Tourism New Zealand

Statement of Intent 2013 - 2016

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 ................................................................. 4
Guide to this document .................................................................................................................. 6
Section 1: Strategic context ......................................................................................................... 7
  Tourism New Zealand’s role ......................................................................................................... 7
  Government’s priorities ............................................................................................................... 7
  Outcomes framework .................................................................................................................. 8
  Focusing on Tourism New Zealand’s target visitors ................................................................. 11
  Deliver increased yield from new and existing opportunities ................................................ 11
  Five strategic priorities underpin the strategy .......................................................................... 14
  Operating environment ............................................................................................................ 15
Section 2: Operating intentions .................................................................................................. 18
Section 3: Organisational health and capability ....................................................................... 25
  Tourism New Zealand’s people ............................................................................................... 25
  Workplace, systems and environment ..................................................................................... 26
  Risk management .................................................................................................................... 27
Section 4: Statement of forecast service performance ............................................................... 31
  Tourism New Zealand outputs ............................................................................................... 31
Section 5: Forecast financial information .................................................................................. 37
  Statement of accounting policies ............................................................................................ 37
  Statement of significant assumptions ...................................................................................... 43
  Forecast Financial Statements ................................................................................................. 44
Section 6: Subsidiaries and associate company ......................................................................... 49
  Qualmark Limited .................................................................................................................... 49
  i-SITE New Zealand ................................................................................................................ 50
  The New Zealand Way Limited .............................................................................................. 51
Section 7: Measures and targets ................................................................................................ 52
Foreword from the Chair of Tourism New Zealand

It gives me a great deal of pleasure to introduce the Statement of Intent for Tourism New Zealand, on behalf of the Board of Directors.

This year, Tourism New Zealand commences the implementation of a new three-year marketing strategy, continuing to focus its efforts on activity that will deliver the greatest economic returns for New Zealand. This new strategy commences in the context of a significant and welcomed increase in funding for the next four years as part of a wider package of internationally focused growth initiatives announced in Budget 2013.

This additional funding is a strong endorsement from Government that Tourism New Zealand is performing well and is well placed to grow the economic contribution of international visitors to New Zealand.

It is Tourism New Zealand’s intention to continue working alongside industry to maximise new expenditure and capture the growing global demand for travel to New Zealand, driven in part by growth out of Asia, the stabilising of world economies and New Zealand’s profile as the “home of Middle-earth”.

The FY2014-FY2016 marketing strategy is both an evolution of the previous strategy and, with thanks to new investment from Government, a significant expansion of Tourism New Zealand’s previous activity - with the objective of concentrating resources on attracting higher value visitors firmly at its centre. It was developed following extensive research, review and industry consultation, and seeks to deliver an appropriate balance between increasing investment in New Zealand’s core markets, and a raised focus on emerging opportunities and high-value sectors.

With an additional $89.5 million in funding spread over the next three years, Tourism New Zealand has received sufficient funding to establish a significant presence in the emerging markets of India, Indonesia and Latin America, where effort and investment is required now to secure a strong future position for the New Zealand tourism industry. Tourism New Zealand’s plan addresses the ever-growing relevance of new markets to New Zealand’s long-term economic future.

This coming year will also see Tourism New Zealand focus more closely on the international business events sector as a means of attracting higher-value visitors. This will involve promotion of events that New Zealand can currently accommodate as well as preparing for the expected delivery of new conference facilities in Auckland, Christchurch, and Queenstown. There are also enhanced plans in place for targeting high-end, high value visitors, including those who seek and can afford an exclusive luxury experience.

Tourism New Zealand will be undertaking a range of specific activities in existing core markets; initiatives which have been identified as having the greatest potential for delivering incremental value growth. Tourism New Zealand will continue to leverage the attention offered by significant international events such as The Hobbit Trilogy, and internationally relevant cultural and sporting events hosted in New Zealand.

Digital marketing and communication remains the cornerstone on which most of Tourism New Zealand’s activity is built. Our research shows digital channels are the most targeted, relevant and measureable channels to reach and engage with ‘active considerers’ of travel to New Zealand. It’s important to get the right balance between generating preference and securing conversion. Tourism New Zealand will have a more deliberate focus on those ‘dreaming’ of New Zealand but not yet convinced to travel, as well as a focus on assisting people to plan and book their visit. Working with the travel trade and securing international media coverage of New Zealand as a desirable destination will also remain key components of Tourism New Zealand’s approach.
A collaborative approach to achieving success is central to the delivery of the organisation’s strategy. Tourism New Zealand will work alongside the Tourism Industry Association as it develops a National Tourism Plan. The effectiveness of Tourism New Zealand’s three year marketing strategy stands to be significantly enhanced with the successful implementation of a strong and positive National Tourism Plan and Tourism New Zealand and will provide expertise and insight to support the delivery of an outcome that will benefit the entire industry. Tourism New Zealand will continue to build commercial partnerships with leaders in the aviation sector, overseas travel trade, Regional Tourism Organisations, and New Zealand tourism operators to promote travel to New Zealand.

This financial year will undoubtedly deliver fresh challenges and new opportunities for the industry. With a new three-year marketing strategy in place, matched by a bold and significant increase in Government funding, The Board is confident that Tourism New Zealand has a well-developed approach, the people and the commitment needed to meet these head on and deliver a very positive contribution to the tourism industry and New Zealand economy.

We look forward to the year ahead.

Kerry Prendergast
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 2013–2016. This document will enable the organisation’s performance to be scrutinised to allow Parliament, Ministers and the public to have confidence that use of resources has delivered the intended outputs and contributed to outcomes.

This Statement of Intent is set out as follows:

**Section 1:** Strategic context - describes Tourism New Zealand’s purpose, the Government’s priorities and how Tourism New Zealand contributes to these. It also provides information on the external environment.

**Section 2:** Operating intentions - describes Tourism New Zealand’s outcomes and explains why they are important, how Tourism New Zealand will demonstrate success in achieving them, what will be done to achieve them and the focus for 2013-16.

**Section 3:** Organisational health and capability – looks at Tourism New Zealand’s organisational health and capability, in particular investment in employees, workplace, systems, environment and approach to risk management.

**Section 4:** Statement of Forecast Service Performance – describes Tourism New Zealand’s output classes, the outputs within these classes and how they link to outcomes.

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

**Section 6:** Subsidiaries and associate company – discusses Tourism New Zealand’s two subsidiaries; Qualmark and i-SITE and associate company; The New Zealand Way, and how they contribute to achieving tourism outcomes.

**Section 7:** Measures and targets – contains outcome and output performance measures and targets for 2013/14 and where appropriate 2014/15 and 2015/16, to enable stakeholders to determine whether Tourism New Zealand are achieving the intended results.
Section 1: Strategic context

Tourism New Zealand’s 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. Tourism New Zealand aims to improve tourism’s contribution to economic growth in New Zealand by growing the value of international visitors to New Zealand.

Tourism New Zealand is a Crown Agent governed by the Crown Entities Act 2004 and was established by the New Zealand Tourism Board Act 1991. 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.

Tourism New Zealand, as New Zealand’s national tourism organisation, is the only entity with the mandate and resources to promote New Zealand across the wide range of international visitor markets which New Zealand seeks to draw on.

Tourism New Zealand’s work is carried out primarily through delivery of the ‘100% Pure New Zealand’ campaign through paid, earned and owned media. The campaign was conceived in 1999 and has evolved over the years to communicate the combination of unique experiences available to people who visit New Zealand, the character of the people of New Zealand, and the spectacular New Zealand landscapes.

2013/14 is the first year of Tourism New Zealand’s new three-year marketing strategy and will see a significant increase in the amount of funding to market New Zealand internationally as a direct result of the Government’s internationally-focused growth package. This additional funding allows Tourism New Zealand to focus on and resource opportunities to increase tourism yield from emerging markets and high-value visitor sectors, as well as retain and in some cases increase its activity in New Zealand’s core markets.

The activity that Tourism New Zealand will deliver, and the outcomes sought through the implementation of the strategy are described in this Statement of Intent.

Government’s priorities

The Government’s economic priority is to build a more productive and competitive economy which will provide New Zealanders with jobs, higher incomes, and improved living standards.

The Government's Business Growth Agenda (BGA) describes a comprehensive on-going agenda of microeconomic reform, which will assist businesses to become more internationally competitive.

The Minister of Tourism has identified specific areas of focus for Tourism New Zealand to assist the Government to achieve its priorities, these include:

- The development of a new three year marketing strategy with a focus on activity that will deliver greater economic returns for NZ.
- With the increase in visitors from Asia, focusing on Asian markets both through marketing and providing research and insights to industry to help them provide experiences and products that match visitor expectations.
- Focusing on targeting segments within particular markets and adopt a wider than tourism view to leveraging other markets.
- Focus on maximising value from international visitors.
• Continue to focus on meaningful performance measures.
• Delivery of Tourism New Zealand’s activity in a fiscally prudent manner.

In addition to the focus areas outlined above, the Government has provided additional funding to Tourism New Zealand as part of its internationally-focused growth package and directed effort towards:

• Supporting growing emerging markets.
• Bringing more international business events to New Zealand.
• Lifting tourism yield from key markets.
• Attracting very high value visitors.

Outcomes framework

Tourism New Zealand’s outcomes framework, which explains how activity contributes to achieving the Government’s priorities, is described in Figure 1 below.
Figure 1: Tourism New Zealand’s Outcomes Framework

The value of international visitors to New Zealand is sustainably increased

**Preference:**
Tourism New Zealand’s marketing activity increases potential visitor preference for New Zealand.

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

**Conversion:**
Tourism New Zealand’s activity converts international visitor’s preference for New Zealand into travel.

- Drive preference for visiting New Zealand
- Focus marketing activity on clearly defined higher value visitors
- Partner widely to activate conversion and extend marketing reach
- Optimise delivery capability

**Visitor Experience:**
Tourism New Zealand’s activity enhances visitor experience through access to information and encouraging quality product that meets specific visitor needs.

- Grow a portfolio of markets that drives current opportunities and creates future market positions
- Drive preference for visiting New Zealand
- Focus marketing activity on clearly defined higher value visitors
- Partner widely to activate conversion and extend marketing reach
- Optimise delivery capability

Tourism New Zealand's level of influence: Higher
New Zealand level outcome

Tourism New Zealand’s activities over the next three years seek to contribute to the following high level outcome:

- The value of international visitors to New Zealand is sustainably increased.

Tourism New Zealand works alongside the New Zealand tourism industry, the aviation sector and off-shore travel trade to grow the value of international visitor arrivals to 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 Business, Innovation and Employment, provides evidence on progress.

The Global Financial Crisis and high New Zealand dollar (relative to most other relevant currencies) have resulted in a number of challenges that have made growing the absolute value of international visitors to New Zealand very difficult. Marketing programmes have been deployed to bolster the value of visitors, but against the broader economic backdrop these have not been enough to generate real growth over the past three years.

The implementation of Tourism New Zealand’s new marketing strategy, which includes a significant increase in investment and breadth of activity, provides a clear opportunity to realise a significant and sustainable increase in the value of international visitors to New Zealand over the next 3 years.

Tourism New Zealand outcomes

Tourism New Zealand outcomes show what the organisation is working to achieve to deliver a positive contribution to the national level outcome described above.

- Tourism New Zealand outcome 1 – Preference: Tourism New Zealand’s marketing activity increases potential visitor preference for New Zealand.
- Tourism New Zealand outcome 2 – Conversion: Tourism New Zealand’s activity converts international visitors’ preference for New Zealand into travel.
- Tourism New Zealand outcome 3 - Visitor Experience: Tourism New Zealand’s activity enhances visitor experience through access to information and encouraging quality product that meets specific visitor needs.

Tourism New Zealand maintains a higher degree of influence over whether these outcomes will be achieved compared to the New Zealand level outcome. There are a number of internal and external factors that may influence Tourism New Zealand’s ability to achieve these outcomes, including those described in the operating environment section on page 15.

Section 2 will explain why these outcomes are important, how success in achieving them will be shown and what actions will be taken to achieve them.

Tourism New Zealand outputs

The following outputs illustrate how Tourism New Zealand’s services will be delivered for New Zealand:

- Output class 1: Deliver key visitor messages through the 100% Pure New Zealand campaign activity.
- Output class 2: Deliver key visitor messages through third parties such as media, opinion leaders, and broadcast production.
• **Output class 3**: Partner with the travel industry to convert interest in New Zealand into travel and to extend marketing reach.
• **Output class 4**: Inform and inspire global travel sellers to assist them to market New Zealand.
• **Output class 5**: Deliver inspiring and informative information for potential visitors.
• **Output class 6**: Communicate and engage with New Zealand’s tourism industry to align industry investment with Tourism New Zealand areas of focus.

Section 4 describes the outputs contained within each output class and how these outputs contribute to achieving the outcomes sought.

**Focusing on Tourism New Zealand’s target visitors**

**Increase focus on less committed Active Considerers**
Active Considerers of New Zealand (ACs) will remain the broad target audience. By definition an AC:

- Sees New Zealand as an appealing holiday destination.
- Is seriously considering New Zealand as their next destination.
- Considers New Zealand as one of their top 5 destination for their next holiday.
- Is prepared to spend above a certain amount (differs by market) on a trip to New Zealand.

During the past three years Tourism New Zealand focused efforts on converting ACs who named New Zealand in their top two preferred destinations for their next holiday. For the duration of this Statement of Intent, increased emphasis is placed on ACs who are less committed and consider New Zealand in their top five most preferred destinations for their next holiday. This will provide a greater balance between achieving conversion, and raising preference for New Zealand.

Within specific markets there will be sub-targets such as special interest travellers, ultra-premium travellers, and conference and incentive travellers to ensure we are focused on the highest yielding segments in each market opportunity.

**Drive value through market segmentation and special interest focus**
The last three years have allowed a greater understanding of ACs in different markets. Research and experience has provided insight into how many ACs there are in each target visitor market, what is important to them, what appeals about New Zealand, what a New Zealand holiday would look like, and how much a particular visitor is typically willing to spend during their visit. As the understanding of ACs has increased, it has become possible to identify the valuable segments within visitor markets by considering a range of variables. This has shown that visitors who participate in special interest activities spend more and stay longer than average and has contributed to Tourism New Zealand’s targeting strategies.

**Deliver increased yield from new and existing opportunities**
The additional funding invested by Government through its internationally-focused growth package enables Tourism New Zealand to focus new resources on certain markets and sectors to grow their value to New Zealand, these key focus areas are outlined.
Expand activity to grow value from international business events

Tourism New Zealand will prioritise international business event markets and segments that offer the highest opportunity and conversion potential and will leverage the 100% Pure New Zealand campaign branding from the leisure market to inspire conference organisers to choose New Zealand using the ‘Beyond Convention’ tagline.

Funding for the successful Conference Assistance Programme (CAP) will increase and Tourism New Zealand will develop in-market networks and look to secure leads for conversion by the New Zealand Industry. Tourism New Zealand will also look to partner with the New Zealand industry, including private facility and local government owners, to undertake joint marketing and promotional activity.

The business events sector provides a high value market segment for New Zealand, with international conference delegates spending on average over $3,000, compared with the average leisure visitor who spends on average less than $3,000. The importance of this sector, and New Zealand’s positioning to get the most benefit from it, will increase as New Zealand’s convention infrastructure improves with planned convention centres in Auckland, Christchurch and Queenstown.

Focus on emerging markets to enhance future value opportunities

A future focused approach will be adopted by investing in emerging markets. This will assist to de-risk these markets and to realise their potential value in the medium to long term.

The focus on emerging markets also acknowledges global changes underway with a general shift in wealth and economic growth to Asia and Latin America. As New Zealand’s national tourism organisation, Tourism New Zealand is well placed to establish the foundations that will facilitate quality market development for New Zealand travel businesses. Each market that is selected for investment has a programme of activity tailored to that market.

The additional funding that Tourism New Zealand has received will enable a significant presence in the emerging markets of India, Indonesia and Latin America where effort and investment is required now to secure a strong future position for New Zealand. Tourism New Zealand, with the Government’s support, is acknowledging the ever-growing relevance of non-traditional markets such as China, with high growth potential to New Zealand’s long-term economic future.

Focus on very high value visitors

A specific focus will be placed on attracting very high value visitors. New Zealand tourism currently serves small numbers of very high value visitors who spend far in excess of current average visitor expenditures through a network of luxury accommodation, bespoke activity and transport providers, premium retail of New Zealand products and high-end tour arrangements. Whilst representing a small number of visitors, their expenditure is significantly disproportionate to the average value of a visitor. Tourism New Zealand will deploy dedicated activity in the America’s, the Gulf Cooperation Council region, China and across Europe to improve New Zealand’s presence and conversion within this sector.

Lifting tourism yield from key markets

Tourism New Zealand has adopted a market portfolio approach to investment. This allows risk to be spread by limiting exposure to external factors impacting on visitor markets and coupled with targeting specific sectors and segments, this approach will help to ensure an increasing number of higher value visitors are attracted to New Zealand.
Tourism New Zealand’s priority markets are Australia, China, the USA, the UK, Germany and Japan. In Australia, focus will increase on the Western Australian market and on initiatives to improve the value of growing cruise arrivals. The promotion of New Zealand as a cycling destination also presents significant opportunity in Australia. In China, Tourism New Zealand’s commitment to the Premier Kiwi Partnership programme will increase, and partnerships to capture and maximise, the opportunities presented by the increase in air capacity from Hong Kong will be sought. Effort in the UK will focus on up-weighting activity to leverage the attention New Zealand will receive when hosting the 2015 Cricket World Cup and with the release of the second and third films in The Hobbit trilogy. The global premieres for these movies will also present the opportunity to host a significant event in the USA in 2013/14 and in the UK in 2014/15. Finally, in Japan, investment will enable the extension of the existing strategic approach of targeting both ‘seniors’ and ‘young adventurers’.

The market prioritisation is outlined in Figure 2 below and reflects the value of current opportunities and, in the case of emerging markets, future opportunities. This prioritisation will be regularly reassessed to ensure new opportunities and challenges can be acted on as they arise.

Figure 2: Tourism New Zealand’s portfolio of markets

**Priority 1 core markets:**
Australia, China and the USA

**Priority 2 core markets:**
UK, Germany and Japan

**Priority 3 markets:**
Peninsular South East Asia, France, Rest of Europe, Korea, Canada

**Priority emerging markets:**
India, Indonesia, Latin America
Five strategic priorities underpin the strategy

2013/14 will see the introduction and implementation of Tourism New Zealand’s new three year marketing strategy, which includes a significant increase in investment by Government through its internationally-focused growth package that will drive economic outcomes from the tourism sector for New Zealand.

In 2012/13, Tourism New Zealand initiated a programme to develop a new three year marketing strategy. This programme included undertaking a number of ‘deep dives’ to test the validity of the previous marketing strategy and to explore a range of new issues which had been identified as potential opportunities or challenge areas for tourism in New Zealand. In parallel, Tourism New Zealand reached out to engage with partners and stakeholders in the tourism industry. This engagement included an online survey of the tourism industry which received almost 700 responses and was a vital component for informing initial views on the direction of the strategy. A series of road shows were held around New Zealand in December 2012 to test initial views on the strategic direction for Tourism New Zealand and to seek further input from stakeholders.

Drawing from the information collected and feedback received from industry stakeholders, plus taking guidance from the Board and the Minister of Tourism, the new three year marketing strategy was developed.

A core theme from engagement with the tourism industry was to evolve activity from the previous strategy rather than reposition completely. The new three year strategy reflects this theme and delivers an evolution of themes from the previous strategy and also a significant expansion on Tourism New Zealand’s previous activity reflecting the increased funding available. The new strategy seeks to deliver an appropriate balance between increasing investment in our core markets along with increased focus on emerging opportunities and specific high value sectors.

The strategy is guided by five key strategic priorities to direct the focus of Tourism New Zealand’s activity for the duration of the strategy.

1. **Grow a portfolio of markets that drives current opportunities and creates future market positions:** Tourism New Zealand will deliver activity to grow the value to New Zealand from a prioritised portfolio of visitor markets. A future focused position will be adopted by investing in selected emerging markets to assist these countries to realise potential value in the medium to long term.

2. **Drive preference for visiting New Zealand:** Delivery of strong, positive, emotive and inspiring messaging to drive greater preference for visiting New Zealand.

3. **Focus marketing activity on clearly defined higher value visitors:** Including; international business events and premium travel sectors. Ensure campaign messages match the needs of the segments and sectors targeted to drive increasing value from visitors by encouraging them to stay longer and do more while in New Zealand.

4. **Partner widely to activate conversion and extend marketing reach:** Focus on commercial partnerships with aviation and travel sellers and continue our partnership activity with Regional Tourism Organisations to drive conversion oriented activity. Tourism New Zealand will engage with the New Zealand tourism industry and overseas travel sellers to enhance their ability to market New Zealand and drive greater conversion.

5. **Optimise delivery capability:** Internally Tourism New Zealand will focus on building staff capability and adoption of technology to deliver productivity and efficiency improvements. A focus will also be placed on further developing employee’s cultural understanding and ability. Externally focus on driving industry knowledge and capability through sharing insights into markets, especially emerging markets, assist the tourism industry to meet the needs of the changing visitor mix through support of
Qualmark, the i-SITE network and the China focused Approved Destination Status (ADS) programme and to identify and create opportunities to support the Christchurch recovery.

Operating environment

International visitors contribute significantly to New Zealand’s export earnings. The emergence of significant issues or events in the tourism operating environment can quickly impact international visitor markets. Tourism New Zealand constantly monitors and analyses the external environment to identify issues that arise and to assess the implications. If Tourism New Zealand does not respond to changes in the operating environment adequately, the ability for the organisation to achieve its outcomes will be compromised and in some cases, strong opportunities may be lost.

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

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<th>External factor</th>
<th>Description</th>
<th>Mitigation strategy</th>
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<tbody>
<tr>
<td>Economic</td>
<td></td>
<td>• Flexibility built into business plan to allow changes to marketing allocations to mitigate negative and/or capitalise on positive changes to key markets’ economies and exchange rates.</td>
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<td>Changing visitor demographic</td>
<td>The Global and Euro zone financial crises have made affordability and proximity very topical in relation to travel decisions, particularly in western markets.</td>
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<td></td>
<td>The increased value of the New Zealand dollar relative to many key visitor markets’ currencies has impacted NZ’s value proposition. While many European and western visitors continue to spend the same amount in local currency as they did prior to the financial crises, it is less in New Zealand dollars.</td>
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<td></td>
<td>The even higher valued Australian Dollar is affecting dual destination travel to New Zealand from some key traditional markets e.g. the UK, as well as making long haul travel more affordable to Australian travellers.</td>
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<td></td>
<td>Significant growth is being seen in arrivals from China and some relatively new markets, while flat or declining arrivals are seen from a number of New Zealand’s more traditional source markets. This shift in the type of visitor New Zealand is receiving is challenging for the New Zealand tourism industry requiring it to adapt to provide for differing needs, wants and expectations of new groups of visitors.</td>
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<td></td>
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<td>• Continue and increase research to gain insight into the differing needs, wants and expectations of this new group of visitors and communication of the findings to the tourism industry e.g. website information, road shows, webinars.</td>
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<tr>
<td>External factor</td>
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| **Aviation environment** | The aviation sector operates in a complex challenging environment characterised by a number of challenging factors, including:  
- The threat of high and volatile oil prices.  
- Air traffic that will be buoyed by growing demand in emerging markets, bolstered by low cost carriers operating short and medium haul sectors.  
- Constraints on the availability of newer, more efficient aircraft means New Zealand is competing against other destinations for limited capacity.  
- A more liberalised Air Services policy environment that, over time, is expected to facilitate competition by providing airlines options to introduce new routes, increase passenger choice and generally lowering ticket prices. | • Tourism New Zealand’s aviation strategy highlights which new air linkages TNZ wants to pursue.  
• Direct use of tools such as MOU’s and joint marketing New Zealand along-side carriers committed to serving New Zealand.  
• Seek to reduce barriers to airlines, e.g. pursuit of open skies policy, air service agreements.  
• Strong engagement with key stakeholders to remain aware of issues as that arise e.g. MoT, other government agencies, airlines, airports. |
| **Competition** | Research undertaken to understand the Active Considerer identified that NZ is competing against mostly established destinations for visitors, particularly the US, Canada, Australia, France and Italy. | • Track on a monthly basis, through campaign tracking monitor, Active Considerers’ preference for New Zealand over other destinations and use these results to improve campaign effectiveness. |
| **Technology** | Technology is continuing to create an increasingly interconnected world and is contributing to a much more informed traveller due to the amount of information available to the consumer. Technology (including mobile and Wi-Fi capable technology), is being used more extensively through all aspects of travel dreaming, researching, booking, experiencing and sharing. Social media is being used to heighten the impact of word of mouth and the popularity and use of on-line advisory and review sites to inform travel decisions is increasingly prevalent and important. | • Strategic focus on taking advantage of the increasing influence of online tools and media to more effectively and efficiently target audiences to drive preference and conversion of visitors to New Zealand.  
• Participating in the online conversation space through social media and online tools.  
• Closely monitoring pickup of online activity and respond to issues as necessary.  
• Development of mobile optimised information e.g. mobile application. |
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<th>External factor</th>
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<th>Mitigation strategy</th>
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| Natural disasters      | An occurrence of major events such as: flooding, volcano, earthquakes impacting on NZ tourism capacity and/or attracting international coverage leading to decreased demand. | Response dictated by type, scale and location of event.  
  - Experiences taken from the Christchurch earthquakes and other natural disasters (both in NZ and external) used to inform response.  
  - Collaboration with NZ Inc. agencies to ensure coordinated NZ response.  
  - Closely monitor overseas media to assess international pick up of disaster.  
  - Provide timely (fast) information to respond to overseas reporting.  
  - Use international media contacts and resources to disseminate NZ Inc. messaging.  
  - Marketing mitigations – revise strategy to support recovery activity. |
| 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 Tourism New Zealand’s subsidiary, Qualmark Limited (See Section 6).  
  - Monitoring of international media and whether environmental issues directly or indirectly linked to New Zealand are receiving attention internationally. |
Section 2: Operating intentions

This section contains details on Tourism New Zealand’s outcomes. A moderate degree of influence and control is held by Tourism New Zealand over whether these outcomes will be achieved. This section will explain why the outcomes are important, how success in achieving the outcomes will be shown, what activity that will be undertaken to influence them and the focus for the duration of the Statement of Intent.

Tourism New Zealand outcomes

Tourism New Zealand outcome 1 – Preference: Tourism New Zealand’s marketing activity increases potential visitor preference for New Zealand.

Why is this outcome important?

There are many destinations competing to attract visitors. An Active Considerer of New Zealand will also be actively considering 4-5 other destinations. New Zealand needs to strengthen the preference or ranking of New Zealand amongst these potential visitors in order to convert them to actual visitors. This is critically important for a destination like New Zealand which is often a once in a lifetime or bucket list trip.

How will progress for this outcome be shown?

Progress will be shown when:

- Consumer preference for New Zealand grows amongst Active Considerers in key markets and among key target groups.
- Preference for New Zealand increases as a destination for international business events.

The measures and targets used to measure achievements are outlined in Section 7.

What will be done to achieve this outcome?

Balance between preference and conversion activity...

Tourism New Zealand’s key audiences are those who are ACs of New Zealand. In the recent past our efforts have been weighted towards converting these audiences to book, rather than strengthening the preference, or intent to choose New Zealand.

Elements of the work focusing on preference will also support building conversion to travel to New Zealand and vice versa. Over the next three years greater emphasis will be placed further up Active Considerers’ decision cycle through the delivery of strong, emotive and inspiring messaging to drive greater preference for visiting New Zealand.

The 100% Pure New Zealand campaign platform will continue to be the centre piece for all communications. This platform will continue to evolve and will be nuanced by market and segment to ensure it is the most relevant and appealing for our target ACs.

Focus on digital media channels to drive preference...

Using digital channels including newzealand.com, balanced with selected traditional media channels (e.g. cinema advertising) will be the key means to drive preference. Deeper integration of Maori culture will permeate our marketing activity to leverage our unique cultural proposition. Opportunities to build
profile for Christchurch and the South Island to support the region’s recovery from the Christchurch earthquakes will be actively sought.

*Use international media and opinion leaders to build preference*

The International Media Programme will play an essential role in supporting preference building activity and will deliver brand messages through third parties and a wide range of media channels, including social media. Further opportunities will be sought to use opinion leaders, such as Yao Chen to deliver the 100% Pure New Zealand message.

*Ensure events are leveraged effectively*

Tourism New Zealand will leverage both New Zealand based and offshore events, capitalising on their profile and credibility to drive popularity and deliver a destination message. The Hobbit movies will continue to provide a significant platform to leverage off for campaign and PR activity. The launches of the second and third movies in the USA and UK will be used as large scale events in key markets to deliver the 100% Pure New Zealand message.

**What is the focus for 2013/14?**

Areas of focus are guided by the direction set out in the new three year marketing strategy. These areas of focus, presented by strategic priority, are outlined below:

**Strategic Priority 1: Grow a portfolio of markets that drives current opportunities and creates future market positions**

2013/14, will see investment in activity to grow the value to New Zealand from a portfolio of visitor markets, includes:

- Prioritise Australia, China, USA, UK, Germany and Japan – Tourism New Zealand’s top six markets, to leverage current opportunities, maintain a focus on high value markets, to lift tourism yield and secure strong short term performance for the industry. Plans have been developed for each market for implementation in 2013/14.
- Invest in emerging markets - India, Indonesia and Latin America. Supported by additional funding invested by Government, this is to ensure foundations are laid to better realise value from these markets in the medium to long term.
- Maintain activity in a number of other markets (tier 3); however this activity and level of investment will be less than in the priority tiers.

**Strategic Priority 2: Drive preference for visiting New Zealand**

Tourism New Zealand will deliver strong, emotive and inspiring messaging to drive greater preference for visiting New Zealand. This will be achieved through:

- 100% Pure New Zealand campaign activity.
- Using digital channels, including NewZealand.com to engage, inform and inspire visitors.
- Extending use of digital channels to mobile devices.
- Leveraging special interests to grow preference.
- Increasing emphasis on International Media and Public Relations programmes, leveraging opinion leaders’ credibility and reach.
- Leveraging on and offshore events including the Hobbit movies and Americas Cup.
• Build deeper integration of Maori culture throughout our marketing activity to leverage New Zealand’s unique cultural proposition.
• Specifically create and build on opportunities to support the Christchurch recovery.

Tourism New Zealand outcome 2 – Conversion: Tourism New Zealand’s activity converts international visitors’ preference for New Zealand into travel.

Why is this outcome important?
To achieve the government’s economic priorities and contribute to achieving the industry’s outcomes of increasing the value of visitors to New Zealand, high value visitors need to be identified and persuaded to choose New Zealand over other destinations.

How will progress for this outcome be measured?
Progress will be shown when:
• Arrivals grow in prioritised markets driving increases in days stayed and visitor expenditure.
• More referrals from newzealand.com onto conversion partners’ sites, or are lead directly to partner sites from joint advertising, where actual travel can be purchased (e.g. airlines, off-shore travel sellers, New Zealand tourism operators).
• More private sector companies partner with Tourism New Zealand to promote New Zealand leveraging the ‘100% Pure New Zealand’ campaign growing the pool of co-delivered marketing investment (2012/13 approximately $20m pa).

The measures and targets used to measure achievements are outlined in Section 7.

What will be done to achieve this outcome?
Engage with Active Considerers within priority markets and draw visitors down the path of purchase...
The level of understanding of ACs in markets has increased over time through experience and on-going investment in market research. This has allowed distinct target segments and special interest sectors to be more readily identified within key visitor markets and enables marketing activity to be more accurately directed towards higher value special interest segments of the markets. Special interests can be a strong incentive to attract visitors to New Zealand for a variety of interests such as business events, golf, ski, walking, cycling, backpacking etc. Likewise the younger 18-29 year old traveller presents significant opportunity.

Using this improved targeting within markets, efforts will be focused on converting the pool of people ‘actively considering’ a trip to New Zealand into actual visitors. This will be achieved by drawing ACs to newzealand.com, inspiring them with engaging content, then drawing them down the path of purchase by referring them off newzealand.com and onto partners’ sites where a purchase (e.g. an airline ticket or experience) can be made. In some cases, engagement is more direct by sending Active Considerers directly to campaign pages or partner sites where they may be able to make a purchase (e.g. an airline fare-finder).
Work with strategic partners to enhance the offer to consumers and extend marketing reach...

Partnerships provide the opportunity to deliver co-ordinated marketing activity in market and provide the opportunity to package Tourism New Zealand’s activity with a product that potential visitors can buy, thereby activating opportunities for conversion. Partnerships also extend Tourism New Zealand’s marketing reach through pooling funding with partners and leveraging each other’s expertise and support systems, increasing their efficiency and effectiveness in market. In the 2012/13 year approximately $20m of co-planned partner funded marketing will be achieved.

Increase emphasis on Business Events...

Increasing the focus on the business events sector enables the attraction of higher value visitors for meetings, incentives, conventions and exhibits. Additional funding providing by Government allows up weighting market development, partnership and campaign activity coupled with the continuation of managing the Conference Assistance Programme to drive momentum. The importance of this sector will increase as New Zealand’s convention infrastructure improves with planned convention centres in Auckland, Christchurch and Queenstown.

What is the focus for 2013/14?

Areas of focus are guided by the direction set out in the new three year marketing strategy. These areas of focus, presented by strategic priority, are outlined below:

**Strategic Priority 1: Grow a portfolio of markets that drives current opportunities and creates future market positions**

2013/14, will see investment in activity to grow the value to New Zealand from a portfolio of visitor markets, includes:

- Prioritise Australia, China, USA, UK, Germany and Japan – Tourism New Zealand’s top six markets, to leverage current opportunities, maintain a focus on high value markets, to lift tourism yield and to secure strong short term performance for the industry. Plans have been developed for each market for implementation in 2013/14.
- Invest in three emerging markets - India, Indonesia and Latin America. Resourced through new funding invested by Government, this is to ensure foundations are laid to better realise value from these markets in the medium to long term.
- Maintain activity in a number of other markets (tier 3); however this activity and level of investment will be less than in the priority tiers.

**Strategic Priority 3: Focus marketing activity on clearly defined higher value visitors**

Building on experience and insight gained into Active Considerers within key markets, marketing will be focused on clearly defined higher value visitors which will drive increasing value from visitors by encouraging them to stay longer and do more while in New Zealand.

- Extend Special Interest focus by enhancing Active Considerer market segmentation e.g. golf, ski, walking, cycling and fishing.
- Increase emphasis on Business Events in Australia, USA, China and South/South East Asia (India, Indonesia and Singapore).
- Deliver a premium visitor strategy to target leisure visitors seeking a high end experience.
- Build scale into the Premier Kiwi Partnership (PKP) programme in China.
• Focus on backpackers and working holiday makers out of UK/Europe for their long stay characteristics.

**Strategic Priority 4: Partner widely to activate conversion and extend marketing reach**

Continuing to grow the existing focus on joint venture partnership activity, 2013/14 will see:

• Focus on commercial partnerships to deliver conversion oriented activity.
• Leverage preference programmes with conversion partners for maximum combined impact.
• Further develop partnership activity with Regional Tourism Organisations and New Zealand suppliers.
• Engaging with the New Zealand tourism industry and overseas travel sellers using (where possible) customised trade engagement programs to enhance their ability to sell destination New Zealand and drive greater conversion. Fully deploy new online training programme and CRM.

**Tourism New Zealand outcome 3 - Visitor Experience:** Tourism New Zealand’s activity enhances visitor experience through access to information and encouraging quality product that meets specific visitor needs.

**Why is this outcome important?**

To maintain and grow value from visitors it is essential that they have a great experience while in New Zealand and as a result, enhance New Zealand’s reputation as a visitor destination. Providing good information about the destination and the experiences available prior to a visit and during a visit is a vital part of ensuring this happens.

Visitors who have had good experiences provide word of mouth promotion for New Zealand and the huge growth of digital social media means that good and bad stories spread much more quickly and with much greater reach than in the past.

To facilitate a positive experience, visitors need to have access to quality information on the things they can do. newzealand.com and the i-SITE network are both essential sources of information for Active Considerers and help visitors make informed choices about the products and experiences they are purchasing. Tourism New Zealand will also develop and support a mobile application to provide enhanced access to information and support enhancing visitor value and brand engagement while visitors are in New Zealand.

Tourism New Zealand is also active in ensuring quality standards are evident in the market to visitors and to encourage continuous quality improvements. This is achieved through Qualmark (a joint venture with AA) and the activities delivered by the China Market Development Unit, including monitoring of the Approved Destination Status (ADS) programme for Chinese tour operators and the Premier Kiwi Partnership (PKP) programme.
How will progress for this outcome be measured?

Progress will be shown when:

- The Visitor Information Network Inc./i-SITE New Zealand 2013-2016 strategic plan is fully implemented across the network enabling it to achieve its vision to be a world-leading official information and booking network by enhancing the value visitors gain from their New Zealand experience.
- 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.
- Satisfaction levels of Chinese visitors improve, while visitor arrivals and the proportion of high quality visitors from China grow significantly.
- Tourism New Zealand’s digital channels across web, mobile and social media, provide authoritative destination and product information to an ever-growing audience. Our consumer Website newzealand.com provides greater visibility for tourism businesses with Qualmark accreditation.

The measures and targets used to measure achievements are outlined in Section 7.

What will be done to achieve this outcome?

Enable Visitor Information Network Inc./i-SITE New Zealand to implement its 2013-2016 strategic plan. 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. Through resourcing of VIN Inc./i-SITE New Zealand, operate the Network as an innovative business which delivers value to member i-SITES. The i-SITE network will become more viable by helping more visitors, distributing more product for the industry and containing or reducing the local government investment required to underwrite the network.

Grow the influence of newzealand.com
Tourism New Zealand’s consumer Website (newzealand.com) is both a significant marketing tool and rich information source for visitors actively planning their New Zealand holiday. The site’s branded content is supported by contributions from travel experts, the local tourism industry and travellers. Tourism New Zealand will enhance the role of travel itinerary suggestions and product recommendations through new content development and functional enhancements. The high-level of quality product promoted on-site by maintaining an ‘operator database tourism business directory’ will be continued, and the translation of essential travel planning information and tourism product will also developed in line with Tourism New Zealand’s portfolio of markets. A mobile Application will be delivered and marketed to assist current visitors to get the most from their visit in 2013/14.

Mitigate satisfaction issues caused by poor quality experiences and products through an investment in 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.

Build scale into the Premier Kiwi Partnership (PKP) programme in China
Tourism New Zealand will administer and grow the PKP programme which seeks to increase the proportion of quality mono-NZ itineraries marketed in China through providing product development and marketing promotion support to selected Chinese travel sellers and New Zealand inbound tour operators.
Monitor the Approved Destination Status (ADS) programme
Tourism New Zealand will continue to administer the Approved Destination Status (ADS) programme which licenses New Zealand-based inbound tour operators and tour guides that cater for the Chinese market, and monitor their conduct, performance and quality standards. Assessing new applicants, completing regular compliance monitoring and assessments and handling complaints and feedback from Chinese group tour visitors and publishing Chinese language visitor materials will continue.

What is the focus for 2013/14?
Tourism New Zealand’s approach to enhancing visitor experience is to support the tourism industry to deliver quality tourism product and to provide accurate timely information. These are critical activities to support the work done promoting New Zealand internationally and are guided by the direction set out in the new three year marketing strategy. These areas of focus, presented by strategic priority, are outlined below:

Strategic Priority 2: Drive preference for visiting New Zealand.
- Using digital channels, including NewZealand.com to engage, inform and inspire visitors.
- Extending use of digital channels to mobile devices by developing a mobile application that will be delivered and marketed to assist visitors to get the most from their visit.

Strategic Priority 5: Optimise delivery capability
Tourism New Zealand will assist the tourism industry to meet the needs of the changing visitor mix through a range of activity, including:
- Supporting the Approved Destination Status (ADS), Qualmark and i-SITE strategies.
  - Tourism New Zealand’s China Market Development Unit to administer ADS, Premier Kiwi Partnership and Chinese visitor information programmes. The Unit is also to continue to engage with relevant regulatory bodies.
  - i-SITE New Zealand to manage and market the i-SITE Network in line with its 2013-2016 strategic plan.
  - Qualmark NZ to provide a quality accreditation/ratings system for accommodation, transport, activities and services ensuring that visitors have 100% Pure Experiences.
- Collaborating with other parts of Government to reduce barriers for international visitors to travel to New Zealand (e.g. Immigration New Zealand) and identify areas of cooperative activity to increase preference to New Zealand (e.g. Education New Zealand).
- Drive industry knowledge and capability through undertaking and sharing insights into priority markets, especially emerging markets.
  - Support the New Zealand tourism industry by providing quality data and information to help grow the industry’s understanding of market trends and visitor experiences.
  - Educate travel trade to improve product knowledge and increase volume and value of conversions (famils, training).
  - Utilise trade team to lead product development in market and facilitate information flow with NZ industry, e.g. in Special Interest (Seminars, Workshops, TNZ capability in Special Interest).
  - Positively engage with the Tourism Industry Association and contribute to the development of a national tourism plan.
Section 3: Organisational health and capability

Tourism New Zealand’s organisational health and capability is strongly related to investment in employees, environment, systems and risk management. Practices are consistent with the development goals that aim to lift the performance of the State Services.

In 2012/13, Tourism New Zealand undertook a project to confirm the organisations mission, vision and values. This involved all teams across the organisation and was endorsed by the executive leadership team and the Board.

Mission: To increase the value of international visitors to New Zealand
Vision: To be the world’s most authentic destination storytellers
Values: 1 - Global Whanau, 2 - Actions speak louder, 3 - Unwavering belief in New Zealand

Tourism New Zealand will continue to actively engage employees to further embed these within the organisation’s practices over the next three years.

Tourism New Zealand’s extra funding and responsibilities will trigger the need for an expanded workforce early in the first year of the plan to ensure the organisation is resourced to deliver on its commitments.

Tourism New Zealand’s people

Tourism New Zealand’s people strategy is aimed at realising improvement opportunities in terms of leadership, competence, culture and performance. Guided by our people management strategy, global and local efforts should complement and reinforce each other to further foster a performance culture.

The drivers underpinning Tourism New Zealand’s people strategy are:

- Strengthen our leadership capability for people managers.
- Foster staff engagement.
- Talent management planning.

During 2013/14, programmes and practices focusing on the delivering on the above drivers will continue to be developed. Key areas of focus are highlighted below:

Developing leadership capability:

- Ensure leaders in the organisation lead by example to further reinforce a desired high energy, performance culture of accountability and responsibility.
- Continue to develop effective global leaders who are capable of managing in complex fast moving economies and markets.

Build employee engagement:

- Actively engage employees to support Tourism New Zealand’s strategy and continue to embed the organisation’s Mission, Vision and Values so that they become part of all our people frameworks.
- Continue to encourage collaboration and team work through various engagement initiatives that support Tourism New Zealand’s culture and a learning environment.
Talent management and succession planning:

- Identify and grow talent within the organisation to ensure that the required capability, skills and talent are available to support the delivery of Tourism New Zealand’s strategy.
- Ensure programmes are in place to attract and retain talent.
- Improve the quality of information, tools and resources for employees to manage their careers.
- Provide development by leveraging our geographical spread and where possible through experiential learning opportunities.

Tourism New Zealand is also focused on further developing employees understanding of Maori culture through greater exposure. Tourism New Zealand seeks to improve employees’ level of confidence in Maori cultural settings and situations, as well as providing them with the opportunity to undertake Maori language and cultural training appropriate to their role.

Workplace, systems and environment

Workplace
Tourism New Zealand’s environment is distinguished by the following factors:
- Geographic dispersal with 11 offices, 9 offshore, operating across a range of time zones.
- Significant cultural differences between staff including English as a second language.
- A young and mostly technologically aware and proficient workforce.
- Fluid deployment of staff to international projects.

Tourism New Zealand is conscious of the government’s desire for New Zealand Government agencies (New Zealand Inc.) to work efficiently and effectively together. In support of this, offices in Mumbai, Shanghai and Singapore have been relocated to co-locate with other New Zealand Inc. agencies over the past three years. This is in addition to existing co-location arrangements in London.

- Over 2013-2016, where leases in offshore premises expire, an assessment of the cost and benefit of co-locating with other New Zealand Government agencies against accommodation in alternative office space will be undertaken. The New Zealand Inc. approach will be selected if not cost prohibitive.

Systems
IT systems are a critical enabler allowing Tourism New Zealand to operate more efficiently and effectively. Connecting international offices through the implementation of communication tools, such as video conferencing facilities and online voice and video systems, assists Tourism New Zealand to overcome the challenges inherent with a mobile and internationally dispersed workforce. Connectivity delivered through the implementation of communication focused IT solutions also realises cost efficiencies through reducing the need for air travel between offices. In addition, Tourism New Zealand’s online information system enables 24/7 access to internal information for our international workforce, which assists the accuracy and timeliness of decision making.
During 2011/12 and 2012/13 an information technology outsourced infrastructure model was implemented. This was to mitigate risks with the organisation’s information systems, future proof systems, improve connectivity and deliver cost savings. During 2013/14 investment will continue in IT systems to deliver efficiency and productivity dividends.

- In 2013/14, our programme of activity to enhance the organisation’s capability will continue to be implemented. This will include the replacement of the existing inflexible and out of date Finance and HR system to allow for improved efficiency in processes, controls and reporting to improve information available for decision making.

Over the past three years Tourism New Zealand has participated in the BASS (Better Administrative and Support Systems) programme, run by Treasury.

- In 2013/14 Tourism New Zealand will continue to participate in the BASS programme with a view to further reducing any admin and support costs benchmarked above average in the BASS programme.

**Environment**

Tourism New Zealand joined Qualmark in 2009 and implemented a Sustainability Action Plan in 2009-10. Bronze status within the Qualmark Enviro\(^1\) accreditation programme was achieved during 2008-09 and in 2009-10 Tourism New Zealand’s improved sustainability was recognised by being awarded Silver status. In 2011-12 a third annual Qualmark Assessment was undertaken, Silver status was maintained.

**Risk management**

Tourism New Zealand’s Risk Management Plan includes policies and procedures to effectively identify, treat and monitor principal business risks. Tourism New Zealand’s 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.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Description</th>
<th>Our mitigation strategies</th>
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<tr>
<td><strong>Strategic</strong></td>
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| Significant funding change| If funding levels change, the ability of Tourism New Zealand to achieve stated objectives may be affected. | - Demonstration of Tourism New Zealand’s strong planning function to Ministers/external stakeholders, as well as clearly demonstrating the successful delivery of our strategy and programme through reporting and other external communications.  
  - Tourism New Zealand engages closely with MBIE’s evaluation programme to ensure benefits of Tourism New Zealand activities are accurately portrayed.  
  - Positive engagement with MBIE to ensure positioning in 4 year budget plan. |

\(^1\) See [www.qualmark.co.nz](http://www.qualmark.co.nz) for detailed information on standards and assessment processes.
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<th>Risk</th>
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| Strategic and Business Planning ineffective | 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. | Planning Tourism New Zealand’s robust business planning process ensures a clear direction is established for the business. The planning process includes:  
- Engagement with, and input from industry on Tourism New Zealand’s strategic direction.  
- Inputs from staff throughout the organisation.  
- Analysis of macro operating environment.  
- Strategy development by senior management.  
- Multi-stage verification of business plan and direction by the Tourism New Zealand Board. |
|                                            |                                                                                                                                                                                                             | Delivery  
- All projects require approval from managers before execution. Via this process, projects must highlight how they contribute to the priorities of the organisation and must have KPIs attached to enable the project’s success to be determined on completion.  
- Ensuring the right people are employed to deliver activities:  
  o Review and re-scope roles before advertising for replacements.  
  o Multi stage recruitment process including behaviour and competency assessments.  
  o Periodically review organisational structure.  
  o Performance Agreements (PA’s) linked to organisational outputs and outcomes.  
  o Annual learning and development agreements (part of PA process). |
| Corporate reputation declines               | Our corporate reputation is important to protect so that Tourism New Zealand can effectively partner with the Corporate Affairs area, and channelling media and public communications through spokespeople who | Reporting Regular reporting on progress against deliverables enables early identification of issues and informs continuous improvement of programmes. Reporting includes:  
- Quarterly reporting against agreed financial and non-financial measures.  
- Financial quarterly reviews.  
- Internal project reviews.  
- 6 weekly (approximately) board reporting. |
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<td>industry in marketing New Zealand and maintain credibility with key stakeholders.</td>
<td>have been appropriately trained. Tourism New Zealand also places emphasis on engaging with the New Zealand tourism industry and other stakeholders (including New Zealand Inc.) to increase understanding and opportunities for coordinated/cooperative activity. Tourism New Zealand’s robust strategic and annual planning processes are also critical to maintaining corporate reputation.</td>
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<tr>
<td><strong>Operational</strong></td>
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| Significant IT malfunction | Data centre information and network lost. No access to network, document servers, finance system. | The introduction of a new IT out-source strategy has resulted in significant improvements to security and reliability of Tourism New Zealand’s IT infrastructure, including:  
- Locating servers at a secure data centre.  
- Vendors have been consolidated. |
| newzealand.com offline | Website goes down impacting on potential visitors, travel trade and Tourism New Zealand’s reputation. |  
- Offshore caching provides 8 hour minimum buffer, so international users of the site will not experience any interruptions for the first 8 hours that the site is down.  
- IT for site is held in highly secure data centre. |
| Unplanned loss of key staff | Tourism New Zealand must ensure it has the right people on staff, and focus on nurturing talents, to ensure an on-going ability to effectively deliver our strategy and achieve desired outcomes. Loss of staff will hinder our abilities. | Tourism New Zealand has an organisational capability plan in place which is focused on attracting, identifying and developing talent and on building leadership capability to ensure Tourism New Zealand is equipped with people, with the right skills, to deliver on the organisations strategy. |
| Loss of staff accommodation | With 11 offices, 9 offshore there is a chance that an office will be unavailable for a prolonged period of time. Defined as:  
- Loss of use of Tourism New Zealand office, New Zealand or offshore, for a minimum of 2 weeks, e.g. Auckland power crisis. | Due to the mobile nature of the Tourism New Zealand workforce, the organisation could continue to function if physical premises were not able to be used. Mitigation through:  
- All staff use mobile phones (landlines divert to mobiles as business as usual) and laptops.  
- If staff cannot access laptops they can access e-mails from external computers by remotely logging in.  
- Strong relationships exist with suppliers to ensure access to physical resources in times of need e.g. laptops, extra accommodation.  
- Off shore, Tourism New Zealand has strong links with other New Zealand Inc. agencies which can allow resource sharing.  
- Institutional knowledge primarily captured through document management system and customer relationship system. |
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<td><strong>International media attention on 100% Pure New Zealand campaign</strong></td>
<td>Sustained international media attention linking the 100% Pure New Zealand campaign to NZ’s environmental credentials undermines the effectiveness of the campaign.</td>
<td>• Monitoring of NZ and offshore media and responding where necessary. \n• Continuing to communicate that the campaign is not intended as an environmental message, and that NZ’s unique combination of landscapes, people and activities cannot be found anywhere else in the world – hence it is a “100% Pure New Zealand” visitor experience. \n• Where NZ has performed strongly in relation to environmental matter, assess promotion.</td>
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<tr>
<td><strong>New Zealand’s reputation as a safe place to visit comes under question</strong></td>
<td>In one or more key markets; \n• Single event e.g. social unrest or high profile crime resulting in sustained impact to New Zealand reputation. \n• Gradual shift in perception of NZ as a destination resulting from sustained negative coverage.</td>
<td>Monitor international media pick up of issue and respond as appropriate, may include: \n• Timely development of key messages and delivery of coordinated NZ Inc. response. \n• Linking with industry, RTO’s and subject matter experts as appropriate. \n• Relevant in-market GM’s managing communications to offshore markets. \n• Visitor safety messaging provided on newzealand.com.</td>
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Section 4: Statement of forecast service performance

The Statement of Forecast Service Performance will be reported on a quarterly basis, as agreed with the responsible Minister.

Tourism New Zealand outputs

This section describes the output classes, the outputs within these classes, and how the output classes link to Tourism New Zealand outcomes. While some outputs may apply across more than one output class, these classes reflect the key focus of activity.

Output class 1: Deliver key visitor messages through the 100% Pure New Zealand campaign activity

Campaign

Tourism New Zealand’s target audiences are those who are already actively considering a visit to New Zealand. As Tourism New Zealand’s understanding of Active Considerer markets has increased, a result of in-market experience and investment in market research, it has become possible to more accurately target activity towards higher value segments and special interest sectors within key visitor markets.

Tourism New Zealand activity focuses on reaching Active Considerers primarily via the use of advanced digital marketing tools. Digital marketing allows more accurate audience selection and minimises media wastage. During 2013/14, activity will be focused on high value segments and deliver a programme of fully integrated campaign, PR and trade activity to maximise the effectiveness of delivery. Key campaign outputs will include:

- ‘100% Pure New Zealand and 100% Middle Earth’; Tourism New Zealand will continue to develop the campaign as the positioning for marketing activity.
- Deeper integration of Maori culture will be built into marketing activity to leverage New Zealand’s unique cultural position.
- Digital marketing;
  - Search engine optimisation; optimising websites so that potential visitors are exposed to marketing channels and content (and New Zealand content more generally) more often when they are researching holidays online.
  - Investing in paid search engine marketing. I.e. purchasing travel search terms utilised by Active Considerers to draw them to newzealand.com.
  - Investing in paid on-line digital display advertising. I.e. purchasing banner and rich media (video) advertisement space on websites that reach Active Considerers.
- Significant emphasis on building New Zealand’s Business Events reputation in Australia.
- Specific sector campaign activity targeting special interest activities (walking/hiking, cycling, golf, fishing), backpacker and working holiday visitors.
- Highly targeted high end/luxury campaign activity.
- Introduce campaign activity into emerging market to build New Zealand’s profile and desirability.
Market Insights
Tourism New Zealand carries 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. Key outputs include:

- **Active Considerer research** - monthly surveying of target audiences across key markets to monitor brand and campaign performance along with specific market issues. Inclusion of emerging markets to track performance and optimise activity.
- **Analysis of core tourism datasets** including International Visitor Arrivals and the International Visitor Survey for market trends, intelligence and strategic insight.
- **Digital analytics** – measurement of digital activity around campaigns and newzealand.com.

**Link with Tourism New Zealand outcomes**
This output class is aimed at achieving Tourism New Zealand’s Outcome 1: Preference and to a lesser degree Outcome 2: Conversion.

The measures and targets that will be used to measure output performance are outlined in Section 7.

**Output class 2: Deliver key visitor messages through third parties such as media, opinion leaders, and broadcast production**

**Public Relations**
Communication channels such as public relations (PR) deliver brand messages through third parties (e.g. opinion leaders, independent media) to drive preference for visiting New Zealand and assist in strengthening conversion of potential visitors into actual visitors. During 2013/14, activity will be focused on high value segments and sectors and deliver a program of integrated campaign, PR and trade activity to maximise effectiveness. Outputs will include:

- Public Relations activity to build preference levels in our target audience, and support conversion of visitors.
  - Hosting of international media, bloggers and opinion leaders.
  - Providing support to targeted broadcast production projects that enable TNZ to communicate its destination messages through existing broadcast properties with good reach (i.e. the Amazing Race USA).
  - Leveraging off the Hobbit through visiting media.
  - Content generation and media assistance to provide assets to publishers.
  - Supporting and leveraging events both on and offshore that provide a vehicle to communicate Tourism New Zealand’s destination messages.

- Seeking out and creating opportunities through third party channels to deliver activity that supports the Christchurch recovery.

- Social media - grow engagement and reach with social media platforms (e.g. Facebook) that assist us to build, engage and inspire Active Considerers.

- Use of opinion leaders in PR and campaign activity to deliver the 100% Pure New Zealand message and deliver marketing reach.

**Link with Tourism New Zealand outcomes**
This output class is primarily aimed at achieving Tourism New Zealand’s Outcome 1: Preference. Because of Tourism New Zealand’s desire to integrate messages across multiple platforms this output will frequently be part of Output 2, Conversion, as well.
The measures and targets that will be used to measure output performance are outlined in Section 7.

Output class 3: Partner with the travel industry to convert interest in New Zealand into travel and to extend marketing reach

Joint venture activity
Joint venture partnerships play an essential role within Tourism New Zealand’s activities. They provide the opportunity to deliver co-ordinated marketing activity and provide the opportunity to package Tourism New Zealand’s activity with a product that potential visitors can buy, thereby activating opportunities for conversion. Partnerships extend Tourism New Zealand’s marketing reach through attracting more funding by way of cash and in-kind support and assist tourism industry partners by allowing them to leverage Tourism New Zealand’s 100% Pure New Zealand campaign, thereby increasing their effectiveness in market. Partnerships will range from high impact campaigns in Australia through to working together on TV production, IMP and visiting trade programmes. Key outputs include:

- Partnered campaigns; partnering with public and private organisations to deliver campaigns that enable Tourism New Zealand to pair advertising with a travel conversion partner’s offer.

Partnership activity with Regional Tourism Organisations
Partnerships with Regional Tourism Organisations (RTOs), predominantly in Australia, will remain important through the duration of the Statement of Intent, focusing on building regional stories (e.g. South Island touring, and Ski NZ) and delivering conversion activity to maximise visitor value outcomes for New Zealand.

Working with aviation interests
Partnerships with airlines and airports provide essential foundations for building and sustaining supply-side capacity.

- Tourism New Zealand partnerships will deliver fully integrated JV campaign activity to support filling existing capacity both in long haul and trans-Tasman routes.
- Tourism New Zealand will continue to work closely with airlines to support and build in-bound seat capacity to New Zealand.
- Tourism New Zealand will maintain agreements that have been formed with aviation and airline partners, and seek out new agreements where they are in accordance with Tourism New Zealand’s international aviation strategy. Under these agreements partnered marketing campaigns will be carried out 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 2: Conversion. The measures and targets that will be used to measure output performance are outlined in Section 7.

Output class 4: Inform and inspire global travel sellers to assist them to market New Zealand

Working with the travel trade
The overseas travel trade is an essential step for many people between considering a trip to New Zealand and deciding to make a booking. Active considerers use a multi-channel approach for researching and booking travel and the travel trade is active in many of these channels. Tourism New Zealand will deliver
activity to educate, connect and familiarise global travel sellers to market more high value NZ holidays. Activity will be delivered to:

- Generate and convert consumer interest by fully integrating trade offers into partnered marketing campaigns.
- Educate trade to improve product knowledge and increase volume and value of conversions.
- Connect the New Zealand industry with the right trade partners.
- Lead product development (itineraries) in market and facilitate information flow with NZ industry.

Key outputs will include:

- Joint venture work with travel trade partners in key markets, e.g. sales campaigns to drive conversion.
- Trade familiarisations, e.g. familiarisation visits to New Zealand for travel company product managers and decision makers.
- Online resources to increase the knowledge and sales of travel sellers, including through region and product specific online training modules and product updates.
- 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; organising trade events and co-ordinate participation by the New Zealand tourism sector at international trade shows. Key events that for 2013/14 will include:
  - In-market training events e.g. Kiwi Links which connect New Zealand tourism operators with travel sellers.
  - Coordinating 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.
- Tourism New Zealand also attends international trade shows and facilitates New Zealand operator attendance. Key events in 2013/14 will include:
  - Attending at least 30 general travel shows.
  - For example: International Luxury Travel Market Asia, Shanghai World Travel Market, World Travel Market London, etc.
- Increased focus on business events sector to enable attraction of higher value visitors for meetings, incentives, conventions and exhibits.
  - Key Business Events trade events, including IMEX Las Vegas, CIBTM Beijing and IMEX Frankfurt.
  - Management of the Conference Assistance Programme (CAP) programme.
  - Up weighting market development, partnership and campaign activity.

**Link with Tourism New Zealand outcomes**

This output class is aimed at achieving Tourism New Zealand’s Outcome 2: Conversion.

The measures and targets that will be used to measure output performance are outlined in Section 7.
Output class 5: Deliver inspiring and informative information for potential visitors

newzealand.com:

Tourism New Zealand’s consumer website performs a dual role. One 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. Key outputs include:

- Maintaining and evolving the consumer facing website, newzealand.com, to provide potential visitors with comprehensive information on travel in New Zealand and improved linkages between newzealand.com and travel sellers of all kinds to aid conversion.

i-SITE New Zealand:

Tourism New Zealand also supports the provision of information to visitors through our role with the i-SITE network. i-SITE New Zealand Visitor Centres (80 across New Zealand) provide an information and booking service for attractions, transport, accommodation and events to international and domestic visitors in New Zealand.

Tourism New Zealand has no ownership stake in the 80 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. Tourism New Zealand provides staff, support services, business systems and marketing to raise the profile of the i-SITE network among visitors.

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 Qualmark assessors.

Link with Tourism New Zealand outcomes

This output class is aimed primarily at achieving Tourism New Zealand’s Outcome 3: Visitor Experience and will also assist Outcome 2: Conversion, by driving visitor value.

The measures and targets that will be used to measure output performance are outlined in Section 7.

Output class 6: Communicate and engage with New Zealand’s tourism industry to align industry investment with Tourism New Zealand areas of focus

Industry communication, engagement and relationship building

It is important that Tourism New Zealand is completely connected with New Zealand’s tourism operators. This is achieved by informing, engaging with and listening to the New Zealand tourism industry. The main goal of this engagement is to ensure alignment between market needs, TNZ’s marketing programmes, and what is offered in New Zealand. Key outputs include:

- Publications, including the regular delivery of Tourism News e-bulletins, webinars and our annual report.
- Tourism New Zealand’s corporate website (tourismnewzealand.com) which provides the industry with timely information on recent activity through media releases, campaigns and objectives, information on events as well as providing access to research and market analysis.
- 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 Tourism New
Zealand to hear from the industry including any challenges they are facing or opportunities they have identified.

- Working with other parts of Government to streamline processes that facilitate travel for international visitors and identify opportunities to work together in areas where interests overlap.
- Developing specific Stakeholder Relationship Plans for key stakeholders to ensure the desired outcomes from the relationship are understood and activities are undertaken to achieve these outcomes.
- Continue to grow engagement with the Business Events sector:
  - Continuing to grow relationships with Conventions and Incentives New Zealand (CINZ) and other industry partners.
  - Channel development and lead generation.
  - Strong engagement with the Association and Corporate market.
  - Continue to build the New Zealand footprint within the International Congress and Conventions Association and its framework.

**Qualmark**

Tourism New Zealand owns 60% of Qualmark New Zealand Ltd. The Automobile Association of New Zealand owns the remaining 40%. Tourism New Zealand provides funding, governance and some marketing and administration support for Qualmark. Qualmark currently issues approximately 2100 quality licences annually, by offering a star grading system for accommodation facilities and an endorsement programme for activities, transport and services. To obtain a Qualmark quality licence, Qualmark undertakes onsite assessments with trained assessors in order to measure the quality of operators’ facilities and business practices. This includes health and safety systems and service systems relating to guest care. Businesses are also assessed on their environmental performance.

**China Market Development Unit**

China has rapidly grown to become New Zealand’s second largest visitor market. However, the Chinese visitor market is subject to a number of constraints in terms of realising its potential value to New Zealand with particular quality issues that require attention. Tourism New Zealand, largely through its China Market Development Unit, delivers outputs to assist in addressing these issues, including:

- Administering the Approved Destination Status (ADS) programme. This programme 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 Unit also assesses new applicants, completes regular compliance monitoring and assessments, and handles complaints and feedback from Chinese group tour visitors.

- Administering the Premier Kiwi Partnership (PKP) programme which seeks to increase the proportion of quality visitors from the China market through providing product development and marketing promotion support to selected Chinese Travel Sellers and New Zealand inbound tour operators in order to reduce the barriers for higher value mono New Zealand product.

- Producing Chinese language visitor information designed to increase China visitor knowledge, including the rights and protections they have if visiting on an ADS tour.

**Link with Tourism New Zealand outcomes**

This output class is aimed at achieving Tourism New Zealand’s Outcome 3: Visitor Experience. The measures and targets that will be used to measure 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 neither 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 New Zealand dollars by applying exchange rates that approximate rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance 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. With the exception of Software, Tourism New Zealand has no other intangible assets with a finite life.

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

Software 3 - 5 years

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.

(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 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:

- Crown funding is assured at least at the levels stated for the period of the Statement of Intent.

- 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 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.

- The net asset position of subsidiaries will not change significantly over the three years.
### Statement of Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>$000s</td>
<td>$000s</td>
</tr>
<tr>
<td>Interest income</td>
<td>103</td>
<td>103</td>
</tr>
<tr>
<td>Other revenue</td>
<td>7,785</td>
<td>7,785</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
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<td>121,238</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>90,922</td>
<td>120,354</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td>817</td>
<td>884</td>
</tr>
<tr>
<td>Share of associate’s deficit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>91,739</td>
<td>121,238</td>
</tr>
<tr>
<td><strong>Net Operating Surplus/(Deficit) before Foreign Exchange and Taxation</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign Exchange</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange gains/(losses) on derivative financial instruments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other foreign exchange gains/(losses)</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total foreign exchange gains/(losses)</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Surplus/(Deficit) for the year</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Statement of Comprehensive Income</td>
<td>Group</td>
<td>Parent</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------------------</td>
<td>-------</td>
<td>--------</td>
</tr>
<tr>
<td>Other comprehensive income/(expense)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income/(expense) for the year</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Surplus/(Deficit) for the year is attributable to:</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Owners of the parent</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| **Total comprehensive income/(expense) for the year is attributable to:**                         | -     | -      |
| Non-controlling interest                                                                         | -     | -      |
| Owners of the parent                                                                             | -     | -      |
## Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th></th>
<th>Parent</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012/13 $000s</td>
<td>2013/14 $000s</td>
<td>2014/15 $000s</td>
<td>2015/16 $000s</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
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<td>6,242</td>
<td>6,242</td>
<td>6,242</td>
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<tr>
<td>Receivables</td>
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<td>1,509</td>
<td>1,509</td>
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</tr>
<tr>
<td>Prepayments and other current assets</td>
<td>1,188</td>
<td>1,188</td>
<td>1,188</td>
<td>1,188</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,939</td>
<td>8,939</td>
<td>8,939</td>
<td>8,939</td>
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<tr>
<td><strong>Non-current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2,471</td>
<td>1,727</td>
<td>1,227</td>
<td>790</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>20</td>
<td>11</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Investment in associate</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Accommodation bonds</td>
<td>342</td>
<td>342</td>
<td>342</td>
<td>342</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,884</td>
<td>2,081</td>
<td>1,574</td>
<td>1,133</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>11,773</td>
<td>11,020</td>
<td>10,513</td>
<td>10,072</td>
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<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors and other payables</td>
<td>3,799</td>
<td>3,046</td>
<td>2,539</td>
<td>2,098</td>
</tr>
<tr>
<td>Employee entitlements</td>
<td>522</td>
<td>522</td>
<td>522</td>
<td>522</td>
</tr>
<tr>
<td>Invoiced in advance</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>-</td>
</tr>
<tr>
<td>Provisions</td>
<td>288</td>
<td>288</td>
<td>288</td>
<td>288</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>152</td>
<td>152</td>
<td>152</td>
<td>152</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,911</td>
<td>4,158</td>
<td>3,651</td>
<td>3,210</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<td></td>
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<tr>
<td><strong>Net Assets</strong></td>
<td>6,862</td>
<td>6,862</td>
<td>6,862</td>
<td>6,862</td>
</tr>
</tbody>
</table>
### Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholder’s Equity</td>
<td>1,805</td>
<td>1,805</td>
</tr>
<tr>
<td>Foreign Exchange Reserve</td>
<td>4,613</td>
<td>4,613</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>347</td>
<td>347</td>
</tr>
<tr>
<td><strong>Parent interests</strong></td>
<td>6,765</td>
<td>6,765</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>97</td>
<td>97</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>6,862</td>
<td>6,862</td>
</tr>
</tbody>
</table>

### Statement of Changes in Equity

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012/13 $000s</td>
<td>2013/14 $000s</td>
</tr>
<tr>
<td><strong>Balance at 1 July</strong></td>
<td>6,862</td>
<td>6,862</td>
</tr>
<tr>
<td><strong>Net surplus/(deficit) for the year</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Transfer from Retained Earnings to Foreign Exchange Reserve</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income/(expense) for the year</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at 30 June</strong></td>
<td>6,862</td>
<td>6,862</td>
</tr>
</tbody>
</table>
# Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>Group 2012/13 $000s</th>
<th>Group 2013/14 $000s</th>
<th>Group 2014/15 $000s</th>
<th>Group 2015/16 $000s</th>
<th>Parent 2012/13 $000s</th>
<th>Parent 2013/14 $000s</th>
<th>Parent 2014/15 $000s</th>
<th>Parent 2015/16 $000s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>103</td>
<td>103</td>
<td>103</td>
<td>103</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Other revenue</td>
<td>7,785</td>
<td>7,785</td>
<td>7,785</td>
<td>7,785</td>
<td>5,770</td>
<td>5,770</td>
<td>5,770</td>
<td>5,770</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(91,739)</td>
<td>(120,360)</td>
<td>(121,089)</td>
<td>(123,639)</td>
<td>(89,721)</td>
<td>(118,342)</td>
<td>(119,071)</td>
<td>(121,621)</td>
</tr>
<tr>
<td>Goods and services tax (net)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>-</td>
<td>878</td>
<td>149</td>
<td>99</td>
<td>-</td>
<td>878</td>
<td>149</td>
<td>99</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of property, plant and equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of accommodation bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(325)</td>
<td>(878)</td>
<td>(149)</td>
<td>(99)</td>
<td>(325)</td>
<td>(878)</td>
<td>(149)</td>
<td>(99)</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payments for accommodation bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash outflow from investing activities</strong></td>
<td>(325)</td>
<td>(878)</td>
<td>(149)</td>
<td>(99)</td>
<td>(325)</td>
<td>(878)</td>
<td>(149)</td>
<td>(99)</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash held</strong></td>
<td>(325)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(325)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of exchange rates on foreign currency balances</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Opening cash brought forward</td>
<td>6,567</td>
<td>6,242</td>
<td>6,242</td>
<td>6,242</td>
<td>6,325</td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Cash at end of year</strong></td>
<td>6,242</td>
<td>6,242</td>
<td>6,242</td>
<td>6,242</td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
</tr>
</tbody>
</table>
Section 6: Subsidiaries and associate company

Tourism New Zealand has 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 for the industry to provide high-quality tourism products, services and information, at all levels, for visitors, otherwise the value of marketing activities offshore are not leveraged effectively.

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/atraction/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. Qualmark currently provides approximately 2,100 quality licences annually, with over 1,000 Enviro Awards achieved by tourism businesses.

Qualmark’s key areas of focus for 2013/14 are to:

- Maintain a leading role in tourism quality assurance by ensuring that quality standards agreed with the tourism industry are met by the industry.
- Develop a greater understanding of the consumer decision making process, and how independent quality ratings influence purchase decisions.
- Increase the value of Qualmark quality assurance to individual businesses through increased partnering with marketing and distribution organisations.
- Growth in Qualmark licence numbers through a more clearly defined investment proposition for individual tourism businesses.
Once 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 current 2013-2016 Strategic Plan, and the outcomes and outputs that will help them achieve these, which are set out below.

**Vision:** To be a world-leading official information and booking network, delivered on the ground and virtually, by enhancing the value visitor’s gain from their New Zealand destination experience.

**Mission:** To operate i-SITE New Zealand as an innovative business that delivers value to member i-SITE’s.

**Goal:** The i-SITE network becomes more viable by:
- Helping more international and domestic customers.
- Distributing more product for the industry.
- Containing or reducing the local government investment required to underwrite the network.

**Outcomes:** i-SITE New Zealand has identified three outcomes that will result from achieving the vision, mission and goals 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):** In 2011, a total of 1.1 million international visitors visited an i-SITE while in New Zealand. This is 41% of all international visitor arrivals. 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 programme 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 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 and benchmarking of i-SITEs.
Output 2: Marketing and business systems

- Increase i-SITE online visibility and the delivery of economic value to the visitor sector.
- Make i-SITE prominent in the planning and booking process for domestic and international visitors.
- Maintain and develop functionality on the i-SITE Extranet to generate usage.
- Production of i-SITE promotional resources, brand management and creative development.

Output 3: Stakeholder management

- 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 (NZTE) 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 fern mark in New Zealand and key offshore tourism markets.

In addition to this, Tourism New Zealand, together with NZTE and Education New Zealand are leading work to refine the ‘New Zealand Story’ represented by the fern mark. The New Zealand Story is intended to provide a means of converting our cultural and reputational values into an international advantage by providing a better understanding of what New Zealand has to offer. This in turn will help support international demand for New Zealand’s goods and services, including tourism.
Section 7: Measures and targets

Tourism New Zealand outcome measures and targets

The Government has provided Tourism New Zealand additional funding for 2013/14 as part of the Government’s internationally-focused growth package. In some instances the additional funding will deliver activity directed at new focus areas. As a result, robust data may not be available to enable Tourism New Zealand to track outcome performance at present. Tourism New Zealand is currently working with the Ministry of Business, Innovation and Employment to identify appropriate outcome measures (and new data sources where required) for these new areas of focus to be in place for 2014/15. Output measures and targets are provided for new activity.

New Zealand level outcome: The value of international visitors to New Zealand is sustainably increased

Tourism New Zealand will provide information relating to the high level income, including; the economic contribution of tourism, key market international visitor arrivals and visitor spend in its Annual Report for 2013/14.

Tourism New Zealand outcome 1 – Preference: Tourism New Zealand’s marketing activity increases potential visitor preference for New Zealand.

Tourism New Zealand will measure our success in achieving this outcome through the following performance measures.

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
<th>2014/15 target</th>
<th>2015/16 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>52% (95% confidence)</td>
<td>53%</td>
<td>54%</td>
<td>55%</td>
</tr>
<tr>
<td>China</td>
<td>76% (95% confidence)</td>
<td>77%</td>
<td>78%</td>
<td>79%</td>
</tr>
<tr>
<td>USA</td>
<td>48% (95% confidence)</td>
<td>50%</td>
<td>51%</td>
<td>52%</td>
</tr>
<tr>
<td>UK</td>
<td>61% (95% confidence)</td>
<td>61%</td>
<td>61%</td>
<td>61%</td>
</tr>
<tr>
<td>Germany</td>
<td>51% (95% confidence)</td>
<td>53%</td>
<td>54%</td>
<td>55%</td>
</tr>
<tr>
<td>Japan</td>
<td>54% (95% confidence)</td>
<td>57%</td>
<td>57%</td>
<td>57%</td>
</tr>
<tr>
<td>India</td>
<td>New measure</td>
<td>Target to be set quarter one 2013/14</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Indonesia</td>
<td>New measure</td>
<td>Target to be set quarter one 2013/14</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Latin America</td>
<td>New measure</td>
<td>Target to be set quarter one 2013/14</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Incidence of Active Considerers in emerging markets increases (Targets to be set quarter one 2013/14)

<p>| India          | New measure | Target to be set quarter one 2013/14 | n/a | n/a |
| Indonesia      | New measure | Target to be set quarter one 2013/14 | n/a | n/a |
| Latin America  | New measure | Target to be set quarter one 2013/14 | n/a | n/a |</p>
<table>
<thead>
<tr>
<th>Active Considerers who consider NZ their first or second preferred destination for special interest activity in specified markets²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walking/hiking</td>
</tr>
<tr>
<td>Cycling</td>
</tr>
<tr>
<td>Golf</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
<th>2014/15 target</th>
<th>2015/16 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of total visits to newzealand.com per month.</td>
<td>991,000</td>
<td>1,177,000</td>
<td>1,294,000</td>
<td>1,424,000</td>
</tr>
<tr>
<td>Average monthly ‘active visits’ to newzealand.com³</td>
<td>350,000</td>
<td>516,000</td>
<td>582,000</td>
<td>655,000</td>
</tr>
<tr>
<td>Website visits where intent to visit New Zealand was maintained or increased. (%)</td>
<td>Benchmarking</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>Impressions generated from owned social platforms (Facebook and Weibo).</td>
<td>New measure</td>
<td>14,750,000</td>
<td>16,950,000</td>
<td>19,500,000</td>
</tr>
<tr>
<td>Size of TNZ social media fan base.</td>
<td>1,000,000</td>
<td>1,350,000</td>
<td>1,500,000</td>
<td>1,800,000</td>
</tr>
<tr>
<td>Active considerers associate NZ with key brand attributes.</td>
<td>60% message pull through in key markets.</td>
<td>65% message pull through in key markets.</td>
<td>70% message pull through in key markets.</td>
<td>70% message pull through in key markets.</td>
</tr>
</tbody>
</table>

Campaign Effectiveness - proportion of those seeing the ad that are more motivated to visit NZ as a result.

<table>
<thead>
<tr>
<th>Country</th>
<th>Previous target</th>
<th>2013/14 target</th>
<th>2014/15 target</th>
<th>2015/16 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>New measure</td>
<td>At least 60%</td>
<td>At least 60%</td>
<td>At least 60%</td>
</tr>
<tr>
<td>UK</td>
<td>New measure</td>
<td>At least 60%</td>
<td>At least 60%</td>
<td>At least 60%</td>
</tr>
<tr>
<td>Germany</td>
<td>New measure</td>
<td>At least 55%</td>
<td>At least 55%</td>
<td>At least 55%</td>
</tr>
<tr>
<td>China</td>
<td>New measure</td>
<td>At least 65%</td>
<td>At least 65%</td>
<td>At least 65%</td>
</tr>
<tr>
<td>Japan</td>
<td>New measure</td>
<td>At least 55%</td>
<td>At least 55%</td>
<td>At least 55%</td>
</tr>
</tbody>
</table>

² Walking/hiking - 6 key markets; Cycling - Australia, Germany, USA, UK; Golf – Australia, China, USA.
³ Active visits: A visit where the visitor interacts with the site’s content or functionality.
Tourism New Zealand outcome 2 – Conversion: Tourism New Zealand’s activity converts international visitor’s preference for New Zealand into travel.

Tourism New Zealand will measure our success in achieving this outcome through the following performance measures.

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
<th>2014/15 target</th>
<th>2015/16 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average monthly referrals to industry via newzealand.com⁴</td>
<td>119,000</td>
<td>149,000</td>
<td>162,000</td>
<td>178,000</td>
</tr>
<tr>
<td>ROI of partner campaigns.⁵</td>
<td>1:5</td>
<td>1:5</td>
<td>Target to be set in 2013/14.</td>
<td>Target to be set in 2014/15.</td>
</tr>
<tr>
<td>Value of partnership contributions.</td>
<td>New measure</td>
<td>Total: $22,000,000</td>
<td>Target to be set in 2013/14.</td>
<td>Target to be set in 2014/15.</td>
</tr>
<tr>
<td>Annual referrals to industry via TNZ mobile application.</td>
<td>New measure</td>
<td>Launch of app by end quarter one 2013/14.</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>New measure</td>
<td>36,000</td>
<td>40,000</td>
<td>45,000</td>
<td></td>
</tr>
</tbody>
</table>

⁴ Referral rates from paid traffic measure the number of people who, once drawn to newzealand.com from paid search or display digital activity, are then delivered to an operator or partner site where travel/experiences can be purchased.

⁵ ROI is calculated by: (passengers booked) x (average visitor spend for market)/campaign spend. This generates a ratio that shows for every dollar we spent we generated ‘x’ amount of value. Note: ROI relates to campaign spend only and is not intended to represent a ROI for overall Tourism New Zealand activity.

⁶ (includes ADS: mono, dual south island, dual long stay, General group, General Visitor visa: independent holiday, conference delegate visa, PRC Other Tourist Group).

Tourism New Zealand outcome 3 - Visitor Experience: Tourism New Zealand’s activity enhances visitor experience through access to information and encouraging quality product that meets specific visitor needs.

Tourism New Zealand will measure our success in achieving this outcome through the following performance measures.

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
<th>2014/15 target</th>
<th>2015/16 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction of overall tourism experience for all i-SITE visitors compared to those who did not use an i-SITE.</td>
<td>Maintain at or above 9.0/10 and above satisfaction levels of non-i-SITE users.</td>
<td>Maintain at or above 9.0/10 and above satisfaction levels of non-i-SITE users.</td>
<td>Maintain at or above 9.0/10 and above satisfaction levels of non-i-SITE users.</td>
<td>Maintain at or above 9.0/10 and above satisfaction levels of non-i-SITE users.</td>
</tr>
<tr>
<td>Number of Qualmark licenses held.</td>
<td>Average over 2,300.</td>
<td>Target to be set in quarter one 2013/14.</td>
<td>Target to be set in 2013/14.</td>
<td>Target to be set in 2014/15.</td>
</tr>
<tr>
<td>Average number of total visits to newzealand.com per month.</td>
<td>991,000</td>
<td>1,177,000</td>
<td>1,294,000</td>
<td>1,424,000</td>
</tr>
<tr>
<td>Proportion of higher value leisure Chinese visitors increases.⁶</td>
<td>New measure (baseline 24%)</td>
<td>30%</td>
<td>35%</td>
<td>40%</td>
</tr>
</tbody>
</table>
## Tourism New Zealand output measures and targets

**Output class 1:** Deliver key visitor messages through the 100% Pure New Zealand campaign activity.

### Outputs:
- Campaign
- Market insights

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand campaign activity delivered - key markets.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>4 brand campaigns</td>
<td>4 brand campaigns</td>
</tr>
<tr>
<td>China</td>
<td>2 brand campaigns</td>
<td>2 brand campaigns</td>
</tr>
<tr>
<td>USA</td>
<td>2 brand campaigns</td>
<td>2 brand campaigns</td>
</tr>
<tr>
<td>UK</td>
<td>2 brand campaigns</td>
<td>2 brand campaigns</td>
</tr>
<tr>
<td>Germany</td>
<td>2 brand campaigns</td>
<td>2 brand campaigns</td>
</tr>
<tr>
<td>Japan</td>
<td>None</td>
<td>2 brand campaigns</td>
</tr>
<tr>
<td><strong>Business events campaign activity.</strong></td>
<td>New measure</td>
<td>Implemented quarter three in: Australia, USA, China, Peninsular South East Asia.</td>
</tr>
<tr>
<td>Brand campaign activity delivered - emerging markets.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>New measure</td>
<td>1 brand campaign</td>
</tr>
<tr>
<td>Indonesia</td>
<td>New measure</td>
<td>1 brand campaign</td>
</tr>
<tr>
<td>Latin America</td>
<td>New measure</td>
<td>1 brand campaign</td>
</tr>
<tr>
<td><strong>Cost effectiveness</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost per engagement(^7) from display.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>New measure</td>
<td>$2.00-$2.50</td>
</tr>
<tr>
<td>China</td>
<td>New measure</td>
<td>$1.20-$1.80</td>
</tr>
<tr>
<td>USA</td>
<td>New measure</td>
<td>$1.20-$1.80</td>
</tr>
<tr>
<td>UK</td>
<td>New measure</td>
<td>$1.50-$2.20</td>
</tr>
<tr>
<td>Germany</td>
<td>New measure</td>
<td>$1.50-$2.20</td>
</tr>
<tr>
<td>Japan</td>
<td>New measure</td>
<td>$2.50-$3.00</td>
</tr>
<tr>
<td><strong>Cost per acquisition(^8) from search.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>$1.50-$2.00</td>
<td>$1.50-$2.00</td>
</tr>
<tr>
<td>China</td>
<td>$0.50-$1.00</td>
<td>$0.50-$1.00</td>
</tr>
<tr>
<td>USA</td>
<td>$2.50-$3.50</td>
<td>$2.50-$3.50</td>
</tr>
<tr>
<td>UK</td>
<td>$1.00-$1.50</td>
<td>$1.00-$1.50</td>
</tr>
<tr>
<td>Germany</td>
<td>$1.00-$1.50</td>
<td>$1.00-$1.50</td>
</tr>
<tr>
<td>Japan</td>
<td>$2.00-$3.00</td>
<td>$2.00-$3.00</td>
</tr>
</tbody>
</table>

---

\(^7\) Engagement: when an action is taken on an ad. I.e. a click, a play of a TV commercial; some form of an interaction.

\(^8\) 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:** Deliver key visitor messages through third parties such as media, opinion leaders, and broadcast production.

**Outputs:**
- Public relations/International media programme

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International media hosted from key TNZ markets.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media from emerging markets.</td>
<td>Media visits: 130 Media outlets: 190</td>
<td>Media visits: 245 Media outlets: 300</td>
</tr>
<tr>
<td>Media hosted from premium travel sector.</td>
<td>Media outlets: 25</td>
<td></td>
</tr>
<tr>
<td>Hosted media visits that feature a cultural element.</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td>Equivalent advertising value (EAV) of print, online and broadcast in TNZ markets.</td>
<td></td>
</tr>
<tr>
<td>Total EAV all markets.</td>
<td>$50,000,000</td>
<td>$70,000,000</td>
</tr>
<tr>
<td>EAV premium sector international media programme.</td>
<td>New measure</td>
<td></td>
</tr>
</tbody>
</table>

**Output class 3:** Partner with the travel industry to convert interest in New Zealand into travel and to extend marketing reach.

**Outputs:**
- Joint venture activity
- Partnership activity with Regional Tourism Organisations
- Working with aviation interests

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key markets partnership campaign activity.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>8 partnered, search engine marketing (SEM) always on.</td>
<td>8 partnered, SEM always on.</td>
</tr>
<tr>
<td>China</td>
<td>6 partnered, SEM always on.</td>
<td>6 partnered, SEM always on.</td>
</tr>
<tr>
<td>USA</td>
<td>6 partnered, SEM always on.</td>
<td>6 partnered, SEM always on.</td>
</tr>
<tr>
<td>UK</td>
<td>4 partnered, SEM always on.</td>
<td>4 partnered, SEM always on.</td>
</tr>
<tr>
<td>Germany</td>
<td>4 partnered, SEM always on.</td>
<td>4 partnered, SEM always on.</td>
</tr>
<tr>
<td>Japan</td>
<td>4 partnered, SEM always on.</td>
<td>4 partnered, SEM always on.</td>
</tr>
</tbody>
</table>

---

9 Equivalent advertising value (EAV) results are not always available for all activity; so results will underestimate the actual value.

10 Partnered campaigns link Tourism New Zealand activity with an offer through a partner, brand campaigns are not directly linked with a partner and typically drive activity to newzealand.com
Emerging markets partnership campaign activity delivered.

<table>
<thead>
<tr>
<th>Country</th>
<th>Measure</th>
<th>Description</th>
<th>Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>New</td>
<td></td>
<td>2 partnered, SEM always on.</td>
</tr>
<tr>
<td>Latin America</td>
<td>New</td>
<td></td>
<td>2 partnered, SEM always on.</td>
</tr>
<tr>
<td>MOU’s in place with airlines and travel sellers.</td>
<td>New</td>
<td></td>
<td>7 airlines, 2 travel retailers, 3 incentive houses</td>
</tr>
</tbody>
</table>

Cost effectiveness

Campaign return on investment (ROI)\(^{11}\)

<table>
<thead>
<tr>
<th>Country</th>
<th>RTO partnerships $1:$1</th>
<th>Aviation partnerships $1:$1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1:5</td>
<td>1:5</td>
</tr>
<tr>
<td>China</td>
<td>1:5</td>
<td>1:5</td>
</tr>
<tr>
<td>USA</td>
<td>1:5</td>
<td>1:5</td>
</tr>
<tr>
<td>UK</td>
<td>1:5</td>
<td>1:5</td>
</tr>
<tr>
<td>Germany</td>
<td>1:3</td>
<td>1:5</td>
</tr>
<tr>
<td>Japan</td>
<td>1:5</td>
<td>1:5</td>
</tr>
</tbody>
</table>

Quality

Partnership funds committed to coordinated marketing activity.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>New measure</td>
<td></td>
<td>Total: $22,000,000</td>
</tr>
</tbody>
</table>

Value of partnership contributions.

Output class 4: Inform and inspire global travel sellers to assist them to market New Zealand.

Outputs:
- Working with the travel trade

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Successful travel module completions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total all markets</td>
<td>16,000 travel modules completed.</td>
<td>20,000 travel modules completed.</td>
</tr>
<tr>
<td>Emerging market - India</td>
<td>New measure</td>
<td>4,500</td>
</tr>
<tr>
<td>Trade on TNZ hosted familis.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total all markets</td>
<td>250</td>
<td>400</td>
</tr>
<tr>
<td>Total emerging markets</td>
<td>New measure</td>
<td>80</td>
</tr>
<tr>
<td>Business events</td>
<td>New measure</td>
<td>80</td>
</tr>
<tr>
<td>Premium sector</td>
<td>New measure</td>
<td>50</td>
</tr>
<tr>
<td>Trade familis that feature a cultural element.</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>Major trade events attended by TNZ.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total all Markets</td>
<td>Minimum of 20</td>
<td>Minimum of 25</td>
</tr>
<tr>
<td>Business events</td>
<td>New measure</td>
<td>8</td>
</tr>
<tr>
<td>Premium sector events</td>
<td>New measure</td>
<td>15</td>
</tr>
</tbody>
</table>

\(^{11}\) ROI is calculated by: (passengers booked) x (average visitor spend for market)/campaign spend. This generates a ratio that shows for every dollar we spent we generated ‘x’ amount of value. Note: ROI relates to campaign spend only and is not intended to represent a ROI for overall Tourism New Zealand activity.
Major trade events organised and facilitated by TNZ.

<table>
<thead>
<tr>
<th>Quality</th>
<th>Minimum of 8</th>
<th>Minimum of 8</th>
</tr>
</thead>
</table>

Number of NZ Advocates\(^\text{12}\) New Measure

Grow the number of travel agents who are ‘100% Pure New Zealand Specialists’.

<table>
<thead>
<tr>
<th>Total all Markets</th>
<th>New Measure</th>
<th>550</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging market - India</td>
<td>New Measure</td>
<td>60</td>
</tr>
</tbody>
</table>

- International Business Events
  - Conferences
  - Incentives

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bids supported through the Conference Assistance Programme (CAP) Fund (Excl. Australia).</td>
<td>20 bids supported through the CAP.</td>
<td>35 bids supported through the CAP.</td>
</tr>
<tr>
<td>Success rate for bids supported through CAP fund.</td>
<td>New measure</td>
<td>60%</td>
</tr>
<tr>
<td>Estimated value(^\text{13}) of bids supported through CAP fund.</td>
<td>New measure</td>
<td>$87,500,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentive bids supported (TNZ only tracks incentive bids for 50pax or higher or with an estimated value of more than 200,000 NZD (excl. air fare)).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia (through CINZ)</td>
<td>New measure</td>
<td>20 (to be confirmed in June)</td>
</tr>
<tr>
<td>China</td>
<td>New measure</td>
<td>30</td>
</tr>
<tr>
<td>USA</td>
<td>New measure</td>
<td>50</td>
</tr>
<tr>
<td>Peninsular South East Asia</td>
<td>New measure</td>
<td>30</td>
</tr>
<tr>
<td>Incentive bids conversion rate.</td>
<td>New measure</td>
<td>25%</td>
</tr>
<tr>
<td>Value of incentive bids converted.</td>
<td>New measure</td>
<td>Benchmark data collection</td>
</tr>
</tbody>
</table>

\(^{12}\) Two types of ‘Advocates’ exist; Travel Agent Advocates and Travel Company Advocates. To qualify as a Travel Agent Advocate they must have successfully completed the 100% Pure New Zealand specialist programme. To qualify as a Travel Company Advocate the company must have a formal partnership agreement and a regular contact plan must be place and fulfill a set of criteria such as key staff on familiarisation, attendance at TRENZ or have a certain amount of 100% Pure NZ Specialist in their company.

\(^{13}\) Estimated value: Average bid value is $2.5m (based on average bid value last 2 years). Estimate will differ to the actual result, which is likely to be realised several years later e.g. less/more delegates turn up.
Output class 5: Deliver inspiring and informative information for potential visitors.

Outputs:
- newzealand.com
- i-SITE New Zealand

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average number of total visits to newzealand.com per month.</td>
<td>991,000 per month</td>
<td>1,177,000 per month.</td>
</tr>
<tr>
<td>TNZ mobile app deployed.</td>
<td>New measure</td>
<td>Launch of app by end quarter one 2013/14.</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of user satisfaction with i-SITE maintained or increases.</td>
<td>At or above 9.0/10</td>
<td>At or above 9.0/10</td>
</tr>
<tr>
<td>i-SITE members satisfaction with VIN Inc. service.</td>
<td>New measure</td>
<td>Target to be set quarter one 2013/14.</td>
</tr>
</tbody>
</table>

Output class 6: Communicate and engage with New Zealand’s tourism industry to align industry investment with Tourism New Zealand areas of focus.

Outputs:
- Industry communication, engagement and relationship building

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism New Zealand corporate website maintains or grows repeat visits to site.</td>
<td>New measure</td>
<td>At least 110,000 repeat visits in 2013/14.</td>
</tr>
<tr>
<td>Registrations for New Zealand tourism industry webinars.</td>
<td>New measure</td>
<td>720 people registered for at least 1 webinar.</td>
</tr>
<tr>
<td>Industry road shows by CE and Chair.</td>
<td>2 per annum</td>
<td>2 per annum</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TNZ communications (website/e-newsletter/webinars etc.) add value to Tourism industry stakeholders’ activities.</td>
<td>New measure</td>
<td>Surveyed stakeholders rate the value of TNZ communications an average of 4.0 or greater on a 5 point scale.</td>
</tr>
</tbody>
</table>
- Qualmark
- China Market Development Unit
  - Administering the Approved Destination Status (ADS) programme
  - Administering the Premier Kiwi Partnership (PKP) programme

<table>
<thead>
<tr>
<th>Result/measure</th>
<th>Previous target</th>
<th>2013/14 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of ADS ‘spot checks’ and assessments of ADS Inbound Tour Operators (ITOs).</td>
<td>100 spot checks</td>
<td>100 spot checks</td>
</tr>
<tr>
<td></td>
<td>5 assessment visits to ADS Inbound Tour Operators.</td>
<td>4 assessment visits to ADS Inbound Tour Operators.</td>
</tr>
<tr>
<td>Grow number of Premier Kiwi Partnership (PKP) tours delivered by ITO partners.</td>
<td>New measure</td>
<td>Note: Reported 6 monthly</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualmark licensee’s satisfaction with Qualmark service/programme.</td>
<td>65%</td>
<td>55%</td>
</tr>
<tr>
<td>Satisfaction of visitors who used Qualmark services compared to non-Qualmark services.</td>
<td>Maintain at or above 9.0/10 and above satisfaction levels of non-Qualmark users.</td>
<td>Maintain at or above 9.0/10 and above satisfaction levels of non-Qualmark users.</td>
</tr>
<tr>
<td>Compliance basement of PKP Inbound Tour Operators (ITOs).</td>
<td>New measure</td>
<td>Assessment of 4 PKP ITOs.</td>
</tr>
<tr>
<td><strong>Timeliness</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New ADS applications and applications for ADS renewals processed within timeframes (within 90 working days for new ADS applications and 30 working days for applications for ADS renewals)</td>
<td>100% of new applications and renewals processed within time frames (on receipt of all necessary information).</td>
<td>100% of new applications and renewals processed within time frames (on receipt of all necessary information).</td>
</tr>
</tbody>
</table>