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## Media Release

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# Tourism industry calls for improvements in immigration performance

Major improvements are needed in Immigration New Zealand's fiscal and operational management to avoid future cost blow-outs, Tourism Industry Aotearoa says.

INZ is proposing to increase immigration fees and levies by as much as 54%, as it seeks to recover a deficit of \$50 million.

In its submission on the proposed increases, TIA says it is disappointing that efforts to improve INZ's efficiency and find cost-savings have not yet materialised.

"We want to see INZ adopt more robust fiscal and planning management practices to avoid any repeat of its forecast \$50 million deficit. It appears that international workers and visitors are being asked to pay for the agency's inability to make efficiency gains," TIA Chief Executive Chris Roberts says.

"This comes at the same time as the Government is proposing to introduce the Electronic Travel Authority which will create a new level of border security and should create efficiencies for INZ."

Insufficient research has been undertaken to assess whether the fee increases would influence skilled migrants' decisions to work in New Zealand. Although most of the proposed increases were not large in dollar terms, international evidence suggested that any increase could impact on the ability to fill skill shortages.

TIA accepts the principal of cost recovery for processing visas, but is strongly opposed to increasing the Border Clearance Levy to include INZ's border services. The BCL is currently used to fund Customs and Ministry for Primary Industries activities at the border. The consultation paper says adding immigration is an option to be considered.

Having a secure border is a public good which should be funded, at least partially, from general taxation revenue. As the consultation document itself notes, 'The Crown also contributes to the cost of running the immigration system, recognising that there are public benefits to New Zealanders from a secure border and a well-functioning labour market'.

"There should be no change to this approach," Mr Roberts says. "The current combination of immigration levies and a direct Crown contribution must continue."

### TOURISM INDUSTRY AOTEAROA

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More investigation is needed by INZ, Customs and the Ministry for Primary Industries to identify where cost-savings can be achieved in border services.

To read TIA's full submission, go to <https://tia.org.nz/assets/Uploads/TIA-Submission-Immigration-Fees-and-Levies.pdf>

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

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