



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
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# Border changes

**Frequently asked questions**

**July 2018**

# Frequently asked questions

The government is proposing an International Visitor Conservation and Tourism Levy to ensure our international visitors contribute to the infrastructure they use and to help protect the natural environment they enjoy. Below are some frequently asked questions about the proposal.

1. How much revenue will the International Visitor Tourism and Conservation Levy generate?
2. What will the revenue generated by the levy be spent on?
3. How will people pay the levy?
4. Who will pay the levy?
5. How often will visitors have to pay the levy?
6. Who will be exempt from paying the levy?
7. Will New Zealanders have to pay the levy?
8. Why will Australian citizens and permanent residents be exempt from paying the levy?
9. Which Pacific Island countries will be exempt from paying the levy?
10. Why will business travellers have to pay the levy?
11. Will ship and air crew have to pay the levy?
12. If approved, when will the levy come into effect?

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## 1. How much revenue will the International Visitor Tourism and Conservation Levy generate?

The following table shows estimated revenue in 2020 for the different levy rates being consulted on. Revenue is expected to grow at around 4.6 per cent each year, in line with expected growth in visitor numbers.

Rate Expected revenue in 2020

Rate	Expected revenue in 2020
\$25	\$57 million
\$30	\$69 million
\$35	\$80 million

## **2. What will the revenue generated by the levy be spent on?**

Funds collected through the levy will be spent on tourism infrastructure and conservation. The specifics of this are being consulted on, including what should be included, and how stakeholders can contribute to the decision-making process.

## **3. How will people pay the levy?**

Most travellers that don't require a visa before travelling to New Zealand will be required to apply for an Electronic Travel Authority and will pay their levy at this time.

The Electronic Travel Authority is a proposed new border security and facilitation measure currently out for consultation that would help speed things up at the border.

[Find out more](#)

## **4. Who will pay the levy?**

Approximately two thirds of international visitors will pay the levy – around 2.3 million in 2020. These visitors include:

- tourists, except Australians and people from most Pacific Islands Forum countries
- business travellers entering NZ through the visa waiver programme
- all family visitors, except Australians and people from Pacific Islands Forum countries
- students with visas for 12 months or less
- Working Holiday Visa holders
- those holding work visas valid for 12 months or less.

## **5. How often will visitors have to pay the levy?**

The levy will be valid for the duration of the Electronic Travel Authority (proposed to be two years) or Visa (varies) that the traveller uses to enter New Zealand

## **6. Who will be exempt from paying the levy?**

There will be exemptions for the following travellers:

- Australian citizens and permanent residents
- nationals of most Pacific Islands Forum countries

- people from the Cook Islands, Tokelau and Niue, who hold New Zealand citizenship
- those on Business Visitor Visas, including APEC Business Travel Cards
- those on diplomatic, military, medical, and humanitarian visas
- those on transit visas, including the Antarctic Traveller Transit Visa
- children under the age of two years old.

## **7. Will New Zealanders have to pay the levy?**

No, New Zealand citizens and permanent residents will not be liable for the levy. It is designed to target international visitors only.

## **8. Why will Australian citizens and permanent residents be exempt from paying the levy?**

Australians are granted residence on arrival, enabling them to visit, or work and live in New Zealand. Applying the levy to Australians could be seen as a significant departure from the principle of freedom of access under the Trans-Tasman Travel Arrangement.

In addition, the Australian visitor market is more price-sensitive, and a levy would be a significant addition to the price of ticket, compared to long-haul flights. Drop in demand from Australian visitors could then have impacts on regional air-connectivity with Australia, affecting businesses and out-bound New Zealanders.

## **9. Which Pacific Island countries will be exempt from paying the levy?**

People from the Cook Islands, Niue and Tokelau will be exempt as they are New Zealand citizens.

Citizens from the following Pacific Islands Forum countries will be exempt: Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu.

The Government considers a levy may have disproportionate financial impacts on Pacific Island travellers and does not align with the Government's development objectives in the Pacific.

Note that French Polynesia and New Caledonia nationals travel on French passports, so it may not be technically possible to exempt this group. Officials are looking into this.

## **10. Why will business travellers have to pay the levy?**

Those travelling with an APEC Business Travel Card or a Business Visitor Visa will be exempt.

However, those business travellers entering on a visa waiver will be liable for the levy. The same traveller can enter multiple times, for either business or recreational purposes (or both), so it is not possible to distinguish between business and recreational travellers in these cases.

## **11. Will ship and air crew have to pay the levy?**

As the proposal stands, cruise ship and air crew will be liable for the levy, cargo ship crew will be exempt.

However, we are seeking views on whether further exemptions should apply. Factors we will consider include:

- impact on the group of being charged
- whether it is technically feasible to identify a group in the existing system
- financial and compliance costs of any exemption.

## **12. If approved, when will the levy come into effect?**

As the proposed levy will be required to go through a legislative process, it will likely be implemented in the second half of 2019.