



COVERSHEET

Minister	Hon Erica Stanford, Hon Louise Upston	Portfolio	Immigration, Hospitality and Tourism
Title of Cabinet paper	Immigration options to support Government priorities	Date to be published	15 July 2025

List of documents that have been proactively released

Date	Title	Author
March 2025	Immigration options to support Government priorities	Office of the Minister of Immigration, Office of the Minister for Tourism and Hospitality
2 April 2025	Immigration options to support Government priorities ECO-25-MIN-0042 Minute	Cabinet Office

Information redacted

YES / NO (please select)

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Some information has been withheld for the reasons of:

- International Relations
- Confidential Advice to Government
- National Security and Defence
- Free and Frank Opinions

Restricted

Office of the Minister of Immigration

Office of the Minister for Tourism and Hospitality

Cabinet Economic Policy Committee

Immigration options to support Government priorities

Proposal

- 1 This paper sets out:
 - 1.1 operational changes Immigration New Zealand are making to improve the customer experience and address perception issues in the China market;
 - 1.2 a proposal with the potential to support increased volumes of visitors from China by allowing Chinese nationals who hold a visitor, work, student, or family visa for Australia to travel from Australia to New Zealand visa free, initially for a 12-month trial period. It is also proposed to extend this to Pacific Islands Forum countries International relations
 - 1.3 the Minister of Immigration's intention to increase the current multi-entry visitor visa period for nationals from Pacific Islands Forum countries that require a visa from 12 to 24 months in response to concerns that we make it too difficult and expensive for many Pacific Islanders to visit New Zealand. Confidential advice to Government

Relation to government priorities

- 2 These proposals aim to attract more international visitors to New Zealand from China, given the importance of tourism's contribution to the economy and tourism's key role in the Government's 'Going for Growth' plan. International relations

Executive Summary

- 3 Growing our tourism sector is a key part of our Going for Growth plan. Overall visitor numbers are at 85% of 2019 levels, and real spending is nearly back to 2019 levels. Information released by Stats NZ on 26 February shows total tourism expenditure of \$44.4 billion for the year ending March 2024, an increase of \$5.6 billion or 14.6% compared to March 2023. Overseas visitor expenditure increased by \$6.3 billion (59.9%) to \$16.9 billion.
- 4 China was our second largest market pre-pandemic but, like Australia, visitor arrivals have only returned to around 61% of 2019 numbers. This has been driven by the bottoming out of the group visitor market. However, visitor visa approvals are currently at 85% of 2019 approvals, with approximately 166,000 visas issued to Chinese nationals who have not yet arrived in New Zealand.

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- 5 The Minister for Tourism and Hospitality is exploring ways to support tourism growth in our key and emerging markets, including China. The short-term focus is to return visitor numbers to 2019 levels. This paper sets out the immigration systems changes that could support this work for the China market.
- 6 In the short term, Immigration New Zealand (INZ) is making a series of operational improvements to improve the customer experience and address perception issues that exist in market. This includes highlighting our short processing times (7-8 weekdays on average) with support from Tourism New Zealand to ensure in-market messages align; promotion of our five-year multi-entry visitor visas and single immigration fee for families; new Chinese language website material; and a dedicated in market facilitator and New Zealand call line for the Chinese travel industry. We will also align our document translation requirements with Australia, addressing concerns about potential extra cost while maintaining the processing speed improvement that requiring translations enables.
- 7 These operational changes would be supplemented with Minister and senior official visits to China to deliver the message that New Zealand is welcoming of Chinese visitors. Consideration is also being given to whether INZ can increase processing capacity for visitor visa applications from Chinese nationals to further decrease average processing time.
- 8 Tourism New Zealand are also undertaking accelerated activity in key markets, including China, which will complement INZ operational improvements by promoting New Zealand as a destination. These campaigns will include messaging from key tourism industry parties offering promotions to support this push for Chinese visitors.
- 9 (R) This paper proposes that on a 12-month trial basis we allow Chinese passport holders who have a valid Australian visitor, work, family or student visa (and their China passport families) to travel to New Zealand for up to 3 months visa waiver. This will improve ease of travel by reducing the cost and time taken to get approval, encouraging more Chinese tourists to include New Zealand in their Australian travel plans, or for Chinese nationals working or studying in Australia to come to New Zealand for a holiday. It also proposes that we extend the same recognition to nationals of Pacific Islands Forum countries who currently require a visa to enter New Zealand. Australia assesses the same risks as New Zealand, so we believe this is a lower-risk option from an immigration perspective. However, there will be revenue impacts for the immigration system of approximately \$13.5 million that will need to be managed.
- 10 We have been advised that these changes can likely be implemented by late 2025 for Australia visa recognition, with exact timing to be confirmed by an external ICT provider. As details are confirmed, officials will work to align implementation with phases of any tourism marketing campaigns. While INZ can implement these changes, it will mean that some of the existing Immigration work programme that Cabinet approved in August 2024 [ECO-24-MIN-0158] will be delayed to support policy and implementation work.
- 11 The Minister of Immigration will also be extending the current multi-entry visitor visa period for nationals from Pacific Islands Forum countries that require a visa from 12 to 24 months in recognition of our special relationship with Pacific Island nations. This will be implemented in July.

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International relations

Background on China tourism

- 13 Following the COVID19 pandemic, tourism has returned strongly. Information released by Stats NZ on 26 February shows total tourism expenditure in New Zealand of \$44.4 billion for the year ending March 2024, an increase of \$5.6 billion or 14.6% compared to March 2023. Overseas visitor expenditure increased by \$6.3 billion (59.9%) to \$16.9 billion. Tourism now contributes 7.5% of our GDP, and directly employs 182,700 people. However, visitor volumes have not yet returned to 2019 levels, although visitors spent \$11.7 billion in the year to September 2024, which in real terms is similar to 2019.
- 14 After Australia, China was our second largest tourism market before the pandemic. Since the reopening of New Zealand's borders, economic factors and changes in traveller behaviour have impacted the return of Chinese tourism globally.
- 15 Visitor visa approvals across all nationalities are sitting at approximately 91% of pre-COVID levels, while visitor arrivals are at approximately 85% of pre-COVID levels. For Chinese nationals, visitor visa approvals are approximately 85% of pre-COVID levels, while arrivals are approximately 61% of pre-COVID levels.
- 16 Although there is generally a gap between the number of visas granted and arrivals (because visitors can take up to 12 months to come onshore or may decide not to travel at all), the size of the current gap between visa approvals and arrivals in the China market suggests we can expect an uptick in arrivals from China throughout this year without any policy changes.
- 17 As of 25 March, there were approximately 166,000 Chinese nationals that have been granted visitor visas in 2024 and 2025, who had not yet arrived onshore. There may also be a small cohort of people approved a visa who do not travel.

China Visitor Visa Volumes - Approvals			
Category	2019	2024	% 2024 compared to 2019
All Visitor Visas	291,841	247,722	85%
General Visitor Visa	158,586	149,944	95%

R E S T R I C T E D

Business Visitor Visa	24,325	57,699	237%
Group Visitor Visas	101,821	35,631	35%

- 18 If Chinese visitor numbers fully recovered, and there were no changes in external factors, it is likely that visitor numbers overall would be lifted to 90% of pre-COVID levels. The economic gains would be significant:

Scenario	Description	Additional Visitors	Estimated Additional Spend (millions)
High	Return to 100% of 2019 China visitation	162,375	\$909.3
Medium	Return to 75% of 2019 China visitation	60,300	\$337.7
Low	Return to 65% of 2019 China visitation	19,400	\$108.6
Minimal	Return to 62% of 2019 China visitation (on par with current Australian recovery)	7,221	\$40.4
<i>Notes: Visitor volumes derived from Stats NZ International Travel November 2019 and 2024. Estimated spend calculated using 2024 mean visitor spend from China.</i>			

- 19 Chinese visitor destination choices are increasingly motivated by a range of factors. Cost of travel is a key consideration (as is seen in the shift in consumer preferences towards domestic and regional tourism in China). The weakening of the yuan has also exacerbated the costs of air travel for Chinese visitors. Alongside increased targeted tourism spend in the Chinese market, INZ can play a part in further streamlining visitor visa settings.
- 20 While New Zealand's processing times, cost and settings are generally comparable and, in some cases, more generous for Chinese visitors than Australia there are improvements to be made in both the promotion and accessibility of visa products to the China market, and options to further improve and streamline our offerings.

Immediate immigration measures to boost Chinese visitors

- 21 We have been considering a range of measures New Zealand could implement to help support visitor arrivals from the China market. These include low cost, low complexity measures to shift the perception of New Zealand's immigration system including:
- 21.1 Marketing campaigns and website updates – including a boost to Tourism New Zealand's campaigns in key markets (including China), improvements to INZ's website to improve its usability for Mandarin speakers and positioning our offerings for Chinese nationals more prominently;

R E S T R I C T E D

- 21.2 Other INZ website changes to increase awareness of our competitive offerings, including highlighting our short processing times (7-8 weekdays on average for visitor), the five-year multi-entry visitor visas available to Chinese nationals, and a single immigration fee for a family making our visas cheaper than Australia for families to increase awareness;
 - 21.3 Access improvements for the China Travel industry – including a dedicated in market facilitator for China-based Approved Destination Status (ADS) agents in Beijing and a dedicated contact centre number for the China travel industry;
 - 21.4 Aligning our rules on the translation of documents with Australian settings – by removing the ‘certification’ requirement for translations submitted alongside supporting documents. This will positively impact all visa applicants needing to provide translated documents.
- 22 We expect that these measures will net perception improvements and corresponding gains in visitors, given the sentiment that surrounds our current processes. Improvements to the communication of visa processing timelines, the development of a Mandarin language webpage and dedicated travel industry contacts are currently underway and will be able to be implemented in April. The removal of translation certification requirement will be implemented in May.

Trial of recognition of Australian visas for Chinese nationals to boost New Zealand’s value proposition

- 23 New Zealand could trial a policy change of allowing Chinese nationals that already hold a valid work, student, visitor or family visa to Australia to come to New Zealand on a visa-free basis for up to 90 days. This would be for 12 months to measure the success and qualify the risks.
- 24 The intent of this change is to make New Zealand an attractive additional stop for Chinese nationals already holidaying in Australia, to streamline access to New Zealand for individuals planning to holiday in both countries, and to maximise the value proposition that New Zealand offers to Chinese nationals studying or working in Australia.
- 25 A similar proposal was implemented in a time-limited way to support visitation to New Zealand during the 2015 Cricket World Cup, when approximately 7500 individuals used this change to come to New Zealand from Australia without the need for a Visitor Visa (though the number of additional travellers could not be established).
- 26 Tourism officials estimate that this overall package of changes could support an increase of 25,000 to 50,000 new visitors (or an additional 10-20% of our Chinese market). This estimate is based on Tourism New Zealand’s Active Considerer model¹ that assesses barriers to booking a trip to New Zealand, informed by targeted surveys to a pool of Active Considerers in the Chinese market.

¹ An ‘Active Considerer’ is defined as someone who finds New Zealand highly appealing to visit; would seriously consider visiting in the next three years; see New Zealand as a preference for their next holiday and; have a genuinely realistic budget for a trip to New Zealand.

- 27 Tourism New Zealand has a target audience of 62 million Chinese people actively considering a holiday to New Zealand. Of this target audience, 8 million (13%) are considered 'ready to book' and 1 million of the 'ready to book' group (17%) cite visa processing as confusing or difficult. Tourism officials consider that the cumulative impact of these changes could influence this segment of the estimated group of people actively considering travelling to New Zealand.
- 28 In order to maintain both a level of risk mitigation and preserve revenue for the tourism and conservation estates, allowing Chinese nationals who hold a valid Australian visitor, work, family or student visa to apply for an NZeTA before coming to New Zealand, is likely to be an effective way of operationalising this policy change. Conditions would include:
- 28.1 A Chinese passport holder with a valid visitor, work, study or family visa on the day they travel.
- 28.2 3 months maximum onshore stay (in line with current travel provisions for visitors who enter New Zealand visa-free).
- 28.3 The same character and intention requirements that apply to current NZeTA travellers (which are normally treated on a declaration basis).
- 28.4 The requirement to pay for the NZeTA (\$17 or \$23 depending on the platform) and the associated International Conservation and Tourism Levy (IVL) cost per individual on the application (\$100 per person).
- 28.5 Travel to New Zealand is from Australia.
- 29 This will significantly reduce the time required to gain approval to come to New Zealand from the current median Visitor Visa timeframe for Chinese nationals of 6 days to the NZeTA timeframe of within 72 hours (with a median timeframe under 24 hours).
- 30 It will also provide a significant cost reduction. For an individual, the cost will reduce from \$441 NZD (\$341 for a visitor visa + \$100 IVL) to as low as \$117 (\$17 NZeTA fee + \$100 IVL). For a family of four visiting New Zealand, the cost would drop from approximately \$741 (\$341 joint visitor visa application + \$400 IVL) to \$468 (\$68 NZeTA fees + \$400 IVL).
- 31 Utilising the NZeTA process enables the continued collection of critical revenue for the tourism and conservation estates through the IVL. This contributed approximately \$12.5 million from Chinese Visitors in 2024.²
- 32 There will be revenue impacts as a result of the shift from Visitor Visas to NZeTA. In 2024, 257,000 China Visitor Visas were issued, generating approximately \$87 million in visa fees. Currently, approximately 15% of Chinese visitors travel to New Zealand via Australia. If these individuals came to New Zealand through an NZeTA this would result in a reduction of visa fee and levy revenue of approximately \$13 million. This is likely to be the minimum impact of this change on visa revenue, given individuals

² Estimate based on Chinese visitor arrivals before and after the IVL increase from \$35 to \$100 in October 2024.

who may have planned only to travel to New Zealand, may decide to procure Australian visas and travel to Australia also.

- 33 While there will be less visa processing needed, fees and levies also cover fixed system costs and compliance. There will therefore be increased pressure to increase overall fees and the levy for all travellers to make up for this later, and immediate negative impacts on the memorandum account balances (and Crown's operating balance).
- 34 If this change does not have a material impact on China visitor demand, there is a risk that the lost revenue costs of this change could outweigh the benefits. There is a break-even effect from additional visitor expenditure with fairly low uptake, but to break even for Crown revenue requires a medium recovery impact. The 12-month trial of this initiative will allow us to monitor the data and make choices about whether we continue this initiative into the future.

- 35 National security or defence

[Redacted content for item 35]

- 36 International relations

[Redacted content for item 36]

- 37 We propose that visa waiver travel is only available to Chinese nationals holding Australian visitor, student, family, or work visas boarding transport from Australia. The NZeTA system does not have functionality to check if someone holds a valid Australian visa when issuing an NZeTA. The form will be clear that a person must hold a valid visa on the day they travel, but there is still a risk that people who did not hold the correct visa or had a visa that expired will be denied boarding at the airport. This risk is managed by only allowing visa waiver travel from Australia (in which case they will almost certainly hold a valid visa when boarding a plane to New Zealand).

- 38 Free and frank opinions

[Redacted content for item 38]

Trial of recognition of Australian visas for nationals of Pacific Islands Forum countries to recognise our special relationship with the Pacific

- 39 It is also proposed to extend the trial of recognising Australian visas to nationals of Pacific Islands Forum countries who currently require a visa to enter New

Zealand. This would provide a streamlined pathways for nationals of the Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu travelling from Australia.

- 40 This will significantly reduce the time required to gain approval to come to New Zealand on a Visitor Visa from around 12 days (the average offshore processing time for Samoa, Tonga and Fiji in 2024) to the NZeTA timeframe of within 72 hours (with a median timeframe under 24 hours).
- 41 It will also provide a significant cost reduction for individuals. For an individual, the cost will reduce from \$216 NZD for an individual (or family on a single application) to as low as \$17 for an NZeTA per person.
- 42 Officials estimate only a small proportion of Pacific visitors are currently coming to New Zealand from Australia (less than 5%). A small reduction of about \$0.5 million in immigration revenue from the Pacific is anticipated, unless travel behaviours change. Pacific Forum countries are already exempt from the IVL, so there is no revenue loss for the IVL.
- 43 Alongside this change for the Pacific, the Minister of Immigration has directed INZ to start issuing longer duration 24-month multi-entry visitor visas by default, rather than the current 12 months³. This will allow people to return for subsequent trips on the same visa so they only need to pay once (they cannot spend more than nine in 18 months in New Zealand).
- 44 This saving for visitors is estimated to result in between \$1-2 million per annum revenue reduction for immigration. This will be partially offset by less processing, but fixed costs remain.
- 45 This will be implemented in July and will be announced by the Minister of Foreign Affairs during his upcoming visit to the Pacific from 10-17 April.

International relations

- 46 International relations
- 47 The successful implementation of this proposal requires changes to the New Zealand side of the NZeTA and to third party passenger boarding systems that are also used by Australia. Initial indications are that the required ICT changes by the external provider could be implemented in late 2025, with dates to be confirmed.
- 48 International relations

³ Shorter durations may be issued for reasons such as expiring passports or specific risks requiring management.

- International relations

- International relations

- International relations

49 International relations

International relations

50 International relations

Implementation and Delivery

- 51 Improvements to the communication of visa processing timelines and the development of a Mandarin language webpage and dedicated travel industry contacts are currently underway and can be implemented from April. The removal of translation certification requirement will be implemented in May.
- 52 The changes to allow the recognition of designated Australian visas requires regulation change that will require PCO drafting and legislative change which can be completed by August.
- 53 Detailed design and implementation of visa waiver status for Australian visa holders will commence in parallel with this work. The changes are expected to be able to be in place in late 2025, subject to confirmation. Officials will work to align implementation time with marketing activity to promote the new streamlined travel option.
- 54 Advancing these priorities will necessitate the delay of some of the immigration priorities previously agreed by Cabinet. The Minister of Immigration is working through these trade-offs to determine the new 2025 work programme. Further changes to immigration settings to support Going for Growth will also require trade-offs.

Cost-of-living Implications

- 55 There are no cost-of-living implications identified with this work.

Financial Implications

- 56 It is estimated that implementing Australian visa recognition could cost up to \$0.8 million. This and changes to visa duration and translation can be absorbed within current appropriations by reprioritising other projects. New sector facilitators and the contact centre can also be managed within baselines.

- 57 There will be revenue impacts for Immigration New Zealand from shifting China and Pacific visitors from a higher charge visitor visa to an NZeTA. If 15% of current volumes of Chinese visitors travelled via Australia and used an NZeTA this will result in lower fees and levies of approximately \$13 million. While there will be less processing, fees and levies also cover fixed system costs and compliance. There will therefore be increased pressure to increase fees later to all visa applicants to cover these losses.
- 58 The impact may be higher if a higher proportion of Chinese tourists choose to obtain an Australian visa. There may be partially offsetting revenue at the lower NZeTA rate if the changes increase overall visitor numbers (over 700,000 new visitors would be needed to fully offset the revenue reduction).
- 59 Officials have not been able to quantify the revenue impact of extending the NZeTA from Australia to the Pacific, but believe it to be up to \$0.5 million. Providing two year multi-entry visitor visas by default is estimated to reduce revenue by approximately \$1-2 million per annum.
- 60 The immediate impacts on the memorandum account balances will likely push the fee account into deficit and worsen the deficit on the levy account. This will have a direct impact on the Crown's operating balance unless a decision is taken to charge against budget operating allowances.
- 61 Additional tourist numbers will increase spending, economic activity, and GST revenue supporting our economic growth objectives.

Legislative Implications

- 62 The proposal to recognise Chinese and Pacific Islands Forum nationals that hold valid Australian visas, and allow entry to New Zealand through the NZeTA process will require changes to regulations, as this removes the visitor visa requirement for this cohort and sets up a new 3 month visa waiver for this group.

Impact Analysis

Regulatory Impact Statement

- 63 The necessary timeframes of this policy development as a reflection of Government priorities preclude the completion of a Regulatory Impact Statement. No RIS has been completed.

Climate Implications of Policy Assessment

- 64 The necessary timeframes of this policy development as a reflection of Government priorities preclude CIPA completion. No CIPA has been completed.

Population Implications

- 65 This proposal will not materially affect specific population groups. We note that may be positive benefit for Māori businesses within the Tourism industry as a result of this proposal.

Human Rights

66 This policy does not pose any human rights implications.

Use of external Resources

67 No external resources have been used during the development of this proposal.

Consultation

68 The following agencies have been consulted: Ministry of Foreign Affairs and Trade, New Zealand Security Intelligence Service, Department of Prime Minister and Cabinet, The Treasury.

69 National security or defence



Communications

70 Communications will be conducted with external stakeholders, agencies and partners by relevant Ministers, Immigration New Zealand, and the Ministry of Foreign Affairs and Trade.

Proactive Release

71 This Cabinet paper will be proactively released after announcements have been made, with withholdings under the Official Information Act as appropriate.

Recommendations

- 1 **Note** that Chinese visitor arrivals are currently at 61% of pre-COVID levels and visa approvals are at 85%;
- 2 **Note** that Australia is experiencing similar challenges with arrivals currently at 62% of pre-COVID volumes;
- 3 **Note** that boosting the arrival of visitors from the China market would support our economic growth objectives;
- 4 **Note** the following actions will be taken by Immigration New Zealand to respond to perceptions of visitors and the tourism industry that the immigration system is a barrier to tourism and that measures are being taken to improve these perceptions:
 - 4.1 Campaigns to highlight our short processing times (7-8 week days on average),
 - 4.2 Promotion of our five-year multi-entry visitor visas and single lower fee for a family compared to Australia;
 - 4.3 New Chinese language website material;
 - 4.4 A dedicated in market facilitator in Beijing and New Zealand call line for the Chinese travel industry; and

- 4.5 Align document translation requirements with Australia by removing certification requirements.
- 5 **Note** that any more substantial policy change is likely to impact both the revenue generation of the immigration system and the ability of agencies to employ risk management practices.
- 6 **Agree** to implement visa waiver status for individuals on Chinese passports that hold a valid Australian visitor, student, work, or family visa to enter New Zealand for up to 3 months on a trial basis for 12 months.
- 7 International relations
- 8 **Agree** to implement visa waiver status for individuals on passports from Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu (Pacific Islands Forum countries) that hold a valid Australian visitor, student, work, or family visa to enter New Zealand for up to 3 months on a trial basis for 12 months.
- 9 **Agree** the following conditions on the visa free travel trial:
- 9.1 Individuals are required to have a valid Australian visitor, work, family or student visa on the day they travel; and
- 9.2 Individuals are required to travel from Australia
- 9.3 Individuals must hold a New Zealand Electronic Travel Authority (ETA)
- 10 **Agree** the Minister of Immigration may determine in the course of the drafting process the specific Australian visas that will be included or excluded from the visa free trial consistent with the policy intent of this paper;
- 11 International relations
- 12 **Note** that it is estimated there will be revenue impacts for Immigration New Zealand from shifting China and Pacific visitors from a higher charge visitor visa to an NZeTA of approximately \$13.5 million per annum;
- 13 **Invite** the Minister of Immigration to issue drafting instructions to Parliamentary Council Office to give effect to the policy intent of this paper and to report back to Legislation Committee to amend regulations;
- 14 **Note** that the Minister of Immigration has instructed Immigration New Zealand to issue two year multi-year visitor visas as the default for Pacific Islands Forum countries and this will decrease revenue by approximately \$1-2 million per annum;
- 15 Confidential advice to Government

Confidential advice to Government

- 16 **Authorise** the Minister of Immigration to take decisions to give effect to the policy intent of the immigration settings changes agreed in this paper and any issues that arise in the drafting process;
- 17 **Note** that the changes above will have an estimated impact on immigration revenue of approximately \$14.5 to \$15.5 million in 2025 impacting the fee and levy memorandum accounts in future and the Crown's operating balance; and
- 18 **Agree** to charge the fiscal impact of recommendations 6, 8 and 14 above to the memorandum accounts, which will directly impact OBEGAL and net core Crown debt.

Authorised for lodgement

Hon Erica Stanford

Minister of Immigration

Hon Louise Upston

Minister for Tourism and Hospitality