



A N N U A L R E P O R T 2 0 0 3 - 2 0 0 4



The Year in Review



Paua Girls perform at the SkyCity TRENZ Farewell 2003

April – June 2003

- Regional Seminars:
 - Palmerston North
 - Queenstown
 - Wanaka
 - Oamaru
 - Dunedin
- Tourism Awards entries received
- TIANZ meets MPs on the Holidays Act 2003
- Reference groups consulted on four weeks annual leave provision
- TRENZ
Tourism Award site visits announced
- TIANZ works with Network PR to develop a toolkit for managing the media during unexpected events
- TIANZ attends Tourism Auckland update for operators.

2003

July – September 2003

- TIANZ attends a hui in Otaki organised by the Associate Minister of Tourism, Dover Samuels
- TIANZ meets the Ministry of Tourism for a research project update
- TIANZ staff planning day
- Regional Seminars:
 - Invercargill
 - Te Anau
 - Whitianga
 - Tauranga
 - Whangarei
 - Kaitaia
- TIANZ meets Milford Sound operators regarding capacity issues
- Tourism Conference, Queenstown
- TIANZ celebrates 50th anniversary of the association
- Tourism Award winners announced
- Ministry of Research, Science and Technology Forum on ideas, innovation and investment for small and medium enterprises (SMEs)
- Careers in Tourism project for high school students to encourage interest in the tourism sector
- TIANZ begins freedom camping awareness campaign.

October – December 2003

- TIANZ and partners commission *Tourism and Workforce Skills Project*
- TIANZ Regional Seminars:
 - Rotorua
 - Taupo
 - Napier
 - Westport
 - Franz Joseph
 - Christchurch
 - Timaru
- Conference planning 2004
- End-of-year sector review
- HAPNZ and TIANZ sign a Memorandum of Understanding
- Staff planning 2004
- TIANZ hosts RTO communication forum, in Wellington
- TIANZ publishes *Have Your Say – A guide to local government for your tourism business.*



Well known actor Temuera Morrison speaks on cultural identity at the Tourism Conference 2003

January – March 2004

- TIANZ attends SME business seminars
- TIANZ meets Ministry of Transport
- Sector managers publish *Out There and On Schedule* – newsletters dedicated to the outdoor and adventure, and transport sectors respectively. These publications are the first in a series of sector specific newsletters reporting on developments and issues across the industry.
- TIANZ attends and presents to Green Globe conference in Kaikoura
- TIANZ and partners found the Tourism and Travel Coalition to advocate partnership approach to border control.

2004

Chairman's Report 2003–2004

The New Zealand tourism sector has continued to flourish in the last 12 months, and, as a key economic platform, the industry's contribution to the nation's wealth is now undisputed. As growth continues issues facing the industry will move towards quality of earnings, the impact of visitors on communities, and as seeded in last year's annual report, sustainability.

At the same time significant investment decisions are being made across sectors within tourism. The accommodation, airline, and attraction sectors are indicating sustainable returns can be made, but pressures and risks remain.

Competition from Australia has been heightened by a major federal government investment which could well impact in the next 12 months. There is a need to improve environmental management and continue to boost investment in brand and competitive marketing offshore.

It is no accident that enhanced earnings in the New Zealand sector have come about after completion of the New Zealand Tourism Strategy 2010 released in 2001. This strategy aligned the key agencies in the sector and provided a plan for cooperative projects and partnership. TIANZ continues to be a major proponent of this strategy but recognises it is now time to re-evaluate its priorities and improve its relevance to the broader industry.

The focus within TIANZ is on developing governance structures that enable effective management at board level. The focus remains on providing maximum resources to the executive to be effective. I believe the constitutional changes proposed for consideration at the 2004 annual general meeting in August would give a new TIANZ board the flexibility to offer members more useful representation. TIANZ priority is to improve revenue streams, to enhance the quality of support it can offer members, and to provide development in key sectors.

TIANZ events continue to be well run, well patronised and effective. The feedback is positive and TIANZ continues to run the industry's leading forums at minimal risk margins. TIANZ is grateful for the support of Air New Zealand and

the government's marketing agency, Tourism New Zealand, among many others for their significant personal and financial support. This support is set against an overall policy within TIANZ of diligent financial management practices.

As we move into the latter part of 2004 members can expect improvement in communication and brand development to enhance TIANZ relevance to members and the wider New Zealand community.

On behalf of the board of TIANZ I welcome Fiona Luhrs to the role of chief executive which she will take up in October.

Fiona's credentials for this position stood out in a field of applicants from all around the world and New Zealand. I look forward to her contribution.

I would like to thank the board of TIANZ for its support and commitment in 2003-2004. In 2003-2004 Gerry Hohneck, Graeme Osborne, Peter Collins, and Neil Scanlan left the board and we welcomed Qantas regional general manager Allan Williams, Air New Zealand senior vice president Norm Thompson, Christchurch and Canterbury Marketing chief executive Ian Bougen, and Team Tectonics manager Greig Caigou.

Finally, on behalf of the board of TIANZ I would like to acknowledge and thank John Moriarty, for his contribution as TIANZ chief executive for the past three years. John resigned in April. He has made an outstanding contribution to TIANZ policy and political advocacy. As well as working to instill business fundamentals with private sector members, John's messages hold depth, integrity and credibility. His intellectual contribution to the strategic direction of the industry will be felt in years to come.



Geoff Burns



TIANZ Chairman Geoff Burns,
Tourism Conference 2003



TIANZ CEO, John Moriarty,
TRENZ 2003

Chief Executive's Report 2003–2004

The gleam in New Zealand tourism has continued to deliver prosperity to TIANZ members over the past year. However there are still plenty of challenging and thorny issues that have aroused keen interest and action.

Advocacy remains the most visible core product of the association and the executive team has addressed many issues arising from tourism's position at the forefront of our economy. Throughout the year contrasting issues such as legislation that impacts on tourism business management, staff-employee relationships, and consumer behaviour continue to see the association actively expressing the industry's views. In most instances there has been consensus among members as to the direction the association should take, but in other cases – such as the Smoking Amendment Bill, emphasis has been placed on unintended or unforeseen consequences of legislation. In all cases the association has conveyed the will of members and been successful in doing so.

Perhaps some of the greatest obstacles to members' businesses are yet to come. Draft legislation under consideration on employment relationships recognises neither customer nor market drivers. Similarly, the passage of the Holidays Act, many aspects of which were not supported by our members, has seen unintended consequences arise which will undoubtedly result in hasty amendment.

While the association acts vigorously on behalf of members, it should be noted that advocacy is not solely directed towards central government. TIANZ recent publication *'Have Your Say' A guide to local government for your tourism business*, was designed to enable members to influence territorial authorities and regional councils over the way tourism is received in our communities.

The status of tourism in our economy is extremely important. TIANZ has taken a position that balances the euphoria of current visitor growth with the need to think very strategically about the future. The importance of a whole of government approach, public-private partnerships, and industry cohesion on strategic positioning cannot be understated. These goals are best advanced in a climate of prosperity. In times of crisis or downturn everyone's focus is on survival so it is important to take time during periods of success to lay down a more sustainable structure for tourism's future. This work will be ongoing.

Sectors within tourism face issues that are both common to all and very particular. Since the formal introduction of TIANZ sector management 18 months ago there has been an increased focus on providing value specific to each sector. Recent publications by sector managers have been popular and have augmented *Let's talk Tourism's*, broader treatment of industry affairs. The combination of active sector management via reference groups and via specific publications has increased the reach of the association to its members.

Membership growth from small and medium businesses has been encouraging. The net effect has been a rebalance of subscriptions toward full-membership rather than affiliation. Overall, revenue is balanced between subscriptions (50%) and other activities. The objective of increasing full-membership of the association remains a high priority.

Satisfaction with association performance and its event activities is also very encouraging. Annual and post-event surveys are conducted and the trends or significant shifts from year to year are noted so that improvements can be made. The area of greatest change in recent times has been the increasing tendency for members to take an interest in sector affairs.

Fiscal performance has also been in accordance with plan. Focus has been on providing quality outputs via extremely capable staff as well as by undertaking a few strategic projects and doing them well. Most associations cannot afford to expend huge resources on research and analysis. Our combination of in-house work, partnered research and selective outsourced assignments has delivered good outputs within budget. Key projects that have either commenced or will have been completed over the next few months include the *Tourism Staff and Skill Survey* and the advancement of a partnership between government and industry to research financial and economic sustainability. Both these projects are extremely large and complex but will provide the industry with a solid foundation for future decision making.

The ambition to do more – much more – for the industry is shared by staff. It should be acknowledged however that in addition to subscriptions, many members also support the activities of the association to a very generous degree. This generosity is not just confined to the benefit of the association or its members but extends out to the industry overall. The support of the

association's larger members: Air New Zealand, SkyCity, Tourism New Zealand and Qantas Airways are singled out for particular mention. Their support for the work of the association and its activities has been superb and gratefully received. This is not to say that many, many other members do not provide commensurate levels of support beyond their subscriptions and we could not do without it.

The membership of the Ministry of Tourism and other ministries is acknowledged. The association is not simply one that represents the private sector, it also has a great many public sector members such as the regional tourism organisations, many government departments and Local Government New Zealand to name a few. This is a feature that is particular to tourism and must surely be one of its greatest cohesive attributes.

Over the past three years I have had the opportunity to work on behalf of members and bring the skills and experience I have gained in other sectors of the economy into tourism. The support of the TIANZ board, members, and others associated with our industry has been unstinting and a factor in the success that my team and I have been able to deliver to tourism. My greatest thanks go to my TIANZ team whose efforts I have respected and relied upon.



John P Moriarty
CHIEF EXECUTIVE



TIANZ staff at the frontline,
TRENZ 2003

TRENZ 2003

Tourism Rendezvous New Zealand (TRENZ) is the largest international showcase of New Zealand's leading tourism and travel specialists. Managed by TIANZ, TRENZ is a significant annual event which brings together New Zealand tourism operators with international tourism buyers, in association with a substantial domestic and international media programme.

TRENZ is an important forum for the New Zealand industry to showcase product, forge relationships with key international tourism buyers and write business for the seasons ahead. TRENZ has been run since the early 1960s and held annually in its current format since 1994. For tourism buyers this event provides an opportunity to view the range of product available in New Zealand, to make contact with providers and to negotiate contracts for supply. Travel companies from around the world can source an extensive variety of unique New Zealand tourism products and services from one location.

As a closed exhibition for highly qualified invited guests and with a sophisticated appointment system, TRENZ is a business-focused event. The TRENZ programme also features a range of celebrated networking opportunities, including the official opening ceremony, the host region celebration and the SkyCity TRENZ Farewell.

DATE	9, 10, 11, 12 June 2003	
THEME	100% Pure New Zealand	
LOCATION	Auckland	
ATTENDEES	New Zealand Exhibitors Companies	446
	International Buyer Delegates	379
	Exhibition Size	7,700 square meters
	Total Event Attendees	1,530
	Trade Session Passes	1,850 industry professionals
	International and Domestic Media	75 delegates

New Zealand Tourism Conference 2003

DATE	8–10 September 2003
THEME	Tourism – A Springboard for Growth
LOCATION	Queenstown
ATTENDEES	487 delegates, media and distinguished guests

The New Zealand Tourism Conference is managed by TIANZ and focuses on the practical aspects of tourism business development. It is designed to provide an effective education and networking forum for the industry and in 2003 the programme included a variety of seminars and workshops. This event was opened by the Prime Minister Helen Clark and presentations were also made by Minister of Tourism Mark Burton, Minister of Conservation Chris Carter, Wotif.com Chief Executive Officer Graeme Wood, Bank of Ideas Director Peter Kenyon, the Tourism New Zealand team and invited guests, Community Employment Heritage Project Designer David Wilson, and actor Temuera Morrison. The programme also featured interactive springboard breakout sessions on diverse topics and a range of dynamic networking opportunities in leading Queenstown locations.

New Zealand Tourism Awards 2003

The New Zealand Tourism Awards recognise and reward excellence in the tourism industry. They represent the highest possible accolade for tourism operators and are an opportunity to celebrate excellence and encourage continuous improvement in an ever changing business environment. TIANZ manages the Tourism Awards with support from stakeholders, assessors and judges. A rigorous assessment process ensures the awards are valid and robust.

No of Entries in 2003	68
No of site visit nominees	33

Tourism Awards Gala (announcement and presentation of awards)

DATE	10 September 2003
LOCATION	Queenstown Event Centre
ATTENDEES	660
NO OF WINNERS	23
SUPREME AWARD	Black Cat Cruises, Lyttelton and Akaroa

2003 & 2004 Partners (Event Sponsors and Stakeholders)

Accor Hotels and Resorts	Hilton Auckland	Otago University, Department of Tourism	Stamford Plaza Auckland
Air New Zealand	Hyatt Regency Auckland	PATA New Zealand	Super Shuttle/Tourism Transport
ATTTO	InterContinental Hotels	Peek Display Corporation	Telecom New Zealand Ltd
Auckland University of Technology	Johnston's Coachlines	Qantas	The New Zealand School of Travel & Tourism
Boise Office Solutions	MacPac New Zealand	Qualmark	The Spencer on Byron Hotel
Budget Car and Truck Rentals	Malaysia Airlines	Rydges Hotels & Resorts	TNT
Carlton Hotel – Auckland	Millennium, Copthorne & Kingsgate Hotels & Resorts	Scenic Circle Hotels	Tourism Auckland
Christchurch & Canterbury Marketing	Ministry of Tourism	Sheraton Auckland Hotel and Towers	Tourism New Zealand
Creative New Zealand	Mitchell Corp New Zealand	Shipfield Hotels	Westpac
Grand Hotels International	Montana Wines	Sir George Seymour College of Tourism & Travel	
Ford New Zealand	onHoliday Magazine	SkyCity Entertainment Group	
Heritage Hotels & Resorts			

Policy

Employment Relations Law Reform Bill

This Bill contained changes that will have a major impact on all tourism businesses that employ staff. Our submission expressed concern that the Bill would reduce flexibility in the employment of staff, remove employers rights to manage their own businesses, and increase the control groups such as unions have over the workplace. TIANZ presented its submission in June 2004 and received useful media coverage.

Passenger Clearance Services

In May 2003 central government announced a first principles' review of funding of passenger clearance services. Such services include New Zealand Immigration, MAF Quarantine, Customs, and Aviation Security. Central government also released a discussion document proposing a range of funding options from the status quo to 100 percent Crown funding.

TIANZ and partners, under the banner of the Tourism and Travel Coalition, took part in the consultation process for this review and strongly advocated for passenger clearance services to be recognised as an essential public good (with the exception of Aviation Security) and for the current service level gap to be funded from general taxation. The Coalition also advocated for all services to be managed under the umbrella of a public and private partnership.

Tax Simplification for Small Businesses

In the middle of 2003, central government proposed several tax changes for small businesses, including:

- helping small businesses with PAYE through a payroll agent subsidy
- the alignment of provisional tax and GST on the same day
- basing provisional tax payments on GST turnover and
- a discount for self-employed people who pay provisional tax in their first year of business.

TIANZ generally supported these changes while suggesting some minor amendments.

Ownership of the Foreshore and Seabed

TIANZ submission affirmed the importance for the Crown to own, in trust, the seabed and foreshore to secure continued free access for all New Zealanders and visitors. We pointed out some legislative concerns that could throw in to doubt free public access to the foreshore and seabed if the Crown were to renounce any ownership role.

Government Transport Review

An effective and appropriately funded transport system is essential to the growth of tourism, and transport services are the key enabler of tourism.

Earlier this year, central government reviewed the structures of the government transport sector. This exercise aimed to determine whether the existing agency arrangements were the best way to implement the government's transport policies, including the New Zealand Transport Strategy. TIANZ submitted on behalf of the tourism industry that there were too many transport agencies, and this led to fragmentation, limited opportunities for effective strategic alliances with industry, and difficulties in working towards a whole of government-wide approach to transport.

TIANZ Land Transport Policy

TIANZ recently developed a Land Transport Policy for the tourism industry, in association with the surface transport sector within our membership.

Highlights included support for the following policies:

- The rollout of the New Zealand Road Safety Strategy 2010 and an optimum mixture of enforcement, education and engineering options, with an increased emphasis on engineering solutions. TIANZ encouraged the government to gradually increase the transport budget each year to enable the goals of the strategy to be met over this decade
- The ongoing reallocation of petrol tax revenues that are not being used for transport purposes
- The use of toll roads where these are viable and reasonable roading alternatives exist. TIANZ also promoted the use of congestion-charging where there are clear benefits, support from the community, and where the funds collected are used for developments that benefit those paying the charges
- The encouragement of clustering on a voluntary basis to encourage economies of scale and to enable the integration of Transit NZ and road controlling authorities' decisions in local areas
- Central government providing funding support to regional areas to help develop effective public transport systems, while in no way diminishing the extent of a roading network in an area. At the same time, central and local government must recognise that public transport has a limited viability in low density, low population areas that may be large in territory.



From left, the Associate Minister of Tourism, Hon Dover Samuels and the Minister of Tourism, Hon Mark Burton at lunch on the Earnslaw during the Tourism Conference, Queenstown, 2003

Tourism and Conservation

The interrelationship between tourism and conservation is complex. There are particular issues for our industry, given its close links with the environment. Over the past year TIANZ has drawn attention and advocated for development in the following areas:

- Balancing the benefits of economic development with conservation
 - Ensuring the social and economic value of Department of Conservation (DoC) lands to the communities that surround these lands is understood by those communities
 - Undertaking research that may be used to identify the carrying capacity of DoC lands for recreation and visitor purposes, and developing techniques that maximise this capacity. TIANZ also supports the ongoing monitoring of visitor flows to provide information that can be used to manage growth, especially in popular areas
 - Balancing the needs of regular recreational users and short term visitors. Research indicates that visitors spend a relatively short time in the conservation estate (either less than one hour, or up to a day). Management and allocation of visitor assets should reflect this. Management policies for DoC lands should always take into account the impacts imposed by each user group and the nature of the benefits they receive from their use of lands
 - Aligning destination marketing with management so that pressure on popular spots can be eased, visitor flows better managed, and the quality of visitor's experience is maximised
 - The need for industry, governments, and the community to develop processes and tools for managing tourism areas where the quality of the visitor experience is threatened by environmental impacts, and by such aesthetic impacts as congestion, queuing, freedom camping and motor vehicle congestion. For example, Milford Sound has issues that affect a range of government departments, local authorities and several communities. Cooperation between many different groups is required to resolve these issues and manage the area
- Central and local government continue to invest in the infrastructure that supports tourism, including visitor facilities, roads and signage, reserves and parks, and visitor centres. This supports the industry's large contribution to the New Zealand economy and foreign exchange earnings. This investment also supports the contribution tourism makes to conservation by educating the public on conservation issues (including the promotion of conservation values); providing easy access to DoC lands; and imparting knowledge through guides, literature and interpretative facilities.

TIANZ will continue to work with central and local government, and environmental and recreational groups to progress these issues.

TIANZ has also been actively involved in providing input to the following DoC projects:

DoC draft General Policy

In the middle of 2003, DoC prepared a draft general policy setting out its proposed overarching policies for the management of conservation lands over the next couple of decades. TIANZ prepared a submission on behalf of the industry.

The Provision of DoC Facilities

A DoC review was undertaken to determine the allocation of funds to visitor facilities. In its submission TIANZ suggested that it was essential to consider the needs and demands of the tourism industry when planning and determining visitor facilities on DoC lands.

DoC Concessions Management Review

DoC has been reviewing the process it uses to issue concessions. TIANZ has supported the proposed changes, including making it easier to obtain concessions for low impact activities, and undertaking more comprehensive research to understand the carrying capacity of the environment for which concessions are being issued.

Financial Performance and Position

For the year to 31 March 2004 it is pleasing to report that through careful expenditure management the board and executive have provided a better-than-budgeted net position. This returns the association's reserves to the level they were at before funding strategy implementation projects.

INCOME

Membership

Over the last year there were a number of changes in membership with the net subscription income remaining flat, but with a shift to more full members than those affiliated through kindred tourism organisations. Industry members constantly seek new value from each organisation they choose to support, placing more pressure on using resources efficiently. TIANZ has a diversified income base with 50 percent of income coming from subscriptions.

Key Industry Events

The key industry events present their own challenges but the events team has again ensured that these events can be professionally managed for very competitive rates, while providing the association with a small risk-based surplus.

TRENZ 2003

TRENZ continues to grow in quality, stature, and importance. The challenge to keep the event fresh and relevant is constant, as is the pressure to maintain efficiency. TIANZ acknowledges the continued significant support from sponsors and the host region.

New Zealand Tourism Conference 2003

The conference aims to cater to our diverse industry needs on the budgets the industry wishes to maintain. The national conference is more expensive than many specific tourism sector conferences, but it remains significantly cheaper than those of most national industries, with many additional features that are special to the tourism sector. Again the support of the sponsor and host region helps make this happen.

New Zealand Tourism Awards 2003

The Tourism Awards set the standard for ongoing business excellence in tourism. The judges and assessors are all well trained and the quality of the entries continues to rise. The Tourism Awards are essential to the industry as our visitors continue to raise the standard on what makes an acceptable tourism business. Even if members elect not to enter, they should work through the entry requirements so they understand the criteria for excellent business practices.

The awards process continues to be an expensive one and this could not be carried out without the generous support of Tourism New Zealand, the sponsors and of course the countless hours provided by the unpaid assessors and judges. The association had a small overrun in expenses for the Tourism Awards 2003 as we continued to seek ways of improving the public recognition site-visit nominees and winners receive throughout the awards year.

Other Income

Management and secretariat fees remain an important source of income. These fees represent contestable full recovery of the associated personnel costs of running the major events and providing secretariat and enhanced services to our partner organisations. As highlighted last year the provision of secretariat services continues to be scaled back as our kindred associations' needs change.

Interest income was maintained despite a significant drop in interest rates recovering only in the latter half of the year. Business partner support through member participation remained consistent with earlier years.

Overall we have an income decrease of 9 percent to \$1.53 million, primarily reflecting the reduction in secretariat services provided.

Expenses

Because the association is non-profit and member-driven the executive tries to minimise the call on members funds through moderate subscription levels and reduced costs of member participation in key industry events. This continually challenges the executive to provide services more efficiently and to seek new and innovative proposals to sponsors and suppliers.

During 2003/2004 there has been a 7 percent decrease in overall expenditure and a 2 percent decrease in key operating expenditure reflecting the commitment to expense management as income is constrained. The association is committed to increasing value to members and visible outputs. Increasingly these are delivered through staff expertise with funding partners required to support external costs.

Summary

In summary, the association recorded a net surplus of \$41 thousand and reserves of \$1.17 million. This result reflects the board's desire to maintain a healthy financial position while ensuring the association provides maximum value to members, the industry and the community. The TIANZ executive and staff remain committed to this goal while maintaining fiscal prudence.

Chris Gray
Manager, Finance &
Administration

Summary Statement of Financial Performance

FOR THE YEAR ENDED 31st MARCH 2004

	2004	2003
	\$	\$
INCOME		
Membership Income		
Application & Entrance Fees	11,224	12,145
Subscriptions	737,881	746,457
Commission & Miscellaneous Income	39,606	45,519
Secretariat & Management Fees	443,400	467,900
Interest Received	100,976	108,015
Other Projects	26,562	18,485
	1,359,649	1,398,521
TIANZ Events		
TRENZ		
Income	2,099,508	1,931,143
Expenses	(1,924,599)	(1,766,618)
Net Surplus	174,909	164,525
Conference		
Income	305,788	248,813
Expenses	(295,735)	(240,616)
Net Surplus	10,053	8,197
Tourism Awards		
Income	225,155	234,596
Expenses	(240,039)	(235,038)
Net (Deficit) \ Surplus	(14,884)	(442)
TOTAL INCOME	1,529,727	1,570,801
EXPENDITURE		
Conferences and Subscriptions	32,342	17,653
Depreciation	70,661	71,604
Employment Expenses	1,049,949	1,036,907
Information Technology Expenses	30,521	33,330
Legal & Accounting Expenses	13,695	23,183
Meeting Expenses	46,853	49,057
Office Expenses	49,902	57,178
Property and Occupancy Expenses	89,720	122,036
Publications, Printing, Presentations	61,339	58,920
Seminars	17,148	9,048
Projects and Research	35,743	160,422
TOTAL EXPENDITURE	1,497,873	1,639,338
(Less) / Plus Work in Progress	(6,258)	(25,121)
	1,491,615	1,614,217
NET (DEFICIT) / SURPLUS FOR YEAR	38,112	(43,416)

Statement of Financial Position

AS AT 31 MARCH 2004

	2004	2003
	\$	\$
ACCUMULATED FUNDS		
Balance at beginning of Year	1,135,032	1,178,448
Net Surplus / (Deficit) for year	38,112	(43,416)
TOTAL ACCUMULATED FUNDS	1,173,144	1,135,032
Represented By:		
CURRENT ASSETS		
Cash & Bank	131,061	103,788
Short Term Deposits	2,900,000	2,500,000
Accounts Receivable	554,899	400,474
Prepayments and other Current Assets	167,133	271,704
Work in Progress	249,734	243,476
	4,002,827	3,519,442
CURRENT LIABILITIES		
Income in Advance	2,489,621	2,023,685
Accounts Payable	75,873	140,477
Accrued Liabilities	193,271	126,394
Careers In Tourism Fund	0	14,305
GST Payable	180,894	130,825
Funds Held on Account for Sector Groups	0	79,162
	2,939,659	2,514,848
NET WORKING CAPITAL	1,063,168	1,004,594
FIXED ASSETS	109,976	130,438
TOTAL NET ASSETS	1,173,144	1,135,032

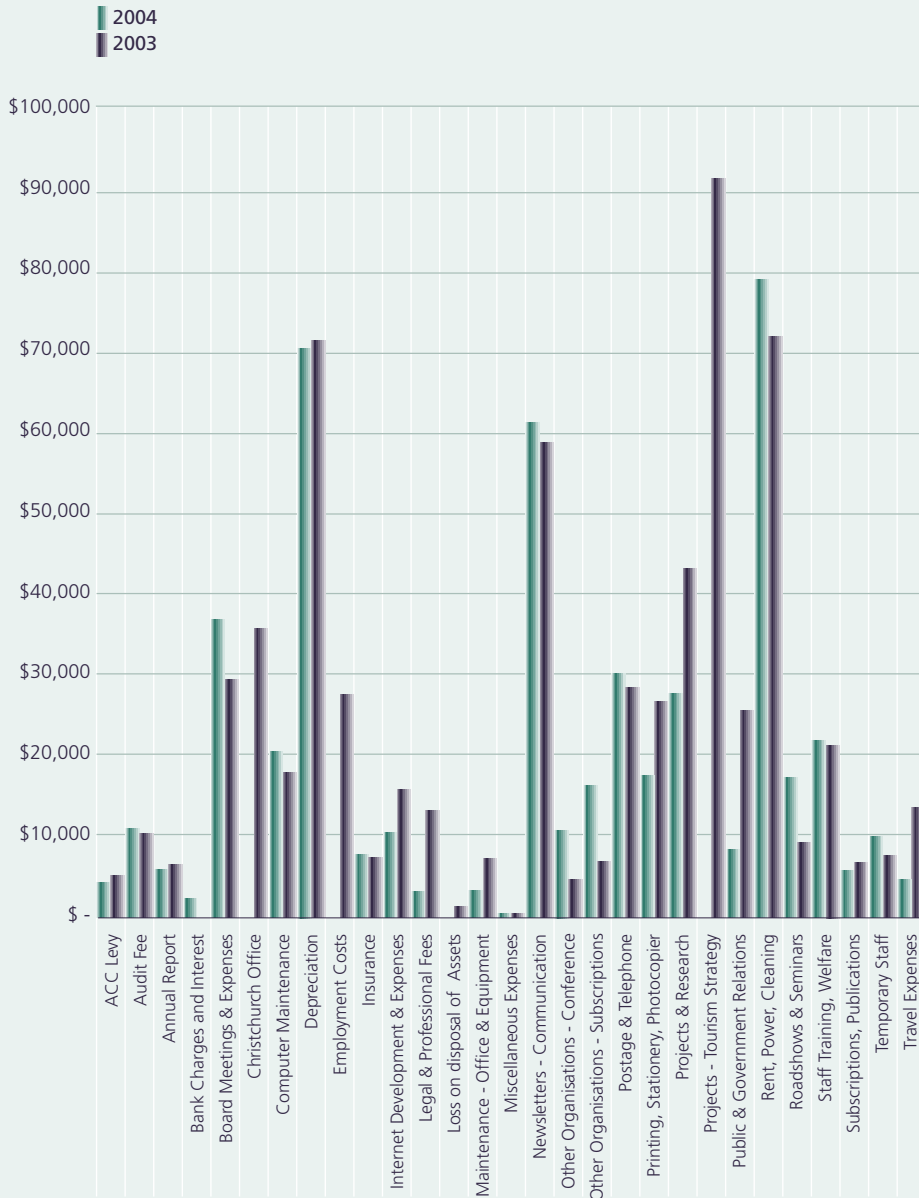
FOR AND ON BEHALF OF THE ASSOCIATION



John Moriarty Chief Executive

Date: 2 July 2004

Expenses 2003-4 vs 2002-3



R. B. CATHCART Chartered Accountant

AUDITOR'S REPORT TO THE MEMBERS OF THE NEW ZEALAND TOURISM INDUSTRY ASSOCIATION INCORPORATED

I have audited the financial statements on pages 3 to 9. The financial statements provide information about the past financial performance of the New Zealand Tourism Industry Association Incorporated and its financial position as at 31 March 2004. This information is stated in accordance with the accounting policies and notes set out on pages 7, 8 and 9.

Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation of the financial statements which fairly reflect the financial position of the Association as at 31 March 2004 and its financial performance for the year ended on that date.

Auditor's Responsibilities

It is my responsibility to express an independent opinion on the financial statements presented by the Board of Directors and report my opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:
the significant estimates and judgements made by the Board of Directors in the preparation of the financial statements, and
whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

I conducted my audit in accordance with generally accepted auditing standards in New Zealand. I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error.

In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements. Other than in my capacity as auditor I have no relationship with or interests in the Association.

Unqualified Opinion

I have obtained all the information and explanations I have required.

In my opinion the financial statements on pages 3 to 9 fairly reflect the financial position of the Association as at 31 March 2004 and its financial performance for the year ended on that date.

My audit was completed on 6 July 2004 and my unqualified opinion is expressed as at that date.

R. B. Cathcart

Chartered Accountant.

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Robin Blake Cathcart B.Com., C.A., A.C.I.S.
17 Troon Crescent, Lower Hutt, New Zealand
Telephone (04) 567-1714 Facsimile (04) 567-1814
Email: robin.cathcart@xtra.co.nz
P O Box 5035, Wellington, New Zealand

The numbers presented in this report are consistent with the full accounts that can be obtained from TIANZ at www.tianz.org.nz under the members' only section. The non-qualified audit report is presented for your information and is based on the full set of accounts.

TIANZ Staff 2004

John Moriarty
Chief Executive Officer

Rhonda Harris
PA to Chief Executive & Office Manager

MEMBER & SECTOR SERVICES

Chris Gray
Manager, Finance and Administration

Kathryn Young
Accountant

Maria Papouis
Finance Assistant

Kate Fleming
Sector Manager (for Air Transport, Surface Transport, Hospitality, Shopping and Attractions, Culture)

Megan Williams
Sector Manager (for Adventure Tourism, Education, Human Resources Development, Research, Services, Regional Tourism Organisations, Marketing and Distribution)

Rachael Dalmon
Membership and Information Executive

Fiona Mollins
Administration Executive

PROJECTS

Rachael Shadbolt
Project Manager

COMMUNICATIONS AND POLICY

Fiona Morris
Manager Communications

David Barnes
Manager Policy

EVENTS

Kylie Archer
Manager
Events & Sponsorship

Kathryn van Asch
Events & Sponsorship Executive

Sarah Velvin
Events & Sponsorship Executive

Sarika Patel
Events Assistant

2003/2004 BOARD OF DIRECTORS TOURISM INDUSTRY ASSOCIATION NZ

Attractions & Shopping Division
Heather Shotter
General Manager – Group Marketing
Sales and Communications
Sky City Limited

Adventure Tourism & Outdoor Activities Division
Greig Caigou
Manager
Team Tectonics

Air Transport Division
Norm Thompson
Senior Vice President
Sales, Distribution, Regional Airlines & Cargo
Air New Zealand

Distribution Division
Don Gunn
Chief Executive Officer
Tourism Rotorua

Hospitality Division
Lindsay McLeod
Aaron Lodge

Human Resource & Education Division
Maryann Geddes
Operations Manager
Skyline Enterprises Limited

Regional
Ian Bougen
Chief Executive
Christchurch & Canterbury Marketing Ltd

Tourism Services Division
John Sandford
Publisher
Jasons Travel Media Ltd

Surface Transport
Noel Walker
Chief Executive
Kiwi Country

Industry
Geoff Burns
Fernmade Ltd

Industry
Fiona Luhrs
Chief Executive
Qualmark NZ

Industry
Allan Williams
Regional General Manager NZ & Pacific Islands
Qantas

Chief Executive Officer
John Moriarty

CODE OF ETHICS

The association's Code of Ethics requires members to:

- 1 Recognise and affirm customers' rights to courteous, prompt and honest service.
- 2 Maintain high standards and fair practice in all business transactions.
- 3 Accord customers of all cultural origin equal respect and consideration.
- 4 Price goods and services fairly and unambiguously.
- 5 Ensure that advertising is accurate and truthful, free of anything which could mislead or otherwise be contrary to the public interest.
- 6 Establish and maintain procedures for the prompt handling of complaints, ensuring that all inquiries, refunds and returns of good (where applicable) are dealt with properly and reasonably.
- 7 Keep proper books of accounts and conduct all affairs in a professional manner.
- 8 Uphold and observe all laws and regulations pertaining to their establishment, particularly those governing the provision and sale of goods and services.
- 9 Discharge all responsibilities to employees by observing all laws and awards, by giving proper training and instruction, by providing adequate working conditions, equipment and facilities and supervising standards of safety and work practice.
- 10 Act in an environmentally responsible way.
- 11 Uphold the interests and reputation of New Zealand as a quality destination for visitors and travellers, offering friendly, hospitable service.