

17 April 2020
Media release

Auckland hoteliers relieved by rates decision

Auckland hotels and other commercial accommodation providers will be greatly relieved by the decision to suspend the city's Accommodation Provider Targeted Rate (APTR) for a year, says Tourism Industry Aotearoa.

Auckland Council's Emergency Committee has agreed that the APTR should be suspended from 1 April 2020 until 31 March 2021, due to the impacts of the COVID-19 pandemic.

The APTR was controversially introduced in 2017 and funds approximately half of the tourism and event activity of Auckland Tourism, Events and Economic Development (ATEED).

Earlier this month, the ATEED Board wrote to Mayor Phil Goff suggesting that the APTR be suspended for a year, and that has now been agreed to by the Council.

TIA Hotel Sector Manager Sally Attfield says hotels and other accommodation operators are welcoming the Council's decision at a time when they are experiencing immense challenges.

"With no international visitors coming into New Zealand for the foreseeable future, and an uncertain future for domestic tourism and events, the fixed cost of the APTR would have added to the tremendous pressure hoteliers are already under," Ms Attfield says.

TIA has consistently opposed the rate on behalf of the accommodation sector, on the basis that it unfairly targeted accommodation providers who receive less than 10% of the tourism spend in Auckland.

TIA Chief Executive Chris Roberts says the next few months will provide an opportunity to review the targeted rate and come up with better solutions for council funding. He notes that the Productivity Commission dropped its support for local bed taxes in December. The Commission agreed that councils already have a wide range of funding options available to them and needed to make better use of these.

"I applaud the brave decision by ATEED to give up around a quarter of their yearly budget, because it was the right thing to do.

"Now more than ever it's important councils remove barriers for hotel operators, so that they have the best chance of continuing. We need our hoteliers and accommodation providers, who are essential to the tourism industry and to the economy, to be part of the important conversations we'll be having as we begin to reimagine New Zealand in a post-COVID-19 world."

TOURISM INDUSTRY AOTEAROA

Inspire House, 125 Featherston St, Wellington 6011, New Zealand
P +64 4 499 0104 www.tia.org.nz E info@tia.org.nz



For more information, please contact:

Ann-Marie Johnson

Communications Manager

0276 004 565

ann-marie.johnson@tia.org.nz

KEY FACTS

Prior to the COVID-19 pandemic:

- Tourism in New Zealand was a \$112 million per day industry. Tourism delivered around \$47 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributed another \$65 million in economic activity every day.
- Tourism was New Zealand's biggest export earner, contributing \$17.2 billion or 20.4% of New Zealand's foreign exchange earnings (year ended March 2019).
- 14.4% of the total number of people employed in New Zealand worked directly or indirectly in tourism. That means 393,279 people were working in the visitor economy.
- The [Tourism 2025 & Beyond](#) sustainable growth framework/Kaupapa Whakapakari Tāpoi has a vision of growing a sustainable tourism industry that benefits New Zealanders.

Visit www.tia.org.nz for more information

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