



# A higher standard

## 2019 ANNUAL REPORT

Covering the period June 1st 2018 – May 31st 2019

# CONTENTS

- 03 THE TAANZ BOARD
- 04 CHAIRMAN'S REPORT
- 05 CHIEF EXECUTIVE'S REPORT
- 07 KEY STATISTICS
- 08 FINANCIAL STATEMENTS FOR TAANZ

# THE TAANZ 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 2019 representing the 57th 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:**  
**Keith Sumner**  
Managing Director  
Gilpin Travel 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)

## LIFE MEMBERS:

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

## BONDING AUTHORITY:

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PO Box 3251, Wellington 6140  
Tel: (04) 473 4330  
Email: [bonding@taanz.org.nz](mailto:bonding@taanz.org.nz)

## ADMINISTRATION ASSISTANT:

**Mary Hall**

## SOLICITOR:

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

Mr Duncan Hamilton, OBE, ACA,  
FNZITT, Auckland

Mr James Langton, MNZITT, Auckland

Mr John Morrison, MNZITT, AFNZIM,  
Wellington

Mr Charles Spain, FNZITT, Auckland

## AUDITOR:

**Grant Thornton**  
Chartered Accountant  
Leve 13, AXA Centre  
80 The Terrace  
PO Box 10712, Wellington  
Tel: (04) 474-8500  
Fax: (04) 474-8509

## BANKERS:

ANZ

Mr Tim Tapper, FNZITT, Auckland

Mr Peter Lowry MBE, LNZITT,  
Wellington

Mr Murray Tanner, Auckland

Mr Peter Barlow, MNZITT

# TAANZ CHAIR- MAN'S REPORT

AUGUST 2019

The last year has again been a challenging one for the travel industry, with a variety of issues to contend with, but generally speaking we enjoyed a positive trading environment, albeit with the predictions of a slowing economy in the near term. We should remain cautiously optimistic.

During the period, IATA reported that global airline passenger traffic increased by 6.5% and locally National BSP revenue reflected growth of 7.8%. NZ resident short-term departures were estimated to have exceeded 3 million for the first time and Inbound arrivals estimated to have been close to 4 million, also for the first time. As well, significantly, CLIA reported that the number of New Zealanders taking an ocean cruise broke through the 100,000 barrier for the first time in 2018, reaching a total of 112,000 passengers in a year of world-leading growth. The record result was a 14.6% increase on the previous year.

TAANZ delivered a surplus of \$58,000 in the past financial year, improving the net asset position of the organisation to \$3,345,000 (an increase of just over \$1,100,000 since 2006), meaning members are backed by a strong, financially stable Association.

Membership numbers have remained stable and as result of a careful risk mitigation policy by the TAANZ Bonding Authority, there were no defaults during the year resulting in claims on the TAANZ Bond, making it the sixth 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 the introduction of NewGenISS (Resolution 812), which came in to effect seamlessly on 25 March 2019 and the implementation of the TAANZ Joint Bank Guarantee, which commenced on 1 January 2019. A commitment to review the IATA Local Financial Criteria is also in progress.

Our over-arching goal in the year ahead, as always, is to be the clear voice of the Industry by taking a leadership position based on Protection, Education, Recognition, Compliance and Advocacy and demonstrate how we offer A Higher Standard. A specific initiative is to create greater consumer awareness of the value of a TAANZ Member by promoting, in conjunction with the membership, the Accredited Travel Advisor (A.T.A) brand, which was launched on 29 April 2019.

On behalf of the Board, I thank-you for your ongoing support and commitment, it is acknowledged and appreciated. We understand and respect that we represent all members equally and do so with their best interests at heart.

Finally, I'd like to say 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

**Andrew Bowman**  
President



A handwritten signature in blue ink, which appears to read 'Andrew Bowman'. The signature is fluid and cursive.

# CEO'S REPORT

I take great pride in reporting on what we're doing for you. During the last 12 months we have worked on simplifying things. We have heard that we need to keep our messaging plain, clear and relevant. This 'simplification' is now evident in everything we do, top down. Thanks for letting us know.

**MEMBERSHIP ENGAGEMENT** – The annual membership survey was completed and our net promoter score (NPS) remained at 50%. A "positive" NPS above 0 is considered "good", +50 is "Excellent," and above 70 is considered "world class." We are humbled with the result and deeply appreciative of your support. We are acting on the things you tell us are important to you widening our qualifications accreditation, surveying remuneration and benefits, keeping you connected to industry developments.

**ACCREDITED TRAVEL ADVISOR (A.T.A)** - We launched our accreditation brand A.T.A this year and we're now helping members activate this brand in their business. A.T.A brands you as a professional advisor and supports your commitment to a higher standard of travel agency.



**PROTECTION** – In January 2019 we initiated the TAANZ IATA Joint bank guarantee, an agreement which demonstrates our ongoing commitment to maintaining and backing members who choose IATA accreditation. We continue to maintain the Consumer Fund

**COMPLIANCE** – our external audit result was a good result for TAANZ compliance measurements. Accreditation improved from 89.6% to 90.4% of compliant TAANZ locations. Only 5 years ago this number looked more like 20%, so congratulations to you for maintaining this high standard.

**FINANCE AND AUDIT** - Financially, TAANZ remains in good health. We returned a surplus above budgeted expectation, a clean external audit, and improved Statement of Service Report all of which is recommended reading in this Annual Report.

**IATA** - Last year IATA's New Gen ISS platform was launched. 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 has run smoothly to date and our implementation partnership with IATA has limited disrupt to members.

**PARTNERSHIPS** – are key to our flagship reward and recognition programme, the TAANZ National Travel Industry Awards. NTIA 2018 was a tremendous success and as this report goes to print the TAANZ NTIA 2019 will have been completed and industry superstars honoured. The generosity and loyalty of our sponsors right across the industry is deeply appreciated. The winners were:

**PEOPLE** - I would like to congratulate Ms Darlya Redfern, TAANZ Membership Services Administrator for the hard work she puts into providing your membership services and helping to deliver NTIA. My thanks also to Tom Leckie and Mary Hall at the Bonding Authority. We are again delighted to report that no **TAANZ** member defaulted and owed money to airlines or consumers. This is a tribute to the way you run your businesses and to the Authority's diligence.

**GOVERNANCE** – Finally, I wish to acknowledge a hard working and active group of Directors. A sincere thanks to Andrew Bowman, Mark Abbot, John Willson, Brent Thomas, Keith Sumner and Wendy van Lieshout for their energy and support throughout the year that was.

Wishing you all good business and as always, get in touch and let us know what's on your mind.



### Category

Best Agency Support  
 Best Industry Representative  
 Best Technology Supplier  
 Best Hotel Group  
 Best Car Rental Operator  
 Best Tour Operator  
 Best River Cruise Operator  
 Best Cruise Operator  
 Best International Airline – Offline  
 Best International Airline – Online  
 Best Niche Wholesaler  
 Best Wholesaler  
 Best Broker  
 Best Broker Brand  
 Best Broker Team  
 Best Travel Agency Manager - Corporate  
 Best Travel Agency Manager - Retail  
 Best Young Travel Agency Executive - Corporate  
 Best Young Travel Agency Executive - Retail  
 Rookie of the Year - Corporate  
  
 Rookie of the Year - Retail  
 Best Brand Corporate - Multi Location  
 Best Brand Corporate - Single Location  
 Best Brand Retail - Multi Location  
 Best Brand Retail - Single Location  
 Best Travel Agency Brand  
 Best Travel Consultant – Corporate  
 Best Travel Consultant – Retail  
 Air New Zealand Lifetime Industry Achievement Award

### Winner

Air New Zealand  
 John Stewart - Air New Zealand  
 Travelport  
 QT Hotels & resorts  
 Avis Rent a Car  
 The Travel Corporation  
 Avalon Waterways  
 RCI Cruises NZ  
 Virgin Atlantic  
 Air New Zealand  
 World Journeys  
 Go Holidays  
 Fiona Atkinson - NZ Travel Brokers  
 Jackie Bell - The Travel Brokers  
 Janine Mallon - The Travel Brokers  
 Lynn Retter - Corporate Travel Management  
 Kim Dunwell - helloworld Palmerston North  
 Mark Leadbetter - House of Travel  
  
 Danielle Scott - House of Travel  
 Steven Krzanich - Orbit World Travel Auckland  
 Anna O' Dell - House of Travel Ferrymead  
 Orbit World Travel  
 Orbit World Travel Christchurch  
 helloworld Milford & Browns Bay  
 YOU Travel Orewa  
 helloworld  
 Michelle Furness - APX  
 Tony Jackson - House of Travel New Market  
 Chris Paulsen



A handwritten signature in blue ink, appearing to read "Andrew Olsen".

**Andrew Olsen**  
 Chief Executive

## 10 YEAR MEMBERSHIP REVIEW

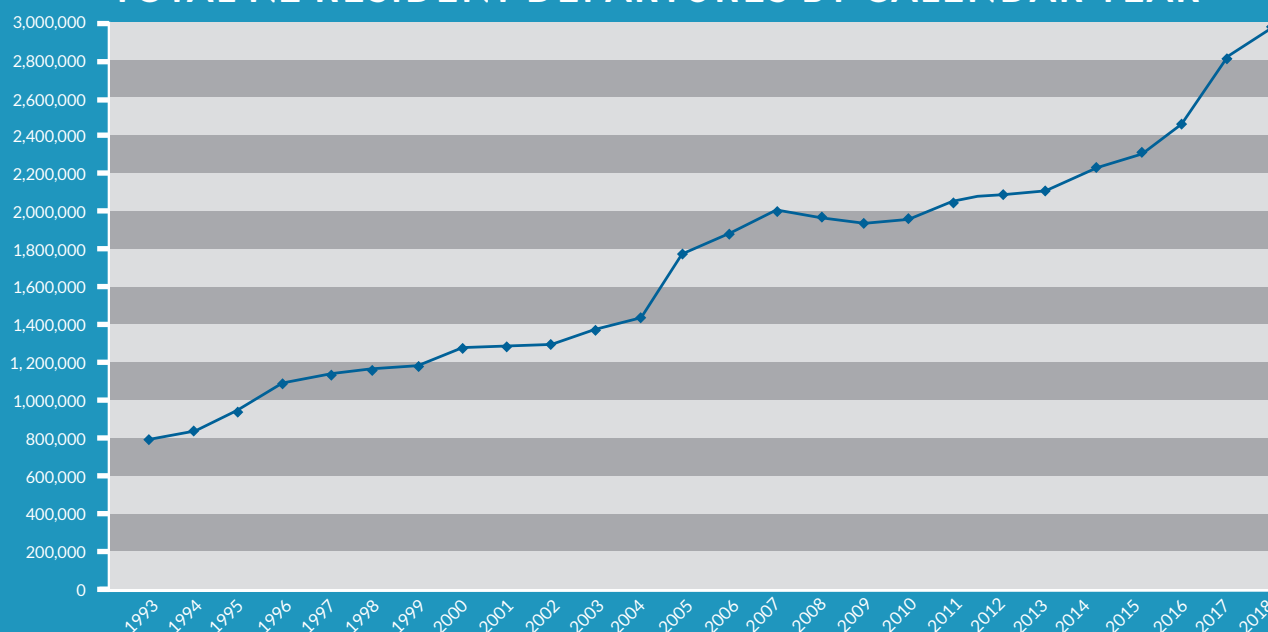
	MAY 2009	MAY 2010	MAY 2011	MAY 2012	MAY 2013	MAY 2014	MAY 2015	MAY 2016	MAY 2017	MAY 2018	MAY 2019
<b>FULL MEMBER HEAD OFFICES</b>	364	342	331	317	314	304	303	294	281	278	<b>276</b>
<b>FULL MEMBER BRANCH LOCATIONS</b>	66	70	67	89	92	81	80	72	81	83	<b>79</b>
<b>TOTALS</b>	430	412	398	406	406	385	383	366	362	361	<b>355</b>
<b>APPROVED TRAVEL BROKERS</b>	315	401	431	476	522	533	564	402	434	430	<b>445</b>
<b>ALLIED SUPPLIER MEMBERS</b>	79	77	73	59	69	68	72	71	73	79	<b>61</b>

## 25 YEARS OF GROWTH

Total New Zealand Residents Departing (Short Term)  
As at May 2019

<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>1998</b>	1,166,418	<b>2003</b>	1,373,632	<b>2008</b>	1,967,100	<b>2013</b>	2,162,918	<b>2018</b>	<b>2,906,315</b>
								<b>2019</b>	<b>3,140,827</b>

## TOTAL NZ RESIDENT DEPARTURES BY CALENDAR YEAR





# PERFORMANCE REPORT

FOR THE YEAR ENDED  
31 MAY 2019

<b>Non-Financial Information:</b>	<b>Page</b>
Independent Auditor's Report	14
Entity Information	17
Statement of Service Performance	18-19
<b>Financial Information:</b>	
Statement of Financial Performance	20
Statement of Financial Position	21
Statement of Cash Flows	22
Statement of Accounting Policies	23
Notes to the Performance Report	25



## Independent Auditor's Report

### Grant Thornton New Zealand Audit Partnership

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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 5 to 19, 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 2019, the consolidated statement of financial position as at 31 May 2019, and notes to the financial statements, 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 2019 and of 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 consolidated statement of financial performance, consolidated statement of financial position, consolidated 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

The 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 consolidated statement of financial performance, consolidated statement of financial position, consolidated 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 Members 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 Members 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 Members either intend to liquidate the 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 Group 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 Members 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 members, as a body. Our audit work has been undertaken so that we might state to the 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 Keddie**  
Associate Director  
**Wellington**

**15 July 2019**

## Travel Agents Association of New Zealand Incorporated Group

### Entity Information

For the year ended  
31 May 2019

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 six elected directors, one of whom is the Board elected President, another the Vice-President. Board members hold office for 2 years but are eligible for re-election at the AGM. The elected Board has the power to co-opt up to three persons.

Currently the Association comprises a Chief Executive and a Membership Services Administrator. The Association contracts the TAANZ Bonding Authority services.

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

45% of income is generated from membership subscriptions, entrance fees and bonding levies, 11% is from interest, dividends and investment activities and 18% from office recoveries and other income. The Association hosts a National Travel Industry Awards event which comprises 26% of income.

#### Contact details

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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 2019

#### 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. The achieved rate is an improvement on the prior year and reflects TAANZ higher standard.

	Actual This Year	Budget Equal to or better than last year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Qualifications accreditation compliance	90.42%		89.66%

**Reduced instances of agent default.** TAANZ continues to influence the compliance of its members' financial requirements setting a zero default level. TAANZ has maintained 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. This result accords with the Board's objective to preserve and protect TAANZ accumulated funds.

	Actual This Year	Budget Equal to or better than last year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
Number of agency defaults	0		1

**Nil 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 requiring no payment to airline or consumer.

	Actual This Year	Budget Equal to or better than last 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	\$0	\$0	\$48,761
TAANZ funds not recovered	\$0	\$0	\$48,761

**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 was not required to assist any members in the disputes tribunal 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			
Complaints received	5	the same or less than prior year	9
Complaints resolved	5	the same or less than prior year	9
Number of complaints investigated by Committee	0	0	0
Number of complaints successfully resolved at Tribunal	0	Any presented to Tribunal	2 of 3



**Bonding compliance.** TAANZ members act according to a strict membership and bonding criteria. In the last financial year more members were fined for non-compliance and two 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	10	the same or less than prior year	3
Non-compliant agents reported end May	3	the same or less than prior year	12
Agents terminated for not meeting the Bonding Authority criteria	2	the same or less than prior year	0

**Approvals.** TAANZ continued to increase its approvals. 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) a modest increase is a good result.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
All membership approvals	113	the same or better than prior year	78
All membership relinquishments	84	the same or less than prior year	37

**The National Travel Industry Awards.** Ticket sales included 20 tickets for TAANZ itself meaning budget was met.

	Actual This Year	Budget This Year	Actual Last Year
Outcomes and measures of quality and objectives in respect to delivery			
NTIA tickets sold	683	680	680

**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. Unfortunately a small number of debtors' ageing deflated the cash position. Steps will be taken to address debtor ageing.

	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	29.9	The same or better than prior year	24.9

**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 (Net 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	50.0



## Travel Agents Association of New Zealand Incorporated Group

### Consolidated Statement of Financial Performance

For the year ended  
31 May 2019

	Note	Actual This Year \$	Actual Last Year \$
<b>Revenue</b>			
Fees, subscriptions and other revenue from members	1	427,818	481,783
Revenue from providing goods or services	1	248,270	237,278
Interest, dividends and other investment revenue	1	103,215	109,762
Other revenue	1	172,786	120,822
<b>Total Revenue</b>		<b>952,089</b>	<b>949,645</b>
<b>Expenses</b>			
Volunteer and employee related costs	2	255,434	232,585
Costs related to providing goods or services	2	584,105	526,140
Other expenses	2	54,301	66,628
<b>Total Expenses</b>		<b>893,840</b>	<b>825,353</b>
<b>Surplus for the Year before tax</b>		<b>58,249</b>	<b>124,292</b>
Taxation expense	17	-	(20,658)
<b>Net Surplus for the Year after tax</b>		<b>58,249</b>	<b>103,634</b>




**Travel Agents Association of New Zealand Incorporated Group**  
**Consolidated Statement of Financial Position**

As at  
31 May 2019

	Note	Actual This Year \$	Actual Last Year \$
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	512,085	952,586
Debtors and prepayments	3	142,678	76,804
Other current assets	3, 10	7,195,023	6,660,951
<b>Total Current Assets</b>		<b>7,849,786</b>	<b>7,690,341</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	4	-	7,467
Intangible Assets	5	-	8,317
Investments	3	150,438	250,438
<b>Total Non-Current Assets</b>		<b>150,438</b>	<b>266,222</b>
<b>Total Assets</b>		<b>8,000,224</b>	<b>7,956,563</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	3	45,350	45,091
Employee costs payable	3	22,036	16,555
Other current liabilities	3, 10	4,587,161	4,607,489
<b>Total Current Liabilities</b>		<b>4,654,547</b>	<b>4,669,135</b>
<b>Total Liabilities</b>		<b>4,654,547</b>	<b>4,669,135</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>3,345,677</b>	<b>3,287,428</b>
<b>Accumulated Funds</b>			
Accumulated surpluses	6	745,677	2,037,428
Bank Guarantee and Consumer Fund	6	2,600,000	1,250,000
<b>Total Accumulated Funds</b>		<b>3,345,677</b>	<b>3,287,428</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 2019

	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	427,818	481,783
Receipts from providing goods or services	341,411	(187,319)
Interest, dividends and other investment receipts	103,215	109,762
<b>Cash was applied to:</b>		
Payments to suppliers	(653,446)	(12,131)
Payments to employees	(249,486)	240,867
<b>Net Cash Flows from Operating Activities</b>	<b>(30,488)</b>	<b>175,490</b>
<b>Cash flows from Investing and Financing Activities</b>		
<b>Cash was received from:</b>		
Receipts from the sale of investments	2,253,607	1,052,060
<b>Cash was applied to:</b>		
Payments to acquire property, plant and equipment	-	-
Payments to purchase investments	(2,663,621)	(724,024)
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>(410,014)</b>	<b>328,036</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>(440,502)</b>	<b>503,526</b>
<b>Opening Cash</b>	<b>952,586</b>	<b>449,059</b>
<b>Closing Cash</b>	<b>512,085</b>	<b>952,586</b>
<b>This is represented by:</b>		
Bank Accounts and Cash	512,085	952,586



## Travel Agents Association of New Zealand Incorporated Group

### Statement of Accounting Policies

For the year ended

31 May 2019

#### 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: Subscriptions are recognised evenly over the period in which it relates. Fees 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 2019**

**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.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the financial year (last year - nil).



**Travel Agents Association of New Zealand Incorporated Group**  
**Notes to the Consolidated Performance Report**  
For the year ended  
31 May 2019

**Note 1 : Analysis of Revenue**

Revenue Item	Analysis	This Year	Last Year
Fees, subscriptions and other revenue from members		\$	\$
	Subscriptions and Entrance Fees	320,537	337,280
	Levies	107,280	134,503
	Sponsorship	-	10,000
	<b>Total</b>	<b>427,818</b>	<b>481,783</b>
Revenue Item	Analysis	This Year	Last Year
Revenue from providing goods or services		\$	\$
	Revenue from National Awards Event	248,270	237,278
	<b>Total</b>	<b>248,270</b>	<b>237,278</b>
Revenue Item	Analysis	This Year	Last Year
Interest, dividends and other investment revenue		\$	\$
	Interest & Dividends	103,215	109,762
	<b>Total</b>	<b>103,215</b>	<b>109,762</b>
Revenue Item	Analysis	This Year	Last Year
Other revenue		\$	\$
	Airline Contributions	128,772	68,813
	Claims recovery	1,395	16,377
	Realised gain on investments	4,838	10,125
	Realised loss on investments	-	-
	Other Income	37,781	25,507
	<b>Total</b>	<b>172,786</b>	<b>120,822</b>





## Travel Agents Association of New Zealand Incorporated Group

### Notes to the Consolidated Performance Report

For the year ended  
31 May 2019

#### Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
Volunteer and employee related costs	Salaries and Wages	254,967	232,133
	ACC levies	467	452
	<b>Total</b>	<b>255,434</b>	<b>232,585</b>

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	Bonding Authority Administration Expenses	149,229	144,618
	Directory and Information Guide	6,000	6,000
	General expenses	6,064	4,679
	Internet and website expenses	4,106	3,300
	Marketing	20,607	41,221
	Meeting and board expenses	4,445	8,211
	Members workshops and seminars	17,103	7,539
	NZITT expenses	460	-
	Expenses from National Awards event	216,015	193,973
	Other projects	-	427
	President and director fees	37,139	30,093
	Postage	4,310	3,814
	Printing and stationery	2,060	5,111
	Subscriptions and publications	193	376
	Office Administration	68,247	47,105
	Telephones	4,632	2,259
	Travel expenses	12,988	9,810
	WTAAA meetings*	30,506	17,604
	<b>Total</b>	<b>584,105</b>	<b>526,140</b>

\* World Travel Agents Associations Alliance

Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	Audit Fees	12,000	11,750
	Annual report/AGM	1,797	2,519
	Amortisation	8,317	8,317
	Depreciation	7,467	2,063
	Claims and Expenses	-	-
	Insurance	3,108	3,724
	Kindred Association Meetings	2,317	2,742
	Legal and professional fees	4,871	34,048
	Other organisations subscriptions	1,495	1,465
	Brokerage Fees	369	-
	Bank Guarantee Fee	12,560	-
	<b>Total</b>	<b>54,301</b>	<b>66,628</b>



## Travel Agents Association of New Zealand Incorporated Group

### Notes to the Consolidated Performance Report

For the year ended  
31 May 2019

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

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	ANZ Current Account 00	40,497	159,858
	ANZ Current Account 26	251,738	268,913
	ANZ Call Account 25	129,833	225,699
	ANZ Call Account 27	70,819	100,635
	BNZ Current Account	19,099	197,381
	Petty Cash	100	100
	<b>Total</b>	<b>512,085</b>	<b>952,586</b>
Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Accounts receivable	85,857	40,376
	Prepaid NTIA event costs	56,821	36,428
	<b>Total</b>	<b>142,678</b>	<b>76,804</b>
Asset Item	Analysis	This Year \$	Last Year \$
Other current assets	Short term deposits	2,802,395	2,403,607
	Member Deposits at BNZ	4,264,552	4,173,654
	GST receivable/(payable)	2,586	(8,573)
	Tax refund/(payable)	21,148	16,854
	Accrued interest income	104,342	75,409
	<b>Total</b>	<b>7,195,023</b>	<b>6,660,951</b>
Asset Item	Analysis	This Year \$	Last Year \$
Investments	Air New Zealand Shares	438	438
	BNZ Capital Notes	150,000	150,000
	Kiwibank Capital Funding	-	100,000
	<b>Total</b>	<b>150,438</b>	<b>250,438</b>
Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses	Trade and other payables	29,253	24,391
	Accrued operating expenses	16,097	20,700
	<b>Total</b>	<b>45,350</b>	<b>45,091</b>
Liability Item	Analysis	This Year \$	Last Year \$
Employee costs payable	Holiday pay accrual	17,261	12,949
	Salaries earned but not yet paid	4,775	3,606
	<b>Total</b>	<b>22,036</b>	<b>16,555</b>
Liability Item	Analysis	This Year \$	Last Year \$
Other current liabilities	Member deposits and interest held at BNZ	4,319,161	4,404,499
	Bonds held for claims	73,000	-
	Income in advance (from sponsorship and ticket sales of NTIA event)	195,000	202,990
	<b>Total</b>	<b>4,587,161</b>	<b>4,607,489</b>



## Travel Agents Association of New Zealand Incorporated Group

### Notes to the Consolidated Performance Report

For the year ended

31 May 2019

#### 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	3,528	-	-	3,528	-
Furniture and fixtures	-	-	-	-	-
Computers & Office Equipment	3,939	-	-	3,939	-
<b>Total</b>	<b>7,467</b>	<b>-</b>	<b>-</b>	<b>7,467</b>	<b>-</b>

Last 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>

#### Note 5 : Intangible Assets

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Amortisation	Closing Carrying Amount
Intangible Assets (Website)	8,316	-	-	8,317	-
<b>Total</b>	<b>8,316</b>	<b>-</b>	<b>-</b>	<b>8,317</b>	<b>-</b>

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Intangible Assets (Website)	16,633	-	-	8,317	8,316
<b>Total</b>	<b>16,633</b>	<b>-</b>	<b>-</b>	<b>8,317</b>	<b>8,316</b>



## Travel Agents Association of New Zealand Incorporated Group

### Notes to the Consolidated Performance Report

For the year ended

31 May 2019

#### Note 6: Accumulated Funds

This Year				
Description	Accumulated Surpluses or Deficits	Consumer Fund	Bank Guarantee	Total
Opening Balance	2,037,428	1,250,000	-	3,287,428
Surplus/(Deficit)	58,249	-	-	58,249
Funds received for claims				-
Funds paid in or out for claims				-
Transfer to/from Bank Guarantee	(1,350,000)	(1,150,000)	2,500,000	-
Closing Balance	745,677	100,000	2,500,000	3,345,677

Last Year				
Description	Accumulated Surpluses or Deficits	Consumer Fund	Bank Guarantee	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

**Bank Guarantee:** TAANZ and IATA have undertaken an agreement whereby airlines, through IATA are able to make claims on the TAANZ Bank Guarantee of 2.5M. No claim may exceed \$1.125m. The agreement commenced 1 January 2019 and will continue until 31 December 2021.

**Consumer Fund:** TAANZ also provides a Consumer Fund to the value of 100k. The fund is available to meet assessed and approved consumer claims of a TAANZ member's failure. 100k is available in each case where a TAANZ member fails.





## Travel Agents Association of New Zealand Incorporated Group

### Notes to the Consolidated Performance Report

For the year ended  
31 May 2019

#### Notes 7 - 14

##### Note 7: Administration Costs

50% of the June to December 2018 administration costs relating to the Bonding Scheme will be recovered from the airlines (7 months) due to cessation of the arrangement with IATA (2018: 50% for 12 months).

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

Member	2019	Net cost/(income)	2018	
Eva Enterprises	0		(16,377)	
Southern Pacific Tours*	0		0	(a)
Sinorama	(73,000)		0	
Total	(73,000)		(16,377)	

(a) \$48,761 has been paid out for consumer claims and \$48,761 has been recovered in 2018.

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

TAANZ and IATA have undertaken an agreement whereby airlines, through IATA are able to make claims on the TAANZ Bank Guarantee of 2.5M.

No claim may exceed \$1.125m. The agreement commenced 1 January 2019 and will continue until 31 December 2021. TAANZ also provides a Consumer Fund to the value of 100k. The fund is available to meet assessed and approved consumer claims of a TAANZ member's failure. 100k 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 \$4,264,522 (2018: 4,173,654 ). The corresponding liability including interest owed at the reporting date to such members is \$4,319,161 (2018: \$4,404,499). This includes accrued interest of \$54,808 (2018: \$39,317)

##### Note 11: Lease Commitments

The Society has a commitment to lease a photocopier for \$270 per month until June 2021.

	2019	2018
Within one year	3,240	3,240
One to Five years	3,510	6,750
Total	6,750	9,990

##### Note 12: Auditor Remuneration

Total fees payable to Grant Thornton the auditor for the 2019 Financial Statements totalled \$12,000 (2017: \$11,750). Fees Payable to Grant Thornton for Tax advice provided totalled \$1,635 (2018: \$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. (2018: None).

##### Note 14: Contingent Assets

There are no contingent assets at year end (2018: None).



# Travel Agents Association of New Zealand Incorporated Group

## Notes to the Consolidated Performance Report

For the year ended  
31 May 2019

### 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
2019: Rent to member APX Travel (2018: Nil)	2019: \$2,000 per month (2018: Nil.)	24,000	2,000	-	-

#### Note 16: Capital commitments

There are no capital commitments at reporting date (2018: None)

#### Note 17: Taxation

There are tax losses of \$3,135.36 to carry forward (2018: Nil).

#### Note 18: Events After the Balance Date:

2019: There are no events after the balance date. (2018: The Association took the opportunity to terminate its lease on 79 Boulcott St and is currently negotiating a lease for new premises.)





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