



Tourism New Zealand

Statement of Intent 2011 - 2014

Presented to the House of Representatives
pursuant to Section 149 of the
Crown Entities Act 2004

Table of contents

Foreword from the Chair of Tourism New Zealand	3
Guide to this document	5
Section 1: Our strategic context	6
Our role.....	6
Government’s priorities	6
Our outcomes framework.....	6
Our target market: “Active Considerers”	9
The six strategic priorities that underpin our strategy	9
Our operating environment	10
Section 2: Our operating intentions	13
Tourism New Zealand outcomes	13
Section 3: Our organisational health and capability	19
Our people.....	19
Our workplace, systems and environment	20
Risk management.....	21
Section 4: Statement of forecast service performance	23
Tourism New Zealand outputs.....	23
Section 5: Forecast financial information	28
Statement of accounting policies.....	28
Statement of significant assumptions	34
Forecast Financial Statements.....	35
Section 6: Our subsidiaries and associate company	39
Qualmark Limited.....	39
i-SITE New Zealand.....	40
The New Zealand Way Limited	41
Section 7: Measures and targets	42

Foreword from the Chair of Tourism New Zealand

In 2010 Tourism New Zealand embarked on the implementation of a new 3 Year Marketing Strategy for international tourism. The strategy outlined an approach to marketing New Zealand as a visitor destination that built on the success of the 100% Pure New Zealand campaign, and delivered it in a new way. Using digital marketing tools and establishing closer marketing partnerships with the industry were signalled as two of the hallmarks of the 3 Year Marketing Strategy.

One year into the implementation of the Strategy, Tourism New Zealand is confident that the strategic direction set, and the key tenets of the approach, are sound. The early results are positive in the context of an operating environment that has seen some significant shocks and changes. Most obviously there have been the earthquakes in Canterbury and Japan. There has also been a slower than expected economic recovery from the financial crisis in some of our key markets, while other markets have shown extraordinary growth.

The specific impact of these significant events is not clear at this stage, but it is clear that there will be continued pressure on the tourism sector. A challenging environment lies ahead in 2012.

There are significant opportunities ahead also. 2011 is the year of the Rugby World Cup, the largest sporting event New Zealand has hosted, and tourism is at the heart of the event. Tourism New Zealand is leveraging this event strongly, in partnership with our NZ Inc colleagues. A growing Chinese economy and an Australian economy that continues to be robust mean that two of our key visitor markets will continue to deliver significant tourism outcomes. Tourism New Zealand has also been party to some significant aviation agreements, particularly out of Asia, that will support growth in 2011 and 2012.

Tourism New Zealand's government appropriation for 2011/12 and out-years has been set at \$84m. Confirming out-year funding allows us to plan with certainty for the remainder of the 3 Year Marketing Strategy period and beyond. Tourism New Zealand will continue to work hard to supplement this government funding with a programme of activity with regional, trade and industry partners that will ensure we achieve the outcomes that are set out in this Statement of Intent. Tourism New Zealand will also continue to seek efficiencies in the way we operate to ensure that the funds dedicated to marketing New Zealand are maximised.

2012 is going to be both challenging and exciting. The Board is confident that the direction outlined in this Statement of Intent, and the outcomes that the organisation is seeking to achieve, will make a strong and positive contribution to the sector, and to New Zealand, and we are looking forward to the year ahead.



Greg Muir
Chair
Tourism New Zealand



Malcolm Johns
Deputy Chair
Tourism New Zealand

Guide to this document

This document provides a description and explanation of Tourism New Zealand's operating intentions and performance expectations for 2011 – 2014. This document will enable our performance to be scrutinised to allow Parliament, Ministers and the public to have confidence that our use of resources has delivered our intended outputs and contributed to outcomes.

This Statement of Intent is set out as follows:

Section 1: Our strategic context - describes Tourism New Zealand's purpose, the government's priorities and how we contribute to these. It also provides information on the external environment we operate in.

Section 2: Our operating intentions - describes Tourism New Zealand's outcomes. It explains why they are important, how we will demonstrate success in achieving them, what we will do to achieve them and our focus for 2011-14.

Section 3: Our organisational health and capability – looks at our organisational health and capability, in particular our investment in our employees, workplace, environment and systems.

Section 4: Statement of Forecast Service Performance – describes our output classes and the outputs within these classes and how they link to our outcomes.

Section 5: Forecast financial information – provides our Statement of Accounting Policies, our Statement of Significant Assumptions and our Forecast Financial Statements for the period of this Statement of Intent.

Section 6: Our subsidiaries and associate company – discusses our two subsidiaries; Qualmark and i-SITE and our associate company; The New Zealand Way, and how they contribute to us achieving our outcomes.

Section 7: Measures and targets – contains our outcome and output performance measures and targets for 2011/12 and where appropriate 2012/13 and 2013/14, to enable our stakeholders to determine whether we are achieving our intended results.

Section 1: Our strategic context

Our role

The New Zealand Tourism Board, trading as Tourism New Zealand, was established to market New Zealand as an international visitor destination for the long term benefit of New Zealand. We aim to improve tourism's contribution to economic growth in New Zealand by increasing the number of higher spending visitors who come to New Zealand.

Tourism New Zealand is a Crown Agent governed by the Crown Entities Act 2004. We were established by the New Zealand Tourism Board Act 1991. Our statutory functions under this Act include:

- 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

We are New Zealand's National Tourism Organisation, and as such, we are the only entity within our country with the mandate and resources to promote 'destination New Zealand'.¹

Our work is carried out under the umbrella of the 'New Zealand 100% Pure' campaign. This campaign was originally launched in 1999, and evolved to the 'New Zealand 100% Pure You' campaign in 2011. While marketing activity is where we focus most of our resources, we also work with travel trade and airlines, engage with the New Zealand tourism industry, provide information for visitors and provide assurance of the quality of our tourism product and experience.

Government's priorities

The Government's overall economic priority is to build the foundations for a stronger economy which will provide New Zealanders with jobs, higher incomes, and improved living standards. The Government has identified two specific priorities for Tourism New Zealand that will ensure we contribute to these priorities. They are:

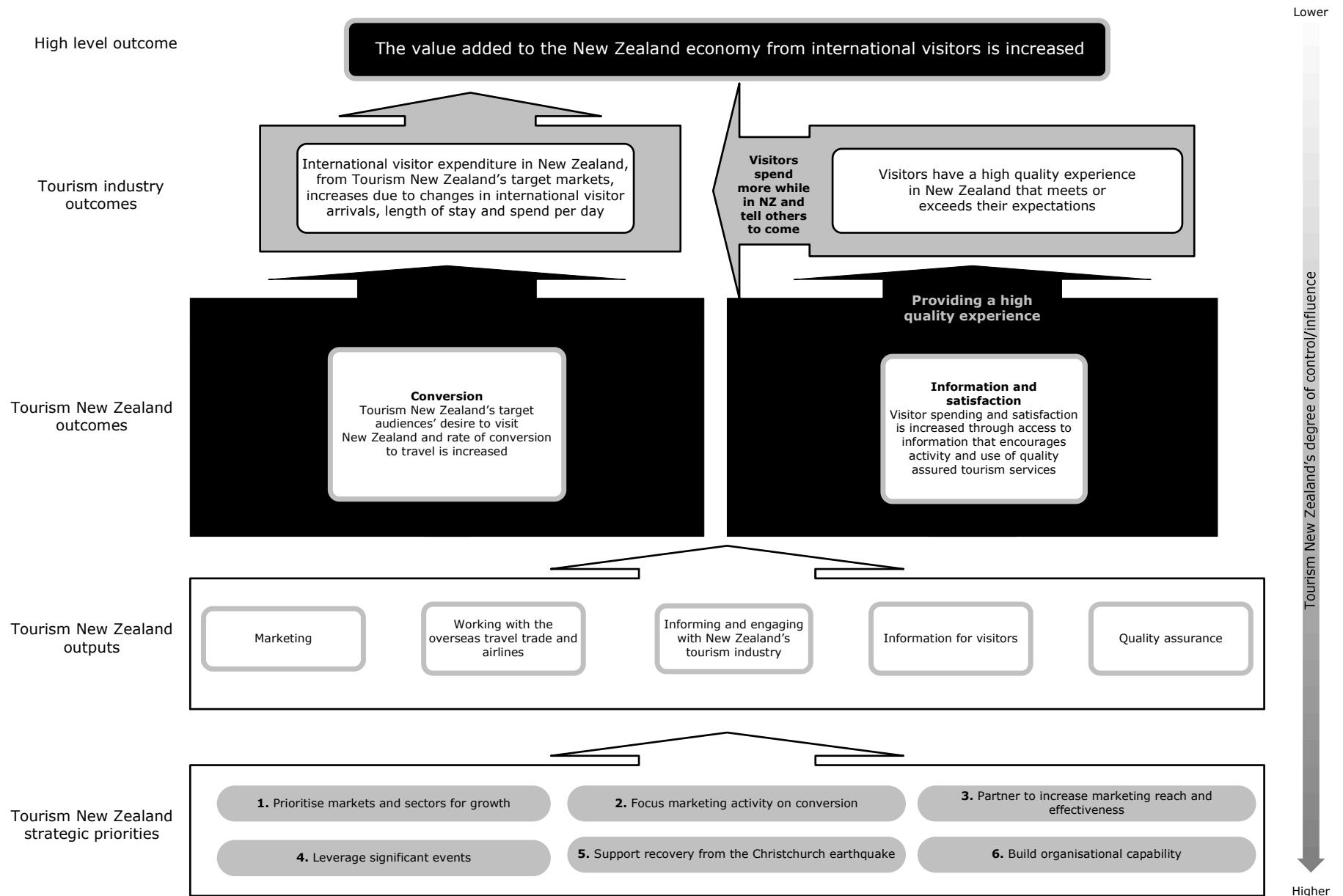
1. New Zealand maintains its increased competitiveness as an international tourism destination
2. New Zealand's target audiences' desire to visit New Zealand and rate of conversion to travel is increased

Our outcomes framework

Below is our outcomes framework which explains how our activity contributes to achieving the Government's priorities.

¹ For a full discussion on the justification of the role of a National Tourism Organisation, see the report on the Baseline Review of Tourism New Zealand www.tourism.govt.nz

Figure 1: Tourism New Zealand's Outcomes Framework



High level outcome

Our activities over the next three years seek to contribute to the following high level outcome:

- “The value added to the New Zealand economy from international visitors is increased”

Together with the wider New Zealand tourism industry, we are working to ensure our industry contributes to strong economic outcomes for New Zealand. This is measured through tourism’s contribution to GDP, employment, GST earnings and international tourism expenditure in New Zealand. The Tourism Satellite Account, produced by Statistics New Zealand in conjunction with the Ministry of Economic Development, provides the evidence on progress.

Tourism industry outcomes

To ensure the delivery of this high level outcome Tourism New Zealand and the industry work to increase the number of visitors to New Zealand, the length of their trip and the amount they spend while they are here. We also focus on ensuring visitors are satisfied with their experience in New Zealand so they want to come back and recommend New Zealand to others.

The two industry outcomes that capture this are:

- **Tourism industry outcome 1:** “International visitor expenditure in New Zealand, from Tourism New Zealand’s markets, increases due to changes in international visitor arrivals, length of stay and spend per day”
- **Tourism industry outcome 2:** “Visitors have a high quality experience in New Zealand that meets or exceeds their expectations”

While both of these industry outcomes are outcomes in their own right, a relationship exists between them. If New Zealand offers a high quality experience, we are more likely to attract visitors who will stay longer, and spend more. These visitors are more likely to speak positively of their experience, adding valuable word of mouth endorsement to our marketing mix.

Tourism New Zealand outcomes

Our Tourism New Zealand outcomes show what we are trying to achieve to ensure we contribute strongly to the industry and high level outcomes. We have a high degree of influence and control over whether these outcomes will be achieved.

- **Tourism New Zealand outcome 1 - Conversion:** “Tourism New Zealand’s target audiences’ desire to visit New Zealand and rate of conversion to travel is increased”
- **Tourism New Zealand outcome 2 - Information and satisfaction:** “Visitor spending and satisfaction is increased through access to information that encourages activity and use of quality assured tourism services”

Section 2 will explain why these outcomes are important, how we will demonstrate success in achieving them and what we intend to do to achieve them.

Tourism New Zealand output classes

The following output classes illustrate how we will deliver our services for New Zealand. These are:

- **Output class 1:** Marketing
- **Output class 2:** Working with the overseas travel trade and airlines
- **Output class 3:** Informing and engaging with New Zealand's tourism industry
- **Output class 4:** Information for visitors
- **Output class 5:** Quality assurance

Section 4 will detail the outputs contained within each output class and how these outputs contribute to achieving our outcomes.

Our target market: “Active Considerers”

In a significant change to our approach, Tourism New Zealand has recently changed from trying to raise awareness of New Zealand among potential travellers, to focussing on those who:

- deem New Zealand an appealing holiday destination
- are seriously considering New Zealand as a destination for a holiday
- name New Zealand as one of their preferred destinations to visit next
- would be prepared to spend a certain amount per person on a trip to New Zealand.

We call these people ‘Active Considerers’, as they are actively considering travel to New Zealand. Through research we have learnt a lot about Active Considerers. We know how many Active Considerers there are in each of our target markets, we know what's important to them, what appeals about New Zealand to them and what a New Zealand holiday would look like for them. Importantly, we also know they are willing to spend more on their visit. Understanding Active Considerers has enabled us to tailor New Zealand's marketing messages to the interests and priorities of this group of people in each of our key markets, with the aim of converting their interest in New Zealand into an actual trip here in a much more effective and efficient manner. Information on the characteristics of Active Considerers can be found on www.tourismnewzealand.com.

The six strategic priorities that underpin our strategy

We are working to a 3 year marketing strategy, which is about to enter its second year. Whilst the core themes of the strategy remain largely current, we have updated the strategic priorities to reflect more accurately what needs to happen to optimise outcomes resulting from external changes. These revised priorities will guide our activity for the duration of this Statement of Intent.

1. **Prioritise markets and sectors for growth:** Adopt a portfolio approach to prioritisation reflecting different roles for different markets
2. **Focus marketing activity on conversion:** Utilise highly targeted and measurable media to target and engage Active Considerers, by delivering the ‘New Zealand 100% Pure You’ campaign to them in ways that builds preference for New Zealand and converts this into travel
3. **Partner to increase marketing reach and effectiveness:** Form alliances with the aviation sector to sustain/grow air capacity, collaborate with Regional Tourism Organisations to

maximise conversion results in Australia, collaborate with the industry and partner with overseas travel sellers to enhance their ability to sell destination New Zealand

4. **Leverage significant events:** Maximise the short and long range benefits from events e.g. the Rugby World Cup and The Hobbit
5. **Support recovery from the Christchurch earthquake:** Work to support the rebuilding of the international visitor sector in Canterbury
6. **Build organisational capability:** Continue the transformation of Tourism New Zealand into a more accountable, outcomes focussed organisation

Our operating environment

A range of external influences impact on the strategic choices we make about what to focus on. External influences also drive visitor preferences, including whether to come to New Zealand and how long to come for.

Significant issues in our external environment can quickly emerge and change. We constantly monitor and analyse the external environment to identify these issues and trends and assess their implications. If we do not adequately respond to changes in our operating environment, our ability to achieve our outcomes will be compromised.

The table below outlines external factors within our environment that are of particular interest.

External factor	Description	Our mitigation strategy
Natural disasters	<p>Three major natural disasters occurred within the first three months of 2011; the Christchurch earthquake, the flooding in Queensland Australia and the earthquake and tsunami in Japan.</p> <p>The impact of the earthquake in Christchurch will be long felt by the New Zealand tourism industry given the strategic importance of Christchurch to the South Island and the loss of accommodation over the medium to long term. The impact these earthquakes will have on tourism outcomes including arrivals and expenditure will be felt by the industry throughout the 2011/12 financial year.</p> <p>Australia is New Zealand's largest market and any reduction in arrivals will significantly impact total arrival figures for New Zealand. While arrivals for January and February from Australia remained positive, arrival figures for the</p>	<ul style="list-style-type: none"> • Tourism New Zealand has reshaped its strategy and activity planned for 2011/12 to mitigate the effects from the natural disasters • Our immediate response was focussed on providing communications to keep visitors and potential visitors informed. We also made changes to the timing of our marketing activity. In the longer term, focus is on the recovery of tourism markets. This will be our focus for 2011/12

remainder of 2010/11 will demonstrate the extent of the impact of this natural disaster.

The earthquake and tsunami in Japan on March 11 had the immediate effect of sharply reducing outbound travel from Japan; a pattern we'd expect to see continue for some time yet.

Environmental concerns

Due to New Zealand's distance from key visitor markets environmental concerns about the carbon emissions attached to long haul travel re-emerge intermittently.

- Continued focus on raising the level of quality and environmental responsibility in New Zealand tourism product and experiences through our subsidiary, Qualmark Limited (See Section 6)
- Monitoring of international media and whether environmental issues directly or indirectly linked to New Zealand are being picked up

Changing visitor demographic

While there has been accelerated economic growth in China and the Australian economy has proven resilient, not all economies have recovered so strongly from the world financial crisis. In the US and UK, economic recovery has been slower than anticipated. Across Europe economic performance has been mixed.

The varied rates of economic recovery have transpired into a shift in the mix of our visitor arrivals. We are seeing significant growth in arrivals from our Chinese and South East Asian markets and declines from some of New Zealand's more traditional source markets e.g. the UK. This shift in the type of visitor New Zealand is receiving will be challenging for the New Zealand tourism industry and will require it to adapt as it seeks to understand and provide for the differing needs, wants and expectations of this new group of visitors.

- Changing marketing allocations to mitigate negative and/or capitalise on positive changes
- Undertaking research to better understand the differing needs, wants and expectations of this new group of visitors and dissemination of the findings to the industry

<p>Air capacity</p>	<p>Airline companies exert control over international visitor flows to New Zealand with their control over capacity on routes. While 2010/11 saw the announcement of new air services and increased capacity, particularly between New Zealand and Asia, New Zealand has traditionally not fared well in the consideration of global route priorities. Lack of growth in visitor numbers has in some instances been linked directly to a reduction in air capacity.</p>	<ul style="list-style-type: none"> • We will identify and partner with airlines that offer us the best opportunities to expand air capacity and drive competition on routes • Continue to participate in the Interagency Aviation Group with other New Zealand Inc agencies. This Group will assist us to proactively and collaboratively identify and mitigate risks and enhance New Zealand’s aviation linkages
<p>Competition</p>	<p>Research undertaken to understand the Active Considerer identified that we are competing against some well established destinations for visitors including the US, Canada, Australia, France and Italy.</p>	<ul style="list-style-type: none"> • We will track on a monthly basis, through our campaign tracking monitor, Active Considerers preference for New Zealand over other destinations and use these results to improve campaign effectiveness

Section 2: Our operating intentions

This section contains details on Tourism New Zealand's outcomes. We have a high degree of influence and control over whether these outcomes will be achieved. This section will explain why the outcomes are important, how we will demonstrate success in achieving them, the activity that will be undertaken to achieve them and our focus over 2011 -14.

Tourism New Zealand outcomes

Outcome 1:

Conversion: Tourism New Zealand's target audiences' desire to visit New Zealand and rate of conversion to travel is increased

Why is this outcome important?

There are many destinations competing to attract visitors. To achieve the government's economic priorities and contribute to achieving our industry's outcomes we need visitors to choose New Zealand over other destinations. This means they must have a preference for New Zealand as a destination and they must be given an easy path to purchase.

How will we demonstrate success in achieving this outcome?

We will know if we are achieving our intended results if:

- Consumer preference for New Zealand amongst Active Considerers, in our key markets increases
- More Active Considerers are cost effectively drawn to and then referred from our consumer site (newzealand.com) onto our partners sites where actual travel can be purchased (e.g. airlines, New Zealand tourism operators)
- More private sector companies partner with us to promote New Zealand under 'New Zealand 100% Pure You'
- Our social media platforms e.g. Facebook, grow their audience and stimulate more active participation and engagement from their audience
- Our marketing partnerships with aviation and airline interests mean that visitors have great access to New Zealand, and competitive fares²

The measures and targets that we will use to measure our achievements are outlined in Section 7.

² There are substantial challenges in developing accurate measures of Tourism New Zealand's impact in this area. It is an area we will continue to work through in 2011/12

What will we do to achieve this outcome?

Focus our resources on the Active Considerer target market...

Research we have undertaken has determined that sizable populations of Active Considerers reside within our key source markets. Through a campaign tracking monitor which is undertaken on a monthly basis, we keep track of changes within this target market.

Prioritise markets to focus our activity on...

To ensure that we focus our resources appropriately in a tight fiscal environment we have utilised a 'tiered model' to identify and categorise our markets. Figure 2 below shows how we have prioritised our markets based on their increasing potential to deliver outcomes for New Zealand. Tier 5 (Australia, China) represents those with the greatest potential.

Figure 2: Tourism New Zealand's Prioritisation of Markets

		Increasing potential to deliver strong outcomes for New Zealand				
		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Markets		<ul style="list-style-type: none"> Eastern Europe South America Remainder of Western Europe 	<ul style="list-style-type: none"> France Scandinavia India Canada Hong Kong (SAR) Taiwan 	<ul style="list-style-type: none"> Japan Korea South East Asia 	<ul style="list-style-type: none"> USA UK Germany 	<ul style="list-style-type: none"> Australia China
Activity		<ul style="list-style-type: none"> Trade engagement 	<ul style="list-style-type: none"> Search engine marketing International Media Programme Plus tier 1 activity 	<ul style="list-style-type: none"> Partnered marketing communications Plus tier 2 activity 	<ul style="list-style-type: none"> Brand digital marketing communications and PR product placement Plus tier 3 activity 	<ul style="list-style-type: none"> Wider media mix, increased weights Plus tier 4 activity
		Increasing levels of expenditure and activity				

Determine an appropriate programme of activity within our markets...

The 5 tiers of this model also relate to the level of spend and the quantity and type of activity that we will undertake within each market. We have adopted a layered/cumulative approach. At the minimum level (Tier 1) we will engage with international travel trade, and at the maximum level (Tier 5) we will deliver a full range of trade, traditional and digital marketing, partnered activity and PR initiatives.

Engage with Active Considerers within priority markets and draw visitors down the path of purchase...

Our priority is to focus our efforts on converting this pool of people 'actively considering' a trip to New Zealand into actual visitors. We will do this by drawing Active Considerers to the redesigned newzealand.com inspiring them with engaging content, then drawing them down the path of purchase by referring them off newzealand.com and onto our partners' sites where a purchase (e.g. an airline ticket or experience) can be made.

Undertake strategic joint venture marketing...

Strategic joint venture marketing with public and private partners enables our partners to leverage off our focused investment in destination marketing and allows us to partner our destination marketing with something tangible that can be purchased by potential visitors e.g. airline offer, product. Partnerships are playing an essential role in the improvement of preference levels and of conversion to travel. We will partner with Regional Tourism Organisations in Australia, partner with aviation organisations (airlines, airports) to build and sustain capacity, connectivity and competition and partner with trade to increase their ability and confidence in selling New Zealand.

What are we focused on in 2011 - 2014?

Our areas of focus are guided by the direction set out in our 3 Year Marketing Strategy. Our areas of focus, presented by strategic priority, are outlined below:

Prioritise markets and sectors for growth (Strategic Priority 1)

- We have identified Australia and China as our primary growth markets. The US, UK and Germany are important markets to sustain in 2011/12 and beyond. Specific strategies have been developed for each market for implementation in 2011/12.
- We will increase our focus on the youth and special interest sectors in 2011/12 as they have been identified as significant growth areas. The cruise and the conference and incentive sectors will remain important for 2011/12 and beyond.

Focus marketing activity on conversion (Strategic Priority 2)

- We will direct our activity and utilise our resources to achieve higher conversion rates within our target market of Active Considerers. We will achieve this by:
 - Using highly targeted measureable media to reduce waste
 - Ensuring our global brand positioning is relevant and tailored for each market and localise campaigns to optimise their performance
 - Utilising newzealand.com to carry the brand message, inspire and inform visitors to the site and to convert this interest into travel by making it easy for site visitors to move onto our partners sites to purchase travel, an experience or product
 - Building on the digital foundation established in 2010/11, increasing our focus on targeting and optimisation and by further integration of our digital, PR and trade activity

Partner to increase marketing reach and effectiveness (Strategic Priority 3)

- The focus of our partnership activity will be to deliver more integrated and coordinated messaging to deliver superior conversion results. This will be done by:
 - Forming alliances with the aviation sector to encourage capacity growth and greater connectivity
 - Providing overseas travel sellers with inspiring information and compelling cooperative opportunities to market New Zealand, to leverage off their scale and reach
 - Engaging with Regional Tourism Organisations in Australia to increase conversion of interest into visits

Leverage significant events (Strategic Priority 4)

- Rugby World Cup 2011 is a significant opportunity for tourism. To date we have focused on raising awareness of New Zealand as the hosts of the Rugby World Cup and identifying and communicating with potential Rugby World Cup visitors. Now as New Zealand gets set to deliver this major sporting event we will:

- Lead the NZ Inc media hosting programme targeting rights holding broadcasters and key opinion leaders
- Running in parallel with our Rugby World Cup activity, Tourism New Zealand is focussed on delivering a programme of activity that promotes New Zealand to the ‘non-rugby’ sector during the Rugby World Cup to encourage ‘non-rugby’ followers to continue to travel to New Zealand, and in particular the South Island, during the tournament. This will include:
 - The delivery of winter (2011) ski promotions
 - Support and promotion of the REAL festival
 - Leveraging off New Zealand’s hosting role for The Society for American Travel Writers Conference (scheduled for November 2011)
- Tourism New Zealand will work with New Zealand Inc to leverage off the two Hobbit films. These films offer us opportunity to raise New Zealand’s popularity and accessibility and to contribute to conversion within the US and other markets.

Support recovery from the Christchurch Earthquake (Strategic Priority 5)

- We will manage and mitigate any negative impacts from the earthquakes on the wider Canterbury, South Island and New Zealand tourism industry from the earthquake by:
 - Continuing to support the New Zealand tourism sector to restructure propositions to reflect changed capacity and capability in Christchurch
 - Work with Christchurch and Canterbury Tourism, to promote its visitor facilities through marketing, partnership work and events

Outcome 2:

Information and satisfaction: Visitor spending and satisfaction is increased through access to information that encourages activity and use of quality assured tourism services

Why is this outcome important?

To increase earnings from international tourism, we need to convert more Active Considerers into actual visitors, and we need them to stay longer and participate in more revenue-generating activities while they are here. To do this they must have access to quality information on the things they can do. Both newzealand.com and the i-SITE network are essential sources of information for Active Considerers and help visitors make informed choices about the products and experiences they are purchasing.

It is also important that visitors have information that provides assurance on the quality of the visitor experience. Satisfied visitors who have had good experiences provide good word of mouth promotion for New Zealand. The boom in social media means that good and bad word of mouth stories spread further and faster than ever before, so satisfying visitors is even more important. This is a key reason why we promote and monitor the adoption of quality standards through Qualmark and the Approved Destination Status programme for Chinese tour operators.

How will we demonstrate success in achieving this outcome?

We will know if we are achieving our intended results if:

- Visitors to i-SITEs start spending more on experiences and products within each transaction and as a result the average total expenditure of visitors to New Zealand who use an i-SITE increases

- Satisfaction levels of those who use an i-SITE while in New Zealand, or choose Qualmark accredited experiences and products, exceed satisfaction levels of visitors who don't
- We maintain overall satisfaction levels of Chinese visitors through work we undertake under the Approved Destination Status programme, while visitor arrivals from China grow significantly
- The proportion of holiday visitors to New Zealand that visit an i-SITE is maintained

The measures and targets that we will use to measure our achievements are outlined in Section 7.³

What will we do to achieve this outcome?

Make i-SITEs a must visit by enhancing its online visibility...

The i-SITE Network has a proven influence in encouraging visitors to do more during their New Zealand holiday and as a result spend more. We will, through i-SITE New Zealand, increase the online visibility of the i-SITE Network to encourage more visitors to utilise i-SITEs while in New Zealand.

Equip i-SITE staff with the right skills to encourage expenditure and influence satisfaction...

i-SITE staff will receive customer service and sales training to better equip them with the knowledge and skills needed to assist visitors.

Implement the redesigned newzealand.com to enable visitors to source the 'word of mouth' information they desire...

Our consumer website (newzealand.com), is both a significant marketing tool and an information source for visitors. Newzealand.com has recently been redesigned into a 'marketplace' site that enables visitors to engage with one another and with travel sellers to source information and advice directly. The sites content is increasingly user generated and is organised in 'hubs' so visitors can talk to and share information with others who hold similar interests. The success of sites like Trip Advisor show people trust the opinions and advice of other 'real' people like them, and the redesigned newzealand.com seeks to deliver this type of information.

Mitigate satisfaction issues caused by poor quality experiences and products through Qualmark...

Through Qualmark travellers can select accommodation and activity/attraction/transport options with confidence, knowing that the businesses they choose have been independently quality-assessed and graded. This enables visitors and the tourism trade to be better informed about the nature, quality and sustainability of accommodation and services, while also encouraging the industry as a whole to lift the bar on the quality and sustainability of their products and services.

Address the quality issues that affect the Chinese inbound market...

For the Chinese tourist market there are particular quality issues that require attention. We will continue to operate the Approved Destination Status (ADS) Monitoring Unit which licenses New Zealand-based Inbound Tour Operators that cater for the Chinese market, and monitors their conduct, performance and quality standards.

³ Due to data issues in International Visitor Survey Tourism New Zealand does not include a specific performance measure around visitor spend to demonstrate our success in delivering on this outcome. The Ministry of Economic Development has begun a review of tourism data that may address this issue and allow measures to be established.

What are we focused on in 2011-2014?

Our fundamental approach to visitor information and satisfaction will continue for the duration of this Statement of Intent. We consider that these are critical activities in supporting the work we do promoting New Zealand.

Our focus for 2011/12 is guided by our Strategic Priorities:

Leverage significant events (Strategic Priority 4)

- 2011/12 will see the delivery of Rugby World Cup 2011. A focus of Tourism New Zealand's Rugby World Cup 2011 strategy is to provide enduring support of the visitor experience through Manaakitanga (hospitality). The i-SITE Network provides Tourism New Zealand with a medium through which to deliver on this. This will be done by:
 - i-SITEs throughout New Zealand delivering quality information and a booking service to international and domestic visitors throughout the Rugby World Cup, as well as delivering information on specific Rugby World Cup initiatives, messages, and visitor experiences available
 - i-SITEs being front of house for the promotion of the REAL New Zealand Festival for Rugby World Cup visitors. This will entail i-SITEs distributing festival collateral to visitors
 - i-SITE staff supporting the training and management of Visitor Information Volunteers to support Rugby New Zealand 2011's volunteer programme and to ensure Visitor Information Volunteers are equipped to provide accurate and detailed information to Rugby World Cup visitors throughout the tournament
- Tourism New Zealand will be supporting the Queens Wharf experience through providing strategic support for the deployment of the Giant Rugby Ball and supporting the media centre in 'the cloud'.

Other additional functions delivered by Tourism New Zealand, that contribute to achieving this outcome include:

- Administering the Approved Destination Status (ADS) code of conduct to deal effectively with the quality issues affecting the China inbound market. This will be done by:
 - Undertaking spot checks, audits and a mystery shopping programme to identify breaches of the ADS code and then referring the breaches to the relevant agencies
- Assist in delivering quality experiences to travellers by helping them to make better informed decisions in relation to purchasing products and experiences through Qualmark

Section 3: Our organisational health and capability

Our organisational health and capability is related to our investment in our employees, environment and systems. Our practices are consistent with the development goals that aim to lift the performance of the State Services.

They include:

- Employer of choice
- Networked state services
- Value for money state services
- Co-ordinated state agencies
- Accessible state services
- Trusted state services

Our people

Through our Human Resources programmes and practices we are committed to ensuring our employees are valued and are given the opportunity to pursue career development opportunities as they become available.

During 2011/12 we will develop or continue the following programmes and practices.

Identify and develop top talent: Growing and nurturing our talent is the key to our organisational success.

- In 2011/12 we will identify and develop top talent with people leadership and management skills

Develop leadership skills: Leadership skills are a long term driver of success and development of them will ensure the continuity of an energising and engaging organisational culture.

- Using knowledge and insights gained from an internal engagement survey, a programme will be developed in 2011/12 to lift leadership performance of all management

Develop our kaupapa Māori: Culture is the second greatest motivator for choosing New Zealand as a holiday destination. We must have the internal capability to deliver the Māori cultural component of the 'New Zealand 100% Pure You' message.

- In 2011/12 we will better understand and grow our organisation's ability to effectively represent tikanga

Graduate/Māori graduate programme: We will continue to offer our graduate/Māori graduate programme, on a business needs basis. Since 2002 twelve graduates have been recruited. Graduates are on fixed term contracts and 'cycle' through the organisation over an 11-12 month period. At the conclusion of the 12 month cycle, if suitable positions are available, continued employment is offered.

- During the period 2011 - 2014 we will continue this programme

International development opportunities: Opportunities regularly arise to work in our network of international offices on a permanent and project basis. It is our policy to offer positions to suitably skilled staff in the first instance.

Our workplace, systems and environment

Workplace

The environment that we work in is distinguished by the following factors:

- Geographic dispersal with 9 offshore offices
- Significant cultural differences between staff
- A young and technologically 'savvy' workforce
- Fluid deployment of staff to international projects

We are conscious of the government's preference for co-location of off-shore agencies as one means to increase the New Zealand Inc impact. In support of this we relocated our Mumbai office to cohabitate with Immigration New Zealand and New Zealand Trade and Enterprise in 2010/11.

- Over 2011-2014, when our leases expire, we will assess the costs and benefits of cohabiting with other New Zealand Government agencies against accommodation in 'commercial' office space

We are also conscious of our office footprints worldwide and as such we review our office space to ensure it continues to meet the needs of our employees and deliver value for money.

- In 2011/12 our Wellington office will be reconfigured delivering significant cost savings

Systems

Information systems are critical for ensuring our workforce is able to communicate internally and with the wider tourism industry. They are also critical to ensure we have the right information for decision making. We operate a 'wireless office' structure that enables all staff to share any workspace at any location.

- During 2011/12 we will implement an information technology outsourced infrastructure model to mitigate current risks within our information systems, to future proof our systems and achieve cost savings
- We will review our telecommunications and finance systems to consolidate the systems and suppliers to achieve service improvements and cost savings

In 2011 we participated in the BASS (Better Administrative and Support Systems) programme, run by Treasury.

- In 2011/12 Tourism New Zealand will seek to reduce admin and support costs that were benchmarked above average in the BASS programme. Work within this area was initiated in 2010/11 including the workspace reconfiguration planned for the Tourism New Zealand Wellington office and an assessment of the formal procedures in place supporting the operation of our information technology function

Environment

We joined Qualmark in 2009 and implemented a Sustainability Action Plan in 2009/10. We achieved Bronze status within the Qualmark Green⁴ environmental accreditation programme during 2008/09. In 2009/10 we received recognition of our improved sustainability by being awarded Silver status.

- In 2011/12 we will undertake our third annual Qualmark Assessment

Risk management

As a global agency operating across a number of markets, we are affected by a range of risks. We have established processes for managing our financial and operating risk and have identified all legislation that we need to comply with. Our Risk Management Plan clearly sets out a process for risk evaluation and then categorises risks into four categories:

- Strategic
- Financial
- Operational
- Hazards

A focus on financial risks

During 2010/11 we undertook several initiatives to mitigate financial risks. These included;

- A review and significant improvement of our Treasury Policy, per Cabinet instruction. This was undertaken in 2010/11 in conjunction with the Ministry of Economic Development and Treasury and was approved by our Board.
- The establishment of a Foreign Exchange Reserve in June 2010.

Our Risk Management Plan

Our Risk Management Plan includes policies and procedures to effectively identify, treat and monitor principal business risks. Our risk profile is reviewed on a regular basis by the Audit Committee and is submitted to the Board for approval on an annual basis.

The internal risks that pose the greatest threat and impact are listed below.

Risk Area	Description	Our mitigation strategies
Funding	If funding levels are insufficient, Tourism New Zealand's ability to achieve its objectives is eroded	Annual consideration of baseline funding in order to meet objectives occurs as part of the budget process. Funding for special projects and pursuing opportunities when they arise can be sought between budget processes, with the agreement of our Minister. Communication with Government on our ability to fulfil our function within current funding parameters.

⁴ See <http://www.responsibletravel.co.nz/> for detailed information on standards and assessment processes

Corporate reputation	Our corporate reputation is important to protect so that we can effectively lead/partner with the industry in marketing New Zealand	Tourism New Zealand manages this through investment in our Public Affairs area, and channelling media and public communications through spokes people who have been appropriately trained. Tourism New Zealand also places emphasis on engaging with the New Zealand tourism industry and other stakeholders to increase understanding and opportunities for coordinated/cooperative activity.
People	If we don't have the right people within Tourism New Zealand, or don't nurture the talents within Tourism New Zealand, our ability to effectively deliver our strategy and achieve our outcomes is weakened	Tourism New Zealand's human resource function is focused on attracting, identifying and developing our best talent to ensure Tourism New Zealand is equipped with people with the right skills to deliver on the organisations strategy.
Strategic and Business Planning	If strategic and business plans are poor it may result in uncoordinated long term direction of Tourism New Zealand and unacceptable outcomes for the Government, the Tourism Industry and Tourism New Zealand	Our Business Planning process commences in January each year with a strategic session(s) held by the Executive Leadership Team. The quality of this process is verified by the Board at a strategic session in February at which the main strategic themes are agreed. A plan and budget is developed around the themes and finalised in April/May for submission to the Board for approval in June.
Annual accountability documents	If annual accountability documents aren't robust they will draw criticism from the Minister and the Government, and result in a loss of confidence	Annual Statements are prepared with significant input by Tourism New Zealand's Executive and management team. The statements are presented to the Board for review and approval, prior to being forwarded to the Minister for comment. The annual Statement of Intent is developed in accordance with Treasury/SSC guidance to Crown Entities, in consultation with our auditors.
Advice	If poor advice is provided to the Government and the Tourism Industry critical Government and Tourism Industry support will be lost	Advice is sent to the Executive for consideration and approval prior to it being sent externally. Information to the Minister's office is sent through a centralised point. If appropriate, the Board members' with relevant skills may assist the Executive with the development of advice.

Section 4: Statement of forecast service performance

We will report on our Statement of Forecast Service Performance to our Responsible Minister on a quarterly basis as agreed within our Output Agreement.

Tourism New Zealand outputs

This section describes our output classes, the outputs within these classes, and how our output classes link to our outcomes.

Output Class 1: Marketing

\$55.2m

Tourism New Zealand outputs

Marketing is Tourism New Zealand's largest output expenditure. We perform a range of marketing outputs, which broadly fit into the categories of campaign and market research.

Campaign

During 2009/2010 we revised our marketing strategy and shifted the type and focus of our marketing outputs. Our previous focus was on increasing awareness of New Zealand through traditional mass media advertising campaigns. Now, our activity focuses on reaching Active Considerers primarily via the use of advanced digital marketing tools. Communication channels such as PR deliver our brand messages through third parties (e.g. opinion leaders, media) to contribute to New Zealand's popularity and accessibility as a destination and to strengthen conversion. In 2011/12 we will be striving to achieve better integration of digital, PR and trade activity to improve the synergy and effectiveness of our campaign delivery.

Key campaign outputs will include:

- 'New Zealand 100% Pure You'; we will continue to develop the campaign as the positioning for our marketing activity
- Public Relations; outputs will build preference levels in our target audience, and support conversion of visitors. Outputs will include:
 - Hosting of international media and opinion leaders and supplying them with media resources
 - High impact product placement that deepens consumers understanding of the New Zealand experience
 - Leveraging off the Hobbit
 - Supporting events onshore and offshore that communicate our brand values
- Websites; delivery of newzealand.com, our consumer facing website, to provide visitors with user generated information on New Zealand and improved linkages between newzealand.com and private sector providers to aid conversion
- Social media; maintain social media platforms (e.g. Facebook) that assist us to build, engage and inspire Active Considerers
- Digital marketing;
 - Search engine optimisation; optimising online search tools so that potential visitors are exposed to our marketing channels and content (and New Zealand content more generally) more often when they are researching holidays online

- Investing in paid search engine marketing; purchasing banner and advertisement space on websites utilised by Active Considerers to draw them to newzealand.com
- Partnered campaigns; partnering with public and private organisations to deliver campaigns that enable Tourism New Zealand to pair our advertising with something consumers can purchase
- Traditional media advertising campaigns; deliver integrated campaigns with a traditional element in priority markets (Australia and China)

Market Research

We carry out market research to provide core intelligence and evaluation input into the development of marketing campaigns and to provide information and insights to the industry.

Link with Tourism New Zealand outcomes

This output class is aimed at achieving Tourism New Zealand's Outcome 1: Conversion

The measures and targets that we will use to measure our output performance are outlined in Section 7.

Output Class 2: Working with the overseas travel trade and airlines

\$5.2m

Tourism New Zealand outputs

Training the travel trade

Deepening travel seller capability to sell the right New Zealand is an important way of driving more conversion of interest into travel 'now'. We carry out a range of training outputs that are aimed at enabling overseas travel sellers to more effectively sell 'destination New Zealand' to potential visitors in their market. Training is provided using a variety of approaches, including:

- Trade familiarisations, e.g. familiarisation visits to New Zealand for travel company product managers and decision makers
- Online, e.g. region and product specific online training modules and webinars. The website www.newzealand.com/travel/trade also provides access to the 'Industry Guidebook', which provides travel sellers access to trade information via a searchable database
- In-market, e.g. face to face trainings in the form of product marketing seminars, and 'train the trainer' courses
- Webinars, e.g. delivery of a presentation via the internet to American based travel sellers

Trade Events

We organise trade events and co-ordinate participation by the New Zealand tourism sector at international trade shows.

Key events in 2011/12 will include:

- In-market training events, called Kiwi Links, which connect New Zealand tourism operators with travel sellers

- International Marketing Alliance (IMA) Roadshow of UK/Europe in July, whereby regional representatives from New Zealand will train product planners and frontline travel sellers

We attend international trade shows and facilitate New Zealand operator attendance. Key events in 2011/12 will include:

- Providing a New Zealand presence at World Travel Mart in London in November 2011,
- Providing a New Zealand presence at the International Luxury Tourism Market in France in December 2011

We coordinate the buyer invitation and briefing process for Tourism Rendezvous New Zealand (TRENZ) which connects New Zealand tourism products and Regional Tourism Organisations (RTOs) with international buyers.

Working with aviation interests

We will maintain the agreements that we have formed with aviation and airline partners, and seek out new agreements where they are in accordance with our international aviation strategy. Under these agreements we will carry out partnered marketing campaigns that support the aviation routes that are critical to developing tourism.

Link with Tourism New Zealand outcomes

This output class is aimed at achieving Tourism New Zealand's Outcome 1: Conversion

The measures and targets that we will use to measure our output performance are outlined in Section 7.

Output Class 3: Informing and engaging with New Zealand's tourism industry \$1.4m

Tourism New Zealand outputs

It is important we are an organisation that informs, engages with and listens to the New Zealand tourism industry. The main goal of engaging with the tourism industry in New Zealand is to promote a collaborative industry approach to achieving industry outcomes, by helping the industry to maintain a good understanding of changing markets, Tourism New Zealand strategy, and key opportunities around selling the New Zealand tourism product and brand effectively. We do this through:

- Publications, including the regular delivery of Tourism News e-bulletins, video updates and our annual report
- Our corporate website (tourismnewzealand.com) which enables us to provide the industry timely information on recent activity through media releases, information on events, our markets, our campaigns and our objectives
- Speaking engagements, including industry presentations at conferences and seminars that update industry members on changes within the global industry and the specific consequences this will have within the New Zealand tourism market. These speaking engagements also allow

us to hear from the industry including any challenges they are facing or opportunities they have identified

Link with Tourism New Zealand outcomes

This output class is aimed at achieving Tourism New Zealand's Outcome 1: Conversion and Outcome 2: Information and Satisfaction

The measures and targets that we will use to measure our output performance are outlined in Section 7.

Output Class 4: Information for visitors

\$4.4m

Tourism New Zealand outputs

Our consumer website (newzealand.com) performs a dual role. One, as outlined earlier, is as a marketing tool to convert Active Considerers preference for New Zealand into actual travel. The second is to enable visitors to engage with one another and with travel sellers to source information and advice.

We also provide information through our role with the i-SITE network. i-SITE New Zealand Visitor Centres (89 around New Zealand) provide an information and booking service for attractions, transport, accommodation and events to international and domestic visitors in New Zealand.

We have no ownership stake in any of the 89 i-SITE centres. i-SITE New Zealand is a subsidiary of Tourism New Zealand, governed by a Board of Directors. The subsidiary is the owner of the i-SITE brand and livery. We provide staff, support services, business systems, training to local i-SITE network staff and marketing, primarily via digital channels, to raise the profile of the i-SITE network.

i-SITE New Zealand has established the membership standards that individual centres must achieve to use the i-SITE brand, and become a part of the network of centres. These standards are enforced by site inspections of the centres by i-SITE staff.

Link with Tourism New Zealand outcomes

This output class is aimed at achieving Tourism New Zealand's Outcome 2: Information and satisfaction

The measures and targets that we will use to measure our output performance are outlined in Section 7.

Tourism New Zealand outputs

We own 60% of the subsidiary organisation Qualmark New Zealand Ltd. The Automobile Association of New Zealand owns the remaining 40%. We provide funding, governance and some marketing support for Qualmark. Qualmark provides quality assurance services to around 2,300 New Zealand tourism businesses, by offering a star grading system for accommodation facilities and an endorsement programme for activities, transport and services. Qualmark undertakes annual onsite assessments through which trained assessors measure the quality of operators' facilities and business practices, including health and safety systems and service systems relating to guest care. Businesses are also assessed on their environmental performance.

For the Chinese tourist market there are particular quality issues that require attention. The Approved Destination Status (ADS) Monitoring Unit operated by Tourism New Zealand licenses New Zealand-based inbound tour operators and tour guides that cater for the Chinese market, and monitors their conduct, performance and quality standards. The ADS Monitoring Unit assesses new applicants, completes regular compliance monitoring and assessments, and handles complaints and feedback from Chinese group tour visitors. The ADS Monitoring Unit also produces Chinese language visitor information designed to increase ADS China visitor awareness of the role of the Unit and the Tourism New Zealand/Ministry of Economic Development requirements that apply to ADS tours. In 2010 Tourism New Zealand also introduced requirements applicable to ADS approved Chinese travel sellers and conducts monitoring activities to assess compliance by Chinese travel sellers with these requirements.

Link with Tourism New Zealand outcomes

This output class is aimed at achieving Tourism New Zealand's Outcome 2: Information and satisfaction

The measures and targets that we will use to measure our output performance are outlined in Section 7.

Section 5: Forecast financial information

Statement of accounting policies

(a) Basis of preparation

Tourism New Zealand is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, Tourism New Zealand's ultimate parent is the New Zealand Crown.

Tourism New Zealand's financial statements have been prepared in accordance with New Zealand generally accepted accounting practice and the requirements of the Crown Entities Act 2004. 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.

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

(b) Statement of compliance

The financial statements have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for public benefit entities.

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) 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). Subsidiaries are combined using the purchase method of combination. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, 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. Unrealised losses are eliminated unless costs cannot be recovered.

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.

Business combinations that occurred prior to the date of transition to NZ IFRS have not been restated retrospectively.

(d) Investment in associate

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

An associate is an entity in which the Group has significant influence and which is not a subsidiary nor a joint venture.

The annual financial statements of the associate are used by the Group to apply the equity method. The reporting dates of the associate and the Group are identical and both use consistent accounting policies.

The investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associate.

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

(e) Foreign currency

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

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

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

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.

(f) 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 Income in the period in which the transaction occurs.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Losses resulting from impairment are reported in the Statement of Comprehensive Income.

(g) Intangible assets

Intangible assets are recorded at cost at acquisition. Where there is no active market for these assets, or they are determined to hold no future economic benefit, they are written off in the year of acquisition. Tourism New Zealand has no intangible assets with a finite life.

Research and development costs are expensed as incurred.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value.

(i) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(j) Cash and cash equivalents

Cash and short-term deposits 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 Income 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 Income 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 following specific recognition criteria must also be met before revenue is recognised:

Grants received from the Crown

Grants received from the Crown are recognised as revenue on receipt.

Sale of goods and services

Revenue from the 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 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 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 Income.

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 Income.

Cash and cash equivalents include cash on hand, cash in transit, bank accounts and deposits with a maturity of no more than three months from date of acquisition

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

Pension Liabilities: Obligations for contributions to defined contribution retirement plans are recognised in the Statement of Comprehensive Income as they fall due.

Other Employee Entitlements: Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of Comprehensive Income 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: Termination benefits are recognised in the Statement of Comprehensive Income 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.

(r) Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are recorded in the Notes to the Financial Statements at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

(s) Segment Reporting

Tourism New Zealand's primary function is to market New Zealand as a tourism destination. To achieve this, Tourism New Zealand maintains offices in a number of overseas countries. However, all Tourism New Zealand's activities are co-ordinated from New Zealand.

Statement of significant assumptions

Assumptions underlying the financial statements include:

- a) Crown funding is assured at least at the levels stated for the period of the Statement of Intent.
- b) No amount has been included for gains or losses on foreign exchange derivatives as these cannot be estimated because of uncertainty surrounding exchange rates over the three year period. There is a risk that movements in exchange rates can result in volatility in financial performance as fair value movements on derivatives are recognised.
- c) There is a risk that movements in exchange rates can have a significant effect on the spending power of Tourism New Zealand. To mitigate this risk as far as possible a Foreign Exchange Reserve is included in the Forecast Statement of Financial Position. The Reserve is designed to preserve the spending power of Tourism New Zealand during periods of adverse movements in exchange rates.
- d) The net asset position of subsidiaries will not change significantly over the three years.
- e) No significant marketing investment is envisaged in any new markets over the next three years.

Forecast Financial Statements

Statement of Comprehensive Income	Group			Parent		
	2010/2011 \$000s	2011/2012 \$000s	2012/2013 \$000s	2010/2011 \$000s	2011/2012 \$000s	2012/2013 \$000s
Income						
Revenue from Crown	99,431	83,861	83,861	99,431	83,861	83,861
Interest income	103	103	103	100	100	100
Other revenue	4,955	4,955	4,955	2,989	2,989	2,989
Foreign exchange gains	0	0	0	0	0	0
Total Income	104,489	88,919	88,919	102,520	86,950	86,950
Expenditure						
Other expenses	104,006	88,512	88,556	102,045	86,550	86,593
Depreciation & Impairment	483	407	363	475	400	357
Foreign exchange losses	0	0	0	0	0	0
Total Expenditure	104,489	88,919	88,919	102,520	86,950	86,950
Share of associate's surplus/(deficit)	0	0	0	0	0	0
Net Operating Surplus/(Deficit) before Taxation	0	0	0	0	0	0
Income tax expense	0	0	0	0	0	0
Net Surplus/(Deficit) for the year	0	0	0	0	0	0
Surplus/(Deficit) for the period is attributable to:						
Non-controlling interest	0	0	0	0	0	0
Owners of the parent	0	0	0	0	0	0
Net Surplus/(Deficit) and total comprehensive income	0	0	0	0	0	0

Statement of Financial Position	Group			Parent		
	2010/2011 \$000s	2011/2012 \$000s	2012/2013 \$000s	2010/2011 \$000s	2011/2012 \$000s	2012/2013 \$000s
Current Assets						
Cash	6,120	6,120	6,120	6,000	6,000	6,000
Receivables	630	630	630	600	600	600
Prepayments & other current assets	1,000	800	700	1,000	800	700
Derivative financial instruments	0	0	0	0	0	0
	7,750	7,550	7,450	7,600	7,400	7,300
Non-current Assets						
Property plant and equipment	1,803	1,504	1,270	1,784	1,505	1,271
Investment in associate	5	5	5	0	0	0
Accommodation bonds	500	500	500	500	500	500
	2,308	2,009	1,775	2,284	2,005	1,771
Total Assets	10,058	9,559	9,225	9,884	9,405	9,071
Current Liabilities						
Creditors and other payables	2,328	1,829	1,495	2,179	1,700	1,366
Employee entitlements	610	610	610	550	550	550
Income in advance	0	0	0	0	0	0
Provisions	303	303	303	303	303	303
Derivative financial instruments	0	0	0	0	0	0
	3,241	2,742	2,408	3,032	2,553	2,219
Total Liabilities	3,241	2,742	2,408	3,032	2,553	2,219

Net Assets	6,817	6,817	6,817	6,852	6,852	6,852
Equity						
Shareholder's equity	1,805	1,805	1,805	1,805	1,805	1,805
Foreign Exchange Reserve	4,800	4,800	4,800	4,800	4,800	4,800
Retained earnings	212	212	212	247	247	247
Minority interests	0	0	0	0	0	0
Total Equity	6,817	6,817	6,817	6,852	6,852	6,852

Statement of Changes in Equity	Group			Parent		
	2010/2011 \$000s	2011/2012 \$000s	2012/2013 \$000s	2010/2011 \$000s	2011/2012 \$000s	2012/2013 \$000s
Balance at 1 July	6,817	6,817	6,817	6,852	6,852	6,852
Net surplus/(deficit) for the year	0	0	0	0	0	0
Balance at 30 June	6,817	6,817	6,817	6,852	6,852	6,852

Statement of Cash Flows	Group			Parent		
	2010/2011 \$000s	2011/2012 \$000s	2012/2013 \$000s	2010/2011 \$000s	2011/2012 \$000s	2012/2013 \$000s
Cash flows from operating activities						
Crown revenue	99,431	83,861	83,861	99,431	83,861	83,861
Interest received	103	103	103	100	100	100
Other revenue	4,955	4,955	4,955	2,989	2,989	2,989
Payments to suppliers and employees	(106,144)	(88,674)	(88,674)	(104,175)	(86,705)	(86,705)
Goods and services tax (net)	0	0	0	0	0	0
Net cash from operating activities	(1,655)	245	245	(1,655)	245	245
Cash flows from investing activities						
Sale of property plant and equipment	0	0	0	0	0	0
Repayment of accommodation bonds	0	0	0	0	0	0
Purchase of property plant and equipment	(245)	(245)	(245)	(245)	(245)	(245)
Payments for accommodation bonds	0	0	0	0	0	0
Net cash outflow from investing activities	(245)	(245)	(245)	(245)	(245)	(245)
Net increase/(decrease) in cash held	(1,900)	0	0	(1,900)	0	0
Effect of exchange rates on foreign currency balances	0	0	0	0	0	0
Opening cash brought forward	8,020	6,120	6,120	7,900	6,000	6,000
Cash at end of year	6,120	6,120	6,120	6,000	6,000	6,000

Section 6: Our subsidiaries and associate company

We have two subsidiary organisations (Qualmark Limited and VIN Incorporated, trading as i-SITE New Zealand) and one associated company (The New Zealand Way Limited).

Visitor satisfaction and quality are important issues for New Zealand and it is essential that we continue to provide high-quality tourism products, services and information, at all levels, for our visitors, otherwise the value of our marketing activities offshore are not leveraged.

Qualmark Limited

Qualmark is the New Zealand tourism industry's official quality assurance agency. It is a Government-backed initiative supported by Tourism New Zealand (60% share) and the New Zealand Automobile Association (40% share) and endorsed by other leading tourism industry organisations. The role of Qualmark is to help achieve the tourism industry's overall goal to enhance New Zealand's reputation as a world-class visitor destination.

Qualmark's key objectives are:

- To enable travellers to select accommodation and activity/attraction/transport options with confidence, knowing that the business they choose has been independently quality-assessed
- To work with operators and the New Zealand tourism industry to provide the best possible experience for visitors

Qualmark provides a star grading system for a range of different categories including accommodation and venues, and an endorsement system applied across five categories including activities, transport, tour operators, visitor information centres and services. Qualmark also gives recognition for excellence in environmental business practice through Enviro accreditation.

This enables visitors and the tourism trade to be better informed about the nature, quality and sustainability of accommodation and services, while also encouraging the industry as a whole to lift the bar on the quality and sustainability of their products and services. Currently, around 2,300 businesses are Qualmark licensed and over 800 are Enviro accredited.

Qualmark's key areas of focus for 2011/12 are to:

- Maintain a leading role in destination management by ensuring that standards set by the tourism industry are met by the tourism industry
- Continue to review criteria by sector to ensure experiences delivered are measured against industry best practice and appropriately match visitor expectation
- Review the Responsible Tourism criteria and the manner in which it is delivered
- Implement outcomes of the review of the Qualmark operational model, assessment processes and back office infrastructure
- Improve consumer and travel trade awareness of New Zealand's quality assurance system

i-SITE New Zealand

Once our visitors arrive in New Zealand, they need to find out what to do and where to go. Tourism New Zealand supports the i-SITE Network to provide quality information for visitors. To fulfil this role i-SITE New Zealand has identified a vision, mission and goal for the Network within its Strategic Plan, and the outcomes and outputs that will help them achieve these.

Vision: The i-SITE reputation is built on the world's warmest welcome delivered in a distinctively New Zealand way

Mission: To deliver quality information and visitor solutions that connect visitors with local secrets based around our landscapes, people, and stories that link the two

Goal: To convert visitor flows and customer preferences into reputation legacy and an economic return for visitor sector stakeholders

Outcomes: i-SITE New Zealand has identified 3 outcomes that will result from achieving the vision, mission and goal above:

- **Outcome 1 - i-SITEs influence the spend and quality of experience for visitors:** The i-SITE Network has a proven influence in encouraging visitors to do more during their New Zealand holiday. i-SITE New Zealand will provide training and a quality assessment programme to increase the value of the average transaction, and improve overall satisfaction, of visitors that use i-SITEs. This will extend to the recommendation of experiences that, wherever possible, are based on the Qualmark promise.
- **Outcome 2 - Increased visitor utilisation of the i-SITE network (to include digital and on-line channels):** 56% of all holiday arrivals use an i-SITE at least once during their stay, and spend on average 45% more than non-users. i-SITE New Zealand will increase the online visibility of the Network to ensure that more visitors are influenced by i-SITEs, and that economic value is delivered to the visitor sector.
- **Outcome 3 - Economic, satisfaction, and reputation benefits for the tourism industry are delivered through a planned program of partnerships with key stakeholders:** i-SITEs' substantial connection with visitors, and the geographical reach of the Network, provides significant opportunities for the tourism industry. i-SITE New Zealand will form partnerships to leverage the visitor bubble expected for the Rugby World Cup, and manage relationships with Local Government to maintain their major investment in i-SITEs.

Outputs: To generate the outcomes outlined above, i-SITE New Zealand needs to deliver the following outputs, which have been clustered into three operational areas:

Output 1: Training and standards

- Training of i-SITE staff to NZQA standards
- Specialist customer service and sales training programme
- Qualmark and mystery shopper assessments of i-SITEs
- National conference and regional updates for i-SITE staff
- Monitoring the financial performance of i-SITEs

Output 2: Marketing and business systems

- Increase i-SITE online visibility and the delivery of economic value to the visitor sector
- Enhance the functionality and usage of i-SITE Extranet
- Production of i-SITE promotional resources

Output 3: Partnerships and stakeholder management

- Rugby World Cup initiatives delivered under a memorandum of understanding with Rugby New Zealand 2011/New Zealand 2011
- Development of operational model principles for i-SITEs and Department of Conservation (DOC) visitor centres
- Provision of Duty of Care Information to visitors
- Advocate for continued Local Government support of i-SITEs
- Governance of the i-SITE Network through the i-SITE New Zealand Board

The New Zealand Way Limited

Tourism New Zealand and New Zealand Trade and Enterprise co-own The New Zealand Way Limited. The New Zealand Way Limited has the objective of building and sustaining an umbrella brand for New Zealand exporters and the tourism industry which, by emphasising and embodying quality, market efficiency, market innovation, leadership, and unique New Zealand characteristics, adds value to the products and services that carry the brand.

Tourism New Zealand will continue to position New Zealand as a quality tourism destination using the Brand New Zealand fern as a key symbol and identifier.

A key area of focus for the duration of this Statement of Intent is to protect the Brand New Zealand fernmark in New Zealand and key offshore tourism markets.

Section 7: Measures and targets

Tourism New Zealand outcome measures and targets

Tourism New Zealand Outcome 1 - Conversion: “Tourism New Zealand’s target audiences’ desire to visit New Zealand and rate of conversion to travel is increased”

We will measure our success in achieving this outcome through the following performance measures.

Result/measure	Previous result	2011/12 target	2012/13 target	2013/14 target
newzealand.com average monthly referrals to partner sites	New measure in 2010/11	202,500	340,000	418,000
Number of prospects ⁵ generated on newzealand.com (average per month)	New measure in 2011/12	650,000	850,000	1,000,000
Size of TNZ social media fanbase	New measure in 2010/11	700,000	1,000,000	1,500,000
Active monthly users of TNZ’s facebook fanbase	New measure in 2011/12	302,000	516,000	645,000

Result/measure	Previous result	2011/12 target
Proportion of Active Considerers who consider NZ their first of second preferred destination (New measure in 2010/11) ⁶		
Australia	53%	53% (95% confidence)
China	65%	73% (95% confidence)
USA	52%	49% (95% confidence)
UK	62%	60% (95% confidence)
Germany	60%	58% (95% confidence)
Japan	63%	61% (95% confidence)
Referral rate ⁷ of visitors from display	New measure in 2010/11	
Australia		12-15%
China		2-3%
North America		12-14%
UK		14-16%
Germany		2-3%
Japan		10-12%
Referral rate of visitors from search	New measure in 2010/11	
Australia		7-10%
China		3-5%
North America		7-10%
UK		15-17%
Germany		2-3%
Japan		7-10%

⁵ ‘Prospects’ definition: Visits where the visitor has been at least once before in the past month, or visits where 3 or more pages have been viewed. Excludes visits from a New Zealand IP address.

⁶ As this is a new measure ‘actual/previous result’ represents result as at the end of 31 December 2010

⁷ Referral rate: measures the percentage of people who once drawn to newzealand.com are then delivered to an operator or partner site where actual travel/experiences can be purchased

Tourism New Zealand Outcome 2 - Information and satisfaction: “Visitor spending and satisfaction is increased through access to information that encourages activity and use of quality assured tourism services”

We will measure our success in achieving this outcome through the following performance measures.

Result/measure	Previous result	2011/12 target	2012/13 target	2013/14 target
Number of i-SITE visitors as a percentage of holiday visitors	56.9% (2009/10)	Maintain or improve from 56.9%	Maintain or improve from 56.9%	Maintain or improve from 56.9%
Average transaction value of a i-SITE visitor	\$126 (2009/10)	\$135	\$144	\$154
Average total expenditure attributable to all i-SITE visitors increases	\$3,277 (2009/10)	\$3,343 (2% growth) ⁸	\$3,410 (2% growth)	\$3,478 (2% growth)
Satisfaction of overall tourism experience for all i-SITE visitors compared to those who did not use an i-SITE	9.1/10 used i-SITE 8.9/10 didn't use an i-SITE (2009/10)	Maintain at or above 9.0/10 and above satisfaction levels of non i-SITE users	Maintain at or above 9.0/10 and above satisfaction levels of non i-SITE users	Maintain at or above 9.0/10 and above satisfaction levels of non i-SITE users
Satisfaction of visitors who used Qualmark services compared to those who did not use Qualmark services	9.1/10 used Qualmark 9.0/10 didn't use Qualmark (2009/10)	Maintain at or above 9.0/10 and above satisfaction levels of non-Qualmark users	Maintain at or above 9.0/10 and above satisfaction levels of non-Qualmark users	Maintain at or above 9.0/10 and above satisfaction levels of non-Qualmark users
Level of satisfaction of Chinese visitors	8.7/10 (2009/10)	Maintain at or above 8.7/10	Maintain at or above 8.7/10	Maintain at or above 8.7/10

⁸ In the current environment a 2% growth in average total expenditure from i-SITE visitors is considered by Tourism New Zealand a stretch target

Tourism New Zealand output measures and targets

Output Class 1: Marketing

Outputs:

- **Campaign:** Carry out integrated marketing campaigns utilising digital media, social media, traditional media and PR activity as key channels
- **Market Research:** Conduct market research to inform industry activity and Tourism New Zealand focus

Result/measure	Previous result	2011/12 target
<i>Quantity</i>		
Australia campaign activity	New measure in 2010/11	8 partnered, 4 digital, search engine marketing (SEM) always on
China campaign activity	New measure in 2010/11	6 partnered, 2 digital, SEM always on
USA campaign activity	New measure in 2010/11	5 partnered, 2 digital, SEM always on
UK campaign activity	New measure in 2010/11	4 partnered, 2 digital, SEM always on
Germanic Europe campaign activity	New measure in 2010/11	4 partnered, 2 digital, SEM always on
Japan campaign activity	New measure in 2010/11	6 partnered, 2 digital, SEM always on
Partnership funds committed to coordinated marketing activity	New measure in 2010/11	Regional Tourism Organisation partnerships \$1:\$1 Aviation partnerships \$1:\$1
PR impressions in print and broadcast in TNZ markets	New measure in 2011/12	Targets to be set June 2011
<i>Quality</i>		
Active Considerers associate NZ with key brand attributes of popularity, fun and making NZ seem more accessible	New measure in 2011/12	Targets will be available June 2011 and will be based on data collected between March – May 2011
Advertising equivalent value of print and broadcast in TNZ markets	New measure in 2011/12	Targets to be set June 2011
<i>Cost effectiveness</i>		
Cost per acquisition ⁹ from display	New measure in 2010/11	
Australia		\$3.00-\$3.50
China		\$1.00-\$1.50
North America		\$8.00-\$10.00
UK		\$3.00-\$3.50
Germany		\$5.00-\$5.50
Japan		\$5.50-\$6.00
Cost per acquisition from search	New measure in 2010/11	
Australia		\$1.50-\$2.00
China		\$0.50-\$1.00
North America		\$3.50-\$4.50
UK		\$0.50-\$1.00
Germany		\$1.50-\$2.50
Japan		\$2.00-\$3.00
Campaign return on investment (ROI)	New measure in 2011/12	Baseline data collection 2011/12

⁹ Acquisition: refers to someone who has been drawn to newzealand.com as a result of seeing and acting on advertising/search initiatives delivered by Tourism New Zealand

Output Class 2: Working with overseas travel trade and airlines

Outputs:

- **Travel trade training:** Provide training to overseas travel sellers
- **Trade events:** Host and participate in overseas trade events

Result/measure	Previous result	2011/12 target
<i>Quantity</i>		
Successful travel module completions	9,375 completed (2009/10)	12,500
Face to face trainings delivered and number of participants trained	New measure in 2010/11	200 delivered 6,500 participants
Webinars delivered and number of participants trained	New measure in 2010/11	50 delivered 2,000 participants
Trade on TNZ hosted famils	104 (2009/10)	160
Famils that feature a cultural element	New measure in 2011/12	Benchmarking year
Trade events attended by TNZ	New measure in 2010/11	Minimum of 10
Trade events organised and facilitated by TNZ	New measure in 2010/11	Minimum of 5
Partnership funds committed to coordinated marketing activity	New measure in 2010/11	Aviation partnerships \$1:\$1
<i>Quality</i>		
People 'confident' or 'very confident' in selling destination NZ after TNZ training	New measure in 2011/12	90%
People 'confident' or 'very confident' in selling destination NZ after TNZ trade event	New measure in 2010/11	85%

Output Class 3: Informing and engaging with the New Zealand tourism industry

Outputs:

- **Publications, websites and engagements**

Result/measure	Previous result	2011/12 target
<i>Quantity</i>		
e-bulletins published quarterly	New measure in 2010/11	6 per quarter
Average number of total visits to tourismnewzealand.com per month	23,711 average monthly visits (2009/10)	Maintain monthly average of 24,000
<i>Quality</i>		
Average time spent per person on tourismnewzealand.com	New measure in 2010/11	Maintain over 2mins and 30secs
Open rate of e-bulletins	New measure in 2010/11	Maintain over 30%
Stakeholders consider engagement valuable	New measure in 2011/12	95% rate engagement as '3' or higher on a 5 point scale

Output Class 4: Information for visitors

Outputs:

- **i-SITE:** Ensure that i-SITEs meet the quality standards that are a requirement of membership
- **Websites (newzealand.com):** Connect and engage with target audience

Result/measure	Previous result	2011/12 target
<i>Quantity</i>		
i-SITEs assessed against network membership standards	Measure changed in 2011/12	100% (all 89 i-SITEs are assessed)
Average number of total visits to newzealand.com per month	684,673 average per month (2009/10)	1.35m per month
<i>Quality</i>		
Level of user satisfaction with i-SITE	8.7/10 (2009/10)	At or above 9.0/10

Output Class 5: Quality Assurance

Outputs:

- **Qualmark:** Provide quality accreditation/ratings in relation to accommodation, transport, activities, and i-SITE services.
- **ADS:** Process new ADS applications and applications for renewals, and carry out monitoring

Result/measure	Previous result	2011/12 target
<i>Quantity</i>		
Annual number of Qualmark licence holders	2,285 average (2009/10)	Average over 2,300
Number of ADS 'spot checks' and 'mystery shopped operators	New measure in 2010/11	150 spot checks 20 mystery shops
<i>Quality</i>		
Qualmark licensee's satisfaction with Qualmark service/programme	52% (2009/10)	65%
Satisfaction of visitors who used Qualmark services compared to non-Qualmark services	9.1/10 used Qualmark 9.0/10 didn't use Qualmark (2009/10)	Maintain at or above 9.0/10 and above satisfaction levels of non-Qualmark users
<i>Timeliness</i>		
New ADS applications processed within timeframes	New measure	100% of new applications processed within 90 working days (on receipt of all necessary information)
Applications for ADS renewals processed within timeframes	All renewals processed within 30 days during first half of 2010/11	100% of renewals processed within 30 working days (on receipt of all necessary information)



Tourism New Zealand
+64 4 462 8000
www.newzealand.com
www.tourismnewzealand.com
www.newzealand.com/travel/trade
www.newzealand.com/travel/media