense \$000s	Non- Controlling Interest \$000s	Total \$000s
Balance at 1 July 2020		1,805	5,807	7,184	271	15,066
Total comprehensive revenue and expense for the year		-	-	13,207	74	13,281
Transfer from / (to) retained earnings to foreign exchange reserve	16	-	114	(114)	-	-
Net total after foreign exchange transfer		-	114	13,094	74	13,281
Balance at 30 June 2021		1,805	5,920	20,277	345	28,349

The notes and accounting policies on pages 48 to 65 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 2021

	Notes	2022 Actual \$000s	2022 Budget \$000s	2021 Actual \$000s
Current Assets				
Cash and cash equivalents	7	24,369	5,255	35,073
Receivables from non-exchange transactions	8	-	160	-
Receivables from exchange transactions	8	2,095	1,198	445
Prepayments and other current assets		1,142	2,000	1,502
Derivative financial instruments	9	47	1,160	811
		27,653	9,773	37,831
Non-current Assets				
Property, plant and equipment	10	1,411	1,750	1,776
Intangible assets	11	255	893	370
Accommodation bonds	12	569	570	536
Investment in subsidiary	5	-	8,260	-
		2,235	11,473	2,682
Total Assets		29,888	21,246	40,513
Current Liabilities				
Creditors and other payables	13	19,976	6,770	9,176
Employee entitlements	14	1,364	820	1,243
Invoiced in advance		236	700	772
Provisions	15	196	190	196
Current Lease Incentive Liability		-	-	89
		21,772	8,480	11,476
Non-current Liabilities				
Provisions	15	494	190	494
Long Term Lease Incentive Liability		194	-	194
		688	190	688
Total Liabilities		22,460	8,670	12,164
Net Assets		7,429	12,576	28,349
Equity				
Equity attributable to equity holders of the parent				
Shareholder's Equity		1,805	10,105	1,805
Accumulated Comprehensive Revenue and Expense		(756)	(1,650)	20,277
Foreign Exchange Reserve	16	5,937	4,121	5,920
Parent interests		6,986	12,576	28,002
Non-controlling interests	5	443	-	345
Total Equity		7,429	12,576	28,349

The notes and accounting policies on pages 48 to 65 form part of and are to be read in conjunction with these financial statements.

Statement of cash flows

for the year ended 30 June 2021

	Notes	2022 Actual \$000s	2022 Budget \$000s	2021 Actual \$000s
Cash flows from operating activities				
Crown revenue		102,214	111,450	133,150
Interest received		58	20	19
Other revenue from non-exchange transactions		22	32	-
Other revenue from exchange transactions		(1,020)	20	1,076
Payments to suppliers and employees		(109,444)	(111,222)	(116,090)
Goods and services tax (net)		(1,747)	-	725
Net cash inflow/(outflow) from operating activities	17	(9,917)	300	18,880
Cash flows from investing activities				
Sale of property, plant and equipment		1	-	-
Purchase of property, plant and equipment		(180)	(300)	(151)
Purchase of intangible assets		(102)	(1,000)	(102)
Payments for accommodation bonds		(26)	-	(11)
Repayment of accommodation bonds		2	-	41
Net cash inflow/(outflow) from investing activities		(305)	(1,300)	(223)
Net decrease in cash held		(10,222)	(1,000)	18,657
Effect of exchange rates on foreign currency balances		(484)	-	83
Opening cash brought forward		35,073	6,255	16,333
Cash at end of year	7	24,368	5,255	35,073

The notes and accounting policies on pages 48 to 65 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 2022

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 of Tourism New Zealand Board and Subsidiaries (the Group) are for the year ended 30 June 2022, and were approved by the Board on the fifteenth of December 2022

(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 2022. 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 amendment to the following standards to incorporate requirements and guidance for the not-for-profit sector. This amendment applies 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 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 cost model is applied requiring the assets to be carried at cost less any accumulated

amortisation. Any expenditure that is capitalised is amortised over the period of the expected benefit from the related project. \

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

Some contracts or agreements to provide services have conditions that require the funds to be returned if the condition is not fulfilled (a return obligation). To the extent that there is a condition attached in the contract, that would give rise to a liability to repay the funding and a deferred revenue is recognised instead of revenue. Revenue is then recognised only once the conditions have been satisfied.

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

	2022 \$000s	2021 \$000s
Baseline Funding	106,523	127,207
During the year, additional funding was provided by the Crown for the following:		
Additional Crown Funding	878	13,800
Total revenue received from the Crown	107,401	141,007
Less GST	5,187	7,857
Net revenue received from the Crown	102,214	133,150

Note 3

Other revenue

	2022 \$000s	2021 \$000s
Sales and Partnership revenue from exchange transactions	433	594
Sales and other revenue from non-exchange transactions	22	-
Total Other revenue	455	594

Note 4

Other expenses include:

	2022	2021
Personnel expenses		
Number of permanent and fixed term staff	168	169
	2022 \$000s	2021 \$000s
Salaries and wages	20,191	20,072
Employer superannuation contributions	787	753
Increase/(decrease) in employee entitlements (note 15)	121	33
Other personnel expenses	1,649	1,387
	22,749	22,246
	2022 \$000s	2021 \$000s
Personnel costs for New Zealand and offshore staff were:		
New Zealand Personnel Expenses - Tourism New Zealand	13,143	12,600
New Zealand Personnel Expenses - Subsidiaries	1,217	768
Offshore Personnel Expenses	8,826	8,877
	23,186	22,245
	2022 \$000s	2021 \$000s
Compensation or other benefits paid to ceased staff	439	37
	2022	2021
Number of ceased staff	11	1
	2022 \$000s	2021 \$000s
Auditor's remuneration		
Amounts received or due and receivable by Ernst & Young for:		
The audit of the financial statements	99	89
	99	89
Amounts received or due and receivable by auditors other than Ernst & Young New Zealand for:		
The audit of the financial statements of subsidiary entities	12	10
Offshore assurance services	14	43
	125	142
	2022 \$000s	2021 \$000s
Other expenses		
Loss on disposal of property, plant and equipment	4	2
Lease expense	2,565	2,656
Remuneration of board members (See also note 29)	162	163

Note 5

Subsidiary companies

	Interest Held	
	2022	2021
Qualmark New Zealand Limited	100%	100%
Visitor Information Network Incorporated (trading as i-SITE New Zealand)	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 New Zealand)

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 6

Joint Venture company

	2022	2021
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 (2021: Nil). Therefore the share of Joint Venture's revenue and (deficit)/surplus for the year is Nil (2021: Nil).

At year end, The New Zealand Way Limited's Net Assets were Nil (2021: Nil). Therefore the carrying amount in the Joint Venture at year end is Nil (2021: Nil).

Note 7

Cash and cash equivalents

Cash holdings:	2022 \$000s	2021 \$000s
Cash at bank and in hand	14,967	28,898
Call accounts - foreign currencies	6,598	3,376
Call accounts - New Zealand dollar	2,805	2,801
	24,369	35,073

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.

	2022 \$000s	2021 \$000s
Cash Holdings by Currency:		
New Zealand Dollar	16,623	30,854
United States Dollar	2,273	186
British Pound	538	59
Australian Dollar	605	1,039
European Euro	219	208
Japanese Yen	2,502	2,554
Singapore Dollar	1,376	87
Canadian Dollar	24	10
Indian Rupee	37	23
Other Asian Currencies	173	53
	24,369	35,073
Cash Holdings by Bank:		
HSBC Bank	21,016	31,704
ANZ Bank	3,122	3,131
Tokyo Mitsubishi	231	238
	24,369	35,073

The fair value of cash and cash equivalents for the Group is \$24,369,000 (2021: \$35,073,000).

Tourism New Zealand holds a stand by Letter of Credit with HSBC bank for an amount of \$500,000 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 8

Receivables

Receivables from exchange transactions	2022 \$000s	2021 \$000s
Receivables	2,095	445
	2,095	445

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 2022 and 2021, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	2022	
	Gross \$000s	Impairment \$000s
Not past due	1,926	-
Past due 1 - 30 days	104	-
Past due 31 - 60 days	11	-
Past due 61 - 90 days	2	-
Past due > 91 days	53	-
	2,095	-

Receivables from exchange transactions for the Group include GST/VAT refunds comprising 88% (2021: 45%) of total receivables as follows:

	2022 \$000s	2021 \$000s
GST Refund due from New Zealand Inland Revenue Department	472	(427)
GST Refund due from Australian Taxation Office	858	436
Consumption Tax Refund from Japan Tax Office	168	93
VAT Refund due from UK Revenue & Customs	346	98
	1,845	199

Note 9

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 77 (2021: 60) 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.

Foreign currency forward exchange contracts:	2022 \$000s	2021 \$000s
Foreign exchange contracts at 30 June - Sell Value	50,076	51,011
Fair value Derivatives in Gain / (Loss)	47	811
Foreign exchange contracts at 30 June - Buy Value	50,123	51,822
Foreign exchange contracts by currency (In NZD):		
United States Dollar	25,314	24,238
British Pound	3,347	4,131
Australian Dollar	17,016	15,705
European Euro	1,676	16
Japanese Yen	-	2,876
Singapore Dollar	2,770	4,856
	50,123	51,822

Note 10

Property, plant and equipment

	2022 \$000s	2021 \$000s
All property, plant and equipment		
At cost	6,212	6,764
Accumulated depreciation	(4,801)	(4,988)
Net carrying amount	1,411	1,776
Property, plant and equipment for each class:		
Furniture and fittings		
At cost	1,097	1,267
Accumulated depreciation	(969)	(1,137)
Net carrying amount of furniture and fittings	128	129
Leasehold improvements		
At cost	3,132	3,527
Accumulated depreciation	(2,158)	(2,236)
Net carrying amount of leasehold improvements	974	1,292
Office equipment		
At cost	534	563
Accumulated depreciation	(451)	(483)
Net carrying amount of office equipment	83	80
Motor vehicles		
At cost	-	61
Accumulated depreciation	-	(61)
Net carrying amount of motor vehicles	-	-
Computer equipment		
At cost	1,449	1,346
Accumulated depreciation	(1,222)	(1,071)
Net carrying amount of computer equipment	227	275
Total property, plant and equipment	1,411	1,776
All property, plant and equipment reconciliation		
At 1 July, net of accumulated depreciation	1,776	2,279
Additions	279	335
Disposals and write back of depreciation	(20)	(192)
Depreciation charge for the year	(623)	(645)
At 30 June, net of accumulated depreciation	1,411	1,776
Depreciation by asset class:		
Furniture and fittings	29	29
Leasehold improvements	340	361
Office equipment	30	37
Computer equipment	224	217
Total Depreciation	623	645

Note 11

Intangible assets

	2022 \$000s	2021 \$000s
Intangible assets (Software)		
At cost	2,743	2,727
Accumulated amortisation	(2,488)	(2,357)
Net carrying amount	255	370
Intangible assets reconciliation		
At 1 July, net of accumulated amortisation	368	652
Additions	102	143
Amortisation charge for the year	(118)	(427)
At 30 June, net of accumulated amortisation	352	370

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 12

Accommodation bonds

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

	2022 \$000s	2021 \$000s
Japan	185	202
North America	46	41
Asia	338	293
	569	536

Note 13

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. Accrued Expenses includes payables and accruals for activities that have already taken place for which we have not yet received invoices from suppliers.

	2022 \$000s	2021 \$000s
Creditors	8,125	10
Accrued expenses	11,852	9,166
	19,976	9,176

Note 14

Employee entitlements

	2022 \$000s	2021 \$000s
Annual Leave	1,364	1,243
	1,364	1,243

Note 15

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.

	2022 \$000s	2021 \$000s
Provisions are represented by:		
Lease make-good	690	690
Total Provisions	690	690
Current provision	196	196
Non-current provision	494	494
	690	690
Movements in provisions are as follows:		
Balance at 1 July	690	590
Additional provisions made	-	100
Balance at 30 June	690	690

Note 16

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 the Accumulated Comprehensive Revenue and Expense reserve, and the unrealised gains or losses on mark to market revaluation of derivatives and are held in the Foreign Exchange Reserve. The Foreign Exchange Reserve is capped at 10 percent of Tourism New Zealand's total Crown funding and any funds in the reserve at 30 June above the cap is to be returned to the Crown account in October of that calendar year.

	2022 \$000s	2021 \$000s
Movements in reserve is as follows:		
Balance at 1 July	5,920	5,807
Transfer to Retained Earnings from Foreign Exchange Reserve	17	114
Balance at 30 June	5,937	5,920

Note 17

Reconciliation of surplus to net cash from operating activities

	2022 \$000s	2021 \$000s
Net surplus/(deficit)	(20,935)	13,281
Add/(less) non-cash items		
Depreciation and amortisation	740	1,072
Make good provision	-	100
Net (gains)/losses on derivative financial instruments	764	349
Net foreign exchange (gains)/losses	484	(83)
Total non-cash items	1,988	1,438
Add/(less) items classified as investing or financing activities		
Net Loss/(Gain) on disposal of assets	2	2
Movement in foreign currency accommodation bonds	(33)	35
Lease Incentive Liability	(89)	(90)
Total items classified as investing or financing activities	(120)	(53)
Add/(less) movements in working capital items		
Debtors and other receivables	(1,820)	635
Prepayments	360	800
Payables and accruals	11,028	2,229
Invoiced in advance	(535)	521
Employee entitlements	121	33
Net movements in working capital items	9,154	4,218
Net cash from operating activities	(9,917)	18,880

Note 18

Contingencies

Tourism New Zealand has no contingent assets or liabilities as at 30 June 2022.

In 2021/2022, Tourism New Zealand has provided a written undertaking to the Board of Qualmark New Zealand to provide ongoing financial support sufficient to enable Qualmark to meet its obligations when they were due.

Note 19

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 \$0 (2021: \$828,798).

Note 20

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 21

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 22

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 16 for more information.

Note 23

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:

	2022 \$000s	2021 \$000s
Financial assets at amortised cost:		
Cash and cash equivalents	24,369	35,074
Receivables	250	246
Total cash and receivables	24,619	35,320
Financial assets at fair value through Surplus or Deficit:		
Derivative financial instrument assets / (liabilities)	47	811
Other financial liabilities:		
Creditors	19,976	9,176

Note 24

Capital commitments

There is no capital expenditure contracted for at balance date but not provided for in the financial statements. (2021:Nil)

Note 25

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.

	2022 \$000s	2021 \$000s
Operating commitments payable after balance date on:		
Non-cancellable accommodation leases:		
Up to One Year	2,517	2,253
One to Two Years	1,654	1,798
Two to Five Years	1,824	2,537
Over Five Years	151	514
	6,146	7,102
Non-cancellable motor vehicle and equipment Leases		
Up to One Year	5	4
One to Two Years	5	2
Two to Five Years	13	7
Over Five Years	-	-
	23	13
Non-cancellable contracts for goods and services		
Up to One Year	3,430	1,059
One to Two Years	115	116
Two to Five Years	39	92
Over Five Years	-	-
	3,584	1,267
Total operating commitments	9,753	8,382

Note 26

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 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 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. 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	
	2022 \$000s	2021 \$000s
Income has been received by Tourism New Zealand from:		
J Thorburn (Director): Entrada Travel Group - Income received by TNZ for tourism related services.	3	-
R De Monchy (Director): Tourism Industry Aotearoa - Income received by TNZ for tourism related services	10	0
Payments have been made by Tourism New Zealand to:		
M O'Donnell (Director): Stuff.co.nz - Provision of tourism related services to TNZ	402	39
R Sharp (Director): Stuff.co.nz - Provision of tourism related services to TNZ	402	334
R De Monchy (Director): Tourism Industry Aotearoa, New Zealand China Council - Provision of tourism related services to TNZ	413	63

Key management personnel compensation

Key management personnel includes all board members, the Chief Executive and 7 (2021:7) members of the Executive Team.

For the 7 Board members (see note 29) it is not feasible to estimate the number of individuals on a FTE basis receiving remuneration.

	Balance outstanding year ended 30 June	
	2022 \$000s	2021 \$000s
Remuneration of the Board of Directors:		
Salaries and other short-term benefits	162	163
Remuneration of the Chief Executive and Executive Team:		
Salaries and other short-term benefits, FTE: 8 (2021: 8)	2,814	2,420
Total key management personnel compensation	2,976	2,583

Note 27

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 7 for cash balances exposed to interest rate risk.

Interest rate risk sensitivity analysis - As at 30 June 2022, 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)	
	2022 \$000s	2021 \$000s
+ 0.5% (50 basis points)	15	15
- 0.5% (50 basis points)	(15)	(15)

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 9) 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 16.

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 at the same time. Refer to the Cash and cash equivalents (note 7) 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 2022, 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)	
	2022 \$000s	2021 \$000s
NZD to various currencies +5%	1,110	2,462
NZD to various currencies -5%	1,795	2,644

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 7), net receivables (note 8) and derivative financial instruments (note 9). 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 2022. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

	< 6months \$000s	6-12 months \$000s
Year end 30 June 2022 Financial liabilities		
Creditors	(8,125)	-
Derivative financial instrument liabilities - gross settled		
Inflows	29,550	19,933
Outflows	(29,497)	(19,940)
	53	(7)
Net outflow	(8,072)	(7)
Year end 30 June 2021 Financial liabilities		
Creditors	(10)	-
Derivative financial instrument liabilities - gross settled		
Inflows	22,984	28,740
Outflows	(22,622)	(28,292)
	362	448
Net outflow	352	448

Fair value

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

- a) Level 1 - the fair value is calculated using quoted prices in active markets:
- b) 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
- c) 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 28

Remuneration of employees

During 2021/2022 74 (2021: 77) employees received remuneration and benefits which exceeded \$100,000 per annum as follows:

\$	2022	2021
100,000 - 109,999	11	9
110,000 - 119,999	7	4
120,000 - 129,999	7	9
130,000 - 139,999	8	6
140,000 - 149,999	10	6
150,000 - 159,999	3	12
160,000 - 169,999	2	5
170,000 - 179,999	6	1
180,000 - 189,999	3	5
190,000 - 199,999	4	4
200,000 - 209,999	-	2
210,000 - 219,999	3	1
220,000 - 229,999	1	2
230,000 - 239,999	1	3
240,000 - 249,999	2	1
250,000 - 259,999	-	1
260,000 - 269,999	1	-
270,000 - 279,999	-	1
280,000 - 289,999	-	-
290,000 - 299,999	1	2
300,000 - 309,999	-	-
310,000 - 319,999	-	-
320,000 - 329,999	-	-
330,000 - 339,999	-	-
340,000 - 349,999	-	-
390,000 - 399,999	2	1
410,000 - 419,999	-	-
430,000 - 439,999	-	1
550,000 - 559,999	1	1
570,000 - 579,999	-	-
580,000 - 589,999	1	-
	74	77

Employee numbers who have earned \$100,000 or more in FY22 has decreased as a result of foreign exchange movements and staff leaving the organisation.

Note 29

Remuneration of board members

Board members earned the following fees during the year:

\$	2022 \$'000s	2021 \$'000s
John Thorburn	20	19
Jamie Tuuta (Chair)	42	45
Michael O'Donnell	17	19
Jan Hunt	20	19
K Ngapora	20	19
C Neville	20	19
R Sharp (Deputy Chair)	23	23
	162	163

Note 30

Events after the balance date

There were no significant events after balance date.

Note 31

Impact of COVID-19

During FY20, Tourism New Zealand's mandate was amended with the approval of the government to allow for the ability to pivot from marketing to international tourists in addition to promote domestic tourism due to the border closures.

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

TNZ continued to focus on the promotion of domestic tourism whilst the borders remained closed. With the borders fully reopening in FY23, TNZ focus will return to marketing of international tourism.

Note 32

Explanations of major variance against budget

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

Independent Auditor's Report

To the readers of New Zealand Tourism Board's group financial statements and performance information for the year ended 30 June 2022



The Auditor-General is the auditor of New Zealand Tourism Board 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 Group on his behalf.

Opinion

We have audited:

- the financial statements of the Group on pages 44 to 65, that comprise the statement of financial position as at 30 June 2022, 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 9 to 24.

In our opinion:

- the financial statements of the Group on pages 44 to 65:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; 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 9 to 24:
 - presents fairly, in all material respects, the Group's performance for the year ended 30 June 2022, 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 15 December 2022. 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 and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

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 for the financial statements and the performance information

The Board is 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 is responsible for such internal control as it determines is necessary to enable it 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 is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board is 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's responsibilities arise from the Crown Entities Act 2004.

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 Group'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.
- 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 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 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 is responsible for the other information. The other information comprises the information included on pages 1 to 8, 25 to 43, 68 to 69, 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* issued by the New Zealand Auditing and Assurance Standards Board.

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

Emma Winsloe

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



 Bannockburn
Central Otago



**100% PURE
NEW ZEALAND**