

In Confidence

Office of the Minister of Tourism

Chair, Cabinet Economic Development Committee

INTERNATIONAL VISITOR CONSERVATION AND TOURISM LEVY

Proposal

1. Following public consultation in July 2018, I am seeking Cabinet agreement to the collection mechanism for the proposed International Visitor Conservation and Tourism Levy (IVL).
2. I am also proposing further targeted consultation with stakeholders on two expenditure proposals, to ensure we have a well-designed system.
3. The IVL is part of a suite of related proposals Cabinet is considering that includes the introduction of an Electronic Travel Authority (ETA), and the Immigration Fees and Levies Review. The Minister of Conservation and I intend to separately bring a draft Tourism strategy for Cabinet's consideration.

Executive Summary

4. Tourism is a significant and growing part of the economy. Visitor growth (both domestic and international) is creating pressures in some places at some times of the year (infrastructure pressure, crowding, environmental, and behavioural concerns), however it can also contribute to the productive, sustainable and inclusive growth signalled in the government's draft economic strategy if managed the right way.
5. Cabinet has previously noted that investment in supporting infrastructure and protection of our natural attractions is not keeping up with visitor growth. As part of addressing this need, Cabinet approved an IVL proposal for consultation [CBC-18-MIN-0054 refers]. Submissions show broad support for the IVL, with many focussing on the details of potential expenditure.
6. I am now seeking final approval from Cabinet for the IVL collection mechanism outlined in the table below, and agreement to targeted consultation on expenditure proposals.

Recommended IVL collection mechanism

7. Following public consultation and further work on the technical detail of implementing the IVL, I am recommending the following amended IVL collection mechanism:

Collection	Additional charge included in application fees for Visas and (proposed) ETA
Targeting	Charge applied to international visitors based on immigration status: <ul style="list-style-type: none"> • All ETA applications (visa waiver travellers) • All visas for short term entry (12 months or less) Exemptions for: <ul style="list-style-type: none"> • Diplomatic, military, medical, humanitarian visas • Transit passengers, including the Antarctic Traveller Transit Visa • Australian citizens and permanent residents (who receive residence visas on arrival) • Pacific Island Forum countries, American Samoa, Pitcairn Islands, all RSE workers • Business Visitor Visas (including APEC business travel cards) • Ship and airline crew • Individuals waived visa or ETA requirements under Immigration New Zealand’s (INZ’s) discretionary powers
Rate	\$35, estimated to generate around \$80 million in 2020 growing at around 4% pa.

8. The key amendments are:

- 8.1. Extension of the Pacific Island countries exemption to include American Samoa and Pitcairn Islands and Recognised Seasonal Employment (RSE) workers
- 8.2. No exemption for under two year olds (due to associated risks of non-compliance with other immigration requirements and implementation costs)
- 8.3. Exemption for cruise and airline crew
- 8.4. Power for INZ to waive the IVL, where INZ is also waiving visa or ETA requirements

9. The IVL will be in place early in the second half of 2019, the exact date is contingent on the passage of the legislation. The IVL will be in place by the time visitors are required to hold an ETA to enter New Zealand (1 October 2019).

IVL expenditure options for targeted consultation

10. Consultation included a broad question on levy expenditure, generating a wide range of responses. Based on submissions, the objectives being developed for the draft Tourism Strategy (which is yet to be considered by Cabinet), and the government’s draft economic strategy, I have developed two proposals for expenditure (shown on the next page). These illustrate the potential range of expenditure and are intended to support quality engagement with stakeholders.

11. The key components are:

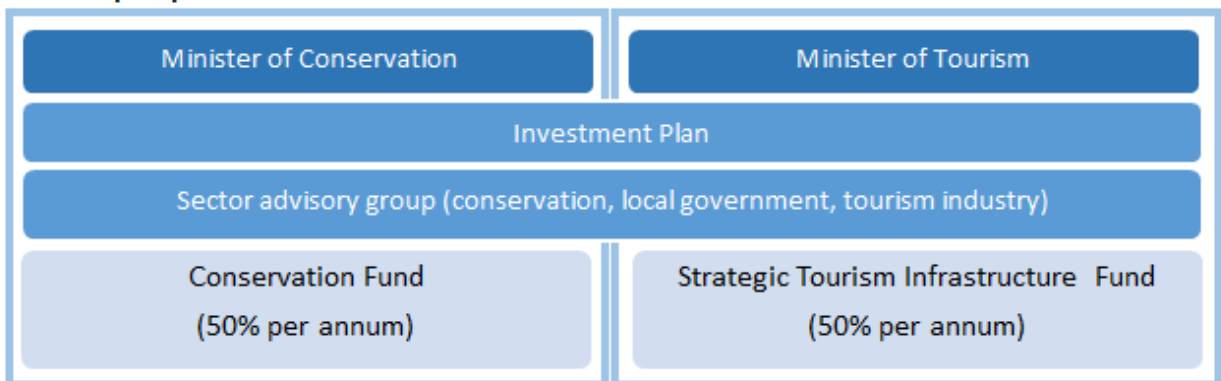
11.1. An Investment Plan to set out a 3-5 year expenditure programme, developed with sector input (conservation, local government and tourism industry)

11.2. Two options to illustrate the potential scope of expenditure, the key differences between options are that Option 2 includes:

- An additional 'pillar' to invest in system capability (data, business support, workforce development, destination management capability)
- A 50:50 split over five years between conservation and tourism (allowing flexibility to deliver in any given year)
- Infrastructure planning that includes Public Conservation Lands and Waters (PCL&W)

11.3. Transparent reporting and management of the levy, including hypothecated funding, with annual reporting on actual expenditure and a memorandum account.

Option 1 – Simple split: Conservation and Tourism



Option 2 - System investment approach



Background - Cabinet previously approved an IVL proposal for consultation

12. Tourism is a significant and growing part of the economy. Making up 10% of GDP (both direct and indirect contributions) and 20% of exports, it employs over 230,000 people. While growth is creating pressures in some places at some times of the year (infrastructure pressures, crowding, environmental and behavioural concerns), when managed appropriately it can also contribute to the productive, sustainable, and inclusive growth signalled in the government's draft economic strategy.
13. One of the barriers to successful growth is that current funding models for visitor-related infrastructure are disconnected from volumes, and have failed to keep up with operating and investment requirements.
14. I consider that a package of initiatives is required in order to fully address this problem. As a first step, Cabinet agreed to public consultation on the IVL [CBC-18-MIN-0054 refers].
15. The IVL provides an opportunity for strategic investment in visitor infrastructure and conservation (one of New Zealand's major drawcards) to ensure that tourism growth is sustainable and continues to enrich New Zealand and New Zealanders.
16. Consultation has now been completed, and this paper presents my final proposal for collecting the IVL, and next steps for finalising expenditure of the IVL revenue.
17. The IVL is a first step in moving us towards a more financially sustainable footing for tourism-related infrastructure, and needs to be supported with complementary funding tools. Other work underway includes:
 - 17.1. A strategic revenue review in the Conservation portfolio
 - 17.2. The Government Policy Statement on Land Transport now explicitly recognises the importance of transport connections that enable visitors to access destinations throughout New Zealand safely
 - 17.3. The Local Government Funding Inquiry.

Submissions show broad support for the IVL

18. Consultation on the International Visitor Conservation and Tourism Levy (IVL) closed on 22 July. MBIE received 107 submissions, including 37 from industry, 25 from local government and 45 from private individuals.
19. Over 90 submitters supported the IVL, though some only if certain conditions were met. These conditions include that the government ring-fence / hypothecate the IVL revenue, sector representatives have a voice in decision-making, and the IVL is managed transparently.
20. Many submitters offered complementary, or in some cases, alternative funding mechanisms. These included central government funding from general tax, return of GST to regions, local tourism levies (such as a levy on accommodation providers),

and user charges for specific services. On the other hand, Tourism Industry Aotearoa (TIA)¹ considers that the IVL should be the only levy on the sector.

Levy rate to be set at \$35

21. Cabinet agreed to consult on a rate between \$25 and \$35, on the basis that this level is less than 1% of average visitor spend, and noting that the demand impacts are unclear², but likely to be low. Overall, New Zealand's immigration charges remain internationally comparable (including the proposed IVL, increases in the Immigration Fees and Levies review, and introduction of the ETA being considered by Cabinet this month).
22. Over half of submitters supported a rate of \$35 or higher, and just three submissions felt the proposed band was too high. Of note, the \$35 rate was supported by TIA.
23. Some sector representative groups suggested that, in order to create certainty, the levy should be set for five years (which is consistent with current practices). As the IVL is creating an investment fund, rather than recovering direct service costs, there is unlikely to be significant risks of over or under-recovery.
24. Considering all of this, I am recommending that the IVL be initially set at \$35, to be reviewed after five years. After the initial five year period, the levy rate will be set by regulations made on the recommendation of the Minister of Tourism following public consultation.

Collection mechanism and exemptions

25. Early engagement with the sector informed my proposal to collect the levy via immigration systems (an additional charge on visa and ETA applications). This has been reflected in feedback in submissions, with no alternatives suggested.
26. The Minister of Immigration is proposing a 'soft' launch of the ETA from 1 July 2019. At this point, the IVL Bill will still be going through Select Committee on 1 July. It is likely to receive assent in August 2019. As the IVL can only be charged once the enabling legislation and regulations are in place, travellers who apply for an ETA before the IVL is in place will only be charged the relevant ETA fee.
27. It is possible that some travellers may make the effort to apply for their ETA in advance of the implementation of the IVL. However, the incentive to apply in advance of IVL implementation will also exist for visa-required travellers.
28. The net effect of the timing differential may include higher uptake of ETAs in the first two months (July and August), which could have benefits for ETA compliance and a possible reduction in revenue in the first year of the IVL. Delaying introduction of the ETA to align with the IVL would mean the current border security risks would remain in place for longer.

¹ TIA is the tourism industry's peak body, and its members represent around 80% of tourism industry turnover.

² Previous work on price sensitivity of airline tickets (undertaken to inform decisions on the border clearance levy (BCL)) suggests a potential impact on GDP of \$24 - \$124 million and around \$8 million loss in GST (figures assume Australia is exempt). However, there was no observable impact following the introduction of the BCL. In addition, this charge will be added to immigration charges, which appear to have very low price sensitivity.

Proposed changes to exemptions

29. There were a wide range of comments on the proposed exemptions, including differential rates. For example, 30 submitters did not support the exemption of Australians on the basis that they impose similar costs to other travellers, and make up a significant portion of the visitor market. Nineteen submitters did not support the idea of exemptions in general. A further 15 submitters supported the exemption of Australians citing the importance of that visitor market and/or the interests of New Zealanders in Australia.
30. I recommend we retain the exemptions in the original proposal (including exempting Australians), with four amendments.
31. *Extension of the Pacific Island Forum countries exemption*, adding:
 - 31.1. American Samoa and Pitcairn Islands so that the IVL aligns with INZ Pacific Fee Band (reducing implementation costs), and
 - 31.2. All Recognised Seasonal Employment (RSE) workers (for the avoidance of doubt), as this group enter New Zealand for work purposes only, and the programme is part of New Zealand's contribution to development goals in the region.
32. *No exemption for under two year olds* as INZ is concerned that an exemption for children under two year olds may create confusion for travellers about whether under two year olds are required to hold a visa or ETA; and thereby create a risk of travellers inadvertently breaching immigration rules.
33. INZ has also estimated the cost of implementing an age-based exemption to be at least \$500,000, as there are currently no age-based fee exemptions in the visa system.
34. Only seven submissions touched on the age-based exemption (either in support of the proposal, or expanding the exemption to include older children). Given the costs and potential risk of non-compliance the exemption would entail, I recommend this exemption be removed.
35. *Exemption for ship and airline crew* as this group enters New Zealand for short periods for work purposes only. Further, the IVL would be a significant cost on carriers (particularly cruise, which has a very high crew to passenger ratio). At the point of public consultation, officials were considering whether such an exemption would be technically feasible.
36. During consultation the sector formally requested a crew exemption, and officials have confirmed such an exemption is technically feasible.
37. *Power for INZ to waive the IVL*, where appropriately delegated INZ staff are also waiving visa or ETA requirements, or fees related to the grant of visas or ETAs. Examples where this may occur include people diverted due to severe weather and other unforeseen circumstances, or people granted visas in other special circumstances (domestic abuse situations, for example).

Exemptions to be specified in regulations

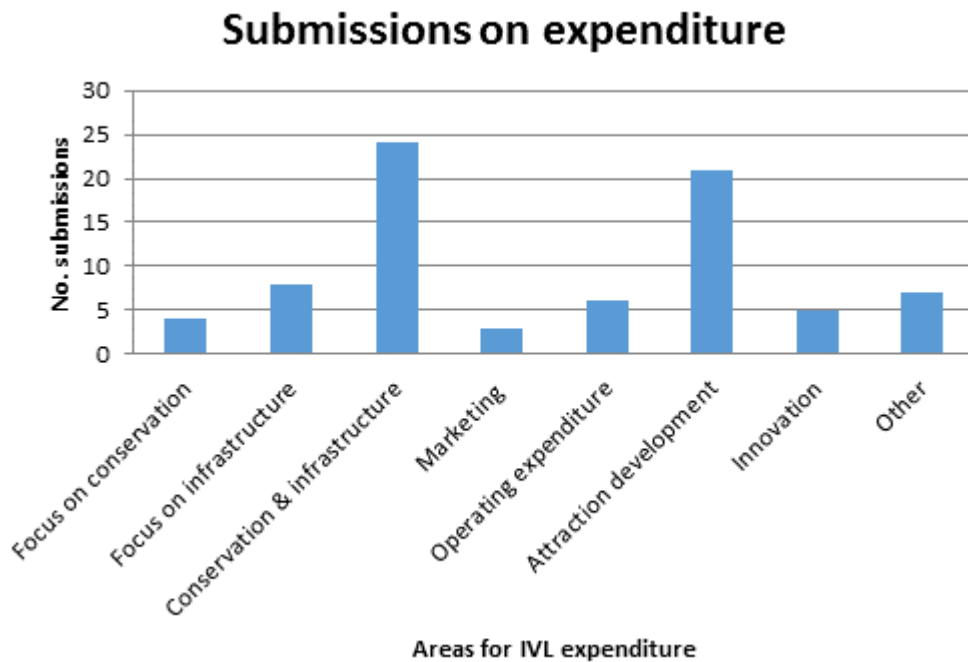
- 38. To enable the exemption settings to be adjusted in line with the Government's priorities I am proposing that regulations prescribe who is required to pay the levy and who is exempt from paying the levy. These regulations will be made on the recommendation of the Minister of Tourism following public consultation.
- 39. Exemptions will be set in order to align the IVL with New Zealand's international interests and obligations, and/or where the Minister is satisfied that the group does not substantially add cost to tourism infrastructure.

Options for spending the IVL revenue

Submissions supported a range of expenditure options and requested representative and transparent governance

Support for a broad scope of expenditure

- 40. The discussion document sought views on how best to spend the revenue from the IVL, but no firm proposal was included. I have received a wide range of views from submitters, as illustrated in the graph below. Of note:
 - 40.1. most submissions supported a mix of expenditure areas
 - 40.2. there was significant support for attraction development including development and protection of Māori culture and heritage
 - 40.3. there was some support for innovation (data, research and development, and insight) and business development in the sector.



Many submitters also indicated that they would appreciate further discussion on expenditure, given the discussion document did not indicate any particular proposal.

Ring-fence the IVL to demonstrate its impact.

41. More than 90 submissions recommended some form of ring-fence for the IVL, with 15 stressing the desirability of clear hypothecation (mostly industry groups). There were no submissions suggesting the IVL should be returned to the consolidated fund.
42. Given this is a levy paid by international visitors, rather than general taxation; ring-fencing the revenue so that it is spent in areas that benefit those visitors is appropriate. It makes the IVL more palatable for visitors, as they would know their money is contributing to conservation and the visitor experience.

Shaping the tourism system requires collaboration

43. Nine submissions highlighted the need for transparent decision-making and/or reporting; 20 submitters recommended a breadth of representation in decision-making.
44. In order to shape tourism in New Zealand so that we enjoy the benefits of sustainable growth, we need a more deliberate and planned tourism system across multiple actors. This requires collaborative governance with stakeholders. Representation in decision-making will also give the government access to expertise and help to maintain stakeholder support for the IVL. The Tourism Infrastructure Fund Advisory Panel is one example where government is already benefiting from this type of arrangement to achieve its objectives.
45. The expenditure options below include representative governance.

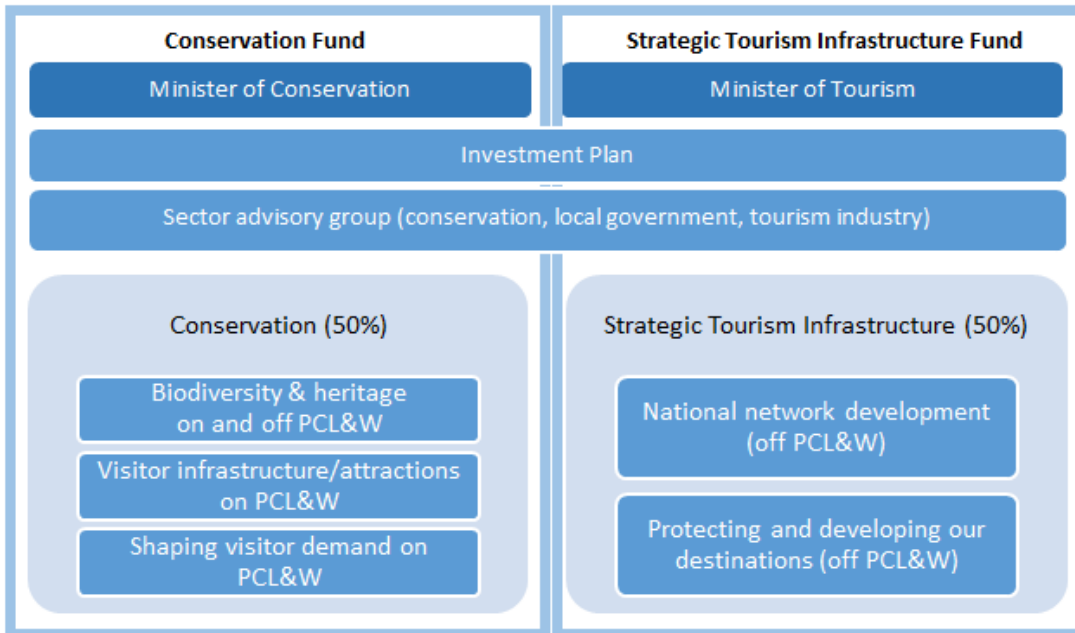
Using the IVL to deliver on the draft Tourism Strategy and the draft Investment Framework for Tourism

46. I have instructed officials to develop a draft Tourism Strategy, which the Minister of Conservation and I intend to submit for Cabinet's consideration in the coming weeks. The strategy signals a more active, co-ordinated approach to the Government's role in tourism. The Strategy's aim is to enrich New Zealand through sustainable tourism growth. The Government has a variety of levers across multiple agencies and portfolios that it can use to make the tourism system more responsive to the challenges and opportunities of growth.
47. The IVL is one such lever. It has a clear role in supporting the Government's draft Investment Framework for Tourism (the Investment Framework). IVL revenue can be applied:
 - 47.1. Nationally, to help ensure the tourism market can respond to demand, and that the system as a whole delivers good outcomes for visitors and New Zealanders

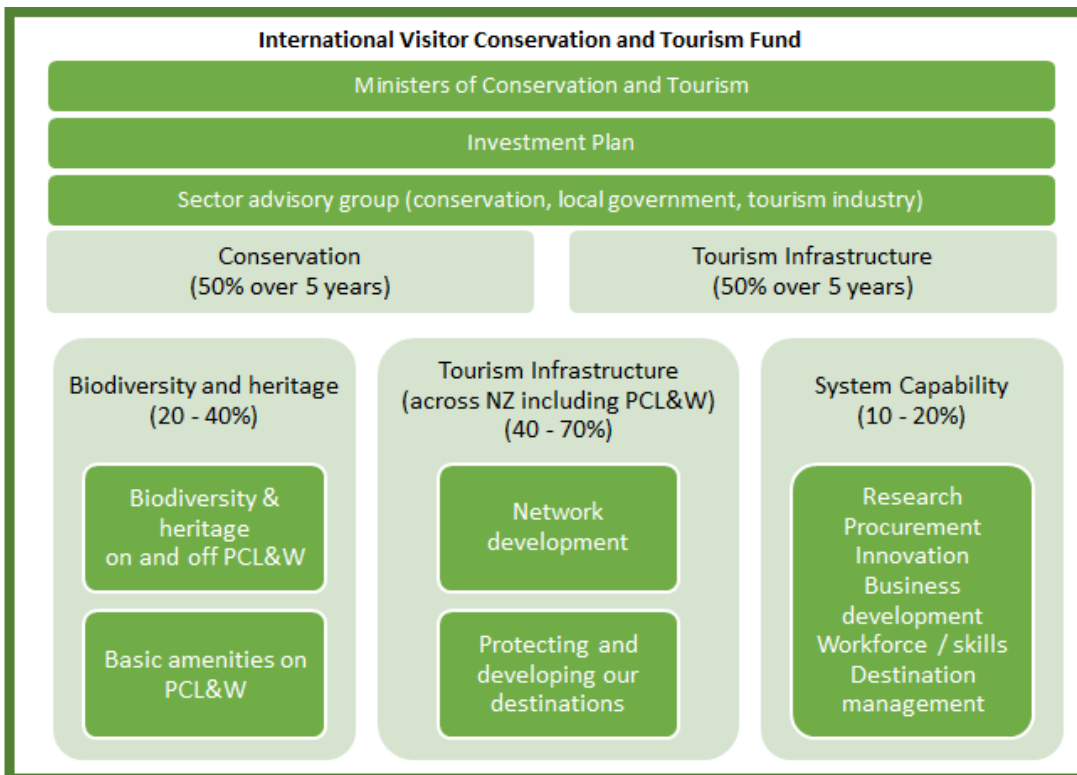
47.2. Regionally, to develop and protect destinations and support Government's role as an actor in the system looking to achieve a more optimal distribution of tourism across regions.

Illustrative expenditure options to support targeted consultation

Option 1 – Simple Split: Tourism and Conservation



Option 2 - System investment approach



Expenditure proposals for targeted consultation

48. As a next step, I propose targeted consultation on how to spend the IVL revenue with conservation, local government, and tourism industry stakeholders (consultation will not affect implementation dates). The draft discussion document is attached at Annex One. Key components are set out below and illustrated on page 9.

Investment Plan to set out a 3-5 year expenditure programme

49. Central to both options is the Investment Plan. This would be co-developed with a sector advisory group (conservation, local government, and tourism industry). This would set out the intended programme of expenditure for 3-5 years, and include biodiversity and visitor-related programmes.
50. The Investment Plan will be particularly important for co-ordinating any place-based investment, for example Milford Sound where there is a need for infrastructure, protection of biodiversity and visitor experiences, and dispersal of visitors to the wider region.
51. The Investment Plan will enable low compliance delivery mechanisms, as programmes can be delivered through, for example, a central Request for Proposal, or granted to entities already involved in priority projects (such as the Milford example above). This differs from the Tourism Infrastructure Fund where local councils apply for each project, generating some compliance costs.
52. The IVL will not replace the Tourism Infrastructure Fund. I consider there is still a need for a responsive, 'bottom-up' fund that can meet locally-identified needs.

Two options for the scope of expenditure

53. I recommend that the Government consult on two options to illustrate the potential scope of expenditure. The first option is a simple split between tourism and conservation; the second has a broader scope, and would enable more co-ordinated, deliberate and smarter investment in the tourism system. These are illustrated page 9 (further detail is included in Annex One). The key differences between options are that Option 2 includes:
- 53.1. An additional 'pillar' to invest in system capability (data, business support, workforce development, destination management capability)
- 53.2. A 50:50 split over five years between conservation and tourism (allowing flexibility to deliver in any given year)
- 53.3. A single infrastructure pillar for investment on, off, and adjacent to PCL&W

Transparent management of IVL

54. Transparent reporting and management of the levy expenditure is also important (and strongly supported by submissions). I propose the IVL be hypothecated, with annual reporting on actual expenditure and a memorandum account³.

Ministers of Tourism, Finance and Conservation to make decisions on a final expenditure proposal

55. I recommend that Cabinet authorise the Ministers of Tourism, Finance and Conservation to make final decisions on the form for expenditure following consultation.

Consultation

Public consultation on the IVL

56. Public consultation on the IVL ran for five weeks, in conjunction with consultation on the ETA, and Immigration Fees and Levies. Officials met with stakeholders on request across local government, conservation groups, and the tourism sector. In total, 107 submissions were received. Specific points have been noted in the analysis above.

International engagement

57. The Ministry of Foreign Affairs and Trade (MFAT) has proactively engaged with a number of foreign governments. While queries have been raised, MFAT have been able to satisfy foreign governments on most points.

Section 6(a)

- 58.

Proposed targeted consultation on expenditure

59. I intend to consult with key stakeholders on the expenditure options outlined above.
60. This targeted consultation is intended to partially overlap with consultation on the Government's draft tourism strategy (if agreed by Cabinet), to ensure alignment. IVL consultation will be undertaken parallel to the drafting process and will not affect implementation timeframes.

Government agencies

61. The following agencies were involved in the development of the IVL proposal: Ministry of Foreign Affairs and Trade, The Treasury, Ministry of Transport, New Zealand Transport Agency, Department of Internal Affairs, Inland Revenue, New Zealand Customs, Department of Conservation, and the Ministry of Primary

³ A memorandum account reports annually on revenue and expenditure, and carries forward any surplus or deficit. This ensures that, over time, revenue and expenditure are equal but can also allow for flexibility in any given year.

Industries, Ministry of Justice. In addition, within MBIE, Immigration Policy and Immigration New Zealand have contributed. The Department of the Prime Minister and Cabinet and Parliamentary Counsel Office have been informed.

Financial Implications

- 62. The preferred rate of \$35 will create a revenue stream in the order of \$80 million in 2020. This is expected to grow at around 4% per annum (more detailed forecasts will be developed to inform Budget 2019).
- 63. The funds raised by the IVL will be used to improve conservation and tourism outcomes (applied via Votes Conservation; and Business, Science and Innovation). The net fiscal impact of the proposed levy and its expenditure is neutral for the Crown overtime. As noted above, differences between revenue and expenditure (surplus/deficit) in any given year will be carried over into the following year(s) via a memorandum account.

Overhead costs

- 64. Collection costs for the proposed model are minimal, as the IVL will use existing INZ systems and the proposed ETA system (costs outlined in the paper being considered concurrently by DEV). Systems changes will be required if exemptions for visitors under two years old are retained, and the Pacific Island country exemption is not extended. Costs for these changes would be at least \$500,000 each. Changes required for the Visa system are estimated at \$1 million and can be funded by INZ.
- 65. Administration of expenditure will be funded from the IVL revenue.

Goods and Services Tax (GST)

- 66. The \$35 IVL rate includes GST of \$0. This is consistent with INZ’s existing practices for visa application fees which are subject to 0% GST when the applicant indicates they currently live outside New Zealand.
- 67. There is risk that the IVL could result in reduced demand (a one-off drop in either growth of visitor numbers, or growth in expenditure). Based on the limited information available, this could result in an \$8 million loss in GST. MBIE considers the risk to be low as the IVL is less than 1% of the average visitor-spend and the estimates are based on the price sensitivity of air tickets rather than visas (which have lower price sensitivity, are purchased in advance, and often enable multiple entry). The size of the risk is not considered significant enough to affect GST forecasts, or MBIE’s tourism expenditure forecasts.

Legislative Implications and Timeframes

- 68. The proposals in this paper will require enabling legislation, and supporting regulations. It has been included in the legislative programme as a Priority Five (to be referred to Select Committee within this calendar year).

Progress of the IVL	Dates
Drafting	September – December 2018

Progress of the IVL	Dates
Introduction	December 2018 /February 2019
Royal Assent	July/August 2019
ETA available	1 July 2019
IVL regulations come into force (visitors required to pay the IVL)	August/September 2019
ETA required for entry to New Zealand	1 October 2019

69. Parliamentary Counsel Office has been consulted on the legislative bid and informed of this paper.

Impact Analysis

70. A Regulatory Impact Statement has been prepared and is attached to this Cabinet paper. A joint quality assurance team from The Treasury and MBIE has reviewed the Regulatory Impact Statement and considers that it meets the quality assurance criteria, enabling Ministers to fairly compare the available policy options and take informed decisions on the proposals.

Human Rights

71. The proposal could be considered to discriminate based on nationality. However, the proposal does exempt anyone entering New Zealand as a permanent resident. So far as there is any infringement on human rights, I consider it to be justified as visitors are contributing towards costs they impose, and the upkeep of the attractions and amenities that they enjoy.
72. A full assessment of human rights implications will be completed as part of drafting the legislation for LEG to consider.

Publicity

73. I intend to make a press release announcing Cabinet's decisions on the IVL. This will be supported by a communications plan that includes other Governments, and local and international stakeholders.

Proactive Release

74. I also intend to pro-actively release this Cabinet paper (and associated RIS), the summary of submissions, and all 107 submissions shortly after decisions are made on this paper. Release is subject to redactions as appropriate under the Official Information Act 1982, including privacy requests by submitters.

Recommendations

The Minister of Tourism recommends that the Committee:

1. note that consultation on the International Visitor Conservation and Tourism Levy (IVL) has concluded, and over 90 of the 107 submissions received were in support

2. note that the IVL is part of a suite of related proposals Cabinet is considering that includes the introduction of an Electronic Travel Authority, and the Immigration Fees and Levies Review, and the Minister of Conservation and I will be submitting a paper on a draft Tourism Strategy for Cabinet's consideration in the coming weeks

3. agree that the purpose of the IVL is to fund investment in conservation and tourism

Approval for the collection mechanism

4. agree the IVL be collected alongside visa and electronic travel authority application fees by Immigration New Zealand

5. agree the IVL is to be paid by:

5.1. all people applying for an electronic travel authority (visa waiver travellers)

5.2. all people applying for visitor visas or short term entry visas (12 months or less)

6. Agree that the following travellers are exempt from IVL charges:

6.1. diplomatic, military, medical, and humanitarian visas

6.2. transit passengers, including the Antarctic Traveller Transit Visa

6.3. Australian citizens and permanent residents (who receive residence visas on arrival)

6.4. the following Pacific Island countries:

- American Samoa
- Cook Islands
- Fiji
- Kiribati
- Republic of Marshall Islands
- Federated States of Micronesia
- Niue
- Palau
- Papua New Guinea
- Pitcairn Islands
- Samoa
- Solomon Islands
- Tonga
- Tuvalu
- Vanuatu

6.5. Recognised Seasonal Employment workers

6.6. Business Visitor Visas (including APEC business travel cards)

6.7. ship and airline crew

6.8. travellers whose visa or ETA requirements have been waived by Immigration New Zealand

7. agree the IVL is to be charged at a rate of \$35 per person payable on application for a visa or Electronic Travel Authority, with a five year review period

8. agree that, subject to the legislative process, the IVL should come into effect as soon as possible in the 2019/20 fiscal year, and no later than 1 October 2019

9. note that the proposal in recommendation 7 above, is estimated to increase revenue by around \$80 million per year, which will be used to fund investment in tourism and conservation
10. agree the authority to collect the IVL and its purpose (as set out in recommendation 3) should be set out in legislation
11. agree that the collection mechanism, exemptions, and the levy rate (as set out in recommendations 4-7) should be prescribed in regulations
12. agree future regulations are to be made on the recommendation of the Minister of Tourism, following public consultation
13. agree exemptions will be set in order to align the IVL with New Zealand's international interests and obligations, and/or where the Minister is satisfied that the group does not substantially add cost to tourism infrastructure
14. invite the Minister of Tourism to issue drafting instructions to Parliamentary Counsel to give effect to the recommendations in this Cabinet paper
15. authorise the Minister of Tourism to approve changes consistent with the policy proposals in this paper, or on any issues that arise during the drafting process
16. note that the Minister of Tourism intends to return to Cabinet Legislation Committee for approval to introduce legislation giving effect to the recommendations in this Cabinet paper in December 2018 to enable introduction in February 2019

Approval to consult on expenditure and governance

17. agree to targeted consultation on expenditure of the IVL using two illustrative options:
 - 17.1. Option One: a simple 50:50 split creating two funds for conservation and tourism infrastructure
 - 17.2. Option Two: monies will be spent equally across conservation and tourism over a five year period using a single fund with three pillars:
 - Biodiversity and heritage on and off Public Conservation Lands and Waters (PCL&W), and basic amenities on PCL&W
 - Strategic Tourism Infrastructure covering national networks and destination development and protection (access, amenities, and some attractions) on and off PCL&W
 - System capability including, but not limited to: data, destination management capability, procurement, workforce development, innovation
18. agree that under both options 7.1 and 7.2 governance arrangements will include:
 - 18.1. a representative advisory group
 - 18.2. an Investment Plan setting out the expenditure programme for three to five years

18.3. annual reporting on revenue and expenditure (including a memorandum account to track expenditure against IVL revenue)

18.4. clear communications to the sector (conservation, local government, tourism industry) and visitors about the use of the IVL

19. authorise the Ministers of Tourism, Finance and Conservation to make final decision on the expenditure proposal and governance for the IVL following targeted consultation.

Communications

20. invite the Minister of Tourism to announce Cabinet's decisions on the IVL, in alignment with the Minister of Immigration's announcement on the ETA;

21. note that the IVL will be included in the ETA communications and engagement strategy; and

22. note that this paper, alongside the summary of submissions, and the Regulatory Impact Statement will be proactively released following Cabinet decisions on the IVL, subject to any appropriate redactions.

Authorised for lodgement

Hon Kelvin Davis

Minister of Tourism

Annex One – Draft Discussion Document for targeted consultation on IVL Expenditure

Annex Two – Regulatory Impact Statement