

9 August 2024

Media release

TIA Expresses Disappointment Over Immigration Fee Hikes for Visitors to Aotearoa New Zealand

Tourism Industry Aotearoa (TIA) expresses deep disappointment with the increases in immigration fees for Visitor Visas and Working Holiday Visas announced today. These fee changes come at a time when the tourism industry is striving to recover, and the Government risks undermining New Zealand's appeal as a destination.

TIA Chief Executive Rebecca Ingram said, "The substantial increases in visa fees are a blow for our industry. These additional costs will create a barrier that will deter visitors from choosing New Zealand."

The new fee structure will see the cost of a Visitor Visa rise by \$130 to \$341pp (61% increase) and a Working Holiday Visa rise by \$250 to \$670pp (59% increase). Coupled with the potential increase to the International Visitor Levy, this will significantly elevate the cost to visitors and affect demand.

"We are particularly concerned about the cumulative effect of these fees, which we believe will have a material impact on visitor numbers, a vital workforce and the economic contributions they bring," Ingram added.

"We urge the Government to factor in the broader economic benefits that international visitors bring and our export earnings, rather than focusing solely on making the immigration system self-funding at the expense of our tourism sector," said Ingram.

A summary of TIA's submission to Immigration New Zealand during the closed consultation is:

1. **Impact on Tourism Demand:** Significant increases in visa fees and levies for tourism-related categories could lead to a notable drop in visitor numbers, potentially reducing international visitor arrivals by up to 24,500 and risking \$120 million in visitor expenditure.
2. **Cumulative Cost Concerns:** The combined costs of various fees and levies for visitors are rising significantly which will be a barrier for visitors to enter New Zealand. All visitor costs, including the International Visitor Levy, must be considered.
3. **Alignment of Fees and Services:** We advocated for a connection between the proposed levy increases and the actual costs incurred by the immigration system.
4. **Economic Contributions of Tourism:** International visitors contribute substantially to New Zealand's economy, generating \$7.3 billion in government revenue pre-COVID, including \$3.8b in GST. Each visitor contributes an average of \$849 to crown revenue.
5. **Importance of Working Holiday Visas:** Working Holiday visitors are crucial to New Zealand's workforce, especially in the tourism industry, with 37% of businesses hiring them over the summer. Increased visa costs could deter these essential workers.

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6. **Implementation Timing:** The tourism sector operates on long lead times, and sudden and significant increases in visa costs in 2024 could disrupt inbound travel operators' pricing and planning, negatively impacting the industry.

For more information, please contact:

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KEY FACTS

- Tourism Industry Aotearoa 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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