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## Media Release

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# Government right to rule out tourist tax

The Government is right to rule out another 'tourist tax' charged at the border, recognising the billions of dollars international visitors already inject into the New Zealand economy, says Tourism Industry Aotearoa Chief Executive Chris Roberts.

"Supporters of additional tourist taxes are ignoring the fact that the economic benefits overseas visitors deliver to New Zealand far outweigh the costs we incur in hosting them.

"It is very easy to focus on the pressures that come with growth, but tourism is now New Zealand's biggest export earner by some considerable distance, and international visitors are more than paying their way."

Mr Roberts says the tourism industry's value to the country is increasing significantly with international visitors spending \$14.5 billion last year, up from \$9.9 billion three years earlier.

He says the Government accepts that one of the many benefits of the tourism boom is the significantly increased tax take it is enjoying as a result.

"The GST take alone from international visitors has jumped from \$750 million in 2013 to \$1.15 billion last year. In addition, the new border levy of \$22 per passenger that came into force in January 2016 is netting the Government millions in additional revenue, over and above what was forecast, thanks to record visitor arrivals."

And Mr Roberts cautions that advocates of new tourist taxes need to remember that Kiwi travellers would also pay them.

While taxing visitors isn't the answer, Mr Roberts says the Government does need to assist in providing better infrastructure around the country, and TIA is hopeful of a significant announcement in the May Budget.

"We have been working with central government, local government and industry to identify and prioritise regional infrastructure needs. By investing back into infrastructure, we can ensure that communities across the country are coping and benefitting from the tourism boom and visitors continue to get an outstanding experience."

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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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