

29 September 2021
Media release

Border levy increase disappoints tourism industry

Tourism Industry Aotearoa says tourism operators will be dismayed that the cost is to go up for all travellers crossing New Zealand's borders from 1 December.

The New Zealand Customs Service and the Ministry for Primary Industries are significantly increasing the border processing levy (BPL). From 1 December, the BPL will increase from \$20.11 to \$43.73 per airline passenger return trip, and from \$21.06 to \$36.72 per cruise passenger (GST included).

The BPL was introduced in 2016 and is used to fund customs and biosecurity services for all arriving and departing passengers, including New Zealanders. The cost recovery model ran into problems in 2020 when New Zealand's borders were closed, and the Government has had to directly fund the agencies.

"We are surprised the BPL is going up before we know when our borders will actually open and what the demand for travel will be," TIA Chief Executive Chris Roberts says.

"The new fees are supposed to recover the full cost of the border services over the next three years, but it is impossible to accurately predict what the travel patterns will be."

Having secure border services in a pandemic is a critical public health requirement, and it is not sensible to reintroduce the full cost recovery model while border restrictions remain in place, Mr Roberts says.

"Many tourism operators are grimly hanging on until borders reopen and visitors return, and any additional disincentive to travel at this time is unwelcome."

TIA had favoured delaying the resetting of the levy until September 2023, followed by a carefully staged return to a full cost recovery model matching the expected gradual recovery of international travel over the next five years. To read TIA's submission to the BPL consultation, go to www.tia.org.nz/advocacy/submissions/read-our-recent-submissions/

For more information about the BPL changes, see Customs' website: www.customs.govt.nz/about-us/news/important-notice/changes-to-border-processing-levies/

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KEY FACTS

- TIA is New Zealand tourism's peak industry body. We are the only independent association that represents all sectors of New Zealand's large and diverse tourism industry.
- TIA has about 1300 member businesses from across the industry, ranging from small owner/operators to large publicly listed tourism corporates and international hotel chains.
- TIA is deeply involved in discussions on recovery and what the future of tourism in New Zealand will look like.
- TIA leads implementation of the industry's **Tourism Sustainability Commitment** which aims to see every New Zealand tourism business committed to sustainability.
- TIA delivers a comprehensive and diverse range of industry events including TRENZ, New Zealand Tourism Awards, Discussing Tourism regional events and the Tourism Summit Aotearoa.

Visit www.tia.org.nz for more information

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