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Media Release

Auckland visitor levy unfair & ill-conceived

A proposed new visitor levy for Auckland unfairly targets accommodation providers and fails to take account of the economic benefits tourism brings, Tourism Industry Aotearoa says.

“It is inequitable to target commercial accommodation providers when the benefits of tourism are spread throughout Auckland’s economy,” TIA Chief Executive Chris Roberts says.

Auckland Mayor Phil Goff is proposing a targeted rate on accommodation providers. The revenue captured through a levy is forecast to be \$20-\$30 million a year.

“It is wrong of the Mayor to suggest that visitors are not already paying their way,” Mr Roberts says. “Auckland is benefitting more than any other part of New Zealand from the tourism boom – and the benefits flow throughout Auckland’s economy.”

Tourism spend in the last year in Auckland was \$7.37 billion, an increase of \$1.519 billion or 26% in the past two years. Domestic spend was \$3.414 billion (up 12.5% in the last two years), and international spend was \$3.956 billion (up 41%).

“Of the total annual tourism spend in Auckland of \$7.37 billion, just 10.5% or \$771m was spent on accommodation. That shows how widely distributed the tourism dollar is, benefitting the wider Auckland economy and its residents.

“Tourism is a huge success story for Auckland – the Council should be supporting its continued growth, not trying to fleece the golden goose.”

The narrow focus of the proposed new rate also fails to fulfil the stated goal of getting a direct contribution from visitors to Auckland.

“It ignores the hundreds of thousands of visitors to Auckland who stay with friends and family, or rent private holiday homes, or use shared accommodation services like Airbnb.

“Commercial accommodation providers are not only unfairly singled out, but will face additional administration costs to collect the proposed rate. And it cannot be assumed in a competitive market that they will be able to pass the costs onto their customers.

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“We look forward to thorough consultation with all affected parties before any decisions are made about this new rate, including how the revenue would be spent. A range of other funding mechanisms are available to achieve the council’s aims and we look forward to discussing those with Mr Goff,” Mr Roberts says.

“Neither our commercial accommodation providers, nor our visitors, should be treated as cash cows.”

For further information, please contact:

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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 for more information

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