



BRIEFING

Financial approval for immediate International Visitor Conservation and Tourism Levy (IVL) investment

Date:	11 February 2025	Priority:	High
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ-0009349

Action sought		
	Action sought	Deadline
Hon Nicola Willis Minister of Finance	Approve a transfer of funds from the IVL appropriation to Tourism New Zealand to deliver targeted international marketing campaigns in the remainder of 2024/25 as part of the Tourism Boost package.	14 February 2025
Hon Louise Upston Minister for Tourism and Hospitality		

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Danielle McKenzie	Manager, Tourism Stewardship and Systems	Privacy of natural persons	✓
Amanda Harrison	Principal Policy Advisor	Privacy of natural persons	

The following departments/agencies have been consulted
The Treasury

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



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Purpose

To give effect to the Minister for Tourism and Hospitality's decisions to allocate International Visitor Conservation and Tourism Levy (IVL) revenue to a Tourism Boost package for 2024/25.

Recommended action

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



- a **Note** you both met, along with the Minister of Conservation, on Monday 10 February 2025 to discuss immediate investment opportunities for the International Visitor Conservation and Tourism Levy (IVL) revenue. *Noted*
- b **Note** the Minister for Tourism and Hospitality has approved a range of immediate IVL investments which form a Tourism Boost Package for 2024/25. *Noted*
- c **Agree** that a total of \$17 million is allocated to Tourism New Zealand to deliver four separate marketing activities to stimulate demand. *Agree / Disagree*
- d **Note** that changes to the relevant appropriations for the IVL and Tourism New Zealand are required to give effect to recommendation c, and this requires the approval of both the Minister of Finance and the Minister for Tourism and Hospitality. *Noted*
- e **Approve** the following fiscally neutral adjustment for the 2024/25 financial year with no impact on the operating balance and/or net core Crown debt.

	\$m – increase/(decrease)				
Vote Business, Science and Innovation Minister for Tourism and Hospitality	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Non-Departmental Other Expenses: Tourism and Hospitality: Tourism Strategic Infrastructure and System Capability	(17.000)	-	-	-	-
Non-Departmental Output Expenses: Tourism and Hospitality: Marketing New Zealand as a Visitor Destination	17.000	-	-	-	-
Total Operating	0.000	-	-	-	-

Agree / Disagree

f **Agree** that the proposed changes to appropriations for 2024/25 above be included in the 2024/25 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

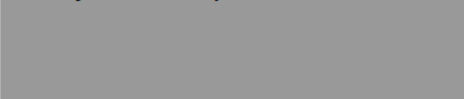
Agree / Disagree

g **Agree** that a further \$0.400 million of IVL revenue is committed as contingency funding  Confidential advice to Government  with the Minister for Tourism and Hospitality to determine the specific project expenditure and expenditure to be covered by the existing IVL appropriation.

Agree / Disagree

h **Note** that the final part of the Tourism Boost package is a \$3 million investment in a new Regional Tourism Boost Fund, which will be covered by the existing IVL appropriation.

Noted

Privacy of natural persons


Danielle McKenzie
Manager, Tourism Stewardship and Systems
MBIE

11/02/2025

Hon Nicola Willis
Minister of Finance

..... / /

Hon Louise Upston
Minister for Tourism and Hospitality

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Background

1. You both met, along with the Minister of Conservation, on Monday 10 February 2025 to discuss the allocation of International Visitor Conservation and Tourism Levy (IVL) revenue. Following that meeting, the Minister for Tourism and Hospitality decided to allocate remaining IVL revenue to activities which would immediately support the Government's economic growth agenda through a tourism boost. Those projects are:

Table One: Tourism Boost initiatives to be delivered in 2024/25

Activity	Projected 24/25 cost
a) International Marketing - Tourism New Zealand Accelerated Australia Autumn activity	\$0.5 million
b) International Marketing - Tourism New Zealand international marketing in our core markets (Australia, USA, China), mid-sized markets (United Kingdom, Germany and Korea) and emerging markets (India), including activity to accelerated arrivals in Winter/Spring	\$7.5 million
c) Regional Tourism Boost – contestable fund to support regions to attract more international visitors	\$3.0 million
d) Accelerate global launch of new global 100% Pure New Zealand campaign	\$6.0 million
e) Tourism New Zealand business event bids and subvention for events to be held in 2026	\$3.0 million
f) <i>Contingency</i> Confidential advice to Government	\$0.4 million
Total	\$20.4 million

2. These commitments will fully allocate remaining unspent IVL tourism revenue for 2024/25 (\$20.403 million is available in the appropriation). Further information on the activities is outlined in BRIEFING-REQ-0009069.
3. MBIE will continue working with the Minister for Tourism and Hospitality on an investment plan for 2025/26.

An adjustment to appropriations is required to give effect to the Tourism Boost package

4. The decisions outlined in Table One above are all within the Minister for Tourism and Hospitality's delegated decision-making authority for IVL expenditure (each project being under \$10 million). However, allocating funding to Tourism New Zealand to deliver specific international marketing activities requires a transfer of funds from the tourism IVL appropriation to Tourism New Zealand's baseline appropriation.
5. This briefing seeks approval to transfer \$17 million from the relevant IVL appropriation to the Tourism New Zealand marketing appropriation to fund activities a, b, d and e in Table One above. This will enable Tourism New Zealand to immediately deliver the marketing activities and begin to see the return on visitor numbers within the current financial year.
6. Confidential advice to Government

Next steps

7. Following your approval of the appropriation changes, we will action the transfer of funds immediately.