



BRIEFING

2024/25 Supplementary Estimates of Appropriations and 2025/26 Main Estimates: Vote Business, Science and Innovation – Tourism and Hospitality portfolio

Date:	3 April 2025	Priority:	High
Security classification:	Budget - Sensitive	Tracking number:	BRIEFING-REQ-0009880

Action sought		
	Action sought	Deadline
Hon Louise Upston Minister for Tourism and Hospitality	Approve content related to your portfolio to be included in the 2024/25 Supplementary Estimates of Appropriations and 2025/26 main Estimates for Vote Business, Science and Innovation	1:00pm, 11 April 2025
	Approve non-financial performance information, for appropriations you are responsible for in Vote Business, Science and Innovation	

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Privacy of natural persons	Manager, External Reporting, Corporate and Digital Shared Services	Privacy of natural persons	
Heather Kirkham	General Manager, Economic Development and Tourism, Labour, Science and Enterprise		
Privacy of natural persons	Finance Business Partner, Labour, Science and Enterprise		
	Senior Business Advisor, Business Services Team, Labour, Science and Enterprise		✓

The following departments/agencies have been consulted
The Treasury and Tourism New Zealand

Minister's office to complete: ☐ Approved ☐ Declined

☐ Noted ☐ Needs change ☐ Seen

☐ Overtaken by Events ☐ See Minister's Notes ☐ Withdrawn

Comments



BRIEFING

2024/25 Supplementary Estimates of Appropriations and 2025/26 Main Estimates: Vote Business, Science and Innovation – Tourism and Hospitality portfolio

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Purpose

This briefing seeks your approval, in relation to appropriations in your Tourism and Hospitality portfolio, of:

- the financial information in the 2024/25 Supplementary Estimates of Appropriations (202/25 Supps) and 2025/26 Main Estimates of Appropriations (2025/26 Mains) (together known as the Estimates), and
- changes to non-financial performance information (ie measures) to be incorporated into the Estimates.

Executive summary

On Budget Day (22 May 2025) the Estimates will be tabled in Parliament as part of Budget 2025.

The 2024/25 Supps include details of all new appropriations and changes to the existing appropriations in the current financial year since Budget 2024.

The 2025/26 Mains include spending intentions for the next financial year and information to understand what is intended to be achieved with this spending.

All previously approved Ministerial decisions related to your portfolio will be captured in the Estimates, including:

- October 2024 and March 2025 Baseline Update decisions,
- all Joint Ministers or Cabinet decisions approved before the Budget moratorium that begins on 14 April 2025,
- the Technical and Significant (Savings, Cost Pressures and “Other”) initiatives included in the Significant Budget package that are approved by Cabinet on 14 April 2025.

Recommended action

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

- a. **Approve** content related to appropriations in your portfolio for the Estimates, as set out in Annexes 1 and 2

Approved / Not Approved

- b. **Approve** changes to non-financial performance information related to your portfolio in the Estimates, as set out in Annex 3

Approved / Not Approved

- c. **Approve** MBIE to make non-significant corrections to the Estimates if required, to address feedback from the Treasury

Approved / Not Approved

- d. **Note** the Significant Budget package related to your portfolio in the Estimates, as set out in Annex 4

Noted

- e. **Note** that, subject to your approval of the Estimates content for your portfolio, the Minister for Economic Growth, as the lead Minister for Vote Business, Science and Innovation, will submit the Estimates to the Associate Minister of Finance **by 1:00 pm on 15 April 2025** on behalf of all appropriation Ministers within the Vote

Noted

- f. **Note** that the Minister of Finance will provide you with a list of Budget financial recommendations following the 14 April 2025 Cabinet meeting, and request your counter-signature on recommendations related to your portfolio

Noted



Heather Kirkham
General Manager,
Economic Development and Tourism
Labour, Science and Enterprise, MBIE
07 / 04 / 2025

Hon Louise Upston
Minister for Tourism and Hospitality

___ / ___ / 2025

Background

1. On Budget day, legislation is passed and documents are published, showing the funding provided to Government agencies.
2. The 2024/25 Supps set out the changes to the 2024/25 financial year spending since Budget 2024. The 2025/26 Mains detail all proposed spending for the next financial year, to be published at Budget 2025. The Estimates also include performance information for each appropriation (specific areas of spending within portfolios), explaining what is intended to be achieved with the funding.
3. The information in the Estimates supports Parliament's examination of appropriations for the forthcoming year. It also provides a base to assess what has been achieved with each appropriation at the end of the financial year.
4. This briefing presents the 2024/25 Supps and 2025/26 Mains for Vote Business, Science and Innovation, which include details of appropriations you are responsible for as Minister for Tourism and Hospitality. These are attached as **Annexes 1 and 2**.

Information in the Estimates

2024/25 Supplementary Estimates of Appropriations

5. The attached 2024/25 Supps (**Annex 1**) contains any changes since the prior year's Mains were published at Budget 2024. These include:
 - new appropriations established during the year,
 - changes to baselines approved through the Baseline Updates in October 2024 and March 2025,
 - changes to non-financial performance information approved at the March Baseline Update (MBU), and
 - other baseline changes and funding decisions made by Cabinet or joint Ministers which have an impact on the 2024/25 financial year.

2025/26 Main Estimates of Appropriations

6. The attached 2025/26 Mains (**Annex 2**) set out the spending intentions for the next financial year and include:
 - financial details of all appropriations in your portfolio, including explanations for significant changes for next year compared to the current year,
 - for large appropriations, the components of appropriations above \$50 million,
 - details of memorandum accounts, where applicable,
 - non-financial performance information for each appropriation and each category of a multi-category appropriation, and where performance results will be reported at year-end, and
 - information about current and past Budget initiatives.

Performance measures (non-financial performance information)

7. MBIE has identified some proposed changes to incorporate into the Estimates, as shown in **Annex 3**. These are subject to your approval and if not approved will be removed from the final version.

Significant Budget Initiatives

8. Some Savings, Cost Pressures, New Spending and “Other” initiatives for the Tourism and Hospitality portfolio will be considered by Cabinet on 14 April 2025. These are detailed in **Annex 4** and have been incorporated into 2025/26 Mains.

Next steps

9. Subject to your approval, please sign and return this briefing to MBIE by **1:00pm on Friday, 11 April 2025**.
10. The Minister for Economic Growth, as the lead Minister for Vote Business, Science and Innovation, will submit the Estimates to the Associate Minister of Finance on behalf of all appropriation Ministers in the Vote by **1:00 pm on Tuesday, 15 April 2025**.
11. If you or other portfolio Ministers within the Vote wish to make any changes to non-financial performance information, we will incorporate them into the Treasury’s CFISnet system and generate new versions of the Estimates documents for submission.
12. MBIE has worked with the Treasury in developing the Estimates documents. However, Treasury officials may provide further feedback prior to the publication of the Estimates documents (after you have approved). Where this feedback is minor (i.e. non-significant), MBIE will address Treasury’s feedback on the Estimates.

Approach to approve Budget

13. On 14 April 2025, Cabinet will be asked to agree to detailed financial recommendations for Budget 2025.
14. The Budget moratorium will start from 14 April 2025. The Budget moratorium is the period beginning on the day Cabinet approves the Budget package and ending after the Minister of Finance has delivered the Budget, during which proposals for changes to appropriations or departmental capital injections cannot be submitted for consideration.
15. At that time no further changes to the 2025/26 Mains will be allowed to be proposed to Cabinet or joint Ministers until after Budget Day, 22 May 2025.
16. No further changes to the 2024/25 Supps will be allowed once the Budget moratorium has started.

Annexes

Annex 1: 2024/25 Supplementary Estimates of Appropriations for Vote Business, Science and Innovation

Annex 2: 2025/26 Main Estimates of Appropriations for Vote Business, Science and Innovation

Annex 3: Proposed non-financial changes for the Tourism and Hospitality portfolio

Annex 4: Significant Budget Initiatives tables for the Tourism and Hospitality portfolio

**Annex 1: 2024/25 Supplementary Estimates of Appropriations for Vote
Business, Science and Innovation**

**Annex 2: 2025/26 Main Estimates of Appropriations for Vote Business,
Science and Innovation**

Annex 3: Proposed non-financial changes for the Tourism and Hospitality portfolio

New information is underlined, and removed information is ~~stricken through~~

Appropriation title	Details of change	2024/25 Estimates Standard	2024/25 Supplementary Estimates Standard	2025/26 Budget Standard	Reason for change	Minister's Response
Tourism and Hospitality: Tourism Fund Management (M69) (A17)	Intention Statement 2025/26 and outyears					
	This appropriation is intended to achieve efficient and effective management of the investments under the Tourism and Hospitality portfolio.				Effective for 2025/26 and outyears. Intention statement updated to align with the portfolio name.	Approved/ Not Approved
Tourism Infrastructure Fund (M69) (A17)	<u>Tourism Infrastructure Fund</u>				Effective from 2024/25 and outyears. IPET approved through OBU 2024 to transfer funds from 2023/24 to 2024/25 and 2025/26.	Approved/ Not Approved
	Scope 2024/25 and outyears					
	<u>The appropriation is limited to supporting communities to respond to tourism-related pressures on existing infrastructure.</u>					Noted
	Intention Statement 2024/25 and outyears					
	<u>This appropriation is intended to achieve infrastructure that will contribute to quality experiences for visitors.</u>				Effective from 2024/25 and outyears. All non-financial information is transferred from the 2023/24 appropriation to 2024/25 and outyears.	Noted
	Assessment of Performance					
	<u>Percentage of contracts assessed against their objectives and critical steps in line with contract requirements</u>	<u>New measure</u>	<u>100%</u>	<u>100%</u>	Effective from 2024/25 and outyears. Measure selected as an indicator of performance for the appropriation.	Approved/ Not Approved
	Year-end reporting requirements 2024/25 and/or 2025/26					
	<u>Performance information for this appropriation will be reported by the Minister for Tourism and Hospitality in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.</u>				Effective from 2024/25 and outyears. Performance information for this appropriation will be reported by the Minister for Tourism and Hospitality in the Vote Business, Science and Innovation Non-Departmental Appropriations Report	Approved/ Not Approved

Appropriation title	Details of change	2024/25 Estimates Standard	2024/25 Supplementary Estimates Standard	2025/26 Budget Standard	Reason for change	Minister's Response
Tourism and Hospitality: Tourism Strategic Infrastructure and System Capability (M69) (A17)	Intention Statement: <i>This appropriation is intended to improve and expand visitor-related infrastructure and build the capability of the tourism system. Together with investment managed by the Department of Conservation, the funding will support a more sustainable tourism sector that enriches New Zealanders and supports a quality visitor experience.</i>					For reference only
	Assessment of Performance					
	Percentage of contracts assessed against their objectives and critical steps -(see Note 1)	100%	<u>Measure removed</u>	<u>Measure removed</u>	Effective from 2024/25 and outyears. Measure selected as an indicator of performance for the appropriation and to align with other tourism and hospitality measures.	Approved/ Not Approved
	<u>Percentage of contracts that have been monitored and assessed in line with contract requirements</u> (see Note 1)	<u>New measure</u>	<u>100%</u>	<u>100%</u>		
	Projects build tourism sector capability	Achieved	<u>Measure removed</u>	<u>Measure removed</u>		
	Notes 2024/25					
	<u>Note 1 - This performance indicator was revised for 2024/25 and outyears to align with other tourism and hospitality measures.</u>					Noted
	Year-end reporting requirements 2024/25 and/or 2025/26					
	<u>Performance information for this appropriation will be reported by the Minister for Tourism and Hospitality in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.</u>				Effective from 2024/25 and outyears. Performance information for this appropriation will be reported by the Minister for Tourism and Hospitality in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.	Approved/ Not Approved
Tourism and Hospitality: Ngā Haerenga, The New Zealand Cycle Trail Fund	Intention Statement 2025/26 and outyears					
	<u>This appropriation is intended to achieve the success and long-term sustainability of Ngā Haerenga, the New Zealand Cycle Trail Network.</u>				Effective for 2025/26 and outyears. This appropriation has replaced the MCA Tourism Facilities. Intention statement selected to outline the result sought.	Approved/ Not Approved
	Assessment of Performance 2025/26 and outyears					
	<u>Funding agreements are monitored and assessed in line with contractual requirements</u>	<u>New measure</u>	<u>New measure</u>	<u>100%</u>	Effective for 2025/26 and outyears. Measure selected as an indicator of performance for the appropriation and to	Approved/ Not Approved

Appropriation title	Details of change	2024/25 Estimates Standard	2024/25 Supplementary Estimates Standard	2025/26 Budget Standard	Reason for change	Minister’s Response
					align with other tourism and hospitality measures.	
	Year-end reporting requirements 2025/26 and outyears					
	Performance information for this appropriation will be reported by the Minister for Tourism and Hospitality in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.				Effective for 2025/26 and outyears. Performance information for this appropriation will be reported by the Minister for Tourism and Hospitality in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.	Approved/ Not Approved
Economic and Regional Development: Major Events Development Fund 2022-2027 (M69) (A17)	Category Intention Statement 2024/25 and outyears					
	This appropriation is intended to achieve the funding of major events that provide benefits to New Zealand.				Effective from 2024/25 and outyears. A new Major Events strategy was introduced on 1 September 2024. The intention statement outlines the result sought and provides context to the performance indicator.	Approved/ Not Approved
	<i><u>This appropriation is intended to achieve the support for major events that provide benefits to New Zealand. The performance of events funded through the Major Events Fund is assessed annually against the five Major Events Priorities, using a set of Key Performance Indicators endorsed by the Major Events Ministers Group.</u></i>					
	Assessment of Performance					
	Percentage of events new to the Major Events Fund that align to the Statement of Investment Priority (see Note 1)	At least 75%	<u>Measure removed</u>	<u>Measure removed</u>	Effective from 2024/25 and outyears. A new Major Events strategy was introduced on 1 September 2024. The performance measures have been changed to introduce measures against the new strategy and criteria. The previous measure referred to a Statement of Investment Priority which is now redundant.	Approved/ Not Approved
	<u>Annual average percentage of the Key Performance Indicators met by events funded through the Major Events Fund. (see Note 1)</u>	<u>New measure</u>	<u>At least 75%</u>	<u>At least 75%</u>		
	Notes					
<u>Note 1 - This performance indicator was revised for 2024/2025 and outyears. A new Major Events strategy was introduced on 1 September 2024. The performance measures have been changed to introduce measures against the new strategy and criteria. The previous measure referred to a Statement of Investment Priority which is now redundant.</u>					Noted	

Appropriation title	Details of change	2024/25 Estimates Standard	2024/25 Supplementary Estimates Standard	2025/26 Budget Standard	Reason for change	Minister's Response
Tourism and Hospitality: International Visitor Conservation and Tourism Levy Collection (M69) (A17)	Scope: <i>This appropriation is limited to the costs of collecting the International Visitor Conservation and Tourism Levy.</i>					For reference only
	Intention Statement: <i>This appropriation is intended to achieve the prompt payment of transaction fees for the International Visitor Conservation and Tourism Levy.</i>					For reference only
	Assessment of Performance 2024/25 and outyears					
	<u>All bank fees incurred by the collection of the International Visitor Conservation and Tourism Levy are allocated accurately.</u>	<u>Reintroduc ed measure</u>	<u>100%</u>	<u>100%</u>	Effective for 2024/25 and outyears. We are recommending that this performance measure is reintroduced. The exemption granted at the March Baseline Update cannot apply to this appropriation. In respect of an appropriation for departmental output expenses, exemptions can only be granted, if the Minister is satisfied that the appropriation relates exclusively to outputs supplied by a department to 1 or more other departments.	Approved/ Not Approved
	An exemption was granted under s15D(2)(b)(ii) of the Public Finance Act 1989 as the appropriation is one from which resources will be provided to a person or an entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity, and because end-of-year performance information for the appropriation or category is not likely to be informative in the light of the nature of the transaction or causal event giving rise to the expenses.	Exemption revoked	Exemption revoked	Exemption revoked		

Annex 4: 2025/26 Significant Budget Initiatives for the Tourism and Hospitality portfolio

New spending/cost pressure priorities initiatives

Appropriation	Title	Ministerial decision (\$m)					Total (\$m)
		2024/25	2025/26	2026/27	2027/28	2028/29	
Tourism and Hospitality: Tourism Strategic Infrastructure and System Capability	Allocation of additional Visitor Conservation and Tourism Levy revenue	-	2,781	16,656	16,656	16,656	52,749
Tourism and Hospitality: Tourism Strategic Infrastructure and System Capability	Tourism Pre-Commitments for International Visitor Conservation and Tourism Levy (IVL) Funding	-	6,833	1,090	500	-	8,423