



COVERSHEET

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| Minister | Hon Matt Dooney | Portfolio | Tourism and Hospitality |
| Title of Cabinet paper | Final Decisions on the International Visitor Conservation and Tourism Levy Amount | Date to be published | 9 September 2024 |

List of documents that have been proactively released

| Date | Title | Author |
|--------------|--|--|
| July 2024 | Final Decisions on the International Visitor Conservation and Tourism Levy Amount | Office of the Minister for Tourism and Hospitality |
| 29 July 2024 | Final Decisions on the International Visitor Conservation and Tourism CAB-24-MIN-0274 Minute | Cabinet Office |
| 17 July 2024 | Cost Recovery Impact Statement: Review of the International Visitor Conservation and Tourism Levy | MBIE |
| 17 July 2024 | 2425-0330 Approval of Cabinet paper Final Decisions on the International Visitor Conservation and Tourism Levy Amount for lodgement | MBIE |
| 1 July 2024 | 2324-3970 Ministerial Consultation on International Visitor Conservation and Tourism Levy Final Proposed Changes | MBIE |
| 20 June 2024 | 2324-3462 Policy decisions for the International Visitor Conservation and Tourism Levy 2024 – outcome of consultation and next steps | MBIE |

Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of confidential advice to government; legal professional privilege; free and frank opinions; confidential information entrusted to the government; and privacy of natural persons.

In Confidence

Office of the Minister of Conservation

Office of the Minister for Tourism and Hospitality

Cabinet Economic Policy Committee

Final Decisions on the International Visitor Conservation and Tourism Levy Amount

Proposal

- 1 This paper reports back on the International Visitor Conservation and Tourism Levy (IVL) following public consultation in May and June 2024, and seeks Cabinet agreement to increase the amount of the IVL.
- 2 Decisions on the allocation of additional revenue will be made separately given the need to provide certainty on the amount in a timely manner.

Relation to government priorities

- 3 The Government has indicated its desire to deliver effective and sustainable services. The IVL consultation provided an opportunity to revisit the role of the IVL and develop proposals to ensure visitors pay a fair proportion of the costs they generate. This paper reflects Ministerial discussions on the issue to date.

Executive Summary

- 4 International tourism supports New Zealand's economy, helps to strengthen our international connections, trade and partnerships, and gives an opportunity for us to showcase the best our nation has to offer. However, increased visitor volumes also puts pressure on New Zealand's visitor infrastructure which creates additional costs.
- 5 Most of these costs are borne by New Zealand ratepayers and taxpayers, with visitors contributing to some of their costs through GST on their purchases and through payment of the existing IVL amount. However, the amount raised through the IVL is currently not sufficient to fully manage the costs of international tourism.
- 6 We consulted on options to increase the IVL and are recommending Cabinet agree to increase the IVL to \$100. In determining our preferred option to increase the IVL, we have considered the impacts on revenue, demand, cumulative border costs, and a comparison with similar charges overseas.
- 7 The \$100 option remains moderately consistent with similar charges overseas and provides the best opportunity to better meet the costs of tourism on New Zealand.

Background

- 8 Tourism is a significant and growing part of the economy. Making up 6.2 per cent of GDP (both direct and indirect contributions) and 11.4 per cent of exports, it employs over 189,000 people (year-ended March 2023). International visitor arrivals reached 3.19 million for the year ended April 2024 or 82 per cent of pre-COVID levels. Visitor numbers are largely expected to grow beyond these levels, however they have remained around 80 per cent of pre-COVID levels since the beginning of 2024. Visitor spend is also recovering and has reached 80 per cent of pre-Covid figures after adjusting for inflation¹.
- 9 Increasing visitor numbers provide a range of benefits for New Zealand's economy. While growth can create pressures in some places at some times of the year (infrastructure pressures, crowding, environmental and behavioural concerns), when managed appropriately, tourism can contribute significantly to the Government's goals to double the value of exports in the next 10 years.
- 10 One of the barriers to successful growth is that current funding models for visitor-related infrastructure and pressures are disconnected from volumes, and rather, borne by ratepayers and taxpayers.

The International Visitor Conservation and Tourism Levy

- 11 We have an opportunity to improve how the costs of tourism are effectively priced into the visitor experience. Currently, international visitors provide contributions through GST (around \$1 billion for year ended March 2023) and through the IVL (around \$80 million in revenue per annum based on 2019 arrival numbers).
- 12 Most international visitors applying for a visa to enter New Zealand are charged the non-refundable IVL² of \$35 alongside their visa or New Zealand Electronic Travel Authority (NZeTA).
- 13 In April 2024, the Minister for Tourism and Hospitality brought a paper to Cabinet outlining options to increase the IVL amount and how to spend it. Cabinet agreed to public consultation on the IVL and invited the Minister for Tourism and Hospitality to report back with final recommendations [CBC-24-MIN-0019]. We did not consult on changing any other settings related to the IVL, including who pays.
- 14 In April, the Minister for Tourism and Hospitality outlined that the principles behind an increase needed to consider:
 - 14.1 The effects of inflation; the IVL would cost \$42.68 in quarter one 2024 if it had tracked with inflation.
 - 14.2 The cumulative costs for visitors (e.g. border levies and visa costs).

¹ Source: International Visitor Survey, year ending March 2024.

² This includes international cruise ship passengers where relevant. Some classes of people are exempt from the requirement to pay the IVL, including Australian citizens and permanent residents, diplomats, and people from many Pacific Island countries.

- 14.3 The rate of similar charges in overseas jurisdictions.
- 14.4 The costs arising from tourism and whether the current IVL revenue is sufficient to address these.
- 15 Consultation on the IVL closed on 11 June 2024. MBIE undertook public consultation and received substantive feedback from the public and key tourism and conservation stakeholders. MBIE received 1101 submissions, 889 respondents submitted as an individual and 212 submitted on behalf of an organisation.
- 16 This paper presents our final proposal for increasing the IVL amount based on the above principles, and next steps for finalising expenditure and governance of the IVL revenue.

Case for change

- 17 Currently visitors to New Zealand rely on and use a range of public infrastructure and goods (e.g. water, wastewater, public toilets, reserves, walking tracks and cycle trails) that are funded by New Zealanders through rates and taxes. These goods are usually free at the point of consumption.
- 18 The IVL was introduced to help mitigate some of these costs to ensure they are not unduly borne by New Zealanders. However, the amount raised through the IVL is not sufficient to fully manage these impacts.

The environmental cost on public conservation lands is estimated at least at \$96 million per year

- 19 The Department of Conservation (DOC) estimated that, prior to COVID-19, it spent approximately \$96 million per year maintaining its estate from costs attributable to international visitors³. This estimate includes a share of the conservation of natural and cultural heritage, recreation opportunities, biodiversity protection and other benefits that international visitors enjoy during their time here.

The cost of tourism on our local infrastructure and regions is now estimated at least at \$250 million per year

- 20 In April, the Minister for Tourism and Hospitality shared estimates that the unfunded costs of international visitors on tourism were at least \$150 million per year in 2019. The funding shortfall is likely to be much higher adjusting for inflation since this was calculated.
- 21 Tourism Industry Aotearoa submitted that the cost for tourism alone has now risen to at least \$250 million. This includes the previous estimate of \$100-\$150 million which was based on research from 2016⁴, and new data provided

³ Gross expenditure related to international visitors was \$115.5 million; \$96 million is the net amount taking account of contributions international visitors make through GST and taxes paid by tourism businesses.

⁴ These reports included *Addressing New Zealand's most pressing local tourism infrastructure needs* (Tourism industry leaders), *Financial Costs and Benefits of International Tourism* (Deloitte/MBIE),

by Regional Tourism New Zealand which estimated the cost to support delivery of regional Destination Management Plans at around \$130 million.

- 22 While international visitors do pay GST on goods and services, which generates revenue for public costs to the Crown, domestic and international visitors do not directly pay for local public goods like mixed-use infrastructure. In the current context, local government cannot easily recoup the costs of visitors through rates or user charges.
- 23 While we recognise the IVL was never designed to fully recover the costs associated with tourism, we believe the current level is insufficient to meet these ongoing costs on infrastructure and public goods associated with international tourism over the long term.
- 24 We also need to consider New Zealand's purchasing power in three to four years. Without greater IVL revenue, increasing visitor numbers are likely to increase pressure and costs on local and national infrastructure used for tourism and conservation.

Submissions show strong support for an increase to the IVL

- 25 Cabinet agreed to consult on four IVL amount options, \$35 (status quo), \$50, \$70 or \$100.
- 26 There was significant preference from submitters for an increase in the IVL amount. 88 per cent⁵ of responses believed that the IVL was not currently sufficient to address the issues facing tourism and conservation and 93 per cent suggested an increase was needed.
- 27 There is a clear need for greater investment in tourism infrastructure. 85 per cent of submitters felt that the IVL should be used to address visitor pressure on mixed-use tourism infrastructure and wider tourism assets.
- 28 66 per cent of submitters supported an increase of \$65 to \$100. However, some tourism sector representative groups expressed concern with an increase. The status quo was most strongly supported by organisations that operate at or represent the border and air travel⁶. The main rationale was a concern that an increase will risk visitor numbers or suggestion other tools would be better.

Demand impacts

- 29 In April, the Minister for Tourism and Hospitality advised Cabinet that he did not want to impact demand for travel and that increases to the IVL would be unlikely to have a material impact on demand, based on agency feedback and

National Tourism Infrastructure Assessment (Deloitte/TIA). Given the impacts of COVID-19 and uncertainty around future international visitation patterns, it remains to be seen whether this will still provide an accurate indication of cost in future.

⁵ Not all respondents answered all questions which will account for variation in percentages.

⁶ Including Air New Zealand, Qantas, Emirates, Auckland Airport, Christchurch Airport, Wellington Airport, New Zealand Airports, Board of Airline Representatives New Zealand (BARNZ), International Air Transport Association (IATA), Airlines for Australia and New Zealand (A4ANZ).

international evidence⁷. Potential demand impacts were tested with stakeholders during consultation. Tourism organisations had concerns about the lack of data on the impact on visitor demand.

- 30 Commercial Information [redacted] there remains limited evidence through submissions of the extent that demand for travel would directly reduce demand to travel to New Zealand as a result of the proposed changes. Some submitters proposed delaying IVL decisions until further analysis is commissioned.
- 31 We acknowledge that we must consider the impact of the proposed amount on visitor demand and the higher amount will be felt more by visitors from price sensitive countries. However, we do not recommend a delay in decision-making. Our officials will monitor visitor numbers in reaction to any change in the IVL amount and other visitor-related costs.

The IVL is just one of the costs for visitors travelling to New Zealand

- 32 Some sector stakeholders highlighted a significant increase to the IVL did not account for the range of costs visitors already contributed towards the visitor journey to New Zealand (e.g. at the border).
- 33 In April, the Minister for Tourism and Hospitality highlighted that the IVL is not the only relevant price point consumers consider when choosing to travel. This did not include a breakdown of the range of potential border charges being considered by Government this year as the timing of policy work did not align.
- 34 The below table summarises visitor related charges including those that are likely to change or will change this year. We note many of these charges are included in airline tickets or paid as immigration costs. Therefore, visitors face these costs at different stages of their travel.

Table One: Visitor-related costs for air travellers⁸

| Name of Charge | Australian resident or citizen traveller | New Zealand electronic Travel Advisory (NZeTA) traveller | Visitor Visa traveller |
|--------------------|--|--|------------------------|
| NZeTA (mobile app) | - | \$17.00 | - |

⁷ Home Office (UK), *A review of the evidence relating to the elasticity of demand for visas in the UK* (March 2020). https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/872608/review-evidence-relating-to-elasticity-horr114.pdf

⁸ Note that visitors arriving on cruise ships face slightly different costs.

| Name of Charge | Australian resident or citizen traveller | New Zealand electronic Travel Advisory (NZeTA) traveller | Visitor Visa traveller |
|--|--|--|------------------------|
| IVL | - | \$35.00 | \$35.00 |
| Customs Border Processing Levy (arrival) (excluding GST) ⁹ | \$14.17 | \$14.17 | \$14.17 |
| Customs Border Processing Levy (departure) (excluding GST) ¹⁰ | \$3.45 | \$3.45 | \$3.45 |
| MPI Biosecurity Services Levy (arrival) (excluding GST) | \$16.92 | \$16.92 | \$16.92 |
| CAA International Passenger Security Levy (excluding GST) ¹¹ | \$15.09 | \$15.09 | \$15.09 |
| CAA International Passenger Safety Levy (excluding GST) ¹² | \$1.60 | \$1.60 | \$1.60 |
| Immigration Visa Fee ¹³ | - | - | \$300.00 |
| Immigration Levy ¹⁴ | - | - | \$41.00 |
| Total | \$51.23 | \$103.23 | \$427.23 |
| Total if \$50 IVL | \$51.23 | \$118.23 | \$442.23 |
| Total if \$70 IVL | \$51.23 | \$138.23 | \$462.23 |
| Total if \$100 IVL | \$51.23 | \$168.23 | \$492.23 |

- 35 There is a risk that the cumulative impact of increasing tourism costs could slow growth in travel demand for more price-sensitive markets or lead to visitors spending less while in New Zealand. Australians, our largest and likely our most price-sensitive market, do not pay the IVL. Most Pacific Islanders are also exempt. MFAT has also expressed concern that rising costs for travel and trade with New Zealand may impact our air connectivity to the world.
- 36 Many submitters advocated for complementary, or in some cases, alternative funding mechanisms to an IVL increase to address the costs of tourism. These included using central government funding from general tax, an accommodation levy, and user charges for National Parks.

The costs on the visitor needs to remain in line with international jurisdictions

- 37 New Zealand is one of many countries with border charges and user pays tourism fees and levies, with many destinations increasing prices. Many submitters raised that these types of charges are common overseas and the main rationale for an increase was that it would put New Zealand in line with other countries' charges.

⁹ This is the proposed amount Customs is consulting on. Currently the levy is \$16.59.

¹⁰ This is the proposed amount Customs is consulting on. Currently the levy is \$4.52.

¹¹ The Ministry of Transport is proposing to increase this levy amount in 2025.

¹² The Ministry of Transport is proposing to increase this levy amount in 2025.

¹³ This amount was agreed by Cabinet [ECO-24-MIN-0117 Minute]. It will take effect on 1 October 2024.

¹⁴ Ibid.

- 38 Given Australia’s similar charge is currently AU\$70 we want to ensure New Zealand remains competitive where feasible.
- 39 We have included a table of examples of international tourism taxes and levies at Appendix One.

We recommend the IVL amount be increased to \$100

- 40 Considering all of this, we are recommending that the IVL be increased to \$100. This level remains less than 3 per cent of average visitor spend¹⁵, and received the highest support from submitters (66 per cent).
- 41 While MBIE officials recommended an increase to \$70, we consider that \$100 is preferable as it provides a long-term system view to address the costs of tourism and conservation.
- 42 The below table represents the four options highlighting how an increase goes some way towards covering the estimated costs of tourism (mentioned in paragraph 19-20).

| | Percentage change | Estimated annual visitors to pay the IVL ¹⁶ | Estimated revenue per annum | Percentage of estimated costs of international tourism ¹⁷ |
|---|-------------------|--|-----------------------------|--|
| \$35 (Status Quo) | - | 2,285,660 | ~\$80 million | (32% costs covered) |
| \$50 (Option One) | +43% | 2,285,660 | ~\$114 million | (46% costs covered) |
| \$70 (Option Two) | +100% | 2,285,660 | ~\$160 million | (64% costs covered) |
| \$100 (Option Three) recommended | +186% | 2,285,660 | ~\$229 million | (92% costs covered) |

Table Two: Overview of options

- 43 Assuming arrival figures return to 2019 annual arrival numbers, the recommended increase would raise approximately \$229 million per year, which is an additional \$149 million per year compared to current settings.

Options for allocating IVL revenue

- 44 Cabinet agreed to consult on IVL investment choices for tourism and conservation and potentially other sectors affected by tourism.
- 45 Submitters were asked to indicate their support for IVL revenue to fund the following areas:

¹⁵ Source: International Visitor Survey for year ended March 2024 based on average visitor spend across all countries (approximately \$3905 per visitor).

¹⁶ Calculations are based on 2019 arrival figures (3,874,000) with approximately 59 per cent of those arrivals paying the IVL.

¹⁷ Note this assumes additional revenue is agreed to go towards meeting the current estimated costs of tourism.

- 45.1 Address visitor pressure on mixed-use tourism infrastructure and wider tourism assets.
- 45.2 Address visitor pressure on the public conservation estate.
- 45.3 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.
- 45.4 Contribute to the funding mix for international tourism marketing costs (investment into Tourism New Zealand).
- 45.5 Support ongoing or future Crown investment into tourism and conservation activities.
- 45.6 Fund, or contribute to the funding of, other initiatives relating to tourism.

There was strong agreement on how the IVL funding should be spent.

- 46 93 per cent of submitters agreed or strongly agreed to the IVL being used to address visitor pressure on the public conservation estate.
- 47 85 per cent of submitters agreed or strongly agreed to the IVL being used to address visitor pressure on mixed-use tourism infrastructure and wider tourism assets.
- 48 There was a strong view that the IVL should not be used to contribute to the funding mix for international tourism marketing costs (investment into Tourism New Zealand). 53 per cent of submitters disagreed or strongly disagreed, the only area that had more opposition than support.

Final decisions on expenditure will be made separately

- 49 Currently, expenditure from the IVL is governed by an Investment Plan agreed to by IVL Ministers (Minister of Finance, Minister of Conservation and Minister for Tourism and Hospitality). It is currently used to fund a combination of new, discretionary spending and contributing to existing cost pressures across the Tourism and Conservation portfolios.

Implementation

- 50 We propose that the change to IVL amount takes effect from 1 October 2024.
- 51 Implementation requires amendments to the Immigration (Visa, Entry Permission, and Related Matters) Regulations 2010¹⁸, updates to Immigration New Zealand's internal systems to change the amounts charged to applicants for different visa products, and communications to applicants and stakeholders as soon as the regulatory changes are confirmed.

¹⁸ Note Cabinet has also agreed to changes to the immigration fees and levy [ECO-24-MIN-0117 Minute]. These changes also require amendments to the Immigration (Visa, Entry Permission, and Related Matters) Regulations 2010. An IVL amount increase will be implemented alongside the increases to immigration fee and levy rates.

Cost-of-living Implications

52 There are no cost-of-living implications associated with the proposals.

Financial Implications

53 The preferred amount of \$100 is expected to create an additional \$149 million in revenue per year. This assumes that international visitor numbers return to 100 per cent of pre-COVID numbers and that any increase to the IVL amount does not impact demand.

54 In recognition of the planned consultation, forecast IVL revenue was updated through the Budget 2024 process to reflect the mid-point of the proposed range of options under consultation (\$70) - equivalent to additional \$70 million of annual revenue from 2025/26 onwards¹⁹. As no corresponding decision has been taken on new spending additional fiscal headroom was created. This forecast revenue forms part of the Budget 2024 operating package.

Confidential advice to Government

56 Our recommended option of \$100 would create additional revenue of \$79 million per year from 2025/26 onwards, compared to Budget 2024 forecasts.

Legal professional privilege

¹⁹ Note that Budget 2024 used a conservative estimate for the number visitors paying the IVL.

Legislative Implications

- 59 The proposed changes to immigration fees and levies will require amendments to the Immigration (Visa, Entry Permission, and Related Matters) Regulations 2010.
- 60 No changes to the Immigration Act 2009 are required.

Impact Analysis

Regulatory Impact Statement

- 61 The MBIE Regulatory Impact Statement Review Panel has reviewed the Cost Recovery Impact Statement at Appendix Two and determined that it meets the criteria for a robust Regulatory Impact Assessment.

Climate Implications of Policy Assessment

- 62 There are no Climate Implications associated with the proposals in this paper.

Population Implications

- 63 The proposed increase to the IVL may affect some visitor markets that are particularly price sensitive. However, Australians, our largest and likely our most price-sensitive market, do not pay the IVL. Most Pacific Islanders also remain exempt.

Human Rights

- 64 When established in 2019, an assessment of the human rights implications was completed as part of drafting IVL legislation. There are no human rights implications.

Use of External Resources

- 65 There has been no use of external resource.

Consultation

- 66 Civil Aviation Authority, Ministry of Transport, Ministry of Foreign Affairs and Trade, New Zealand Customs Service, Tourism New Zealand, Ministry for Primary Industries – Biosecurity System Policy, Ministry for Primary Industries – Rural Communities, Ministry for Culture and Heritage, The Treasury, and Department of Conservation were consulted. The Department of Prime Minister and Cabinet has been made aware.
- 67 The Ministry of Foreign Affairs and Trade and the Ministry of Transport noted that the proposed increase to \$100 may negatively impact some bilateral relationships and affect business decisions of airlines about their operations in New Zealand.

- 68 The Immigration Act 2009 requires the Minister for Tourism and Hospitality to consult the persons and organisations they consider appropriate prior to recommending changes to the amount of the levy.
- 69 Public consultation was undertaken in May-June 2024 (see paragraph 15 for further discussion). Attached at Appendix Three is a summary of submissions from the consultation.

Communications

- 70 Given most submitters who opposed an increase to the IVL represented tourism organisations, there is a likelihood of industry/media scrutiny of the proposed increase.
- 71 MBIE will develop a proactive communications approach and publish the summary of submissions. This will ensure that the rationale for the changes are clearly articulated and will show how consultation feedback informed the changes.

Proactive Release

- 72 The contents of this paper will be proactively released as soon as practicable with appropriate redactions.

Recommendations

The Minister of Conservation and the Minister for Tourism and Hospitality recommend that the Committee:

- 1 note the International Visitor Conservation and Tourism Levy provides an opportunity to effectively price the costs of tourism into the visitor experience;
- 2 note that the International Visitor Conservation and Tourism Levy is hypothecated for Tourism and Conservation and is currently the only available funding tool in the Tourism portfolio;
- 3 note that in April 2024, Cabinet agreed to a public consultation on the International Visitor Conservation and Tourism Levy [CBC-24-MIN-0019];
- 4 note that due to the International Visitor Conservation and Tourism Levy review coinciding with the Budget 2024 process and the likelihood of an increase to the levy, the fiscal forecasts were updated through the Budget 2024 process as a placeholder;
- 5 note that while no decisions had been made, Budget 2024 used an indicative revenue amount to reflect the mid-point of the agreed range of options included for public consultation – equivalent to additional \$70 million of annual revenue from 2025/26 onwards;
- 6 note that consultation on the International Visitor Conservation and Tourism Levy has concluded and over 93 per cent of submissions were in support of an increase;

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- 7 note that 66 per cent of submitters supported an increase to \$100, however some concerns were raised by aviation industry stakeholders and key tourism organisations;
- 8 agree that the International Visitor Conservation and Tourism Levy be increased to \$100 per eligible person and that the increase take effect on 1 October 2024;
- 9 note that an increase in the International Visitor Conservation and Tourism Levy amount to \$100 will generate an additional \$149 million per annum based on 2019 figures;
- 10 direct officials from the Ministry of Business, Innovation and Employment, Department of Conservation and the Treasury to report back to the Ministers of Finance and Conservation and the Minister for Tourism and Hospitality as the joint International Visitor Conservation and Tourism Levy Ministers on spending decisions;

Drafting instructions

- 11 invite the Minister for Tourism and Hospitality to issue drafting instructions to the Parliamentary Counsel Office in accordance with the decision in recommendation 8.

Authorised for lodgement.

Hon Tama Potaka

Minister of Conservation

Hon Matt Dooney

Minister for Tourism and Hospitality

Appendix One: Examples of international tourism taxes and levies

| Country | Fee name | Fee type | Purpose | Amount | \$NZD ²⁰ | Application |
|---|--|---------------|---|--|---------------------------------|--|
| Australia | Passenger Movement Charge | Departure tax | Fiscal revenue on all international departures. Initially introduced to offset costs at the border. | A\$70 | \$76.13 | All international departures, including local citizens and residents. |
| United Kingdom | Air Passenger Duty | Departure tax | Offsetting carbon miles. Variable rate based on distance travelled and class of ticket. | £13 reduced short haul ²¹ £88 reduced medium haul £92 reduced long haul | \$26.95 \$182.46 \$190.75 | All international departures, including local citizens and residents. |
| Schengen Area countries in European Union²² | Electronic Travel Information and Authorisation System | Arrival tax | Travel authorisation for non-EU nationals to increase security and prevent health threats. | €7 | \$12.27 | Visitors from more than 60 visa-waiver countries. |
| Canada | Air Travellers Security Charge | Departure tax | Fee to support air transportation costs, especially security. | C\$34.42 (flights outside the North American Continent) | \$41.18 | All international departures, including local citizens and residents. |
| Japan | International visitor departure tax ("sayonara tax") | Departure tax | Revenue invested in tourism infrastructure and improving immigration procedures. | 1,000 Yen | \$10.25 | International visitors (other visas/Citizens exempt, so are people leaving the country within 24 hours of arrival and children under two). |

²⁰ Conversion rates as at 25 June 2024.

²¹ We have compared with reduced rates rather than standard rates given most economy class seats would be considered reduced.

²² Expected to be operational in the first half of 2025.

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| Country | Fee name | Fee type | Purpose | Amount | \$NZD | Application |
|---|-----------------------------|--|---|---|-------------------------------------|--|
| Bhutan | Sustainable Development Fee | Tourist tax | Flat fee to enter country, collected as part of visa application process. | US\$100 per day | \$163.39 | All foreign nationals (with some exceptions such as diplomats). Children under the age of six do not pay the SDF and children ages six-twelve only pay 50% (US\$50). |
| Bali (does not apply to the rest of Indonesia) | Bali tourist tax | Tourist tax | Tourism fee to help preserve the nature and culture of Bali, including 50-70% to waste management | IDR150,000 | \$14.95 | All international tourists (with exceptions such as student, golden, family unification, diplomatic and official visas. Temporary Stay Permit Cards or Permanent Stay Permit Cards are also exempt). |
| Thailand | Thailand entry fee | Arrival tax | Some will go to health and insurance coverage for tourists while they're in Thailand, while the majority will go towards the development and preservation of tourist attractions. | THB300 for air passenger arrivals THB150 for land and sea arrivals | \$13.39 \$6.69 | All international visitors. Exemptions for travellers that don't stay overnight, children under the age of two, diplomatic passport holders, Thai nationals and those with Thai work permits. |
| Costa Rica | Departure tax | Departure tax | Unclear what this tax is used on. | US\$29 | \$47.37 | All international departures, including local citizens and residents. |
| Jamaica | Tourism Enhancement Tax | Departure tax Arrival / landing tax | Used to invest in and improve Jamaica's tourism sector. | US\$35 US\$20 for air passengers and US\$2 for cruise | \$57.18 \$32.67 and \$3.27 | All international departures, including local citizens and residents. Children under the age of two are exempt. |

Appendix Two: Cost Recovery Impact Statement

Attached as separate document.

Appendix Three: Summary of Submissions

Attached as a separate document.