



Annual Report

Tourism New Zealand | 2020/2021

Mauao Mount Maunganui, Bay of Plenty



**100% PURE
NEW ZEALAND**

Highlights

NEW ZEALANDERS DO SOMETHING NEW



72%

of New Zealanders are aware of *Do Something New, New Zealand*, Tourism New Zealand's domestic campaign



INTERNATIONAL BRAND APPEAL UNDER PRESSURE

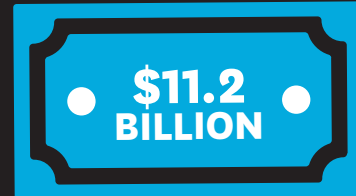
55%

of international consumers find New Zealand appealing

63%

of Tourism New Zealand's target audience considers New Zealand a top destination

DOMESTIC SPEND



an increase of \$1.7 billion from 2019

63%

of Kiwis report having done a new tourism activity or visited a new place



digital referrals delivered to tourism businesses

QUALMARK SUPPORTING BUSINESSES



1,550
businesses registered for
Tourism Advisory Support

901
businesses registered for
Digital Capability
Programme

14%
increase in
Qualmark members



81%
of Kiwis agree or strongly
agree that tourism is good
for New Zealand*



Tourism New Zealand's
partnership with
Trees That Count saw
1775
trees planted across
New Zealand



\$115m
earned Public Relations impact
despite borders being closed

*Source: Domestic Travel View Report April 2021

1.9M
REFERRALS

to tourism businesses generated
from Tourism New Zealand activity,
of which 83% are from domestic



\$90m
worth of bids supported
through Tourism New Zealand's
Conference Assistance
Programme



64,000
TRAVEL SELLERS
TRAINED
trained through webinars, virtual
experiences and live stream
broadcasts

FY21 Campaign highlights

Tourism New Zealand’s domestic work evolved during FY 21 with targeted campaigns encouraging family travel, city breaks, and enjoying the best of New Zealand in winter.

Marketing in Australia encouraged Australians to “Stop Dreaming about New Zealand and Go” following the commencement of trans-Tasman travel in May until the travel corridor was closed again in July.

Our international marketing continued despite border closures, to ensure the New Zealand brand stayed visible within our key markets. “Messages from New Zealand” sent well wishes from people throughout the country to the rest of the world.

GLOBAL CAMPAIGNS

We launched our global campaign, Messages From New Zealand that sent shout outs, good wishes and messages from everyday Kiwis to the world.

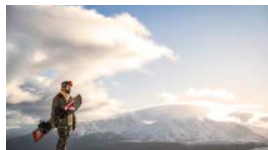
Messages From New Zealand



The first thing I would say to anyone arriving in New Zealand



Encourage the World



Most important thing...



Best kept secret

CAMPAIGNS IN NEW ZEALAND

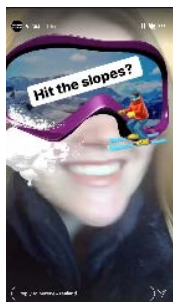


Do Something New, New Zealand



In a very musical moment, comedians Madeleine Sami and Jackie van Beek launched *Do Something New, New Zealand*, encouraging Kiwis to get out and do something on holiday that they haven’t done before.

AR filters launched



Imagine yourself there! We launched Augmented Reality filters on Instagram. Skiing anyone?

Facebook LIVE Yoga



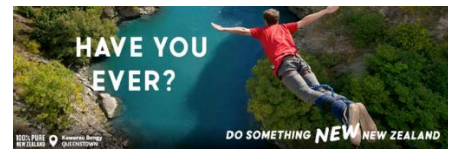
First ever Facebook LIVE yoga class in Wānaka.

International Kindness Day



100% Pure New Zealand became 100% Pure Kindness on our social channels recognising World Kindness Day and encouraging our audience to share stories of kindness.

Summer Campaign



Our Have you Ever campaign built on the *Do Something New, New Zealand* message, inspiring New Zealanders to check off some of the things they have thought about doing, but haven’t got around to.

Little Wishes



Creating a connection between China and New Zealand, our Little Wishes campaign had Kiwi kids show Chinese kids what a holiday in New Zealand could look like.

Americas Cup



The 36th America's Cup was set to be New Zealand's opportunity to welcome visitors from all over the world, but this wasn't to be - so 100% Pure New Zealand saw an opportunity to send a message of unity and togetherness to America's Cup competitors and their fans around the world.

Quarantine Free Travel



Borders opened to Australia and 'Stop Dreaming and Go' launched.

Welcome Whānau



The first flight from Australia arrived and we finally got to reunite with whānau and friends.

2021



JAN

FEB

MAR

APR

MAY

JUNE

Travelling Under The Social Influence



Tom Sainsbury challenged New Zealanders to change up their social media and to get creative with their Instagram posts.

Families



School holidays promotions focussed on family trips and activities.

Winter campaign



Our Better in winter - don't stay home - campaign encouraged New Zealanders to enjoy all that our country has to offer during winter.

Richie McCaw Does Something New



Our partnership with Richie and Gemma McCaw saw them sharing their favourite places, exploring regions of New Zealand in McCaws on Tour and on our social channels, Richie tried something new - working in the tourism business!

Urban Leisure campaign



Cities - there's so much to explore. We shared hidden gems from five of New Zealand's urban centres.



Urupukapuka Island
Northland

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2020/2021 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 2021.**

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

“FY21 put Tourism New Zealand’s agility to the test, with strong results. We look forward to doing all we can to support the safe recovery of tourism when the time is right.”

At the beginning of the financial year, Tourism New Zealand (Tourism New Zealand) committed to re-orientating its work to make the best possible contribution to support the tourism sector and New Zealand through COVID-19. Our purpose remains to Enrich Aotearoa through the contribution of visitors to the economy, nature, society and culture. However, our strategy has shifted to adapt to the COVID-19 crisis.

We grew the domestic tourism market as much as possible to support operators and regions with the loss of international visitors; readied the Australian market for the opportunity of Quarantine Free Travel (QFT); kept the New Zealand brand alive in other parts of the world; and provided insights and business advice to operators to make informed and strategic decisions about the future.

At the same time, it has been critical for Tourism New Zealand to focus on its strategy, insights, and capability to ensure that tourism is different when the border reopens, and Tourism New Zealand is ready for the complexity and competition of a post-COVID-19 world.

Driving domestic demand

Following the global outbreak of COVID-19, New Zealand’s borders were closed from March 2020 to most international visitors, which had a devastating impact on New Zealand’s tourism

sector. In April 2020 Tourism New Zealand was asked to help kickstart domestic tourism to help the sector get back on its feet and help restart New Zealand’s economy.

Before COVID-19, 60% of New Zealand’s tourism expenditure came from New Zealanders getting out and experiencing their own country. New Zealanders also previously spent \$9 billion on overseas travel per year. Capturing a portion of this spend domestically while our borders are closed has been critical to the sector’s stabilisation and recovery.

In May 2020 we established a domestic market team and commenced our first domestic marketing since the 1980s. Our “*Do Something New, New Zealand*” campaign is focused on exciting New Zealanders about holidaying domestically and increasing the participation of New Zealanders in tourism, and their spend on commercial tourism products. 10 campaigns were released under this banner during FY21, resulting in a 11% lift in domestic spending attributable to our marketing. Our domestic team set new standards for industry engagement through the year to continually improve Tourism New Zealand’s marketing performance as well as the ability for operators and regions to leverage our content. Innovations in digital partnerships have improved the way Tourism New Zealand not only generates

referrals to tourism businesses, but also drives those referrals to sales.

Moving into the domestic market has improved Tourism New Zealand’s understanding of industry and regional needs and our marketing capability for the future, and this will remain the key foundation of our work into 2022.

Support international demand

Prior to COVID-19, Australia was New Zealand’s largest international visitor market, accounting for almost half of all international visitor arrivals and \$2.7 billion of spend in 2019. QFT from Australia commenced on 19 April 2021 before being suspended on 23 July 2021. This was a critical opportunity to reconnect and reunite friends and family separated across the Tasman while also commencing the recovery of holiday travel to support the tourism sector.

After priming the Australian market during 2020-21, Tourism New Zealand launched ‘Stop Dreaming About New Zealand and Go’ to capture the imagination of Australians and get the best possible benefits from the market while it was open. Despite the challenges of building consumer confidence in the COVID-19 environment, we managed to rebuild holiday arrivals to 47% of pre-COVID-19 levels after 13 disrupted weeks and support a 50% recovery of airline capacity.

Tourism New Zealand also continued to keep the New Zealand brand alive in other international markets to keep New Zealand’s destination brand present in the minds of our audience and avoid ‘going dark’. ‘Messages from New Zealand’ remained our key campaign platform for connecting with consumers at the global level, with strong results for long haul markets keeping consumers engaged with New Zealand. Our market teams created bespoke public relations (PR) and paid campaign content throughout the year including in China (Little Wishes), Australia (PlayNZ) and the United States (Forest of Hope) to augment our global campaign and keep New Zealand top of mind.

Our work to keep New Zealand in the hearts, minds and portfolios of travel trade around the world leveraged new ways of working for livestreams, webinars and digital engagement resulting in more agents than ever before trained to sell New Zealand.

COVID-19 has created a highly challenging consumer context for our work, with border closures fundamentally affecting views of travel in the short and medium term. Our brand metrics have been affected by this, although in most cases our marketing has stabilised declines in brand appeal and preference.

Chair and Chief Executive report

Supporting the sector

Qualmark's focus during FY21 was to support the industry to survive and come back better, assisting members to prepare for the return of international visitors and providing members with enhanced tools to enable operators to help themselves. Three phases of support under the Tourism Transitions Programme were delivered to 1,945 businesses: phase 1 to support business continuity, hibernation or survival; phase 2 to build digital capability; and a third phase of human resource and legal support.

Tourism New Zealand extended fee holidays for Qualmark membership, Approved Destination Status membership and i-SITE membership to enable operators and organisations remain engaged and supported through this critical period. We also boosted our engagement with industry and Regional Tourism Organisations (RTOs), providing consumer insights to support businesses reorienting to domestic tourism and the Australian market, as well as identifying future tourism trends and recovery forecasts.

Advising the Government and recovery activity

Tourism New Zealand remained engaged in Government and industry processes to discuss the future of tourism, including the Tourism Futures Taskforce. Our engagement across Government to inform and understand border opening considerations and processes contributed to the successful launch of QFT from Australia.

Preparing for the future

During FY21 Tourism New Zealand has invested in preparing for the safe and sustainable recovery of tourism. We have added layers of

understanding to the evolving views of New Zealanders about tourism and the type of travel they want consumers to engage with.

We embarked on a major analysis of audience mindsets to ensure that our marketing is more aggressively targeted to visitors who will contribute more to New Zealand across the economically, culturally, environmentally and socially. This will make Tourism New Zealand's marketing more efficient, effective, and fit for purpose for the future of tourism.

We appointed Hemi Sundgren to the role of Pou Ārahi to support a step change across the organisation in cultural capability and build a foundation of te ao Māori into our brand and campaign work.

In support of regenerative practices, we were excited to partner with New Zealand native tree planting charity, Trees That Count, in 2021. A number of regenerative tourism initiatives were enabled by this partnership, with the aim to make it easier for domestic and international visitors to give back and donate native trees to be planted across Aotearoa.

Tourism New Zealand was pleased to achieve eighth among public service agencies in the Colmar Brunton Reputation Index to show progress in our corporate brand presence among New Zealanders. Each year Colmar Brunton surveys New Zealanders and ranks New Zealand's 58 public service agencies across four pillars – Social Responsibility, Leadership, Fairness and Trust. Tourism New Zealand's score across all four pillars increased this year.

Tourism New Zealand's work can only be achieved alongside Government and industry, and we have been heartened by the lift in

our stakeholder performance score this year. Support and feedback from tourism operators and RTOs all over New Zealand has improved the quality of our work and the results we have achieved together.

In December 2020 we farewelled Stephen England-Hall as Chief Executive. Stephen served as a strong advocate for a tourism sector that gives back more than it takes, and he set a strong foundation of strategy and performance for Tourism New Zealand to build on in FY21.

With a number of our valued Board members completing their terms in 2021 we also pay tribute to their expertise and governance during a critical time for Tourism New Zealand and the tourism sector.

Finally, we acknowledge the passion and dedication of the global Tourism New Zealand whānau who have planned and replanned strategies, moved roles and resource to new priorities, and broken new ground in engaging with consumers and trade around the world – all while managing the personal and practical challenges of COVID-19.

While the road ahead is longer and more challenging than we predicted this time last year, we know tourism will play a crucial role in our nation's recovery and future prosperity. FY21 put Tourism New Zealand's agility to the test, with strong results. We look forward to doing all we can to support the safe recovery of tourism when the time is right.

Ngā mihi,

Jamie Tuuta & René de Monchy

Performance Overview

OUTCOME	MEASURE	FY21
Retain and increase desire for New Zealand	Appeal for New Zealand (AC Monitor)	55% ▼ 4%
Accelerate the recovery as borders open and grow the value of the sector	Visitor spend pre and post border opening (Monthly Regional Tourism Estimates and International Visitor Survey spend – domestic and international)	\$11B ▲ 16%
Kiwis participate in and feel more included in the tourism economy	Domestic traveller sentiment (Domestic Travel Survey)	45%
Increase productivity of the sector	Domestic and international (when possible) visitor spend on tourism products	\$353M ▼ 5%
Maintain social licence for tourism	New Zealanders agree tourism is good for New Zealand and welcome the return of international visitors (survey)	93% ▲ 12%
New Zealanders feel a holiday at home is just as good as an international holiday	Preference share – New Zealand vs outbound	65%
IMPACT	MEASURE	
Maintain value and reach of digital marketing	Referrals to industry via newzealand.com and third parties (organic and New Zealand paid)	\$1.9M
Maintain value and reach of earned marketing	Equivalent advertising value from media and content	\$127M
Value and reach of trade marketing	Travel agent coverage (64,000 global travel sellers virtually trained)	64,000 agents virtually trained
Value and reach of shared marketing activities	Partnership coverage, engagement and impact (Joint Venture co-investment)	\$4.01M
Maintain the value and reach of business events	Value of bids supported via Conference Assistance Programme (Tourism New Zealand Business Events Customer Relationship Management – bids supported in Conference Assistance Programme pipeline)	\$93.6M
Maintain our impact in the views of stakeholders	Tourism New Zealand's overall performance, as rated by key stakeholders	85%

Who we are and what we do

Our offices



Tourism New Zealand is a crown entity with the purpose of marketing New Zealand as a visitor destination to maximise the long term benefit to New Zealand. We employ approximately 160 staff across 12 offices in nine countries.

For the past twenty years we have used the '100% Pure New Zealand' campaign to promote New Zealand to the world. This campaign has evolved over time to tell the story of the unique experiences available in Aotearoa New Zealand.

Our role over the last year has changed. In May 2020, following the closure of the border

to international visitors, Tourism New Zealand refocused its marketing efforts on the domestic market, encouraging Kiwis to explore their own backyard through the *Do Something New, New Zealand* campaign.

In response to COVID-19 we have assisted the industry in the sector's recovery. Tourism New Zealand has run regular webinars and industry hui to share what we know about the changing environment and seek opinions from operators on how businesses are faring on the ground.

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

We continue to market internationally albeit at a reduced scale, keeping New Zealand's brand visible in what will be a very competitive environment when borders reopen.

Our portfolio and marketing approach

Our approach to marketing

Prior to COVID-19 around 80 million people were actively thinking about a New Zealand holiday. Tourism New Zealand still considers the following factors when determining what markets to target:

- How best to manage established markets to maintain growth
- Seizing opportunities to grow markets, while also taking a future focussed position
- Investing in selected emerging markets

Based on this, our target markets are arranged into three different horizons of near term value, medium term growth and long term development. Within each market we prioritise investment and activities relevant to the stage the market is in.

In May Tourism New Zealand implemented a new portfolio strategy:

Domestic market: Is the foundation for long-term value and we expect to have an ongoing role in domestic marketing.

Core markets: are Business Events, Australia, USA and China and securing international conference and incentives will have an ongoing focus and investment.

Rest of the World: Tourism New Zealand will continue to have portfolio diversity to support future growth, resilience and the industry. Investment in these markets will be agile as the best opportunities to drive the attraction of high value international visitors are likely to be variable and to some extent unpredictable.

To support the new Portfolio Strategy Tourism New Zealand moved to a hub 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 retained satellite offices in Beijing, Guangzhou, Tokyo, Seoul and Mumbai to continue to manage critical relationships

As part of this change Tourism New Zealand announced plans to close its Jakarta, Sao Paulo and Buenos Aires offices.

Our insights indicate that there won't be high leverage opportunities in Indonesia, Argentina and Brazil in the near to medium term future due to the lack of direct connectivity, notwithstanding a slow global sector recovery post COVID-19.

In the longer-term if opportunities were to arise in these markets, they would be serviced from the Singapore and Los Angeles hubs. The withdrawal of our physical presence in these markets is not necessarily a permanent withdrawal for the future.

Targeting the right visitor

Tourism New Zealand uses an Active Considerer model to market to people we know are thinking about a holiday in New Zealand.

We refine our marketing audience based on the following criteria:

- Have heard of New Zealand before
- Find New Zealand highly appealing as a holiday destination
- Would seriously consider visiting in the next three years
- New Zealand is a preferred destination for their next holiday.
- Meets a spend threshold for their market

Defining our target audience

Tourism New Zealand uses measures of appeal and preference to measure our impact.

Appeal

Does New Zealand appeal as a holiday destination?

Preference

Is New Zealand one of their top three holiday destinations to visit?

We call people with appeal and high preference for New Zealanders Active Considerers - our target audience.

Appeal for New Zealand is down in all markets likely due to the inability to travel and less international marketing due to the shift to domestic marketing.

Preference is relative to the competition New Zealand faces from other destinations, that have reopened their borders or have given a timeframe for opening.



NEW ZEALAND

11.2 BILLION SPEND

Increase of \$1.7 billion from FY19; 18% lift⁴

72% OF NEW ZEALANDERS are aware of *Do Something New, New Zealand*

63% OF NEW ZEALANDERS report having done a new tourism activity or visited a new place

11% OR \$500 MILLION LIFT in domestic spending attributable to Tourism New Zealand marketing⁵

2.19 MILLION REFERRALS delivered to tourism businesses

Priority one core markets



AUSTRALIA

QFT from Australia commenced on 19 April and was suspended on 23 July.

128,000 ARRIVALS during QFT period

81% VALUE RECOVERY

44% CAPACITY RECOVERY holiday visitor recovery peaked at 47%

APPEAL SCORE⁶
59% (▼7%)

PREFERENCE⁷
61% (▼3%)



CHINA

APPEAL SCORE
70% (▼6%)

PREFERENCE
77% (▼3%)



UNITED STATES OF AMERICA

APPEAL SCORE
55% (NC)

PREFERENCE
59% (▼1%)

Priority two core markets



GERMANY

APPEAL SCORE
60% (▼4%)

PREFERENCE
60% (NC)



UNITED KINGDOM

APPEAL SCORE
60% (▼2%)

PREFERENCE
64% (▼2%)



JAPAN

APPEAL SCORE
37% (▼1%)

PREFERENCE
59% (▼4%)

⁴compared against 2019 due to April-June 2020 lockdown

⁵Tourism New Zealand attribution studies – conservative analysis assuming approximately half of Tourism Electronic Card transactions total is leisure travel.

⁶The proportion of the online population that finds New Zealand appealing.

⁷The proportion of Tourism New Zealand's target audience of high quality visitors that considers New Zealand their top one or two destination to visit.

The 2020/2021 year

Our overall objective

Tourism New Zealand is a Crown Agent governed by the Crown Entities Act 2004. Our statutory functions under the New Zealand Tourism Board Act (1991) include:

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

Assessment of Performance	2020	2021	Status
Grow domestic visitor spend in New Zealand	\$8,634m	\$11,213m	● Achieved
Grow international arrivals in the off-peak season	784,134	23,222	● Not Achieved
Grow international visitor spend in the regions	\$1,087m	\$303m*	● Not Achieved
Grow the value contribution of international tourism to GDP	\$13,933m	N/A**	● Not Achieved

SPE		Q1	Q2	Q3	Q4	Target	YTD	Status
Outcome	Measure							
Retain and increase desire for New Zealand	Appeal for New Zealand (AC Monitor)	58%	55.70%	55%	55%	59%	55%	● Not Achieved
Accelerate the recovery as borders open and grown the value of the sector	Visitor spend pre and post border opening (Monthly Regional Tourism Estimates vs International Visitor Survey)	4.5B	2.9B	\$3.0B	\$2.8B	Domestic: \$9.4B	11.2B	● Achieved
Kiwis participate in and feel more included in the tourism economy	Tourism New Zealand Domestic Travel Survey	39%		44%	45%	Increase inclusion	45%	
Increase productivity of the sector	Domestic and international visitor spend on tourism products	\$252M	\$96M	\$71M	\$69M	Domestic: \$372M	\$353M	● Not Achieved
Maintain social license for tourism	Views of New Zealanders/ Mood of the Nation Survey	86%	83%	81%		93%	81%	● Not Achieved
Visitor Experience - New Zealanders feel a holiday at home is just as good as international holidays	Preference share - New Zealand vs outbound			68%		60%	65%	● Achieved

Impact	Measure							
Maintain value and reach of digital marketing	Referrals via industry via newzealand.com and third parties (organic and New Zealand paid)	\$246K	\$552K	\$617K	\$471K	1.3M	\$1.9M	● Achieved
Maintain value and reach of earned marketing	Equivalent advertising value from media and content	\$29.4M	\$29.4M	\$24.9M	\$46.9M	\$176M	\$127M	● Not Achieved
Value and reach of trade marketing	Travel agent coverage # sellers virtually trained	19.2K	15K	11K	18.1K	40K	64K	● Achieved
Value and reach of shared marketing activities	Partnership coverage, engagement and impact (Joint Venture co-investment)	\$396K	\$2.18M	\$895K	\$601K	\$10M	\$4.1M	● Not Achieved
Maintain the value and reach of business events	Value of bids supported via Conference Assistance Programme	\$30.1M	\$6.8M	\$22.6M	\$34.1M	\$90M	\$130M	● Achieved
Maintain the impact in the views of our stakeholders	Tourism New Zealand's overall performance as rated by key stakeholders				86%	85%	86%	● Achieved

*Change of data source from Monthly Regional Tourism Estimates (MRTES) to Tourism Electronic Card Transactions (TECTs) as a result of COVID-19 and changes to domestic spend data availability and reliability. **This is measured through the Tourism Satellite Account produced by StatsNZ. These figures were unavailable at the time of publication. The Outcome Measures: 'Visitor Spend' and 'Tourism Products Spend' have undergone a change in reporting methodology. Previously, the Monthly Regional Tourism Estimates (MRTES) were used to obtain results for these measures and as a result their targets set were based on estimations of the MRTES. The MRTES are no longer used as a data source to report on these measures and have since been changed to TECT as a temporary replacement. The reason for this is that without international tourists MBIE has reached a point where the fine

tuning of the MRTES is no longer reliable. TECT as a data source is pure in some ways, showing how much has been spent on tourism using credit cards and other card transactions from Marketview but does not include cash or online purchases. The outcome measure Accelerate the recovery and value was revised from \$188 to \$9.4B in Q2. The outcome measure increase productivity was revised from \$800M to \$372million. The Impact Measure, 'Business Events' was revised in quarter three. The change of target is due to the impact of COVID-19 on New Zealand to bid for international conferences. Conference bidders were unable to proceed with bids due to economic uncertainty and border closures which has resulted in the significantly lower bid value.

Performance summary

The performance measures in our Statement of Performance Expectations (SPE) were set in early to mid-2020 when the impact and duration of COVID-19 and the border closure were not yet fully known. This has affected our end of year performance in specific areas.

While visitor spend targets were set with a focus on the domestic market only, some other targets were set with a more optimistic outlook in mind for border openings. This has affected in particular Tourism New Zealand's brand appeal performance, where the longer border closure has created more challenges in keeping New Zealand as a destination relevant for consumers; and Tourism New Zealand's PR performance, where our media strategies are shaped around bringing international media to New Zealand.

Tourism New Zealand's **brand appeal** target for FY21 was to maintain our brand appeal during the difficult circumstances of border closure and increasing competitive pressure from other destinations. Appeal has declined since the onset of COVID-19 in March 2020, and Tourism New Zealand's interventions have been designed to arrest or slow this decline. As the financial year has progressed, we are seeing a slower rate of decline and a flattening in some markets. However, we expect careful targeted investments will be needed to rebuild and increase the value of the New Zealand destination brand in 2022.

Tourism New Zealand's **domestic spend** target has been exceeded. New Zealanders embraced the call to *'Do Something New, New Zealand'* and have supported the tourism industry across the country and in all regions. Some of the regions hardest hit by the lack of international visitors, such as the West Coast, have also seen a strong uplift in domestic tourism, and some

regions with higher domestic visitation baselines have experienced new levels of performance. No increase in domestic spend is enough to fill the gap from the lack of international visitors, but a significant impact has been delivered.

We set an ambitious target for **tourism products spend** to ensure Tourism New Zealand did all it could to drive consumers to tourism operators during FY21. We just fell short of this target, which was impacted by regional lockdowns, in particular the series of Auckland lockdowns in FY21 affecting visitation around New Zealand and leading to the cancellation or postponement of tourism spending.

Through the financial year we confirmed our hypothesis that New Zealanders would feel more **included** in tourism when travelling more domestically. This measure increased from 39% in Quarter 1 to 45% in Quarter 4. New Zealanders also had positive **visitor experiences**, with 65% agreeing that a holiday in New Zealand is as good as an international holiday – a metric we are keen to continually improve.

Our 'Mood of the Nation' measure of **New Zealanders' views of tourism** has reduced to 81% agreeing that tourism is good for New Zealand – still a largely positive result. Tourism New Zealand's qualitative research indicates that while COVID-19 has reinforced the benefits of tourism for many New Zealanders, it has also led to questions about New Zealand's economic reliance on tourism and the environmental impacts. New Zealanders have an expectation that when tourism returns it will be different and believe that the sector has a responsibility to take this opportunity to ensure tourism is sustainable and operates in a way that is consistent with New Zealanders' values.

Continuity of data sources for Tourism New Zealand performance measurement

Tourism New Zealand traditionally uses two data sources to measure visitor spend: the International Visitor Survey (IVS) and the Monthly Regional Tourism Estimates (MRTE). The continuity of both has been impacted in the last 18 months.

With international visitors unable to travel to New Zealand, the IVS has been paused since the end of March 2020. Tourism New Zealand has used the IVS for key measures over time such as total spend and visitor satisfaction. Until the IVS is re-established and builds a new reliable baseline of information, Tourism New Zealand's measures will be in a transitional phase, and we will continue to find other ways to test our performance.

The MRTEs have also been discontinued due to the pause in the IVS and changes to underlying assumptions. These provided Tourism New Zealand with an estimate of the value of tourism spending amongst the different regions of New Zealand. These have been replaced by the Tourism Electronic Card Transactions (TECT) in the interim. The TECTs aim to present the measured electronic card transactions (ECT) attributable to tourism, but without any attempt to represent the total spend. There are limitations to this approach, as it represents card spending only and cannot be compared to past MRTE results.

Tourism New Zealand's value targets were originally set under the MRTE model and were revised during FY21 to align with the TECT model. These revised targets are presented here.

Strategic priorities and outcomes framework

Tourism New Zealand’s strategy is supported by outcomes and measures set out in the Statement of Intent (SOI) FY18-FY21 and the FY21 SPE. Tourism New Zealand updated its SOI in 2021, however the previous version is referenced here for the FY21 year.

GOVERNMENT GOAL	FY21 OBJECTIVES	FOCUS AREAS FOR FY21	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>Domestic Kiwis feel included and participate in tourism</p> <p>Brand and demand Balance brand desire and demand generation to be ready to leverage opportunities based on market connectivity</p> <p>Drive the sector and NZ Recovery</p>	<ol style="list-style-type: none"> 1. Build excitement about a domestic holiday and get Kiwis to spend on tourism product 2. Build brand preference and desire for New Zealand as a visitor destination 3. Target high-value audience across a balanced portfolio of markets 4. Strengthen and build strategic partnerships to extend the impact delivered from Tourism New Zealand work 5. Organisation agility to create opportunities 6. Support tourism-specific and wider all-of-govt recovery programmes 	<p>Brand</p> <ul style="list-style-type: none"> • Appeal and preference for Brand NZ is higher than it’s ever been • Kiwis consider and participate in a NZ holiday like an international visitor • The out-take of our storytelling is consistent with that of our values and truth <p>Target high-value audiences</p> <ul style="list-style-type: none"> • Our audience targeting is defined and driven by insight • Their value is defined by multiple factors that deliver to enriching NZ • Channel Selection is driven with both brand and demand outcomes in mind <p>Conversion and campaign activity</p> <ul style="list-style-type: none"> • newzealand.com inspires and connects consumers with travel/industry • Increase the percentage of direct bookings for industry • Insights for industry support product design and delivery <p>Strategic partnerships</p> <ul style="list-style-type: none"> • Aviation partnerships planning to re-start key routes with airlines and airports • Travel sellers are educated and inspired to showcase and sell NZ • Global media partnerships maximised for best reach and impact of Tourism New Zealand activity <p>Enabling</p> <ul style="list-style-type: none"> • We’ve inspired exceptional performance • We’ve built new skills and ways of working • We’ve increased flexibility and transparency on how we drive value from our funding • We’ve strengthened resilience <p>Supporting the sector</p> <ul style="list-style-type: none"> • Tourism New Zealand’s reputation is protected and enhanced through our recovery contribution • Decision making about tourism in Government is informed by Tourism New Zealand’s specialist advice • Industry is heard, part of, informed and engaged with Tourism New Zealand’s activity

Statement of Performance: Tourism New Zealand's activity

Tourism New Zealand's activities in FY21 were funded through the Budget 2020/21 Estimates of Appropriations for Vote Tourism.

	FY20 ACTUAL \$000'S	FY21 ACTUAL \$000'S	FY21 BUDGET \$000'S
Tourism: Marketing New Zealand as a Visitor Destination to the domestic market	-	51,471	51,471
Tourism: Marketing of New Zealand as a Visitor Destination to overseas markets	111,450	79,679	79,679
TOTAL	111 450	131 150	131 150

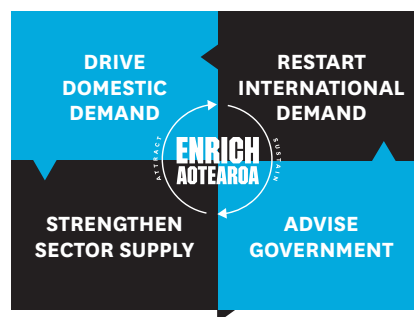
	FY20 ACTUAL \$000'S	FY21 ACTUAL \$000'S	FY21 BUDGET \$000'S
Crown Revenue	113,803	133,150	121,150
Other Revenue	3,804	1,478	276
Total Revenue	117,607	134,628	121,426
Total Expenses	108,936	126,929	132,104

In FY21 our strategic priorities were to:

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

operate, enhance the visitor experience, and support regional economic development.

Tourism New Zealand quickly adapted our strategies as the impacts of COVID-19 were felt both internationally and within New Zealand. We quickly reprioritised our work into multiple workstreams in areas critical to New Zealand and the tourism sector's recovery:



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

We approached our planning with the following principles:

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

These were achieved through various activities grouped into six areas described in our SPE.

APPROPRIATION ONE: MARKETING OF NEW ZEALAND AS A VISITOR DESTINATION	FY21 ACTUAL \$000'S	FY21 BUDGET \$000'S
Activity One: Develop and deliver brand and demand driving campaigns through the 100% Pure New Zealand platform.	54,765.25	61,826.00
Activity Two: Build desire, appeal and awareness via New Zealand stories through third party earned content and partners.	8,877.81	8,330.00
Activity Three: Partner with the tourism and travel sectors to create shared opportunities to drive key messages and campaigns.	1,901.48	6,006.00
Activity Four: Inspire and educate the trade tourism sector to spread key messages and campaign information through trade channels.	7,550.41	8,392.00
Activity Five: Develop and deliver engaging content and messages supporting our campaigns through Tourism New Zealand-owned channels, including newzealand.com and social platforms.	4,912.27	8,477.00
Activity Six: Engage and work with the tourism sector, Government and other agencies to support and strengthen the recovery of the tourism sector	6,535.06	8,643.00
New Zealand and Off Shore Support costs	31,151.23	30,393.00
Total	115,693.52	132,067.00
Qualmark Business Support	10,000.00	
Total incl. Qualmark	125,693.52	

FY21 activities: measures, targets and results

Activity one: Develop and deliver brand and demand driving campaigns through the 100% Pure New Zealand platform.

In FY21 Tourism New Zealand's campaign activities focused on three main objectives:

- Driving domestic demand to grow the domestic tourism market for the benefit of all regions by encouraging more New Zealanders to 'Do Something New, New Zealand'
- Restart international demand in Australia to deliver tourism value from the QFT arrangement
- Keeping the brand alive in our other markets around the world to ensure New Zealand as a destination and consumer brand remains top of mind globally, and to set the foundation for a higher value recovery when it is safe to open the border to more visitors.

Domestic

To engage more New Zealanders to experience more of our country and increase spend on tourism experiences, we began encouraging New Zealanders to 'Do Something New, New Zealand' - to choose a new experience or destination for their next holiday. The 'Do Something New, New Zealand' campaign commenced in May 2020. During FY21 ten versions of the *Do Something New, New Zealand* campaign ran in New Zealand, highlighting different aspects of holidaying in New Zealand.

Domestic tourism has recovered to 118% of pre-COVID-19 levels. While this recovery is not enough to fill the earnings gap from international visitors, and varies across regions, the uplift is supporting many tourism businesses to pivot and sustain operations until borders re-open, as well as reengaging Kiwis with domestic tourism.

Tourism New Zealand can attribute an 11% uplift in domestic tourism spending to our domestic marketing, worth \$500 million to the sector and enabling RTOs to have an increased pool of engaged consumers to attract to regions around New Zealand.

Australia

After priming Australian consumers throughout 2020-21, the commencement of QFT from Australia on 19 April 2021 provided the opportunity for Tourism New Zealand to shape arrivals and support the beginnings of a safe and sustainable international tourism recovery. We worked closely with other agencies on a coordinated launch of QFT that would support the opportunity to reunite families and friends and the health behaviours needed to support the Government's elimination strategy.

In May 2021, Tourism New Zealand launched the

“Our activity alongside the RTOs and industry is having solid results – Kiwis are doing something new.”

Bjoern Spreitzer, Tourism New Zealand General Manager Domestic



campaign which reached 10.1 million Australians through free to air TV and a further 7.3 million+ through digital video. Corresponding joint ventures with travel trade generated 11,300 visitor bookings at over \$8.5 million in sales from a standing start. The campaign also drove 60,000 referrals to industry and priority trade and retail partners. Search was the strongest channel, converting pent up demand with a massive 40% referral rate.

The campaign strategy and structure proved to be robust in the context of QFT pauses across different states. The Outbreak Management Plan was activated 12 times over 13 weeks to ensure accurate and timed messaging by state, and best use of funds. The campaign generated high recognition, and motivational impact well above normal standards at 84%.

Why market internationally when the borders are closed?

Tourism New Zealand continued to “keep New Zealand's brand alive in the minds of our audience and avoid ‘going dark’”. Tourism New Zealand uses marketing best practice in the development of our brand strategy.

Professional marketing consensus, drawing on the experience of the Global Financial Crisis, is that maintaining a foundation level of marketing while borders are closed is critical for long term recovery.

The move also supports other offshore promotion. For most international consumers, their interaction is first with New Zealand's destination brand and then to New Zealand products and the desire to buy, work, live or invest in New Zealand.

Global brand activity

'Messages From New Zealand' continued as part of Tourism New Zealand's umbrella brand work in FY21 in partnership with other agencies to drive consumer preference and intent to purchase and experience New Zealand exports. In the United States, Messages From New Zealand achieved coverage across Condé Nast, The New York Times and YouTube. The video led content received 159 million views.

We also carefully considered specific and bespoke market interventions to keep New Zealand in positive brand health. Highlights included:

- Little Wishes, a campaign that ran in China from December 2020 to April 2021, achieved 95 million impressions and a click through rate of 1.79%, 250% higher than the industry benchmark. The campaign performed strongly in recall and driving immediate appeal for New Zealand and won several marketing awards in China.



DOMESTIC

Activity: 10 domestic campaigns

Reach: 72% of Kiwis are aware of Do Something New, New Zealand

Activation: 63% of Kiwis report having done a new tourism activity or visited a new place

Conversion: 2.2 million referrals delivered to tourism businesses

Value: 18% lift in domestic spending; or at least \$500 million in additional spend

MESSAGES FROM NEW ZEALAND

159 million video impressions

LITTLE WISHES

95 million impressions
+250% click through

PLAYNZ

15 million views
Intent to visit New Zealand amongst target audience increased 387%

FOREST OF HOPE

1,775 native trees planted
\$1.5M EAV

Measuring our impact

We use a number of metrics to calculate the impact of our marketing work.

For public relations activity we use **Equivalent Advertising Value (EAV)**, or what it would have cost to purchase the same kind of media.

On our digital platforms we use

Impressions: the number of times a video is played or loaded.

Engagement: how many viewers liked, commented or shared the content.

Click through rate: is the percentage of visitors that click on a link in the advertising.

Glossary

Reach: The total number of people who see your message.

Activation: an activity designed to get consumers to interact with a brand.

Conversion: When an individual takes the desired outcome from a campaign

EAV: Equivalent Advertising Value is the value of the activity had it been paid for.

- PlayNZ, which ran in Australia in June-July 2020 to stay connected with our target audience while borders were closed and prime for the eventual opportunity of QFT. Campaign engagement was high, with 15 million views and a website viewing time of over nine minutes. Following the campaign, the intent to visit New Zealand among our target audience increased by 387%.



- The Forest of Hope campaign ran in the US, UK and Europe markets, to encourage consumers to stay connected with New Zealand by purchasing a native tree for planting in New Zealand, resulting in \$1.5 million in advertising value.



Marketing strategy

We continued to evolve our marketing strategy to prepare for the future. Protecting and growing the profile of New Zealand is paramount during the challenging times of COVID-19. To do this effectively, we need to challenge previous thinking and work to bridge the gap between our brand targets and limited resources. We also need to ensure Tourism New Zealand's marketing is aligned with the sustainable, high-quality future of tourism New Zealanders can be confident in and proud of.

During FY21 we progressed a major piece of work to move Tourism New Zealand from demographic targeting to audience mindsets – allowing us to target selected mindsets as our primary high-quality audience. This work is designed to ensure the visitors we attract to New Zealand are those who will engage with our environment, society and culture in ways that will Enrich Aotearoa. This work is preparing Tourism New Zealand for a much more focused targeting of high-quality visitors who will contribute to our:

- Economy – through higher spend per visit and spend per day, for a more productive sector
- Culture – aligning with New Zealanders values and helping to celebrate and build global understanding of our culture
- Nature – respecting nature, caring for New Zealand and engaging in regenerative tourism
- Society – contributing to communities and supporting jobs through regional travel and engaging with tourism products and experiences.



FY21 activities: measures, targets and results

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

Tourism New Zealand's public relations approach traditionally involves hosting influential journalists and media personalities to give them a New Zealand experience they remember and tell others about, to achieve a greater reach and media impact than New Zealand could achieve through traditional paid marketing. With borders closed, we have continued to work with media partners and influencers to promote New Zealand both internationally and now, domestically, in new and innovative ways.

New Zealand partnerships

Tourism New Zealand launched a year-long partnership with Richie and Gemma McCaw to promote tourism throughout 2021. The campaign launch saw Richie jumping out of a plane over Mount Maunganui in December 2020. Activity continued with McCaws on Tour, a web series in partnership with Stuff.co.nz which ran from April-July 2021, an online feature "Richie Tries Something New" that saw him pouring pints at the Green Dragon Inn at Hobbiton, trying out tour guiding, acting as boat driver at AJ Hackett and ending his work experience as a keeper at Auckland Zoo. Richie and Gemma have also promoted tourism to New Zealanders throughout the country in person and on television and served as champions of Tourism New Zealand's domestic marketing effort. After six months the partnership delivered over \$1.68 million in advertising value.

Our television partnerships included the local TV series 'Travel Guides New Zealand', showcasing New Zealand through the eyes of ordinary Kiwis. The six-part show delivered equivalent advertising value of \$8.8 million with over 1.5 million viewers tuning in. Each episode was supported on the TVNZ website with printable and downloadable itineraries, to book the same holidays as the guides, additional regional information and Qualmark information.

To support 'Do Something New, New Zealand', we ran two 'Breakfast Backyard Breaks' morning TV features, that saw television personalities Matty McLean and Hayley Sproull explore the regions of New Zealand. The combined campaigns produced 221 minutes of footage and the in-show segments reached over half a million people.

We partnered with Air New Zealand on their onboard safety video in December 2020, with the goal to drive the value proposition of a New Zealand holiday and inspire Kiwis to book their next holiday sooner through the theme 'The 8th Wonder of the World'. In the first few weeks this achieved over 2.7 million quality video views, 10.4 million video views globally and 98% positive sentiment.

International partnerships

Tourism New Zealand's relationship with US comedian Stephen Colbert continued with the Late Show dedicating a full episode to New Zealand and our COVID-19 response. The episode titled: "Return to New Zealand: A magical land where hugs still happen" was broadcast in mid December 2020.

A three-part series 'Russell Howard Stands Up To The World' was broadcast in the UK on Sky One and streaming service NOW reaching 15 million viewers. The series premiered in May, following UK comedian Russell Howard on his travels around New Zealand after being invited to perform in New Zealand.

Tourism New Zealand supported this with itinerary ideas and experiences for Russell to take part in whilst in New Zealand, plus provided over 10 hours of aerial footage which featured in the SKY TV series. The series was covered in the media by The Mirror, NME, The Sunday Times and The Sunday Telegraph.

A New Zealand-based film crew spent two weeks filming New Zealand content for Japanese mini-TV show 'Journey Around the World'. This is only the second time a Japanese production company has outsourced a shoot to a New Zealand crew. The footage captured resulted in 22 five-minute episodes that aired on the Asahi TV network to 4.4 million viewers throughout March, at a value of \$2,661,217.

Rock the Dock was part of the leveraging activity for the America's Cup, bringing New Zealanders together in a show of support for the teams and their fans around the world who were unable to be in New Zealand to experience the event in person. The event saw New Zealand music acts perform live at the America's Cup Village in Auckland and Sir Rod Stewart beaming in from London to lead a sing-along to his iconic hit, Sailing, as the America's Cup boats docked out before their first race in the Challenger series. Coverage of the event reached 135 million people through 200 international and domestic media outlets including social, digital, print and television with an equivalent advertising value of over \$3.7 million.

Australia

With the launch of QFT, Tourism New Zealand opted to leverage PR-led media coverage to disseminate both travel messaging and support health behaviour messaging for the safe and sustainable commencement of the arrangement. In the lead up and the days following the border to Australia re-opening, Tourism New Zealand generated a week of coverage at \$5.7 million in value, showcasing Queenstown, Wānaka,

Mt Hutt, Akaroa, Christchurch, and Auckland.

On Monday 19 April, Wellington International Airport welcomed the first Air New Zealand flight from Australia to New Zealand under the QFT arrangement. A 'Welcome Whānau' arrival was coordinated in a unique collaboration between Air New Zealand, WellingtonNZ and Wellington Airport and New Zealand Māori Tourism and led by Tourism New Zealand, to visibly welcome the reunification of family and friends and leverage this milestone in international media. The moment was encapsulated in the Tiaki Promise, a commitment to our future by helping to protect our environment, our culture, and our people. International media coverage was extensive with over \$15 million in advertising value.

Tourism New Zealand continued to work with other international media, proactively pitching uniquely New Zealand stories. Results of this work include features in Forbes Magazine, MSN and Travel and Leisure. There was also widespread international coverage of the commencement of QFT between Australia and New Zealand on BBC online, The Guardian, The New York Times and the Washington Post.



THE 8TH WONDER OF THE WORLD - AIR NEW ZEALAND SAFETY VIDEO
10.4 million video views globally and 98% positive sentiment.



RICHE AND GEMMA MCCAWE
EAV: more than \$1.68 million



AMERICA'S CUP - ROCK THE DOCK
Reached 135 million people through 200 international and domestic media outlets



RUSSELL HOWARD STANDS UP TO THE WORLD

RUSSELL HOWARD STANDS UP TO THE WORLD
15 million viewers on UK Sky One



THE LATE SHOW WITH STEPHEN COLBERT DEDICATED A FULL EPISODE TO NEW ZEALAND
"Return to New Zealand: A magical land where hugs still happen" | 2.95 million nightly viewers



A 'WELCOME WHĀNAU' ARRIVAL
EAV: Over \$15 million



BREAKFAST BACKYARD BREAKS
221 minutes of footage | 500,000 viewers



TRAVEL GUIDES NEW ZEALAND
EAV: \$8.8 million | 1.5 million viewers across six shows

FY21 activities: measures, targets and results

Activity three: Partner with the tourism and travel sectors to create shared opportunities to drive key messages and campaigns.

Tourism New Zealand partners with travel trade, RTOs, and aviation partners in joint ventures that enable us to combine marketing messages with products that potential visitors can buy. This approach accelerates conversion and increases the pool of funding available for Tourism New Zealand to do its work.

In FY21 the tourism industry was much more limited in its ability to partner with us in marketing activity due to the impacts of COVID-19 and this has affected our partnership results. Tourism New Zealand ran several high-impact joint venture campaigns and embarked on some new, innovative partnerships to ensure we continued to support partnership outcomes where they were still possible, and particularly those that could result in broader economic benefits across all tourism businesses during this time.

Tourism New Zealand's work to grow the domestic market has only been possible through high quality partnerships with the tourism sector, in particular RTOs. Recognising the challenge at industry level to coordinate engagement across campaigns, Tourism New Zealand's RTO Partnership Hub launched in May 2021 to serve as a centralised hub for RTOs to keep up to date with Domestic

and Australian market activity including content partnerships, marketing calendars and events.

Joint campaigns with Flight Centre resulted in 32% increases in air ticket sales (April-May 2021) and a 98% lift in car hire, 33% accommodation, 47% sightseeing bookings (November-December 2020). Partnerships with House of Travel also took place throughout the year resulting in significant sales value including a 30% increase in total sales revenue (summer 2020-21). A partnership with FlyBuys delivered over 25,700 referrals and bookings to industry and a lift of +6.1% in incremental domestic visitation.

Media partnerships were valuable sources of engagement with New Zealanders, and channels for showcasing the best of New Zealand regions. Tourism New Zealand's partnership with TVNZ's Breakfast produced Breakfast Backyard Breaks in February and March of 2021 showcasing Nelson /Tasman, Northland, Kaikōura, Coromandel, Mackenzie, Manawatu, Central Otago, Hawke's Bay, Southland, and Queenstown to 679,000 New Zealanders. Partnerships with Stuff and NZME provided efficient and effective ways to connect consumers with travel ideas and opportunities in all regions of New Zealand.

Tourism New Zealand's 'Act Like Retailer' programme focused on increasing the percentage of direct bookings to operators via connecting more operators with Tourism New Zealand's domestic campaigns, improving conversion to bookings and maximising expenditure across regions and operators by serving additional content to existing intent-based consumers. This new way of working was at the core of Tourism New Zealand's referral result this financial year at 1.9 million, resulting in real economic benefit on the ground for tourism businesses around New Zealand.

Looking to the future Tourism New Zealand began work with Auckland and Christchurch airports to support the challenge of airline retention and reattraction in 2022.

TREES THAT COUNT  TE RAHI O TĀN

**FOREST OF HOPE CAMPAIGN
WITH OUR PARTNER TREES
THAT COUNT**

In October 2020, Tourism New Zealand launched a social media campaign in the United States.

Given the disappointments of 2020, people were encouraged to donate a native tree on behalf of friends and family they hadn't been able to see, or events they hadn't been able to attend throughout the year - thereby creating a 'Forest of Hope'.

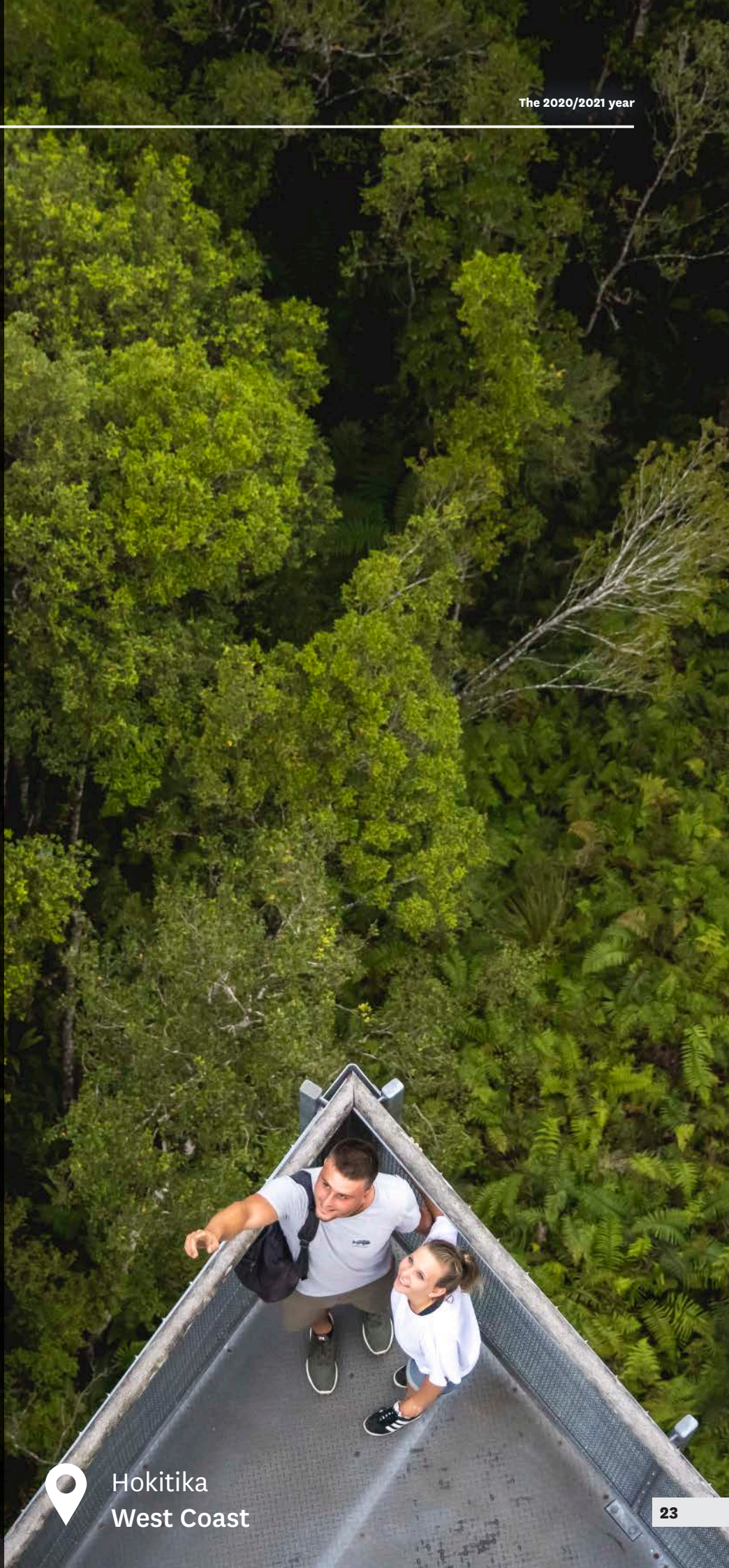
The campaign did well in social and select paid media placements with engagement and click through rates above Tourism New Zealand and industry benchmarks for Facebook, Twitter, and YouTube.

Over 1,700 trees were donated from more than 520 donors across the globe surpassing our initial target of 500 trees and exceeded expectations.

Tourism New Zealand secured 72 pieces of media coverage worth NZ\$1.5 million in EAV and reached an audience of 630 million across the United States, Canada, United Kingdom, South Korea, Singapore, India, Germany, Brazil, and Australia.

Donated trees will be planted in Northland and Otago and will be able to be visited by donors when the borders reopen.

The campaign also won a North American SABRE awards in the multimarket campaign category edging out other finalists in our category including Heineken, Dos Equis, IBM and Anker Innovations.



Hokitika
West Coast

FY21 activities: measures, targets and results



Activity four: Inspire and educate the trade tourism sector to spread key messages and campaign information through trade channels.

Tourism New Zealand's work with global travel sellers involves our Trade team liaising with travel agents in-market, providing education, running familiarisation visits ('famils') and joint venture campaigns, and promoting premium travel; and our Business Events team liaising with conference and events managers and developing a pipeline of conference bids for sectors and communities around New Zealand.

Trade

Tourism New Zealand's Trade team leverages the international community who are at the front door to New Zealand – international travel sellers who promote, advise, and ultimately sell travel to New Zealand to their clients. With borders closed, we increased our focus on training in FY21 to increase knowledge of New Zealand places and products.

In FY21 there was also a need to help industry better understand New Zealand travel restrictions and the COVID-19 situation in New Zealand, which saw increased communications and outreach. Tourism New Zealand provided regularly updated advisory information, border entry requirements and a COVID-19 FAQ for travel trade use. An updated product guide gave information on status of tourism businesses that have closed or modified their operations because of COVID-19.

Creating new resources for travel sellers

FY21 saw the rollout of Tourism New Zealand's trade marketing hubs in Australia in February 2021, the United States in April 2021, and the United Kingdom in June 2021. To complement

global campaign work, the hubs provide travel sellers with New Zealand branded marketing images and ready to use digital content including social media posts, email templates, videos, and sales flyers. The commencement of QFT from Australia saw a positive bump in use of the Australian hub to download Stop Dreaming about New Zealand and Go campaign material, which is promising for future in market campaign support training.

Training

Tourism New Zealand trained 64,000 travel sellers in FY21 through new and innovative forms of engagement. In September 2020 a travel trade-specific 'Messages From New Zealand' campaign launched. This campaign presented the voices of New Zealand's tourism industry with messages of inspiration and encouragement to their global partners in a series of themed short videos answering the question: "If we could encourage your clients to look forward to one thing in New Zealand, what would it be?"

Increased online activity

We found new ways to connect with trade through livestreaming, such as our Matariki Live stargazing activity streamed from Mt Aoraki Dark Sky Reserve in the South Island, and a 'Conversations with Friends' video series of 15 films in eight languages.

Premium

Work continued to extend and amplify our premium proposition through the Premium Partnerships Programme, maintaining our connection to high net worth consumers via our travel trade partners. Key sentiment gained at international online trade events showed that New Zealand is a highly desirable destination for high-net-worth clientele and that the luxury advisor travel sellers remained fairly intact due to many agencies not carrying the operating costs of a shop front business model. Over 144

meetings were held globally to connect and converse with luxury travel advisors. TV series 'Lap of Luxury' also aired in March 2021 to showcase the people and communities behind New Zealand luxury tourism and the show was sold into Australia, the United Kingdom and United States as priority premium markets.

TRENZ Hui

Tourism New Zealand worked with TIA (Tourism Industry Aotearoa) to evolve the TRENZ industry trade show for the COVID-19 context. More than 750 people attended the TRENZ Hui 2021 in Christchurch in May 2021, themed 'Revive, Reconnect and Revitalise' to discuss challenges facing the industry and find solutions in preparation to welcome back international tourists to New Zealand. Overall, 89% of survey respondents rated the Hui as excellent or very good. To complement TRENZ, an 'always on' platform, TRENZ Connect, was launched by TIA to enable the industry to connect with international buyers to provide product updates and hold virtual appointments, and Tourism New Zealand is working closely with TIA to support and leverage this platform.

Virtual expos

Tourism New Zealand invested in virtual events platform EventsAIR to maintain our trade network and outreach to ensure travel trade remains a key champion of the New Zealand destination and brand in the future. The Tourism New Zealand Australia Virtual Travel Expo in June 2021 was Tourism New Zealand's first virtual trade event on the platform, to reconnect New Zealand operators and agents, re-educate them on tourism products, and enable them to re-sell New Zealand during QFT. 400 Australian buyers, 26 RTOs and 250 New Zealand tourism operators participated, alongside New Zealand Winegrowers, New Zealand Māori Tourism, Air New Zealand and New Zealand Cycle Trails.



Tourism New Zealand continued to engage at offshore virtual travel events including meeting over 200 UK travel agents at the EXPERIENCE PATA buyer-seller event as well as World Travel Market and LOOP training across Europe. New virtual families took the form of livestreams such as 'On the Road with Kimmy', a US virtual family program, visiting locations including Dunedin and Gisborne and reaching 3,000 trade.

Little Wishes campaign in China

In China we continued our innovations in reaching and training travel trade with a 'Light Up Your Little Wishes' trade integration campaign for the overall Little Wishes consumer campaign, reaching 14,000 travel agents across 200 cities, and generating 40,000 unique visitors to Tourism New Zealand's New Zealand Specialist Programme site. The campaign was well regarded as a change from standard tourism marketing practice, bringing a fresh approach to build inspiration during COVID-19.

Also in China, we utilised Chinese social media platforms WeChat and Douyin to livestream regional content to travel trade and consumers, boosting the exposure of operators in Queenstown, Arrowtown and Auckland while promoting the message of the Tiaki Promise.

To invest in virtual assets for the long term, we commenced a work programme in June 2021 to create a Global Virtual Family Series showcasing each region of New Zealand for use in all markets.

Business events

The economic value of business events in New Zealand was estimated at \$1.48 billion in the year ending June 2019. Business Events attract high value visitors: international experts in their field, top researchers, and business leaders. The information shared and decisions taken at conferences and events can profoundly change communities. Business Events are also

a significant contributor to local economies, employing florists, caterers, AV technicians, event organisers, transport companies and supporting local tourism and hospitality businesses.

Research commissioned by Tourism New Zealand in November 2020 to explore the business events industry outlook for 2021 showed New Zealanders were ready to meet and that there was a greater preference for meeting in person. The research also explored how the pandemic has changed what organisations look for in an event destination, with more focus on suppliers' health and safety standards, ability to accommodate social distancing, and teleconferencing technologies.

A six-week content partnership with Stuff was launched, aiming to reignite Kiwis confidence to return to booking and attending business events. Tourism New Zealand worked with Business Events Industry Association to establish clear guidelines for meeting health and safety protocols for large gatherings and reinforcing requirements for event hosting at levels one, two and three.

In FY21 Tourism New Zealand developed and implemented a programme of support for business events in New Zealand. A fund was established to support domestic conference and marketing support initiatives, matching applicant funding for marketing and conference proposals. 60 applications were approved totalling \$728,000, bringing \$1,379,755 to events throughout New Zealand. This funding gave organisers further security and confidence to proceed to book and hold these events in FY21 and for convention bureaux to update their marketing and promotional assets.

With the shift to online and hybrid events, a scholarship programme was established for New Zealand Professional Event Organisers to further upskill in the area of hybrid conferencing

technology. Ten scholarships were awarded to Professional Conference Organisers to complete the PCMA Digital Events Strategist certification course in January 2021.

The full year results achieved by the Business Events team were still strong. Tourism New Zealand maintained its win rate ahead of target (80% against 60%) and our submitted bid value was \$93 million ahead of a target of 90 million*. In FY20 Tourism New Zealand won 13 conference bids valued at \$21 million.

We secured the following events for future hosting:

- Teaching Games for International Conference (350 delegates)
- International Coral Reef Symposium (2550 delegates)
- International conference on human-agent interaction (250 delegates)
- Juvenile Lifestyle meeting New Zealand (130 delegates)
- IEEE eGrid (260 delegates)
- Conference on Robot Learning (1030 delegates)
- Joint International Association of Women in Policing and Australian Council of Women and Policing (950 delegates)

* An initial target of \$130M NZD was set based on FY19 results. Based on the tracking of current bids and taking into account border uncertainty the target was revised in Q3 to \$90m.

FY21 activities: measures, targets and results

Activity five: Develop and deliver engaging content and messages supporting our campaigns through Tourism New Zealand-owned channels, including newzealand.com and social platforms.

Newzealand.com website

Tourism New Zealand's consumer website, newzealand.com, continues to serve as an essential hub for our activity, with regular updates to both content and functionality to convert people dreaming about New Zealand into planning, and current information about travel sellers and products to book. To support the move into domestic tourism a new domestic edition of newzealand.com was built in three weeks. The website has performed very strongly and is the sixth most visited travel and tourism website in New Zealand for consumers searching for travel information.

In the digital space, newzealand.com acts like a funnel to operators. We measure the effectiveness by the number of referrals from newzealand.com to other sites.

We exceeded our referrals target for FY21 by 600,000, driven by strong performance and integration between newzealand.com and our domestic campaigns.

We added a booking layer to newzealand.com to showcase domestic travel deals that tie in with the themes of our marketing campaigns.

Domestic deals were popular with operators and increased the percentage of direct bookings they have received, which we hope will lead to newzealand.com becoming a preferred advertising medium for operators to maximise operator conversion and rising consumer preference for newzealand.com.

By aligning operator deals to campaign themes and tailoring these to the audience Tourism New Zealand has driven to the site, we were able to deliver an uplift in both total referrals and click-through rate on deals. The impact of

delivering package offerings in media channels and driving users through to a banner-targeted landing experience also had a significant impact in driving referrals.

Domestic engagement on newzealand.com was strong, with engagement rates holding at 20% and an increase in organic referral rates. At June 2021, total visits were up +66% compared to the previous year and referrals more than double (+106%), reflecting the success of the work that has gone in to drive increased direct bookings to the industry.

With the start of Australian QFT we saw an increase in organic visits in Australia of over 1.5 times the average regular visitor volume and an uplift in global organic referral rates from 8.3% to 9.1%.

New platforms for connecting with industry were created in FY21 including trade marketing hubs in Australia, the United States and United Kingdom; and the EventsAIR platform for virtual trade events.

Social media

Digital channels, including newzealand.com digital brand campaigns and social media, all play an important part in Tourism New Zealand's marketing activity. Tourism New Zealand monitors the level of connection with our audiences through a range of measures focussed on engagement and interaction with our content.

Highlights from our social media activity included World Kindness Day in November 2020, when we dedicated the 100% Pure New Zealand Twitter account to sharing stories of kindness from all over the world. Across all channels, the campaign content was viewed 7.1 million times, and generated 102,000 likes, comments and shares.

FACEBOOK CONNECT

During FY21 Tourism New Zealand was looking for ways to close the gap between referrals and sales for the network of travel businesses we link to on newzealand.com.

We used dynamic advertising technology to create and present ads that reached our ideal visitors, based on traffic to newzealand.com.

Bookable content was delivered from the 100% Pure New Zealand Facebook page via a Tourism New Zealand owned pixel, which operators were asked to install on their own websites. This gave people the ability to click on an ad and book products and services direct with the operator, turning activity into real purchases.

The programme delivered over \$5 million of direct bookings to tourism businesses and \$17 of bookings for each \$1 of advertising spend.

Facebook Connect was also rolled out to Australia, and Tourism New Zealand tested offers that would stimulate Australian consumers to book before they arrived in New Zealand.



The Lord of the Rings remains a key connection point to international consumers, and Tourism New Zealand's social content for International Hobbit Day in September 2020 created 1.8 million impressions and over half a million video views, with an engagement rate six times higher than the industry benchmark (1-1.5%).

We also launched a social media campaign 'Travelling Under the Social Influence', as a fun and engaging social advocacy campaign to encourage Kiwis to explore new places, take photos and share them on social media with our

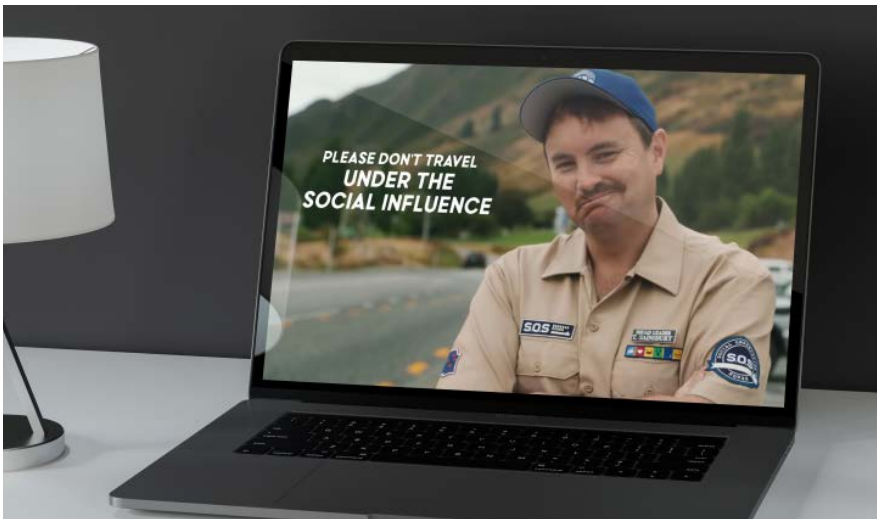
campaign hashtag #DoSomethingNewNZ. This campaign was well received in New Zealand and around the world, generating 8 million video views and 10.6 million impressions, and an engagement rate of 5%.

Tourism New Zealand's Instagram Augmented reality (AR) filters featuring New Zealand experiences were displayed 1.2 million times on screen and were featured in 44,400 photos or videos around the world.

Tourism New Zealand used new channels like TikTok, Pinterest and Spotify to highlight the

best of New Zealand for more cut-through in FY21. Tourism New Zealand became the first Tourism Board in the world to launch a music playlist with our Mindful Journeys Spotify Album in September 2020. This campaign was designed to engage consumers with the New Zealand brand by offering calmness and the sounds of New Zealand's nature and environment.

The Mindful Journeys Spotify Album achieved over 2 million impressions, 770,000 engagement and 9,000 listeners over seven days.



FY21 Social Scoreboard

	1,662 TOTAL POSTS	4.4M TOTAL AUDIENCE	186.5M* TOTAL IMPRESSIONS	9.8M* TOTAL ENGAGEMENTS	7.12%* AVG. ENGAGEMENT RATE
NETWORK	POSTS	AUDIENCE	IMPRESSIONS	ENGAGEMENTS	AVG. ENGAGEMENT RATE
	379*	3.1 million	118,231,537 (+91.9%)	5,228,073* (+111.5%)	4.4% (+10.2%)
	374*	1.1 million	54,021,385 (+9.7%)	3,814,800 (+121.6%)	7.1%* (+36.3%)
	189	194.6K	13,835,226 (+99.9%)	677,195* (+103.8%)	4.9%* (+1.9%)
	526	41.7K	n/a	54.7K	n/a
	157	604	n/a	n/a	n/a
	37	6999	498,012	73.8K	14.8%

* Organic
+ Paid data

FY21 activities: measures, targets and results

Activity six: Engage and work with the tourism sector, Government and other agencies to support and strengthen the recovery of the tourism sector.

Tourism New Zealand's relationships with tourism operators are critical. We regularly engage with industry, informing them of our activity, learning about theirs, and gathering feedback to build alignment. In FY21 we focused on ensuring industry was aware of and able to easily engage with all opportunities to leverage Tourism New Zealand activity, and to seek support for the continuation or transition of their businesses. We also focused on ensuring we were seeking regular feedback and insights from the sector to appropriately tailor our work to the real experiences of tourism businesses on the ground.

In order to support tourism businesses and organisations while borders were closed, Tourism New Zealand waived fees for Tourism New Zealand's quality assurance organisation Qualmark and the China Approved Destination Status programme, as well as the Visitor Information Network (VIN) Inc membership fees for i-SITES around the country.

Qualmark

Qualmark embarked on major programmes of activity to support businesses with the decisions they needed to make to adapt to the COVID-19 context and prepare for the future, through three programmes of support:

- Phase 1: Tourism Advisory Service to support business continuity, hibernation or survival. This focused on enabling tourism operators to become more financially confident, to make strategic decisions about their future including adapting to domestic, hibernating or otherwise refining their product offering.
- Phase 2: Building digital capability. This provided specialist advice to lift digital capability as a tourism-focused complement to broader Government digital capability programmes. Focus areas included digital marketing, website performance and social media content and creation to modernise tourism businesses through the COVID-19 period for greater productivity.
- Phase 3: Human resources and legal support programme to support businesses with tools to manage operational and workplace structural changes for the continuity of businesses.

To measure the success of these programmes, we asked participants to fill out a survey on completion of the course that gives us a Net Promoter Score (NPS), a measurement of satisfaction with the content. With NPS scores, above 0 is good, above 20 is favourable and above 50 is excellent.

Net promoter scores for phase 1 and 2 were an impressive 46.2% and 43.5% respectively (on a -100 to +100 scale).

In June Qualmark launched a 'COVID Clean Approved' programme to assist members to understand their obligations and visitor expectations for safe travel in the COVID-19 context, providing advice endorsed by the World Travel and Tourism Council.

Providing advice

Tourism New Zealand supported the Tourism Futures Taskforce in its considerations for the future of tourism in New Zealand. Tourism New Zealand served as an advisor to the group alongside The Ministry of Business, Innovation and Employment (MBIE) and Department of Conservation (DOC) and contributed to its secretariat with research and strategic thinking.

Our work in partnership with the Department of the Prime Minister and Cabinet (DPMC) and other Government agencies was a key part of the successful and safe launch of QFT with Australia in April 2021. Tourism New Zealand and DPMC successfully aligned marketing objectives and strategies to balance the prioritisation of health behaviour messaging supporting the tourism industry alongside holiday and travel consumer marketing.

Supporting the Tourism Industry

In response to COVID-19 Tourism New Zealand increased its engagement with industry, to build deeper partnerships for our domestic activity and to gather insight into the impact of border closures and movement restrictions on individual businesses. Our stakeholder engagement result for FY21 reflects a strong focus regular and authentic engagement across the sector, including through our domestic partnerships.

We conducted industry surveys periodically to gain an overview of the outlook for operators around the country; their focus on the domestic market and capability building through COVID-19; and decisions being made to reduce, hibernate or change operations.

Tourism New Zealand's industry engagement hui were held in November 2020 as an example of 'hybrid' events, with both limited in-person and online attendance, that could sustain any changes in alert levels, and allow us to commit to a business events programme to support the conferencing sector. Roadshows were held in Auckland, Christchurch, Queenstown, Wellington and Rotorua. A total of 834 people attended the

hybrid events (611 in person and 223 online) with a high rate of engagement, with many attendees stating they felt better informed to manage future change in the tourism industry. Our engagement hui in June 2021 were disrupted by COVID-19 effects on venues but an online event attracted 250 attendees.

Providing insights

Consumer insights relating to travel and New Zealand as a destination in the context of COVID-19 were published and shared with industry on a regular basis, including domestic consumer insights, quick turnaround domestic data following key holiday periods, and recovery scenarios. The 'Te Ōhanga' report on the value of tourism was released to industry in November 2020 to capture new data analysis on the value, jobs impact, productivity and community amenity contribution of tourism around the country.

Our measure of New Zealanders' sentiment towards tourism has dropped in FY21, with 81% agreeing that tourism is good for New Zealand (down from 93%). COVID-19 has provided an opportunity to consider how tourism should work in New Zealand. Tourism New Zealand has focused on building deeper layers of understanding of New Zealanders experiences and aspirations for tourism to ensure our work aligns with New Zealanders' expectations for the future, both in terms of the high-quality visitors we target and the behaviour of visitors when they arrive.

“Have you ever been in a real castle before?”



Larnach Castle
Dunedin

Awards

Tourism New Zealand’s campaign work continued to win awards in FY21 for content and innovation in marketing, recognising internationally the calibre of the work we do promoting New Zealand as a visitor destination.

2020 Axis

Good Morning World
Silver:
Branded content campaign
Social media campaign
Bronze:
Integrated campaign
Influencer marketing
Direct campaign
PR, social and digital
Digital and interactive
Creative Use of Media - Integrated

2020 AWARD Awards

Good Morning World
Gold:
Integrated digital campaign
Co-created and user generated content
TV and cinema commercials
Silver:
PR and promotion
Best use of social media
Social videos, campaign
Bronze:
Media relations
Community Building and engagement

2020 Campaign Asia

Australia/New Zealand Marketer of the Year,
Gold: Brodie McLeish, Tourism New Zealand
Australia/New Zealand Brand of the Year,
Gold: 100% Pure New Zealand
Australia/New Zealand Agency Marketer
partnership of the year, Gold: Tourism
New Zealand and Special Group

2021 Cannes Lions Awards

Good Morning World
Silver Lion:
Social Film Series
Bronze Lion:
Mobile (Co-creation and
User Generated Content)

2020 Pressies

Good Morning World
Gold:
Best Use of Social Media
Best use of strategic thinking
Silver:
Best use of strategic thinking
Most innovative campaign

2020 B&T Awards

Play NZ Content Marketing Strategy of the Year
Good Morning World, Best Digital Campaign

2020 Best

Good Morning World, Gold
100% Pure Welcome, Silver

2021 The One Show

PLAY NZ, Silver Pencil Best use of social media
Good Morning World, Bronze,
Creative effectiveness



2020 Asia Spike awards

Play NZ, Grand Prix for Media, Branded Content & Entertainment



2020 Travel + Leisure India's Best Awards

International Destination – Best Green country, New Zealand



2020 Beacon Awards

Silver, Social Marketing/Public Service: Good Morning World



2020 Global Social Media Awards

Best In-House Social Media Team: Tourism New Zealand



2021 WARC Awards

Good Morning World Silver, Effectiveness: Collaboration and Culture



2020 Mumbrella Awards

Good Morning World, Content Marketing Strategy of the Year and Ad Campaign of the Year



2021 SABRE Awards, North America

Forest of Hope, Gold, International Multimarket campaign



2020 Guang Ming Studying Abroad Magazine

Top overseas study-travel destination



2021 Mumbrella Awards

Play NZ, Best Social Media or Digitally-Led Campaign



2020 IAB

Good Morning World Best use of integrated digital exclusive campaign



2021 China Content Marketing Awards

Little Wishes, Gold, Brand Image Tourism Marketing
Little Wishes, Best in Tourism Marketing
Back to Middle Earth livestream, Bronze, Innovative Tourism Marketing



2020 Ad News

Good Morning World Campaign of the year Best Use of Content Innovative use of media



“Have you ever seen Auckland
from this angle before?”



Rangitoto Island
Auckland

From top left to right

Jamie Tuuta

Roger Sharp

Colleen Neville

Kauahi Ngapora

Mike O'Donnell

Jan Hunt

John Thorburn



Meet the Team

The Board

Jamie Tuuta - Chair

Award winning Māori business leader Jamie Tuuta was first appointed to the Board in March 2013 and was appointed Chair in April 2019. Jamie also chairs the conservation project Taranaki Maunga and Māori Television, and was the Māori Trustee and Chief Executive of Te Tumu Paeroa. Jamie has held a range of governance positions in iwi development, agribusiness, fishing, investment, health, Māori development, tourism, and education. In 2015 Jamie received the Young Māori Business Leader Award at the Aotearoa 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 80s. He became an aviation banker in the 90s, advising on flagship transactions including the privatisation of Air New Zealand and Qantas. After working for one of the world's largest financial institutions, he founded a technology investment banking firm in 2003. Since then he has invested in and chaired several stock exchange listed companies including ASX-listed online travel agent travel.com.au Limited, which was sold to Wotif.com in 2008. Roger was officially appointed to the Board on 1 December 2018.

Colleen Neville

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

Kauahi Ngapora

Kauahi is General Manager of Whale Watch Kaikōura Ltd and has 25 years of experience in the Māori tourism sector. His governance experience includes directorships at Tourism Industry Aotearoa and Whale Watch Australia. He has also been Chair of Destination Kaikōura and is a member of the Tourism Infrastructure Fund panel. Kauahi was awarded the Outstanding Māori Business Leader Award at the 2018 University of Auckland's Aotearoa Māori Business Leaders Awards. He was appointed to the Board in September 2018.

Mike O'Donnell

Mike "MOD" O'Donnell is a full-time director with a background in eCommerce, technology, tourism, and funds management. Mike is chairman of cloud-based booking platform Timely, and is a director of Kiwibank, Kiwi Wealth, G2G Know-How, Serato Music, Raygun Performance Software, and Radio New Zealand. The former Chief Operating Officer of Trade Me and vWork, MOD previously chaired Positively Wellington Tourism and has managed several online travel businesses. MOD was appointed to the Board in October 2013.

Jan Hunt

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

John Thorburn

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

From top left to right

René de Monchy

Sue Parcell

Hemi Sundgren

Brendan Downey-Parish

Natalie Haines

Rebecca Ingram

Tony Rogers

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, Heineken and Asia Pacific Breweries in Singapore. René was appointed Acting Chief Executive of Tourism New Zealand in 2020 and took up the position permanently in April 2021. Before his appointment as Chief Executive, René was Tourism New Zealand's Director Commercial. In this role René led a team across 15 offices in 14 countries responsible for identifying key markets and audiences to target for travel to New Zealand.

Sue Parcell, Chief Financial Officer

Sue Parcell joined Tourism New Zealand in August 2010 and is responsible for managing and leading the financial and operational functions of Tourism New Zealand. She also oversees the performance reporting function. Sue has Executive responsibility for Qualmark, Tourism New Zealand's operator subsidiary. She has considerable experience in the tourism industry, including in senior finance and general management roles. Prior to Tourism New Zealand she worked in finance roles in business services in New Zealand and overseas.

Hemi Sundgren, Pou Ārahi Māori

Hemi joined Tourism New Zealand as Pou Ārahi Māori after more than 10 years' experience working with iwi in the post settlement development space, including six years as Chief Executive for Te Kotahitanga o Te Atiawa in Taranaki. Hemi's role is primarily to support the Chief Executive in raising the cultural confidence across the organisation in respect to kaupapa Māori. Hemi leads work to incorporate Te Ao Māori into Tourism New Zealand's strategy, and establishing and maintaining effective and enduring partnerships and meaningful networks with Iwi, Government agencies, corporations, industry and the tourism sector.

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

Brendan joined Tourism New Zealand in January 2016 and in 2018 was appointed to the role of General Manager CX, Technology, & Data. Brendan leads a multi-disciplinary team to deliver a world class digital experience platform, drive impact by harnessing data for improved insight and ensure that customers have a seamless experience. Brendan has more than 15 years marketing and innovation expertise gained across the beverage, food, and consumer goods sectors in New Zealand and internationally, including seven years with Fonterra in the Middle East.

Natalie Haines, General Manager, People and Culture

Natalie joined Tourism New Zealand in May 2018 and leads our people, culture, safety, and wellbeing functions. She has experience in the fields of organisational change, capability development, culture and recruitment. Prior to joining Tourism New Zealand Natalie held senior people and culture roles at Contact Energy and Oranga Tamariki. During this time both organisations were undergoing significant change.

Rebecca Ingram, General Manager New Zealand and Government Relations

Rebecca oversees Tourism New Zealand's relationships with key New Zealand stakeholders, including industry and Government agencies, and internal and external communications. Previously, Rebecca was responsible for Tourism New Zealand's global PR activity, including the international media programme, and work to leverage major events. She led Tourism New Zealand's film tourism work, building on the highly successful Middle-earth legacy and positioning New Zealand as the best place in the world for visitors to experience a living film set. Rebecca has more than fifteen years of experience in marketing and communications.

Tony Rogers, Acting Director, Marketing

As Director Marketing, Tony leads the evolution of Tourism New Zealand's marketing through our core creative narrative including the 100% Pure New Zealand campaign, and takes a strategic approach to how we plan and optimise our global marketing, media partnerships and channels to maximise the effect of that narrative with our target consumer audiences. This includes taking responsibility for leading the global development of our marketing strategy, including our creative approach and philosophy as well as the standard of creative output and consumer insight for the organisation. Tony has extensive senior marketing experience across multiple industries including tourism, leisure, automotive and financial services.

Bjoern Spreitzer, Acting General Manager, Domestic and Business Events

Bjoern leads Tourism New Zealand's domestic team to coordinate the Tourism New Zealand's consumer and trade activities in New Zealand. This involves overseeing development and implementation of campaigns for the New Zealand domestic market and leveraging stakeholder relationships to ensure effective delivery of Tourism New Zealand's domestic strategy. Bjoern also leads the Business Events team to promote New Zealand as a world-class destination for conferences and incentives. Bjoern is also responsible for Tourism New Zealand's aviation strategy and works closely with airports in New Zealand.

Gregg Wafelbakker, Acting General Manager, International

Gregg Wafelbakker brings 20 years' of international experience in Business to Business (B2B) and Business to Consumer (B2C) from the food and beverage sector, with roles based in New Zealand, United States, Singapore, Thailand, Germany and China. Gregg leads 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 involves overseeing the development and implementation of targeted campaigns and leveraging global and local stakeholder relationships to maximise Tourism New Zealand's impact internationally.

Meet the Team

Governance

The Board

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

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

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

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

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

Delegation

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

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

Induction and development

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

Conduct

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

Disclosure of Interests

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

Risk management

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

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

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

Board committees

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

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

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

Subsidiary companies

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

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







Meet the Team

Our Whānau

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

Despite our geographical spread we are a close-knit team, aided by fortnightly all organisation global calls, our intranet, Kōhanga, video conferences across business groups, share and learn sessions across the organisation, weekly updates, and our bi-annual internal Whetū awards that recognise exceptional work within our organisation.

COVID-19 has changed what we do and it's also made us think about the way we do it.

Tourism New Zealand has made the most of flexible working and, like everyone else, increased our use of video conferencing and digital platforms to maintain connection with our teams around the globe.

Dealing with the uncertainty that COVID-19 has brought with it, the resilience and perseverance of our staff has been admirable as plans have needed to be changed or adapted to changing circumstances. This year, more than ever, we have lived our values of courage, care and connection.

Whetū Awards 2021

Our bi-annual internal Whetū awards recognise outstanding work and staff who live our values.

Winners from the bi-annual awards are automatically nominated for our annual Whetū Nui Awards, which are chosen by our Executive team at the end of the calendar year. Winners receive our Whānau Pendant and Trophy.

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



Whetū Nui

Super Star – overall Whetū winner for FY21

Domestic team

Our domestic team made an incredible impact in FY21. In a year of closed borders, they left no stone unturned to get Kiwis to Do Something New. The team was formed with existing and new global whānau members and quickly started launching campaigns and high-impact work which have resulted in an increase of Kiwis actively planning a holiday in New Zealand. The team exceeded their FY21 target of \$9.4 billion in total domestic spend with a total of \$11.2 billion in FY21 which was an 18% increase on FY19. Their partnership approach with industry has been innovative and inclusive to drive domestic travel around New Zealand. The team consistently does this in a way that reflects our values showing courage, care and connection.

Congratulations to those that were in the Domestic team as at 30 June 2021

(Bjoern Spreitzer, Penelope Ryan, Anna Basten, Georgia Woodbridge, Tina Meziant, Anna Smith, Jen Huston, and Derek Melnick)



Whetū Mātaiata

Morning Star - recognising the achievement of someone who is new to the Tourism New Zealand whānau

Harriet Mahaffie

Harriet started at Tourism New Zealand in May 2021 as borders were being closed. In FY21 getting destination stories out into the media has never been more challenging. Harriet has embraced the challenge and reshaped the public relations role and newsroom function with a sound strategic lens, and a calm, considered and professional demeanour. It's been highly effective. Harriet has often had to be adaptable and respond quickly to requests in the months she has been with Tourism New Zealand and she has stepped in and put in extra effort and commitment to get the job done that needed to be done. Harriet has slotted into the PR, Social and Partnerships team incredibly well, not just fitting in, but adding to the culture and energy of the team. Harriet been highly effective and has provided strong leadership. She truly lives our values of courage, care and connection, championing the development of her team.



Whetū Wheriko

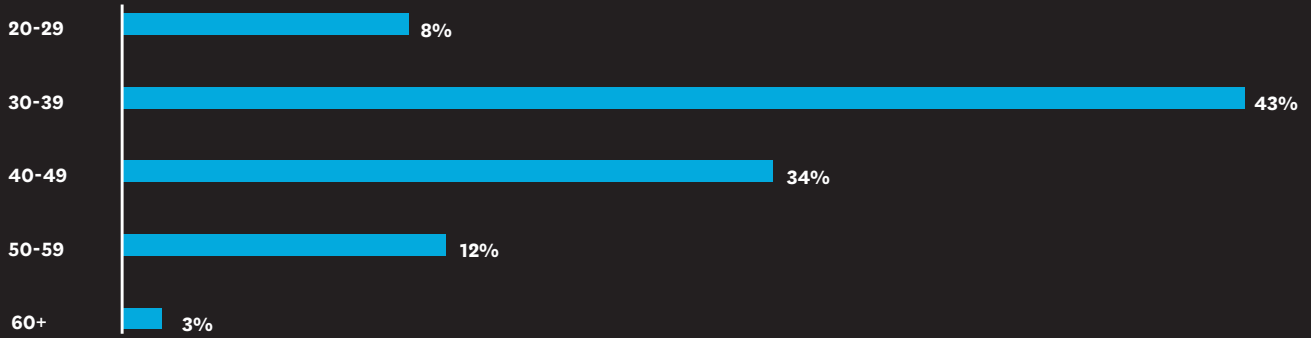
Glistening Star - recognising someone who has made an outstanding contribution to the organisation

Marcelo Cobra

Marcelo is our Whetū Wheriko this year for the outstanding contribution he's made to the organisation. Marcelo joined Tourism New Zealand in 2014 and has gained a reputation as an outstanding public relations professional who is an absolute pleasure to work with thanks to the way he lives our values of courage, care and connection. When the COVID-19 pandemic hit we asked our global whānau to show increased agility and flexibility and Marcelo was one of our employees who embraced a secondment to our New Zealand Inc partners, in this case New Zealand Trade and Enterprise (NZTE), Brazil as he turned his mind to helping New Zealand exporters in South America. With the upcoming closure of the Brazil office, Marcelo agreed to temporarily help the United States PR team from Brazil and has recently accepted a permanent role in our PR team in Los Angeles and will shortly be relocating there.

OUR WORKFORCE PROFILE

AGE



157.6

Full time equivalent employees
(as at 30 June 2021)

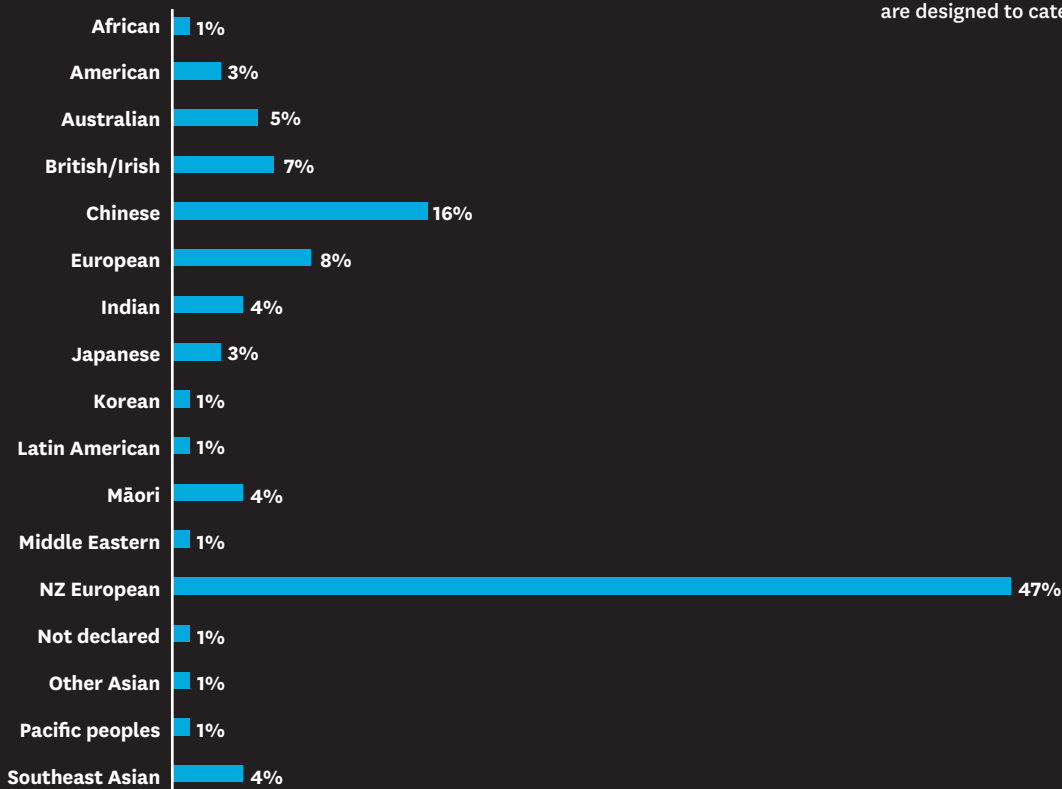


75%
females



25%
males

ETHNICITY



DISABILITY

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

Meet the Team

Diversity and inclusion

Tourism New Zealand promotes diversity and inclusion through its 11 offshore and two New Zealand offices. We recognise the value of a diverse workforce and the importance of working together 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 14% in 2021 and work continues to reduce this further. Tourism New Zealand has pay equity by level across the organisation.

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:

1. Cultural Competence
2. Addressing Bias
3. Inclusive Leadership
4. Building Relationships
5. Employee-led Networks

With Papa Pounamu recently being implemented, Tourism New Zealand is still developing its plan of work to create positive impact in all given areas. In FY21 the focus has been on:

- Cultural Competence: Tourism New Zealand has updated its plan to build Māori culture capability and confidence in FY22. This supports the Mahi Tahī that Tourism New Zealand signed with Te Taura Whiri i Te Reo Māori (The Māori Language Commission) in 2019.

- 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.
- Building Relationships: Tourism New Zealand's values provide the basis for building strong working relationships at Tourism New Zealand. This has been particularly important during the year as employees in our global workforce have continued to face COVID-19 restrictions.
- Employee-led Networks: Two Safety and Wellbeing Committees help ensure employee participation in safety and wellbeing forums 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.

Work is underway to develop a plan that will focus on all five focus areas of Papa Pounamu in FY22, and further measurement of activity and progress will also be provided in FY22.



Meet the Team

Our commitment to being a good employer

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.

Twice a year we carry out our Kōrero Mai (have your say) survey with employees to understand employee engagement. Employee engagement continues to be at a high level and was at 73% in May 2021.

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

Our leaders are committed to actively demonstrating leadership and accountability in all areas of Equal Employment Opportunities (EEO). 93% of employees agree or strongly agree they are proud to work at Tourism New Zealand and 89% 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 EEO principles.

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

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

Employee development, promotion, and exit

Leadership development continued this year with all employees to support realising our aspiration of enriching New Zealand. The leadership programme was focused on leadership being extraordinary during the unprecedented times that have resulted from COVID-19. This programme was designed for people leader to ensure we authentically express our values, teams feel well supported as our environment evolves, performance exceeds expectations, we demonstrate more agility, and we are set-up for the future.

With many employees from our offshore offices working from home because of COVID-19 we continued to encourage and support employees to make use of online learning to develop technical skills to effectively carry out their roles.

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).

The increased focus on employee development during this year has resulted in 79% agreeing they had access to the learning and development they needed to do their job well.

We value internal mobility within the organisation and continued to see a high number of roles being filled internally, with a third 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.

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. 93% of employees agreed 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.

There is a continual focus on ensure that employees have the tools they need to do their role effectively and 86% agree or strongly agree they have access to the systems and tools that support them to do their job effectively.

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 are affordable 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, and act 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.

Tourism New Zealand continued to provide driver training programmes, 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.

“How’s this - riding from the east coast to the west coast?”

TAUMARERE



Twin-Coast Cycle Trail
Northland

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 2021.

The Members of the New Zealand Tourism Board and Group authorised these financial statements for issue on 15 December 2021.

Signed on behalf of the Board:



Jamie Tuuta
Chair
15 December 2021



John Thorburn
Chair of the Audit Committee
15 December 2021



Motuihe Island
Auckland

Financial statements

Statement of comprehensive revenue and expense

for the year ended 30 June 2021

	Notes	Group			Parent		
		2021 Actual \$000s	2021 Budget \$000s	2020 Actual \$000s	2021 Actual \$000s	2021 Budget \$000s	2020 Actual \$000s
Revenue from non-exchange transactions							
*Revenue from Crown	2	133,150	126,150	113,803	133,150	121,150	113,803
Other revenue	3	-	-	774	-	-	774
Revenue from exchange transactions							
Interest income		19	90	91	19	90	91
Other revenue	3	594	-	3,989	1,459	186	2,939
Total revenue		133,763	126,240	118,657	134,628	121,426	117,607
Expenditure							
Other expenses	4	119,041	135,845	108,990	125,892	131,076	107,993
Depreciation and amortisation	11,12	1,072	1,073	968	1,037	1,028	943
Total expenditure	5	120,113	136,918	109,958	126,929	132,104	108,936
Net Operating Surplus/(Deficit) before Fair Value Gain or Loss on Derivatives and Taxation		13,650	(10,678)	8,699	7,699	(10,678)	8,671
Fair value gain (losses) on derivative financial instruments	10	(349)	-	2,179	(349)	-	2,179
Income tax expense	20	20	-	-	-	-	-
Net surplus/(deficit) for the year		13,301	(10,678)	10,878	7,350	(10,678)	10,850
Total comprehensive revenue and (expense) for the year		13,301	(10,678)	10,878	7,350	(10,678)	10,850
Transfer from / (to) foreign exchange reserves	17	(113)	-	(100)	(113)	-	(100)
Net operating surplus/(deficit) after foreign exchange transfer		13,188	(10,678)	10,778	7,237	(10,678)	10,750
Net surplus/(deficit) for the year is attributable to:							
Non-controlling interest	6	74	-	8	-	-	-
Owners of the parent		13,227	-	10,870	7,350	-	10,850
		13,301	-	10,878	7,350	-	10,850
Total comprehensive revenue and (expense) for the year is attributable to:							
Non-controlling interest	6	74	-	8	-	-	-
Owners of the parent		13,227	-	10,870	7,350	-	10,850
Surplus before Foreign Exchange movements		13,301	-	10,878	7,350	-	10,850

The notes and accounting policies on pages 52 to 76 form part of and are to be read in conjunction with these financial statements.

Statement of changes in equity

for the year ended 30 June 2021

	Notes	Parent			Total \$000s
		Shareholders Equity \$000s	Foreign Exchange Reserve \$000s	Accumulated Comprehensive Revenue and Expense \$000s	
Balance at 1 July 2020		1,805	5,807	7,913	15,524
Total comprehensive revenue and expense for the year		-	-	7,350	7,350
Transfer from / (to) retained earnings to foreign exchange reserve	17	-	114	(114)	-
Net total after foreign exchange transfer		-	114	7,237	7,350
Balance at 30 June 2021		1,805	5,920	15,149	22,875

Statement of changes in equity

for the year ended 30 June 2020

	Notes	Parent			Total \$000s
		Shareholders Equity \$000s	Foreign Exchange Reserve \$000s	Accumulated Comprehensive Revenue and Expense \$000s	
Balance at 1 July 2019		1,805	5,707	(2,837)	4,673
Total comprehensive revenue and expense for the year		-	-	10,849	10,849
Transfer from / (to) retained earnings to foreign exchange reserve	17	-	100	(100)	-
Net total after foreign exchange transfer		-	100	10,750	10,849
Balance at 30 June 2020		1,805	5,807	7,913	15,524

Statement of changes in equity

for the year ended 30 June 2021

	Notes	Group				Total \$000s
		Shareholders Equity \$000s	Foreign Exchange Reserve \$000s	Accumulated Comprehensive Revenue and Expense \$000s	Non-Controlling Interest \$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	17	-	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

Statement of changes in equity

for the year ended 30 June 2020

	Notes	Group				Total \$000s
		Shareholders Equity \$000s	Foreign Exchange Reserve \$000s	Accumulated Comprehensive Revenue and Expense \$000s	Non-Controlling Interest \$000s	
Balance at 1 July 2019		1,805	5,707	(3,586)	263	4,193
Total comprehensive revenue and expense for the year		-	-	10,869	8	10,877
Transfer from / (to) retained earnings to foreign exchange reserve	17	-	100	(100)	-	-
Net total after foreign exchange transfer		-	100	10,770	8	10,877
Balance at 30 June 2020		1,805	5,807	7,184	271	15,066

The notes and accounting policies on pages 52 to 76 form part of and are to be read in conjunction with these financial statements.

Financial statements

Statement of financial position

for the year ended 30 June 2021

Notes	Group			Parent			
	2021 Actual \$000s	2021 Budget \$000s	2020 Actual \$000s	2021 Actual \$000s	2021 Budget \$000s	2020 Actual \$000s	
Current Assets							
Cash and cash equivalents	8	35,073	5,255	16,333	28,428	5,000	15,805
Receivables from non-exchange transactions	9	-	192	-	-	160	-
Receivables from exchange transactions	9	445	2,476	1,192	429	2,200	1,066
Prepayments and other current assets		1,502	1,700	2,301	1,496	1,700	2,298
Derivative financial instruments	10	811	-	1,160	811	-	1,160
		37,831	9,623	20,986	31,164	9,060	20,329
Non-current Assets							
Property, plant and equipment	11	1,776	2,154	2,279	1,776	2,153	2,279
Intangible assets	12	370	1,417	688	292	1,289	561
Accommodation bonds	13	536	477	601	536	477	601
Investment in subsidiary	6	-	-	-	480	-	480
		2,682	4,048	3,568	3,084	3,919	3,921
Total Assets		40,513	13,671	24,554	34,248	12,979	24,250
Current Liabilities							
Creditors and other payables	14	9,176	6,770	7,063	8,445	6,600	6,570
Employee entitlements	15	1,243	820	1,210	1,188	800	1,193
Invoiced in advance		772	726	252	767	500	-
Provisions	16	196	190	196	196	190	196
Current Lease Incentive Liability		89	-	89	89	-	89
Derivative financial instruments	10	-	1,020	-	-	1,020	-
		11,476	9,526	8,810	10,685	9,110	8,048
Non-current Liabilities							
Provisions	16	494	190	394	494	190	394
Long Term Lease Incentive Liability		194	-	284	194	-	284
		688	190	394	688	190	678
Total Liabilities		12,164	9,716	9,204	11,373	9,300	8,726
Net Assets		28,349	3,955	15,350	22,875	3,679	15,524
Equity							
Equity attributable to equity holders of the parent							
Shareholder's Equity		1,805	1,805	1,805	1,805	1,805	1,805
Accumulated Comprehensive Revenue and Expense		20,277	(1,971)	7,184	15,149	(2,247)	7,913
Foreign Exchange Reserve	17	5,920	4,121	5,807	5,920	4,121	5,807
Parent interests		28,002	3,955	14,795	22,875	3,679	15,524
Non-controlling interests	6	345	-	271	-	-	-
Total Equity		28,349	3,955	15,066	22,875	3,679	15,524

The notes and accounting policies on pages 52 to 76 form part of and are to be read in conjunction with these financial statements.

Statement of cash flows

for the year ended 30 June 2021

	Notes	Group			Parent		
		2021 Actual \$000s	2021 Budget \$000s	2020 Actual \$000s	2021 Actual \$000s	2021 Budget \$000s	2020 Actual \$000s
Cash flows from operating activities							
Crown revenue		133,150	126,150	113,803	133,150	121,150	113,803
Interest received		19	90	91	19	90	91
Other revenue from non-exchange transactions		-	(15)	786	-	-	786
Other revenue from exchange transactions		1,076	90	5,056	2,013	(514)	3,882
Payments to suppliers and employees		(116,090)	(126,095)	(114,158)	(123,145)	(120,426)	(113,179)
Goods and services tax (net)		725	-	344	740	-	409
Net cash inflow/(outflow) from operating activities	18	18,880	220	5,922	12,777	300	5,792
Cash flows from investing activities							
Purchase of property, plant and equipment		(151)	(300)	(931)	(142)	(300)	(930)
Purchase of intangible assets		(102)	(1,000)	(173)	(125)	(1,000)	(108)
Payments for accommodation bonds		(11)	-	(368)	(11)	-	(368)
Repayment of accommodation bonds		41	-	143	41	-	143
Net cash inflow/(outflow) from investing activities		(223)	(1,300)	(1,329)	(237)	(1,300)	(1,263)
Cash flows from financing activities							
Capital contribution		-	-	-	-	-	(220)
Non controlling interest capital contribution		-	-	-	-	-	-
Net cash inflow/(outflow) from financing activities		-	-	-	-	-	(220)
Net decrease in cash held		18,657	(1,080)	4,593	12,540	(1,000)	4,309
Effect of exchange rates on foreign currency balances		83	-	(271)	83	-	(271)
Opening cash brought forward		16,333	6,335	12,010	15,805	6,000	11,767
Cash at end of year	8	35,073	5,255	16,333	28,428	5,000	15,805

The notes and accounting policies on pages 52 to 76 form part of and are to be read in conjunction with these financial statements.

Notes to the financial statements

for the year ended 30 June 2020

Note 1

(a) Reporting Entity

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

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

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

The financial statements for Tourism New Zealand (the parent) and its controlled subsidiaries (collectively the Group) are for the year ended 30 June 2021, and were approved by the Board on the 15 December 2021.

(b) Basis of preparation

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

Statement of compliance

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

Measurement base

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

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

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

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

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

Standard	Title	Application date
PBE IPSAS 41	Financial Instruments	1 January 2022
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 New Zealand 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 (ECLs).

For receivables from non-exchange and exchange transactions, the Group applies a simplified approach in calculating expected credit losses (ECLs). 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

	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Baseline Funding	127,207	115,351	127,207	115,351
During the year, additional funding was provided by the Crown for the following:				
Additional Crown Funding	13,800	2,706	13,800	2,706
Total revenue received from the Crown	141,007	118,057	141,007	118,057
Less GST	7,857	4,254	7,857	4,254
Net revenue received from the Crown	133,150	113,803	133,150	113,803

Note 3

Other revenue	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Sales and Partnership revenue from exchange transactions	594	3,989	1,459	2,939
Sales and other revenue from non-exchange transactions	-	774	-	774
Total Other revenue	594	4,763	1,459	3,713

Note 4

Other expenses include:	Group		Parent	
	2021	2020	2021	2020
Personnel expenses				
Number of permanent and fixed term staff	169	158	161	152
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Salaries and wages	20,072	19,691	19,385	19,139
Employer superannuation contributions	753	470	733	453
Increase/(decrease) in employee entitlements (note 15)	33	390	(5)	390
Other personnel expenses	1,387	1,232	1,364	1,224
	22,246	21,783	21,477	21,207
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Personnel costs for New Zealand and offshore staff were:				
New Zealand Personnel Expenses - Tourism New Zealand	12,600	11,658	12,600	11,658
New Zealand Personnel Expenses - Subsidiaries	768	575	-	-
Offshore Personnel Expenses	8,877	7,701	8,877	7,701
	22,245	19,934	21,477	19,359
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Compensation or other benefits paid to ceased staff	37	100	37	74
	2021	2020	2021	2020
Number of ceased staff	1	4	1	3
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Auditor's remuneration				
Amounts received or due and receivable by Ernst & Young for:				
The audit of the financial statements	89	88	89	88
	89	88	89	88
Amounts received or due and receivable by auditors other than Ernst & Young New Zealand for:				
The audit of the financial statements of subsidiary entities	10	10	-	-
Offshore assurance services	43	43	42	42
	142	141	131	130
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Other expenses				
Loss on disposal of property, plant and equipment	2	2	2	2
Lease expense	2,656	2,587	2,656	2,587
Remuneration of board members of Parent (See also note 30)	163	126	163	126

Note 5

Total expenditure of parent

	Parent	
	2021 \$000s	2020 \$000s
Total expenditure by geographic region:		
Australia	13,634	15,321
North America	8,421	14,148
China	7,035	10,963
United Kingdom and Europe	4,247	8,578
Japan	2,720	6,784
Asia	6,365	8,892
Other markets	449	2,020
New Zealand (a)	84,058	42,230
Total Expenditure of Parent	126,929	108,936

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

Note 6

Subsidiary companies

	Interest Held		Interest Held	
	2021	2020	2021	2020
Qualmark New Zealand Limited	100%	100%	100%	100%
Visitor Information Network Incorporated (trading as i-SITE New Zealand)	0%	0%	0%	0%

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

Qualmark New Zealand Limited

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

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

Visitor Information Network Incorporated (trading as i-SITE 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 7

Joint Venture company	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
The New Zealand Way Limited	-	-	-	-

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

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

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 (2020: Nil). Therefore the share of Joint Venture's revenue and (deficit)/surplus for the year is Nil (2020: Nil).

At year end, The New Zealand Way Limited's Net Assets were Nil (2020: Nil). Therefore the carrying amount in the Joint Venture at year end is Nil (2020: Nil).

Note 8

Cash and cash equivalents	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Cash holdings:				
Cash at bank and in hand	28,898	3,361	22,252	2,833
Call accounts - foreign currencies	3,376	10,005	3,376	10,005
Call accounts - New Zealand dollar	2,801	2,967	2,801	2,967
	35,074	16,333	28,428	15,805

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.

	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Cash Holdings by Currency:				
New Zealand Dollar	30,854	4,244	24,209	3,717
United States Dollar	186	4,973	186	4,973
British Pound	59	683	59	683
Australian Dollar	1,039	1,545	1,039	1,545
European Euro	208	633	208	633
Japanese Yen	2,554	2,745	2,554	2,745
Singapore Dollar	87	591	87	591
Canadian Dollar	10	37	10	37
Indian Rupee	23	593	23	593
Other Asian Currencies	53	290	53	290
	35,074	16,333	28,428	15,805
Cash Holdings by Bank:				
HSBC Bank	31,704	12,975	25,058	12,448
ANZ Bank	3,131	3,149	3,131	3,149
Tokyo Mitsubishi	238	208	238	208
	35,074	16,333	28,428	15,805

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 9

Receivables

	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Receivables from exchange transactions				
Receivables	445	1,191	429	1,065
Less: Provision for impairment	-	-	-	-
	445	1,191	429	1,065

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 2021 and 2020, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	Parent					
	2021			2020		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Not past due	302	-	302	1,006	-	1,006
Past due 1 - 30 days	29	-	29	-	-	-
Past due 31 - 60 days	25	-	25	-	-	-
Past due 61 - 90 days	28	-	28	43	-	43
Past due > 91 days	44	-	44	16	-	16
	429	-	429	1,065	-	1,065

	Group					
	2021			2020		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Not past due	318	-	318	1,051	-	1,051
Past due 1 - 30 days	29	-	29	-	-	-
Past due 31 - 60 days	25	-	25	3	-	3
Past due 61 - 90 days	28	-	28	47	-	47
Past due > 91 days	44	-	44	90	-	90
	445	-	445	1,191	-	1,191

Receivables from exchange transactions for the Group include GST/VAT refunds comprising 45% (2020: 73%) of total receivables as follows:

	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
GST Refund due from New Zealand Inland Revenue Department	(427)	176	(427)	176
GST Refund due from Australian Taxation Office	436	471	436	471
Consumption Tax Refund from Japan Tax Office	93	177	93	177
VAT Refund due from UK Revenue & Customs	98	48	98	48
	199	871	199	871

Note 10

Derivative financial instruments

Tourism New Zealand uses foreign exchange instruments in order to manage its exposure to fluctuations in foreign currency exchange rates on normal operating activities. The instruments are matched with anticipated future cash flows in foreign currencies. Tourism New Zealand does not use financial instruments for speculative purposes. At balance date Tourism New Zealand had 60 (2020: 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.

	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Foreign currency forward exchange contracts:				
Foreign exchange contracts at 30 June - Sell Value	51,011	34,554	51,011	34,554
Fair value Derivatives in Gain / (Loss)	811	1,160	811	1,160
Foreign exchange contracts at 30 June - Buy Value	51,822	35,714	51,822	35,714
Foreign exchange contracts by currency (In NZD):				
United States Dollar	24,238	12,628	24,238	12,628
British Pound	4,131	2,273	4,131	2,273
Australian Dollar	15,705	15,941	15,705	15,941
European Euro	16	(19)	16	(19)
Japanese Yen	2,876	2,023	2,876	2,023
Singapore Dollar	4,856	2,868	4,856	2,868
	51,822	35,714	51,822	35,714

Note 11

Property, plant and equipment	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
All property, plant and equipment				
At cost	6,764	10,284	6,730	10,243
Accumulated depreciation	(4,988)	(8,004)	(4,953)	(7,964)
Net carrying amount	1,776	2,279	1,776	2,279
Property, plant and equipment for each class:				
Furniture and fittings				
At cost	1,267	1,308	1,239	1,281
Accumulated depreciation	(1,137)	(1,165)	(1,110)	(1,138)
Net carrying amount of furniture and fittings	129	143	129	143
Leasehold improvements				
At cost	3,527	3,909	3,527	3,909
Accumulated depreciation	(2,236)	(2,197)	(2,236)	(2,197)
Net carrying amount of leasehold improvements	1,292	1,712	1,292	1,712
Office equipment				
At cost	563	613	563	613
Accumulated depreciation	(483)	(523)	(483)	(523)
Net carrying amount of office equipment	80	89	80	89
Motor vehicles				
At cost	61	61	61	61
Accumulated depreciation	(61)	(61)	(61)	(61)
Net carrying amount of motor vehicles	-	-	-	-
Computer equipment				
At cost	1,346	4,393	1,339	4,379
Accumulated depreciation	(1,071)	(4,059)	(1,064)	(4,045)
Net carrying amount of computer equipment	275	334	275	334
Total property, plant and equipment	1,776	2,279	1,776	2,279
All property, plant and equipment reconciliation				
At 1 July, net of accumulated depreciation	2,279	2,020	2,279	2,019
Additions	335	931	335	931
Disposals and write back of depreciation	(192)	(2)	(192)	(2)
Depreciation charge for the year	(645)	(669)	(645)	(669)
At 30 June, net of accumulated depreciation	1,776	2,279	1,776	2,279
Depreciation by asset class:				
Furniture and fittings	29	26	29	25
Leasehold improvements	361	331	361	331
Office equipment	37	50	37	50
Computer equipment	217	263	217	263
Total Depreciation	645	669	645	669

Note 12

Intangible assets	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Intangible assets (Software)				
At cost	2,727	2,631	2,439	2,316
Accumulated amortisation	(2,357)	(1,944)	(2,147)	(1,756)
Net carrying amount	370	688	292	561
Intangible assets reconciliation				
At 1 July, net of accumulated amortisation	652	812	561	728
Additions	102	173	123	106
Impairment of Intangible assets	-	-	-	-
Amortisation charge for the year	(427)	(299)	(392)	(274)
At 30 June, net of accumulated amortisation	370	688	292	561

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

Note 13

Accommodation bonds

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

	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Japan	202	225	202	225
North America	41	46	41	46
Asia	293	330	293	330
New Zealand	-	-	-	-
	536	601	536	601

Note 14

Creditors and other payables

Payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value. Accrued Expenses includes payables and accruals for activities that have already taken place for which we have not yet received invoices from suppliers.

	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Creditors	10	1,842	10	1,563
Accrued expenses	9,166	5,221	8,435	5,007
	9,176	7,063	8,445	6,570

Note 15

Employee entitlements

	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Annual Leave	1,243	1,210	1,188	1,193
	1,243	1,210	1,188	1,193

Note 16

Provisions

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

	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Provisions are represented by:				
Lease make-good	690	590	690	590
Total Provisions	690	590	690	590
Current provision	196	196	196	196
Non-current provision	494	394	494	394
	690	590	690	590
Movements in provisions are as follows:				
Balance at 1 July	590	386	590	386
Additional provisions made	100	204	100	204
Balance at 30 June	690	590	690	590

Note 17

Foreign Exchange Reserve

Tourism New Zealand funds its overseas offices and operations in the local currency of that office or operation. Some of the surplus/(deficit) arising from foreign currency movements are held in reserve to finance changes in the New Zealand dollar cost of maintaining a consistent level of funding to those overseas offices or operations. Only the realised gains or losses on foreign currency transactions during the year are transferred to 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.

	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Movements in reserve is as follows:				
Balance at 1 July	5,807	5,707	5,807	5,707
Transfer to Retained Earnings from Foreign Exchange Reserve	114	100	114	100
Balance at 30 June	5,920	5,807	5,920	5,807

Note 18

Reconciliation of surplus to net cash from operating activities

	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Net surplus/(deficit)	13,281	10,878	7,350	10,850
Add/(less) non-cash items				
Depreciation and amortisation	1,072	968	1,037	943
Make good provision	100	204	100	204
Net (gains)/losses on derivative financial instruments	349	(2,179)	349	(2,179)
Net foreign exchange (gains)/losses	(83)	271	(83)	271
Total non-cash items	1,438	(736)	1,403	(761)
Add/(less) items classified as investing or financing activities				
Net Loss/(Gain) on disposal of assets	2	2	2	2
Movement in foreign currency accommodation bonds	35	(8)	35	(8)
Lease Incentive Liability	(90)	(90)	(90)	(90)
Total items classified as investing or financing activities	(53)	(96)	(53)	(96)
Add/(less) movements in working capital items				
Debtors and other receivables	635	1,048	637	1,099
Prepayments	800	(563)	802	(569)
Payables and accruals	2,229	(3,203)	1,875	(3,319)
Invoiced in advance	521	(1,797)	767	(1,803)
Employee entitlements	33	390	(5)	390
Net movements in working capital items	4,218	(4,125)	4,076	(4,202)
Net cash from operating activities	18,884	5,922	12,777	5,792

Note 19

Contingencies

Tourism New Zealand has no contingent assets or liabilities as at 30 June 2021.

In 2020/2021, Tourism New Zealand has provided a written undertaking to the Board of Qualmark New Zealand to provide ongoing support sufficient to enable Qualmark to meet its obligations when they were due.

Note 20

Income tax

Tourism New Zealand is exempt from income tax under the New Zealand Tourism Board Act 1991. Tourism New Zealand's subsidiaries are subject to income tax. The Group has tax losses that can be used to offset future taxable profits of \$828,798 (2020: \$971,048). A deferred tax asset has not been recognised in respect of these losses.

Note 21

Management of risk

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

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

Note 22

Significant accounting judgements, estimates and assumptions

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

Note 23

Capital management

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

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

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

Note 24

Categories of financial assets and liabilities

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

	Group		Parent	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Financial assets at amortised cost:				
Cash and cash equivalents	35,074	16,333	28,428	15,805
Receivables	246	320	230	194
Total cash and receivables	35,320	16,653	28,658	15,999
Financial assets at fair value through Surplus or Deficit:				
Derivative financial instrument assets / (liabilities)	811	1,160	811	1,160
Other financial liabilities:				
Creditors	9,176	7,063	8,445	6,570

Note 25

Capital commitments

There is no capital expenditure contracted for at balance date but not provided for in the financial statements. (2020:Nil)

Note 26

Operating commitments

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

	Group		Parent	
	2021 \$'000s	2020 \$'000s	2021 \$'000s	2020 \$'000s
Operating commitments payable after balance date on:				
Non-cancellable accommodation leases:				
Up to One Year	2,253	2,472	2,253	2,472
One to Two Years	1,798	2,213	1,798	2,213
Two to Five Years	2,537	3,645	2,537	3,645
Over Five Years	514	932	514	932
	7,102	9,262	7,102	9,262
Non-cancellable motor vehicle and equipment Leases				
Up to One Year	4	16	4	16
One to Two Years	2	2	2	2
Two to Five Years	7	-	7	-
Over Five Years	-	-	-	-
	13	18	13	18
Non-cancellable contracts for goods and services				
Up to One Year	1,059	7,502	1,059	7,502
One to Two Years	116	440	116	440
Two to Five Years	92	203	92	203
Over Five Years	-	-	-	-
	1,267	8,145	1,267	8,145
Total operating commitments	8,382	17,425	8,382	17,425

Note 27

Related party transactions

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

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

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

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

Related Party and Transaction

Related Party and Transaction	Transaction value year ended 30 June		Balance outstanding year ended 30 June	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Income has been received by Tourism New Zealand from:				
J Thorburn (Director): Entrada Travel Group - Income received by Tourism New Zealand for tourism related services.	-	4	-	-
J Hunt (Director): Skyline Enterprises - Income received by Tourism New Zealand for tourism related services.	-	12	-	-
K Ngapora (Director): Whale Watch Kaikōura - Income received by Tourism New Zealand for tourism related services.	-	21	-	-
J Tuuta (Director): Venture Taranaki Trust - Provision of tourism related services to Tourism New Zealand	0	10	-	-
Payments have been made by Tourism New Zealand to:				
J Thorburn (Director): Entrada Travel Group - Provision of tourism related services to Tourism New Zealand	-	4	-	-
S England-Hall (Director): Tourism Industry Association, New Zealand China Council & Figure New Zealand - provision of Tourism related services	-	156	-	-
M O'Donnell (Director): Kiwibank - Provision of tourism related services to Tourism New Zealand	39	31	-	-
J Hunt (Director): Skyline Enterprises - Provision of tourism related services to Tourism New Zealand	-	19	-	-
R Sharp (Director): Stuff.co.nz - Provision of tourism related services to Tourism New Zealand	334	100	-	-
K Ngapora (Director): Whale Watch Kaikōura - Provision of tourism related services to Tourism New Zealand	-	11	-	-
R De Monchy (Director): Tourism Industry Aotearoa, New Zealand China Council - Provision of tourism related services to Tourism New Zealand	63	11	-	-

Key management personnel compensation

Key management personnel includes all board members, the Chief Executive and 7 (2020:6) members of the Executive Team.

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

	Balance outstanding year ended 30 June	
	2021 \$000s	2020 \$000s
Remuneration of the Board of Directors:		
Salaries and other short-term benefits	163	126
Remuneration of the Chief Executive and Executive Team:		
Salaries and other short-term benefits, FTE: 8 (2020: 7)	2,420	2,219
Total key management personnel compensation	2,583	2,344

Note 28

Financial instrument risks

Tourism New Zealand's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk.

Tourism New Zealand has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature.

Market Risk

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

Interest rate risk sensitivity analysis - As at 30 June 2021, if interest rates on cash balances had increased/decreased by 0.5% (50 basis points) with all other variables held constant, the deficit/surplus and equity would have changed as follows:

	Surplus/(deficit) higher/(lower)		Equity higher/(lower)	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Group				
+ 0.5% (50 basis points)	15	15	15	15
- 0.5% (50 basis points)	(15)	(15)	(15)	(15)
Parent				
+ 0.5% (50 basis points)	15	15	15	15
- 0.5% (50 basis points)	(15)	(15)	(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 10) for details on the forward currency contracts held. Further exposures to foreign exchange risk through the movement of New Zealand Dollars against those foreign currencies are also managed through the foreign exchange reserve as explained in Note 17.

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

Currency risk sensitivity analysis - Tourism New Zealand is subject to volatility in financial performance associated with foreign currency rates. As at 30 June 2021, if the New Zealand Dollar had increased/decreased by 5% against various foreign currencies used by Tourism New Zealand with all other variables held constant, the deficit/surplus and equity would have changed as follows:

	Surplus/(deficit) higher/(lower)		Equity higher/(lower)	
	2021 \$000s	2020 \$000s	2021 \$000s	2020 \$000s
Group				
NZD to various currencies +5%	2,462	2,906	-	-
NZD to various currencies -5%	2,644	2,087	-	-
Parent				
NZD to basket of currencies +5%	2,462	2,906	-	-
NZD to basket of currencies -5%	2,644	2,087	-	-

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

Credit risk

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

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

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

Liquidity risk

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

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

The following liquidity risk disclosures reflect all contractually fixed pay-offs, repayments and interest resulting from recognised financial and derivative financial instrument liabilities as of 30 June 2021. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

	< 6 months \$000s	6-12 months \$000s	> 1 year \$000s	Total \$000s
Group - Year end 30 June 2021 Financial liabilities				
Creditors	(10)	-	-	(10)
Derivative financial instrument liabilities - gross settled				
Inflows	22,984	28,740	-	51,724
Outflows	(22,622)	(28,292)	-	(50,914)
	362	448	-	810
Net outflow	352	448	-	800
Parent - Year end 30 June 2021 Financial liabilities				
Creditors	(10)	-	-	(10)
Derivative financial instrument liabilities - gross settled				
Inflows	22,984	28,740	-	51,724
Outflows	(22,622)	(28,292)	-	(50,914)
	362	448	-	810
Net outflow	352	448	-	800
Group - Year end 30 June 2020 Financial liabilities				
Creditors	(1,842)	-	-	(1,842)
Derivative financial instrument liabilities - gross settled				
Inflows	15,125	19,903	15,847	50,875
Outflows	(14,855)	(19,630)	(15,230)	(49,715)
	270	273	617	1,160
Net outflow	(1,572)	273	617	(682)
Parent - Year end 30 June 2020 Financial liabilities				
Creditors	(1,563)	-	-	(1,563)
Derivative financial instrument liabilities - gross settled				
Inflows	15,125	19,903	15,847	50,875
Outflows	(14,855)	(19,630)	(15,230)	(49,715)
	270	273	617	1,160
Net outflow	(1,293)	273	617	(403)

Fair value

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

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

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

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

Note 29

Remuneration of employees

During 2020/2021 77 (2020: 77) employees received remuneration and benefits which exceeded \$100,000 per annum as follows:

\$	2021	2020
100,000 - 109,999	9	10
110,000 - 119,999	4	10
120,000 - 129,999	9	7
130,000 - 139,999	6	8
140,000 - 149,999	6	8
150,000 - 159,999	12	6
160,000 - 169,999	5	4
170,000 - 179,999	1	2
180,000 - 189,999	5	1
190,000 - 199,999	4	6
200,000 - 209,999	2	1
210,000 - 219,999	1	4
220,000 - 229,999	2	1
230,000 - 239,999	3	1
240,000 - 249,999	1	1
250,000 - 259,999	1	-
260,000 - 269,999	-	1
270,000 - 279,999	1	-
280,000 - 289,999	-	2
290,000 - 299,999	2	-
300,000 - 309,999	-	-
310,000 - 319,999	-	-
320,000 - 329,999	-	1
330,000 - 339,999	-	-
340,000 - 349,999	-	-
390,000 - 399,999	1	-
410,000 - 419,999	-	1
430,000 - 439,999	1	-
550,000 - 559,999	1	-
570,000 - 579,999	-	-
580,000 - 589,999	-	1
630,000 - 639,999	-	-
650,000 - 659,999	-	1
	77	77

Employee numbers who have earned \$100,000 or more in FY21 has remained consistent as a result of foreign exchange movements, offshore staff leaving the organisation and new roles created within this bracket.

Note 30

Remuneration of board members

Board members earned the following fees during the year:

\$	2021 \$000s	2020 \$000s
John Thorburn	19	13
Jamie Tuuta (Chair)	45	41
Michael O'Donnell	19	16
Jan Hunt	19	16
K Ngapora	19	13
C Neville	19	13
R Sharp (Deputy Chair)	23	16
	163	126

Note 31

Events after the balance date

There were no significant events after balance date.

Note 32

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 to instead promote domestic tourism due to the border closures. As a result a new team was setup to lead the change in strategy and during the last quarter of the year planned offshore marketing expenditure was reduced. This was no longer inline with budget which resulted in an underspend of \$13m and put the organisation into a profit position. The \$13m underspend will be carried forward and included in the FY22 budget.

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

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

Note 33

Explanations of major variance against budget

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

Five year financial summary for parent

	Statement of Financial Position				
	2017 Actual \$000s	2018 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2021 Actual \$000s
Current Assets					
Cash	4,770	4,978	11,767	15,805	28,428
Receivables	2,303	1,604	2,164	1,066	429
Prepayments and other current assets	2,094	1,645	1,729	2,298	1,496
Derivative financial instruments	-	2,969	-	1,160	811
	9,167	11,196	15,660	20,329	31,164
Non-current Assets					
Property, plant and equipment	2,023	1,836	2,019	2,279	1,776
Intangible Assets	1,014	903	728	561	292
Accommodation bonds	408	388	368	601	536
Investment in subsidiary	60	260	260	480	480
Derivative financial instruments	-	-	-	-	-
	3,505	3,387	3,375	3,921	3,084
Total Assets	12,672	14,583	19,035	24,250	34,248
Current Liabilities					
Creditors and other payables	4,468	6,539	9,889	6,570	8,445
Employee entitlements	766	743	803	1,193	1,188
Income in advance	125	533	1,803	-	767
Provisions	116	165	196	196	196
Current Lease Incentive Liability	52	52	88	89	89
Derivative financial instruments	1,103	-	1,020	-	-
	6,630	8,032	13,799	8,048	10,685
Non-current Liabilities					
Provisions	150	96	190	394	494
Long Term Lease Incentive Liability	249	202	373	284	194
Derivative financial instruments	177	-	-	-	-
	576	298	563	678	688
Total Liabilities	7,206	8,330	14,362	8,726	11,373
Net Assets	5,466	6,253	4,673	15,524	22,875
Equity					
Shareholder's equity	1,805	1,805	1,805	1,805	1,805
Retained earnings	(3,261)	(1,409)	(2,837)	7,913	15,149
Foreign Exchange Reserve	6,924	5,858	5,707	5,807	5,920
Total Equity	5,466	6,252	4,673	15,524	22,875

	Statement of Comprehensive Income				
	2017 Actual \$000s	2018 Actual \$000s	2019 Actual \$000s	2020 Actual \$000s	2021 Actual \$000s
Income					
Revenue from Crown	117,350	117,350	111,739	113,803	133,150
Interest	59	60	136	91	19
Other revenue	6,204	5,623	4,271	3,713	1,459
	123,613	123,033	116,146	117,607	134,628
Expenditure					
Other expenses	121,644	125,613	112,778	107,993	125,892
Depreciation, amortisation and impairment	951	883	958	943	1,037
	122,595	126,496	113,736	108,936	126,929
Unrealised Foreign exchange gains/(losses) on derivative financial instruments held at year end	355	4,249	(3,989)	2,179	(349)
Total comprehensive income / (expense)	1,372	785	(1,580)	10,849	7,349
Transfer from / (to) foreign exchange reserves	(2,803)	1,066	151	(100)	(113)
Total comprehensive income/(expense) after foreign exchange transfer	(1,431)	1,851	(1,428)	10,750	7,237

Independent Auditor's Report



To the readers of New Zealand Tourism Board and Group's financial statements and performance information for the year ended 30 June 2021

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

Opinion

We have audited:

- the financial statements of the Entity and the Group on pages 48 to 71, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Group on pages 14 to 28.

In our opinion:

- the financial statements of the Group on pages 48 to 71:
 - present fairly, in all material respects:
 - their financial position as at 30 June 2021; and
 - their financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information on pages 14 to 28:
 - presents fairly, in all material respects, the Group's performance for the year ended 30 June 2021, 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 2021. 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 members for the financial statements and the performance information

The Board is responsible on behalf of the Entity and 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 Entity and the Group for assessing the Entity's and 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 Entity or 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 Entity's and 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 Entity's and 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 Entity or 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 13, 29 to 47, 72 to 76 and 77, 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 Entity and the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

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

Emma Winsloe

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



**“Ever watched the sun set
over Milford Sound?”**



Milford Sound
Fiordland



**100% PURE
NEW ZEALAND**