

International Visitor Conservation and Tourism Levy (IVL) – Annual Performance Report 2022/23

MARCH 2024



Ministry of Business, Innovation and Employment (MBIE)

Hīkina Whakatutuki – Lifting to make successful

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New Zealand Government Procurement Branch. Ministry of Business Innovation & Employment (MBIE)

P O Box 1473, Wellington New Zealand

www.mbie.govt.nz – www.procurement.govt.nz

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Introduction

The International Visitor Conservation and Tourism Levy (IVL) ensures tourism continues to benefit communities, visitors, and the environment, helping to create productive, sustainable, and inclusive tourism growth that enriches New Zealanders' lives.

This report outlines:

- the financial performance of the IVL in 2022/23
- the financial and progress reporting for the IVL projects as at 30 June 2023.

WHAT IS THE IVL?

The IVL is a levy payable by most people who intend to enter New Zealand on a temporary basis. Inbound travellers can pay the IVL at the same time as applying for a visa of electronic travel authority (ETA). The levy is currently set at \$35 NZD. Collection of the IVL began in July 2019.

The revenue collected via the IVL funds a series of targeted, prioritised investments that can span multiple financial years. Investment decisions are made jointly by the Ministers of Tourism, Conservation and Finance (the joint IVL Ministers). The IVL is not a contestable fund. Cabinet agreed to split the IVL fund 50:50 between tourism and conservation investment areas.

The joint IVL Ministers set long-term objectives and funding priorities for the IVL. The Ministry of Business, Innovation and Employment (MBIE) and the Department of Conservation (DOC) provide advice to the joint IVL Ministers on the alignment of projects to these objectives and priorities. MBIE and DOC also provide project oversight, reporting, compliance, and monitoring services.

The investment priorities target areas of cultural and historic significance, the restoration and protection of New Zealand's unique biodiversity, upgrades to existing tourism destinations, and transformational technologies.

The investment priorities are guided by key frameworks reflecting government objectives for conservation and tourism. These include: the New Zealand-Aotearoa Government Tourism Strategy; Te Mana o te Taiao – the New Zealand Biodiversity Strategy 2020; and the DOC Heritage and Visitor Strategy.

IVL PROJECTS

In 2019, an initial round of 10 multi-year projects were funded from the IVL. Due to the significant reduction in revenue caused by COVID, there were no additional projects funded until 2021/22. This report covers four of the original 2019 projects which are still running, plus seven new tourism projects approved in 2021/22 and 2022/23.

Section 1: Financial Performance



Financial Performance

This section covers:

- revenue and expenditure for the IVL in 2022/23
- budgeted, actual, and forecast expenditure for the IVL projects.

IVL performance

Since the full re-opening of the New Zealand borders on 31 July 2022 following the COVID-19 pandemic, IVL revenue has significantly increased. While there has been a rapid return of international visitors, the long-term outlook is unclear. Some initial projects have been completed, others are progressing and consideration has been given to new projects.

Revenue

Actual revenue collected in the fourth year of operation to 30 June 2023 was \$44.9m, down on the forecast of \$53.2m. This is a significant increase on 2021/22 when revenue was \$3.3m. Pre-COVID revenue in 2019/20 was \$57.2m.

Initially, the IVL was predicted to raise approximately \$450m in its first five years. Due to the impact of COVID-19, the total collected since inception to 30 June 2023 is \$108m. This has limited investment over the first four years of the IVL.

Expenditure

This financial year, expenditure for tourism was \$6.255m across eight projects, expenditure for conservation was \$3.148 m across three projects, and administrative expenditure was \$1.760m.

Total expenditure from the IVL since its beginning in 2019 to June 2023 is \$35.944m, which breaks down into: \$18.244m for tourism, \$17.700m for conservation, and \$6.230m for administrative expenditure*.

Funding allocated to out-years

Many of the IVL projects have multi-year funding committed in principle. Administrative expenditure is also committed in advance. As at 30 June 2023, the IVL has funding allocated out to financial year 2026/27.

Total funding allocated to future years as at 30 June 2023 is \$31.368m across both Tourism and Conservation.

Tourism projects have \$18.211m committed over the next four financial years, conservation projects have \$10.771m committed over the next 3 financial year. Administrative funding has been committed for the next two financial years, totalling \$2.386m out to 2024/25.

* Administrative expenditure/funding includes bank fees (2.5%-3% visa charges) and MBIE and DOC fund management costs.

Table 1: Summary of round 1 IVL six-year commitments (\$m)

	19/20 Y1	20/21 Y2	21/22 Y3	22/23 Y4	Future Commitments	Total
Revenue	57,163	2,692	3,314	44,871		108,040
Fund Mgmt Y1-Y6 (inc bank fees)	-2,266	-1,187	-1,017	-1,760	-2,386	-8,616
Conservation	-2,936	-5,685	-5,931	-3,148	-10,771	-28,471
Tourism	-3,170	-6,728	-2,091	-6,255	-18,211	-36,455
Total Expenditure	-8,372	-13,600	-9,039	-11,163	-31,368	-73,542
Uncommitted total as at 30 June 2023						34,498

Individual projects' financial performance

Since the IVL began in 2019, the Joint IVL Ministers have approved 20 projects for investment. In its fourth year, the conservation and tourism projects have advanced all IVL investment priorities: to target areas of cultural and historic significance, the restoration and protection of New Zealand's unique biodiversity, upgrades to existing tourism destinations, and transformational technologies.

New projects approved

Two new projects were approved during the 2022/23 financial year from the tourism portfolio, and one from the conservation portfolio:

- Freedom Camping Implementation of Reforms - \$4.200m to fund establishment costs of the regulator and system.
- National Destination Management Team - \$5.000m for a Destination Management team to advance Destination Management and Destination Management plans.
- Hauraki Gulf Marine Protection - \$1.605m to bridge funding for the protection of large areas of the Hauraki Gulf, increasing the areas of the Hauraki Gulf under protection from 6.7% to 18%, removing anthropogenic pressures that have negative impacts on marine species including indigenous species, and research and monitoring components of the work.

The following tables provide an overview of the budgeted and actual funding of each current IVL project.

Table 2: Tourism funding commitments by project as at 30 June 2023 (\$m)

Project	Budgeted Funding	Actual Funding	Y	19/20 Actual	20/21 Actual	21/22 Actual	22/23 Actual	23/24 Allocated	24/25	25/26	26/27
Building The Tourism Workforce (Stage 1- Go With Tourism)	5,200	5,200	4	1,170	1,528	1,616	886				
Tourism Data	5,080	5,080	2				60	5,020			
Local Revenue Tools	350	142	1			142					
Trenz Connect	1,550	1,550	2			475	1,075				
Freedom Camping Vehicle Register	1,900	1,900	2				1,107	793			
Regional Tourism Nz (Rtnz) Destination Management Plans	600	600	2				300	300			
I-Site Network	2,975	2,975	3				975	1,200	800		
Go With Tourism (Gwt)	2,000	2,000	2				1,452	548			
Business Events Industry Aotearoa	400	400	1				400	-	-		
Freedom Camping Implementation of Reforms	4,200	4,200	4					1,050	1,050	1050	1050
National Destination Management Team	5,000	5,000	2					2,500	2,500		
TOTAL	29,555	29,047		1,170	1,528	2,233	6,255	11,761	4,350	1,050	1,050

Table 3: Conservation current funding commitments by project as at 30 June 2023 (\$M)

Project	Budgeted Funding	Actual Funding	Years	19/20 Actual	20/21 Actual	21/22 Actual	22/23 Actual	23/24 Allocated	24/25 Allocated	25/26
Kākāpō Recovery Programme	8,030	7,362 [†]	7	484	1,155	2,481	792	866	708	876
Maukahuka Pest Free Auckland Island	1,500	1,499	3	147	776	576				
Regulatory Compliance	13,680	12,010 [‡]	6	1,010	2,271	2,852	2,326	2,700	848	
Ruapekapeka Pa	1,200	1,200	4	521	377	21	30	251		
Te Manahuna Aoraki Landscape Scale Restoration	1,500	1,500	2	528	972					
Visitor Safety System Trial and Pilot	380	381	2	246	135					
TOTAL	26,290	23,949		2,936	5,686	5,930	3,148	3,641	1,732	876

[†] The cause of the underspend for 22/23 is largely due to project delays with new site establishment (Maungatautari and Coal Island), and delays in the transmitter technology project.

[‡] The project is expected to come in under budget due to unspent contingency and reduction in planned work during COVID.

A photograph of a high-altitude mountain range. The central peak is covered in snow and ice, with some blue-tinged ice visible. The surrounding slopes are dark, rocky, and sparsely covered with snow. In the foreground, a calm lake with a turquoise hue is filled with several icebergs of varying sizes. The sky is overcast with grey clouds.

Section 2: Project Progress Reporting

Section 2: Current Tourism and Conservation Projects' Progress against milestones

The following tables show the progression of current IVL projects against key milestones as at 30 June 2023⁵.

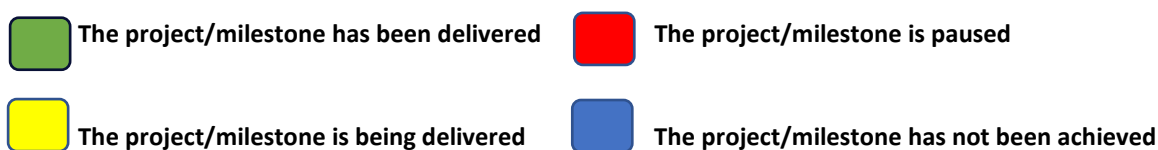








Table 4: Conservation Portfolio – Progress against key milestones

Pillar	Investment Priority	Project	Description	Key Milestones 2022/2023	Status	Project End Date
Biodiversity	Increasing species management	Kākāpō Recovery Programme	Development of long-term sustainable management approach for kākāpō and establishment of new habitat sites.	New transmitter technology development		2026
				Maungatautari kākāpō translocation		
				Te Kāhahu breeding pilot		
				10-year strategic plan		
				Coal Island and Five Fingers kākāpō translocation		

Pillar	Investment Priority	Project	Description	Key Milestones 2022/2023	Status	Project End Date
Responding to visitor pressure on conservation and the environment	Protecting and enhancing natural and cultural heritage	Ruapekapeka Pā	Development of Ruapekapeka Pā as an attraction for visitors; support of Te Ruapekapeka Trust to Commemorate the 175th anniversary of the Battle of Ruapekapeka Pā.	Install new historic armaments for display		2026

⁵ Past projects are captured in previous IVL Annual Performance Reports, available: [Annual Performance Report 2021/22 | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](https://www.mbie.govt.nz/annual-performance-report-2021/22/)



Pillar	Investment Priority	Project	Description	Key Milestones 2022/2023	Status	Project End Date
Responding to visitor pressure on conservation and the environment	Protecting endangered species from smuggling and ensuring consistent application of rules on conservation land and waters natural and cultural heritage	Regulatory Compliance – Building Capacity and Capability for Conservation Law Enforcement	Increase capacity and capability to enable investigations into illegal activity on conservation lands and waters, wildlife crime, and Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)-related crime.	Delivery of outreach campaigns leading to increased levels of public engagement and awareness about conservation compliance		2025
				Improving the auditing of concessionaires by establishing a monitoring and audit team		
				Completing investigations into over 200 incidents logged into the Department’s CLE Works enforcement system		
				Strengthening compliance officer and district warranted officer relationships through engagement, coaching and mentoring		
				Deployment of conservation enforcement dog and collaboration with border operation companies		
				Enhancing compliance capacity to strengthen border capability, detect wildlife crimes, and enable increased investigations		





Additional commentary on projects


The kākāpō translocation to Five Fingers/Taumoana was paused due to a rat incursion on Resolution Island. The Maungatautari sanctuary was prepared for translocation which occurred in FY 23/24.





The project end dates for Kākāpō Recovery and Ruapekapeka Pā have been extended, total allocated budget remains the same.




Table 5: Tourism Portfolio – Progress against key milestones

Pillar	Investment Priority	Project	Description	Key Milestones 2022/2023	Status	Project End Date
Tourism Strategic Infrastructure	Destination Management planning and investment	TRENZ Connect	To support the Tourism Industry New Zealand Trust (TINZT) to deliver Tourism Rendezvous New Zealand (TRENZ) for 2022 and 2023, New Zealand’s largest annual international tourism business-to-business travel and trade event	Funding for TRENZ Connect – an online platform that connects domestic buyers with international sellers, by enabling domestic sellers to list for free until the main markets of China, Australia and USA are restored. TRENZ Connect was held over 17-19 May 2022		2023
		TRENZ Connect Promotion of Tourism Careers – Building the Tourism	To support the Tourism Industry New Zealand Trust (TINZT) to deliver Tourism Rendezvous New Zealand (TRENZ) for	Working capital provided for TRENZ 2023, enabling preparations for the 2023 event to continue		2023

		Workforce Programme	<p>2022 and 2023, New Zealand's largest annual international tourism business-to-business travel and trade event</p> <p>Deliver through Go with Tourism (GWT) a programme to improve perceptions of tourism career pathways and attract more people into New Zealand's tourism and hospitality workforce</p>	Increased placement of candidates into employment with tourism or hospitality employers		2023
Tourism System Capability		Promotion of Tourism Careers – Building the Tourism Workforce Programme	Deliver through Go with Tourism (GWT) a programme to improve perceptions of tourism career pathways and attract more people into New Zealand's tourism and hospitality workforce	GWT Expos are delivered and GWT participates in multiple other expos facilitated by other organisations		2023
				Secondary schools and tertiary providers are engaged and participate with GWT programme		
				Increased marketing reach across all GWT social media channels	 Not achieved due to programme closing	

				Place 100+ candidates with an employer through the Pledge A Placement programme (68 candidates placed through this particular programme)		
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Pillar	Investment Priority	Project	Description	Key Milestones 2022/2023	Status	Project End Date
Tourism Strategic Infrastructure	Tourism Communities and Regions	Freedom Camping Vehicle Register	Design and build an electronic register of self-contained vehicles and to set up the register's associated systems.	Design, build, test and implement the register with support documentation		2023
	Tourism Communities and Regions	i-SITE Network	i-Site upgrade	Brand Development		2026
				Physical updates for 14 destination i-SITEs		
Development of i-SITE digital assets						

Pillar	Investment Priority	Project	Description	Key Milestones 2022/2023	Status	Project End Date
Tourism System Capability	Tourism Communities and Regions	RTNZ Destination Management capability	Destination Management Capability Building	Benchmark RTO capability		2024
				Build capability of RTO network		
				Connecting key stakeholders to Destination Management Plans and RTOs		
				Destination Management plan review and extensions	