

# 2018 ANNUAL REPORT



A higher standard

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### PHOTO CREDITS

This year we asked our travel agents for their best holiday pics. Photos in order of appearance.



Iguassu Falls  
- Mike Thomson.  
House of Travel Hobsonville



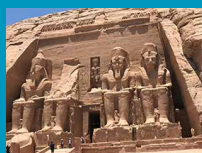
Monte Carlo  
- Gerard Murphy.  
Bon Voyage Cruises & Travel



Sri Lanka  
- Stephanie Mitchell.  
YOU Travel Whangarei



Serengeti, Kenya  
- Ellen Lee.  
helloworld Waipukurau



Egypt  
- Tasi Hill.  
Travel Connections



Sapa Valley, Vietnam  
- Fergus Clark. helloworld



Sri Lanka  
- Samantha Johnston.  
House of Travel Taupo



Phuket - Rachi Yai  
- Lauren Renney. House of Travel Taupo



China  
- Tim Butcher. Travel Directions



Havana  
- Brendan Drury. Orbit World Travel



# THE TAAZ BOARD

## DECLARATION

*The Board of Directors has pleasure in presenting the Annual Report for the activities of the Association for the 12 months ended 31 May 2018 representing the 56th Annual Report of the Association as an Incorporated Society.*



**PRESIDENT:**  
**Mr Andrew Bowman,**  
MNZITT, CMInstD  
Director  
New Zealand Travel Brokers



**VICE PRESIDENT:**  
**Mr Mark Abbot, MNZITT**  
Consultant



**DIRECTOR:**  
**Wendy van Lieshout**  
General Manager  
Atlantic and Pacific



**DIRECTOR:**  
**Brent Thomas**  
Commercial Director  
House of Travel Holdings



**DIRECTOR:**  
**Mr John Willson, MNZITT**  
General Manager Retail  
First Travel Group



**DIRECTOR:**  
**Simon McKearney**  
Executive General Manager  
Helloworld Ltd



**SECRETARIAT**

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**CHIEF EXECUTIVE:**

**Mr Andrew Olsen, Post Grad. Dip.MNZITT**  
 Email: [andrew@taanz.org.nz](mailto:andrew@taanz.org.nz)

**MEMBERSHIP SERVICES ADMINISTRATOR:**

**Darlya Redfern**  
 Email: [darlya.redfern@taanz.org.nz](mailto:darlya.redfern@taanz.org.nz)

**FINANCE MANAGER:**

**Ms Shelley Lancaster**  
 Email: [shelley@taanz.org.nz](mailto:shelley@taanz.org.nz)

**BONDING AUTHORITY:**

**Mr Thomas Leckie, ACA**  
 Level 30, 2-6 Gilmer Terrace  
 PO Box 3251, Wellington 6140  
 Tel: (04) 473 4330  
 Email: [bonding@taanz.org.nz](mailto:bonding@taanz.org.nz)

**LIFE MEMBERS:**

Mr Andrew Bagnall, Auckland  
 Mrs Anne Bouterey, MNZITT, Christchurch  
 Mr Bob Christey, MNZITT, Hamilton  
 Mr Peter Cox, OBE, FNZITT, Napier  
 Mr Duncan Hamilton, OBE, ACA, FNZITT, Auckland  
 Mr James Langton, MNZITT, Auckland

**ADMINISTRATION ASSISTANT:**

**Mary Hall**

**SOLICITOR:**

Mr AR (Andy) Marshall, LLB (HONS)  
 Gault Mitchell and Co  
 Level 4, Natural Gas Corp. House  
 22 The Terrace, PO Box 645  
 Wellington  
 Tel: (04) 472-5074  
 Fax: (04) 471-0835  
 Email: [arm@gaultmitchell.co.nz](mailto:arm@gaultmitchell.co.nz)

**AUDITOR:**

**Grant Thornton**  
 Chartered Accountant  
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 80 The Terrace  
 PO Box 10712, Wellington  
 Tel: (04) 474-8500  
 Fax: (04) 474-8509

**BANKERS:**

ANZ

Mr John Morrison, MNZITT, AFNZIM, Wellington  
 Mr Charles Spain, FNZITT, Auckland  
 Mr Tim Tapper, FNZITT, Auckland  
 Mr Peter Lowry MBE, FNZITT, Wellington  
 Mr Murray Tanner, Auckland  
 Mr Peter Barlow, MNZITT





# TAANZ CHAIR- MAN'S REPORT

AUGUST 2018

The last year has again been an eventful one for the travel industry, but generally speaking we enjoyed a strong trading environment, underpinned by a growing economy.

During the period, **IATA** reported that global airline passenger traffic increased by 7% and, locally, short-term departures were 2.9 million, also an increase of 7%. Inbound arrivals reached 3.9 million, an increase of 4% and **National BSP** reflected growth of 7.5%, so all of these factors certainly align to a growing and thriving multi-billion dollar sector.

**TAANZ** delivered a surplus of \$103,000 in the past financial year, improving the net asset position on the balance sheet to \$3,200,000 (an increase of \$1,000,000 since 2006), meaning members are backed by a strong, financially stable association.

Membership numbers have remained relatively unchanged and as result of a careful risk mitigation policy, there were no defaults during the year, making it the fifth year in a row that this has been the case.

The **TAANZ board of directors** has continued to focus on providing strategic direction and good governance on stakeholder matters. There has been ongoing discussions with **IATA**, locally and globally via our membership of **WTAAA**, on **PCI DSS compliance**, the introduction of **NewGenISS** (Resolution 812) and the replacement of the **TAANZ/IATA Agreement** with a proposed **TAANZ Joint Bank Guarantee**.

On the latter subject, I am very pleased to advise that the negotiation has been completed and agreement has been reached to implement, for a 3 year period from 1 January 2019, the **TAANZ Joint Bank Guarantee** as the replacement financial security with **IATA**, which will allow for an orderly transition and little impact on members.

In the year ahead, our goal, as always, is to be the clear voice of the Industry by taking a leadership position based on Advocacy, Compliance, Recognition, Education and Protection, to demonstrate how we offer **A Higher Standard**. As well, emphasis on the promotion and awareness of the value of a **TAANZ Member** to the consumer will be high on the agenda.



An immediate priority is to oversee, in conjunction with **IATA**, the implementation of **NewGenISS** in the first quarter of 2019, to ensure members are fully aware of the options open to them.

On behalf of your board, I thank you for your ongoing support and commitment, it is very much appreciated. We understand and respect that we represent all members and do so with your best interests in mind.

I'd also like to extend my special thanks to the board of directors; Andrew and Darlya at the Secretariat; Tom and Mary at the Bonding Authority and our lawyer, Andy Marshall, for their efforts and support over the last 12 months.



Kind Regards

A handwritten signature in blue ink, which appears to read 'Andrew Bowman'.

**Andrew Bowman**  
President





# CEO'S REPORT

This last 12 months has been another incredibly busy time for TAANZ. The Board has continued to drive TAANZ reputation as the peak industry body for travel agents. As your Chief Executive, I take great pride in reporting on what we did and what we're doing to ensure we remain relevant to you.

## WHAT WE DID

The Board has put a lot of effort into clarifying our Value Proposition – the 4 pillars of our value to members – and finding the right words and actions to demonstrate this

**PROTECTION** – the two TAANZ funding mechanisms that operate to ensure adequate protection in the event of the defalcation of a TAANZ member. The funds are unique to TAANZ and by extension serve to protect the interests of the customer and the wider industry reputation.

**EDUCATION** – TAANZ accreditation recognises a broad base of education and qualifications for its members. We lead the sector with our ITO Service IQ in helping to arrange and implement training strategies for members. We continue to educate members on the value and benefit of using the TAANZ brand in their day to day business.

**RECOGNITION** – our flagship event, the National Travel Industry Awards recognises and rewards excellence across the sector helping travel agents elevate standards and enhance their professional reputation.

**COMPLIANCE** – through our Bonding Authority services we help members meet and maintain compliance with our financial requirements. In a self – regulating industry, TAANZ is the peak body responsible for setting and maintaining standards for its membership and so by extension the consumer.





A value proposition cannot exist in a vacuum. There has been no better way to understand what you value than speaking with members in the informal setting of the 'town -hall'. These meetings have thrown up some value add innovations. In Wellington we took on board that there may be an opportunity to recognise the depth of the cruise industry qualification. We subsequently admitted CLIA's qualifications to our already substantial qualifications accreditation programme. In Christchurch we heard that getting the TAANZ message to the newest joiner was important and subsequently delivered the 'TAANZ standards' survey for 'newbies'. These innovations don't have to be complicated or expensive to be effective and the town hall chat is certainly an ongoing focus of our engagement strategy.

These 4 pillars feed directly into our brand messaging – 'a higher standard'. A lot of work was completed last year on the Brand emphasising the higher standard that TAANZ members choose to be associated with. It also meant having the advantage of authentically marketing your choice; in your stores, on your windows, through your brand websites and in media marketing campaigns. Collectively we now have brand standard messaging emphasising a higher standard to consumers. Work is continuing on this piece and we'll continue to refine it delivering marketing collateral to help inform your agency personnel and in turn influence the customer.

Financially, TAANZ remains in good health. We returned a surplus above budgeted expectation which will be helpful for expenses and investment planned in the year ahead. The surplus was in part due to new joiner income and having taken a conservative approach to our budgeting. Neither of our funds were called upon in the last 12 months. We also returned a clean external audit and improved Statement of Service Report all of which is recommended reading. To highlight one aspect of the report, qualification accreditation was down a little on the previous year but at ~ 90% and with many members engaged or to be engaged in some form of training we expect to see that number lift. Most pleasing is our qualification accreditation measurement of the total TAANZ consultant/ broker population is nudging 70% and that is tremendous progress and a very clear indication of the acceptance by members that we must continue to aspire to the highest of standards.



# FIVE REASONS TO CHOOSE A TAANZ ACCREDITED TRAVEL AGENT

## 1. Advocacy

Unfortunately, the unforeseen does happen. In the unlikely event that something does go wrong, you can be assured your TAANZ agent will do everything they can to get you moving again as quickly, and with as little disruption to your travel plans, as possible.



## 2. Choice

TAANZ agents work for you, and will always make unbiased recommendations. With long-standing relationships across a huge array of suppliers, your agent offers a world of choice, assisting you to make decisions based purely on what is the best fit for your needs and budget.



## 3. Knowledge

All TAANZ agents have the invaluable combination of formal training and real-world experience. Whether you're planning to see the famous sights or looking for somewhere off the beaten track, they offer first-hand insight along with professional, expert advice.



## 4. Safety

By aggregating official travel advisories with global and local intelligence, your TAANZ agent has accurate, up-to-date information, always. With TAANZ, you can be sure you have all the knowledge you need to make informed decisions regarding safe travel, before departure and beyond.



## 5. People

TAANZ accreditation gives you the assurance your agent is held to the highest industry standards - they are the best in the business. For your peace of mind, TAANZ members are bonded and must meet financial standards that non-TAANZ members do not.



## WHAT WE'RE DOING

**WE CONTINUE TO INVEST IN THE PARTNERING SPACE** particularly around the IATA programs that many members participate in and in our protection arrangements. Both of our Funds are in transformation. The Consumer Fund remains a very important piece of the Value Proposition. We reduced the maximum claim amount it would answer to based on historical claim data and a significant shift to credit and debit card use by the consumer. The Airline Fund will run off in December 18 and transform to the TAANZ Bank Guarantee. The 'Guarantee' will support our obligations for the next three years of TAANZ arrangements with IATA. The new arrangements with IATA were supported by a very dedicated working group of agents and local airlines who recognised the benefit of a collaborative industry approach to the BSP program and risk mitigation. This is significant for our members, many of whom are IATA accredited, because the bond held with TAANZ will continue to be recognised by IATA and the Bonding Authority will continue to apply its rigour to members' financials. Tom and Mary at the Authority are to be warmly congratulated on their achievements over the last 12 months, particularly as neither of the protection funds were called upon.

As we look over the horizon we see the emergence of IATA's New Gen ISS platform. Through this platform IATA is modernising the BSP to better address the needs of the travel industry whilst providing IATA accredited agents with choice of payment options. New Gen ISS is currently being deployed in other markets and is slated for New Zealand in Q1 2019. You can be certain that we will be working with IATA locally to ensure information on what to expect will be available before the migration. Done well, we expect minimal impact or disrupt.

**PARTNERSHIPS ARE KEY** to our flagship reward and recognition programme, the TAANZ National Travel Industry Awards. As this report goes to print we will on the doorstep of the 6th NTIA where we will honour our industry superstars. NTIA exists because there is a deep belief that the program is essential to promoting and recognising excellence. It also exists because of the generosity and loyalty of our sponsors right across the industry and to whom we owe a significant thank you.

I would like to congratulate Ms Darlya Redfern, TAANZ Membership Services Administrator for the hard work she puts into making NTIA the success it is.

### NTIA Premium Sponsors 2018



### NTIA Sponsors 2018







Still on the value of Partnerships, The inaugural TAANZ summit hosted by Air New Zealand will be held on the 10th of October 2018. The summit will cover a rich day of agent airline interaction including a panel of the Airline's executive team ready and prepared to answer questions. Guest speakers will join us presenting ideas on the future of the workplace, technology, the sustainability. We've also asked IATA to join us to present an overview of its future service delivery in the New Zealand market. We anticipate the success of this event and it becoming another of TAANZ members annual must attend programs.

Top line statistics continue to show Kiwi's travelling in ever increasing numbers and by all accounts our Brands are doing a great job growing side by side with this demand. The challenge remains for agents to continue find ways to grow the share of the pie. Given the vast array of innovative technology and distribution solutions, the travel sector, of which the vast majority are TAANZ aligned, are well prepared for that opportunity.

Finally I wish to acknowledge the hard work and active role the Board plays in bringing our offering to life. A sincere thanks to Andrew Bowman, Mark Abbot, John Willson, Brent Thomas, Simon McKearney and Wendy van Lieshout for their diligence. Wishing you all good business and as always, get in touch and let us know what's on your mind.



**Andrew Olsen**  
Chief Executive

## 10 YEAR MEMBERSHIP REVIEW

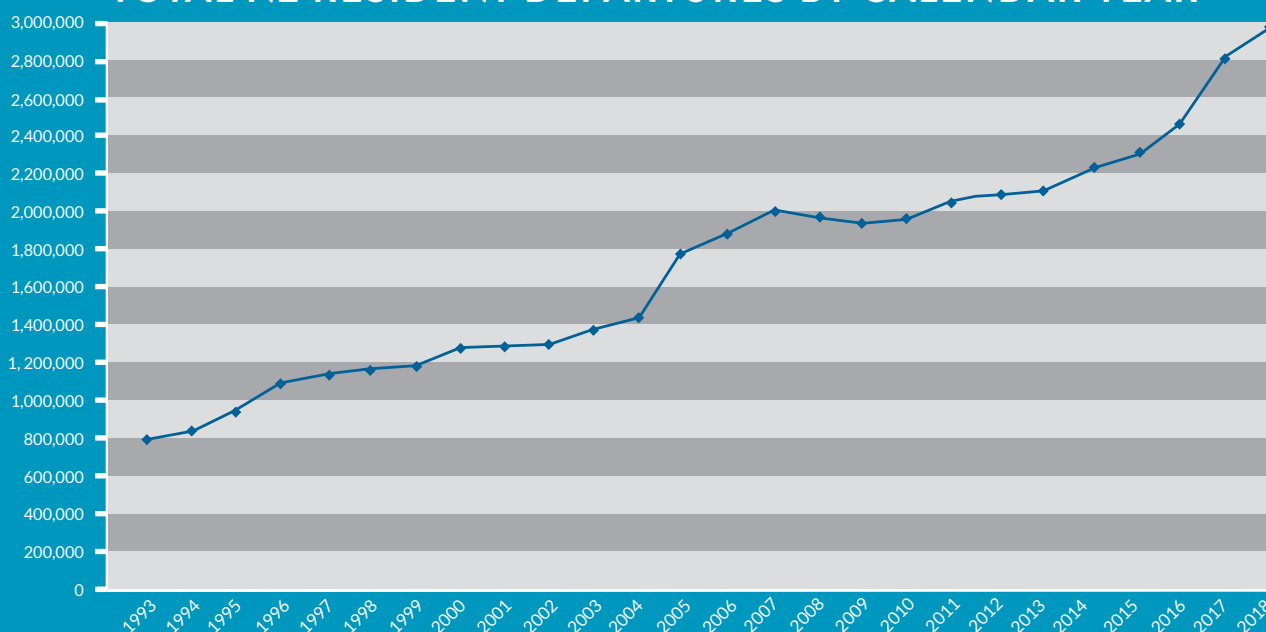
	MAY 2008	MAY 2009	MAY 2010	MAY 2011	MAY 2012	MAY 2013	MAY 2014	MAY 2015	MAY 2016	MAY 2017	MAY 2018
<b>FULL MEMBER HEAD OFFICES</b>	380	364	342	331	317	314	304	303	294	281	<b>278</b>
<b>FULL MEMBER BRANCH LOCATIONS</b>	73	66	70	67	89	92	81	80	72	81	<b>83</b>
<b>TOTALS</b>	453	430	412	398	406	406	385	383	366	362	<b>361</b>
<b>APPROVED TRAVEL BROKERS</b>	324	315	401	431	476	522	533	564	402	434	<b>430</b>
<b>ALLIED SUPPLIER MEMBERS</b>	83	79	77	73	59	69	68	72	71	73	<b>79</b>

## 25 YEARS OF GROWTH

Total New Zealand Residents Departing (Short Term)  
As at May

<b>1993</b>	799,659	<b>1998</b>	1,166,418	<b>2003</b>	1,373,632	<b>2008</b>	1,967,100	<b>2013</b>	2,162,918
<b>1994</b>	823,834	<b>1999</b>	1,184,510	<b>2004</b>	1,432,541	<b>2009</b>	1,918,300	<b>2014</b>	2,213,059
<b>1995</b>	920,107	<b>2000</b>	1,282,791	<b>2005</b>	1,777,939	<b>2010</b>	1,943,330	<b>2015</b>	2,321,054
<b>1996</b>	1,092,879	<b>2001</b>	1,286,593	<b>2006</b>	1,876,838	<b>2011</b>	2,037,091	<b>2016</b>	2,445,423
<b>1997</b>	1,131,682	<b>2002</b>	1,292,979	<b>2007</b>	1,996,314	<b>2012</b>	2,124,936	<b>2017</b>	<b>2,723,923</b>
								<b>2018</b>	<b>2,906,315</b>

## TOTAL NZ RESIDENT DEPARTURES BY CALENDAR YEAR







# PERFORMANCE REPORT

FOR THE YEAR ENDED

31 MAY 2017

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# Independent Auditor's Report

## Audit

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## To the Members of Travel Agents Association of New Zealand Incorporated

### Report on the Performance Report

#### Opinion

We have audited the performance report of Travel Agents Association of New Zealand Incorporated (the "Group") on pages 4 to 18, which comprises the entity information, the statement of service performance, the consolidated statement of financial performance and consolidated statement of cash flows for the year ended 31 May 2018, the consolidated statement of financial position as at 31 May 2018, and notes to the consolidated performance report, including summary of significant accounting policies and other explanatory information.

#### In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
  - the entity information for the year then ended;
  - the service performance for the year then ended; and
  - the financial position of the Group as at 31 May 2018 and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board.

#### Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Our firm carries out other assignments for the Group in the area of taxation advice. The firm has no other interest in the Group.

### Responsibilities of the Board Members for the Performance Report

Board Members are responsible for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report on behalf of the entity which comprises:
  - the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued on New Zealand by the New Zealand Accounting Standards Board, and

- (c) for such internal control as the Board determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Restriction on use of our report**

This report is made solely to the Group's Members, as a body. Our audit work has been undertaken so that we might state to the Group's Members, as a body, those matters which we are required to state to them in our audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and its Members, as a body, for our audit work, for this report or for the opinion we have formed.

### **Grant Thornton New Zealand Audit Partnership**



**N Keddle**  
Associate Director  
Wellington

10 July 2018

## Travel Agents Association of New Zealand Incorporated Group

### Entity Information

For the year ended  
31 May 2018

Legal Name of Entity:	Travel Agents Association of New Zealand Incorporated (TAANZ)
Type of Entity and Legal Basis (if any):	TAANZ Inc. is an Incorporated Society registered under the Incorporated Societies Act 1908.
Registration Number:	220230

#### Entity's Purpose or Mission:

Formed in 1962, TAANZ is the trade association representing the vast majority of travel agents and their travel brokers operating in New Zealand. It's vision is to promote the use of a TAANZ Travel Agent to consumers and to act with purpose and clarity, sustaining a deregulated market place in which TAANZ members may conduct their business.

There is no government licensing for travel agents in New Zealand so TAANZ is a self-regulating organisation promoting quality standards, a Code of Ethics and Practice and to consumers, the use of a TAANZ travel agent. TAANZ members must meet strict membership and financial criteria and be subject to an annual financial review by an independent Bonding Authority. All TAANZ members participate in the TAANZ Bonding Scheme for the protection of the consumer. TAANZ works with training organisations and providers to ensure travel consultant industry training has the right content to enable them to service their customers, to understand new technology, the law and the travel industry at large. TAANZ interacts with supply partners and government agencies lobbying issues on its members' behalf. TAANZ is a signatory to the TAANZ IATA agreement's protection arrangements for airlines and the Association hosts the annual National Travel Industry Awards celebrating excellence in the multiple channels of agency and supplier distribution.

#### Entity Structure:

The management of the Association is vested in a Board of Directors which comprises of a President and Vice President who are elected by the Board, and not more than six other board members elected at the AGM. Board members hold office for two years, but can be eligible for re-election. The elected board have the power to co-opt up to three persons.

Currently the Association comprises a Chief Executive and a Communications and Membership Services Manager. The Association contracts out the bonding authority services.

#### Main Sources of the Entity's Cash and Resources:

49% of income is generated from membership subscriptions, entrance fees and bonding levies, 12% is from interest, dividends and investment activities and 7% from office recoveries and other income. The Association hosts a National Travel Industry Awards event which comprises 24% of income.

#### Contact details

Physical Address:	Level 3, 79 Boulcott St (until 12 April) then Level 30, 1-2 Gilmer Terrace, Wellington (Temporary)
Postal Address:	P O Box 1888, Wellington
Phone/Fax:	04 496 4884
Email/Website:	<a href="http://www.taanz.org.nz">www.taanz.org.nz</a>





**Travel Agents Association of New Zealand Incorporated Group**  
**Statement of Service Performance**  
For the year ended  
**31 May 2018**

**Description of the Entity's Outcomes**

Key strategic objectives and outcomes TAANZ Inc. aims to achieve, influence and deliver include:

**Qualification accreditation and compliance.** Our aim is to elevate the professional standards of all TAANZ members. Qualifications and training are one of the instruments by which to do this. TAANZ is aware that its members benefit from staff obtaining qualifications in a number of facets; cost of error to business reduces and levels of engagement with employer and customer improves. TAANZ routinely measures the percentage of members who achieved the accreditation criteria set by TAANZ. In this year passed members have fallen a little short of the very high target budget but overall the strength and maintenance of qualifications is a good result.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Qualifications accreditation compliance	89.66%	93%	99.96%

**Reduced instances of agent default.** TAANZ continues to influence the compliance of its members' financial requirements setting a zero default level. TAANZ has introduced an additional layer of review for members with < 10M annual turnover to now present management accounts on a 6 monthly basis as well as the annual review. No agent defaults were recorded in the last financial year. The default related to an agent who failed to honour its commitments to its customers. TAANZ was left with no option other than to intervene and assess consumer claims.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Number of agency defaults	1	0	0

**No exposure of TAANZ funds.** In conjunction with zero agency defaults, TAANZ objective is to limit the exposure of funds paid in the instance of defaults to consumers and airlines to zero dollars. In the event of a default, TAANZ seeks full recovery of funds. TAANZ achieved its objectives in the last financial year.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Paid to airlines arising from agency defaults	\$0	\$0	\$0
Paid to consumers arising from agency defaults	\$48,761	\$0	\$0
TAANZ funds not recovered	\$48,761	No recovery actions	No recovery actions

**Professional standards – the code of ethics.** TAANZ members abide by a code of ethics. In the event TAANZ receives a complaint from a customer of a TAANZ member the code is used to assess the conduct of the agent. Of the small amount of complaints received all members conduct was upheld. No committees were formed to investigate complaints. TAANZ successfully supported 2 of the 3 tribunal hearings arising in the last financial year and one of these is now under appeal.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Complaints received	9	Less than prior year	7
Complaints resolved	9	Less than prior year	7
Number of complaints investigated by Committee	0	0	0
Number of complaints successfully resolved at Tribunal	2 of 3	Any presented to Tribunal	0



**Membership and Bonding compliance.** TAANZ members act according to a strict membership and bonding criteria. In the last financial year fewer members were fined for non-compliance and no agents were terminated for non-compliance.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Agents fined for late Bonding returns	3	Less than prior year	10
Non-compliant agents reported end May	12	Less than prior year	6
Agents terminated for not meeting the Bonding Authority criteria	0	Less than prior year	2

**Approvals.** TAANZ seeks to continue to increase the number of locations approved. Cognisant of changes in the distribution landscape (broker growth, consolidation of locations, increased branch locations and a modest growth rate of full members over time) TAANZ total approvals were above last year and relinquishments overall have slowed year on year. A modest increase in overall membership.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
All membership approvals	78	More than last year	77
All membership relinquishments	37	Less than last year	58

**The National Travel Industry Awards.** Ticket sales met budget expectations defining the interest in participating and attending this TAANZ hosted annual national event for the travel and supplier industry.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
NTIA tickets sold	680	680	585

**Debtor Management.** TAANZ is successfully working with its members to improve aged debt and cash at hand. Cash at hand is important to TAANZ ability to derive investment income to supplement subscription income. Bills paid in a timely manner is also an indication of acceptance of value.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Debtor ageing cumulative days reduction	24.9	Less than prior year	23.9

**Membership engagement.** TAANZ annually surveys the mood of the membership to assess the level of engagement. The survey canvasses opinion on the type of services provided, the timeliness of providing those services and what is most valued by the membership. TAANZ uses NPS to rate its engagement level (Nett Promoter Score = the total promoters less total non promoter scores)

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Membership engagement NPS	50.0	Less than prior year	38.0



**Travel Agents Association of New Zealand Incorporated Group**  
**Consolidated Statement of Financial Performance**  
For the year ended  
**31 May 2018**

	Note	Actual This Year \$	Actual Last Year \$
<b>Revenue</b>			
Fees, subscriptions and other revenue from members	1	481,783	438,534
Revenue from providing goods or services	1	237,278	197,996
Interest, dividends and other investment revenue	1	109,762	106,062
Other revenue	1	120,822	90,834
<b>Total Revenue</b>		<b>949,645</b>	<b>833,426</b>
<b>Expenses</b>			
Volunteer and employee related costs	2	232,585	251,079
Costs related to providing goods or services	2	526,140	493,677
Other expenses	2	66,628	46,692
<b>Total Expenses</b>		<b>825,353</b>	<b>791,448</b>
<b>Surplus for the Year before tax</b>		<b>124,292</b>	<b>41,978</b>
Taxation expense		(20,658)	-
<b>Net Surplus for the Year after tax</b>		<b>103,634</b>	<b>41,978</b>

This consolidated performance report is to be read in conjunction with the accompanying notes from page 25-31



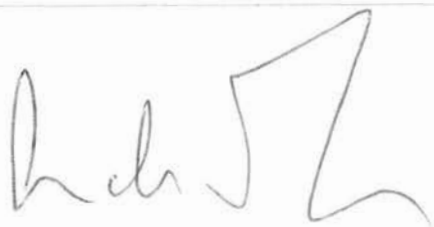


# Travel Agents Association of New Zealand Incorporated Group

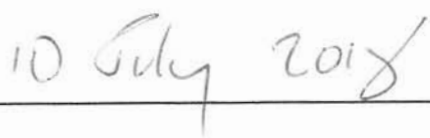
## Consolidated Statement of Financial Position

As at  
31 May 2018

	Note	Actual This Year \$	Actual Last Year \$
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	952,586	449,059
Debtors and prepayments	3	76,804	44,854
Other current assets	3, 10	6,660,951	6,578,167
<b>Total Current Assets</b>		<b>7,690,341</b>	<b>7,072,080</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	4	7,467	9,532
Intangible Assets	5	8,317	16,633
Investments	3	250,438	392,373
<b>Total Non-Current Assets</b>		<b>266,222</b>	<b>418,538</b>
<b>Total Assets</b>		<b>7,956,563</b>	<b>7,490,618</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	3	45,091	34,462
Employee costs payable	3	16,555	25,289
Other current liabilities	3, 10	4,607,489	4,247,071
<b>Total Current Liabilities</b>		<b>4,669,135</b>	<b>4,306,822</b>
<b>Total Liabilities</b>		<b>4,669,135</b>	<b>4,306,822</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>3,287,428</b>	<b>3,183,794</b>
<b>Accumulated Funds</b>			
Accumulated surpluses	6	2,037,428	1,933,794
Airline and Consumer Funds	6	1,250,000	1,250,000
<b>Total Accumulated Funds</b>		<b>3,287,428</b>	<b>3,183,794</b>



Chief Executive



Dated

This consolidated performance report is to be read in conjunction with the accompanying notes from page 25-31



## Travel Agents Association of New Zealand Incorporated Group

### Consolidated Statement of Cash Flows

For the year ended  
31 May 2018

	Actual This Year \$	Actual Last Year \$
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Fees, subscriptions and other receipts from members	481,783	452,504
Receipts from providing goods or services	(187,319)	352,920
Interest, dividends and other investment receipts	109,762	106,062
<b>Cash was applied to:</b>		
Payments to suppliers	(12,131)	530,784
Payments to employees	240,867	241,938
<b>Net Cash Flows from Operating Activities</b>	<b>175,490</b>	<b>138,764</b>
<b>Cash flows from Investing and Financing Activities</b>		
<b>Cash was received from:</b>		
Receipts from the sale of investments	1,052,060	173,943
<b>Cash was applied to:</b>		
Payments to acquire property, plant and equipment	-	(8,288)
Payments to purchase investments	(724,024)	(427,823)
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>328,036</b>	<b>(262,168)</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>503,526</b>	<b>(123,405)</b>
<b>Opening Cash</b>	<b>449,059</b>	<b>572,463</b>
<b>Closing Cash</b>	<b>952,586</b>	<b>449,059</b>
<b>This is represented by:</b>		
Bank Accounts and Cash	952,586	449,059



## Travel Agents Association of New Zealand Incorporated Group

### Statement of Accounting Policies

For the year ended  
31 May 2018

#### Basis of Preparation

Travel Agents Association of New Zealand Incorporated (the "Society") has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Consolidated Performance Report are reported using the accrual basis of accounting. The Consolidated Performance Report is for the Society, which also includes the operations of the Travel Agents Association Bonding Scheme which operates as a division of the Society, together the "Group". The Consolidated Performance Report is prepared under the assumption that the Group will continue to operate in the foreseeable future.

The financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All numbers presented here have been rounded to the nearest dollar unless otherwise stated.

#### Goods and Services Tax (GST)

The Group is registered for GST. All amounts are recorded exclusive of GST, except for debtors and creditors which are stated inclusive of GST.

#### Taxation

Taxation has been provided on the income earned by the Group on transactions outside of its membership. The Group is not liable for the tax on its dealings with members.

#### Bank Accounts and Cash

Bank accounts and cash in the Consolidated Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

#### Revenue

Fees, subscriptions and other revenue from members: Fees, subscriptions and other revenue from members is recognised when invoiced.

Event Income: Event income is recognised when the event takes place.

Interest Income: Interest income is recognised on an accrual basis.

Other revenue: Airline contribution income is recognised when invoiced. Gains and losses on sale of investments are recognised when investments are sold.

#### Group Financial Instruments

The Group uses non-derivative financial instruments as part of its normal operations. These financial instruments include bank accounts, term deposits and debtors. The Group does not use derivative financial instruments. All financial instruments are recognised in the Consolidated Statement of Financial Position at their fair value.

#### Investments

Investments in shares and bonds are valued at cost and reviewed for impairment at every board meeting.





## Travel Agents Association of New Zealand Incorporated Group

### Statement of Accounting Policies

For the year ended  
31 May 2018

#### Property, plant and equipment

Property plant and equipment are recorded at historical cost less allowance for accumulated depreciation.

#### Depreciation

Depreciation is calculated on straight line basis at rates that will write off the cost of assets over their estimated useful life, which are as follows:

Furniture and fixtures - 5 years

Office Equipment - 3 years

Computer Software - 3 years

Leasehold Improvements - 6 years

#### Accounts Receivable

Receivables are stated at estimated realisable value after providing against debt where collection is doubtful. Bad debts are written off during the period in which they are identified.

#### Member Deposits

Deposits are held for members in term deposits which are recognised in the Consolidated Statement of Financial Position at their fair value.



**Travel Agents Association of New Zealand Incorporated Group**  
**Notes to the Consolidated Performance Report**  
For the year ended  
**31 May 2018**

**Note 1 : Analysis of Revenue**

Revenue Item	Analysis	This Year \$	Last Year \$
Fees, subscriptions and other revenue from members	Subscriptions and Entrance Fees	337,280	328,039
	Levies	134,503	110,075
	Fines	-	420
	Sponsorship	10,000	-
	<b>Total</b>	<b>481,783</b>	<b>438,534</b>
Revenue Item	Analysis	This Year \$	Last Year \$
Revenue from providing goods or services	Revenue from National Awards Event	237,278	197,996
	<b>Total</b>	<b>237,278</b>	<b>197,996</b>
Revenue Item	Analysis	This Year \$	Last Year \$
Interest, dividends and other investment revenue	Interest & Dividends	109,762	106,062
	<b>Total</b>	<b>109,762</b>	<b>106,062</b>
Revenue Item	Analysis	This Year \$	Last Year \$
Other revenue	Airline Contributions	68,813	79,290
	Claims recovery	16,377	11,388
	Realised gain on investments	10,125	-
	Realised loss on investments	-	-
	Other Income	25,507	156
	<b>Total</b>	<b>120,822</b>	<b>90,834</b>

**Travel Agents Association of New Zealand Incorporated Group**  
**Notes to the Consolidated Performance Report**  
For the year ended  
31 May 2018

**Note 2 : Analysis of Expenses**

Expense Item	Analysis	This Year \$	Last Year \$
Volunteer and employee related costs	Salaries and Wages	232,133	250,633
	ACC levies	452	446
	<b>Total</b>	<b>232,585</b>	<b>251,079</b>

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	Bonding Authority Administration Expenses	144,618	137,626
	Directory and Information Guide	6,000	6,000
	General expenses	4,679	942
	Internet and website expenses	3,300	2,296
	Marketing	41,221	7,249
	Meeting and board expenses	8,211	9,064
	Members workshops and seminars	7,539	4,657
	NZITT expenses	-	750
	Expenses from National Awards event	193,973	172,261
	Other projects	427	370
	President and director fees	30,093	35,308
	Postage	3,814	3,722
	Printing and stationery	5,111	3,936
	Subscriptions and publications	376	1,256
	Tourism House Administration	47,105	58,560
	Telephones	2,259	2,357
	Travel expenses	9,810	13,007
	WTAAAA meetings*	17,604	34,316
	<b>Total</b>	<b>526,140</b>	<b>493,677</b>

\* World Travel Agents Associations Alliance

Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	Audit Fees	11,750	11,750
	Annual report/AGM	2,519	1,935
	Amortisation	8,317	8,317
	Depreciation	2,063	2,086
	Claims and Expenses	-	3,600
	Insurance	3,724	3,550
	Kindred Association Meetings	2,742	4,043
	Legal and professional fees	34,048	9,991
	Other organisations subscriptions	1,465	1,420
	Brokerage Fees	-	-
	<b>Total</b>	<b>66,628</b>	<b>46,692</b>





## Travel Agents Association of New Zealand Incorporated Group

### Notes to the Consolidated Performance Report

For the year ended  
31 May 2018

#### Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	ANZ Current Account 00	159,858	159,754
	ANZ Current Account 26	268,913	94,080
	ANZ Call Account 25	225,699	121,484
	ANZ Call Account 27	100,635	62,228
	BNZ Current Account	197,381	11,413
	Petty Cash	100	100
	<b>Total</b>	<b>952,586</b>	<b>449,059</b>

Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Accounts receivable	40,376	23,702
	Prepaid NTIA event costs	36,428	21,152
	<b>Total</b>	<b>76,804</b>	<b>44,854</b>

Asset Item	Analysis	This Year \$	Last Year \$
Other current assets	Short term deposits	2,403,607	2,450,000
	Member Deposits at BNZ	4,173,654	4,023,322
	GST receivable/(payable)	(8,573)	621
	Tax refund/(payable)	16,854	32,826
	Accrued interest income	75,409	71,398
	<b>Total</b>	<b>6,660,951</b>	<b>6,578,167</b>

Asset Item	Analysis	This Year \$	Last Year \$
Investments	Air New Zealand Shares	438	438
	Rabobank Securities	-	139,875
	BNZ Capital Notes	150,000	150,000
	Kiwibank Capital Funding	100,000	100,000
	Canterbury Mortgage Trust	-	2,060
	<b>Total</b>	<b>250,438</b>	<b>392,373</b>

Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses	Trade and other payables	24,391	14,599
	Accrued operating expenses	20,700	19,863
	<b>Total</b>	<b>45,091</b>	<b>34,462</b>

Liability Item	Analysis	This Year \$	Last Year \$
Employee costs payable	Holiday pay accrual	12,949	21,952
	Salaries earned but not yet paid	3,606	3,337
	<b>Total</b>	<b>16,555</b>	<b>25,289</b>

Liability Item	Analysis	This Year \$	Last Year \$
Other current liabilities	Member deposits and interest held at BNZ	4,404,499	4,065,121
	Income in advance (from sponsorship and ticket sales of NTIA event)	202,990	181,950
	<b>Total</b>	<b>4,607,489</b>	<b>4,247,071</b>



## Travel Agents Association of New Zealand Incorporated Group

### Notes to the Consolidated Performance Report

For the year ended  
31 May 2018

#### Note 4 : Property, Plant and Equipment

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Buildings	4,655	-	-	1,127	3,528
Furniture and fixtures	-	-	-	-	-
Computers & Office Equipment	4,877	-	-	938	3,939
<b>Total</b>	<b>9,532</b>	<b>-</b>	<b>-</b>	<b>2,065</b>	<b>7,467</b>

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Buildings	5,782	-	-	1,127	4,655
Furniture and fixtures	-	-	-	-	-
Computers & Office Equipment	2,297	3,539	-	959	4,877
<b>Total</b>	<b>8,079</b>	<b>3,539</b>	<b>-</b>	<b>2,086</b>	<b>9,532</b>

#### Note 5 : Intangible Assets

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Amortisation	Closing Carrying Amount
Intangible Assets (Website)	16,633	-	-	8,317	8,317
<b>Total</b>	<b>16,633</b>	<b>-</b>	<b>-</b>	<b>8,317</b>	<b>8,317</b>

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Intangible Assets (Website)	20,200	4,750	-	8,317	16,633
<b>Total</b>	<b>20,200</b>	<b>4,750</b>	<b>-</b>	<b>8,317</b>	<b>16,633</b>



**Travel Agents Association of New Zealand Incorporated Group**  
**Notes to the Consolidated Performance Report**

For the year ended  
31 May 2018

**Note 6: Accumulated Funds**

<b>This Year</b>			
Description	Accumulated Surpluses or Deficits	Airline/ Consumer Fund	Total
Opening Balance	1,933,794	1,250,000	3,183,794
Surplus/(Deficit)	103,634	-	103,634
Funds received for claims	(65,138)	65,138	-
Funds paid in or out for claims	16,377	(16,377)	-
Transfer to/from Airline fund	48,761	(48,761)	-
Closing Balance	2,037,428	1,250,000	3,287,428

<b>Last Year</b>			
Description	Accumulated Surpluses or Deficits	Airline/ Consumer Fund	Total
Opening Balance	1,891,816	1,250,000	3,141,816
Surplus/(Deficit)	41,978	-	41,978
Funds received for claims	-	-	-
Funds paid in or out for claims	7,788	(7,788)	-
Transfer to/from Airline fund	(7,788)	7,788	-
Closing Balance	1,933,794	1,250,000	3,183,794





## Travel Agents Association of New Zealand Incorporated Group

### Notes to the Consolidated Performance Report

For the year ended  
31 May 2018

#### Notes 7 - 14

##### Note 7: Administration Costs

50% of the 2018 administration costs relating to the Bonding Scheme will be recovered from the airlines (2017: 50%).

##### Note 8: Net Claims and Expenses

Member	2018	Net cost/(income)	2017
United Travel St Heliers	0		(7,369)
Eva Enterprises	(16,377)		(419)
Southern Pacific Tours*	0		0
Total	(16,377)		(7,788)

\* \$48,761 has been paid out for consumer claims and \$48,761 has been recovered. (2017: net loss of \$7,788)

##### Note 9: TAANZ Airline and Consumer Funds

TAANZ and IATA have an agreement wherein IATA airlines are eligible to make claims on the TAANZ airline fund. No claim may exceed \$250,000. The total fund set aside for these purposes is \$1,000,000. The existing agreement commenced 1 January 2016 and will continue until 31 December 2018. TAANZ also provides a consumer fund to the value of \$250,000. The fund is available to satisfy approved consumer claims against a failed TAANZ member. \$250,000 is available in each case where a TAANZ member fails.

##### Note 10: Cash Bonds

The funds from members who have provided a cash bond are shown as investments totalling \$4,173,654 (2017: \$4,023,322). The corresponding liability including interest owed at the reporting date to such members is \$4,376,654 (2017: \$4,065,121). This includes accrued interest of \$39,317.92 (2017: \$41,799)

##### Note 11: Lease Commitments

The Association has a commitment to lease the office premises until 30 September 2018 (6 years). The rent from 1 March 2017 is \$2,968.80 per month. The Association was required to evacuate its premises on 12th April and was not required to pay rent from that date. Currently the Association has a temporary office lease on a month by month basis of \$2,000 per month. The Association has a commitment to lease a photocopier for \$270 per month until November 2018.

##### Note 12: Auditor Remuneration

Total fees payable to Grant Thornton the auditor for the 2018 Financial Statements totalled \$11,750 (2017: \$11,750). Fees Payable to Grant Thornton for Tax advice provided totalled \$1,635 (2017: \$1,635) for the period. This is included within legal and professional fees.

##### Note 13: Contingent Liabilities

There are no contingent liabilities at year end (2017: None).

##### Note 14: Contingent Assets

There are no contingent assets at year end (2017: None).



## Travel Agents Association of New Zealand Incorporated Group

### Notes to the Consolidated Performance Report

For the year ended  
31 May 2018

#### Notes 15 - 17

##### Note 15 : Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	This Year	Last Year	This Year	Last Year
		\$	\$	\$	\$
		Value of Transactions	Value of Transactions	Amount Outstanding	Amount Outstanding
2018: Nil (2017: Nil)	2018: Nil (2017: Nil.)	-	-	-	-

##### Note 16: Capital commitments

There are no capital commitments at reporting date (2017: None)

##### Note 17: Events After the Balance Date:

The Association took the opportunity to terminate its lease on 79 Boulcott St and is currently negotiating a lease for new premises. (2017: None)





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