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Media Release

New visitor tax must be spent wisely

Ensuring the extra tax revenue to be collected from some international visitors is spent wisely will be the focus of the tourism industry, Tourism Industry Aotearoa says.

The Government has today released details of the proposed International Visitor Conservation and Tourism Levy. It would see passengers paying between \$25 and \$35, and will not apply to New Zealanders, Australians, Pacific Forum member countries, transit passengers, diplomats, some business travellers and children under two.

The main collection method will be a new Electronic Travel Authority, which visitors from visa-free countries like the UK and USA will have to complete before travel. They will have to pay an estimated \$9 for the ETA, on top of the visitor levy. The levy will be added to the cost of visas for visa-required countries like China and India.

The money collected – an estimated \$57m to \$80m a year – will be split between conservation and tourism.

TIA Chief Executive Chris Roberts was at this morning's announcement at Parliament.

"No final decisions have been made on the split between conservation and tourism, what sort of projects should be funded, or how the decisions should be made. The tourism industry is ready to participate in a robust and constructive discussion on these crucial details.

"Our international visitors will be more accepting of being charged to come to New Zealand if they can clearly see it is going to support infrastructure and services that enhance their visit."

The recent Government-commissioned report *Financial Costs and Benefits of International Tourism* has shown that through existing taxes and charges the Government already gets a net benefit of around \$700 per international visitor. That money is used to fund other Government priorities.

"Our key priority with this new charge is ensuring the revenue is directed to where it can do the most good, relieving pressure on infrastructure and ensuring we continue to deliver outstanding visitor experiences," Mr Roberts says.

"We look forward to working with the Government to reach the best possible outcomes for New Zealand."

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KEY FACTS

- Tourism in New Zealand is a \$99 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 \$59 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 2017).
- 14.5% of the total number of people employed in New Zealand work directly or indirectly in tourism. That means 399,150 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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