



Proposed changes to the International Visitor Conservation and Tourism Levy

DISCUSSION DOCUMENT | MAY 2024



Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

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How to have your say

You have an opportunity to tell us what you think about the proposals to change the current IVL settings by providing feedback on the matters raised in this discussion document. You are welcome to make submissions on some, or all, of the discussion questions set out in this document and/or to raise any other relevant points.

HOW TO COMMENT ON THIS DISCUSSION DOCUMENT

You can tell us what you think of the proposals in this discussion document. The deadline for providing your feedback is **5pm, Tuesday, 11 June 2024**.

Submissions received after the deadline will not be considered. Extensions to this deadline will be granted in exceptional circumstances only. If you think you need an extension, please contact us at the email address below as soon as possible to discuss whether an extension will be granted.

Your submission can be completed using the survey on our website, or you can submit a response in the form of a short letter or document via email. Where possible, please provide relevant facts, figures, data, examples and documents to support your views.

You can have your say by:

- Completing the survey on our website: www.mbie.govt.nz/have-your-say
- Emailing your submission to us at: IVLconsultation@mbie.govt.nz
- Mailing your submission to us at:

Ministry of Business, Innovation and Employment

15 Stout Street

PO Box 1473, Wellington 6140

Attention: International Visitor Conservation and Tourism Levy submissions

Where possible, we appreciate receiving survey submissions. If you are emailing us an attachment, we prefer Microsoft Word or searchable PDF formats.

MBIE WILL PUBLISH A SUMMARY OF SUBMISSIONS

MBIE will analyse the submissions we receive and publish a summary of them on our website at www.mbie.govt.nz.

Submissions may be subject to release under the New Zealand Official Information Act 1982 and requests under the Privacy Act 2020.

Official Information

Submissions may be requested under the Official Information Act 1982. If you have any objection to the release of any information in your submission, please set it out clearly in your submission.

Please clearly indicate which parts you consider should be withheld, together with the reasons for withholding the information and the grounds under the Official Information Act 1982 you believe apply. We will take such objections into account and will endeavour to consult with submitters when responding to requests under the Official Information Act 1982.

Personal information

The Privacy Act 2020 governs how we manage personal information (e.g., collection, use, holding, disclosure, etc.). Any personal information you supply to us in the process of making a submission for this consultation will only be used for the purpose of assisting in the development of policy advice in relation to this review, to attribute submissions or for contacting you about your submission. We may also use personal information you supply in the course of making a submission for other reasons permitted under the Privacy Act 2020 (e.g., with your consent, for a directly related purpose, or where the law permits or requires it). Please clearly indicate in the cover letter or email accompanying your submission if you do not wish for your name, or any other personal information, to be disclosed in any summary of submissions or external disclosures. You have rights of access to and correction of your personal information that you provided in your submission. If you included the personal information of another individual in your submission, they also have the right to access and/or correct their own information provided in the submission.

Other information

If there is other information that you would like to submit to MBIE for consideration in this consultation but do not want it publicly disclosed, please do clearly set that out in your submission for MBIE to consider.

WHAT HAPPENS NEXT?

MBIE will analyse all submissions received and then report back to the Minister of Finance, the Minister of Conservation and the Minister for Tourism and Hospitality on the feedback, with recommendations for their consideration. Your submission will help to inform policy decisions on the proposed amount change to the IVL.

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Minister for Tourism and Hospitality's foreword

A thriving tourism industry is a critical component of New Zealand's economy. For most of our regions, tourism and hospitality are key drivers of economic growth. It has created many jobs for New Zealanders and provided income for our operators. Data shows that tourism is now back as New Zealand's second-biggest export earner, generating nearly \$10.8 billion in export earnings for the year to March 2023.

It is my view that to continue to grow our economy, we need to grow the value of international tourism. International visitors spend widely across the economy on fuel, groceries, retail goods, transport, accommodation, tourism activities, and attractions.

As we grow, we know that our public infrastructure and conservation estate may face considerable pressure from higher visitor numbers. As such, it is important that this growth is well managed so that we retain and enhance the social licence for tourism to operate in New Zealand while also providing world-class experiences to international visitors.

Since I became the Minister for Tourism and Hospitality, I have been out speaking with operators, industry, workers, local government and visitors across the country. I have listened to the opportunities and challenges facing tourism and hospitality in New Zealand. During my travels, I have heard about the importance of ensuring international visitors contribute their fair share to the costs they impose and the benefits they receive from the infrastructure they use while here in New Zealand.

The International Visitor Conservation and Tourism Levy (IVL) is our most significant tourism funding tool. This funding allows us to react nimbly to issues arising for tourism operators, visitors, and New Zealanders, while also supporting our ambitions for tourism. However, the IVL does not raise enough funding to cover all these costs, with the remainder either covered by the Crown or not addressed. I believe too many costs are falling on the ratepayer and taxpayer and am seeking views on increasing the amount of the IVL.

Raising the IVL will help the Government address the issues facing tourism, ensuring that we can provide high-quality visitor experiences. I also want to ensure that an increase in the IVL has minimal impact on visitor demand to travel to New Zealand and that we continue to grow tourism's economic contribution.

I am interested in receiving feedback from all stakeholders across the tourism industry, as well as from the wider public. Making changes to the IVL requires input, and I look forward to understanding your views on the proposed changes.

HON MATT DOOCEY

Minister for Tourism and Hospitality

Minister of Conservation's foreword

Kia ora koutou katoa,

New Zealand's outstanding natural beauty is a key drawcard for our international visitors. Our global image as a visitor destination is built on our pristine environment, breathtaking scenery and unique biodiversity. Our tourism and conservation sectors are closely linked and must continue working together to ensure we promote what New Zealand has to offer in a sustainable way.

Many of our most iconic visitor destinations, such as Milford Sound/Piopiotaahi and Aoraki/Mt Cook, are on public conservation land managed by the Department of Conservation. I am pleased to see international visitor numbers returning to pre-COVID-19 levels. However, increasing numbers put increasing pressure on managing these taxpayer-funded sites. The International Visitor Conservation and Tourism Levy (IVL) offers a way for international visitors to contribute to the upkeep of the environment they enjoy and the visitor assets they use during their trips.

The tourism sector is a key part of New Zealand's economy and one which I want to see continue to grow sustainably. Investments from the IVL can serve the dual purpose of boosting tourism and helping to conserve the natural environment visitors come to enjoy.

Since its introduction in 2019, the IVL has funded some key conservation projects despite the revenue reduction due to COVID-19. Five years on from its introduction, it is time to review the \$35 amount. An increase in the IVL could allow further investment in protecting our conservation lands and waters, with the benefit of ensuring it continues to drive sustainable tourism for decades to come.

The IVL is an important tool for tourism and conservation funding and one that can be increased without putting an additional burden on New Zealand taxpayers. I believe it is fair to ask international visitors to increase their contribution towards the funding of tourism and conservation.

I am looking forward to receiving feedback on the proposed changes and encourage you to share your views to inform our decision-making process.

Mauriora,

HON TAMA POTAKA

Minister of Conservation

The issue and why we are consulting

The current amount of the International Visitor Conservation and Tourism Levy (IVL) is insufficient to address the costs associated with international tourism. The Government is seeking feedback on increasing the amount of the IVL and how revenue is invested to support managing the costs of international tourism.

TOURISM IS A CRITICAL PART OF THE NEW ZEALAND ECONOMY...

Visitors bring significant money into the New Zealand economy, and the sector provides jobs and investment opportunities. International visitors also expand our global reach through critical aviation links. Visitors often return home with a taste for New Zealand's wine and food or with the goal of returning here to study, live or invest.

Evidence shows that visitor numbers are recovering following the effects of the COVID-19 pandemic. The UN World Tourism Organisation reports that international tourism reached 90% of pre-COVID levels worldwide in October 2023¹, with arrivals to New Zealand at year end February 2024 at 80% of peak visitor volumes in 2019².

Figure One: Total international visitor arrivals to New Zealand³



...BUT TOURISM CREATES COSTS WHICH THE IVL CANNOT CURRENTLY ADDRESS.

However, international visitors also put pressure on New Zealand's infrastructure, environment, and communities. This pressure causes costs and impacts which affect both visitors and residents.

¹ [https://www.unwto.org/news/international-tourism-to-reach-pre-pandemic-levels-in-2024#:~:text=According%20to%20the%20UNWTO%20Tourism,\(based%20on%20STR%20data\).](https://www.unwto.org/news/international-tourism-to-reach-pre-pandemic-levels-in-2024#:~:text=According%20to%20the%20UNWTO%20Tourism,(based%20on%20STR%20data).)

² <https://www.stats.govt.nz/information-releases/international-travel-february-2024/>

³ [https://teic.mbie.govt.nz/ste/theEconomy/demand/.](https://teic.mbie.govt.nz/ste/theEconomy/demand/)

Currently, costs are covered primarily by New Zealand's ratepayers and taxpayers, with visitors contributing through the IVL⁴ and through GST on their purchases⁵.

Estimates in 2019 projected that the unfunded costs of international visitors were around **\$250 million** per year. This comprised **\$100-\$150 million** each year (shared between the private sector, local and central government) in costs associated with local infrastructure⁶ and around **\$96 million** of DOC's expenditure⁷.

Visitors come to New Zealand for, amongst other things, our landscapes and scenery and for our safe and uncrowded locations⁸. Ongoing investment in tourism infrastructure and conservation is critical to ensure a high-quality visitor experience and the long-term sustainability of the tourism industry.

THE GOVERNMENT IS FOCUSED ON REBUILDING THE ECONOMY AND FISCAL SUSTAINABILITY

The Government recognises the importance of the tourism sector to the economy, and the public conservation land and waters that many visitors are motivated to travel to New Zealand to experience. However, these priorities must be balanced against a range of other pressures and the realities of the current fiscal position. At present, the Crown invests significantly into tourism, including international marketing through Tourism New Zealand (TNZ), investment into mixed-use infrastructure and support for conservation land and water. It is appropriate that the Crown continues to consider the balance of contributions made by taxpayers and international visitors to support these functions. This includes considering whether funds raised from levies can be used to support actions that would otherwise be taxpayer funded.

THE GOVERNMENT IS CONSULTING ON INCREASING THE IVL AMOUNT AND HOW FUNDING FROM THE IVL IS SPENT

At \$35, the IVL does not generate enough funding to support the required level of ongoing investment needed to support communities to address the impacts of international visitors, especially those with low resident to visitor ratios, nor can it address the rising costs of goods and services. The Government believes too much additional funding is being provided from ratepayers and taxpayers. We are therefore seeking your views on the IVL amount and how that funding is spent across both tourism and conservation, and where applicable the wider economy.

⁴ The IVL can currently only be used to fund or contribute to the funding of conservation, infrastructure used for tourism (including the cost of operating the infrastructure), and other initiatives related to tourism.

⁵ International visitors contributed \$1.0bn through GST to year end March 2023. This revenue is invested across New Zealand. <https://www.stats.govt.nz/information-releases/tourism-satellite-account-year-ended-march-2023/>

⁶ <https://www.tia.org.nz/assets/Uploads/4d868a4517/Tourism-Infrastructure-Executive-Summary4.pdf>

⁷ Gross expenditure related to international visitors was \$115.5m; \$96m is the net amount taking account of contributions International Visitors make through GST and taxes paid by tourism businesses.

⁸ <https://teic.mbie.govt.nz/teiccategories/datareleases/ivs/>. Factor in Deciding to visit New Zealand.

Questions for consultation

1. **Do you agree that current levels of IVL revenue (approximately \$80 million) are not sufficient to address issues facing tourism and conservation?**
 - a. **Yes – Maybe – No – Not sure**
2. **Do you agree that the IVL should be used to address some of the costs for tourism and conservation currently funded by the Crown?**
 - a. **Yes – Maybe – No – Not sure**
3. **Please explain your views, including any additional information that would be useful.**

The International Visitor Conservation and Tourism Levy

The introduction of the IVL in 2019 was the first step in creating a sustainable funding model to invest in tourism and conservation projects that support a productive tourism sector that delivers high-quality visitor experiences.

CURRENT IVL SETTINGS

Most international visitors applying for a visa or a New Zealand Electronic Travel Authority (NZeTA) to enter New Zealand are charged the non-refundable IVL of \$35.

An application for an NZeTA currently costs \$17 or \$23 depending on the method of application (via an app or online), and the current IVL charge of \$35 is applied on top of this cost. An NZeTA is valid for two years and is required for visa waiver travellers and Australian permanent residents. Australian citizens, people from many Pacific Island countries⁹, New Zealand citizens and New Zealand visa holders are not required to hold an NZeTA before travelling to New Zealand.

This consultation is not considering any changes to who pays the IVL.

WHERE IS THE IVL SPENT?

Assuming arrivals match 2019 figures, the IVL will generate roughly \$80m per year between 2024 and 2026. The revenue from the IVL is split evenly between investment in tourism and conservation. However, this division is not mandated by legislation, and Ministers could choose to change how the IVL is allocated.

Examples of previous investment include enhancing visitor access to conservation and tourism activities on the West Coast by Fox Glacier and the visitor safety enhancement trial at Tongariro National Park¹⁰. Annex One provides a full summary of IVL investment to date.

⁹ Including American Samoa, Cook Islands, Fiji, Kiribati, Republic of Marshall Islands, Federated States of Micronesia, Niue, Nauru, Palau, Papua New Guinea, Pitcairn Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

¹⁰ <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-funding/international-visitor-conservation-and-tourism-levy/projects-funded-by-the-ivl/>

Proposal for increasing the IVL

Based on the current amount of \$35, the IVL is forecast to raise around \$80 million per annum¹¹. This amount is insufficient to meet the needs of our tourism or conservation sectors as we look to grow tourism to benefit visitors and New Zealanders.

The Government acknowledges that worldwide travel is extremely competitive. New Zealand is a long way from many markets and expensive to travel to, so reaching pre-COVID arrival numbers may take time.

The Government has considered a range of factors, such as the effects of inflation, similar charges in other destinations and other costs to visitors, to arrive at the following four options for raising the IVL:

- The IVL remains at **\$35** per person (status quo).
- The IVL increases by \$15 per person from \$35 to **\$50** per person.
- The IVL increases by \$35 per person from \$35 to **\$70** per person.
- The IVL increases by \$65 per person from \$35 to **\$100** per person.

As shown in Table 1 below, the Government estimates that the increased revenue from an increase in the IVL has the potential to be significant. A 20 per cent margin of error recognises that IVL revenue fluctuates with international visitor numbers, and figures are rounded to the nearest million:

Table 1: Estimated IVL revenue based on forecast international visitor arrivals, 2024-2026¹²

IVL scenarios	Total estimated IVL revenue	Estimated additional annual revenue with +/- 10% variation in total visitor numbers paying the IVL
Status quo IVL remains \$35	~ \$80 million	~ (-\$8 million) to ~ \$8 million
Option One IVL is increased by \$15 to \$50	~ \$115 million	~ \$24 million to ~ \$47 million
Option Two IVL is increased by \$35 to \$70	~ \$161 million	~ \$65 million to ~ \$97 million
Option Three IVL is increased by \$65 to \$100	~ \$230 million	~ \$127 million to ~ \$173 million

¹¹ Based on Immigration New Zealand forecasts for 2024-2026.

¹² Forecast based on actual arrivals up until 30 June 2023.

AN INCREASE TO THE IVL CANNOT BE CONSIDERED IN ISOLATION, WE NEED TO CONSIDER HOW CUMULATIVE PRICE INCREASES IMPACT VISITOR DEMAND

New Zealand is a premium and often expensive destination for many of our international markets, and any additional cost may impact our competitiveness against similar destinations. There is a risk that increasing the IVL too much could slow growth in travel demand for more price-sensitive markets, or lead to visitors spending less while in New Zealand.

While the Government believes an increase in the IVL amount is unlikely to impact the volume of visitors to New Zealand significantly, there are a range of other costs associated with international travel. Some of these are market-driven, such as airfares, fuel cost, airport charges, and customer preference, and some relate to costs in other jurisdictions, such as border charges, transit costs, fees, and levies.

There is no up-to-date modelling available to provide an indication of the impact of these cumulative costs. However, a study from the United Kingdom¹³ suggests that the responsiveness of demand to travel is low for moderate increases in visa rates, which may suggest a similar pattern for the IVL.

THERE HAVE BEEN INCREASES IN OTHER BORDER CHARGES...

Visitors to New Zealand face other border charges alongside the IVL, some of which have recently increased. When determining the attractiveness of New Zealand as a destination to visitors, consideration must also be given to these wider charges and whether they will also be rising.

Table 2 provides an overview of New Zealand's current border charges, which should be considered alongside the IVL.

Table 2: New Zealand border fee and levy changes

Responsible Agency/Organisation	Name of Charge	Price (Cruise Passengers)	Price (Non-Cruise Passengers)	Eligibility
NZ Customs Service	Border Processing Levy (arrival)	\$11.48 (excluding GST)/\$13.20 (including GST) per passenger.	\$16.59 (excluding GST)/\$19.08 (including GST) per passenger	Any person entering New Zealand.
NZ Customs Service	Border Processing Levy (departure)	\$4.55 (excluding GST)/\$5.23 (including GST) per passenger	\$4.52 (excluding GST)/\$5.20 (including GST) per passenger	Any person departing New Zealand
Biosecurity NZ (MPI)	Border Processing Levy (arrival)	\$10.58 (excluding GST)/\$12.17 (including GST) per passenger	\$16.92 (excluding GST)/\$19.46 (including GST) per passenger	Any person entering New Zealand.

¹³ Home Office (United Kingdom). (2020). A review of evidence relating to the elasticity of demand for visas in the UK.

Responsible Agency/Organisation	Name of Charge	Price (Cruise Passengers)	Price (Non-Cruise Passengers)	Eligibility
Maritime NZ	Maritime Levies	Fees vary on vessel classification. Passenger capacity charges vary from \$19.54 – \$48.71	n/a	Fees paid per vessel. Costs are passed to passengers in their ticket price.
Civil Aviation Authority	International Passenger Security Levy	n/a	\$13.12 (excluding GST)/ \$15.09 (including GST) per passenger.	Paid per departing international flight. Levied via airlines, costs are passed to passengers in their ticket price.
Civil Aviation Authority	Civil Aviation (Safety) Levy	n/a	\$1.60 (excluding GST)/\$1.84 (including GST)	Levied via airlines with costs passed to passengers in their ticket price.
Airport Passenger Charges	Passenger charges	n/a	Vary by airport, Auckland Airport fees: International and Transit Passenger Charge - \$21.20	Any person arriving at, or transiting through, the airport from abroad.
Immigration New Zealand	Visa Fees and Levies	n/a	Visitor Visa currently \$211 (\$21 for the levy and \$190 for the fee).	Non-New Zealand citizens seeking to travel to and enter New Zealand who are not from visa-waiver countries.

A visitor from a non-visa waiver country entering New Zealand via Auckland Airport on a visitor visa would currently pay at least \$315.43 in border charges and fees, including the IVL. This figure does not consider any relevant charges a visitor may face departing their country of origin or for countries they transit through.

There may still be indirect costs associated with COVID-19, such as travel insurance premiums, which are not considered. Worldwide inflationary pressures, fuel cost increases, and airport fees are also likely to have an impact on the cost of travel to and from New Zealand.

While the Government acknowledges these concerns, it has become clear that returning to a status quo tourism sector is not in the long-term interest of New Zealanders, our communities, our visitors, or our tourism operators.

INTERNATIONAL COMPARISONS

New Zealand is one of many countries imposing border charges and fees, with many destinations increasing prices. For example, Venice recently introduced a ‘Daily Access Fee’ of €5 per person for day-trippers to the city¹⁴.

Table 3 outlines fees charged in Australia. A visitor from a non-visa waiver country entering Australia via Melbourne Airport would pay at least A\$320.82 (NZ\$353.67)¹⁵ in border charges and fees. This will rise to A\$330.82 (NZ\$364.70)¹⁶ from 1 July 2024.

Table 3: Australia border fee and levy changes

Name of Charge	Price (A\$)	Eligibility
Passenger Services Charge	Vary by airport, Melbourne Airport fees: Domestic - \$16.28 International - \$64.32	Any person arriving at, departing from, or transiting through, an Australian airport.
Safety and Security Charge	\$6.50	Any person buying an air ticket.
Passenger Movement Charge (Departure Tax)	\$60 (Rising to \$70 from 1 July 2024)	All persons departing for an overseas destination.
Visitor Visa	\$190	Non-Australian citizens seeking to travel to and enter Australia who are not from visa-waiver countries.
Total for International holiday maker (arrival and departure)	\$320.82	For example, a visitor from a non-visa waiver country entering and exiting Australia via Melbourne Airport

¹⁴ <https://cda.ve.it/en/>

¹⁵ Conversion rate as at 6 May 2024

¹⁶ Conversion rate as at 6 May 2024

Questions for consultation

4. **Do you prefer one option over the other? (select one)**
 - a. **Status quo at \$35**
 - b. **An increase**
5. **If the IVL does increase, what amount is your preferred option?**
 - a. **Increase by \$15 to \$50**
 - b. **Increase by \$35 to \$70**
 - c. **Increase by \$65 to \$100**
6. **Please explain the reasoning for your preferred option.**

How to spend revenue from the IVL

Funding raised by the IVL is currently split evenly between Conservation and Tourism. This funding is administered by DOC and MBIE, respectively.

Funding from the IVL may be spent on:

- Conservation
- Infrastructure used for tourism
- Other initiatives related to tourism¹⁷.

Funds from the IVL are spent according to the IVL investment plan, which is available online¹⁸. The Government wishes to hear views on whether this investment plan should be changed and what changes are needed.

IVL funding can provide support to a range of different areas across the tourism and conservation portfolios. These include, but are not limited to, contributing to the funding of things which will;

- Address visitor pressure on mixed-use tourism infrastructure and wider tourism assets.
- Address visitor pressure on the public conservation estate.
- Support investment into 'club goods', projects or initiatives that the tourism or conservation sector might benefit from, but are hard for individual businesses to develop or commercialize.
- Contribute to the funding mix for international tourism marketing costs (investment into Tourism New Zealand).
- Support ongoing or future Crown investment into tourism and conservation related activities.
- Fund, or contribute to the funding of, other initiatives relating to tourism.

ADDRESS VISITOR PRESSURE ON TOURISM INFRASTRUCTURE AND WIDER TOURISM ASSETS

Catering for and managing ongoing tourism growth requires a wide range of funding across several areas. This could include investment into physical assets such as mixed-use infrastructure or funding of the services that support the running of a successful tourism system, such as tourism data.

¹⁷ S399A Immigration Act 2009 <https://www.legislation.govt.nz/act/public/2009/0051/latest/LMS226608.html>

¹⁸ <https://www.mbie.govt.nz/dmsdocument/27170-ivl-investment-plan-2023>

Tourism infrastructure

A report authored by tourism sector leaders in late 2016 estimated that an ongoing investment programme for local infrastructure of **\$100-\$150 million** (shared between private sector, local and central government) was required each year to meet visitor demand¹⁹.

There are a range of options for how to address infrastructure issues. For example,

- Part-funding and supporting the development of City/Regional deals with tourism or conservation elements.
- Supporting the development and delivery of Destination Management Plans (DMPs). These focus on addressing issues of social licence, environmental and infrastructure management, with a small number also having growth agendas.
- Investment into mixed-use infrastructure (such as car parks and public toilets) at place via a contestable fund.

Tourism data

The IVL could invest to support the development and purchase of key tourism datasets. Data remains a crucial part of the strategic overview of the tourism sector. Certain elements of tourism data captured by Statistics New Zealand have stopped, and the small size of most tourism operators has meant that there is no obvious avenue for the sector to invest in data collection.

Wider tourism assets

This could include ongoing funding for New Zealand Cycle Trails but could be expanded to include other assets such as tramping and walking tracks.

ADDRESS VISITOR PRESSURE ON THE PUBLIC CONSERVATION ESTATE

International visitors are regular users of public conservation land, with 50% visiting a national park during their trip²⁰. As visitor numbers increase, DOC incurs additional maintenance costs across facilities such as tracks and huts. DOC manages over 21,800 visitor assets including 15,000km of tracks, 2,170 visitor buildings, and 15,500 heritage sites.

In addition to recreation and tourism costs, DOC also incurs costs to deliver conservation outcomes. International visitors are drawn to New Zealand to experience our unique biodiversity and landscapes and benefit from DOC's conservation work during their trips. An increase in funds from the IVL could be used to ensure international visitors make a greater contribution to funding the conservation work they come to enjoy, which forms a key part of New Zealand's international image.

Based on 2018/19 visitor numbers and expenditure, DOC calculated that \$96m of DOC's expenditure is attributable to the impacts of international visitors²¹. Adjusted for inflation, this is \$118m in 2024, around three times the \$40m of conservation funding the IVL generates at its current amount.

¹⁹ <https://www.tia.org.nz/assets/Uploads/4d868a4517/Tourism-Infrastructure-Executive-Summary4.pdf>

²⁰ International Visitor Survey, Q4 2023.

²¹ Gross expenditure related to international visitors was \$115.5m; \$96m is the net amount taking account of contributions International Visitors make through GST and taxes paid by tourism businesses.

SUPPORT INVESTMENT INTO ‘CLUB GOODS’ FOR TOURISM AND CONSERVATION

In some cases, market forces provide no incentive for a single payer to address the investment gap in public goods for tourism or conservation. The IVL gives us the ability to intervene as an investor of last (or best) resort to address these shared challenges.

Industry good funding

In recent years the sector has developed long-term visions for tourism in New Zealand²². Officials could work with sector bodies to identify areas where these objectives align with the Government’s priorities, with funding allocated for industry to lead and deliver.

Delivering key shifts in conservation

There are ambitious goals for the future of conservation in New Zealand, including Predator Free 2050 and the outcomes defined in the Te Mana o te Taiao – the Aotearoa New Zealand Biodiversity Strategy²³. The IVL could be used to fund some of these key strategic shifts, acting as a catalyst for the changes we want to see across conservation in New Zealand.

CONTRIBUTE TO INTERNATIONAL TOURISM MARKETING COSTS (INVESTMENT INTO TOURISM NEW ZEALAND)

At present, New Zealand’s taxpayers are responsible for investment into Tourism New Zealand, our international tourism marketing agency. We should consider whether the sector should contribute further to these costs. We are seeking feedback on using the IVL to fund a portion of international marketing now and into the future.

SUPPORT ONGOING OR FUTURE CROWN INVESTMENT INTO TOURISM AND CONSERVATION FUNCTIONS

We acknowledge the importance of tourism to the New Zealand economy and conservation as a key enabler of tourism. However, it is appropriate to consider the relative contribution taxpayers and visitors make to funding the delivery of a range of functions such as protecting and restoring indigenous biodiversity, international marketing and tourism data and insights.

FUND, OR CONTRIBUTE TO THE FUNDING OF, OTHER INITIATIVES RELATING TO TOURISM

Tourism can encompass aspects of activities, entertainment, accommodation, hospitality, transport, culture and heritage and retail sectors, among others. IVL funding could be invested to help maintain key infrastructure or initiatives that tourism affects in other sectors to continue to serve international visitors and host communities in regional New Zealand.

Such an approach would need to align with how the IVL operates in legislation. Therefore, funding for other sectors would need to be limited to investment for initiatives specifically related to tourism or conservation.

²² For example, <https://rtnz.org.nz/project-tonui/> and <https://www.tia.org.nz/tourism-2050/>

²³ <https://www.doc.govt.nz/globalassets/documents/conservation/biodiversity/anzbs-2020.pdf>

Questions for consultation

7. **Do you support IVL revenue funding for the following areas: (sliding scale of strongly agree to strongly disagree for each)**
 - a. **Address visitor pressure on mixed-use tourism infrastructure and wider tourism assets.**
 - b. **Address visitor pressure on the public conservation estate.**
 - c. **Support investment into 'club goods', projects or initiatives that the tourism or conservation sector might benefit from, but are hard for individual businesses to develop or commercialise.**
 - d. **Contribute to the funding mix for international tourism marketing costs (investment into Tourism New Zealand).**
 - e. **Support ongoing or future Crown investment into tourism and conservation activities.**
 - f. **Fund, or contribute to the funding of, other initiatives relating to tourism.**
8. **Do you think there are any other funding priorities that should be considered?**

Next steps

Following consultation on this document, the Government will analyse the responses and further develop its position on changing the amount of the IVL.

The Ministry of Business, Innovation and Employment is required to conduct a review into the amount of the IVL at least every five years. The next review will be due by June 2029. This review may take place before that date.

Annex: IVL financial information

Table Four: Total IVL Revenue Collected 2019/20 to end FY 23/24 (includes forecast)

IVL revenue collected	\$ thousands
2019/20	57,163
2020/21	2,692
2021/22	3,314
2022/23	44,871
2023/24 to Mar 2024	51,713
2023/24 April, May and June 2024 Forecast	10,000
Total (including April, May and June 2024 Forecast)	169,753

Table Five: Total IVL expenditure for tourism²⁴

Project	Description	Funding
Milford Opportunities Project Stage 2	Delivery of a comprehensive masterplan for Milford Sound Piopiotahi.	\$3,000,000
Go with Tourism – Building the Tourism Workforce	Programme to support efforts to grow the tourism workforce in the long-term and retain valuable tourism skills within New Zealand.	\$7,200,000
Westland Destination Management Stage 1 – Fox Glacier	Delivery of eight projects on the West Coast to enhance visitor access to conservation and tourism activities.	\$3,900,000
Arthur's Pass Destination Management Stage 1 – Development of co-design approach	Delivery of a collaborative co-design approach to support the development of a well-functioning regional visitor destination.	\$300,000
Tourism Data	Development of a tourism data co-governance model and tourism data programme.	\$5,080,000
Local Revenue Tools	Development of guidance on local revenue tools and smart infrastructure to support sustainable tourism.	\$350,000
TRENZ Connect	An online platform that connects domestic buyers with international sellers by enabling domestic sellers to list for free until main markets of China, Australia and USA are restored.	\$1,550,000
Freedom Camping Vehicle Register	To enable a Plumbers, Gasfitters and Drainlayers Board (the Board) to establish a national register of self-contained vehicles.	\$1,900,000

²⁴ <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-funding/international-visitor-conservation-and-tourism-levy/projects-funded-by-the-ivl/>

Project	Description	Funding
Regional Tourism New Zealand (RTNZ) Destination Management Plans	Facilitating the delivery of a Destination Management Professional Development Programme in 2023 and 2024.	\$600,000
i-SITE Network	Develop the brand of the i-SITE network, upgrade the physical interior of 14 i-SITEs, create an online booking capability within the i-SITE website.	\$2,975,000
Business Events Industry Aotearoa	National Annual Trade Show 2 years.	\$400,000
Freedom Camping	Implementation of reforms funding the establishment costs of the regulator and system.	\$4,200,000
Ngā Haerenga New Zealand Cycle Trails	An annual investment to support the New Zealand Cycle Trails across New Zealand over the 2024/25 financial year.	\$5,000,000

Table Six: Total IVL expenditure for conservation²⁵

Project	Description	Funding
Kākāpō Recovery Programme	Development of a long-term sustainable management approach for kākāpō and establishment of new habitat sites.	\$8,030,000
Maukahuka Pest Free Auckland Island	Creation and testing of infrastructure systems and technology to enable the successful eradication of pests on the island.	\$1,500,000
Regulatory Compliance – Building Capacity and Capability for Conservation Law Enforcement	Increase capability and capacity to enable investigations into illegal activity on conservation lands and waters, wildlife crime, and crime related to international trade in endangered species.	\$13,680,000
Ruaapekepeka Pā	Development of the Pā as an attraction for visitors and support of Te Ruaapekepeka Trust to commemorate the 175th anniversary of the Battle of Ruaapekepeka Pā.	\$1,200,000
Te Manahuna Aoraki Landscape Scale Restoration	Implementation of 17 projects to test pest control methods and technology.	\$1,500,000
Visitor Safety System Trial and Pilot	Trial integration of risk management system to manage environmental risks and visitor behaviour.	\$380,000
Hauraki Gulf Marine Protection	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.	\$1,605,000
Lake Waikaremoana Great Walk reopening, reimagining	Repairs and upgrades to enable the Lake Waikaremoana Great Walk to reopen; development of a business case for	\$1,730,000

²⁵ <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-funding/international-visitor-conservation-and-tourism-levy/projects-funded-by-the-ivl/>

Project	Description	Funding
and Te Urewera pest control plan	a reimagined Great Walk; investment in pest control plan and work.	
Tongariro Alpine Crossing sustainable management project	Development and implementation of a sustainable visitor management model for the crossing that addresses visitor impacts and protects Tongariro's intrinsic values.	\$1,830,000
National Wilding Conifer Control Programme	Providing maintenance control of wilding conifers on 300,000 hectares across 24 management units.	\$8,050,000
Biodiversity Investment Approach project	Development of a multi-year biodiversity investment planning system that enables the Government, DOC, and partners to make better informed and transparent decisions on biodiversity investment.	\$2,240,000
Te Manahuna Aoraki project	Protecting and revitalising a 310,000-hectare mainland island in the Upper Mackenzie Basin and Aoraki/Mount Cook National Park. Activities including predator control, pest eradication, pest research, development of island restoration plans and testing of new control techniques.	\$575,000
5 Minute Bird Count database upgrade	Upgrade to the database for recording data on 5 Minute Bird Counts, a method used to infer density or abundance of birds.	\$345,000
Connections for Conservation – Treaty Partner and stakeholder relationship management software improvements	Identification and consolidation of partner and stakeholder data from across DOC and development of an approach for rolling out a new Customer Relationship Management System.	\$172,500
Discover the Outdoors upgrade	Upgrade to the tool used for mapping recreational activities including walking and camping on the DOC website.	\$172,500
Geographic Information Systems upgrade	Upgrade to the mapping system underpinning many aspects of DOC work.	\$701,500
New Zealand Threat Classification System upgrade	Upgrade to the NZ Threat Classification System used by organisations throughout NZ and a major driver of biodiversity management priorities.	\$345,000
DOC website upgrade	Upgrade to the DOC website to provide improved user experience.	\$575,000
Marine reserve monitoring data improvements	Development of a new application to improve the quality and speed of the entry of data collected from marine reserves.	\$97,750



Te Kāwanatanga o Aotearoa
New Zealand Government

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