

# Statement of Performance Expectations (SPE) 2025 – 2026



**100% PURE  
NEW ZEALAND**

**June 2025**



Hump Ridge Track  
Fiordland

New Zealand Tourism Board t/a Tourism New Zealand  
Presented to the House of Representatives pursuant  
to section 149L of the Crown Entities Act 2004





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## Foreword

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International tourism has an important role to play in driving economic growth for New Zealand. Tourism creates jobs, underpins hospitality, accommodation, festivals and events in communities, facilitates diverse cultural exchanges, and connects New Zealand to the rest of the world.

The sector can continue to be a significant contributor to the Government's ambition to double the value of exports by 2034. New Zealand's tourism industry has the momentum, capability and capacity to welcome more international visitors, double tourism exports by 2034 and help grow New Zealand's economy.

Recent Tourism Satellite Account data from Statistics New Zealand confirmed the sector as New Zealand's second-largest export earner, second only to dairy. From a value perspective, it is encouraging that tourism has recovered well against the pre-pandemic highs of 2019. Total tourism expenditure hit a record \$44.4B for the 12 months to March 2024, up almost 15% year-on-year. International tourism export value was up 60% year-on-year to \$16.9B, on par with 2019's \$17.2B. This was especially important as domestic tourism spend declined by 2.5% in the same period.

The strong international visitor spending demonstrates tourism's role as a growth lever for the New Zealand economy, but there is undoubtedly room for more growth. Arrivals data for the 12 months to February 2025 shows international visitor numbers were up 8% year-on-year, and back to 86% of 2019 levels. However, the growth rate of visitors has slowed recently, arrival growth for the first half of the 2024/25 year is 6.3% and we forecast the full year growth rate to be around 5.7%.

The good news is that destination New Zealand has

a strong brand, with high consideration, appeal, and preference. Our brand work has resulted in 155M people actively considering New Zealand as a holiday destination. This provides a strong foundation as we increase our focus on accelerating conversion of the active considerer pool into action: converting that interest into booking and arriving in New Zealand.

In 2025/26 Tourism New Zealand will prioritise the short-term goal of getting annual international visitor numbers back to 3.9 million by December 2026. This means New Zealand needs to reach 3.7 million visitors by June 2026. To achieve this, we will need to nearly double the growth rate from the forecast 5.7% in 2024/25 to 10.4% in 2025/26. This is an ambitious target that will require a focused effort to drive visitor volumes in the near term despite any challenging conditions. To accelerate growth, we will increase our focus on getting consumers ready to book and converting that into arrivals.

To achieve this Tourism New Zealand will focus on three areas in 2025/26:

- Accelerate conversion and arrivals
- Increase share of mind in and intention to book
- Partnering with industry for growth

This Statement of Performance Expectations sets out how we will deliver these.



## Kupu Takamua

*He hirahiratanga nui te taenga mai o ngā tūruhi o te ao i ngā whanaketanga ake o te ao ōhanga ki Aotearoa nei. Ko tā tea o tāpoi, he waihanga tūranga mahi, he whakapūmau i te manaakitanga, he tautāwhi, he whakatū huihuinga nui ki ngā hapori, he whakahaere i ngā huihuinga ahurea, he tūhono hoki i a Aotearoa ki te ao katoa.*

He mahi nui tonu tā te rāngai ki te whakatutuki i ngā manako a te kāwanatanga, arā, kia tipurua te wāriu o ngā tukunga raw ai mua i te tau 2034. Kei te pai te haere o ngā mahi a te ahumahi tāpoi o Aotearoa; kei a tātou ngā pūkenga me te raukaha ki te pōhiri mai i te ao ki tō tātou whenua, kia tipu ake ai tea o ōhanga o Aotearoa.

E kī ana ngā raraunga tāpoi o Tatauranga Aotearoa, ko tēnei rāngai te tuarua papai o te ao tuku rawa o Aotearoa; ko te tuatahi ko te ahumahi miraka. Ko te tirohanga wāriu, e koa ana te ngākau kua ora mai anō te ao tāpoi, kia rite ki tā ngā whika teitei o mua atu i te mate urutā o te tau 2019. Ko te tapeke o ngā whakapaunga i eke ki te \$44.4 piriona i ngā marama tekau mā rua e ahu ana ki a Māehe 2024 – e 15% te pikinga ake i te tau kua hipa. E \$16.9 piriona te pikinga ake o te wāriu tuku rawa ki te ao – e 60% tōna pikinga ake i te tau kua hipa – e rite ana tēnei ki te wāriu o te tau 2019, e \$17.2 piriona te nui. He mea nui ēnei whika, nā te mea e 2.5% te hekenga o ngā whakapaunga tāpoi o Aotearoa i taua wā rā.

Nā te kaha o te whakapau moni a ngā manuhiri ki ō tātou whenua, kua kitea te kawenga nui a te ao tāpoi i āna mahi hei kauwaka whakawhanake i te ao ōhanga o Aotearoa, heoi, tūturu e kitea ana ētahi wāhanga hei whakapakari ake. Ko ngā raraunga mō te hunga haere mai i ngā marama tekau mā rua, ahu atu ki te marama o Pēpuere 2025 e whakaatu ana i te pikinga o ngā whika manuhiri ki te 8%, ā, i hoki anō ki te 89% o ngā whika o te tau 2019. Heoi anō, kua ruarua haere te rahinga ake o ngā manuhiri i i roto i te wā nei; i te pito tōmua o te tau 2024/25, e 6.3% te pikinga ake o te tokomaha, waihoki, e matapae ana mātou ko te taurahinga i te paunga o te tau ka eke ki tōna 5.7%.

Ko te painga, he rawe te waitohunga o Aotearoa hei whenua Manaaki manuhiri; he kaha nō tātou ki te tautāwhi, ka ratarata mai te ao, kia noho koinei te whenua e ngākau manawarekatia ana e te katoa. Nā ā mātou mahi waitohunga i manawanui mai ai te 155 miriona tāngata ki a Aotearoa hei whenua manaaki i a rātou. Ka noho koinei hei tūāpapa i roto i ā mātou mahi ki te whakapoapoa mai tēnei hunga: kia kaua e noho noa te hiahia ki te ngākau, engari ka whakatinanatia ō rātou nā hiahia ki te haere mai ki Aotearoa nei.

I te tau 2025/26, ko ngā mahi tāmua a Tourism New Zealand, he aro ki te pae tata, arā, he whakapiki i te tokomaha o te hunga haere mai ki Aotearoa, kia eke te tokomaha ki te 3.9 miriona tāngata i mua i te marama o Tihema 2026, nā reira, me eke te tokomaha ki te 3.7 miriona tāngata i mua i te marama o Hune 2026. E tutuki ai tēnei, me tipurua te pāpātanga whakawhanake – mai i te 5.7% i te tau 2024/25 ki te 10.4% ā te tau 2025/26. He whāinga rongomaoro tēnei; ahakoa ngā tāmitanga o te wā, me aro pū tonu ki te whakatenatena i te marea tāngata i ngā marama tata nei. E tipu ai te pāpātanga, ka kaha kē atu tō mātou aro ki ngā kiritaki e whai nei ki te haere mai ki konei.

E tutuki ai tēnei, anei ngā whāinga e toru a Tourism New Zealand mō te tau 2025/26:

- He whakatenatena i te hunga ka tae ā-tinana mai ki tēnei whenua
- He whaaaweawe i te hunga e whakaaro ana ki te haere mai ki tēnei whenua
- He hono kōtui atu ki ngā ahumahi huahua, kia pakari ake ai

Kei tēnei Tauāki Whakatutukitanga Mahi kitea ai ngā huarahi e tutuki ai ēnei whāinga.

## Statement of responsibility

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This Statement of Performance Expectations (SPE) is submitted by the Board of Directors of the New Zealand Tourism Board, trading as Tourism New Zealand (TNZ) pursuant to the Crown Entities Act 2004. This document sets out both performance targets and forecast financial information for the year 1 July 2025 to 30 June 2026.

The forecast financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practices (GAAP) and the audited financial statements will comply with the applicable financial reporting standards. The financial forecasts in this document have not been audited and should be read as forecast only and not relied on for any other purpose.

Tourism New Zealand is responsible for the forecast financial statements in this document, including the appropriateness of the underlying assumptions.

The structure and content of the SPE follows the general requirements set out in the Crown Entities Act 2004 and the Public Finance Act 1989. The focus of the SPE is public accountability and providing a base against which Tourism New Zealand's performance can be assessed by:

- enabling the responsible Minister to participate in the process of setting Tourism New Zealand's annual performance expectations;
- enabling the House of Representatives to be informed of those expectations; and
- providing a basis against which Tourism New Zealand's actual performance for the year can be assessed.

Tourism New Zealand is responsible for the content of this SPE, which comprises reportable outputs of performance measures and forecast financial statements, including the assumptions they are based on and the judgements made in preparing them.

On behalf of the New Zealand Tourism Board,



**Paul Brock**  
Chair  
Tourism New Zealand



**Kauahi Ngapora**  
Deputy Chair  
Tourism New Zealand

## Who we are

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### Our Role

Tourism New Zealand is a Crown Entity, and the organisation responsible for national destination marketing for New Zealand. Established under the New Zealand Tourism Board Act 1991, we also operate under the Public Finance Act 1989 and the Crown Entities Act 2004.

Our specific object and functions set out under the New Zealand Tourism Board Act 1991 are:

- Market New Zealand as a destination to maximise long-term benefit to New Zealand
- Develop, implement, and promote strategies for tourism
- Advise the Government and the New Zealand tourism industry on matters relating to the development, implementation, and promotion of those strategies

### Our purpose and role in the tourism sector

Our purpose is to enrich New Zealand and all who visit. This reflects the dual need for tourism to contribute positive outcomes to New Zealand and to deliver a positive visitor experience for those who choose to visit.

Our primary focus is to market New Zealand as a desirable destination. We work across the tourism sector to build and convert demand into arrivals and ensure visitors receive a quality visitor experience. We use our expertise in marketing and consumer insights to ensure the ‘voice of the visitor’ is represented. This includes working with:

- The Ministry of Business, Innovation, and Employment (MBIE) which provides policy advice to the Minister for Tourism and Hospitality, works with other government

departments on policy issues, commissions research, and provides tourism statistics. MBIE is also the monitoring department for Tourism New Zealand.

- Regional Tourism Organisations (RTOs), often council or member-funded organisations who carry out destination marketing and management at a regional level.
- The wider tourism industry who provide tourism products and services, including tourism sector bodies who represent different elements of the sector (e.g. Tourism Industry Aotearoa, NZ Māori Tourism).

We do not lead tourism policy, tourism supply, destination management or tourism product development.

## Operating Context

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In the past year the tourism sector has experienced strong growth and increased its contribution to New Zealand's economy. Although the rate of growth has slowed recently. Forecasts from the Tourism Export Council and Westpac suggest a return to 2019 arrivals in early 2027. Tourism New Zealand is working to accelerate that recovery with 3.7M arrivals by end of the 2025/26, which would put us on track to reach 3.9M (2019 volume) by the end of calendar year 2026.

International tourism's role in driving economic growth remains critical and has been supported through the Government's additional Tourism Boost investments.

### **International tourism can drive both immediate and longer-term economic growth**

International tourism is the second largest export sector in New Zealand and was the largest export sector prior to the Covid-19 pandemic. It has both the scale and growth potential to support the Government's aspiration to double the value of exports by 2034. A strong international tourism sector, doubling its export value is critical to realising this aspiration. In the 2025/26 year we will work to accelerate international visitor arrivals growth.

New Zealand had 3.35 million international visitor arrivals for the 12 months to February 2025, up 8% year-on-year and back to 86% of 2019 levels. There is sufficient on ground capacity across the tourism system in New Zealand to grow international visitation.

### **Air capacity will be crucial for achieving growth aspirations**

International air capacity (i.e. seats) to New Zealand was at 89% of 2019 levels in March 2025. Increasing capacity ensures supply can match and stimulate demand, will provide consumers with greater options and improve price competition where additional carriers come into a route.

### **Some sectors will not recover as fast as others**

Changing travel behaviours have resulted in a significant drop-off in group travel out of China, a trend already occurring pre-pandemic. In 2019, group visitors accounted for 34% of total Chinese visitors but has now fallen to 12%. Business travel (separate from conferences and conventions) is a sector that has also been slower to recover, only back to 59% of 2019 levels as of February 2025. With increased use of videoconferencing and travel cost considerations, we do not expect strong growth from this sector in the near term.

### **A volatile geopolitical and economic environment persists**

Geopolitical instability persists and the resulting uncertainty creates a downside risk for tourism as it could defer and deter travel, flowing through to reduced demand, particularly as New Zealand is a long-haul destination for most of our source markets.

Increasing tariffs and uncertainty about tariffs threatens economic growth in several source markets that New Zealand is reliant on for travel demand. While tourism may not be directly impacted from increasing tariffs, it may be impacted indirectly from reduced global growth which affects discretionary spending.

Tourism New Zealand is under no illusion the growth aspirations for the next year are ambitious given the current operating environment and uncertainty around the global economic outlook. This is why we will have such a strong focus on accelerating conversion and driving bookings for New Zealand with partners who can offer scale and impact. We are mindful that while continued tourism growth will benefit New Zealand and New Zealanders and currently has strong domestic support from a social licence perspective, there will be some specific areas that will feel extra pressure on resources and infrastructure. Working with the sector to mitigate potential issues that could negatively impact New Zealanders' acceptance of international tourism is important. Rapid growth may also put additional pressure on the visitor experience. Tourism New Zealand measures and monitors both visitor experience and social licence so that it can work with the sector and Government to address any emerging issues.





Wainui Beach  
Tairāwhiti Gisborne

## Our four year strategy

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### Our strategic intentions

Our Statement of Intent 2024-28 aims to help tourism contribute to the government's goal of doubling exports by value in ten years and support tourism businesses across the country to succeed. To do this, New Zealand must stand out from its many competitors. We must create demand for a New Zealand holiday by creating a distinct brand that showcases our warm welcome, our unique culture and our stunning landscapes. The focus is on strategic growth that is sustainable and productive.

Given the focus of this Statement of Performance to deliver on the expectation of the Minister for Tourism and Hospitality to return to 2019 visitor volumes by the end of 2026 and double the value of tourism exports by 2034,

Tourism New Zealand will refresh its Statement of Intent to align to these expectations.

Currently, the three strategic intentions in Tourism New Zealand's Statement of Intent to June 2028 are:

1. Build extraordinary desire for New Zealand as a year-round destination
2. Convert desire for New Zealand into off-peak visitation
3. Accelerate the New Zealand tourism sector becoming a world leader in sustainability

These intentions are abbreviated when referred to in tables in this SPE.

### 2025-2026 focus areas

Our focus areas reflect how we will accelerate the growth rate of international visitors to New Zealand to be on track to reach 3.9m arrivals by the end of 2026.

- Accelerate conversion and arrivals
- Increase share of mind and intention to book
- Partnering with industry for growth

### Activities

Our work is delivered through the activities listed below. Marketing campaigns by Tourism New Zealand may include multiple elements from the activity classes or be specific to one activity class. Our three focus areas and our performance measures may be influenced by activity from one or multiple activity classes.

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

**Short description:** Paid marketing campaigns

**Activity two:** Build desire, appeal, and awareness via New Zealand stories through third party earned content and partnerships. This includes earned coverage through media and social media.

**Short description:** Earned media

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

**Short description:** Trade and business events

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

**Short description:** Owned channels

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

**Short description:** Engage, inform and work with the sector and Government.



LINKAGES BETWEEN STRATEGIC INTENTIONS, FOCUS AREAS AND ACTIVITY CLASSES						
STRATEGIC INTENTION (from Statement of Intent 2024-2028)*	FOCUS AREA 2025/26	RELEVANT ACTIVITY CLASSES				
		A1	A2	A3	A4	A5
Convert to visitation	Accelerate conversion and arrivals	●	●	●	●	●
Build extraordinary desire	Increase share of mind and intention to book	●	●	●	●	
World-leading sustainable sector	Partnering with industry for growth	●	●	●	●	●

\*Strategic intention reflects 2024-2028 Statement of Intent. This will be updated in 2025/26.



## Focus area one: Accelerate conversion and arrivals

Through consistent, data-driven and memorable marketing activity, Tourism New Zealand has created a significant pipeline of potential visitors actively considering a trip to New Zealand. However, our share of global outbound travel has decreased since 2019 with the New Zealand recovery at 86%. Recovery by market is uneven with America (103%) and Australia (92%) showing stronger recovery than, Europe (78%) and Asia (73%) for the year ended February 2025.

Aviation connectivity also hasn’t returned to 2019 levels. Airline recovery is currently 89% and forecast to be at 91% by the end of 2024/25.

The good news is that destination New Zealand has a strong brand, with high consideration, appeal, and preference. Our brand work has resulted in 155M people actively considering New Zealand as a holiday destination. This provides a good foundation for an increased focus on accelerating conversion activity (moving consumers from ‘dreaming’ about a holiday to ‘booking’) to provide additional momentum for growth.

Among our target audience of Active Considerers there is strong consideration for visiting New Zealand. We want to convert this demand into bookings and our work will reflect the need to create urgency among our audience to

make those bookings and accelerate arrivals back toward 3.9M by the end of 2026.

We take a data driven approach to how we allocate our investment across markets, across various stages of the consumer journey, and through different channels to reach our audience. We look to invest in the channels where data shows where we can accelerate consumers through the funnel from dreaming to booking with a unique strategy for each market.

We will focus heavily on conversion activity in the booking phase of the consumer journey working with trade partners who offer scale and can drive bookings to ensure the work done getting consumers into the booking mindset is realised with arrivals returning to 2019 levels by the end of 2026.

**In 2025/26 we will have a strong focus on converting strong demand into bookings. This will be achieved through:**

ADDRESS BARRIERS	MARKET SPECIFIC STRATEGIES	PARTNERSHIPS
<div>We will</div> <ul style="list-style-type: none"><li>Address key knowledge barriers for consumer and trade to drive short-term arrivals</li></ul>	<div>We will</div> <ul style="list-style-type: none"><li>Leverage existing market context to create urgency to travel and deliver arrivals in the short-term</li><li>Deliver growth at scale with a focus on conversion from core markets</li></ul>	<div>We will</div> <ul style="list-style-type: none"><li>Align with partners who create scale and urgency and deliver joint venture activity to drive short-term arrivals.</li><li>Work with aviation partners, creating compelling propositions for growth in air capacity.</li></ul>

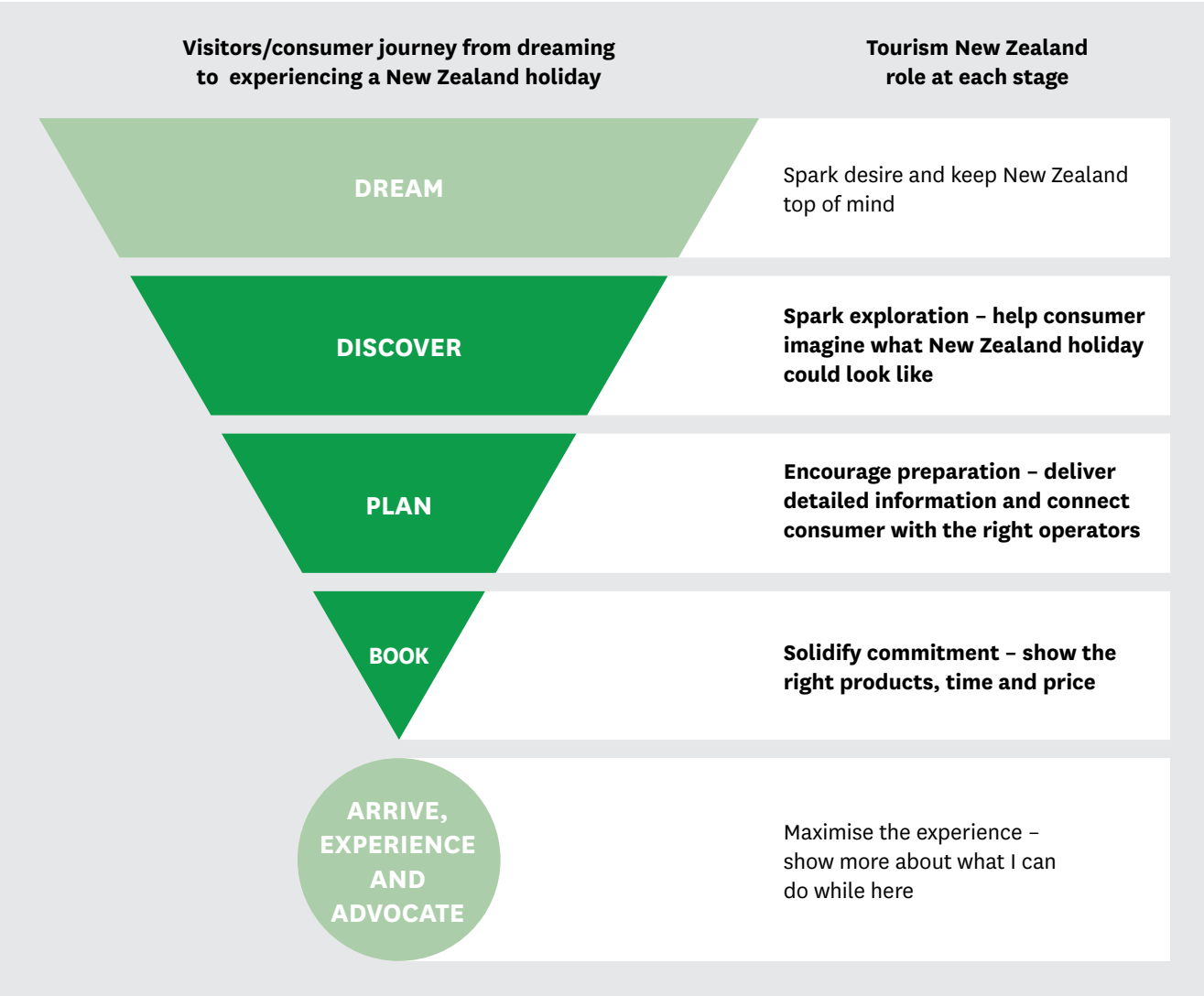


Focus area alignment to strategic intentions and activity classes

STRATEGIC INTENTION <i>(from Statement of Intent 2024-2028)*</i>	FOCUS AREA 2025/26	RELEVANT ACTIVITY CLASSES
Convert to visitation	Accelerate conversion and arrivals	<ol style="list-style-type: none"><li>1. Paid marketing campaigns</li><li>2. Earned media</li><li>3. Trade and business events</li><li>4. Owned channels</li><li>5. Engage, inform, work with sector and Government</li></ol>

\*Strategic intention reflects 2024-2028 Statement of Intent. This will be updated in 2025/26.

This focus area primarily impacts the Discover, Plan and Book phases of the consumer journey.



## Focus area two: Increase share of mind and intention to book

New Zealand is a niche destination when considered on a global scale, representing roughly 0.3% of total outbound arrivals. New Zealand needs to gain a disproportionate share of consumer attention and consideration relative to our resources to attract visitors.

Since 2020, global media costs have increased 15% and advertising spend has increased 39%. This reduces the impact of our media spend, giving us a lower share of voice among competing destinations. We need to be creative in how we can earn share of voice and share of mind beyond what our resources would usually allow.

Booking windows range from two to six months, which means we need to maintain long-term brand-building to continue to build appeal for New Zealand among our target audiences. This ensures there is strong demand for the medium- to long-term as we simultaneously convert demand from visitors ready to book in the short-term and accelerate consumers from dreaming to booking.

In 2025/26 we will simultaneously convert demand to bookings in the short-term and continue to grow demand for the medium-to long-term. This will be achieved through:

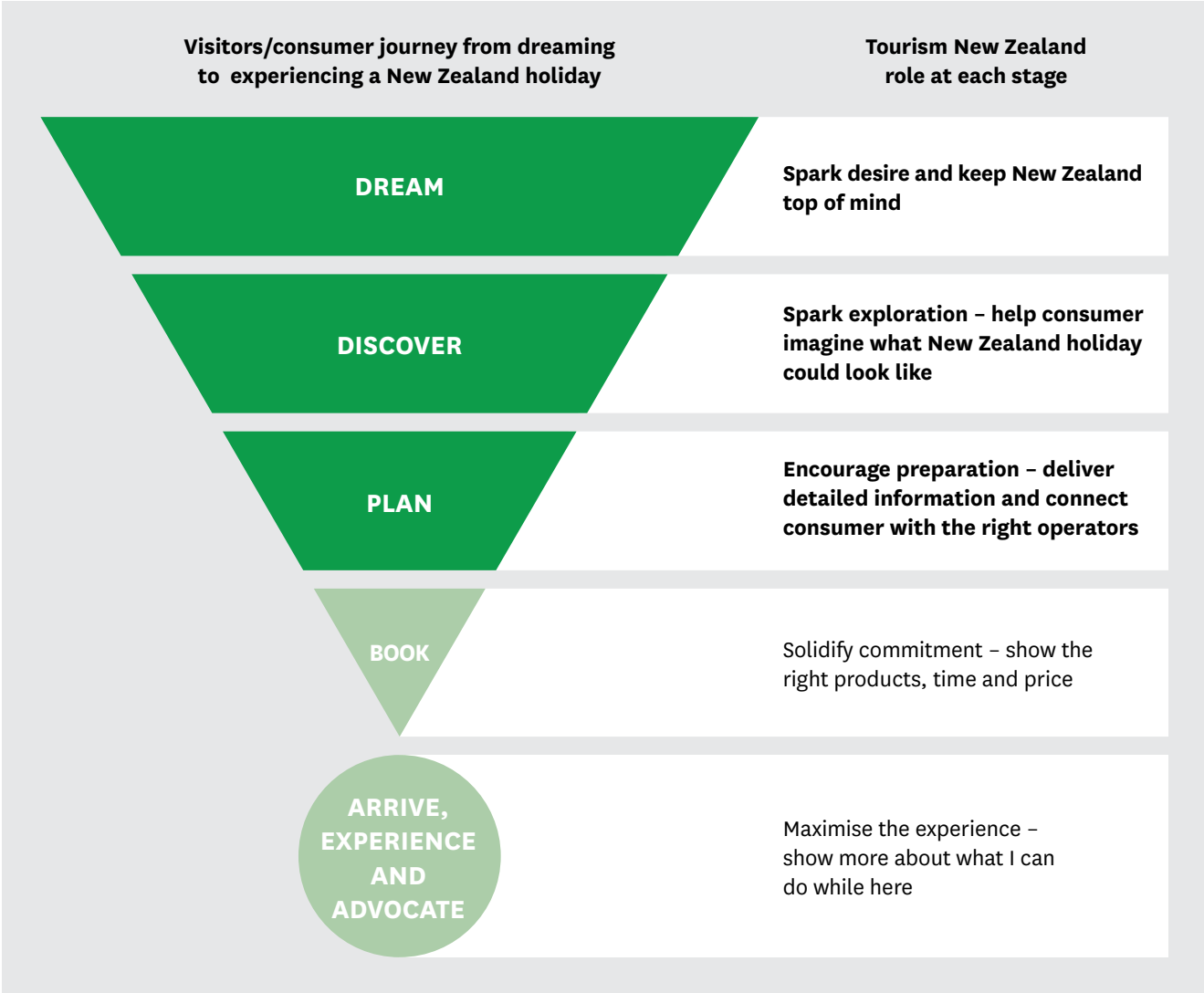
BRAND	ADVOCACY	PARTNERSHIPS
<p>We will</p> <p>Stand out on the world stage via:</p> <ul style="list-style-type: none"><li>Refreshing our 100% Pure New Zealand campaign focused on what makes New Zealand iconic.</li><li>Showcasing what our research tells us makes New Zealand distinctive and compelling.</li></ul>	<p>We will</p> <ul style="list-style-type: none"><li>Increase the role that industry, trade and PR advocacy plays to drive share of mind and urgency to book.</li></ul>	<p>We will</p> <ul style="list-style-type: none"><li>Leverage share of mind activity with strong conversion partners to deliver incremental arrivals</li><li>Work with partners in innovative ways that can create scale, significant impact and make 100% Pure New Zealand globally iconic.</li></ul>

### Focus area alignment to strategic intentions and activity classes

STRATEGIC INTENTION (from Statement of Intent 2024-2028)*	FOCUS AREA 2025/26	RELEVANT ACTIVITY CLASSES
Build extraordinary desire	Increase share of mind and intention to book	<ol style="list-style-type: none"><li>1. Paid marketing campaigns</li><li>2. Earned media</li><li>3. Trade and business events</li><li>4. Owned channels</li></ol>

\*Strategic intention reflects 2024-2028 Statement of Intent. This will be updated in 2025/26.

This focus area primarily impacts the Dream, Discover and Plan phases of the consumer journey.



## Focus area three: Partnering with industry for growth

Recent visitor growth has been strong as New Zealand’s international tourism volumes continue to rebuild back to pre-pandemic levels. However, continued growth is not guaranteed and to increase international visitor arrivals to 3.7 million by June 2026 and to 3.9 million by December 2026, Tourism New Zealand will need to work with the tourism industry to ensure a strong proposition for visitors.

This proposition will be critical to drive conversion and there is a big opportunity to match our marketing promise with the right product. The proposition will vary by season, audience, and market. In partnership with the industry, we need to clearly articulate what can be experienced at certain times of the year and ensure this is packaged up into an attractive consumer proposition.

Our Active Considerer research shows that visitors are looking for different experiences at different times of the

year. Working closely with industry, we can ensure potential visitors can always find the experience they are looking for and book their holiday to New Zealand – no matter what time of the year they decide to visit.

We will continue to work closely with industry to ensure they are getting the right insights for product development and delivering a great visitor experience. We will also continue working with the sector so they can leverage and add value to our marketing work.

**In 2025/26 we will work with industry to ensure a strong proposition for visitors to drive bookings. This will be achieved through:**

CLEAR PROPOSITION TO DRIVE GROWTH	ENABLING GROWTH	DIFFERENTIATOR PRODUCT
<p>We will</p> <ul style="list-style-type: none"><li>Partner with industry on a compelling proposition with iconic product and itineraries to drive growth across all of New Zealand.</li></ul>	<p>We will</p> <ul style="list-style-type: none"><li>Support the industry to deliver growth with industry readiness.</li></ul>	<p>We will</p> <ul style="list-style-type: none"><li>Showcase the right operators and experiences in our marketing so visitors find their ideal holiday experience and book.</li></ul>

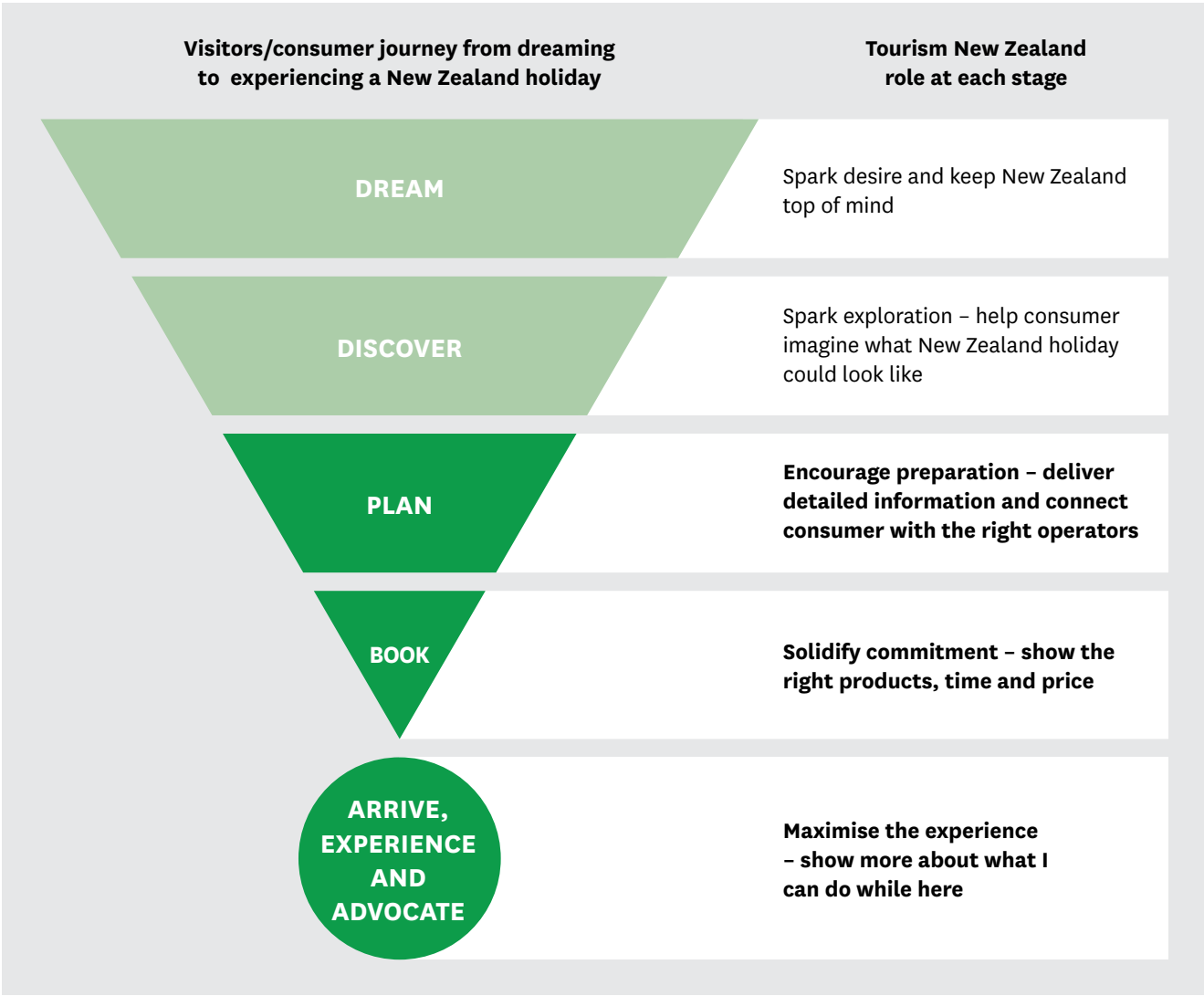
### Focus area alignment to strategic intentions and activity classes

STRATEGIC INTENTION (from Statement of Intent 2024-2028)*	FOCUS AREA 2025/26	RELEVANT ACTIVITY CLASSES
World-leading sustainable sector	Partnering with industry for growth	<ol style="list-style-type: none"><li>1. Paid marketing campaigns</li><li>2. Earned media</li><li>3. Trade and business events</li><li>4. Owned channels</li><li>5. Engage, inform, work with sector and Government</li></ol>

\*Strategic intention reflects 2024-2028 Statement of Intent. This will be updated in 2025/26.



This focus area primarily impacts the Plan, Book and Arrive, Experience and Advocate phases of the consumer journey.



## Measuring our performance

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Tourism New Zealand's primary objective is to market New Zealand as a destination to maximise the long-term benefit to New Zealand. A basic explanation of how this is done provides context for our performance framework.

**Finding an audience:** New Zealand represents around 0.3% of global outbound tourism and has limited resources for marketing. As a niche destination we look for consumers who already have favourable views of New Zealand. We call this audience 'Active Considerers'. These consumers must find New Zealand highly appealing as a destination, be considering visiting within three years, have New Zealand in their top five destinations, and be willing to spend a minimum amount of money on a trip to New Zealand which varies by source market. This provides a pool of consumers to target with our work.

**Getting the audience to become visitors:** Through an always-on research programme we have strong insight into our Active Considerers, their perceptions of New Zealand, competitors and the barriers and motivators that can make a trip happen (or not).

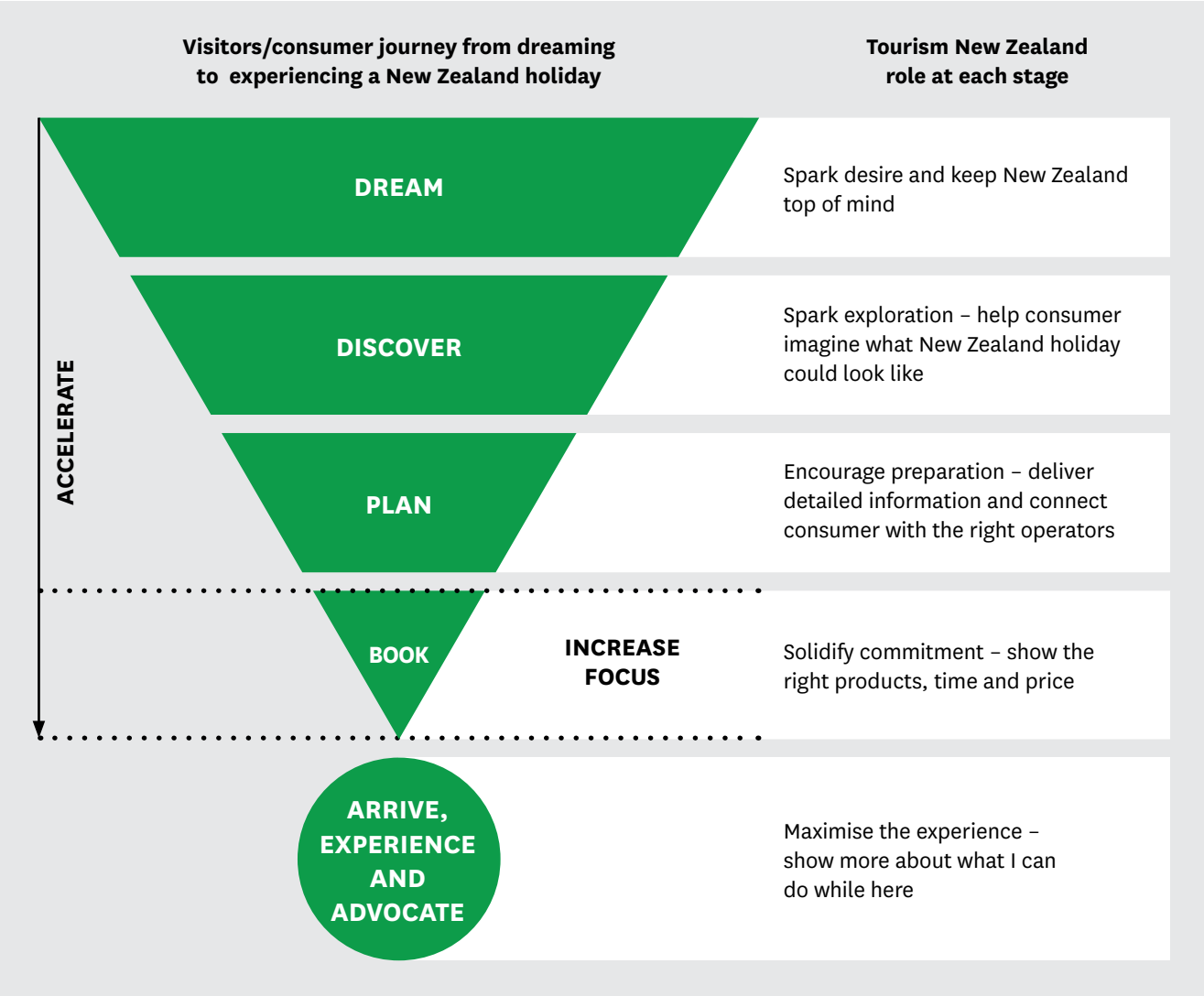
**Active Considerers sit in one of four stages:** they can be *dreaming* about a trip to New Zealand only, they can be *discovering* more about what a New Zealand trip might look like, they can be actively *planning* a visit, or they can be ready to *book* (but may have barriers to overcome).

We do marketing activity across the spectrum: from increasing the awareness and appeal of New Zealand to a broader audience and creating more Active Considerers, through to targeted marketing activity that helps Active Considerers move from dreaming about New Zealand to booking.

We have finite resources so need to be deliberate and strategic about our choices. For the 2025/26 year we will increase focus on the booking stage, ensuring our work and activity with partners enables conversion to accelerate arrivals. We will also be active in the dream, discover and plan stages and use integrated marketing campaigns to keep our audience moving closer to booking. In 2025/26 we will focus on moving potential visitors through the funnel as quickly as possible to convert them to arrivals.

**Achieving the goal of 3.7M arrivals in 2025/26:** Total visitor arrivals for the year to February 2025 were 3.35M and we forecast total arrivals for the 2024/25 year to be 3.4M. Achieving 3.7M arrivals by the end of the 2025/26 year would mean accelerating the annual growth rate from a forecast 5.7% to 10.4%.

In 2025/26 we will place more emphasis on moving consumers through the funnel toward the booking mindset and then converting readiness to book into bookings.



Forecast 2024/25 arrivals growth



2025/26 growth to reach 3.7M arrivals



Necessitates increased focus on booking activity

# Measuring our performance

## Performance framework

Our performance framework reflects the various activities we undertake to deliver on the three focus areas. These activities result in direct and indirect outputs, impact, and outcomes.

<b>PURPOSE:</b> Enrich New Zealand and all who visit				
<b>OBJECT:</b> Ensure that New Zealand is so marketed as a visitor destination as to maximise long-term benefits to New Zealand.				
<b>FUNCTIONS:</b> to develop, implement, and promote strategies for tourism; and to advise the Government and the New Zealand tourism industry on matters relating to the development, implementation, and promotion of those strategies.				
<b>2024–2028 STRATEGY</b> – tourism contributes to the Government’s goal of doubling the value of exports by 2034.				
Strategic intentions (from SOI)	Focus areas (FY26 business plan – SPE)	Delivered through (activity classes)	Output/impact of activity (impact measures in SPE)	Outcomes (impact effects)
<ul style="list-style-type: none"> <li>Build extraordinary desire</li> </ul>	<ul style="list-style-type: none"> <li>Increase share of mind and intention to book</li> </ul>	<ul style="list-style-type: none"> <li>Paid marketing campaigns</li> <li>Earned media</li> <li>Trade and business events</li> <li>Owned channels</li> </ul>	<ul style="list-style-type: none"> <li>Engaged users</li> <li>Equivalent advertising value</li> </ul>	<ul style="list-style-type: none"> <li>Global brand preference</li> <li>Booking mindset</li> </ul>
<ul style="list-style-type: none"> <li>Convert to visitation</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate conversion and arrivals</li> </ul>	<ul style="list-style-type: none"> <li>Paid marketing campaigns</li> <li>Earned media</li> <li>Trade and business events</li> <li>Owned channels</li> <li>Govt/sector engagement</li> </ul>	<ul style="list-style-type: none"> <li>Trade and airline joint-venture ROI</li> <li>Value of conference bids supported</li> </ul>	<ul style="list-style-type: none"> <li>Total visitor arrivals</li> <li>Total visitor spend</li> </ul>
<ul style="list-style-type: none"> <li>World leading sustainable sector</li> </ul>	<ul style="list-style-type: none"> <li>Partnering with industry for growth</li> </ul>	<ul style="list-style-type: none"> <li>Paid marketing campaigns</li> <li>Earned media</li> <li>Trade and business events</li> <li>Owned channels</li> <li>Govt/sector engagement</li> </ul>	<ul style="list-style-type: none"> <li>Referrals to industry</li> <li>Stakeholder rating of TNZ</li> </ul>	<ul style="list-style-type: none"> <li>Recommend New Zealand as a holiday</li> <li>New Zealanders agree international tourism is good for New Zealand</li> </ul>

Underpinning this is a focus on organisation health to maintain high levels of staff engagement, proactive management of a portfolio of markets and the resources and market specific strategies, as well as ensure our spend is optimised into activities that can deliver on our goals.

\*Strategic intentions reflect 2024 to 2028 Statement of Intent. This will be updated in 2025/26.



## Performance measures

Tourism New Zealand will measure success in the 2025/26 year through 12 key results. The targets reflect a baseline result at the time of developing this Statement of Performance Expectations and the allocation of fixed

resources across a range of activities and markets.

Performance measures have been prepared in line with PBE FRS 48 and we include notes on performance measures on pages 22-24.

PRIORITY OUTCOME MEASURE	BASELINE	TARGET 2024/25	TARGET 2025/26
Total visitor arrivals	3.35M (12 months to Feb 2025)	N/A	3.7M

OUTCOME MEASURES	BASELINE	TARGET 2024/25	TARGET 2025/26
International visitor spend	\$12.2B (12 months to Dec 2024)	\$11.5B	\$13.8B
Global brand preference	48% (as at Mar 2025)	45%	45%+
Percentage of Active Considerers in booking mindset	19% (as at Mar 2025)	N/A	22%
Recommend New Zealand as a holiday destination	67% (12 months to Dec 2024)	71%	65%+
New Zealanders agree international tourism is good for New Zealand	93% (12 months to Mar 2025)	93%	85%+

IMPACT MEASURES	BASELINE	TARGET 2024/25	TARGET 2025/26
Trade and airline joint venture return on investment	15:1 (24/25 target)	15:1	20:1
Value of conference bids supported	140M (24/25 target)	\$140M	\$185M
Equivalent advertising value (EAV)	\$193M (YTD Mar 25)	\$215M	\$150M
Engaged users	4.4M (YTD Mar 25)	2.9M	5.0M
Referrals to industry	2.5M (YTD Mar 25)	N/A	3.0M
Stakeholder rating of Tourism New Zealand	62% (Nov 24)	75%	70%

## Performance reporting notes

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To ensure the appropriateness of performance reporting measures, Tourism New Zealand considers these alongside our Statement of Intent, expectations from the Minister for Tourism and Hospitality, and the primary challenges and opportunities we see in achieving our desired outcomes. We endeavour to ensure there is consistency and continuity in our reporting measures and identify measures for inclusion or exclusion to best reflect the work to be undertaken in the year.

### Definition of measures, notes on continuity and targets

The below sets out the definitions of Tourism New Zealand's performance measures.

#### Total visitor arrivals

The total number of visitor arrivals in the year. This is measured via Stats New Zealand's international travel data.

**Comparability note:** New measure. Replaces off-peak arrivals to reflect the goal of recovering total arrivals to 2019 levels in the near term.

**2025/26 target:** 3.7M arrivals, based on 3.35M arrivals for the 12 months to February 2025. This would put New Zealand on track to achieve 3.9M arrivals for the 2026 calendar year. This captures additional visitation to be generated by additional investment to Tourism New Zealand from the Tourism Boost package.

#### International tourism spend

This is the total reported expenditure of international tourists. This is measured via the International Visitor Survey run by the Ministry of Business, Innovation and Employment.

**Comparability note:** Existing measure.

**2025/26 target:** \$13.8B calculated using baseline of \$12.2B for the 12 months to December 2024 and the arrivals growth forecast. This captures additional spend to be generated by additional investment to Tourism New Zealand from the Tourism Boost package.

#### Global brand preference

Our target audience of Active Considerers are asked to rank their top five destinations in order of preference. This preference score reflects the proportion of global Active Considerers who rank New Zealand as their first-choice destination. The global number is weighted average across

eight target markets where we have monthly tracking. This is measured via Tourism New Zealand's Active Considerer Monitor.

**Comparability note:** Existing measure.

**2025/26 target:** The 45%+ target reflects a focus on maintaining what is already a very strong preference score as we focus on converting demand into arrivals (captured in other measures). It is set as a floor to not drop below.

#### Percentage of Active Considerers in booking mindset

This is the proportion of Active Considerers who have moved through dreaming, discovering and planning stages, and have enough information to book.

**Comparability note:** New measure.

**2025/26 target:** 22%, based off a benchmark score of 19% to February 2025. A three-point lift on this is equivalent to 4.7M Active Considerers moving into booking mindset.

#### Recommend New Zealand as a holiday destination

This is based on the stated likelihood a visitor would recommend New Zealand as a holiday destination. The score is derived from those who say the likelihood of recommending New Zealand as 9 or 10 out of 10, minus those who rate the likelihood as 6 or lower. This is measured via the International Visitor Survey run by the Ministry of Business, Innovation and Employment.

**Comparability note:** Existing measure.

**2025/26 target:** The 65%+ target ensures an NPS above excellent (50+) is maintained. Bain & Co (creators of the metric) consider NPS above 20 is favourable, above 50 is excellent, and above 80 is world class. This is different to satisfaction with their New Zealand experience which scores consistently above 90% in the same survey. It is set as a floor to not drop below.

### **New Zealanders agree international tourism is good for New Zealand**

This is the percentage of respondents who agree with the statement: “To what extent do you agree or disagree that international tourism is good for New Zealand?” This is measured through the Views of Tourism survey run by Angus and Associates.

**Comparability note:** Existing measure.

**FY2025/26 target:** The 85%+ target is a minimum to ensure a high level of public support for international tourism is maintained. This is set below the current baseline as rapid growth in the next year could have a negative impact on social licence, particularly in regions already seeing visitor volumes ahead of 2019 levels. It is set as a floor to not drop below.

### **Equivalent advertising value (EAV)**

Our EAV target is an estimate of the value of media coverage that directly results from Tourism New Zealand public relations activity. EAV is based on the cost to purchase the equivalent media coverage generated and is not available for all activity.

**Comparability note:** Existing measure.

**2025/26 target:** \$150M reflects the shift in priority to converting arrivals rather than increasing reach to boost the Active Considerer pool and build preference. There will still be earned media work as part of integrated marketing activities but less than in 2024/25 given the focus on converting to arrivals.

### **Engaged users**

User behaviour on our consumer website newzealand.com is analysed and scored based on activity to indicate where they are in the consumer/visitor journey. The website helps facilitate their journey from dreaming about a holiday to New Zealand, to planning and then booking. An engaged user is someone who scores above three in our scoring system. This indicates they are in planning mode and potentially getting ready to book their trip to New Zealand. We can then start targeting with “book” messaging to increase the likelihood of conversion. Engagement metrics have been created to replicate the consumer/visitor journey by looking at users who then arrived in New Zealand, and analysing their website behaviour prior to arrival. An engaged user is over 300% more likely than the average user to arrive in New Zealand. This is measured internally by Tourism New Zealand.

**Comparability note:** Existing measure.

**2025/26 target:** The target for engaged users in 2025/26 is 5.0M. This reflects strong performance in 2024/2025 to date. There will be a shift in the allocation of our media budget which will see more consumers sent to external platforms for direct conversion booking opportunities, rather than

to newzealand.com to move them through the consumer journey funnel. But there remains a significant role for newzealand.com to help consumers move closer to booking. The target is based on a current year to date baseline (4.4M), our full year 2024/25 forecast for engaged users, and a shift to have more media spend to focused on conversion.

### **Trade and airline joint venture (JV) return on investment (ROI)**

This shows that for every dollar spent, JV campaigns generate ‘X’ amount of value. This measure relates to JV campaign spend only and is not intended to represent an ROI for overall Tourism New Zealand activity.

Calculation is [PAX booked during JV] x [Historic average spend] / [Campaign spend].

This is measured internally by Tourism New Zealand.

**Comparability note:** Existing measure.

**2025/26 Target:** The 20:1 ROI target is an increase on the previous year target. With more conversion activity and joint venture partnerships, a strong return on investment will be vital to delivering incremental arrival growth.

### **Value of conference bids supported**

The estimated value of bids supported through the Conference Assistance Programme (CAP) fund. The CAP focuses on conferences that will benefit through knowledge-sharing by showcasing our expertise and bringing international experts to conferences in New Zealand. Tourism New Zealand works with potential conference hosts (e.g. academic leaders in a field of expertise) to develop and lead the bid strategy to win conferences that will be of value to New Zealand.

Calculation is [number of conference delegates] x [historic average spend per delegate].

**Comparability note:** Existing measure.

**2025/26 target:** \$185M based off the current 2025/26 target plus additional investment from the Tourism Boost package.

### **Referrals to industry**

Referrals are either first party from newzealand.com to industry operator websites or third party, referred directly to an operator website from Tourism New Zealand paid marketing activity.

**Comparability note:** Reintroduced measure – This measure was last included in the Statement of Performance Expectations 2022/23. It has been reintroduced as it reflects the focus on conversion to booking and provide an indication how our work to partner with industry is supporting this.

**2025/26 target:** 3.0M

**Stakeholder rating of Tourism New Zealand** – This is measured twice yearly of Tourism New Zealand’s stakeholders. The score is the percent of respondents who state ‘very good’ or ‘excellent’ for the question ‘Thinking about how well Tourism New Zealand has performed in its core role to market New Zealand as a destination, how do you rate Tourism New Zealand’s overall performance. In 2025/26 Tourism New Zealand will establish a new measure to score stakeholder interaction, engagement and partnership with industry. This will be captured in our CRM system. A benchmark will be established and the measure used in 2026/27.

**Comparability note:** Existing measure.

**2025/26 target:** 70%, this survey is done twice yearly, the first survey in the 2025/26 year was 62%, the second is completed after this document is finalised.

### Removed but still monitored measures

**International visitor awareness of Tiaki – Care for New Zealand** – Building awareness of Tiaki is challenged with limited resources for marketing campaigns and collateral. Additional resource into Tiaki would mean resource taken out of international marketing activity. Tiaki is an industry initiative so Tourism New Zealand will continue to work with industry to increase the presence of Tiaki throughout the visitor experience.

**Number of Qualmark members** – Qualmark has undergone a shift in strategy and operating model to ensure it operates as a financially sustainable business. This year the primary focus is on member retention, rather than growth.

**Off-peak visitor spend** – removed to focus on total spend across the year.

**Off-peak travel consideration** – replaced by ‘percentage of Active Considerers in booking mindset’ due to increased focus on converting potential visitors to arrivals.

**Off-peak guest nights in regions** – removed given focus on total arrivals all year.

### Other tracked measures

The measures selected for the 2025/26 performance reporting are a subset of a wide range of measures used across the organisation to inform the efficacy and impact of our work. Other key measures we track and monitor regularly include, but are not limited to, the following:

- Appeal for New Zealand as a holiday destination
- Incidence of Active Considerers in the population of a specific market
- Barriers to consideration of New Zealand as holiday destination
- Barriers to booking a New Zealand holiday
- Qualmark members with Gold award
- Forward air capacity and bookings
- Trade partner engagement
- Trade training
- Measures of marketing campaign performance (reach, impressions, engagement)
- Competitor destination performance
- Source market outbound travel trends
- Employee engagement
- Emissions reductions (Government Carbon Neutral Programme)





Blenheim  
Marlborough

## Forecast financial information

### Appropriation

The below table summarises Tourism New Zealand's appropriation for the 2025-26 year.

Summary of Appropriation	2024-25 \$000	2025-26 \$000
Vote Tourism: Non-Departmental Output Expense		
Marketing of New Zealand as a visitor destination (excluding New Zealand Story)	\$122,902	\$130,052

### Statement of comprehensive revenue and expense

	Group		Parent	
	2024/25 Forecast \$000s	2025/26 Budget \$000s	2024/25 Forecast \$000s	2025/26 Budget \$000s
<b>Revenue from non-exchange transactions</b>				
Revenue from Crown	122,298	130,802	121,402	129,602
Other revenue	517	1,500	517	1,500
<b>Revenue from exchange transactions</b>				
Interest Income	461	203	454	200
Other revenue	2,523	3,635	800	1,678
<b>Total Revenue</b>	<b>125,799</b>	<b>136,140</b>	<b>123,173</b>	<b>132,980</b>
<b>Total Marketing Expenses</b>	<b>91,614</b>	<b>101,152</b>	<b>91,614</b>	<b>101,152</b>
<b>Support Costs</b>				
Remuneration	25,288	25,492	23,459	23,975
Property	3,502	3,139	3,502	3,139
Technology	1,629	1,703	1,525	1,600
Depreciation & amortisation	785	837	556	613
Finance costs (audit/legal)	850	902	746	822
Other expenditure	2,233	2,916	1,873	1,680
<b>Total Support Costs</b>	<b>34,287</b>	<b>34,989</b>	<b>31,661</b>	<b>31,829</b>
<b>Total Expenses</b>	<b>125,901</b>	<b>136,140</b>	<b>123,275</b>	<b>132,981</b>
<b>Net Operating Surplus/(Deficit) before Foreign Exchange and Taxation</b>	<b>(102)</b>	<b>(0)</b>	<b>(102)</b>	<b>(0)</b>
<b>Foreign Exchange</b>				
Foreign exchange gains/(losses) on derivative financial instruments				
Other foreign exchange gains/(losses)	(366)		(366)	
<b>Total foreign exchange gains/losses</b>				
Income tax expense				
Underspend carried forward from previous year	-	-	-	-
FX Reserve Draw Down		-		
<b>Net Surplus/(Deficit) for the year</b>	<b>(468)</b>	<b>(0)</b>	<b>(468)</b>	<b>(0)</b>

## Statement of financial position

	Group		Parent	
	2024/25 Forecast \$000s	2025/26 Budget \$000s	2024/25 Forecast \$000s	2025/26 Budget \$000s
<b>Current Assets</b>				
Cash	19,170	13,190	18,500	12,800
Receivables from non-exchange transactions	141	108	120	90
Receivables from exchange transactions	566	410	330	80
Prepayments and other current assets	1,875	1,200	1,875	1,200
Derivative financial instruments	0	0		0
	<b>21,752</b>	<b>14,908</b>	<b>20,825</b>	<b>14,170</b>
<b>Non-current Assets</b>				
Property, plant and equipment	1,209	1,107	1,200	1,100
Intangible assets	637	62	420	40
Intercompany loan receivable	0	0	560	260
Investment in Qualmark	0	0	60	60
Accommodation bonds	392	392	392	392
Derivative financial instruments	815	0	815	0
	<b>3,053</b>	<b>1,561</b>	<b>3,447</b>	<b>1,852</b>
<b>Total Assets</b>	<b>24,805</b>	<b>16,469</b>	<b>24,272</b>	<b>16,022</b>
<b>Current Liabilities</b>				
Creditors and other payables	17,477	11,111	17,362	11,027
Employee entitlements	1,155	1,150	1,100	1,100
Income in advance	2,050	500	1,500	
Provisions	19	0	19	
Derivative financial instruments	0	0	-	-
	<b>20,701</b>	<b>12,761</b>	<b>19,981</b>	<b>12,127</b>
<b>Non-current Liabilities</b>				
Provisions	1,557	1,161	1,557	1,161
Derivative financial instruments	0	0	-	-
	<b>1,557</b>	<b>1,161</b>	<b>1,557</b>	<b>1,161</b>
<b>Total Liabilities</b>	<b>22,258</b>	<b>13,922</b>	<b>21,538</b>	<b>13,288</b>
<b>Net Assets</b>	<b>2,547</b>	<b>2,547</b>	<b>2,734</b>	<b>2,734</b>
<b>Equity</b>				
Shareholder's Equity	1,805	1,805	1,805	1,805
Retained earnings	(620)	(620)	(433)	(433)
Foreign Exchange Reserve	1,362	1,362	1,362	1,362
<b>Parent interests</b>	<b>2,547</b>	<b>2,547</b>	<b>2,734</b>	<b>2,734</b>
Non-controlling interests	0	0	-	-
<b>Total Equity</b>	<b>2,547</b>	<b>2,547</b>	<b>2,734</b>	<b>2,734</b>



## Forecast financial information

### Statement of cash flows

	Group		Parent	
	2024/25 Forecast \$000s	2025/26 Budget \$000s	2024/25 Forecast \$000s	2025/26 Budget \$000s
<b>Cash flows from operating activities</b>				
Crown revenue	123,798	130,802	122,902	129,602
Interest received	461	203	454	200
Other revenue from non-exchange transactions	517	600	517	600
Other revenue from exchange transactions	2,523	3,035	800	1,078
Payments to suppliers and employees	(120,037)	(140,240)	(117,759)	(136,850)
<b>Net cash from operating activities</b>	<b>7,262</b>	<b>(5,600)</b>	<b>6,914</b>	<b>(5,370)</b>
<b>Cash flows from investing activities</b>				
Sale of property, plant and equipment	-	-	-	-
Repayment of accommodation bonds	-	-	-	-
Purchase of property, plant and equipment	(400)	(380)	(370)	(330)
Purchase of intangible assets	(350)	0	(350)	0
Payments for accommodation bonds	-	-	-	-
<b>Net cash outflow from investing activities</b>	<b>(750)</b>	<b>(380)</b>	<b>(720)</b>	<b>(330)</b>
<b>Net increase/(decrease) in cash held</b>	<b>6,512</b>	<b>(5,980)</b>	<b>6,194</b>	<b>(5,700)</b>
Effect of exchange rates on foreign currency balances	-	-	-	-
Opening cash brought forward	12,658	19,170	12,306	18,500
<b>Cash at end of year</b>	<b>19,170</b>	<b>13,190</b>	<b>18,500</b>	<b>12,800</b>

### Statement of changes in equity

	Group		Parent	
	2024/25 Forecast \$000s	2025/26 Budget \$000s	2024/25 Forecast \$000s	2025/26 Budget \$000s
<b>Balance at 1 July</b>	<b>3,015</b>	<b>2,547</b>	<b>3,202</b>	<b>2,734</b>
Net surplus/(deficit) for the year	(468)	(0)	(468)	(0)
Transfer from Retained Earnings to Foreign Exchange Reserve				
<b>Total comprehensive income/(expense) for the year</b>	<b>(468)</b>	<b>(0)</b>	<b>(468)</b>	<b>(0)</b>
<b>Balance at 30 June</b>	<b>2,547</b>	<b>2,547</b>	<b>2,734</b>	<b>2,734</b>

## Accounting policies

### (a) Reporting Entity

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

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

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

The forecast financial statements of New Zealand Tourism Board and Subsidiaries ("the Group") are for the year ended 30 June 2026.

### (b) Basis of preparation

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

#### Statement of compliance

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

#### Measurement base

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

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

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

There were no standards issued and effective that have had a material impact on the financial statements.

There are no standards issued but not yet effective that are expected to have a material impact on the financial statements.

There have been no significant changes in the accounting policies of the Group in the year ended 30 June 2026. All accounting policies and disclosures are consistent with those applied by the Group in the previous financial year.

### (d) Basis of consolidation

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

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

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

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

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

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

### (e) Foreign currency

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

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

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

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





## Forecast financial information

### (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 revenue and expense in the period in which the transaction occurs.

#### *Value in use for non-cash-generating assets*

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

#### *Value in use for cash-generating assets*

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

### (g) Trade and other receivables

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

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

### (h) Cash and cash equivalents

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

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

### (i) Leases

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

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

The Group does not enter into finance leases.

### (j) Revenue

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

#### **Revenue from non-exchange transactions**

##### *Appropriation received from the Crown*

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

##### *Sales and other revenue*

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

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

#### **Revenue from services**

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

**Revenue from exchange transactions***Sales and partnership revenue*

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

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

*Interest*

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

**(k) 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.

**(l) 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 net 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.

**(m) Financial instruments**

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

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

Foreign exchange gains and losses resulting from the settlement of derivative financial instruments and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive revenue and expense.

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

**(n) Employee Benefits**

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

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











## Forecast financial information

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### Statement of significant assumptions

Assumptions underlying the financial statements include:

- Crown funding is assured at least at the levels stated for the period of this Statement.
- 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.
- 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 much as possible, a Foreign Exchange Reserve is included in the Forecast Statement of Financial Position. This is designed to preserve the spending power of Tourism New Zealand during periods of adverse movements in exchange rates.
- The net asset position of subsidiaries will not change significantly over the three years.

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