



## COVERSHEET

<b>Minister</b>	Hon Matt Doocoy	<b>Portfolio</b>	Tourism and Hospitality
<b>Title of Cabinet paper</b>	Final Decisions on the International Visitor Conservation and Tourism Levy Amount	<b>Date to be published</b>	9 September 2024

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
July 2024	Final Decisions on the International Visitor Conservation and Tourism Levy Amount	Office of the Minister for Tourism and Hospitality
29 July 2024	Final Decisions on the International Visitor Conservation and Tourism CAB-24-MIN-0274 Minute	Cabinet Office
17 July 2024	Cost Recovery Impact Statement: Review of the International Visitor Conservation and Tourism Levy	MBIE
17 July 2024	2425-0330 Approval of Cabinet paper Final Decisions on the International Visitor Conservation and Tourism Levy Amount for lodgement	MBIE
1 July 2024	2324-3970 Ministerial Consultation on International Visitor Conservation and Tourism Levy Final Proposed Changes	MBIE
20 June 2024	2324-3462 Policy decisions for the International Visitor Conservation and Tourism Levy 2024 – outcome of consultation and next steps	MBIE

### Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of confidential advice to government; legal professional privilege; free and frank opinions; confidential information entrusted to the government; and privacy of natural persons.



## BRIEFING

### Approval of Cabinet paper Final Decisions on the International Visitor Conservation and Tourism Levy Amount for lodgement

<b>Date:</b>	17 July 2024	<b>Priority:</b>	Urgent
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2425-0330

Action sought		
	Action sought	Deadline
Hon Tama Potaka <b>Minister of Conservation</b>	Agree to lodge the attached final Cabinet paper.	18 July 2024 – by 10am
Hon Matt Dooney <b>Minister for Tourism and Hospitality</b>		18 July 2024 – by 10am

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Danielle McKenzie	Manager, Tourism Stewardship and Systems, MBIE	Privacy of natural persons	✓
Sofia Morrell	Policy Advisor, Tourism Stewardship and Systems, MBIE	04 901 2068	
James Johnson	Manager, Budget and Funding Policy, DOC	Privacy of natural persons	

The following departments/agencies have been consulted

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



## BRIEFING

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#### Purpose

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This paper provides you the final version of the Final Decisions on the International Visitor Conservation and Tourism Levy Amount Cabinet paper following Ministerial and agency consultation. We seek your agreement to lodge the attached Cabinet paper for consideration at the Cabinet Economic Policy Committee on 24 July 2024.

#### Recommended action

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The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** changes made to the Cabinet paper following Ministerial and agency consultation.  
*Noted*
- b **Agree** to lodge the attached Cabinet paper for discussion at the Cabinet Economic Policy Committee on 24 July 2024.  
*Agree / Disagree*
- c **Note** that consideration of this Cabinet paper on 24 July is important if the changes are to align with the Immigration fee and levy Regulation amendments.  
*Noted*

Danielle McKenzie  
**Manager, Tourism Stewardship and Systems**  
Labour, Science and Enterprise, MBIE

17 / 07 / 2024

Hon Tama Potaka  
**Minister of Conservation**

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Hon Matt Doocey  
**Minister for Tourism and Hospitality**

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## Background

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1. Ministerial and agency consultation on the Cabinet paper Final Decisions on the International Visitor Conservation and Tourism Levy (IVL) Amount is now complete.
2. We have amended the Cabinet paper at **Annex One** to reflect Ministerial and agency feedback following consultation ahead of lodging the paper on 18 July 2024.
3. We have also attached the final copies of the Cost Recovery Impact Statement (CRIS) (**Annex Two**) and the Summary of Submissions (**Annex Three**). These will be lodged alongside the Cabinet paper.

## Amendments to papers

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### Ministerial consultation feedback

4. We are aiming to implement the IVL Regulation changes alongside changes to the Immigration fees and levy. The Minister of Immigration sought clarity on the framing on the implementation of an increase. We have confirmed a change to the IVL would take effect from 1 October 2024 (to align with the timing for the Immigration fee and levy changes).
5. The Minister of Finance's office provided feedback on the framing of the financial implications section and its related recommendations. The paper now confirms that any decisions on the spending of IVL revenue will be made separately. We have updated recommendation 10 to now seek agreement to:
  - a. direct officials from MBIE, Department of Conservation (DOC) and Treasury to report back to the Ministers of Finance and Conservation and the Minister for Tourism and Hospitality as the joint IVL Ministers on spending decisions.

### Agency consultation feedback

6. Some agencies raised feedback during agency consultation. This is summarised in the table below.

Agency	Key feedback	Action taken
Ministry of Transport	Noted an increase may negatively impact key airlines' decisions to operate in New Zealand	Concern noted in paper
Ministry of Foreign Affairs and Trade	Noted an increase may negatively impact some bilateral relationships and key airlines' decisions to operate in New Zealand	Concern noted in paper
Tourism New Zealand	Noted a need to acknowledge the cumulative costs to the visitor and provide more elasticity assessment	Acknowledged, no substantive changes to paper
Ministry for Primary Industries - Rural communities	No feedback on the paper – interested in engaging on investment choices	Acknowledged, no changes to paper
Ministry for Culture and Heritage	No feedback on the paper – interested in engaging on investment choices	Acknowledged, no changes to paper
The Treasury	Commercial Information	Softened the language

7. We also consulted with Civil Aviation Authority, New Zealand Customs Service, Ministry for Primary Industries – Biosecurity System Policy. These other agencies had no feedback. We

had previously consulted with DOC. Officials from DOC had no additional feedback on the current version of the paper.

## Regulatory Impact Assessment

8. An MBIE Regulatory Impact Analysis Review Panel (RIARP) has now reviewed the CRIS at Annex Three and determined that it meets the criteria required for Regulatory Impact Statements.
9. Given the CRIS now meets the criteria required, we have updated this section of the Cabinet paper.

## Risks

10. To align with the Immigration fee and levy Regulations amendments, this Cabinet paper must be considered at this ECO. We understand the agenda for ECO on 24 July 2024 is expected to have many items for consideration. Therefore, we must ensure the paper is lodged on time and the paper remains on the agenda.
11. An overview of the timeline we must work to in order to align with Immigration is outlined below:

Milestone	Deadline
Cabinet Paper lodged for ECO	18 July
ECO – final Policy Decisions	24 July
Cabinet ratify ECO decisions	29 July
Draft Regulations lodged for LEG <i>(MBIE Immigration Policy to lead this paper with input from MBIE Tourism)</i>	15 August
LEG decision on Regulations	22 August
Cabinet Ratify LEG decisions	26 August
Presentation of Regulations to the House of Representatives	1 September
New IVL amount goes live (alongside with Immigration changes)	1 October

## Next steps

12. Following your agreement, officials will lodge the Cabinet paper on CabNet ahead of your discussion at ECO on 24 July 2024.
13. MBIE will provide the Minister for Tourism and Hospitality with talking points to support the consideration of the paper. DOC will provide the Minister of Conservation with talking points.

## Annexes

Annex One: Final draft Cabinet paper for approval

Annex Two: Final Cost Recovery Impact Statement

Annex Three: Final Summary of Submissions

**Annex One: Final draft Cabinet paper for approval**

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*Attached as a separate document.*

## **Annex Two: Final Cost Recovery Impact Statement**

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*Attached as a separate document.*

# **Annex Three: Final Summary of Submissions**

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*Attached as a separate document.*