

28 July 2025



Education and Workforce Committee  
Parliament Buildings  
Wellington

By email: [ew@parliament.govt.nz](mailto:ew@parliament.govt.nz)

Kia ora

## **Immigration (Fiscal Sustainability and System Integrity) Amendment Bill**

Tourism Industry Aotearoa welcomes the opportunity to submit on the Immigration (Fiscal Sustainability and System Integrity) Amendment Bill, with focus on the fiscal sustainability aspect of the Bill.

### **Tourism Industry Aotearoa**

TIA is the peak body for the tourism industry in Aotearoa New Zealand. With around 1,200 member businesses, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure activities, attractions, retail, airports and airlines, transport, as well as related-tourism services.

TIA is sharply focused on ensuring the balanced growth of the industry, and this is clearly articulated in our key guiding documents and programmes. This includes the tourism industry's strategic framework, *Tourism 2050 – A Blueprint for Impact, He Pae Tukutuku*.<sup>1</sup>

This has the Vision of 'Enriching Aotearoa New Zealand through a flourishing tourism ecosystem'. This Vision is centred on the positive role of tourism for the broad betterment of New Zealand and its people across a balanced framework – Economic, Community, Visitor and Environment.

Tourism 2050 has just ten Actions that are the most important strategic workstreams to advance to enable the industry to achieve its Vision. Action 9 is 'Grow the Tourism Workforce'.

The premise of this Action is to ensure the industry has the right people working in the industry, where they are needed and with the right skills. Getting this in place is a precursor for the overall success of the industry. Necessarily, this requires fostering the growth of the New Zealand tourism workforce and also enabling overseas workers to join the workforce where they are needed by the industry.

Getting the settings right to ensure the tourism workforce is in place is critically important for tourism, including through our immigration policy settings.

### **Tourism Growth Roadmap**

The Government has established a clear growth agenda for the tourism industry that is being advanced through the recently released Tourism Growth Roadmap.<sup>2</sup> Notably, the Roadmap has the target to double tourism export value by 2034, meaning that the contribution of tourism to our economy will significantly increase over coming years.

A key feature of the Roadmap is its recognition that the structures that support and enable the tourism industry are important. While the initial focus is on boosting demand, over the medium term the focus will be on how we manage our place to ensure it is an outstanding destination in a competitive global tourism marketplace. In this, it matters how the New Zealand tourism system is set up to meet this growth pathway.

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<sup>1</sup> <https://www.tia.org.nz/tourism-2050/>

<sup>2</sup> <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-growth-roadmap>

With 303,420 people directly and indirectly employed in tourism, or 10.7% of the total New Zealand workforce, the Roadmap identifies 'Workforce' as one of the seven potential supply-side workstreams to be advanced over the period ahead.

TIA will be working with MBIE, the lead agency for the Roadmap process, on the Workforce project as part of our wider Roadmap contribution. No doubt the overseas workforce requirements of the industry will be considered that will include consideration of the migration settings.

### **TIA Feedback**

TIA supports the overall intent of the Bill and its System Integrity provisions.

However, we have real reservations around the Fiscal Sustainability elements, particularly to extend charges to employers and education providers, and to create a new levy making power to cover costs to education, health and skills training sectors.

Key areas of concern:

- **Beneficiaries of the Immigration System.** An implicit aspect of the Fiscal Sustainability elements is that costs should fall on the direct users of the system, that is migrants and employers. This does not consider the wider beneficiaries of the immigration services, and TIA argues that there is a considerable public benefit in having a flourishing tourism industry with the skills needed, where they need them. Tourism is one-fifth of New Zealand's export economy and so our nation benefits from jobs, business opportunities, social vibrancy, improved amenities, etc., that tourism contributes to our nation and which is enabled by the people who work in it, both New Zealanders and our overseas workers.

**Key Point:** TIA submits that wider societal benefits be considered in assessing the costs incurred by Immigration New Zealand in undertaking its functions, including with its worker-based visa processes.

- **Impost on employers.** The Bill introduces a new levy on employers that does not in any way appear to be justified. There are already considerable time, effort and financial costs for employers to recruit overseas workers, and this levy would add another layer. TIA notes the submission of Business New Zealand that challenges the proposal for a new levy on employers. For instance, it makes the case that the fees of the Accredited Employer Work Visa have been used to subsidise the immigration system more broadly. This suggests the employers using the system are paying their way (and covering the cost for those who do not) and there is no analysis to the contrary.

**Key Point:** TIA submits that no new costs should be imposed on New Zealand employers, and to do so creates yet another cost pressure in what is already a costly and time intensive process for employers through the AEWV.

- **Unknown quantum of a levy.** The Bill establishes the power to levy but does not set out its quantum of the levy, setting out instead that a subsequent process would be used to determine the level. This creates concern and uncertainty for both employers and people using the system. For instance, what level of additional costs will be faced by potential workers under AEWV and there is no assessment to sensitivity of these visa holders to the costs of getting their visas under the proposed system. Without such analysis, the implications of the Bill are unknown.

We do note that the Bill provides the ability to establish the levy as described, with the signal that an open consultation process will be undertaken to put it into practice. TIA will be an active participant in such a consultation, with a view to ensuring any levy is transparent and fair for all parties involved.

**Key Point:** TIA submits that for both employers and visa system users, parameters of the proposed c

- **Cumulative Costs.** Tourism has faced a number of increased charges to crossing the New Zealand border over recent years through increases to the International Tourism and Conservation Visitor Levy (IVL), visa charges and various border service charges. The Bill proposes further cost increases that will add to the cumulative cost of getting to New Zealand. TIA considers that these cumulative costs have contributed to suppressing travel to New Zealand over the period since the higher charges have been in place.

**Key Point:** TIA submits that the contribution of the proposed levy to the cumulative cost of entering New Zealand must be factored into consideration of the Bill.

- **Costs to public services.** The Bill introduces the ability to levy in order to fund or contribute to costs associated to education, health and training. TIA notes the submission of Business New Zealand that makes the case that migrants are typically of working age and will contribute more in taxation than they consume in public services. We note that international students already pay for the education they receive, that visitors already pay the costs of accessing health services here, and that training is typically paid for by employers or the people themselves. As such, it is not clear what problem this provision is seeking to solve.

**Key Point:** TIA considers that this aspect of the Bill is extremely open-ended in terms of its potential impact and that the justification for this is not sufficiently developed.

## Overall Position

TIA supports the intent of the System Integrity aspects of the Bill.

TIA has real reservations around the Fiscal Sustainability aspects, partially due to the lack of specificity around the nature of the levy and concern around loading additional costs on both businesses and people visiting New Zealand, whether for holiday, work or education. We do have a view that at a certain point, additional levies and costs will be counter-productive to our wider strategic objectives, including to double international visitor expenditure by 2034.

TIA supports the Business New Zealand recommendation that Section 399 be removed from the Bill altogether, and we understand its position and rationale for this.

That said, TIA considers it important that should Government activate the levy provided for by this Bill, it must be advanced on an open consultative basis so that the points we have raised above on our reservations can be fully addressed in this process.

## Conclusion

We would be most happy to expand on any points raised. Please contact Bruce Bassett on 021 609 674 or [bruce.bassett@tia.org.nz](mailto:bruce.bassett@tia.org.nz) if you have any questions.

We request the opportunity to present to the Committee.

Ngā mihi,



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Chief Executive