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Media release

\$100 IVL will dent New Zealand's global competitiveness

Tourism Industry Aotearoa (TIA) is very disappointed the industry's cumulative voice hasn't been heard, and is keen to see the government's investment plan for the funds to be raised from the increase in the International Visitor Levy (IVL) to \$100.

Tripling the IVL to \$100 is a barrier making New Zealand incredibly expensive to visit, TIA Chief Executive Rebecca Ingram says.

Today the Government announced the decision to increase the IVL from 1 October. This follows public consultation earlier this year on whether it should remain at \$35, or be increased to \$50, \$70 or \$100.

"New Zealand's tourism recovery is falling behind the rest of the world, and this will further dent our global competitiveness. Airline connectivity isn't a nice to have for a country at the bottom of the world – it's essential."

At a time when the Government has goals to grow exports and the tourism industry, MBIE's own impact model from 2022 shows the increase to a \$100 IVL alone could result in 48,000 fewer visitor arrivals and strip out \$273 million of visitor spend from the economy. This would create a significant barrier at a time when the industry, our second largest export, is sitting around 80% of recovery.

"So far, we've received no signal from government on its investment plan for the increase in funds from the Levy. We need transparent, meaningful spend that makes New Zealand better and ensures our tourism offering is world-class. Visitor expectations will be significant, we invite the government to work with industry on a plan for how the money is spent to improve the visitor experience and solve problems."

"You might say visitors should pay their way – and they are already through the current IVL of \$35, and also with GST and their substantial GDP contribution. The ROI on any government investment in tourism is positively rosy given the billions of dollars of GST that the government receives directly from visitors."

The announcement on the increase to the IVL, has come shortly after a more than 60% increase in Government charges for Visitor Visas which comes into effect on 1 October. Including the increase to the IVL, visitors requiring a visa will need to pay up to \$500 per person to cross the border into New Zealand.

This means New Zealand is more than double the cost of Canada (around NZ\$220pp) and 66% more than Australia (around NZ\$300pp) for those visitors. For a family of four from a visa required country, they will now be weighing up costs of around \$2,000 to visit New Zealand vs \$880 for Canada.

For more information, please contact TIA Strategic Communications Advisor Hamish Stuart – hamish.stuart@tia.org.nz or (021) 073-8455.

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TIA - KEY FACTS

- In the year end to June 2024 there were 3.2m international visitors including business, visiting friends and family, events, and holiday makers. Of those 1.4m were from Australia and the Pacific, 1.3m from visa waiver countries and 550k from visa required countries. Visitors from Australia and the Pacific are not required to pay the International Visitor Levy.
- Tourism Industry Aotearoa (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 and led the development of New Zealand's Tourism Strategy [Tourism 2050 – A Blueprint for Impact](#)
- TIA leads implementation of the industry's [Tourism Sustainability Commitment](#) which aims to see every New Zealand tourism business contributing positively to our people and cultures, our environment and our economy and has launched the [akiaki.nz](#) to advance the knowledge and business capability of tourism businesses.
- 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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