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## Media Release

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# Auckland accommodation rate decision disappointing

Today's decision by Auckland Council to proceed with the targeted rate on commercial accommodation providers is extremely disappointing, the tourism industry says.

Tourism Industry Aotearoa and Hospitality New Zealand say most, if not all, of the councillors recognise the unfairness of the proposal but a majority still decided to vote for the measure.

TIA Chief Executive Chris Roberts says the targeted rate proposal was based on bad information and a poor understanding of how the visitor economy works. There are also unanswered questions over whether it meets relevant legislation.

"There is an alternative approach to the targeted rate. The commercial accommodation sector has repeatedly offered to work with the Council to find a fair and sustainable way to make an appropriate contribution to the city's visitor and event promotion activities. That offer still stands," Mr Roberts says.

HNZ Chief Executive Vicki Lee says the targeted rate will have a devastating impact on Auckland's commercial accommodation sector and the wider tourism industry.

"An unbudgeted cost increase of this magnitude would create serious challenges for any business, and Auckland's motels and hotels are no exception," Ms Lee says.

TIA and HNZ will work with their affected members to decide on their next steps.

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## KEY FACTS

- Tourism in New Zealand is a \$95 million per day industry. Tourism delivers around \$40 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$55 million in economic activity every day.
- Tourism is New Zealand's biggest export earner, contributing \$14.5 billion or 20.7% of New Zealand's foreign exchange earnings (year ended March 2016).
- 13.2% of the total number of people employed in New Zealand work directly or indirectly in tourism. That means 332,322 people are working in the visitor economy.
- The [Tourism 2025](#) growth framework has a goal of growing total tourism revenue to \$41 billion a year by 2025.

Visit [www.tia.org.nz](http://www.tia.org.nz) for more information

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