



BRIEFING

Proposed International Visitor Conservation and Tourism Levy (IVL) investment plans for 2025/26

Date:	20 February 2025	Priority:	High
Security classification:	In Confidence	Tracking number:	MBIE: BRIEFING-REQ-0009911 DOC: 25-B-0057

Action sought		
	Action sought	Deadline
Hon Louise Upston Minister for Tourism and Hospitality	Agree to the Tourism IVL Investment Plan for 2025/26, subject to final feedback.	25 February 2025
Hon Tama Potaka Minister of Conservation	Agree to the Conservation IVL Investment Plan for 2025/26, subject to final feedback.	25 February 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Danielle McKenzie	Manager, Tourism Stewardship and Systems, MBIE	Privacy of natural persons	✓
Tim Bamford	Chief Advisor, Biodiversity Heritage and Visitor Group, DOC		
Amanda Harrison	Principal Policy Advisor, Tourism Stewardship and Systems, MBIE		

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☐ Withdrawn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



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Purpose

To seek your final feedback on, and agreement to, the annual International Visitor Conservation and Tourism Levy (IVL) investment plans for 2025/26.

Recommended action

The Ministry of Business, Innovation and Employment (MBIE) and the Department of Conservation (DOC) recommend that you:

- a **Note** that the Minister of Finance has requested final International Visitor Conservation and Tourism Levy (IVL) investment plans for 2025/26 by the end of February 2025.

Noted

- b **Provide** final feedback on your respective IVL Investment Plan for 2025/26 (attached as **Annex One** and **Annex Two**).

Agree / Disagree / Discuss

- c **Agree** to your respective IVL Investment Plan for 2025/26, subject to officials incorporating any final feedback provided at recommendation b above.

Agree / Disagree

- d **Agree** that both 2025/26 IVL Investment Plans be sent to the Minister of Finance by Friday, 28 February 2025, accompanied by any relevant financial recommendations requiring the Minister of Finance's approval, and an outline of proposed performance reporting.

Agree / Disagree

- e **Note** the Minister of Finance has indicated that the revised revenue allocations for the IVL will be announced alongside the Budget 2025 process, with the full IVL Investment Plans likely released as part of that announcement.

Noted

Privacy of natural persons

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

20 / 02 / 2025

Tim Bamford
Chief Advisor
Biodiversity Heritage and Visitor Group,
Department of Conservation

20 / 02 / 2025

Hon Louise Upston
Minister for Tourism and Hospitality

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Hon Tama Potaka
Minister of Conservation

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Background

1. The Minister of Finance wrote to IVL Ministers on 29 December 2024 outlining the new allocations for IVL revenue from 2025/26 onwards. She also requested that you each provide her with an IVL Investment Plan for 2025/26 which outlines planned investments for your respective portfolios by the end of February 2025.
2. In her letter, the Minister of Finance also outlined her preferred objectives for IVL investment going forward, which are to:
 - a. increase visitor numbers to maximise the economic contribution tourism makes to New Zealand,
 - b. enhance the visitor experience, managing the impact on the conservation estate and retaining public consent to allow for continuous growth, and
 - c. demonstrate robust value for money and alignment with overall Government priorities.
3. She also asked for a new bi-annual public reporting process aligned with the existing fiscal update cycle which outlines forecast and actual IVL revenue, how the revenue is allocated and investment performance.
4. Following your joint meeting on Monday, 17 February 2025, you commissioned a joint briefing from MBIE and DOC which presents the two IVL Investment Plans for approval and highlights the shared objectives.
5. The proposed Tourism IVL Investment Plan for 2025/26 is attached as **Annex One**.
6. The proposed Conservation IVL Investment Plan for 2025/26 is attached as **Annex Two**.

The joint package of investment into tourism and conservation will support the Government's economic growth objectives

7. The two IVL Investment Plans for 2025/26 together propose a package of investment valued at \$90 million. The joint package prioritises investments which will drive export growth through increased visitation and complementary investments intended to support that volume growth through enhancements to the visitor experience, and management of the impact on conservation and biodiversity.
8. The joint package of investments for 2025/26 is designed to deliver outcomes directly aligned with the Minister of Finance's preferred objectives. The Tourism IVL Investment Plan for 2025/26 prioritises demand-side investments in the short-term to contribute to the Government's immediate economic growth objectives, including to double exports within a decade. These investments are part of the Minister for Tourism and Hospitality's Tourism Growth Roadmap and builds on the 2024/25 investments into an immediate Tourism Boost package.
9. The Conservation IVL Investment Plan for 2025/26, as well as a small package of supply-side investment in the Tourism IVL Investment Plan, delivers directly on the Minister of Finance's objective to enhance the visitor experience, manage the impact of visitors and preserve and enhance the conservation estate. The package prioritises investment (60 per cent) into preserving and enhancing the biodiversity that international visitors come to enjoy and investment (40 per cent) directed at visitor experiences.
10. The two IVL Investment Plans for 2025/26 also converge to jointly fund a package of investment for experience improvements along the Milford Road corridor in response to the

Milford Opportunities Project business case. This collaborative package of investment, valued at \$6 million over three years, will demonstrate the government's commitment to improvements at Milford Sound and a shared vision for IVL investment across tourism and conservation. The total package of investment proposed for the Milford Corridor is \$8.5 million, which means that an additional \$2.5 million will still be required to complete the package of improvements and could be considered for future IVL investment plans.

Tourism IVL Investment Plan for 2025/26

11. The proposed Tourism IVL Investment Plan for 2025/26 (attached as **Annex One**) is valued at \$35 million, with 80 per cent of the investment value targeted at demand-side projects which will support the Government's objectives to immediately increase the volume of international visitors. The remaining 20 per cent of the investment value is focused on delivering support to the supply-side of the tourism economy to enhance the visitor experience and maintain social licence for tourism as volumes grow.
12. The Minister for Tourism and Hospitality has recently agreed a package of investment, the Tourism Boost package, using 2024/25 IVL revenue which is focused on immediate visitor volume growth in the next 90 days. This package is the first step in a broader strategy to grow the value of tourism which will be delivered in longer time through the Tourism Growth Roadmap. The balance of investment for 2025/26, with 80 per cent targeted at demand-side projects, reflects the Government's immediate visitor growth priorities.
13. The intention is to shift the balance of demand- and supply-side projects incrementally so that the supply-side of the economy is eventually prioritised to meet the demands of a higher value and higher volume tourism market. This will allow for more significant investments into supply-side projects in outyears. For 2025/26, MBIE has prioritised supply-side projects which best meet the following principles identified by the Minister for Tourism and Hospitality:
 - a. the investment does not add additional capacity to already constrained regions and communities,
 - b. the investment is not primarily the responsibility of another government agency, and
 - c. the investments have regional diversity.
14. This briefing seeks the Minister for Tourism and Hospitality's final feedback, and approval subject to feedback, on the proposed Tourism IVL Investment Plan for 2025/26.

Conservation IVL Investment Plan for 2025/26

15. The proposed Conservation IVL Investment Plan for 2025/26 (attached as **Annex Two**) is valued at \$55 million to be sequenced over three years, with 60 per cent of investment targeted at biodiversity projects, and 40 per cent targeted at visitor experience projects. The proposed projects build on the recent conservation IVL projects announced by the Minister of Conservation.
16. New Zealand's natural environment is a major driver of international tourism, and these investments support that driver by protecting and restoring the environment, whilst also managing the impacts of high visitor numbers at our popular destinations.
17. Focusing DOC's IVL funding towards delivering excellent experiences and improving species and habitats that visitors interact with will reinforce the reasons why visitors want to travel here and support the regional economies that are reliant on tourism. Around 50 per cent of international visitors visit a national park during their stay in New Zealand and this investment

will help to ensure those visits meet expectations of New Zealand's unique natural beauty and biodiversity.

18. The biodiversity investments have been informed by DOC's Biodiversity Investment Approach, with projects filtered based on the Minister of Finance's IVL objectives and the highest value for conservation.
19. The visitor experience investments are focused on improving infrastructure and levels of service at popular sites, addressing overcrowding and its consequent impacts on social licence.
20. This briefing seeks the Minister of Conservation's final feedback, and approval subject to feedback, on the proposed Conservation IVL Investment Plan for 2025/26.

Next steps

21. Following your feedback and approval of the two investment plans, we will finalise the IVL investment plans to share with the Minister of Finance by Friday, 28 February 2025. We will also prepare any financial recommendations which require IVL Ministers' approval to give effect to the investment plans (projects over \$10 million in value, and projects which require the Minister of Finance's approval to transfer funds across appropriations) and a proposed performance reporting process.
22. The Minister of Finance intends to announce the revised IVL revenue allocations under the new \$100 IVL amount, and the investment plans, alongside the Budget 2025 process. If you wish to announce individual projects prior to Budget 2025, we recommend seeking agreement from the Minister of Finance.

Annexes

Annex One: Proposed Tourism IVL Investment Plan for 2025/26

Annex Two: Proposed Conservation IVL Investment Plan for 2025/26

Annex One: Proposed Tourism IVL Investment Plan for 2025/26

Free and frank opinions



Free and frank opinions



Annex Two: Proposed Conservation IVL Investment Plan for 2025/26

Free and frank opinions



Free and frank opinions

