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Tourism funding flows and impacts

Final report

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Glossary

Abbreviation	Stands for
AADT	Annual average daily traffic
ACC	Accident Compensation Corporation
AES	Annual Enterprise Survey
ANZIC	Australian and New Zealand Industrial Classification
BARNZ	Board of Airline Representatives of New Zealand
BYATA	Backpacker Youth and Adventure Tourism Association
CAA	Civil Aviation Authority
DMP	Destination management plan
DOC	Department of Conservation
DTO	District tourism organisations
EV	Electric vehicles
GDP	Gross domestic product
GST	Goods and services tax
HCA	Hotel Council Aotearoa
IVL	International Visitor Levy
MBIE	Ministry of Business, Innovation and Employment
NZeTA	New Zealand electronic Travel Advisory
NZTA	New Zealand Transport Agency
PAYE	Pay As You Earn
PCLW	Public conservation land and waters
QGIS	Quantum Geographic Information System
RTO	Regional tourism organisation
TA	Territorial authority
TECNZ	Tourism Export Council of New Zealand
TECT	Tourism Electronic Card Transaction
TGR	Tourism Growth Roadmap
TIA	Tourism Industry Aotearoa
TIF	Tourism Infrastructure Fund
TSA	Tourism Satellite Account
UWTO	United National World Tourism Organization

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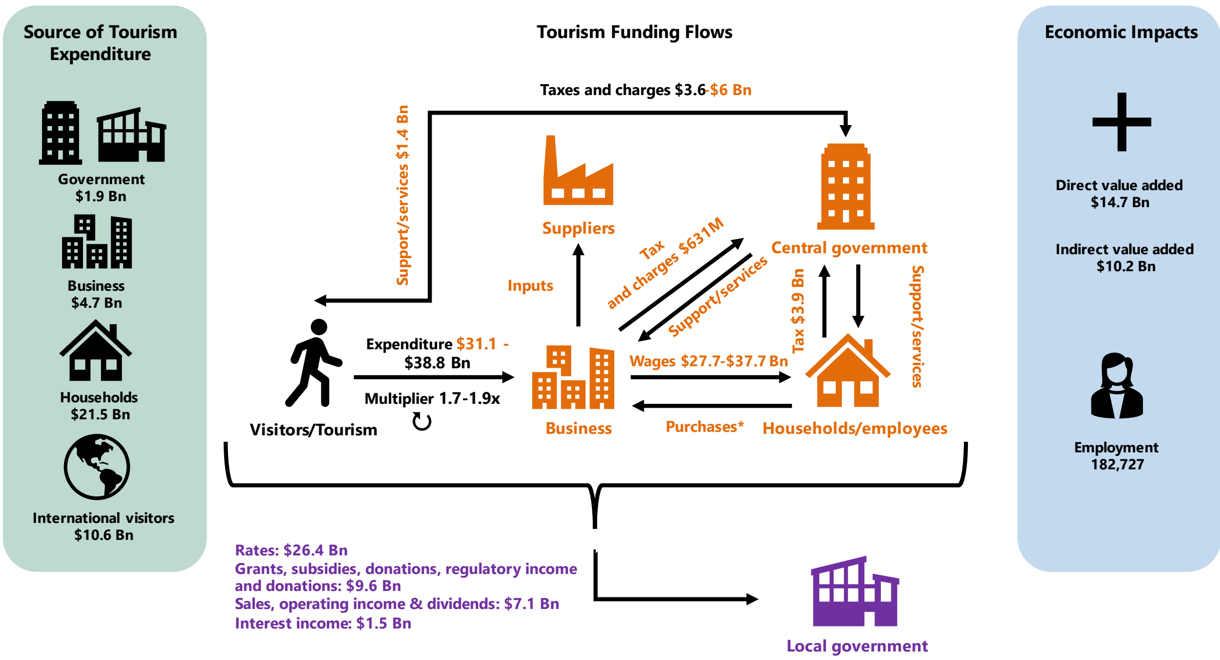
Executive summary

We have been engaged to provide advice primarily on tourism funding flows across stakeholders, along with the economic impacts of tourism, and to offer a high-level indication of potential infrastructure pressures associated with the Tourism Growth Roadmap (TGR) (Ministry of Business, Innovation and Employment, 2025b).

Almost $40 billion in direct tourism spending generates a multiplier effect of between 1.7 and 1.9, with up to $2.2 billion to $3.5 billion in infrastructure investment potentially needed

At a high-level (discussed further below), households and international visitors drive most tourism spending with multipliers of 1.7 to 1.9 times the direct $38.8 billion spending through the economy in the year to March 2023 (now $44.4 billion in the year to March 2024).[1] Revenues to government, business, and households/employees exceed spending related to tourism, but the local government component cannot be separated out and may be under most pressure.

Figure 1: Overview of Funding flows and economic impacts



Key/Explanation: Different sources are used for these high-level metrics so direct comparisons between individual components is not always meaningful as they measure different things/on different basis. Source: Black: TSA, Purple: StatsNZ Local Government expenditure data, Orange: various (AES, government accounts and various reporting)

Further, our high-level estimate of potential additional infrastructure investment needed as a result of additional growth under the TGR is $2.2 billion to $3.5 billion. We note much of this is privately owned infrastructure and/or has at least partial cost recovery mechanisms. In practice, any specific investment priorities would need to consider any historic and additional tourism growth pressures, existing ownership and funding mechanisms, pressures from tourism relative to the resident (ratepayer)

[1] In this report we use Statistics New Zealand's tourism satellite account figures for 2023 to enable government and business components to be separated, and comparability with some of the data. However, we note that high-level metrics are now available for the year to March 2024 as well.

population, the extent to which peak demand pressures are exacerbated by the seasonality of visitors, and the existing state of specific infrastructure.

Statistics New Zealand estimates that $38.8 billion was spent in relation to tourism, contributing $24.9 billion of direct and indirect value added and over 182,727 of direct employment in 2023

Statistics New Zealand's tourism satellite account (TSA) allocates information from the national accounts to identify key metrics relating to tourism (calculated and referenced below as demand-side measures, e.g., the demand-side government expenditure is attributed spending by government that is considered tourism). From this, in the year to March 2023, $38.8 billion in tourism expenditure is identified, with over half (54 per cent) of this coming from domestic households, 27 per cent from international visitors, 12 per cent from businesses, and 5 per cent from government (central and local; separating the two is not possible).[2] This expenditure has been associated with $14.7 billion of direct value added and $10.2 billion of indirect value added. That is, directly and indirectly, tourism is associated with $24.9 billion of gross domestic product (GDP) (as shown in Figure 2).

We note that the TGR aims to increase tourism exports from $9.9 billion in the year to December 2023 (based on the International Visitor Survey, excluding air transport) to $19.8 billion by 2024, driven by growth in international visitor numbers to around 4.78 million. This target relates to the international tourism expenditure component shown below (excluding air transport), which represents around 27 per cent of total tourism expenditure.

Against this, Table 1 also presents our supply-side estimates of revenue and expenditure by stakeholder. Central government received between $3.6 billion (Goods and services tax (GST)-only, as captured through the TSA) and $10.5 billion in tourism-related revenue, and spent an estimated $1.4 billion on attracting and supporting the sector. Businesses received $38.8 billion in tourism-related revenue and incurred approximately $27.7 billion in expenses, while employees earned $37.7 billion. These components are discussed in greater detail in the body of this report.

Table 1: Overview of tourism funding flows ($ millions)

	Supply-side		Demand-side	Confidence
	Revenue	Expenditure		
Government	3,605-10,517	1,402	1,922	Medium-high
Business	38,792	27,661	4,723	Medium-high
Employees/Households	37,720[3]	N/A	21,546	Low-Medium
International	N/A		10,601	Medium-high

Source: TSA (Statistics New Zealand, 2024) and various (see section 3). **Note**: Medium-high confidence elements components use TSA for demand side-measures and targeted sources for supply-side measures; data for the employees/households stakeholder group is low-medium confidence as employee earnings is allocated based on industry ratios (drawn in relation to more general expenditure) and taken as the measure of revenue for this divers stakeholder group.

[2] These portions of expenditure result in an estimated total (direct and indirect) contribution to GDP of $8,602 million from domestic households, $4,233 million from international visitors, $11,256 million from business, and $767 million from government.

[3] Calculated by applying tourism industry ratios to total employment earnings in each industry (Statistics New Zealand, 2024).

Tourism expenditure is significant nationally, spans a number of industries and regions, and is fairly labour intensive

As shown in Figure 2, tourism contributed $14.7 billion directly to New Zealand's GDP in 2023, supported by total tourism expenditure of $38.8 billion. Domestic tourism accounted for $28.2 billion, driven mainly by household spending, while international visitors spent $10.6 billion. Spending patterns vary regionally: Auckland attracts the highest share from both domestic and international travellers, while Otago ranks second for international spend. International visitors on holiday generate the largest total spend, with accommodation, food, and transport being key categories.

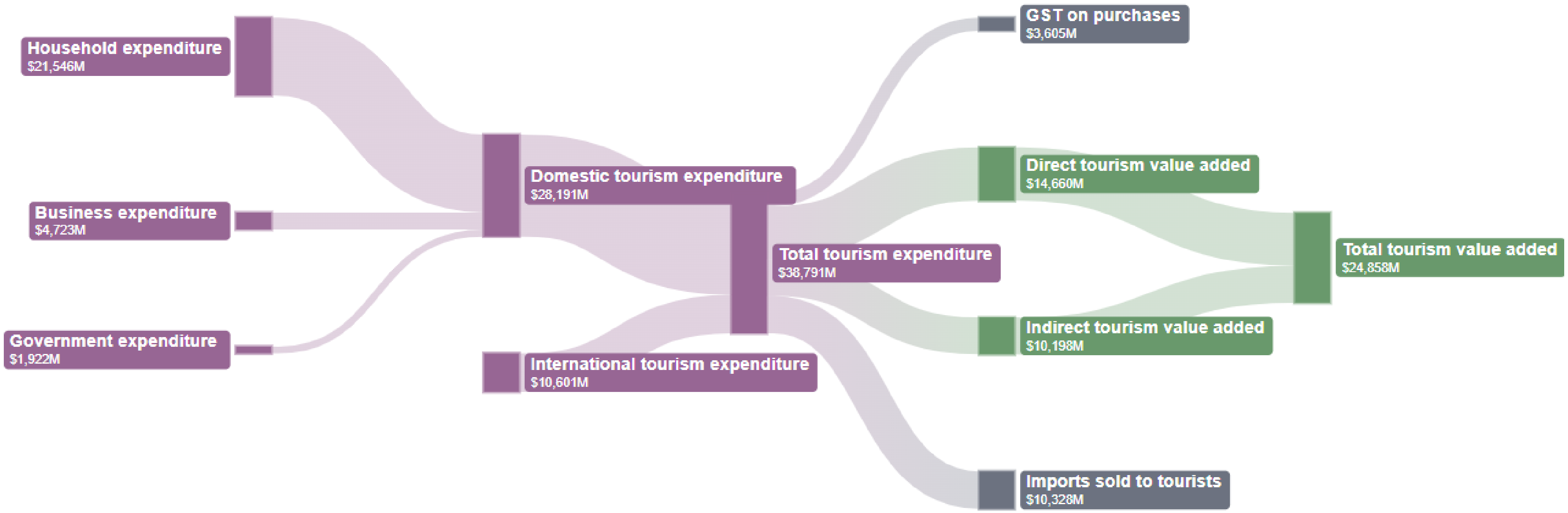
Tourism's direct economic impact between 2019 and 2024 has been around 3 per cent to 5 per cent of GDP across both metropolitan and non-metropolitan groups. International tourism has consistently been one of New Zealand's (if not the) largest export sectors, contributing around one-fifth of total export earnings, and rivalling dairy and other primary sector exports in economic significance.

Beyond direct contributions, tourism generated $10.2 billion in indirect value added, highlighting its wider economic impact. Imports sold to tourists totalled $10.3 billion in 2023, and GST collected on tourism-related purchases reached $3.6 billion. The tourism sector multiplier, which captures the immediate and flow-on effects as money circulates through suppliers, workers' wages, and further rounds of spending, has ranged from 1.67 to 1.91 over the last 25 years, showing its impacts flow beyond the direct expenditure incurred in terms of supporting economic activity. Further, indirect tourism value added has ranged from around 39 per cent to 45 per cent of total value added over this period. Post-COVID recovery has reinforced tourism's role in employment and economic momentum. Direct tourism jobs increased 42 per cent between 2022 and 2024, reaching 182,727 positions. Food, beverage, and retail trade now account for nearly 40 per cent of tourism employment, amplifying tourism's multiplier effects through household income and consumption. The 2024 TSA figures show that direct tourism employment represents 6.4 per cent of total employment in New Zealand.

While profitability in tourism-characteristic industries is generally lean, sectors such as rental services and accommodation remain resilient, highlighting tourism's structural importance as a labour-intensive, wage-driven contributor to national growth.

While not the primary focus of our report, these economic impacts should be considered alongside wider social, environmental, and Māori and cultural impacts, where several potential areas of concern have been identified for further consideration and management.

Figure 2: Tourism expenditure and national economic impacts (2023)



Purple: Expenditure flows; **Green:** Value added (the market value minus the costs of intermediate inputs); **Grey:** Non-(economic) value-adding flows

Source: TSA and Sapere analysis

Drawing across multiple information sources, the broader nature of funding flows becomes evident, with significant indirect flows also at play, though care is required when comparing figures

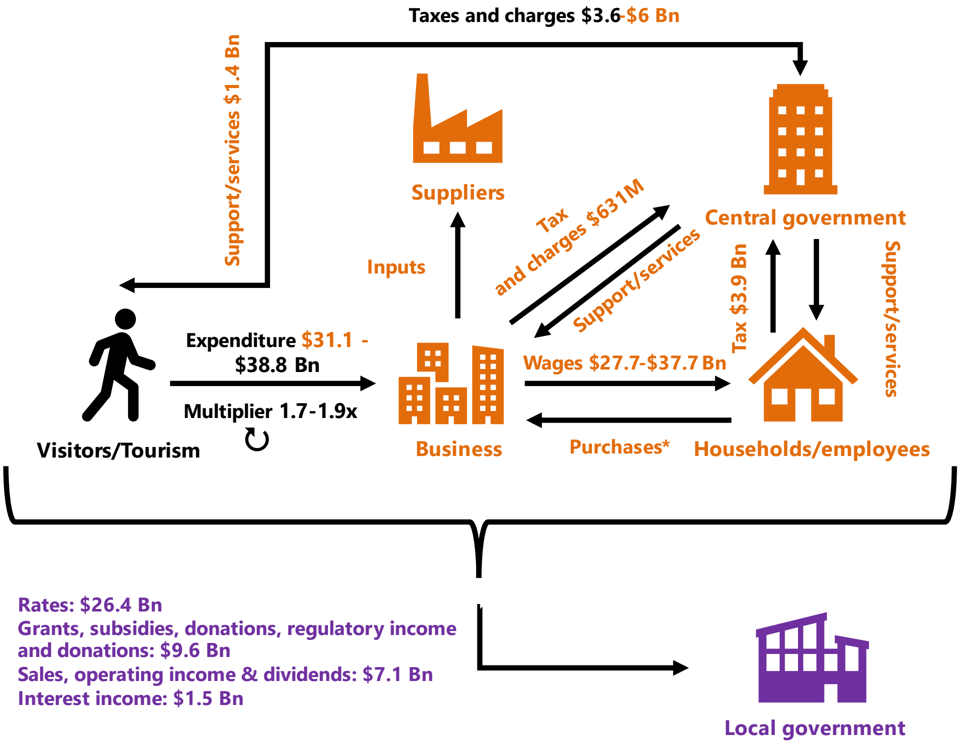
In Figure 3, we bring together several key insights from across these sources. It is important to note that the differently coloured figures are measured on different bases. As outlined above, demand-side measures of tourism expenditure across government, businesses, households, and international visitors total around $38.8 billion (or $31.1 billion when limited to Annual Enterprise Survey (AES) data). This expenditure generates a multiplier effect, with approximately 1.7 to 1.9 times this amount ultimately flowing through the economy.

From this, GST of $3.6 billion flows to central government, and once other taxes and charges on visitors and tourism are included, an estimated $6 billion is received directly as a result of tourism. In contrast, we estimate that government spends around $1.4 billion on tourism-related support and services, although these latter figures are <u>less comparable</u> as they draw on different data sources.

As this expenditure circulates through the economy, funding flows from businesses to suppliers, central government, households and employees, and in some cases local government. These amounts are again <u>not directly comparable</u> with the TSA figures shown in black, as they are derived by attributing a share of wider industry spending to these categories. However, we estimate that around $631 million in taxes and charges is paid to central government, alongside wages of approximately $37.7 billion (or total expenses of $27.7 billion when limited to AES data). From these wages, we estimate that $3.9 billion in income tax is paid to government.

Finally, as discussed further below, visitor and tourism-related flows to local government cannot be separately identified, but they will indirectly contribute to the $26.4 billion in rates revenue received by local authorities, as well as a portion of the $7.1 billion in revenue from sales, operating income and dividends, and the $9.6 billion in grants, subsidies, donations and regulatory income, given that some central government funding to local government relates to tourism.

Figure 3: Overview across funding flow insights



Key/Explanation: Different sources are used for these high-level metrics so direct comparisons between individual components is not always meaningful as they measure different things/on different basis. Source: Black: TSA, Purple: StatsNZ Local Government expenditure data, Orange: various (AES, government accounts and various reporting)

Looking across sources, we identify $10.5 billion of central government revenue from tourism, and $1.4 billion of spending in attracting and supporting tourism more widely

The figure below shows the revenue and expenditure we identify as attributable to tourism. Revenue of $10.5 billion comes predominantly from income tax and GST, with a number of other taxes and charges. Expenses total $1.4 billion: transport, immigration, Civil Aviation Authority, and customs the largest components, which all have cost recovery mechanisms. Consistent with the table above, a further $1.9 billion is spent by government (central and local) that is attributed as tourism spending in the TSA.

Figure 4: Make up of central government revenue from tourism (total $10.5 billion)[4]

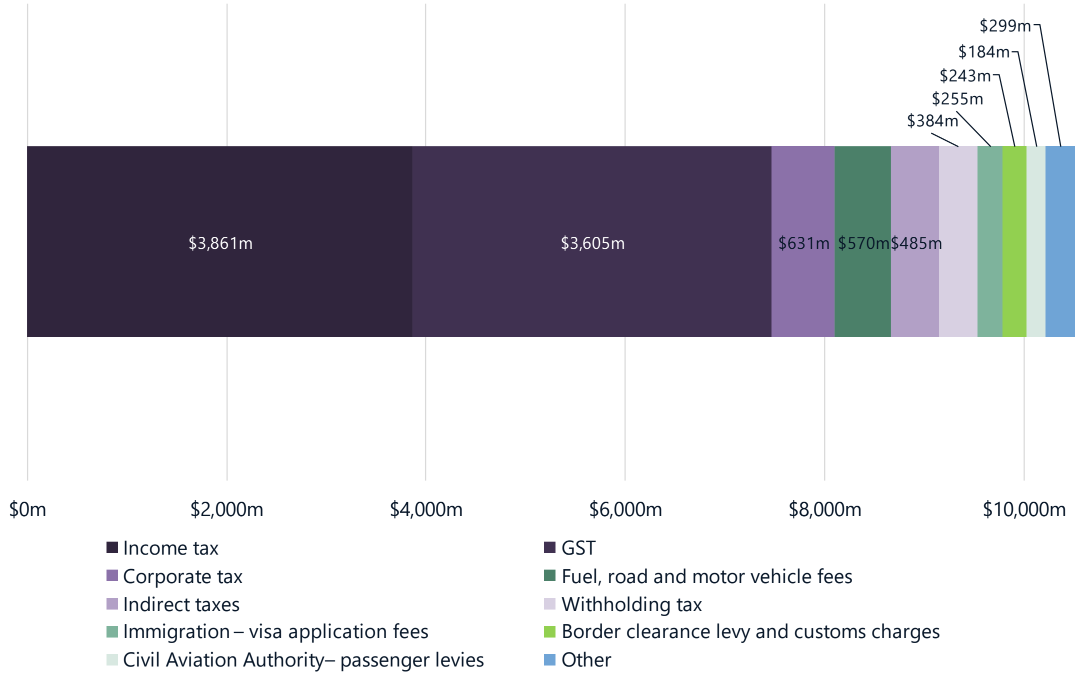
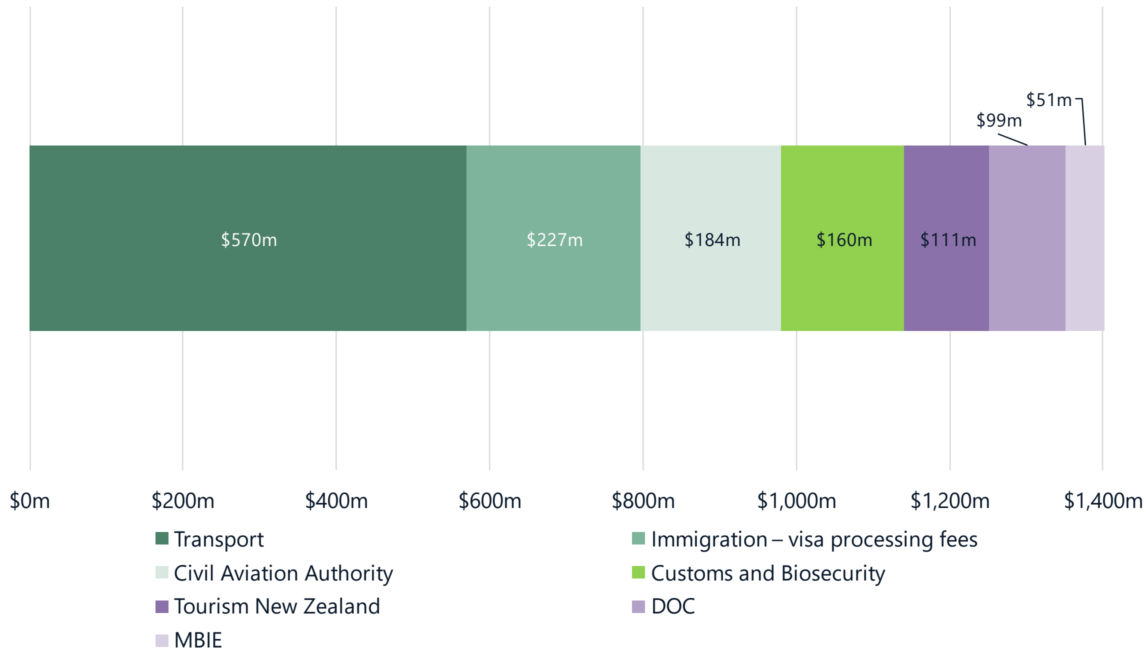


Figure 5: Make-up of central government expenditure on tourism (total $1.4 billion)

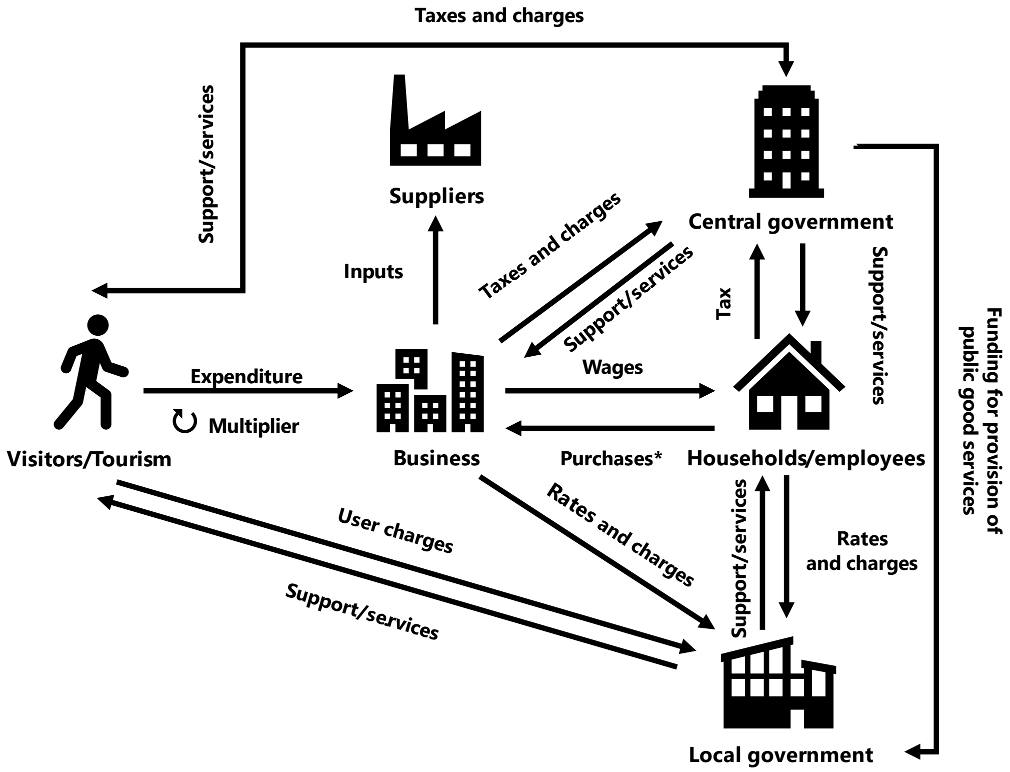


[4] Other category comprises of International Visitor Levy (IVL), customs and excise duty on alcohol and tobacco products, Department of Conservation (DOC), gambling taxes, and customs duty on other imported goods (see detailed breakdown in Table 6 below).

Tourism-related revenue and expenditure at the local government level cannot be reliably identified, and many funding flows are indirect

Tourism contributes to both central and local government finances—through revenue and expenditure—via direct and indirect channels as shown in Figure 6. While we have estimated tourism-related funding flows for central government, as noted above, insufficient data prevents a similar national-level analysis for local government.

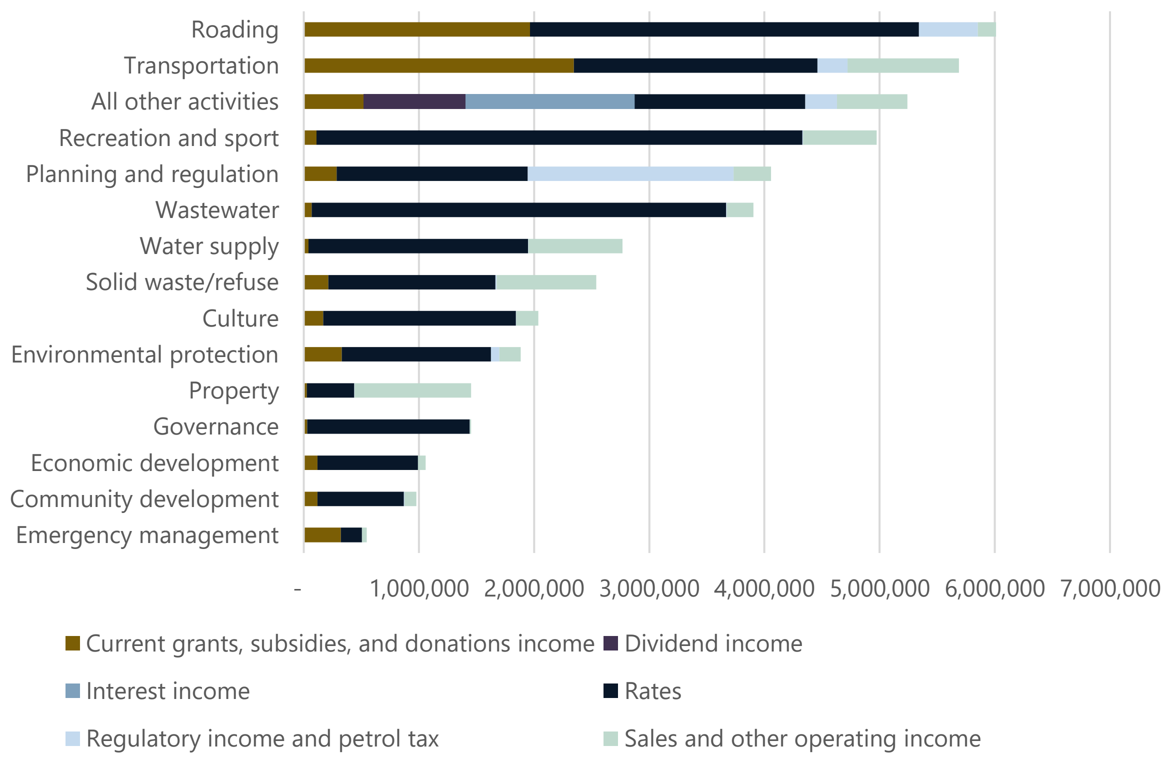
Figure 6: Nature of tourism expenditure flows



What we do know is that many of the flows will be indirect in that additional earnings from local businesses and employees resulting from tourism contribute to general or targeted rates. Further, both residents and tourists will pay user charges to local government (noting cases where charges are limited to non-residents but outside this, the distinction of who pays the charges is not universally captured). Tourism will also place pressure on local government services, the extent depending on numbers and relative use of services. Below shows the revenue sources for local government and how their expenditure is categorised at a national level.

Local government spending is most significant in roading and transport, recreation and sport, planning and regulation, and three waters and waste. Of these, transport receives a significant portion of funding from central government under the National Land Transport Fund, while rates, sales, and operating income are often the most significant sources of income for spending areas that are separately reported. Tourism will contribute to both the National Land Transport Fund and sales income directly, however will only support rates indirectly through economic activity in the regions.

Figure 7: Local government spending by category and funding source, Year to June 2024



Source: Statistics New Zealand Local Authority Financial Statistics – Year ended June 2024, (Statistics New Zealand, 2025b)

While local government funding flows are difficult to attribute to tourism relative to residents or broader businesses, we know that spending in relation to regional tourism organisations (RTOs) are specifically tourism focused (however, they represent only a small portion of local government spending). In FY2024/25, councils collectively contributed $60.5 million (78 per cent of their income) to RTOs, 39 per cent of which was from targeted rates with a number of high-profile destinations predominantly funded through targeted rates (MartinJenkins, 2025).

We note that three case studies explored by Deloitte (2018), We note that three case studies examined by Deloitte (2018), which assessed the impacts of international tourism on the revenue and expenditure of three local authorities, indicated potential expenditure pressures that could exceed the revenue attributable to tourism. If this pattern were evident more broadly across councils (which cannot be determined without further primary research), the resulting differences could be significant at a national scale—potentially in the hundreds of millions to billions. However, we also note that attributing a territorial authority's (TA's) revenue from, and expenditure on, tourism carries the risk of overstating tourism-related funding gaps when these may instead reflect broader structural imbalances, such as TAs choosing to borrow in order to spend beyond annual revenue.

The areas of local government expenditure highlighted in the Deloitte (2018) case studies, where portions were allocated to international tourism, included transport, tourism infrastructure/RTO expenditure, community services and facilities, events, water, wastewater, solid waste, parks and active recreation, local developments, economic and cultural development, and corporate activities. In relation to mixed-use infrastructure, we also outline below the areas relevant to tourism in which local government (and other actors) plays a role.

Industry receives estimated tourism-related income of at least $31.1 billion relative to attributed expenditure of at least $27.7 billion, and international visitors face charges of around $50 to $500 upon landing

Below, we summarise our estimate of tourism-related income and expenditure across tourism industries, applying tourism industry ratios from the TSA to private-sector financial data in the AES. Net income ranges from around 5 per cent for food and beverage services and retail trade to 21 per cent for transport, with an overall industry average of 11 per cent. As the AES represents only a sub-component of the TSA, the figures presented in the tables above incorporate larger estimates drawn from the TSA and the national accounts.

Table 2: Tourism-attributable income and expenses by industry, 2023 ($ millions)

Industry	Total tourism-attributable income	Total tourism-attributable expenditure	Net tourism-attributable income
Accommodation	2,309.8	1,960.8	349
Food and beverage services	4,656.2	4,433.9	222.3
Rental and hiring services	1,478.1	1,187.2	291
Retail trade	12,189.1	11,637.2	551.9
Total transport	9,124	7,247.1	1,876.9
Arts and recreation services	1,067.3	895.3	172
Education and training	323.2	299	24.2
Total	**31,148**	**27,661**	**3,487**

Then, when looking at user charges and focusing on those of international air passengers, we see that charges are between $50 and $500 depending on the visitor before accounting for any charges during the visit itself.

Table 3: Visitor-related charges for air travel

Australian resident or citizen traveller	New Zealand electronic Travel Advisory (NZeTA) traveller	Visitor Visa traveller
$51.23	$168.23	$492.23

Responsibilities and funding mechanisms vary across the 21 mixed-use infrastructure categories

As shown below, there are a mix of responsibilities, funding mechanisms, and degrees of cost recovery for the 21 categories of mixed-use infrastructure. Private and local government have considerable roles, with most areas having some degree of cost-recovery (though often not fully cost-recovered).

Table 4: Mixed-use infrastructure category responsibilities and funding mechanisms

Category (and funding source)	Ownership			Cost recovery status		
	Central government	Local government	Private investment	Direct/full	Mixed/ partial	Indirect
International air connectivity Airline revenue; border levies; central government	Yes		Yes	Direct		
Domestic air connectivity Airline revenue; central government subsidies	Yes		Yes	Direct		
Airports and related facilities Airport charges; local and central government support; border levies	Yes	Yes	Yes		Mixed/ direct	
Cruise facilities Port charges; local government investment; central government grants	Yes	Yes	Yes		Mixed/ partial	
Road transport New Zealand Transport Agency (NZTA) (fuel excise, road user charges); local government	Yes	Yes		Direct for state highways	Mixed/ partial: Local	
EV charging stations Central government concessionary loans; private companies	Yes		Yes		Mixed/ partial	
Public transport NZTA subsidies; local government rates; fare revenue	Yes	Yes			Mixed/ partial	
Carparking Local government; parking fees	Yes	Yes	Yes	Direct for private carparks	Mixed/ partial	
Worker accommodation Private investment			Yes	Direct		
Visitor accommodation Private investment			Yes	Direct		

Category (and funding source)	Ownership			Cost recovery status		
	Central government	Local government	Private investment	Direct/full	Mixed/ partial	Indirect
Freedom camping facilities Local government; Tourism Infrastructure Fund (TIF)		Yes	Yes			Indirect/ Partial
Water and sewerage systems Local government		Yes	Yes		Mixed/ Partial	
Public toilets Private investment; Local government		Yes			Mixed/ Partial	
Cafes, restaurants and bars Private business investment			Yes	Direct		
Tourism attractions and activities Businesses and operator investment; Department of Conservation (DOC); Entry fees	Yes		Yes	Direct for private	Mixed/ Partial	
Telecommunications Private investment; Central government grants	Yes		Yes		Mixed/ Direct	
Conference facilities Local government funding; Private investment; TIF		Yes	Yes		Direct/ Mixed	
Events and stadium facilities Local government; Event revenue; Sponsorships		Yes	Yes			Indirect/ Partial
Recreation and sports facilities Local government investment; User fees; TIF		Yes			Mixed/ Partial	
Facilities on public conservation lands DOC; TIF; Central government		Yes			Mixed/ Partial	
Urban public spaces Local government		Yes				Indirect

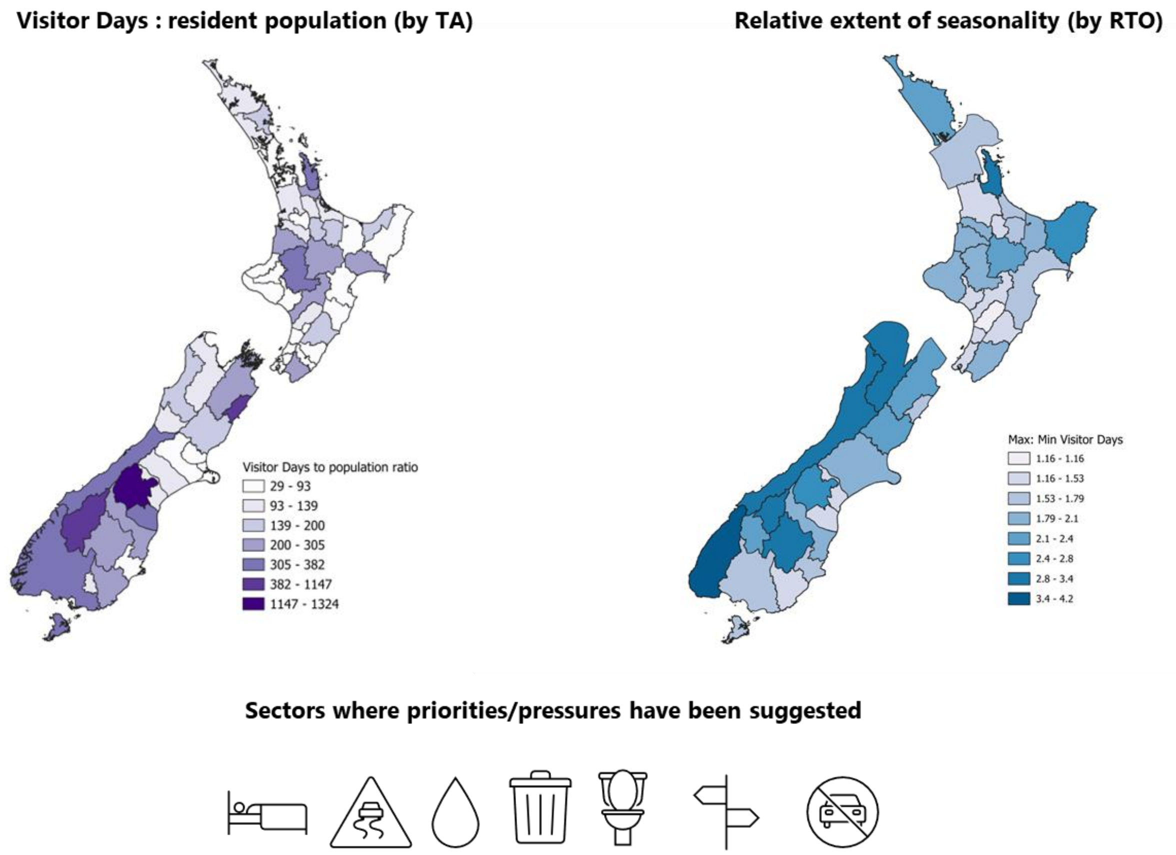
Infrastructure pressures/priorities have previously been identified in certain activities and high-visitor areas

Past work has identified tourism pressures in key hotspots and in areas where visitor numbers are high relative to the resident population. For example, McKenzie and Kaikōura districts are estimated to receive more than 1,000 visitor days per resident each year, followed by Queenstown-Lakes with 497 visitor days per resident, while 28 territorial authorities receive fewer than 100 visitor days per resident, as shown in Figure 8 alongside the ratio of peak to trough monthly visitor days by RTO over the past year. Seasonality is common across RTOs, affecting peak capacity, with peak visitor numbers often several times higher than average levels. This has implications for infrastructure efficiency, visitor experience and long-term sustainability.

Destination management plans have also highlighted priority areas where pressures or gaps have been identified, including accommodation capacity; access and transport; three-waters infrastructure; and public facilities such as waste collection, public toilets, parking and signage. Tourism can intensify pressures during peak periods in key locations, although these pressures do not always align neatly with broader infrastructure use patterns—for instance, they may be more concentrated along specific transport corridors.

We highlight indicators of these pressures in Figure 8, noting that these issues drive tourism-related funding requirements at a more fine-grained level and extend beyond national-scale measures.

Figure 8: Key sources and drivers of infrastructure pressures



Source: MBIE's visitor volumes data (visitor days, from its visitor volumes and flows page) and Statistics New Zealand's population projections, both for the year to 30 June 2025 and analysis of Destination Management Plans.

Additional growth under the TGR could add in the order of up to $2.2 billion to $3.5 billion of infrastructure investment needs between now and 2034

Drawing on past analysis by the Infrastructure Commission (New Zealand Infrastructure Commission, 2025), we provide a high-level estimate (with several simplifying assumptions) that the additional tourism anticipated under the TGR equates to an additional 1.13 million international visitors compared to what might otherwise occur. This results in additional infrastructure spend between now and 2034 of up to $2.2 billion to $3.5 billion (including renewals), increasing capital stock by 0.65-1.02 per cent of the Infrastructure Commissions 2022 estimate for total infrastructure of $287 billion.

Of this estimate:

- 32 per cent relates to road transport, 27 per cent electricity and gas supply, 18 per cent to three waters and waste, and 14 per cent telecommunications.
- 46 per cent relates to privately owned, 33 per cent to local government-owned, and 21 per cent central government-owned infrastructure.

Table 5: Estimate of additional infrastructure spend due to tourism growth under the roadmap ($m)

Sector	Total
Road transport	707 – 1,103
Rail, water, air and other transport	95 – 148
Electricity and gas services	591 – 921
Water, sewerage, drainage and waste services	390 – 608
Telecommunications services	321 – 499
Other public capital	120 - 187
Owner	
Private sector	1,027 – 1,599
Local government	728 – 1,134
Central government	469 - 732
Total	**2,224-3,465**

Many of these infrastructure categories are private sector owned, are at least partially funded via targeted rates and taxes, or have cost-recovery/user payment mechanisms. As such an international tourist may pay at least some of their share for the additional infrastructure. For instance, road infrastructure has funding from the Fuel Excise Duty and Road User Charges, while other transport services receive revenues directly from passengers. In other situations, international visitors may indirectly provide for some of their infrastructure needs via direct taxes (e.g. GST) or via passthrough e.g. providing revenues to businesses who then pay taxes and rates.

We emphasise that this is a high-level estimate, and the actual infrastructure investment needs will depend on future travel patterns, existing infrastructure capacity, and investment plans and residential growth. This will be highly infrastructure and location specific so would require much more detailed analysis, and any shifts in key travel patterns would have significant implications for investment requirements. Further, these estimates are within the sensitivities/scenarios that the Infrastructure Commission's analysis looked at, so our estimated impacts could be significantly outweighed by variation in other factors relative to the Commission's central estimate. In addition, more recent (unpublished) information from the Infrastructure Commission suggests that in practice, total additional infrastructure investment may be lower than estimated above and more concentrated in the private sector and local government.

Our estimates are based on changes in demand due to increased willingness to pay, but that does not necessarily mean that additional infrastructure will be invested in to match these changes. Any specific investment priorities would need to consider:

- any historic and additional tourism growth pressures (shown above)
- existing ownership and funding mechanisms (illustrated in Table 4)
- pressures from tourism relative to the resident (ratepayer) population (shown in Figure 8), noting that areas where visitor numbers are high relative to residents also have high visitor expenditure relative to residents (thus funding and planning mechanisms will be important)
- the extent to which peak demand pressures are exacerbated by the seasonality of visitors (shown in Figure 8)
- the existing state of specific infrastructure (which would require further, more in-depth analysis).

1. Introduction

This section sets out the context for this report, the scope of our engagement, limitations to our analysis and insights, and structure of the report.

1.1 Our work is intended to support the workstreams of the Tourism Growth Roadmap

We were engaged by the Ministry of Business, Innovation and Employment (MBIE) between late September and mid December 2025 to provide analysis of the:

- funding flows across stakeholders in the tourism sector
- economic impacts of tourism
- links between tourism and infrastructure needs
- potential pressures from growth in tourism on mixed-use infrastructure.

This work is intended to help provide the information base to support MBIE's tourism system funding and mixed-use infrastructure workstreams supporting the TGR (Ministry of Business, Innovation and Employment, 2025b).

1.2 We focus on tourism sector funding flows, impacts, and infrastructure pressures

The scope of our work has been focused on bringing together the analysis possible in the given timeframe to provide insights into the following:

1. **Funding flows:** by source and where possible region, but excluding mixed-use infrastructure.
2. **Impacts:** economic impacts analysis focusing on the value added at the national level.
3. **Tourism links with infrastructure needs:** setting out conceptually how, and for what, infrastructure tourism may add to infrastructure demands and how this fits with stakeholder responsibilities.
4. **Tourism growth pressures on infrastructure:** examining how the increases in visitor numbers envisioned under the TGR may translate into additional mixed-use infrastructure pressures and, where possible, providing indicative high-level estimates of potential costs associated with these additional marginal pressures.

1.3 Our report is subject to several limitations

Our work and report are subject to several limitations which provide context to how the information and analysis should be interpreted. These include in particular:

- **information availability** where insights are limited to:
  - where data is able to be obtained and the analysis of this is possible in the timeframe (and where there are limitations to that data and its coverage and consistency as discussed in section 2)
  - the ability to draw from perspectives is limited to those that we have been able to interview in the time available
  - prior research that has been undertaken.
- **complementary work**, where the amount of time and budget for the work has limited the extent of effort and resources able to be applied to the work. For instance, this has precluded any primary information collection such as surveying a wider set of stakeholders to collect additional information and meant that information has needed to be collected and analysed at haste.
- **inputs or resources**: we are aware there is other work MBIE has underway that would usefully inform our analysis or provide additional coverage to the information that is otherwise available at present (this includes the intention to extend the span of coverage of tourism electronic card transactions (TECT)[5] data next year).

1.4 Outline for the remainder of the report

The remainder of this report is set out as follows:

- Our approach and key inputs used are set out in section 2.
- The tourism funding flows are outlined across sector stakeholders in section 3.
- The economic impacts of tourism are outlined in section 4.
- Mixed-use infrastructure responsibilities, use, and pressures are discussed in section 5.

This is accompanied by our references and appendices, which provide further detail on central government spending, the methodology for estimating central government inflows and outflows by industry, tourism-attributable income and expenses by industry, total income sources across territorial authorities (Tas), patterns of tourist expenditure, tourism value added, and the methodologies used to: i) create the CamperMate traffic and facility search maps and ii) estimate the potential infrastructure investment requirements under the tourism growth roadmap.

[5] See Ministry of Business, Innovation and .d.-a, 2025c)

2. Inputs, approach and interpretation

This section outlines the approach we have taken, inputs we have drawn on, coverage and fit of different data sources, and outlines how each can be interpreted while noting that the different data sources are not directly comparable.

2.1 Our approach included four stages

Figure 9 shows the tasks involved in our approach across the four stages of project inception, information collection, analysis across the four workstreams, and reporting and finalisation. It also shows the key outputs: this report represents the output from Stage 3.

Figure 9: Overview of our four-stage approach

Stage 1 Project inception	Stage 2 Information collection	Stage 3 Analysis across streams	Stage 4 Reporting and finalisation
Planning and initiation •Inception meeting •Obtain and review any relevant documents •Confirm stakeholder list and engagement approach •Finalise methodology	**Literature scan** •Scan relevant studies, reports, and research to gather information on funding, spending, visitor forecasts, capacity, and gaps/investment priorities **Collect data** •MBIE •Stats NZ •Other sources **Engagement** •Targeted interviews	**Funding flows** •Analyse flows by stakeholder. •Consider direct flows and those that could be apportioned **Impacts** •Quantify economic impacts **Tourism links with infrastructure needs** •Set out links between tourism and infrastructure demand by stakeholder responsibilities •Note prior indicators of gaps/priorities **Tourism growth pressures on infrastructure** •Examine increases in visitors under the growth roadmap and additional public infrastructure pressures •Where possible estimate high -level potential costs	**Test findings and analysis** •Engage with MBIE to test emerging findings **Draft report** •Draft report following feedback on findings/draft materials **Finalise report findings** •Address any feedback provided on the draft report/material and finalise
Key output: •Agreed methodology		**Key output:** •Overview and quantification of tourism funding flows and assessment of economic imp acts of tourism	**Key outputs:** •Draft report •Final report

2.2 Three kinds of information sources have been drawn on

As illustrated in Figure 9, the three kinds of information sources we have drawn on for this work include the following:

- **Literature scan/review** examining key prior research and analysis as well as some of the working material that was shared from MBIE's TGR workstreams. The key documents that we draw on directly in this report are specifically referenced.
- **Interviews** with 10 industry and relevant government agency stakeholders who were agreed with MBIE and able to make themselves available. In addition, we separately sought specific information from certain stakeholders either following interviews or from stakeholders that MBIE shared they were meeting with separately.

- **Data analysis** where we have drawn on various relevant data that is available in the public domain as well as any that stakeholders agreed to share with us following interviews. Significant data sources analysed for the key questions we were asked are described in the following section, and all data sources used are referenced directly throughout this report.

2.3 Eight different key data sources are drawn on to provide distinct insights

Table 6 provides a summary of the key data sources drawn on, the information drawn from them, and context around what the data sources cover. We have used a mixture of data from the TSA, AES and others.

Table 6: Summary of data sources used, what is drawn from them and what they cover

Insight of interest	Data source(s)	Coverage
Tourism-related components of expenditure, employment and value added	TSA, Statistics New Zealand	Tourism-related industries and other industries. All sources of spending, employment, supply, and value added. Timeframes cover 1999-2024 (which is considered a projection at this stage).
Breakdowns of components of tourism-related industry revenues and expenditure as well as employment, asset base and changes to this	AES, Statistics New Zealand	Private enterprise-related information for tourism-related industries (and others). Limited to private businesses (i.e. excluding central and local government). Timeframes cover 2013-2024.
Breakdowns of local government entity funding and expenditure	Local authority financial statistics, Statistics New Zealand	All regional councils and territorial authorities, year ending June 2024 (data available 1993-2024).
Funding for and expenditure by RTO[6]	(MartinJenkins, 2025) RTO Benchmarking Survey undertaken for MBIE	Data collected on financial, operational and governance characteristics of RTOs across New Zealand for the 2024/2025 financial year. As noted in section 3.4.3, the RTOs can have different roles (with some serving as broader economic development agencies) and the geographic coverage of RTOs differ to that of local authorities.[7]
Spending by domestic and international tourists across different regions	TECT, MBIE	Spending using electronic cards by an individual at a location greater than 40 km of their usual place of residence (consistent with the definitions of visitors and tourism by the United National World Tourism Organization (UWTO) (UNWTO, n.d., 2021). This covers in-person electronic card transactions only, so

[6] RTOs are entities responsible for promoting and managing tourism within a specific region. They play a strategic role in destination management, ensuring tourism delivers economic, social, cultural, and environmental benefits to local communities.

[7] For more details, please see Statistics New Zealand's regional tourism organisation areas 2025 clipped.

Insight of interest	Data source(s)	Coverage
		excludes cash sales and online purchases. As the data is based on spending on the Paymark network, this data is estimated to cover 70% of total electronic card spending.
Spending by international visitors by nature of visit expenditure	International Visitor Survey	Data is collected on departure for international visitors only. Each survey response is given a 'weight' to extrapolate to total international visitor estimates. Self-reported
Actual and appropriated funding for government appropriations relevant to tourism	Estimates of appropriations, The Treasury	Relevant government appropriations (though all are available), actual spending for prior years and estimated appropriations being the currently agreed authority to spend money. These represent funding directly relevant to supporting the tourism sector rather than tourism-related spending itself and will include aspects that would not be picked up in estimates of tourism spending in the TSA as they are undertaken by tourists and may not be in tourism-related industries. For instance, over $100 million each year relates to marketing and promotion that would not itself be considered tourism spending in the TSA.
Specific components of central government and private entity revenue and expenditure; patterns of tourist infrastructure use and possible funding pressures	Various sources as referenced	As noted in the first column and elaborated on for specific aspects in the text throughout the report.

2.3.1 Tourism is not consistently defined but is distinguished by the individual undertaking the activity, not the activity itself

As noted in Table 6, the data sources differ in terms of what they cover or measure and as a result how they effectively define tourism—whether it is spending outside one's geography of residence (TECT), or subsets of industries where certain individuals (non-residents) spend money on products or services that are estimated to be associated with non-visitor use. As illustrated below, depending on the data sources (and underlying coverage/measure), totals can vary significantly.

Table 7: Total "tourism-related" spending under different data sources, coverage or definitions]

Measure	Data source	Year ending	Total
Total spending across the entirety of tourism-characteristic and tourism-related industries[8]	National Accounts, Statistics New Zealand	March 2024	$115.1B

[8] This includes those identified under the TSA, which are Accommodation; food and beverage services; the different components of transport; rental and hiring services; arts and recreation services; retail trade; education and training.

Measure	Data source	Year ending	Total
Total tourism spending (including tourist spending in non-tourism-related industries)	TSA	March 2024	$35.2B
Total tourism spending in tourism-characteristic and tourism-related industries only	TSA	March 2024	$21.5B
Total tourism-related private business spending	AES	September 2023	$27.7B
Total measured electronic cards transactions by individuals beyond 40 km of their registered residence	TECT	June 2025	$15.03B

Tourism spending and value-added are estimated from the demand side, not the supply side

As explained in section 4.1, the process begins by identifying who purchased a product or service and determining whether the purchase was made by a visitor (domestic or international). These measures in the TSA—such as spending, employment, and value-added—reflect visitor demand rather than production-based measures used in calculating GDP.

Tourism is not classified as an industry under the Australian and New Zealand Industrial Classification (ANZIC) framework (Australian Bureau of Statistics, 2013). However, tourism-related activities can be linked to specific industries and products through TSA mapping and appropriate weighting.

2.4 There are risks in comparing across different data sources

Given the different bases of measurement and the varying coverage across the data sources used, care is needed when interpreting the figures presented. Each source is included because it offers a distinct analytical insight, but it is important to understand precisely what each figure represents. In particular, we urge caution when comparing numbers across sections to ensure that differences in measurement are recognised, so as to avoid drawing conclusions that may not follow from a direct comparison without understanding the context behind each measure.

3. Tourism funding flows by stakeholder

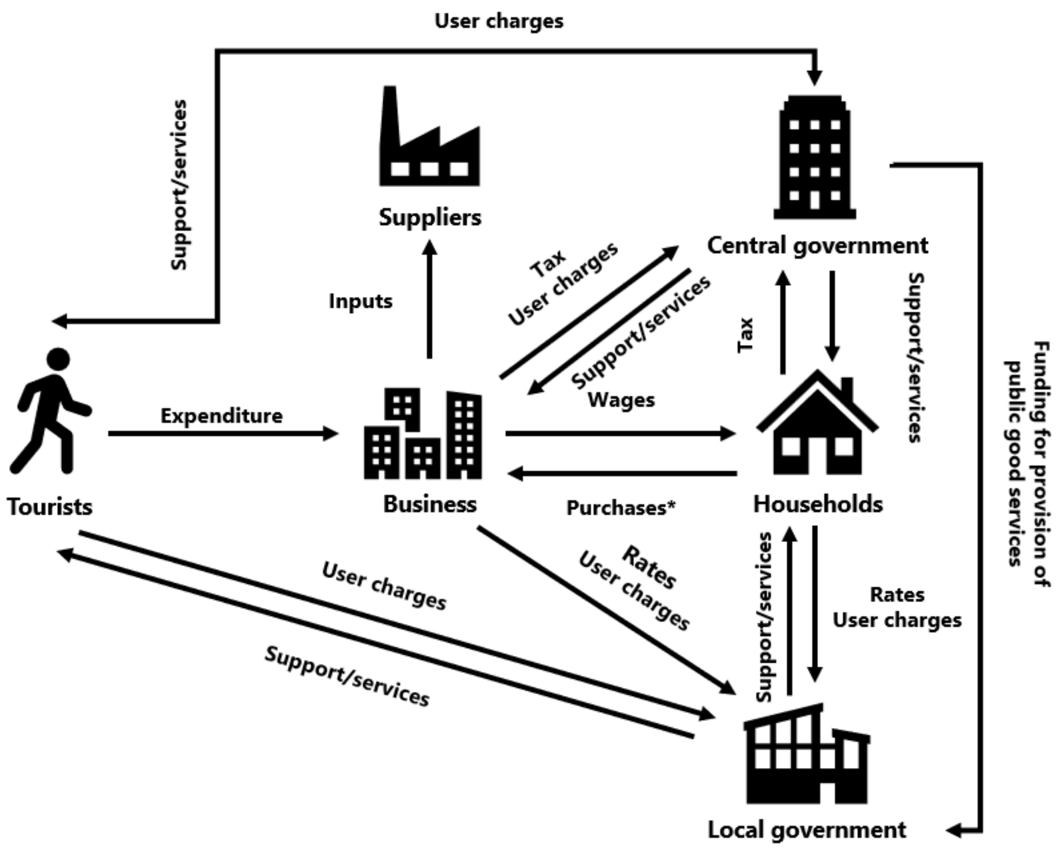
This section provides an overview of tourism-related funding flows. We start with a conceptual overview of flows of international tourism-related expenditure, before examining the roles of central government, local government, private sector, and users' tourism-related funding flows.

3.1 Conceptual overview of flows of tourist expenditure

Figure 10 illustrates the overall process, showing a simplified example of how tourist spending flows through businesses and benefits the wider economy. For simplicity we have not included feedback loops to further induced activity that may result, but this is discussed in section 4. Visitor expenditure adds revenue to businesses, which in turn adds demand for intermediate goods across supply chains as well as the employment of staff (who pay income tax) and raises GST contributions to central government.

As tourism expands, new businesses often emerge to meet growing demand. These new enterprises generate similar ripple effects, additional staff, greater demand for intermediate products, and new local government revenue through rates.

Figure 10: Flows of tourism expenditure



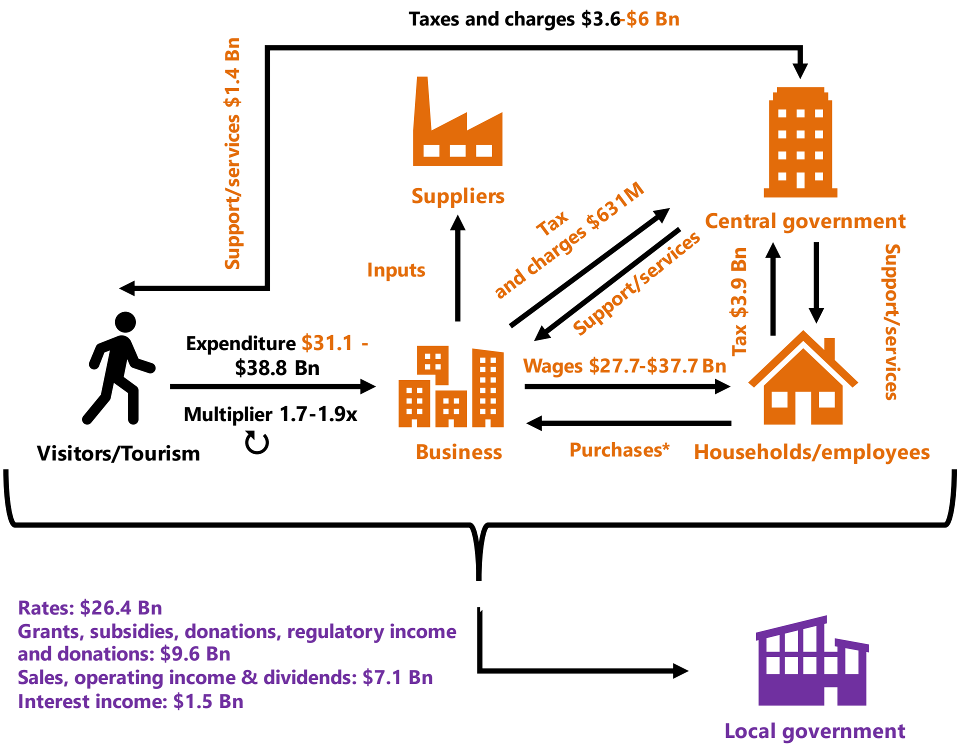
3.2 High-level revenue and expenditure by key stakeholders

Figure 11 provides an overview, drawn from multiple data sources, of the various funding flows discussed in this section, noting that these sources differ in their coverage and focus as outlined earlier. This information is also summarised in Table 8. Total tourism expenditure in the year to March 2023 was $38.8 billion (rising to $44.4 billion in the year to March 2024), based on the TSA's demand-side measure.

Against this, Table 8 presents our supply-side estimates of revenue and expenditure by stakeholder. Central government received between $3.6 billion (GST-only, as captured through the TSA) and $10.5 billion in tourism-related revenue, and spent an estimated $1.4 billion on attracting and supporting tourism. Businesses received between $31.1 billion and $38.8 billion in tourism-related revenue and incurred approximately $21.1 billion to $27.7 billion in expenses and employee earnings (with the lower estimates derived from the AES, which captures total expenses, and the upper estimates based on TSA and national accounts data).

As discussed further below, visitor and tourism-related flows to local government are not separately identifiable, but they will indirectly contribute to the $26.4 billion in rates revenue received by local authorities, as well as a portion of the $7.1 billion in revenue from sales, operating income and dividends, and the $9.6 billion in grants, subsidies, donations and regulatory income, given that some central government funding to local government relates to tourism.

Figure 11: Overview of funding flows by stakeholder



Key/Explanation: Different sources are used for these high-level metrics so direct comparisons between individual components is not always meaningful as they measure different things/on different basis. Source: Black: TSA, Purple: StatsNZ Local Government expenditure data, Orange: various (AES, government accounts and various reporting)

Table 8: Overview of tourism funding flows ($ millions)

	Supply-side		Demand-side	Confidence
	Revenue	Expenditure		
Government	3,605-10,517	1,402	1,922	Medium-high
Business	31,148-38,792	27,661-37,720	4,723	Medium-high
Employees/Households	37,720[9]	N/A	21,546	Low-Medium
International	N/A		10,601	Medium-high

Source: TSA (Statistics New Zealand, 2024) and various (see section 3). **Note**: Medium-high confidence elements components use TSA for demand side-measures and targeted sources for supply-side measures; data for the employees/households stakeholder group is low-medium confidence as employee earnings is allocated based on industry ratios (drawn in relation to more general expenditure) and taken as the measure of revenue for this divers stakeholder group.

3.3 Central government plays three main roles in tourism funding

The central government's three main roles in terms of tourism funding include:

- **raising revenue** that contributes to the central government's wider funding (e.g. GST, income tax) or can be used for tourism-related purposes (for example, the International Visitor Conservation and Tourism Levy).
- **direct appropriations** for tourism policy, promotion, and investment (through Vote Business, Science and Innovation—particularly the tourism and hospitality portfolio, but many would consider relevant DOC funding to be directly tourism-related, and agencies with roles relating to international movements are also highly relevant).
- **indirect investment** where agencies fund infrastructure or services used by visitors (for example, transport infrastructure delivered by Waka Kotahi/NZTA).

It is important to note that the interaction of these streams, and the mixed-use nature of many assets, creates attribution challenges that must be considered when estimating central government contributions to tourism. Below we provide an overview of the central government revenue and expenses we estimate to be attributable to tourism followed by greater detail on certain components.

3.3.1 Overview of central government revenue and expenses attributable to tourism

Table 9 and Table 10 show the tourism-related sources of central government revenue and expenses where we estimate that a total of $10.5 billion of revenue is received by central government as a result of tourism, while $1.4 billion of central government expenditure is attributable to tourism. These are illustrated in Figure 12 and Figure 13 where identified relevant revenue is 7.5 times expenditure. Key

[9] Calculated by applying tourism industry ratios to total employment earnings in each industry (Statistics New Zealand, 2024)

sources of revenue come from income tax and GST, alongside a number of other taxes and charges. Expenses total $1.4 billion with transport, immigration, Civil Aviation Authority, and customs the largest components. These all have cost recovery mechanisms.

In addition to the amounts shown and tallied, we note the following:

- Kānoa managed funds have approved, contracted, paid or forecast $697.4 million of funding across various years for projects noted to fall in the tourism sector. We have not attempted to estimate an annualised equivalent for these given the different funding types and durations, but present further information on the respective funds in the next section, noting many of these had co-funding arrangements as well.
- Accident Compensation Corporation (ACC) paid out approximately $15 million for tourist claims between 2015 and 2019, equating to an average of $3 million per year (Wade, 2020). We expect that this figure will likely have grown over time, and note that this only includes international tourists. However, as referenced in Wade2020), we also expect that tourist contributions to ACC through ACC levies paid on fuel would be likely to more than equal this cost, meaning we expect these costs will be recovered.

Figure 12: Make-up of central government revenue from tourism[10]

Figure 13: Make-up of central government expenditure on tourism

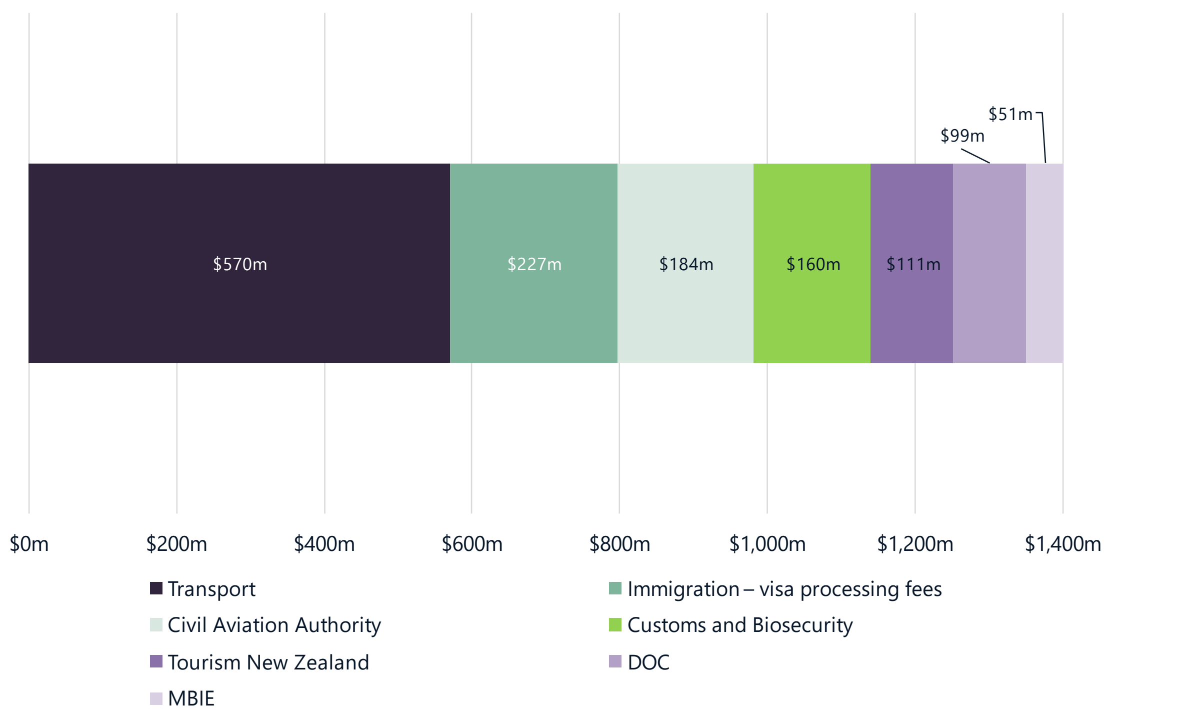


Table 9: Tourism-related sources of central government annual revenue

Revenue source	Value ($/millions)	Year ending	Source(s)
Income tax	3,861[11]	September 2023	• AES (Statistics New Zealand, 2025a) • TSA (Statistics New Zealand, 2024) • The Treasury, 2025b, p. 65
GST	3,605[12]	September 2023	• AES (Statistics New Zealand, 2025a) • TSA (Statistics New Zealand, 2024)
Corporate tax	631[13]	September 2023	• AES (Statistics New Zealand, 2025a) • TSA (Statistics New Zealand, 2024)
Fuel, road and motor vehicle fees	570[14]	June 2024	• AES (Statistics New Zealand, 2025a) • TSA (Statistics New Zealand, 2024)
Indirect taxes	485[15]	September 2023	• AES (Statistics New Zealand, 2025a) • TSA (Statistics New Zealand, 2024)
Withholding tax	384[16]	June 2024	• TSA (Statistics New Zealand, 2024) • The Treasury, 2025b, p. 65
Immigration – visa application fees	255	June 2023	Palmer, 2024
Border clearance levy and customs charges	243	June 2024	Biosecurity New Zealand & New Zealand Customs Service, 2025
Civil Aviation Authority – passenger levies	184[17]	June 2024	Civil Aviation Authority, 2025, p. 97

[10] Other category comprises of International Visitor Levy (IVL), customs and excise duty on alcohol and tobacco products, DOC, gambling taxes, and customs duty on other imported goods (see detailed breakdown in Table below).
[11] Upper estimate is calculated using the number of people directly employed in tourism as a percentage of the total number of people employed from the TSA, and total individual taxes in the Government Financial Statements reported by Treasury.
[12] Upper estimate is GST paid by tourists from the TSA.
[13] See Section 3.2.
[14] Calculated using the product ratio for 'Retail sales – fuel and other automotive products' from the TSA, and petroleum fuel excise, motor vehicle fees and road and track user charges from the Government Financial Statements reported by Treasury.
[15] See Section 3.2.
[16] Calculated using the number of people directly employed in tourism as a percentage of the total number of people employed from the TSA, and total withholding tax in the Government Financial Statements reported by Treasury.
[17] Total safety and security levies revenue.

Revenue source	Value ($/millions)	Year ending	Source(s)
International Visitor Levy (IVL)	146[18]	June 2025	Ministry of Business, Innovation and Employment, n.d.-b
Customs and excise duty on alcohol and tobacco products	81[19]	June 2024	The Treasury, 2025b, p. 65
Department of Conservation	30	June 2025	Internal data provided by DOC
Gambling taxes	25[20]	June 2024	• TSA (Statistics New Zealand, 2024) • The Treasury, 2025b, p. 65
Customs duty on other imported goods	17[21]	June 2024	• TSA (Statistics New Zealand, 2024) • The Treasury, 2025b, p. 65
Total	**10,517**	**Mixed**	**Various**

Table 10: Tourism-related central government annual expenditure

Expenditure source	Value ($/millions)	Year ending	Source
Transport	570[22]	June 2024	• AES (Statistics New Zealand, 2025a) • TSA (Statistics New Zealand, 2024)
Immigration – visa processing fees	227	June 2023	Palmer, 2024
Civil Aviation Authority	184[23]	June 2024	Civil Aviation Authority, 2025, p. 97
Customs and Biosecurity	160	June 2024	Biosecurity New Zealand & New Zealand Customs Service, 2025
Tourism New Zealand	111	June 2024	The Treasury, 2025a
DOC	99[24]	June 2025	Internal data provided by DOC

[18] Note that The IVL was raised by $65 per person for most international visitors from 1 October 2024, with MBIE previously estimating that the additional IVL revenue will raise between $127 and $173 million annually (LGNZ, 2025).
[19] Calculated using the product ratio for 'Gambling services' from the TSA, and gaming duties from the Government Financial Statements reported by Treasury.
[20] Calculated using the product ratio for 'Retail sales – alcohol, food, and beverages' from the TSA, and taxes on tobacco and alcohol from the Government Financial Statements reported by Treasury.
[21] Calculated using the proportion of imports sold directly to tourists relative to total imports from the TSA, and total customs duty in the Government Financial Statements reported by Treasury.
[22] Tourism-attributable transport expenditure is assumed to be equal to the tourism-attributable revenue received from petroleum fuel excise, motor vehicle fees and road and track user charges from the Government Financial Statements reported by Treasury.
[23] Total expenses are marginally higher than total revenue in each year (Civil Aviation Authority, 2025, p. 88), however it is difficult to attribute specific expense items to tourism, therefore we assumed tourism-attributed expenditure is equal to total safety and securities levies revenue.
[24] $74 million of direct operational expenditure on recreational opportunities output (visitor experiences) and $25 million on visitor network capital expenditure.

Expenditure source	Value ($/millions)	Year ending	Source
MBIE	51	June 2024	The Treasury, 2025a
Total	**1,402**	**Mixed**	**Various**

Further detail on the breakdown of key components of central government expenditure is set out in Appendix A.

As noted above, Kānoa funding is excluded in the annual totals above as information is not available on annual amounts. However, below we show that across funds it manages, Kānoa has approved/funded 456 tourism projects and will provide $697 million in funding to these, creating an additional 5,140 jobs.

Figure 14: Tourism-related funding from Kānoa-managed funding sources

Funding source	Contracted, paid, approved, or forecast totals	Number of projects	Total jobs
COVID-19: Infrastructure Investment	$130,858,000	16	916
Provincial Growth Fund	$426,883,298	354	4,214
Regional Growth Initiatives (2016-2021)	$220,000	3	
Regional Investment Opportunities (New Zealand Upgrade Programme)	$7,600,000	1	10
Regional Strategic Partnership Fund	$26,350,000	8	
Strategic Tourism Assets Protection Programme	$105,455,006	74	
Total	**$697,366,304**	**456**	**5,140**

Source: (Ministry of Business, Innovation and Employment, 2024)

3.3.2 Estimating central government inflows and outflows by industry

This section outlines the analytical framework used to estimate the government's net fiscal position associated with tourism-related industries. The approach combines the TSA, AES, and supplementary tax and labour data to quantify both government outflows (support provided to industry) and government inflows (tax revenues attributable to tourism).

Methodology

The objective is to measure how the government's fiscal resources flow into tourism-related industries (via grants and subsidies) and back to government (via corporate income tax, pay as you earn (PAYE), and GST). The approach is summarised in four steps below:

1. Define the relevant industries using TSA tourism industry ratios.
2. Concord AES industry categories to TSA industry categories to ensure consistent measurement.
3. Estimate government outflows to industry using government funding, grants and subsidies data from the AES, weighted by TSA tourism industry ratios.

4. Estimate government inflows from industry by modelling corporate tax, PAYE, GST and indirect taxes attributable to tourism activity.

A full breakdown of the methodology is provided in Appendix B.

Net inflows to central government from tourism industries totalled $4.5 billion in 2023

The table below shows the central government inflows and outflows for each relevant industry in 2023, broken down by the components outlined above.

Table 11: Central government inflows and outflows by industry, 2023 ($ millions)

Industry	Inflows				Outflows	Net inflows
	Corporate tax	PAYE	GST	Indirect taxes	Government funding	
Accommodation	99.3	97.1	293.1	43.7	3.8	529.4
Food and beverage services	64.1	254	504.7	16.1	3.1	835.8
Rental and hiring services	81.7	31.4	203.3	10.4	0.8	325.9
Retail trade	166.8	300.9	237.4	29.3	4	730.4
Total transport	163.6	300	1,297.6	157.4	205.7	1,712.9
Arts and recreation services	48.6	40.1	N/A	204	N/A	292.7*
Education and training	6.8	26.9	N/A	24	N/A	57.7*
Total	**631**	**1,050.4**	**2,536**	**484.8**	**217.4**	**4,484.8**

Source: AES and TSA; *does not differentiate between sales and government funding, therefore only central government inflows (excluding GST) are shown.

Breakdowns of each industry annually from 2013 to 2023 are provided in Appendix C.

Across all five industries, government inflows, corporate tax, PAYE, GST, and other indirect taxes far exceed government outflows such as funding, grants, and subsidies. This indicates that each industry delivers a strong net positive fiscal return to central government.

These figures capture only private sector activity, because the AES dataset primarily covers private businesses. The TSA includes both public and private contributions, so it presents a more complete picture. As a result, the numbers here reflect only part of central government's fiscal relationship with tourism, limited to the private sector component.

3.4 Local government

Local government is a notable component of New Zealand's tourism funding system. Councils contribute through direct funding of RTOs, investment in infrastructure (e.g., roads, public amenities), and support for cultural and recreational activities. Funding sources include general and targeted rates, subsidies and grants, fees and charges, investment income, and fines. However, as noted below, following discussions with Statistics New Zealand we note that it is not possible to confidently estimate the tourism component of local government funding flows across all of local government without further research. Nonetheless, we provide what insights are possible within our scope of work.

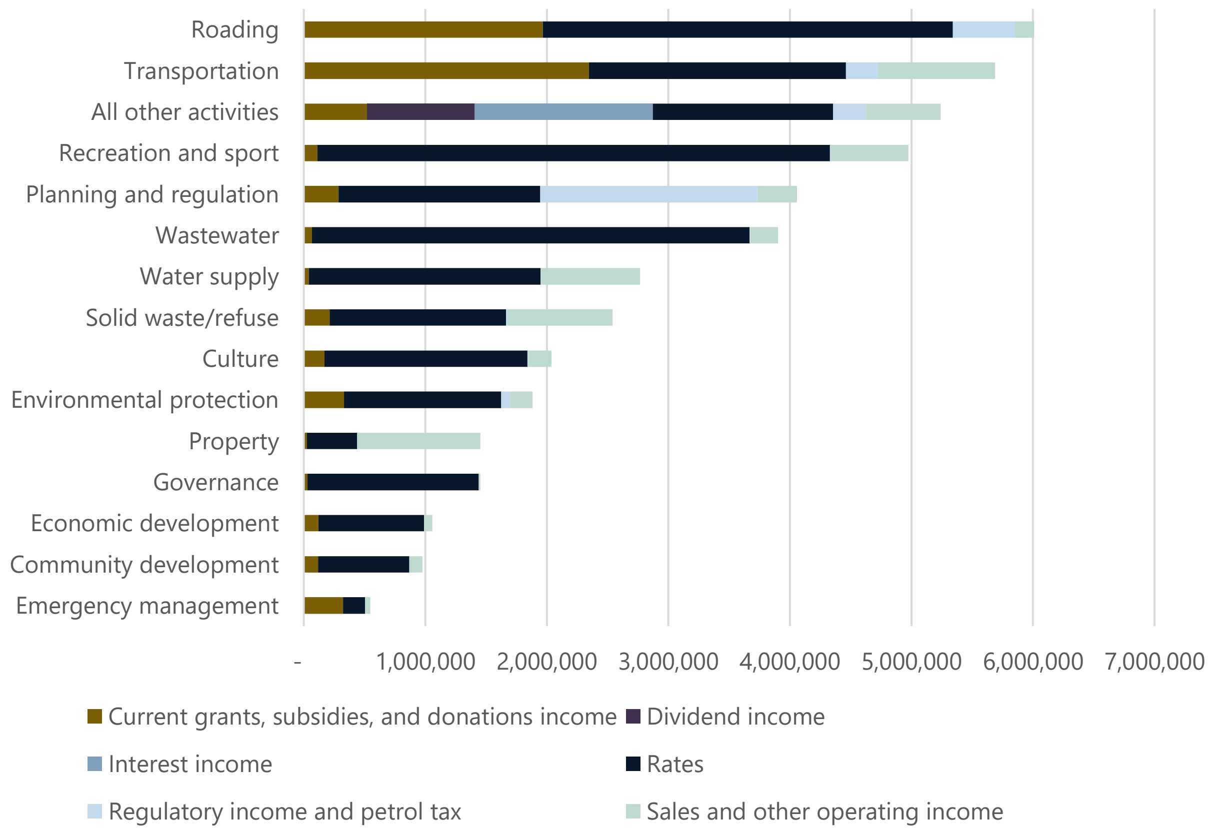
3.4.1 The funding of local government services varies

Figure 15 shows the total spending across local authorities in the year to June 2024 by category of activity and funding source for each. Key points of note include that:

- rates are used to fund a portion of each activity and, generally to a lesser extent, sales and other operating income, which we expect will pick up user charges
- roading and transport are the largest components with significant portions of grants, subsidies and donation income, which will represent central government co-funding through the National Land Transport Fund
- regulatory income and petrol tax contribute to some of the most significant areas of spending
- there is a large component of "other activities" for which dividend and interest income contribute to (while they do not to areas specifically identified).

Further detail on funding and expenditure across individual TAs is set out in Appendix E.

Figure 15: Local government spending by category and funding source, Year to June 2024



Source: Statistics New Zealand Local Authority Financial Statistics – Year ended June 2024, (Statistics New Zealand, 2025b)

3.4.2 There are significant challenges in apportioning revenue and expenditure to tourism at the local level

Apportioning TA revenue and expenditure to tourism is challenging, mainly due to an absence of data, difficulties in distinguishing between local tourists, international tourists, and domestic consumption, as well is regional variances in how revenue is generated and spent. Additionally, revenue and expenditure data is often reported at a level that does not isolate tourism, since it is not the sole driver of the expenditure.

Previous work (Deloitte, 2018) has taken a case study approach to estimating revenue and expenditure attributable to international tourists. Their findings indicated that:

- council expenditure has the potential to exceed revenue attributable to international tourists
- there are significant variations in the proportions of total council revenue which comprise of tourist-related revenue.

Table 12: Revenue and expenditure attributable to international tourists ($ millions)

Local government agency	Revenue attributable to international tourists	Expenditure attributable to international tourists
Southland District Council	14.2 - 15.5	15.4 - 17
Nelson City Council	5.7 - 6.5	6.3 - 7.2
Auckland Council	93 - 103	133 - 137

Source: (Deloitte, 2018)

The variation in revenue and expenditure across TAs means that results from a sample cannot be reliably extrapolated to represent total TA revenue and expenditure, though extrapolation may give a sense of potential scale (hence the following box).

Illustrative estimate of territorial revenue and expenditure associated with tourism: potentially in the order of $1.4 billion and $2.3 billion

Drawing on a small prior sample (Deloitte, 2018), total tourism revenue could be in the order of $1.4 billion relative to potential revenue in the order of $2.3 billion (with significant potential error margins).

These illustrative ballpark estimates extrapolate from a small sample to a wider population that might have different characteristics

We arrive at this ballpark estimate by drawing on previous work (Deloitte, 2018), which, through a case study approach with three territorial authorities[25] in New Zealand, sought to estimate revenue/expenditure attributable to international tourists. Our approach to extrapolate from this is as follows:

- We first calculate the share of total revenue/expenditure attributable to international tourists by dividing international-tourism revenue in each of the three TA case studies by the corresponding total TA revenue/expenditure.
- We then produce a weighted average based on each TA's revenue/expenditure and its proportion attributable to international tourism.
- This weighted average is applied to total TA revenue/expenditure nationwide to estimate the international tourism component at a national level.
- To incorporate domestic tourism, we used a simple multiplier reflecting the 2023 domestic–international expenditure split.
- This process results in an estimated $1.4 billion of revenue and $2.3 billion of TA expenditure attributable to all tourists across New Zealand's TAs.

Limitations mean caution is needed not to place significance to estimates beyond their intended ballpark indications

We have not presented these ballpark estimates as headline figures given the uncertainty, and we caution placing significance as point estimates as:

1) the portions attributed to tourism varied from around 2 per cent in Auckland to around 20 per cent in Southland

2) this is only using information from three sources, and these portions may:

   i) not be robust (given they were attributed estimates)

   ii) have changed over time

   ii) not be representative of the wider set of councils. For instance, there is nothing to suggest that the percentages for other councils could not fall further outside the range observed in the three examples. Auckland also has a greater weighting in those examples than would apply nationally, meaning it is over-represented in the estimate. As both a unitary authority and a council with a much larger resident population, Auckland may not be widely representative of typical council circumstances, which in turn affects the percentage estimates.

Further, the weighted average and multiplier used to incorporate domestic tourism are deliberate simplifying assumptions to provide pragmatic ballpark indications. Moreover, this approach does not take into account different revenue-expenditure ratios of different TAs.

The figures should be interpreted as highly indicative estimates that provide context for completeness, rather than definitive measures. They should not be read as implying a level of precision that is simply not possible, as Statistics New Zealand confirmed with us that the information needed to accurately estimate this (or disaggregate the government components of the TSA) is simply not available.

Even the relative amounts may not be tourism-driven

A key observation for both central and local government is that, in areas where overall spending has exceeded available funding, it may appear that tourism is driving higher expenditure than the revenue it generates. However, it is more likely that the difference reflects a broader structural or operating deficit, and that when a share of these costs is attributed to tourism, this underlying deficit is also reflected in the components allocated to tourism. For example, this occurs when central government chooses to fund land transport at levels above the revenue raised through transport charges. For local government, the overall totals show that councils have borrowed to fund spending that exceeds annual revenue, meaning the apparent gap is not solely attributable to tourism.

3.4.3 Local government provides around 78 per cent of RTO income

Local government provides around 78 per cent[26] of RTO income, mainly through general rates (57 per cent) and targeted rates (39 per cent).[27] In FY2024/25, councils collectively contributed $60.5 million[28] to RTOs, with almost all funding directed to core operations rather than one-off projects. Targeted rates are particularly significant in high-profile destinations such as Queenstown, Rotorua, and Wellington, where they often account for more than 90 per cent of council contributions. Smaller regions typically lack targeted rates and rely on general funds, creating sustainability risks and widening investment gaps. These financial and governance connections between TAs and RTOs ensures that tourism strategies align with broader regional development objectives, infrastructure planning, and community outcomes. A detailed breakdown of total RTO council income relative to tourism-related expenditure can be found in Appendix J.

3.5 Private sector and industry bodies

3.5.1 Tourism-attributable income and expenses

Table 13 presents total income and expenses for each tourism-related industry, based on private sector financial data from the AES. To isolate the tourism-related portion, all values are multiplied by the tourism industry ratio for the corresponding TSA industry and year, consistent with the approach used in the inflow-outflow analysis in Section 3.3.2. Total tourism-attributable income is comprised of government funding, interest, dividends and donations, sales and other income. Total tourism-attributable expenses are comprised of depreciation, indirect taxes, interest and donations, purchases

[25] Southland District Council, Nelson City Council, and Auckland Council.
[26] This proportion excludes i-SITE operations (MartinJenkins, 2025).
[27] In some cases, the income from targeted rates, general rates, and other income sources do not equal the total reported council income, likely due to complexity in attributing income to RTO functions by source (MartinJenkins, 2025).
[28] Note that this figure used Trust Tairāwhiti Limited's reported expenditure for these calculations ($1.168 million) rather than the figures in (MartinJenkins, 2025).

and other expenses, and salaries. A detailed breakdown by component and year for each industry is provided in Appendix D.

Table 13: Tourism-attributable income and expenses by industry, 2023 ($ millions)

Industry	Total tourism-attributable income	Total tourism-attributable expenditure	Net tourism-attributable income
Accommodation	2,309.8	1,960.8	349
Food and beverage services	4,656.2	4,433.9	222.3
Rental and hiring services	1,478.1	1,187.2	291
Retail trade	12,189.1	11,637.2	551.9
Total transport	9,124	7,247.1	1,876.9
Arts and recreation services	1,067.3	895.3	172
Education and training	323.2	299	24.2
Total	**31,148**	**27,661**	**3,487**

3.5.2 Industry associations

The New Zealand tourism sector is diverse and represented by more than 20 industry associations, each with its own membership structure and fee model. Membership fees range from as little as $50 for an individual YoungTEC member to as much as $65,930 for large corporate members of Tourism Industry Aotearoa (TIA).

Based on available data, these associations collectively generate over $10 million in total annual revenue, with more than $5 million in membership revenue (noting this excludes several associations that do not disclose financial information). The largest estimated contributors include the Restaurant Association of New Zealand, which may generate between $0.76 million and $2.14 million in membership revenue (estimate) from over 2,500 members; Hotel Council Aotearoa (HCA), with an estimated $0.39 million to $1.68 million from over 240 members; Hospitality New Zealand, with $1.63 million from approximately 2,500 members; and TIA, with $1.47 million from 1,225 members. When considering total revenue, Hospitality New Zealand leads with $4.32 million, followed by TIA with $3.57 million, and Business Events Industry Aotearoa with $1.2 million.

Membership numbers vary significantly, from larger associations such as Hospitality New Zealand and the Restaurant Association of New Zealand (around 2,500 members each) and TIA (1,225 members) to smaller groups like Backpacker Youth and Adventure Tourism Association (BYATA, 140+ members) and HCA (240+ members), where members tend to be larger businesses. Other small associations include Boutique Hotels Association, Accommodation Association, and Ski Areas Association of New Zealand.

Despite this spread of associations there are some signs of coordination/consolidation, such as the TIA-HCA joint membership arrangement introduced on 1 July 2024 to streamline hotel sector advocacy. Many businesses and organisations belong to multiple industry associations, and local government membership or funding, either directly or indirectly, are significant components of funding for several associations.

Further information on industry association fees, revenues, expenses and membership numbers is set out in Appendix F.

3.6 Users (visitors)

The sections above set out broader visitor spending, the revenues raised from the charges they face, and the industries in which this spending occurs. The following section then outlines the geographic distribution of international and domestic tourist expenditure across New Zealand. Here, we provide a snapshot of the different fees paid by international visitors to various stakeholders, and quantify these components where possible in Table 14. We note that visitors arriving by cruise ship face a different set of charges. For air travellers, the total charges paid range from $51 to $492, with the most significant components being the immigration visa fee ($300) and the International Visitor Levy ($100), where these apply. These represent only the charges associated with entering New Zealand, and a range of other user charges will apply throughout both domestic and international visits.

Table 14: Visitor-related costs for air travel

Name of charge	Australian resident or citizen traveller	New Zealand electronic Travel Advisory (NZeTA) traveller	Visitor Visa traveller
NZeTA (mobile app)	-	$17.00	-
IVL	-	$100.00	$100.00
Customs Border Processing Levy (arrival) (excluding GST)	$14.17	$14.17	$14.17
Customs Border Processing Levy (departure) (excluding GST)	$3.45	$3.45	$3.45
Ministry for Primary Industries Biosecurity Services Levy (arrival) (excluding GST)	$16.92	$16.92	$16.92
Civil Aviation Authority (CAA) International Passenger Security Levy (excluding GST)	$15.09	$15.09	$15.09
CAA International Passenger Safety Levy (excluding GST)	$1.60	$1.60	$1.60
Immigration Visa Fee	-	-	$300.00
Immigration Levy	-	-	$41.00
Total	**$51.23**	**$168.23**	**$492.23**

Source: (MBIE, 2024), incorporating decision to set IVL at $100.

Prior work has also found that the average daily spend by visitors is two to three times that of a resident, as shown below.

Table 15: Daily spending by residents and local and international visitors

Local residents	Domestic visitors	International visitors
$74 per day	$155 per day (2.1x)	$232 per day (3.1x)

Source: (Fresh Info, 2020)

4. Impacts of tourism

This section presents data and insight on the impact of tourism. We restrict our attention to the economic impact, expressed in terms commonly understood and accepted, such as employment and value added (which GDP is a well-known measure of at national and regional levels).

4.1 Economic impacts are 'demand' side-driven and operate indirectly

While it is important to understand funding flows, particularly those relating to central and local government, this analysis necessarily focuses on tourism expenditure by domestic and international visitors. This focus is driven by the structure of the TSA, the major source of tourism impact data. Here we outline some considerations for our analysis:

- **Tourism is not a single industry sector:**
    - A visitor engages multiple sectors during a visit (banking, retail, transport, entertainment, dining, etc.).
    - These sectors also serve non-visitors, so a supply-side approach does not fully capture tourism activity.
- **The TSA methodology:**
    - focuses on tourism-related consumption, rather than production
    - identifies purchases caused by visitors (domestic or international) to estimate tourism economic activity.
- **Implications for funding and analysis:**
    - TSA-based analysis does not measure tourism funding impacts directly, only expenditure.
    - Assessing the effects of funding flows is indirect, assuming funding is intended to stimulate tourism spending.
    - There is no fixed proportion of supply-side inputs, so sub-component contributions (e.g., transport, accommodation) can change year-to-year with spending patterns.
    - This makes it difficult for decisionmakers to guarantee specific outcomes from funding reallocations, as corresponding changes in expenditure must occur to achieve the intended impact.

4.2 Expenditure and value added

This section outlines where visitor spending occurs and how it converts into GDP, providing the foundation for understanding tourism's direct and indirect economic impacts across the wider New Zealand economy. In 2023, tourism made direct economic contributions of $14.7 billion to New Zealand's GDP.

4.2.1 Total tourism expenditure in 2023 was $38.8 billion

This $38.8 billion comprised of domestic tourism expenditure of $28.2 billion:

- household spending of $21.5 billion,
- business spending of $4.7 billion
- government (local and central) spending of $1.9 billion.

The remaining $10.6 billion of expenditure relates to international tourism expenditure. A breakdown of international tourist areas of expenditure is found in Appendix G.

4.2.2 The regional distribution of tourism spending varies markedly between international and domestic travellers

Looking at where visitors travel, we note that:

- international expenditure is heavily concentrated in Auckland, Christchurch, and Queenstown. Although Christchurch receives slightly more international arrivals than Queenstown, Otago records higher international spending.
- domestic spending is more evenly spread across the country. Auckland receives the most spending from both groups, but regional rankings differ. Waikato is second for domestic spend but fifth for international, while Otago is second for international spend but fourth for domestic.

Detailed breakdowns of tourism expenditure by region are found in Appendix G.

4.2.3 There is variation by origin of international visitor

Visitors from Europe and Australia tend to be less concentrated in Auckland, and more distributed across the country. Visitors from Oceania (excluding Australia) have a high concentration of spend in Auckland. Furthermore, expenditure patterns and visit purposes provide the following insights:

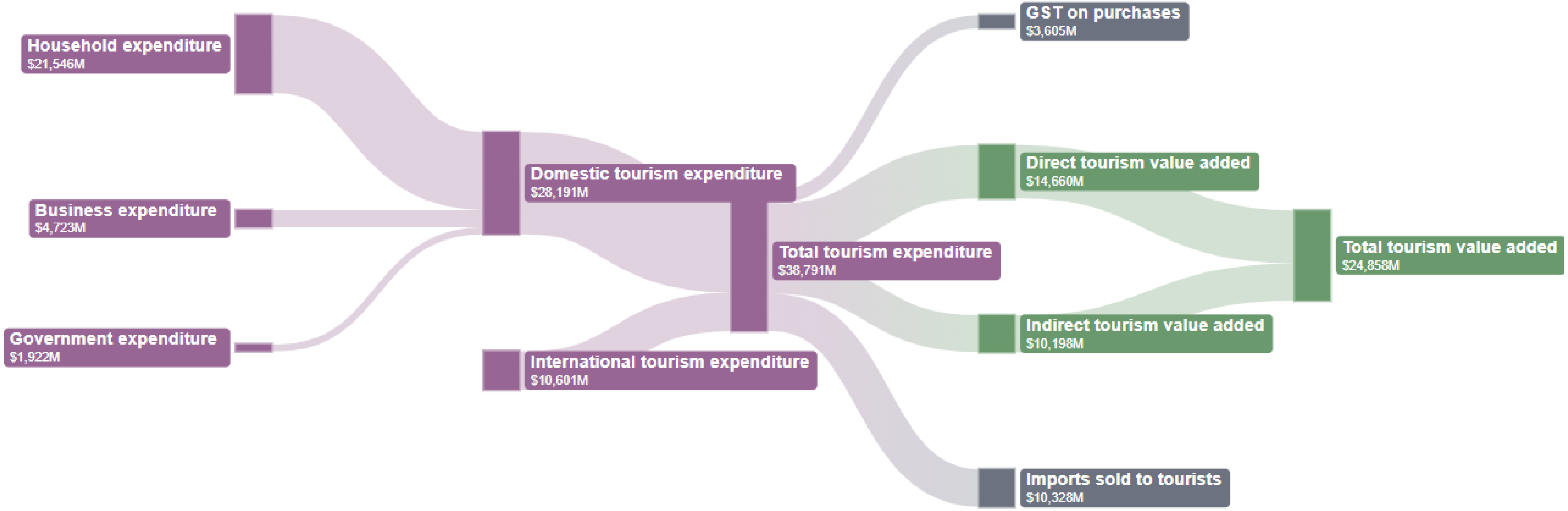
- International visitors whose main purpose of visit is holiday/vacation spend the most in total.
- Those coming for education and other purposes spend more per person.
- Accommodation is an area of high expenditure across all purposes of visit.
- For those visiting friends/relatives, accommodation spend is relatively low.
- Food and beverages (both retail and services) are major areas of on-the-ground expenditure.
- Car rental, entertainment and tour packages are relatively high components of those coming for a holiday/vacation.

We understand that a significant percentage of visitors from Australia are New Zealand passport holders visiting friends and relatives who may be more likely to visit over summer, go to population centres, and spend less on accommodation.

4.2.4 Direct value added of $14.7 billion, and a further $10.2 billion indirectly

Direct economic contributions to New Zealand's GDP amounted to $14.7 billion, reflecting the value generated directly within tourism-characteristic industries. Indirect tourism value added—the contribution from upstream suppliers and supporting industries—was $10.2 billion, demonstrating the spillover effects of tourism spending into the wider economy. Furthermore, imports sold to tourists accounted for $10.3 billion and GST collected on tourism-related purchases amounted to $3.6 billion as shown in Figure 16.

Figure 16: Tourism expenditure and national economic impacts (2023)



Purple: Expenditure flows; **Green:** Value added; **Grey:** Non-value adding funding flows

Source: TSA and Sapere analysis

4.2.5 Tourism's direct economic impact is around 3 to 5 per cent of GDP across both metropolitan and non-metropolitan groups

Between 2019 and 2024, tourism contributed between 3 to 5 per cent of New Zealand's total economic output

We note the following:

- At this scale (3 to 5 per cent of GDP), tourism's performance matters not only for businesses directly serving visitors, but also for the many industries that rely on tourism-driven activity.
- The national and metropolitan shares of tourism's contribution to GDP are closely aligned, indicating that tourism activity is distributed across both urban and regional areas.
- Additionally, because tourism is a demand-facing sector, changes in visitor volumes translate quickly into shifts in employment, regional incomes, and business sustainability.

Table 16: Tourism contributions to GDP (2019 to 2024)

	2019	2020	2021	2022	2023	2024
Tourism (whole of New Zealand)	5.2	5.0	3.1	2.9	3.7	4.1
Tourism (metro New Zealand only)	5.5	5.2	2.8	2.7	3.7	4.1

Source: Infometrics and Sapere analysis

Tourism contributes a meaningful share of New Zealand's employment landscape

In relation to employment, we note the following:

- Prior to COVID in 2019, tourism contributed over 8 per cent employment in metropolitan New Zealand (8.7 per cent) and the whole of New Zealand (8.6 per cent).
- The closure of the border post-2019 triggered a significant reduction in tourism employment.
- Although a recovery appears to be underway, tourism's share of employment remains below pre-COVID levels.
- Again, the national and metropolitan shares of tourism's contribution to employment are similar, indicating distribution across urban and regional areas.

Table 17: Tourism share of employment (2019 to 2024)

	2019	2020	2021	2022	2023	2024
Tourism (whole of New Zealand)	8.6	8.5	5.5	4.8	5.9	5.9
Tourism (metro New Zealand only)	8.7	8.4	4.7	4.3	5.7	5.7

Source: Infometrics and Sapere analysis

4.2.6 Tourism has remained reasonably well integrated with other sectors of the economy for the last 20 years or so

The tourism sector multiplier measures how much economic activity is generated in the wider economy for every dollar of direct tourist spending.[29] The tourism sector multiplier has remained mostly stable for the past 25 years, ranging from 1.67 to 1.91. At the same time, indirect tourism value added—the value created in supplier industries upstream of tourism—has also remained stable. Indirect tourism value added has ranged from around 39 per cent to 45 per cent of total value added.

Tourism appears to have generated consistent flow-on activity in upstream industries, such as food production, retail, transport, utilities, manufacturing, and others. The consistency in the sector's multiplier points towards structural stability in how tourism integrates with the wider economy. There is no evidence of increasing productivity or deepening of supply chain linkages, nor evidence of significant erosion, at least since the early 2000s.

4.2.7 However, depth of linkages with the rest of the economy are variable between types of tourism business

In 2023, the total value of supply from all other industries, i.e. non-tourism businesses, to those in tourism was around $12.8 billion, signalling tourism's level of integration with the wider economy. However, the degree of integration varies depending on the tourism product.

Table 18: Tourism product supply from all other industries (2023) ($ millions)

Product	Total tourism supply	Component of this supply from all other industries[30]
Accommodation services	3,282	550
Food and beverage serving services	4,027	407
Air passenger transport	5,476	87
Other passenger transport	2,958	227
Imputed rental on holiday homes	1,013	1,013
Cultural, recreation, travel, and tour services	2,114	103
Retail sales – alcohol, food, and beverages	2,399	1,590
Retail sales – fuel and other automotive products	2,210	339
Retail sales – other	7,246	4,275
Education services	1,031	1,026
Other tourism products	3,431	3,141
Total tourism supply of products	35,187	12,758

Source: TSA and Sapere analysis

[29] It captures the immediate and flow-on effects as money circulates through suppliers, workers' wages, and further rounds of spending.
[30] The goods and services that tourists consume which are *not* produced by tourism-characteristic industries, but by the wider economy.

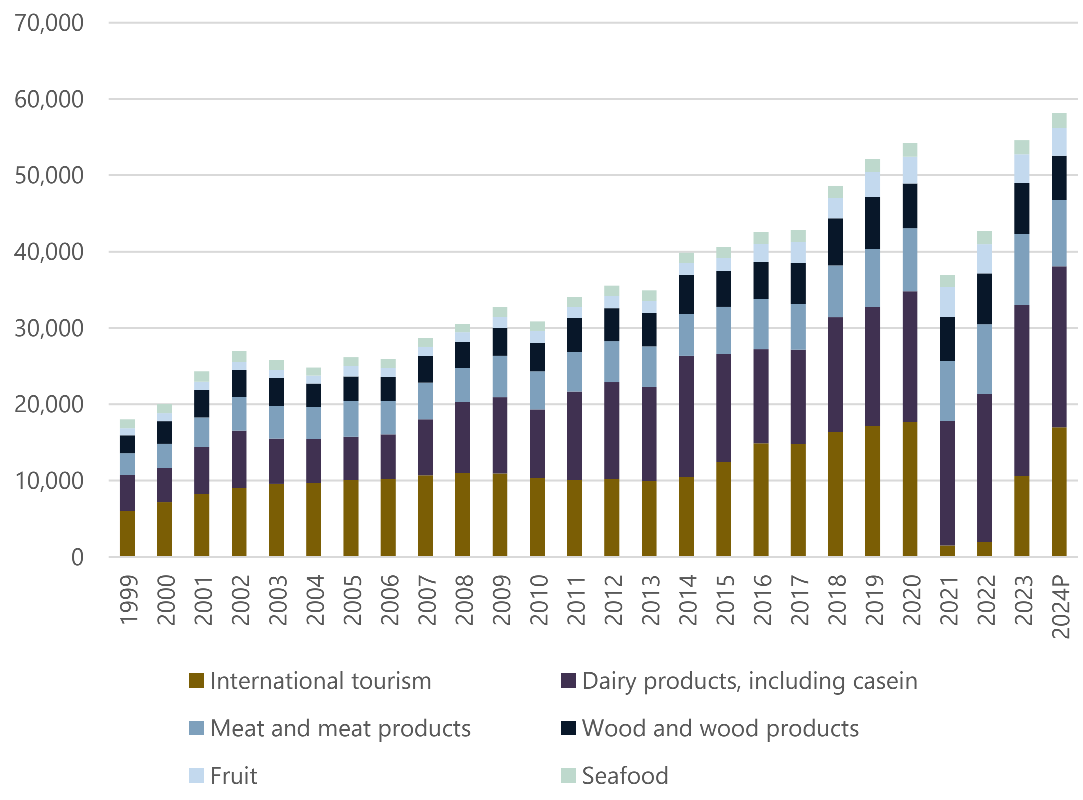
We note the following:

- Tourism relies heavily on the wider economy, with 36 per cent of total tourism supply coming from non-tourism industries.
- Core tourism activities, accommodation, food and beverage, and air transport show low reliance on other industries (2 to 17 per cent), indicating these sectors are highly specialised and directly tied to tourism demand.
- Retail categories contribute significantly, with up to 66 per cent of supply coming from non-tourism industries, demonstrating how tourism activity depends on general retail infrastructure rather than tourism-specific providers.
- Some products (e.g., holiday homes and education services) are entirely supplied by other industries (100 per cent), underscoring the broad cross-sector spillovers of tourism demand into non-tourism domains.

4.2.8 International tourism is a leading export earner

Export data shows that prior to COVID-19, international tourism was consistently one of New Zealand's largest export sectors, contributing around one-fifth of total export earnings, and rivalling dairy and other primary sector exports in economic significance.

Figure 17: Export values by sector (1999 to 2024) ($ millions)



Source: TSA and Sapere analysis

Tourism has comprised about 20 per cent of New Zealand's exports over the last twenty years, excluding the COVID-19 years. The consistency of tourism during ordinary times means it has been able to:

- provide a predictable flow of foreign exchange
- help stabilise New Zealand's current account, and
- help reduce reliance on volatility in commodity markets.

That said, the 2021 collapse of international tourism demonstrates that tourism is stable, until it is suddenly not.

4.2.9 Post-COVID employment recovery signals tourism's employment impacts on other parts of the economy

TSA data shows a strong and broad-based recovery in tourism employment, with some notable points about the employment impacts in adjacent sectors, such as retail:

- **Rapid labour market recovery:** direct tourism employment has grown from 129,066 people in 2022 to 182,727 in the 2024 projection—a 42 per cent increase in just two years—signalling tourism's renewed role in national job creation.
- **Spillovers into non-tourism industries:** in the 2024 projection, more than 34,900 tourism jobs (up from 28,326 jobs in 2022) were in industries not traditionally considered tourism-related, such as general services and support functions. This equates to around one-fifth of all direct tourism employment, highlighting the wide economic footprint of visitor spending.
- **Dominance of food, beverage, and retail:** food and beverage services and retail trade together account for over 70,000 tourism jobs in the 2024 projection (up from around 57,000 jobs in 2022), or nearly 40 per cent of all direct employment. Tourism therefore supports a significant share of everyday service-sector activity, beyond the core tourism industries.

4.2.10 The structure of tourism employment has potential implications for how it contributes to economic performance

Tourism's employment composition differs noticeably from the wider New Zealand economy:

- **Tourism drives broad-based household income:** working proprietors account for only 13 per cent of tourism employment, compared with around 17 per cent economy wide. This means a larger share of tourism's value flows through wages paid to employees, spreading income more widely across households and regions rather than concentrating it among owner-operators.
- **Tourism's economic contribution is strongly wage-led:** because tourism relies more on employees than self-employed proprietors, its economic impacts are transmitted mainly through labour income, which feeds directly into domestic consumption.
- **Employment intensity likely amplifies tourism's multiplier effects:** tourism businesses, especially accommodation, hospitality, retail, and transport, require sizeable operational workforces. This labour-intensive structure means that increases in visitor demand translate

quickly into job creation, boosting regional economies and generating secondary economic activity through household spending.

- **Tourism's recovery is accelerating economic activity:** between 2022 and the 2024 projection, tourism employees grew by 44 per cent, outpacing the general labour market. This rapid re-employment drives significant flow-on impacts into local services, supply chains, and consumer markets, supporting broader economic momentum during the post-COVID recovery.
- **Lower proprietor presence could indicate more stable and formal economic activity:** fewer working proprietors and more employees could signal larger, more structured businesses and more predictable economic flows (regular payrolls, tax contributions, and compliance), reinforcing tourism's role as a stable contributor to economic output.

4.2.11 Tourism-characteristic sectors appear less profitable than industry more generally, with some exceptions

Available data on profitability suggests that in general, tourism businesses operate on relatively lean margins. The TSA regularly reports on a measure of profitability for tourism and related industries. The most recent data is for the year ended March 2023. Table 19 shows that profitability for tourism-characteristic industries is on average lower than both total industry profitability and non-tourism-related industries.

Rental and hiring services, accommodation, other transport, transport support, and travel and tour services were, however, at or above the average profitability for tourism-related industries and for total industry profitability over time. Moreover, these industries did not appear to experience a negative impact on profitability during the COVID period, noting that central government support during this time may have contributed to this outcome. Air transport, on the other hand, experienced a significant decline in profitability in the March 2021 and 2022 years.[31]

This data suggests that the relatively stable relationship between tourism demand and the rest of the economy provides noticeable benefit outside of tourism.

Table 19: Tourism profitability by industry (gross operating surplus and mixed income as a share of total tourism output, %)

Product	2019	2020	2021	2022	2023
Tourism-characteristic industries					
Accommodation	25.3	25.6	25.1	29.0	26.8
Food and beverage services	12.6	15.8	14.8	20.5	14.9
Road, rail, and water transport	14.7	15.9	18.4	18.3	17.1
Air and space transport	9.2	7.3	-4.3	-6.3	12.5
Other transport, transport support, and travel and tour services	26.3	23.1	21.1	24.2	25.9
Rental and hiring services	42.8	42.3	42.3	46.1	44.2
Arts and recreation services	19.6	19.1	20.9	18.8	17.2

[31] Note that the profitability figures are percentages. Therefore, the same percentage figure could be obtained from a lower total out figure.

Product	2019	2020	2021	2022	2023
Total tourism-characteristic industries	**18.1**	**18.1**	**18.2**	**20.1**	**19.6**
Tourism-related industries					
Retail trade	23.1	23.3	30.5	29.4	25.1
Education and training	16.9	17.9	21.5	21.7	20.1
All non-tourism-related industries	25.0	26.1	27.1	26.5	28.5
Total industry	**20.6**	**21.0**	**23.1**	**23.8**	**22.7**

4.2.12 Impacts from tourism-related investment

This section summarises evidence on the impacts of government tourism funding beyond headline economic figures. It illustrates how investment translates into tangible outcomes, such as regional development, job creation, visitor growth, and improved infrastructure, rather than simply reporting expenditure. The aim is to show the breadth of benefits these initiatives deliver for communities, businesses, and New Zealand's tourism reputation.

Use of public conservation land and waters

DOC estimated that the value added from tourism on public conservation land and waters (PCLW) was $3.4 billion between 2019/20 and 2022/23 with around 2,000 tourism concessions on PCLW (Department of Conservation, n.d.).

Regional development and jobs

Evaluations of the Provincial Growth Fund (part of which went to tourism projects as discussed in section 3.3) have provided estimates of benefits to particular areas (and sectors), including in regions like:

- Te Tai Tokerau (Northland) (BERL, 2023):[32]
    - $797 million in Kānoa loans and grants since 2017 generated $1.19 billion in economic activity and added $519.8 million to GDP, supporting 5,571 full-time equivalent (FTE) jobs.
    - Every $213,200 invested supported one direct FTE, more cost-effective than similar past projects.
    - Funding provided critical employment during COVID-19, helping mitigate economic downturn impacts.
- Gisborne (BERL, 2022):
    - Provincial Growth Fund investments made when the evaluation was undertaken in 2022 were estimated to have created 1,500 FTE jobs in the region and increased regional GDP by $17 million per annum.

[32] Not all Kānoa funding is allocated to tourism. As such, not all impacts shown here can be attributed to tourism. These figures are intended to be indicative only.

Visitor growth marketing

- Tourism New Zealand partnerships drove 16,000 incremental bookings in 2023/24 from a $1.8 million investment.
- Paid campaigns influenced 867,000 potential arrivals, with 122,738 visitors tracked using newzealand.com during their trip (Tourism New Zealand, 2023).

Infrastructure and community impacts

- The Tourism Infrastructure Fund (TIF) invested $106 million (plus council co-funding) in 333 projects, easing pressure on high-visitor regions.
- Projects focused on toilets, parking, water/wastewater systems and access routes, facilities that maintain community support and improve visitor experience.
- Benefits include reduced congestion and environmental impacts, plus spillover gains like accessibility and civic pride.
- Economic impacts occur through longer visitor stays, repeat visits, and greater destination capacity, though ongoing maintenance costs remain a challenge (Allen and Clarke, n.d.).

Great Rides

A recent evaluation of the Great Rides estimated that:

- 1,333,755 visitors were attributed to the Great Rides with an estimated expenditure of $1.28 billion (72 per cent domestic visitors, 28 per cent international)
- $696 million of health benefits resulted from trail use by New Zealanders
- 397,530 native trees/bushes were planted by trail managers, 2,671 traps laid for pests, and 118km of waterways fenced (Angus & Associates, 2025a).

4.2.13 Other potential impacts need to be acknowledged

Given our scope and for reasons of tractability and measurability, we have focused mainly on the economic impacts of tourism. Tourism clearly generates substantial economic activity from both domestic demand and international visitors. However, these benefits can be accompanied by downsides:

- Concerns have been raised, particularly in recent years, about the impacts of international tourism on New Zealand's environment, reputation, and resident goodwill (Insch, Andrea, 2020).
- This has contributed to an 'over-tourism' narrative, which questions the sustainability of a model that seeks to maximise international visitor numbers despite pressures on natural and social resources.
- Emerging academic and policy work on over-tourism commonly advocates for managing tourism flows, including potentially capping international arrivals, to better balance costs and benefits (James Higham, Stephen Espiner, Sabine Parry, 2019). Others suggest investment to increase capacity and pricing to align demand with supply.
- New Zealand survey data, though somewhat dated, indicates rising concern about international tourist numbers. Despite this, nine out of 10 New Zealanders still agree that international

tourism is good for the country. However, concerns were expressed about infrastructure capacity to cope with visitor pressures (Kantar TNS, 2017). A more recent survey of domestic visitor satisfaction for TIA also shows high and increased levels of satisfaction across regions visited and net promotion of New Zealand as a holiday destination (though with reduced scores than prior years), with positive comments particularly about the beauty of the scenery and negative comments highlighting price and travel/travel times as potential issues (Angus & Associates, 2025b).

These concerns are not new. Agencies are aware of the need to continue to develop solutions to actual and/or perceived problems to better balance the positive and negative impacts of international tourism, predominantly through destination management plans.[33] The table below provides a summary of other tourism impacts, which may also require consideration in the context of increased inflows of visitors.

Table 20: Other key actual or perceived impacts of tourism

Social impacts	
Crowding	New Zealand has faced increasing pressure from tourism, with visitor numbers placing pressure on infrastructure and causing crowding at high-profile sites such as Milford Sound, Aoraki/Mt Cook, and the Tongariro Crossing. This degrades the visitor experience and can displace local residents, either spatially or temporally, for example, pushing locals onto less accessible tracks or into off-peak periods (Higham, 2019).
Infrastructure pressure	Concentrated tourism flows have put pressure on local infrastructure, leading to concerns over public amenities, traffic congestion, and pressure on accommodation. The cost of addressing these pressures often falls on local ratepayers, prompting some to call for visitor levies or tourism taxes (Higham, 2019).
Social licence	These pressures have raised concerns around tourism's "social licence" in some regional communities, with residents feeling overwhelmed and increasingly aware of its negative social impacts. In contrast, the concept of regenerative tourism prioritises community wellbeing alongside environmental outcomes, treating them as integrated and equal objectives (Pung et al., 2024).
Environmental impacts	
Pollution and waste	Local impacts include physical degradation such as trampling and erosion, along with litter and human waste management, often linked to freedom camping, raising public health risks and concerns about water quality (Pung et al., 2024).
Biosecurity	Tourism can risk disruption to wildlife breeding and feeding patterns, alter animal behaviour, and heighten biosecurity risks through the introduction of alien species or pathogens, such as kauri dieback (Pung et al., 2024). While negative impacts are noted, we also note positive impacts such as the introduction of catch and release fishing which we understand was brought in by international visitors.
Climate change	New Zealand's distance from major markets means international air travel contributes significantly to tourism-related greenhouse gas emissions (Fresh Info, 2020), posing a

[33] Available here.

Social impacts	
	risk to the country's "100% Pure" brand. Tourism's high energy intensity, with significant travel may exacerbate environmental impacts.
Māori and cultural impacts	
Cultural alignment	Māori tourism is grounded in te ao Māori, guided by values such as manaakitanga, which emphasises genuine hospitality and high standards of care for manuhiri, and kaitiakitanga, which prioritises long-term guardianship of whenua and natural resources. Tourism can also support tino rangatiratanga by providing sustainable employment, strengthening whānau-based enterprise, and contributing to cultural revitalisation and community empowerment (BERL, 2025).
Authenticity	Māori cultural tourism prioritises authenticity, with tikanga and pūrākau shared on Māori terms to protect cultural integrity across generations. Historically, this has been undermined by concerns about exploitation and inauthentic representation, where Māori were often confined to performative roles (BERL, 2025).

5. Mixed-use infrastructure

This section looks at the mixed-use infrastructure categories MBIE has identified in relation to:

- the parties responsible for each category and how the infrastructure is funded
- insights on certain tourism usage of infrastructure
- previous indications of mixed-use infrastructure pressures or priorities, and
- additional pressures expected on infrastructure as a result of growth anticipated under the TGR.

5.1 Infrastructure responsibilities

The table below sets outs the responsibilities, funding sources and nature of cost-recovery (if any) for the 21 categories of mixed-use infrastructure that MBIE focuses on for tourism. We highlight the relevant categories that apply to make it easier to view across dimensions. These do not perfectly map to the funding flow categories in aspects of section 3, but we highlight relevant links following the table. There is also no current state analysis we are aware of across these categories, but the Infrastructure Commission has done work looking across infrastructure sectors (some of which we draw on later).

The private sector and local government have considerable roles, with most areas having some degree of cost recovery (though often not fully cost recovered). Key infrastructure categories relate to the following categories where we reported on funding flows:

- **Transport:** where the private sector has tourism-related income of $9.1 billion and net income of $1.9 billion, local government spend of $10.9 billion (across all uses), and central government has revenue and expenses of $570 million relating to roading as well as other border and aviation-related revenue and expenses.
- **Water, wastewater and solid waste/refuse:** where local government spend is $9.2 billion collectively (across all uses).
- **Accommodation:** where the private sector has tourism-related income of $2.3 billion and net income of $349 million.
- **Food and beverage:** where the private sector has tourism-related income of $4.7 billion and net income of $222.3 million.
- **Arts and recreation:** where the private sector has tourism-related income of $1.1 billion and net income of $172 million, and local government has spend of $7 billion on culture, recreation and sport (across all uses).
- **Economic development, community development, and environmental protection:** where local government spend is $1.1 billion, $997 million, and $1.9 billion respectively (across all uses).

Further, Appendix 2 of (New Zealand Infrastructure Commission, 2024a) provides a useful mapping of sector ownership, classifications (including ANZIC codes) and types.

Figure 18: Mixed-use infrastructure category responsibilities and funding

Category (and funding source)	Ownership			Cost recovery status		
	Central Government	Local Government	Private investment	Direct/full	Mixed/ partial	Indirect
International air connectivity Airline revenue; border levies; central government	Yes		Yes	Direct		
Domestic air connectivity Airline revenue; central government subsidies	Yes		Yes	Direct		
Airports and related facilities Airport charges; local and central government support; border levies	Yes	Yes	Yes		Mixed/direct	
Cruise facilities Port charges; local government investment; central government grants	Yes	Yes	Yes		Mixed/ partial	
Road transport NZTA (fuel excise, road user charges); local government	Yes	Yes		Direct for state highways	Mixed/ partial: local government	
Electric vehicles (EV) charging stations Central government concessionary loans; private companies	Yes		Yes		Mixed/ partial	
Public transport NZTA subsidies; local government rates; fare revenue	Yes	Yes			Mixed/ partial	
Carparking Local government; parking fees	Yes	Yes	Yes	Direct for private carparks	Mixed/ partial	
Worker accommodation Private investment			Yes	Direct		

Category (and funding source)	Ownership			Cost recovery status		
	Central Government	Local Government	Private investment	Direct/full	Mixed/ partial	Indirect
Visitor accommodation Private investment			Yes	Direct		
Freedom camping facilities Local government; TIF		Yes	Yes			Indirect/ Partial
Water and sewerage systems Local government		Yes	Yes		Mixed/ partial	
Public toilets Private investment; local government		Yes			Mixed/ partial	
Cafes, restaurants and bars Private business investment			Yes	Direct		
Tourism attractions and activities Businesses and operator investment; DOC; entry fees	Yes		Yes	Direct for private	Mixed/ partial	
Telecommunications Private investment; central government grants	Yes		Yes		Mixed/direct	
Conference facilities Local government funding; private investment; TIF		Yes	Yes		Direct/ mixed	
Events and stadium facilities Local government; event revenue; sponsorships		Yes	Yes			Indirect/ partial
Recreation and sports facilities Local government investment; user fees; TIF		Yes			Mixed/ partial	
Facilities on public conservation lands DOC; TIF; central government		Yes			Mixed/ partial	
Urban public spaces Local government		Yes				Indirect

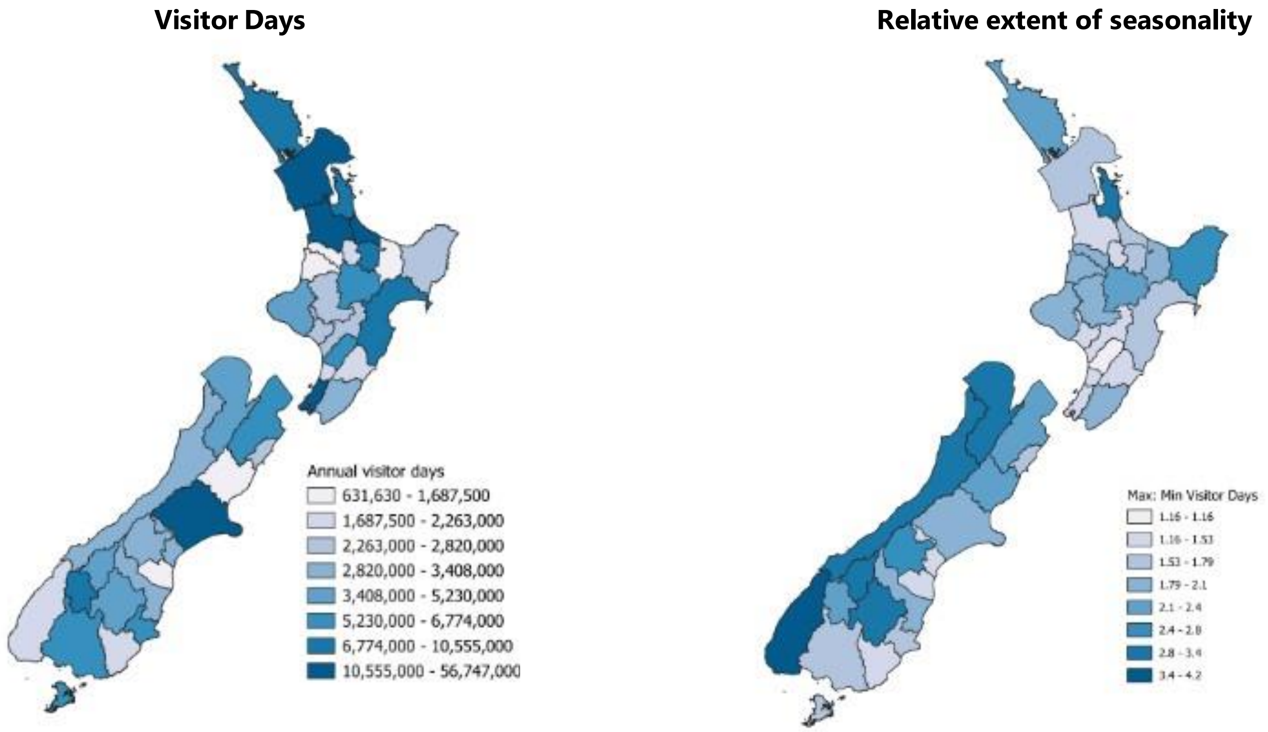
5.2 Insights on relative infrastructure use

The main points we explore here are around the demand and supply of mixed-use infrastructure. We see that visitor days are dominated by Auckland and major cities with common summer peaks across RTOs. This will have implications for infrastructure use, notably accommodation (where cities capture a high portion of bed nights), three waters and waste, as well as transport where there are particular areas where we have indications of heavier visitor use relative to rest of New Zealand. This geographic spread of tourism and seasonality has implications in terms of infrastructure use and requirements—that is, congestion issues are greater in particular locations at particular times of the year based on current travel patterns.

5.2.1 Visitor days are dominated by Auckland/cities with common summer peaks that can be up to four times minimum months

The figure below shows annual visitor days by RTO, using information from MBIE's tourism volumes and flows data. We then present the ratio of peak-month to trough-month visitors, reflecting the common summer peaks, to illustrate the extent of variation across RTOs. Annual visitor days are highest in the main cities, particularly Auckland. However, the greatest proportional difference between maximum and minimum visitor days occurs in Fiordland, which receives more than four times as many visitors in its peak month as in its lowest month. This is followed by the West Coast, Wānaka, Nelson and the Coromandel, each of which records more than three times the minimum visitor days at peak. Central Otago and Mackenzie also experience close to three times their minimum visitor days during peak periods.

Figure 19: Annual visitor days and ratio of maximum to minimum monthly visitor days by RTO (year to 30 September 2024)



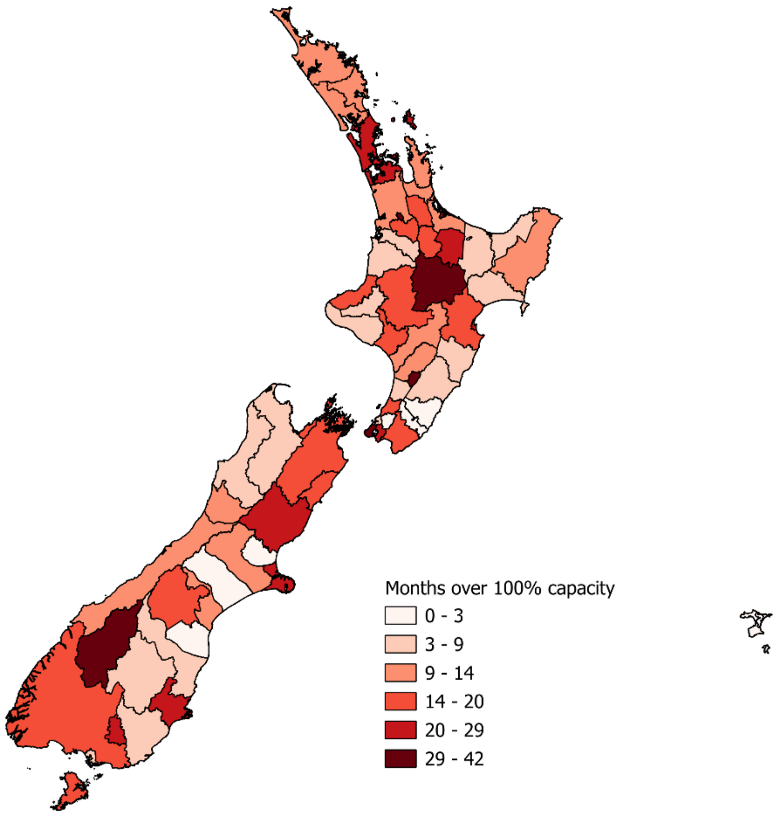
Source: Sapere using data from MBIE's Tourism Volumes and Flows

5.2.2 Accommodation data indicates potential availability issues for some locations and months

The below figure shows the number of months since July 2020 where TAs have had guest nights greater than the available monthly stay unit capacity (measured by MBIE). This indicates there are a number of areas where available capacity has been exceeded (sometimes with as much as double the guest nights than unit capacity (notably when we looked at the Tairawhiti and Thames-Coromandel RTOs). This highlights particular potential pressures around Taupo, Hamilton, Palmerston North, Queenstown-Lakes, and Wellington where this occurred in more than 30 months.

It is important to interpret this in the context that MBIE's tourism accommodation data captures only commercial accommodation, excluding a range of other accommodation types such as freedom camping and Airbnb, and may have more limited coverage of holiday parks. As a result, we would expect these alternative accommodation options to be absorbing additional visitor demand, particularly in areas with substantial private accommodation capacity. Nevertheless, the data provides a useful indication of the use of this form of mixed-use infrastructure and the potential pressures it may face.

Figure 20: Number of months where guest nights have exceeded available measured capacity since July 2020



Source: Sapere using data from MBIE's Accommodation Data Programme

5.2.3 CamperMate insights into campers' road use relative to general road use

This section provides insight into tourist road use, drawing on information made available to us from the CamperMate app. While this offers a useful sample of user behaviour, it will not necessarily be fully representative of all visitors. The patterns observed illustrate that the visitor economy can place distinct roading demands on the network compared with the wider economy, noting that this comparison is limited to state highways and therefore excludes local roads.

We analyse CamperMate app tracking data from January 2025 to estimate average daily traffic from tourism over this peak month. We compare the traffic estimate to NZTA monitoring of state highway average annual daily traffic. We also calculate a population-adjusted search rate for public toilet and dump station facilities by territorial authority to show an indicator of the demand for these facilities relative to each TA's population.

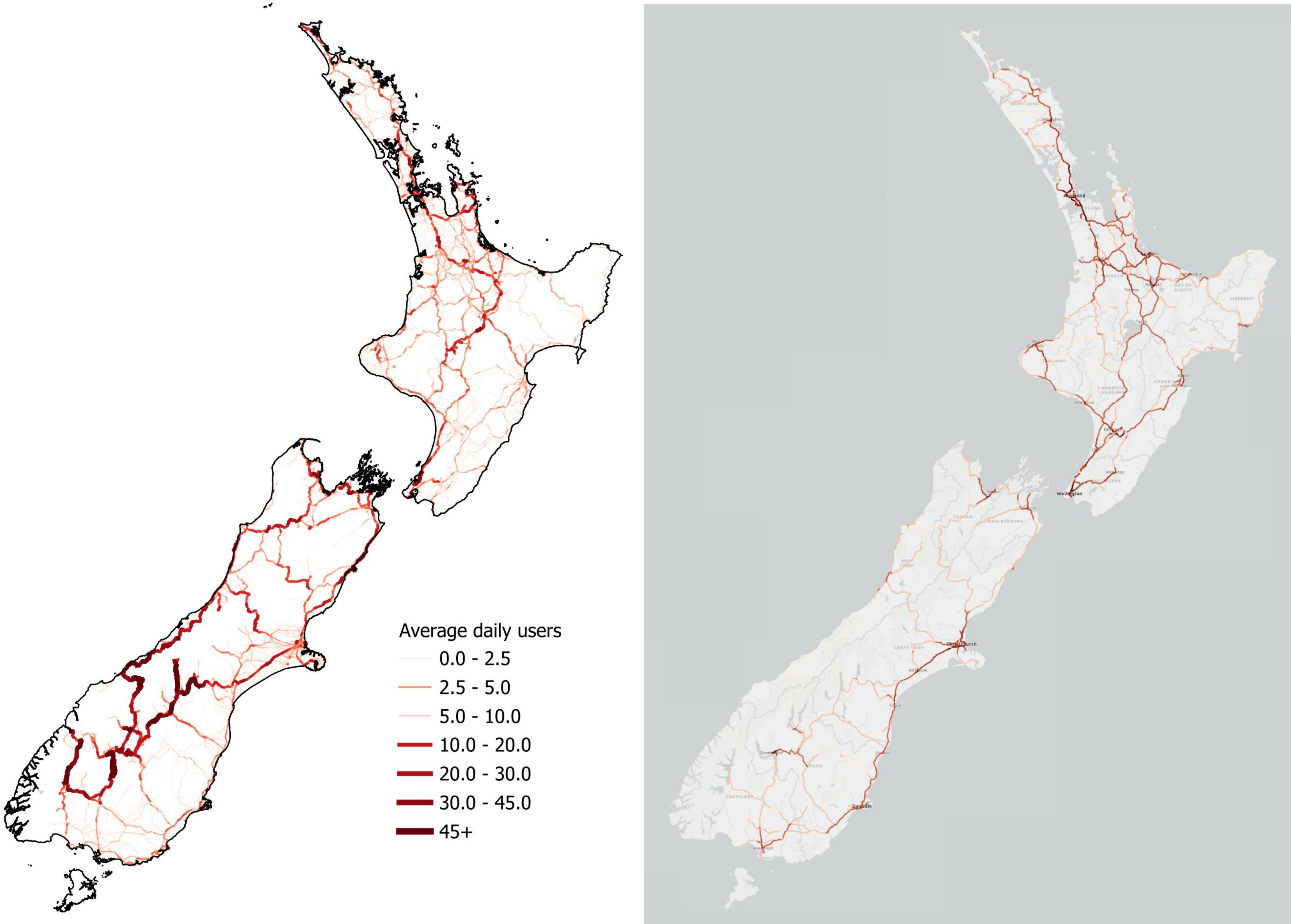
The left of Figure 21 shows estimated daily traffic from CamperMate app users in January 2025 (their peak month). The line thickness and colour indicate the average number of daily users on each road segment, with thicker and dark lines indicating more daily traffic.

The figure shows traffic is highest in the North Island along State Highway 1 and State Highway 25 in the Coromandel. The state highways to Taranaki (3) and Hawke's Bay (5) also have relatively high traffic. In the North Island, there are more routes available to get from one destination to the next compared to the South Island, resulting in greater distribution of traffic.

State highway annual average daily traffic (AADT), shown on the right, shows more traffic between the larger cities. Traffic patterns in the North Island are similar between the CamperMate traffic estimates and state highway AADT in the North Island, where tourism traffic generally flows between the major cities.

However, traffic patterns are quite different in the South Island. In the South Island, traffic to and around tourist hotspots is clearly shown on the left of Figure 21. On the other hand, the panel on the right shows heavy use of State Highway 1 between Christchurch and Dunedin, which is a route less commonly travelled by tourists. State Highway AADT is high between Alexandra and Queenstown (State Highways 8 and 6), but the extent of peak-season tourist traffic around the Mackenzie, Queenstown-Lakes and Westland districts shown on the right does not appear in these AADT figures. CamperMate user traffic is particularly high along the state highways from Christchurch to Queenstown, Te Anau and Milford Sound, and across the Haast Pass (State Highway 6) to Fox Glacier and Franz Josef Glacier. Traffic is also high from Picton to the Golden Bays and Kaikōura, and around Lake Tekapo, Lake Pukaki and up to Mt Cook village in the Mackenzie district.

Figure 21: Average daily traffic of CamperMate app users in January 2025 (Left) and NZTA annual average daily traffic on state highways (Right)

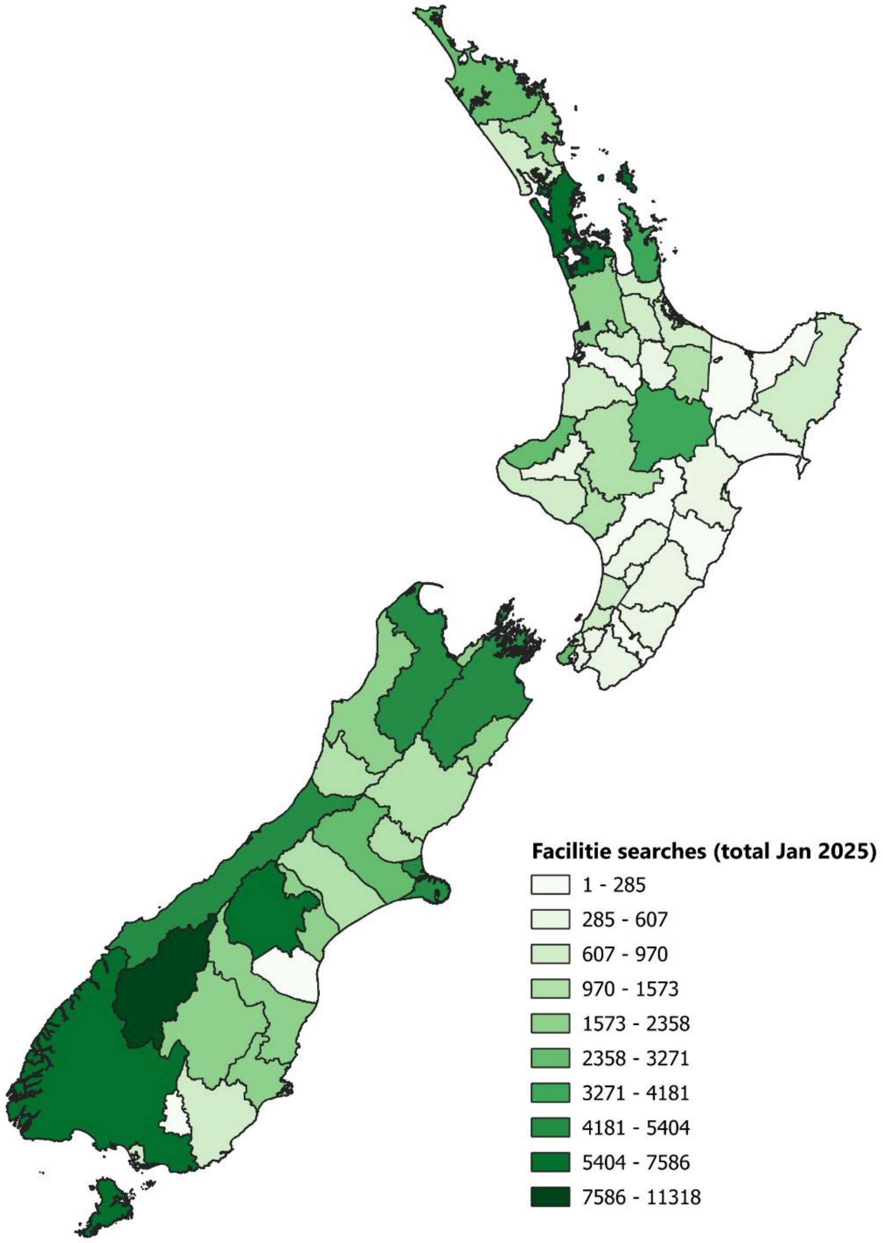


Source: Sapere Analysis of CamperMate app tracking data and (NZ Transport Agency Waka Kotahi, 2025)

Figure 22 shows the search rate for public toilets and dump stations in each TA per 1,000 population. This figure illustrates the pressure tourism can put on local infrastructure in areas with low resident populations. For example, Mackenzie district has the highest search rate per 1,000 population (1,123 searches per 1,000 population) but is fourth highest in total searches (6,201 facility searches). Auckland on the other hand has the second highest facilities searches (7,586 facility searches) but has the 64th search rate per 1,000 population due to its large resident population.

Unsurprisingly, facility search rates are highest in South Island districts with low resident populations but a lot of tourist activity. Mackenzie, Westland, Kaikoura, Buller, and Queenstown-Lakes districts. Thames-Coromandel and Taupō districts have the highest facility search rates in the North Island.

Figure 22: Search rates by TA for public toilet and dump station facilities by CamperMate users in January 2025



Source: Sapere Analysis of CamperMate app tracking data

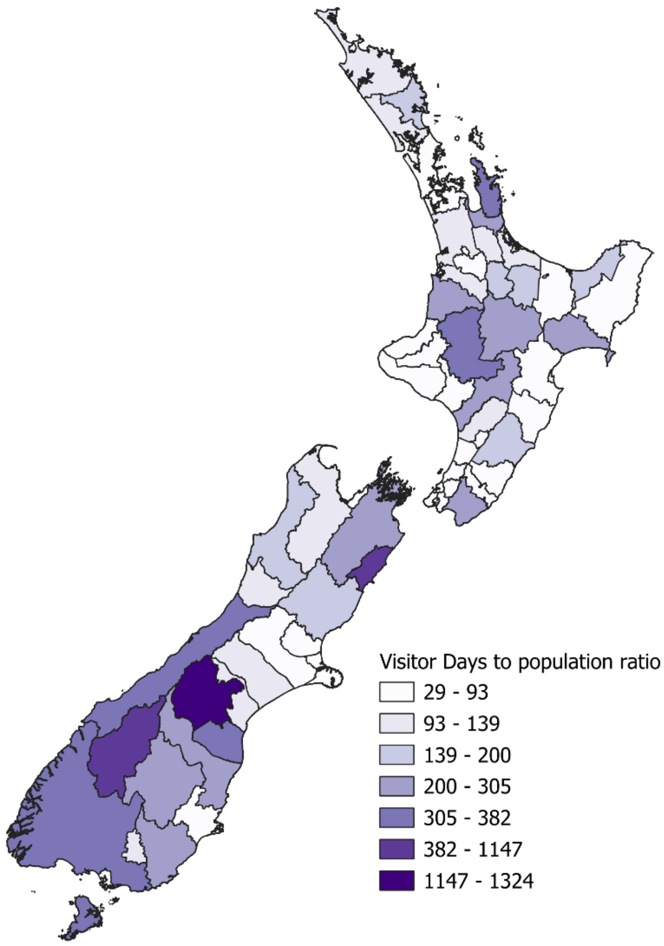
5.3 Selected insights into existing funding pressures

This section provides a small insight into the potential existing pressures on mixed-use tourism infrastructure, noting it is not a complete picture (which would take further time). This largely draws on insights from destination management plans and work by the likes of the Infrastructure Commission looking into infrastructure more generally.

5.3.1 Several specific infrastructure pressures/priorities have been previously identified

A review of destination management plans across the country point towards potentially significant funding pressures on infrastructure, including those stemming from the challenge of financing services for a large, transient visitor population with small ratepayer bases (Clutha Development, 2020). We note that areas with large visitor numbers relative to local resident populations also have large visitor spending relative to this population (see below), so this implies a potential financing rather than funding challenge (i.e. sources of funds exist).

Figure 23: Ratio of visitor days to resident population by TA



Source: MBIE's visitor days (from visitor volumes and flows page) and Statistics NZ population projections, year to 30 June 2025.

Existing constraints include the lack of public transport connectivity (Auckland Tourism, Events and Economic Development, 2025) and inadequate core amenities such as public toilets, parking, and waste facilities, which are placed under severe strain during peak visitor season (Clutha Development, 2020). Many areas report that the pace of visitor growth has outstripped the capacity of their infrastructure systems.

Funding pressures on infrastructure are stated to be extensive, spanning major capital projects, core amenities, and critical workforce support, driven largely by the need to scale up infrastructure capabilities to match existing or projected visitor demand. Destination management plan often argue that successfully activating many of the planned projects requires significant investment beyond local council resources (Clutha Development, 2020). Securing funding for initial planning can also be barrier to progress. Infrastructure development relies on securing funds for feasibility studies and business cases, which are important precursors to obtaining public or private capital investment for physical infrastructure. Funding is also needed for destination management enablement, which is necessary to ensure the coordination and resources are in place to drive the outcomes of the entire plan.

Below we note infrastructure pressures identified in destination management plans:

- **Accommodation and visitor yield:** a commonly identified lack of high-quality, high-yield lodging, alongside constraints on housing for tourism staff.
- **Capital requirements:** accommodation projects often require the largest estimated share of capital investment, such as the estimated (in 2022) $40.5 million needed for accommodation projects in the Waitaki District (Stafford Strategy, 2022b). We note this is also an area of focus for Investment New Zealand.
- **Quality and capacity gaps:** across several regions in New Zealand, there is a stated pressing need for new or upgraded accommodation to support tourism growth, regional development, and event hosting. Many areas indicate a lack of mid-scale hotels or premium offerings, which limits their ability to attract higher-value visitors and larger events. For example, Clutha has previously highlighted that it has no mid-range or luxury accommodation options, constraining its appeal to a broader visitor market (Clutha Development, 2020). Manawatū also faces challenges in hosting larger corporate events due to limited high-quality hotel capacity (Stafford Strategy, 2022a).
- **Aging stock and value:** some regions state challenges with aging commercial accommodation infrastructure, particularly motels, which fall short of modern consumer expectations. This mismatch between price and perceived value can negatively impact visitor sentiment and limit regional competitiveness. For instance, in areas like Te Manahuna (Mackenzie) (Stafford Strategy, 2022b) and Waitaki, older accommodation is stated to frequently receive low consumer ratings, highlighting the need for significant upgrades.
- **Workforce housing and accommodation:** projects in regions like Southland have previously identified (Stafford Strategy, 2019) a specific need for new boutique regional accommodation and eco-lodges that must include staff accommodation to support sustainable operation.
- **Connectivity, access, and transport:** funding is indicated to be required to improve physical access and digital services, particularly outside main centres.

- **Roading and road safety:** many regions indicate that they face challenges with poor public transport, inadequate access roads, and vulnerable state highways, which can deter visitors and isolate communities. For example, Clutha indicates that its tourism offering has been constrained by limited public transport and access roads that are often unsuitable for rental vehicles (Clutha Development, 2020), while key routes like the Southern Scenic Route require investment in roading and signage upgrades. In Tairāwhiti, the DMP notes that the condition of State Highway 35, which is frequently impacted by severe weather and heavy logging traffic, poses a significant barrier to connectivity and resilience (Trust Tairawhiti, 2022).
- **Core amenities and capital facilities:** shortfalls are stated to exist in basic amenities and large event infrastructure necessary for drawing high-value visitors (though we note there has been significant investment in event infrastructure recently since some of these were published).
- **Public services:** general public infrastructure, including core amenities like waste collection, public toilets, parking, and detailed signage, requires substantial investment across various districts (Clutha Development, 2020; Stafford Strategy, 2022b; WellingtonNZ, 2021).

5.3.2 DOC identified infrastructure priorities and challenges

DOC-managed visitor assets are widely used: over 50 per cent of international visitors and 80 per cent of New Zealanders visit protected natural areas each year. Key assets are outlined in the table below.

Table 21: Volume and usage of DOC assets

Asset	Volume	Usage (visitors p.a.)
Tracks	>15,000 km	N/A
Huts	~940	>193,000
Campsites	~325	>405,000
Lodges/cottages	41	~25,000

Source: internal data provided by DOC

DOC also works with third-party concessionaires, receiving $29.7 million in FY25 to support tourism activities on PCLW.

DOC identifies several ongoing infrastructure priorities to support sustainable tourism growth as set out below. We note that while DOC does charge visitors for use of sites (directly or through operators) and receives funding through the IVL, there may be either a funder or timing/financing component to pressures they have indicated.

Table 22: Key infrastructure gaps, barriers, and priorities for tourism on Public Conservation Land and Waters (PCLW)

Key infrastructure gap/barrier	Issue	Implication	Priority
Aging and inadequate infrastructure	Much of DOC's existing infrastructure (tracks, huts, toilets, carparks, and visitor centres) is aging and under pressure from increasing visitor numbers.	This can lead to safety risks, environmental degradation, and diminished visitor experiences.	High
Capacity constraints in high-use areas	Popular destinations, especially in the Southern and Eastern South Island (which contributes 52% of tourism value on PCLW), are experiencing overcrowding.	Overuse can damage ecosystems, create waste management issues, and reduce the quality of visitor experiences.	High
Barriers to development	Regulatory complexity, land access issues, and community opposition can delay or prevent infrastructure development.	Slows response to tourism growth and infrastructure needs.	Medium
Digital infrastructure and data gaps	Limited real-time visitor data and digital infrastructure (e.g., connectivity, booking systems).	Hinders visitor management and strategic planning.	Medium

5.4 Potential infrastructure funding gaps/challenges more broadly

Economy-wide, previous work (Sense Partners, 2021) estimated that if infrastructure investment (broadly, not limited to mixed-use infrastructure) continues at its current rate, an additional future deficit of approximately $106 billion was projected over the next 30 years. The authors estimated that closing this total deficit through increased investment alone would require public investment as a share of GDP to potentially rise to 9.6 per cent after accounting for excess cost pressures.

This and other work by the Infrastructure Commission highlights potential challenges in relation to:

- **backlogs in renewals:** assets require extensive maintenance and renewal spending. A significant share of public investment (estimated at around 60 per cent) (New Zealand

Infrastructure Commission, 2024b; Sense Partners, 2021) is estimated to be required for renewals and replacing existing assets. These reports suggest that inadequate planning and funding for renewal, coupled with deferred maintenance, has accelerated deterioration and contributed heavily to a current deficit.

- **potential local government funding strains:** many local authorities may face constraints in continuing to borrowing to invest, as their borrowing headroom may have been reduced (Sense Partners, 2021). Between 2009 and 2022, inflation-adjusted local government debt grew 226 per cent, while rate revenues grew only 42 per cent (New Zealand Infrastructure Commission, 2024c).
- **central government funding limitations:** Infrastructure) suggests that central government asset management maturity is generally low, despite managing $267 billion in assets. It notes that historically, depreciation funding has often not been ring-fenced for asset renewal, instead being diverted into new assets or operational costs, leading to asset degradation.
- **major cost drivers:** with substantial investments for sea-level rise and earthquake recovery costs. Furthermore, the capitalised cost of traffic congestion across the country over the next 30 years has been previously estimated at $55 billion (Sense Partners, 2021).

Water infrastructure has been identified as a general concern

The three waters sector (drinking water, wastewater, and stormwater) has experienced significant funding pressures, which the Infrastructure Commission states is largely driven by decades of consistent under-investment by most local authorities (New Zealand Infrastructure Commission, n.d.).

The required investment solely to meet future environmental and drinking water standards has been estimated to be between $27 billion and $46 billion (this estimate does not include investment required for pipe renewals) (New Zealand Infrastructure Commission, n.d.). Without reform to service delivery, rising three waters investment costs were expected to become unaffordable for smaller communities and low-income households.

Difficulties in water infrastructure are highly relevant for the tourism sector. In some tourist areas—such as ski-fields and other tourism hot-spots—tourism operators are identified as providers of three-waters services alongside, or in some cases in place of, local councils and government agencies. These operators may be unable to access funding available to local government and can face challenges in enforcing payments from local residents, creating additional pressure on service delivery.

5.5 Infrastructure pressures resulting from tourism growth under the roadmap

The TGR has a goal of approximately 4.78 million additional visitor arrivals in 2034. This is 1.47 million (44 per cent) more than the visitor numbers for the year ended December 2024. It is likely that these additional visitors will put some additional pressure on domestic infrastructure. Our high-level estimate is that, nationally, to avoid the effects of congestion on the various networks, New Zealanders and tourists would be willing to expand infrastructure networks by up to $2 to 3 billion over 10 years. These figures represent the combination of between $1.87 and $2.92 billion of additional capital stock, and $0.35 and $0.55 billion of additional renewals on this stock.

Roading, electricity and gas, and three waters and waste are where the biggest pressures are estimated

As shown in Table 23, the biggest component of this estimate relates to road transport, followed by electricity and gas and then water, sewerage, drainage and waste services.

Table 23: Estimate of additional infrastructure spend due to tourism growth under the roadmap – by sector ($millions)

Sector	Elasticity = 0.8			Elasticity = 1.2		
	Additional stock	Additional renewals	**Total**	Additional stock	Additional renewals	**Total**
Road transport	649	58	**707**	1,014	89	**1,103**
Rail, water, air and other transport	79	16	**95**	123	25	**148**
Electricity and gas services	478	113	**591**	746	175	**921**
Water, sewerage, drainage and waste services	341	49	**390**	532	76	**608**
Telecommunications services	223	98	**321**	348	151	**499**
Other public capital	100	20	**120**	157	31	**187**
Total	**1,870**	**354**	**2,224**	**2,920**	**545**	**3,465**

Privately owned infrastructure followed by local government account for greater pressures than central government, and cost-recovery mechanisms exist for many areas

Using the ownership proportions from Infrastructure Commission, we estimate that around 21 per cent of the infrastructure is central government owned, 33 per cent is owned by local government, and the remainder 46 per cent by the private sector.

Table 24: Estimate of additional infrastructure spend due to tourism growth under the roadmap – by ownership ($millions)

Owner	Elasticity = 0.8			Elasticity = 1.2		
	Additional stock	Additional renewals	**Total**	Additional stock	Additional renewals	**Total**
Private Sector	801	226	**1,027**	1,252	348	**1,599**
Local government	644	83	**728**	1,006	129	**1,134**
Central government	424	45	**469**	663	69	**732**
Total	**1,870**	**354**	**2,224**	**2,920**	**545**	**3,465**

Many of these infrastructure categories are private sector owned, are at least partially funded via targeted rates and taxes, or have cost recovery/user payment mechanisms. As such, an international tourist may pay at least some of their share for the additional infrastructure. For instance, road infrastructure has funding from the fuel excise duty and road user charges, while other transport services receive revenues directly from passengers. In other situations, international visitors may indirectly provide for some of their infrastructure needs via direct taxes (e.g. GST) or via passthrough e.g. providing revenues to businesses who then pay taxes and rates.

How our estimates may translate to the real world

We note that by using demand elasticities, our estimates may not necessarily translate into realised capital spending. These estimates are based on changes in demand due to increased willingness to pay, but that does not necessarily mean that additional infrastructure will be invested in to match these changes. Where there are existing pressures, or existing spare capacity, there may be higher/lower than estimated investment. In other circumstances, additional demand/willingness to pay may not bring about infrastructure investment but may instead play out in other market forces. For instance, in the case of electricity generation, additional demand may result in higher prices with no major change in capacity.

Also, unpublished work by the Infrastructure Commission suggests that central government owned infrastructure, such as state highway roading networks, tend to be less responsive to population changes. It may be the case that local government and private sector infrastructure may respond faster to changes in willingness to pay/demand. Therefore, total additional infrastructure investment may be lower than estimated above, but the proportionate burdens on local government and the private sector are relatively higher.

Our methodology for these estimates is set out in Appendix J, seeking to apply past work from the Infrastructure Commission to this context.

Limitations and notes regarding this work

- This analysis does not account for any other interactive (or second order) effects with other drivers of infrastructure stocks, including decarbonisation, technological change, income effects, natural hazard resilience, shortages/surpluses in existing stocks or changes in the real price of construction.
- The estimate falls within the range of modelling scenarios/sensitivities that the Infrastructure Commission looked at. Put another way, the estimated impact of this additional tourism we provide here would be outweighed by aspects that the Commission tested, such as if the high/low growth scenario played out rather than its central estimate.[34]
- These figures do not account for any additional operational expenditure that may be required to service tourism demand.

[34]That is, if for reasons beyond tourism other scenarios played out, then this impact may be outweighed— i.e. if there is more tourism but the economy more generally tracked to lower bound growth scenarios, then the tourism pressures would potentially be outweighed.

5.5.1 Actual infrastructure pressures will depend on numerous factors

We were asked to provide a high-level estimate of the additional infrastructure funding pressures that may result from additional growth in tourism, which we presented above. However, we note that the specific pressures that occur will depend in particular on:

- future travel patterns (where visitors go, when they travel e.g. peak, off-peak or shoulder season, for how long, how they travel and what activities they undertake—where the current spread, visitor to population numbers, and seasonality at present are noted above)
- existing infrastructure pressures and capacities in the respective locations of interest
- existing investment that is planned
- residential growth.

Any shifts in key travel movements would have implications. These include that if a greater share of international visitors arrive outside Auckland, there may be broader investments needed in regional airports as well as in supporting services such as customs and aviation security. Further, the less seasonal and better spread throughout the year that is achieved in tourism, the greater the ability to manage the peak capacity requirements (and associated investment needs) and improve sector sustainability.

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Appendix A Further detail on central government spending

Around $163M was made available for tourism and hospitality via direct tourism-focused appropriations in 2023/24

Table 25: Tourism appropriations 2023/24 ($/million)

Funding area	Funding
Marketing and promotion	111.450
Infrastructure and facilities	16.999
Events and regional development	24.149
Cycle trails	6.716
COVID-19 response and recovery	0.236
Other	3.025
Total	**162.575**

The tourism and hospitality portfolio sits within Vote Business, Science and Innovation, which had a total appropriation of $4.3 billion in 2024/25. Of this, around 4 TO 5 per cent ($162.6 million) was allocated directly to tourism and hospitality functions. Funding spans:

- departmental expenditure: policy, monitoring, and advisory functions delivered by MBIE
- non-departmental expenditure: activities funded by MBIE but delivered by entities such as Tourism New Zealand.

The portfolio appropriation is expected to decline to $142.7 million by 2027/28, as a number of time-limited funds and post-COVID recovery programmes conclude.

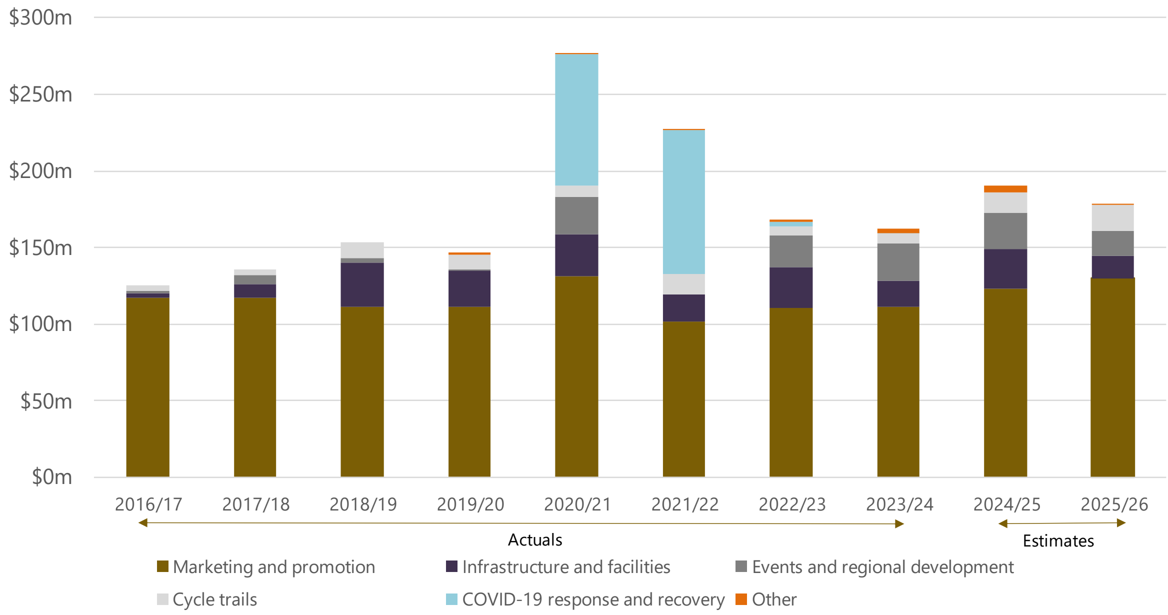
Although the portfolio is labelled "tourism and hospitality," the appropriations are predominantly tourism focused. Funding largely supports:

- destination marketing
- events
- product development
- tourism-related infrastructure.

Some activities (for example, business event attraction) support both tourism and hospitality objectives, but their fiscal intent aligns with tourism system outcomes. A detailed breakdown of central government tourism-related appropriations across categories from 2016/17 to 2025/26 is provided below.

Tourism portfolio appropriations peaked in 2020/21 where specific COVID-related funding was introduced

Figure 24: Tourism appropriation by category, 2016/17-2025/26



Source: Expenditure Data – Estimates of Appropriations (The Treasury, 2020, 2025a)

Tourism portfolio funding is primarily driven by marketing and promotion, with Marketing of New Zealand as a Visitor Destination typically making up 60–80 per cent of all tourism-related appropriations. This reflects the centrality of destination marketing in government tourism policy.

Infrastructure and facilities primarily comprise of the Tourism Infrastructure Fund and the Tourism Strategic Infrastructure and System Capability programme. Funding in this area rose from 2017/18 following the introduction of the Infrastructure Fund.

Cycle trails, via Ngā Haerenga and related programmes, represent a smaller but steady share, with approximately $8 million in funding in each year.

Events and regional development funding fluctuates because programmes such as the Regional Events Fund and Major Events Development Fund are time limited. Peaks appear in 2020/21 and 2023/24 due to targeted regional and major event support.

The COVID-19 response and recovery category caused a temporary funding spike in 2020/21–2021/22, with programmes like the Strategic Tourism Asset Protection Programme and the COVID-19 Tourism Response providing over $85m.

Other appropriations, system management, levy collection, regulatory functions, remain a small but gradually growing portion of expenditure.

Table 26: Appropriation grouping categories

Category	Appropriation name
Marketing and promotion	Marketing of New Zealand as a Visitor Destination
Infrastructure and facilities	Tourism Facilities Development Grants
	Tourism Infrastructure Fund
	Tourism Strategic Infrastructure and System Capability
	Regional Development: Tourism Capital Investment
Events and regional development	Tourism Growth Partnership
	Regional Events Fund
	Economic and Regional Development: Major Events Development Fund 2022-2027
Cycle trails	Maintaining the Quality of the Great Rides
	New Zealand Cycle Trail Incorporated Funding
	Ngā Haerenga, The New Zealand Cycle Trail Fund
COVID-19 response and recovery	COVID-19 Tourism Response
	Recovery from COVID-19 2021-2023
	Strategic Tourism Assets Protection Programme
Other	International Visitor Conservation and Tourism Levy Collection
	Tourism Fund Management
	Tourism and Hospitality: Management of the Self-Contained Motor Vehicles System Regulator

TGR funding to grow the tourism sector's export value and improve visitor experiences

Some initiatives also use co-funding mechanisms, such as the International Visitor Conservation and IVL for conservation-linked infrastructure projects.

In 2025/26, the TGR provides approximately $35 million in funding across several areas, as set below.

Table 27: TGR funding by project, 2025/26

Project	Description	Funding ($ millions)
International marketing – core markets	Boost Tourism New Zealand marketing in Australia, China, USA	19.5
International marketing – emerging markets	Expand promotion in India and Southeast Asia	6.0
Business events	Support Conference Assistance Programme to attract international conventions	3.0
Major Events Fund	Additional funding to attract and deliver major international events	5.0
Milford Road Corridor Improvements	Improve visitor safety, reduce congestion (co-funded by IVL & DOC)	4.0
Other / contingency	Reserve for emerging opportunities	3.4

Source: (Ministry of Business, Innovation and Employment, 2025b)

Department of Conservation OPEX on visitor experiences was $74.5 million in FY25

The DOC is a major part of central government tourism investment through its management of visitor infrastructure and experiences on Public Conservation Land and Waters (PCLW).

DOC does not report spending by individual asset type, but:

- operational expenditure on visitor experiences was $74.4 million in FY25, a level that has remained broadly stable in recent years
- capital expenditure on visitor infrastructure averages around $25 million per year.

These investments support the maintenance and upgrading of tracks, huts, campsites, lodges, and other visitor facilities.

DOC-managed visitor assets are widely used: over 50 per cent of international visitors and 80 per cent of New Zealanders visit protected natural areas each year. Key assets include:

Table 28: Volume and usage of DOC assets

Asset	Volume	Usage (visitors p.a.)
Tracks	>15,000 km	N/A
Huts	~940	>193,000
Campsites	~325	>405,000
Lodges/cottages	41	~25,000

Source: internal data provided by DOC

DOC also works with third-party concessionaires, receiving $29.7 million in FY25 to support tourism activities on PCLW.

DOC is trialling paid parking at high-demand South Island sites to manage visitor flows and fund infrastructure. The pilot covers three sites, where roughly 80 per cent of visitors are international. Annual revenue estimates for a full year range from $0.48 to $1.36 million per site, depending on the location. Pricing is set below market averages to encourage compliance while monitoring demand and potential impacts on visitor behaviour. This programme aims to balance revenue generation, conservation management, and visitor experience.

Table 29: Summary of ongoing DOC investments and initiatives

Investment/initiative	Notes
$30 million – IVL (2025)	Investing $11 million to: • upgrade huts, car parks and facilities at Aoraki Mt Cook, Rangitoto Island and Motutapu Island • upgrade 116 cable structures including suspension and swing bridges

Investment/initiative	Notes
	• investing at Goat Island / Te Hāwere a Maki to improve beach access, carparking, and reflect the area's significant cultural heritage. Investing $19 million to: • Stopping the spread of wallabies and managing deer and goat populations in National Parks and popular visitor areas to allow nature to thrive • Targeted predator control to protect native species especially the critically endangered Southern Dotterel birds in Rakiura National Park • Stopping and removing wilding pines from our iconic landscapes.
$4.5 million – heritage tourism boost (2026-29)	Investing $4.5 million over three years through IVL to develop tourism experiences that highlight unique cultural heritage. This initiative is designed to create jobs and increase incomes in rural communities. The programme is extended to include Manawatū-Whanganui and Murihiku Southland.
$17.5 million – investment to strengthen sustainable tourism at iconic sites (2026-29)	$13.6 million over three years to improve visitor planning and management at the Aoraki Mount Cook National Park, Piopiotahi Milford Sound and Matiu / Somes Island. $3.9 million over two years to improve service and management of some of New Zealand's popular Great Walks and DOC's campsites.
$22 million – investment to enhance wildlife visitor experiences (2026-29)	Investing: • $4.15 million into expanding predator control • $11.5 million on the recovery of highly threatened species • Almost $7 million will target feral goats • $1.7 million towards protecting critically endangered Canterbury locals—kakī/black stilts and kākāriki karaka/orange-fronted parakeets.

Appendix B Central government inflows and outflows methodology

Defining relevant industries

TSA outputs include tourism expenditure by product, tourism value added, tourism employment, tourism sales, and tourism capital measures. The TSA provides industry-level tourism attribution, the share of each industry's activity that is driven by tourism, which is the basis for converting AES enterprise financials into tourism-attributable fiscal flows.

Our analysis includes both tourism-characteristic and tourism-related industries. These represent the full set of industries where tourism contributes directly to economic activity and, therefore, contributes to government fiscal flows (PAYE, corporate tax, GST, grants, and capital transfers).

Tourism-characteristic industries are industries that exist primarily to serve visitors. An industry is classified as tourism-characteristic if either:

- at least 25 per cent of its output is purchased by tourists
- it produces a tourism-characteristic product, even if tourists purchase less than 25 per cent of its total output.

For example, water transport is included because passenger transport is a tourism-characteristic product, even though much of the industry's activity relates to freight (Statistics New Zealand, 2024, p. 64).

Tourism-related industries are industries that serve both residents and visitors but only partly depend on tourism. An industry is classified as tourism-related when:

- it is not a tourism-characteristic industry
- between 5 and 25 per cent of its output is purchased by tourists
- its products involve direct physical contact between the provider and the visitor.

As with tourism-characteristic industries, manufacturing and wholesaling are excluded, as they do not involve direct provision of services to tourists (Statistics New Zealand, 2024, p. 64).

Tourism industry ratios

Tourism industry ratios measure the share of an industry's total output that is purchased by visitors. They are produced within the TSA by dividing tourism supply (the value of goods and services purchased by tourists from that industry) by total industry output.

In other words, the tourism industry ratio represents the proportion of an industry's activity attributable directly to tourism demand.

Mapping TSA industries to AES and list of relevant industries

Because the TSA is structured using national accounts categories (NA06CC) and the AES is structured using ANZSIC06, we develop a concordance between the two systems. In several cases, direct mapping was not possible due to differences in how industries are aggregated or because AES suppresses some financial variables for confidentiality reasons.

For the transport-related industries, the TSA splits activity into three categories:

- road, rail, and water transport
- air and space transport
- other transport, transport support and travel tour services.

The AES reports different groupings:

- road transport
- rail, water, air and other transport
- transport support services
- travel agency and your arrangement services.

We therefore combined these into a single transport category using total transport values.

For Retail Trade, the AES class merges Retail Trade and Accommodation but reports Accommodation separately in addition, so we derived an isolated Retail Trade series as reported in the TSA by subtracting the Accommodation component from the combined category.

For Rental and Hiring Services, the TSA includes only the "motor vehicle and transport equipment rental and hiring" subgroup, while the AES aggregates four sub-industries and does not report individual values for each sub-industry. We used supplementary business performance benchmark data (Statistics New Zealand, 2025c) to estimate the motor-vehicle component's share and applied this proportion to the corresponding AES financial variables.

Estimating central government inflows and outflows by industry

Our fiscal analysis estimates the net contribution of tourism to central government by comparing tourism-attributable inflows (taxes and other revenue) with tourism-related outflows (estimated government funding to tourism-sectors). Tourism industry ratios are applied to each industry and year to identify the share of activity attributable to tourism. These ratios are then used to allocate the fiscal inflows and outflows described below. Our approach to estimating inflows is as shown in the following table.

Table 30: Approach for estimating central government inflows

Tax	Relevant AES variable	Rate	Source
Goods and Services Tax	Sales of goods and services	15%	Inland Revenue, 2025a
Pay as you earn income tax	Salaries and wages paid	16.9%[35]	Ching et al., 2023, p. 55
Corporate tax	Surplus before income tax	28%	Inland Revenue, 2025b
Indirect taxes	Indirect taxes	N/A – total used	N/A

To estimate outflows, we use the AES-reported values for government funding, grants, and subsidies for each industry, and apply the corresponding tourism industry ratio to derive the tourism-related component.

The table below summarises the tourism industries defined in the TSA and indicates the outputs that are included in our analysis.

Table 31: TSA industry scope for modelling

Tourism industries in TSA	Notes
Accommodation	All outputs included
Food and beverage services	All outputs included
Road, rail, and water transport	All outputs included – combined into total transport category
Air and space transport	All outputs included – combined into total transport category
Other transport, transport support, and travel and tour services	All outputs included – combined into total transport category
Rental and hiring services	All outputs included
Arts and recreation services	The AES combines sales with government funding, therefore only corporate tax, PAYE and GST estimated
Retail trade	All outputs included
Education and training	The AES combines sales with government funding, therefore only corporate tax, PAYE and GST estimated
All non-tourism-related industries	Excluded – tourism industry ratio is negligible

[35] We apply an effective average PAYE rate of 16.9 per cent, taken from Treasury's estimated average EATR (Effective Average Tax Rate) for labour income (EATR1, population mean). This provides a broad estimation of income tax paid as a proportion of gross income. However, this approach has limitations as EATR values are calculated at the individual level and do not weight higher-income earners in proportion to the share of total earnings they contribute in tax. Using the mean mitigates this issue but does not eliminate it. The 16.9 per cent rate should be interpreted as an approximation of PAYE rather than a precise measure of tax paid within any specific industry.

Appendix C Central government inflows and outflows by industry

Figure 25: Accommodation – tourism-attributable central government inflows and outflows

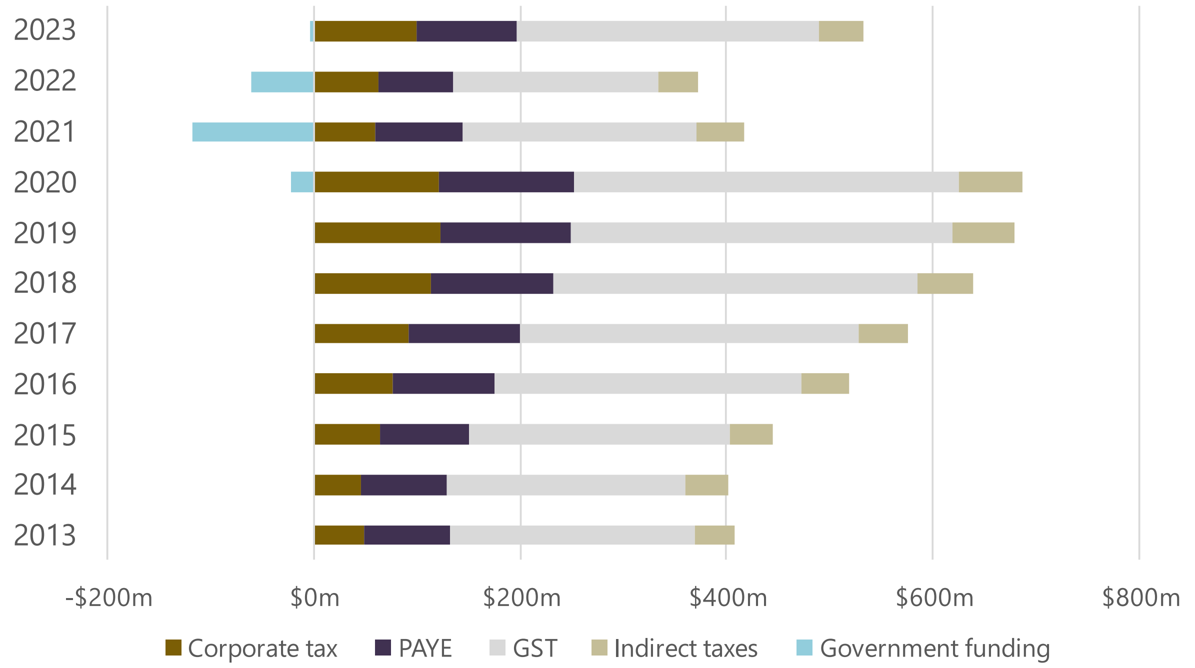


Figure 26: Food and beverage services – tourism-attributable central government inflows and outflows

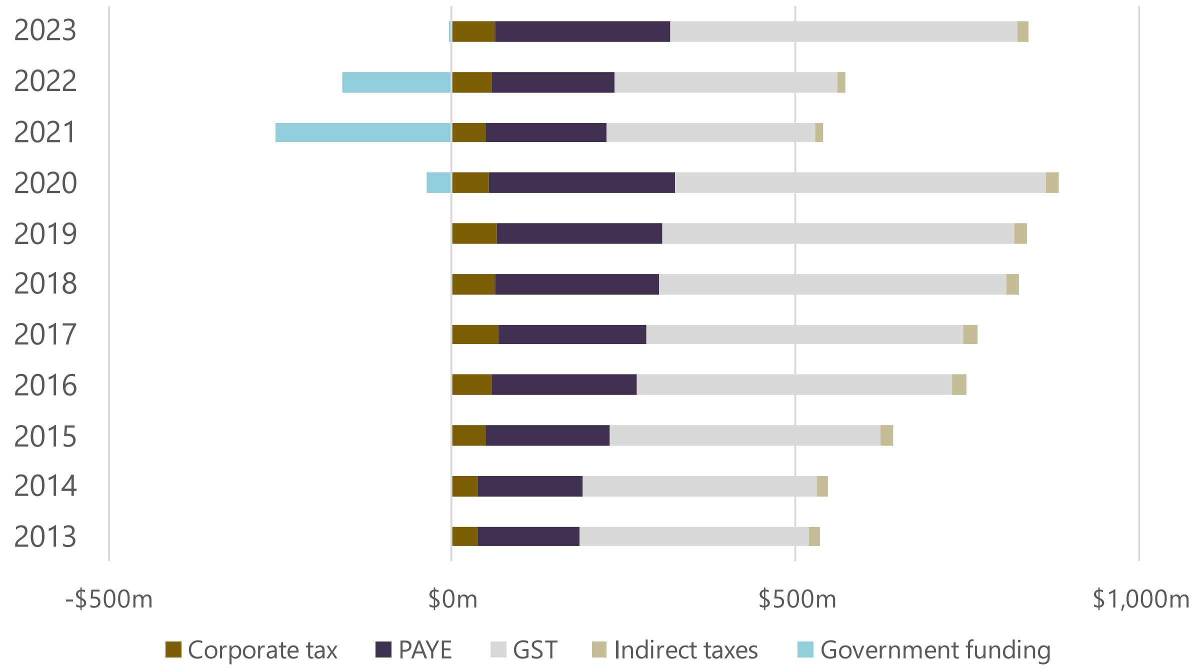


Figure 27: Rental and hiring services – tourism-attributable central government inflows and outflows

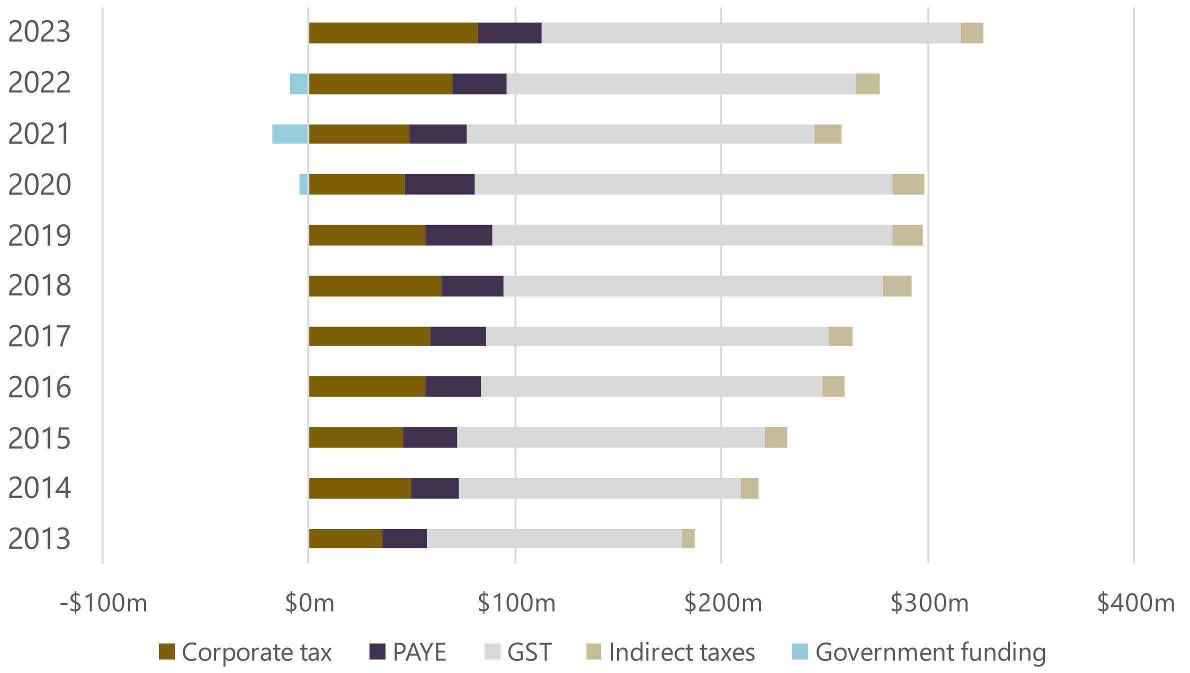


Figure 28: Retail trade – tourism-attributable central government inflows and outflows

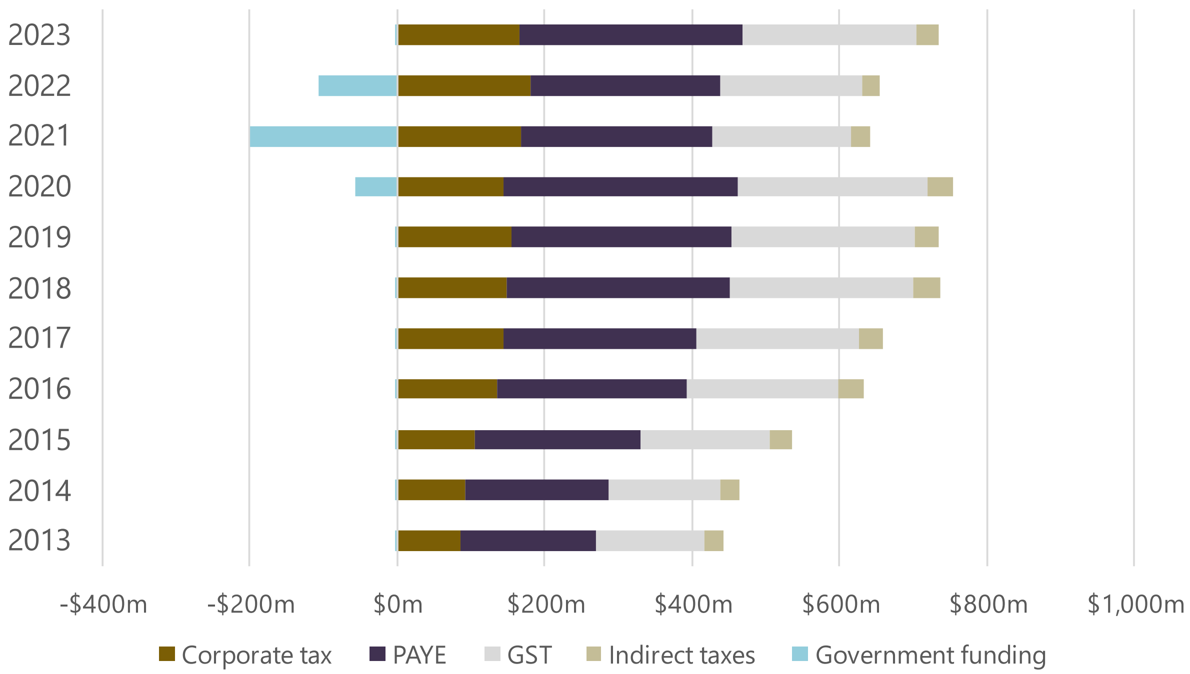


Figure 29: Transport – tourism-attributable central government inflows and outflows

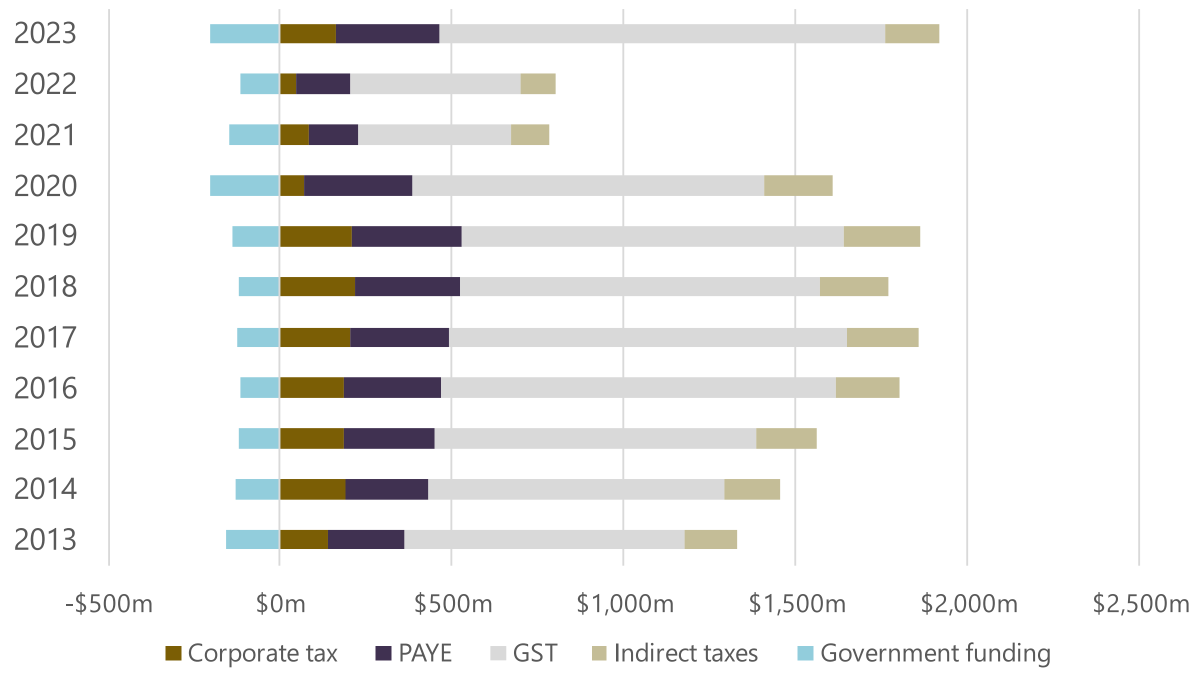


Figure 30: Arts and recreation services – tourism-attributable central government inflows (excluding GST)

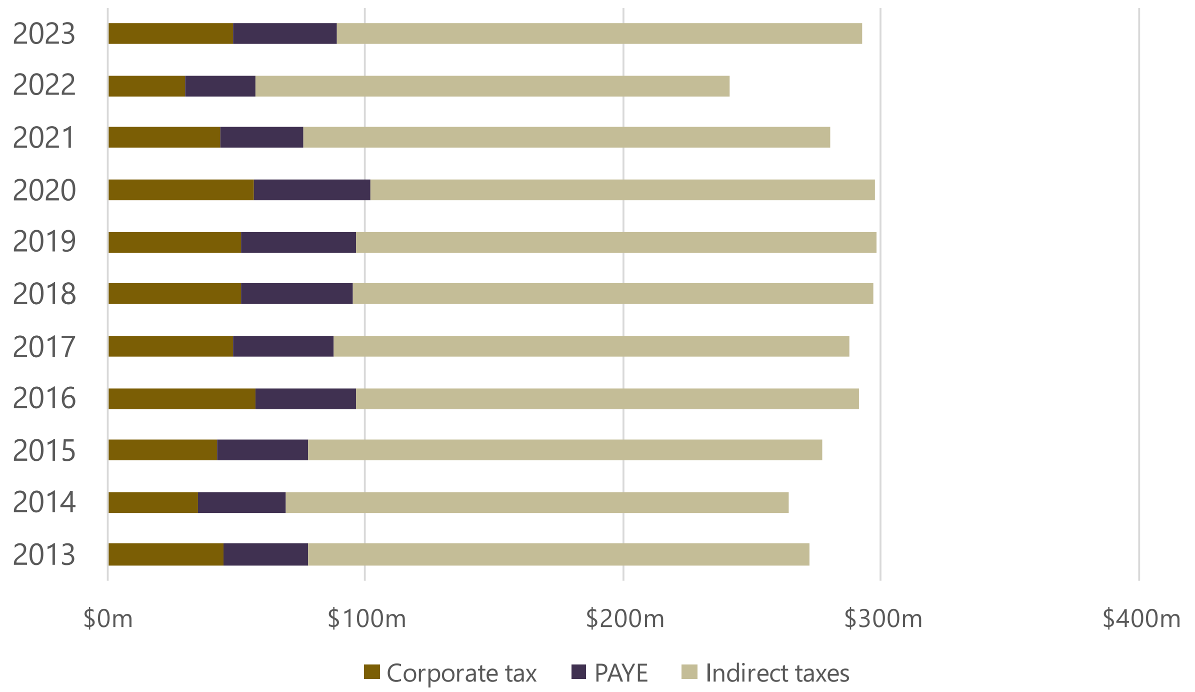
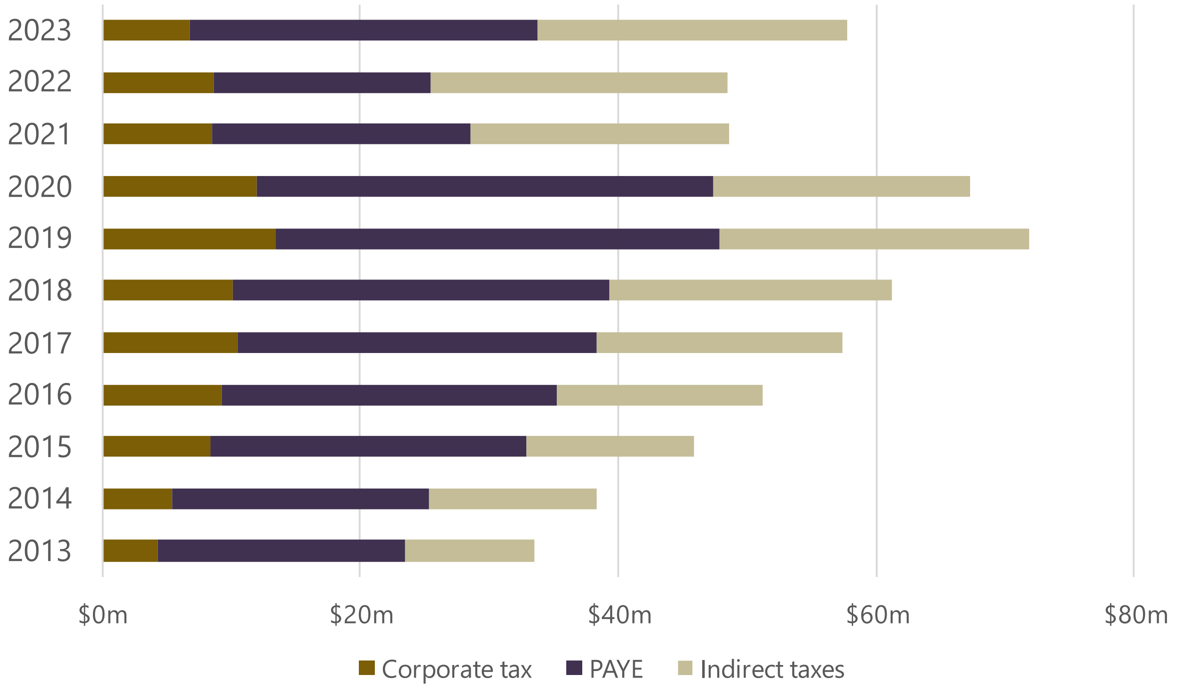


Figure 31: Education and training – tourism-attributable central government inflows (excluding GST)



Appendix D Tourism-attributable income and expenses by industry

The outputs below provide a private sector view of how tourism-attributable revenue flows into businesses and how those businesses allocate expenses across labour, purchases, depreciation, interest, tax, and other operating costs.

Figure 32: Accommodation – tourism-attributable income and expenses

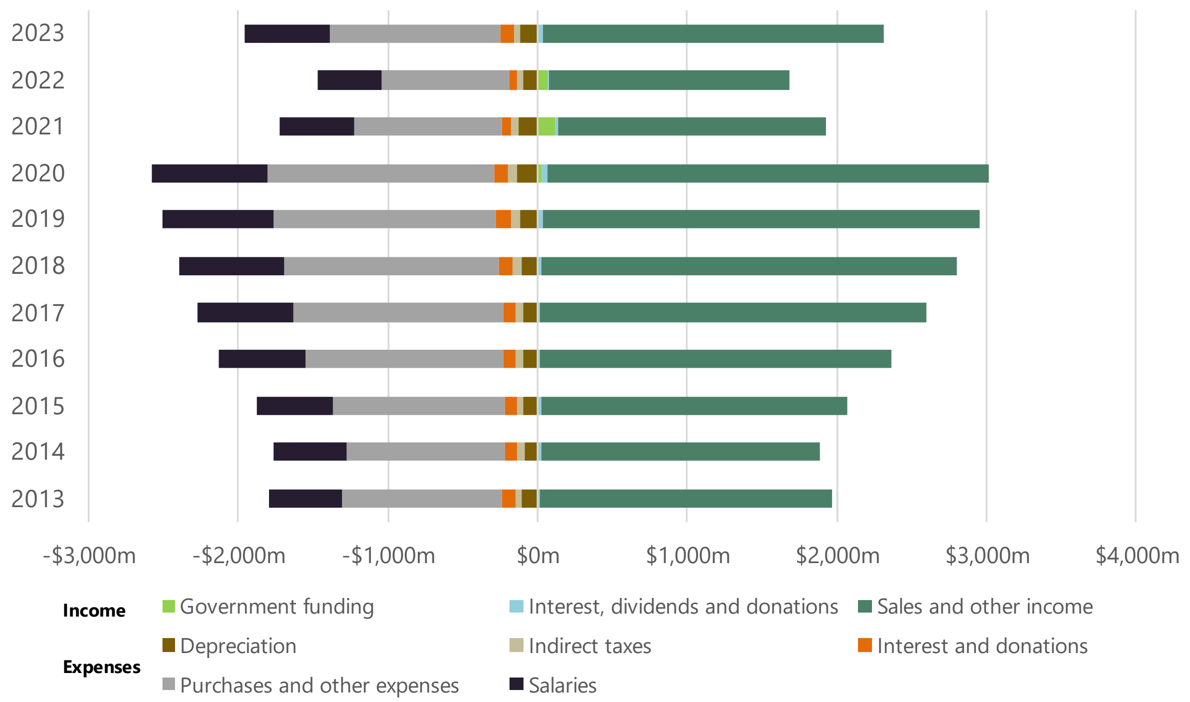


Figure 33: Arts and recreation services – tourism-attributable income and expenses

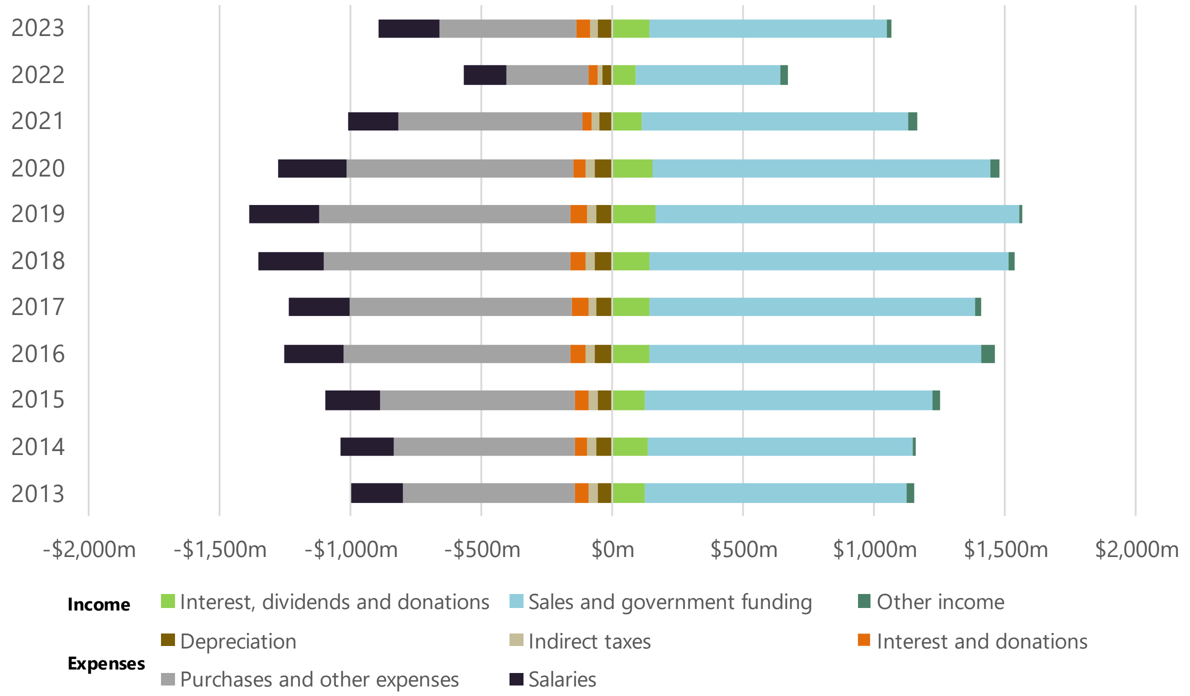


Figure 34: Education and training – tourism-attributable income and expenses

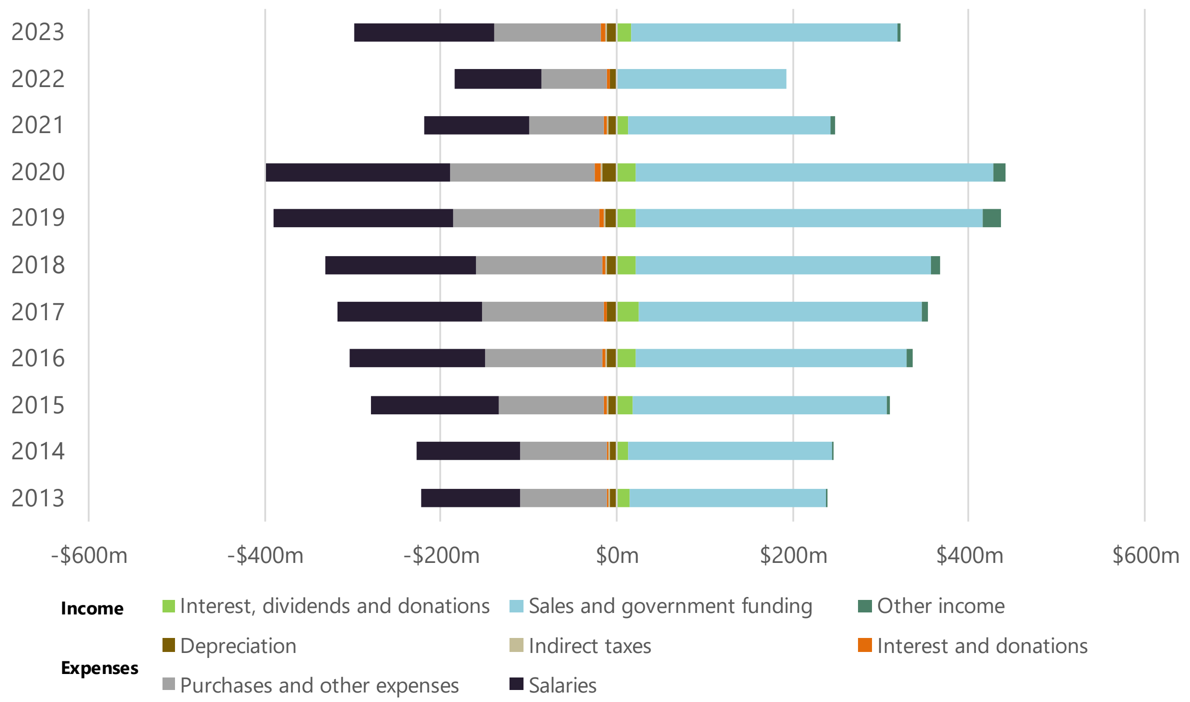


Figure 35: Food and beverage services – tourism-attributable income and expenses

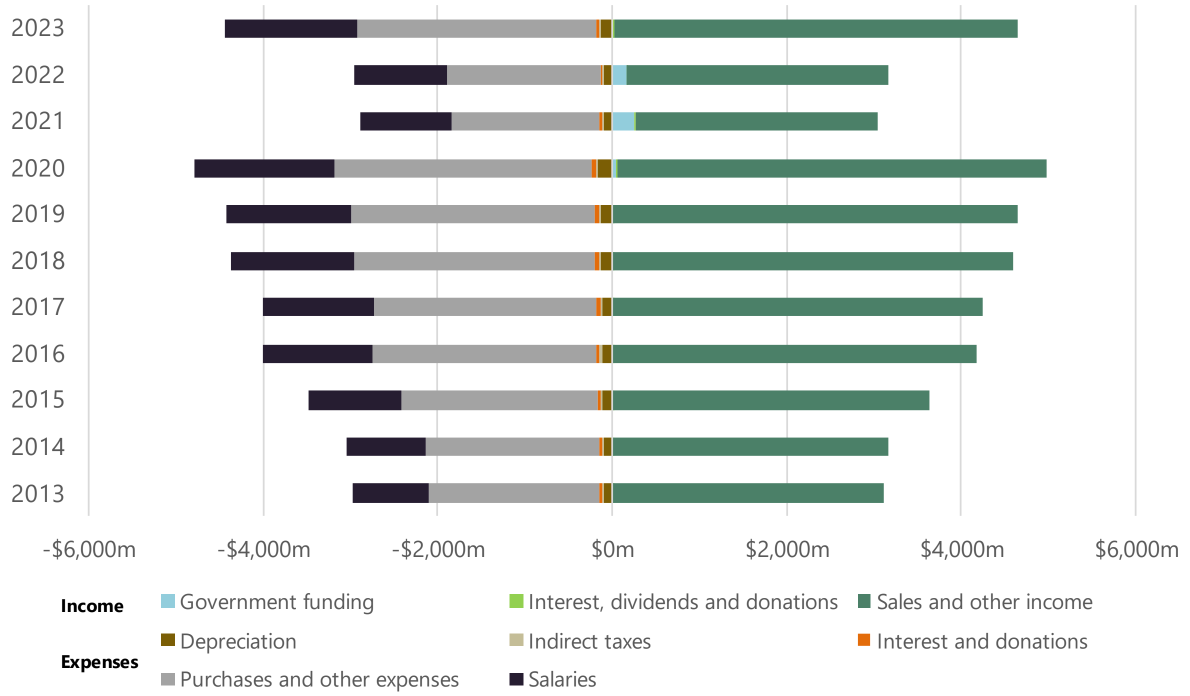


Figure 36: Rental and hiring services – tourism-attributable income and expenses

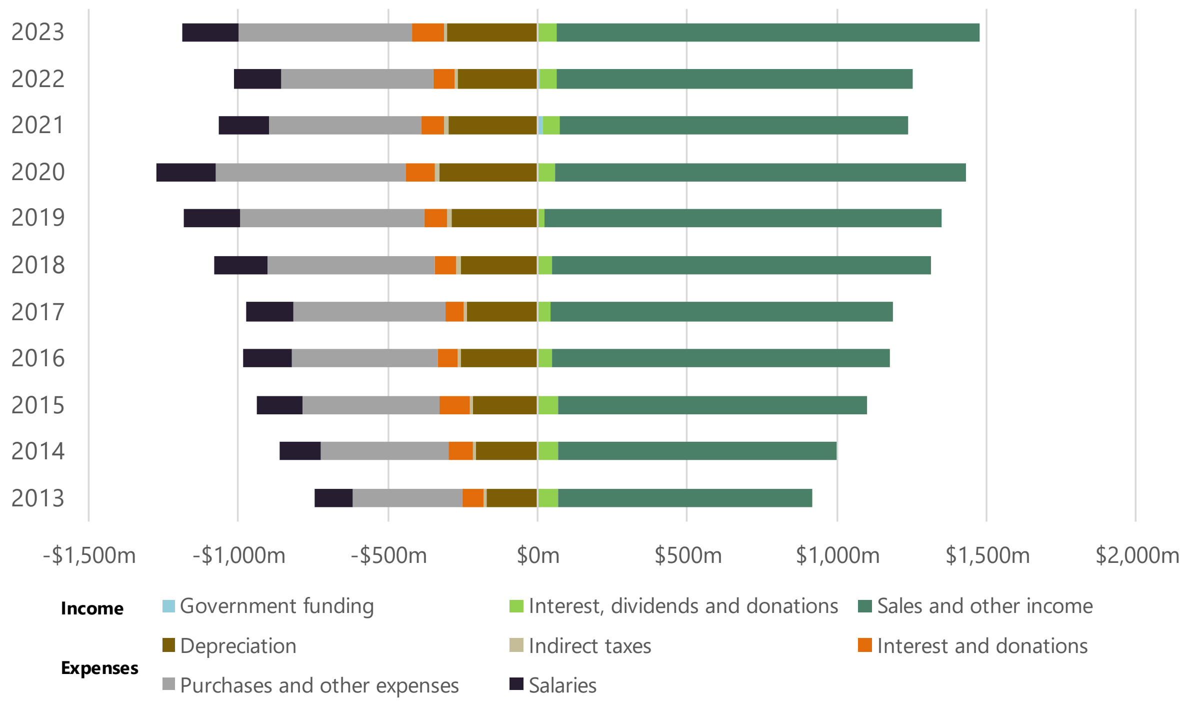


Figure 37: Retail trade – tourism-attributable income and expenses

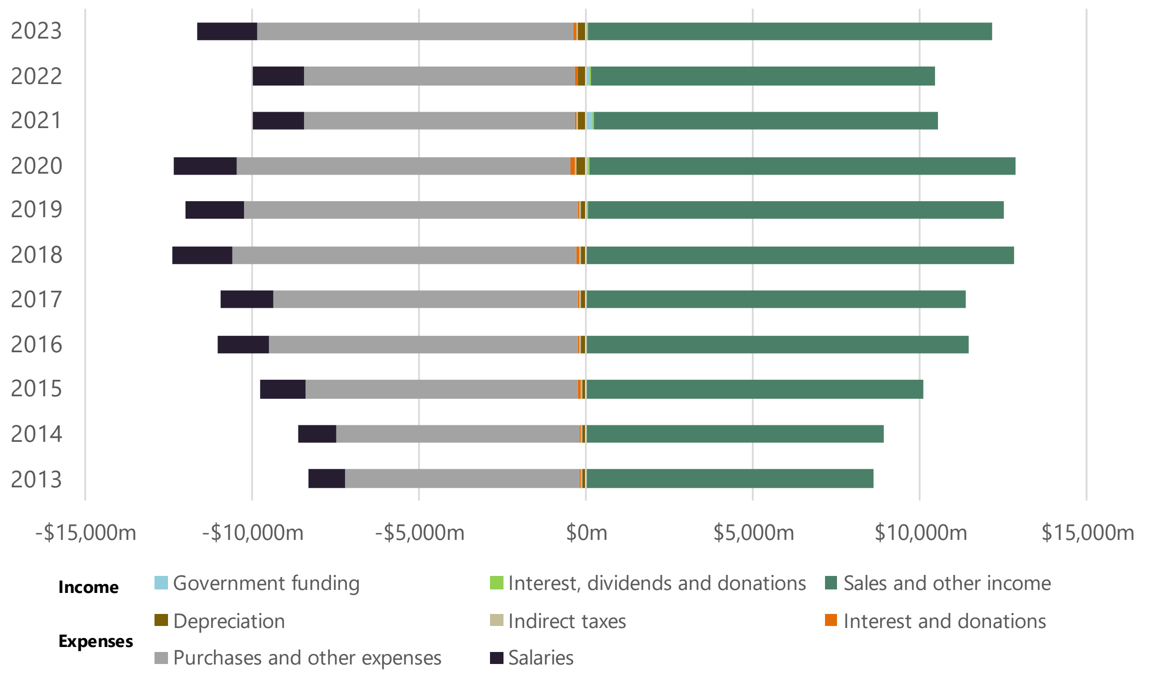


Figure 38: Transport – tourism-attributable income and expenses

Source: Statistics New Zealand Regional Tourism Organisation areas 2025 clipped https://datafinder.stats.govt.nz/layer/122224-regional-tourism-organisation-areas-2025-clipped/

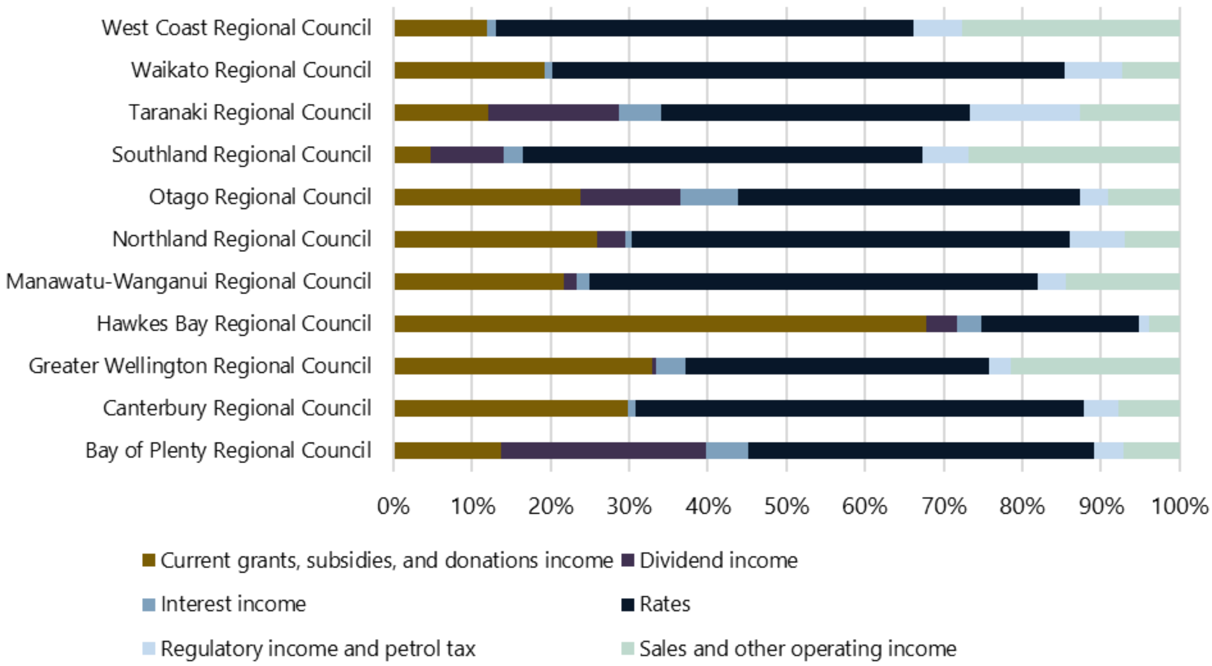
Appendix E Territorial authorities' income sources and spending areas

Here we set out TA incomes sources and spending areas as well as showing RTO council income and tourism-related expenditure.

TA income sources

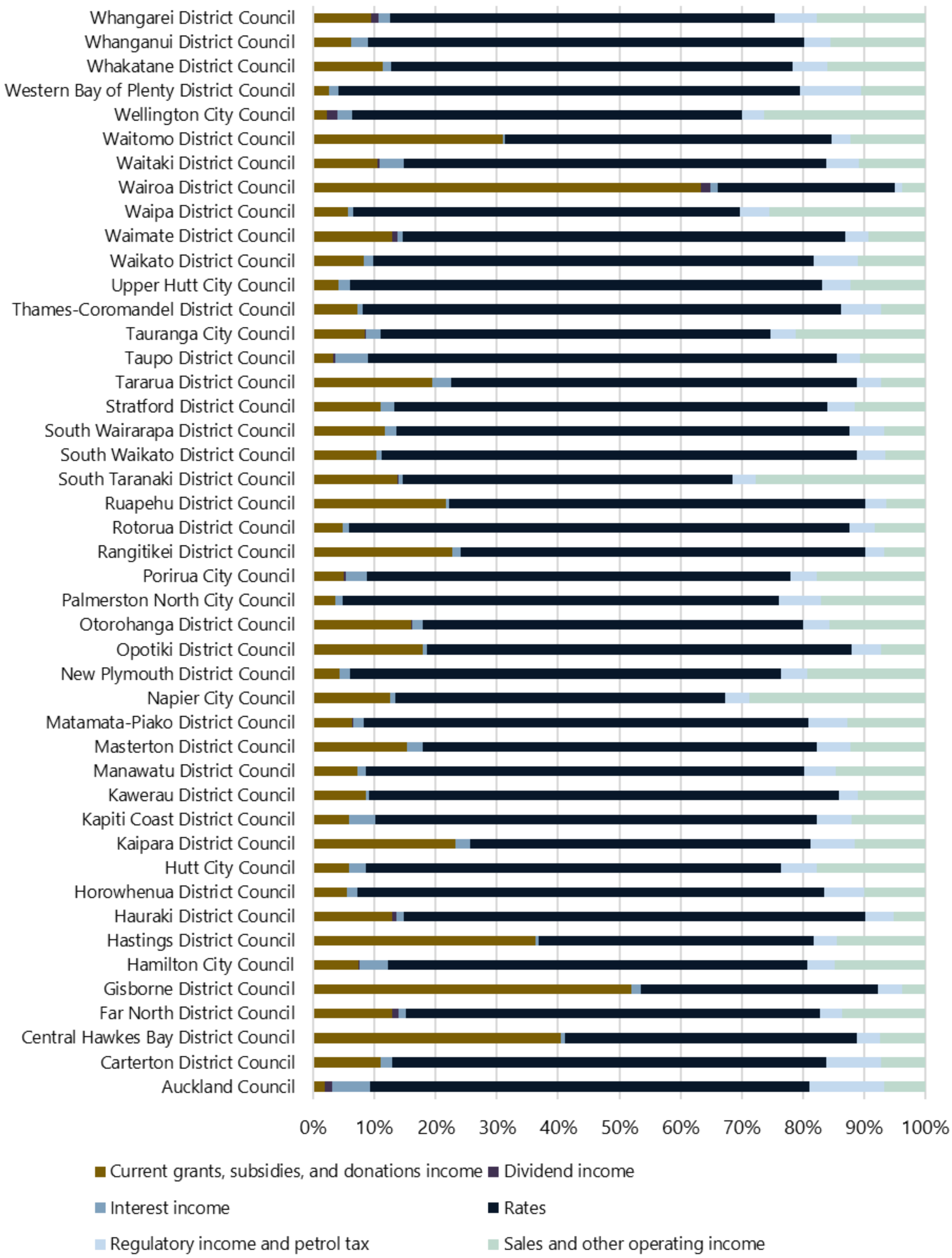
The Statistics New Zealand Local Authority Figures show that the mix of operating income differs across territorial authorities. Figures 11 – 13 show this mix.

Figure 39: FY23/24 Total Income - Regional Councils



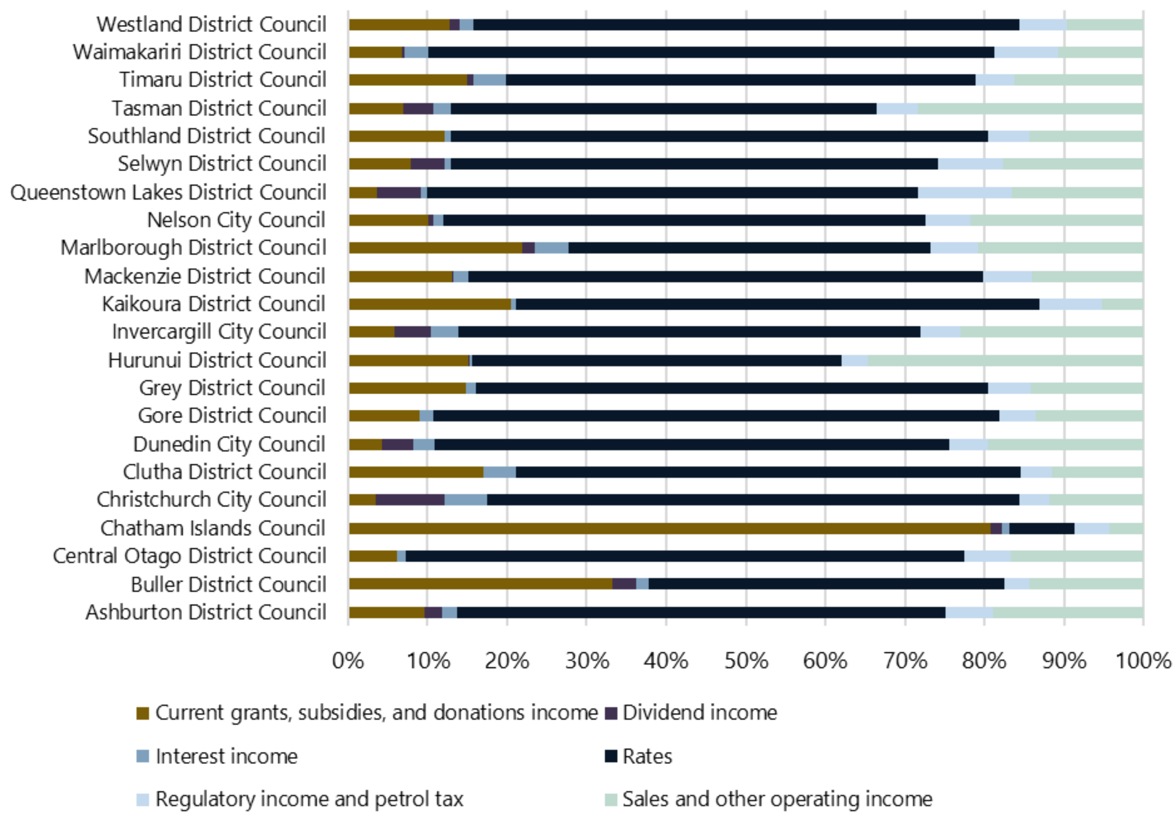
Source: Statistics New Zealand Local Authority Financial Statistics – Year ended June 2024, (Statistics New Zealand, 2025b)

Figure 40: FY23/24 Total Income - North Island Territorial Authorities



Source: Statistics New Zealand Local Authority Financial Statistics – Year ended June 2024, (Statistics New Zealand, 2025b)

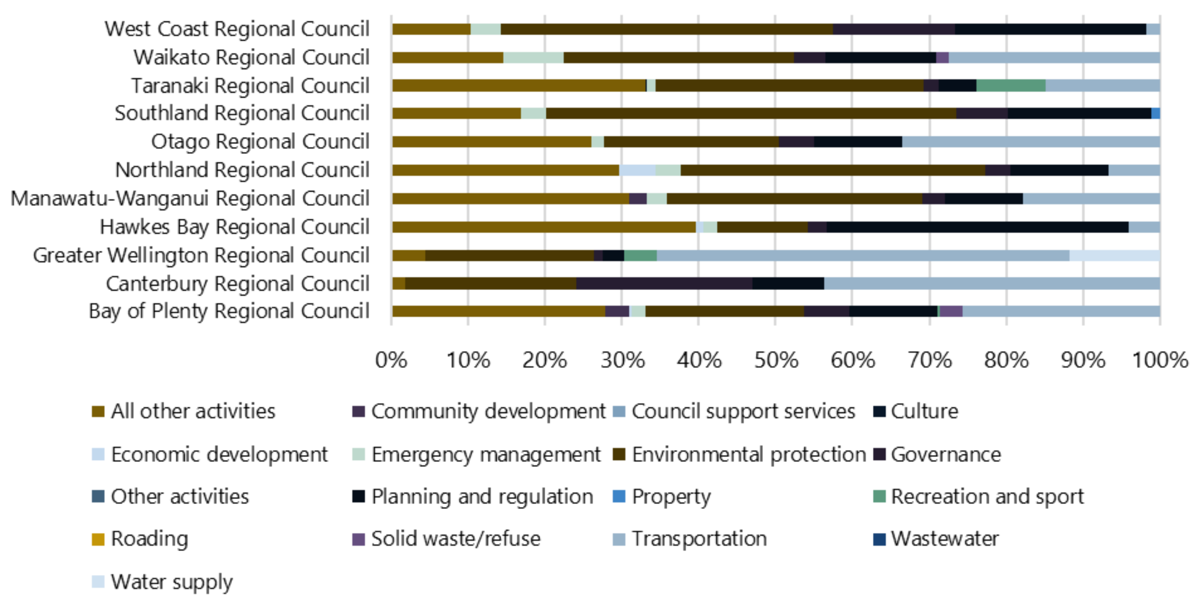
Figure 41: FY23/24 Total Income - South Island Territorial Authorities



Source: Statistics New Zealand Local Authority Financial Statistics – Year ended June 2024, (Statistics New Zealand, 2025b)

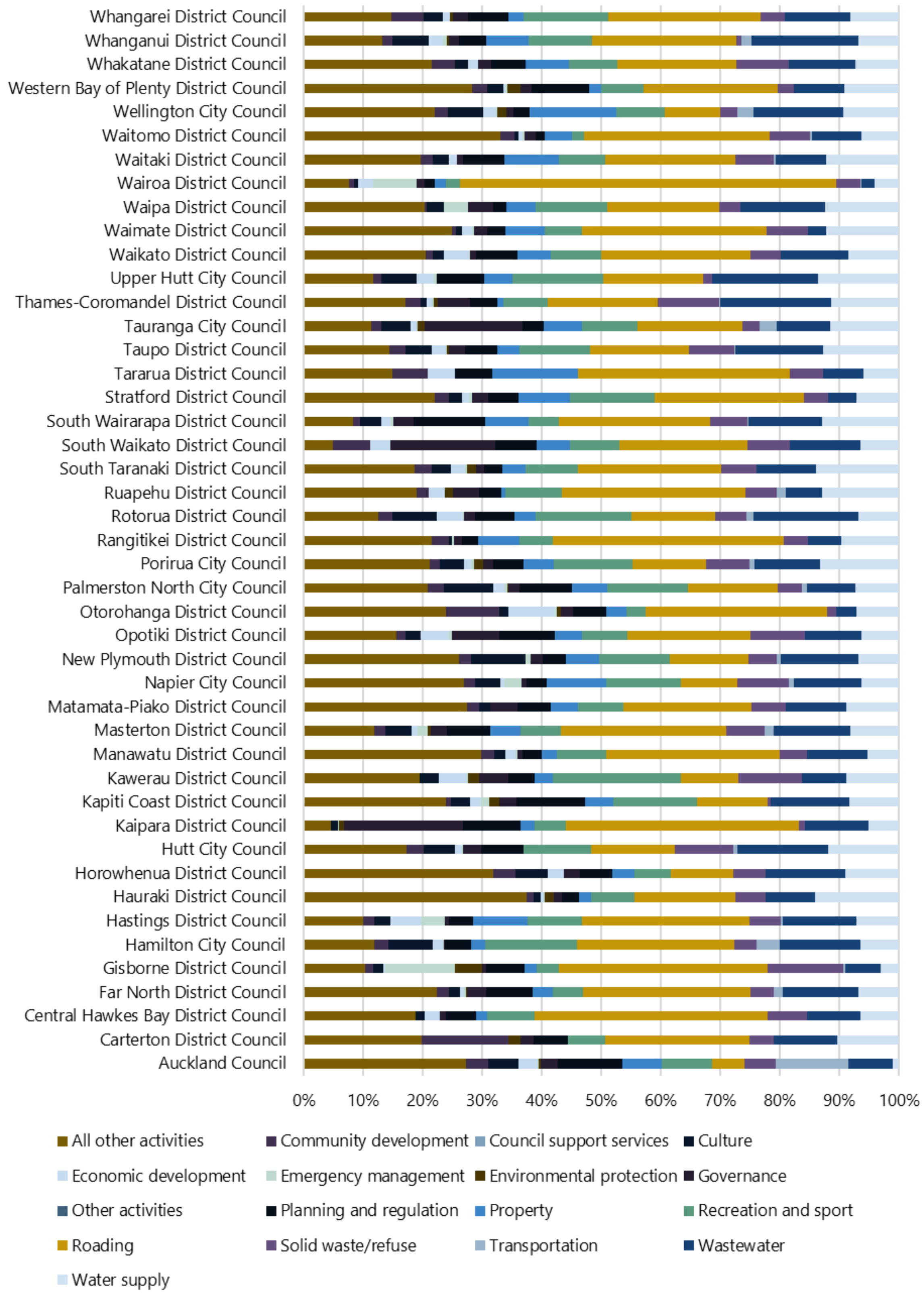
TA expenditure by categories

Figure 42: FY23/24 Total Operating Expenditure - Regional Councils



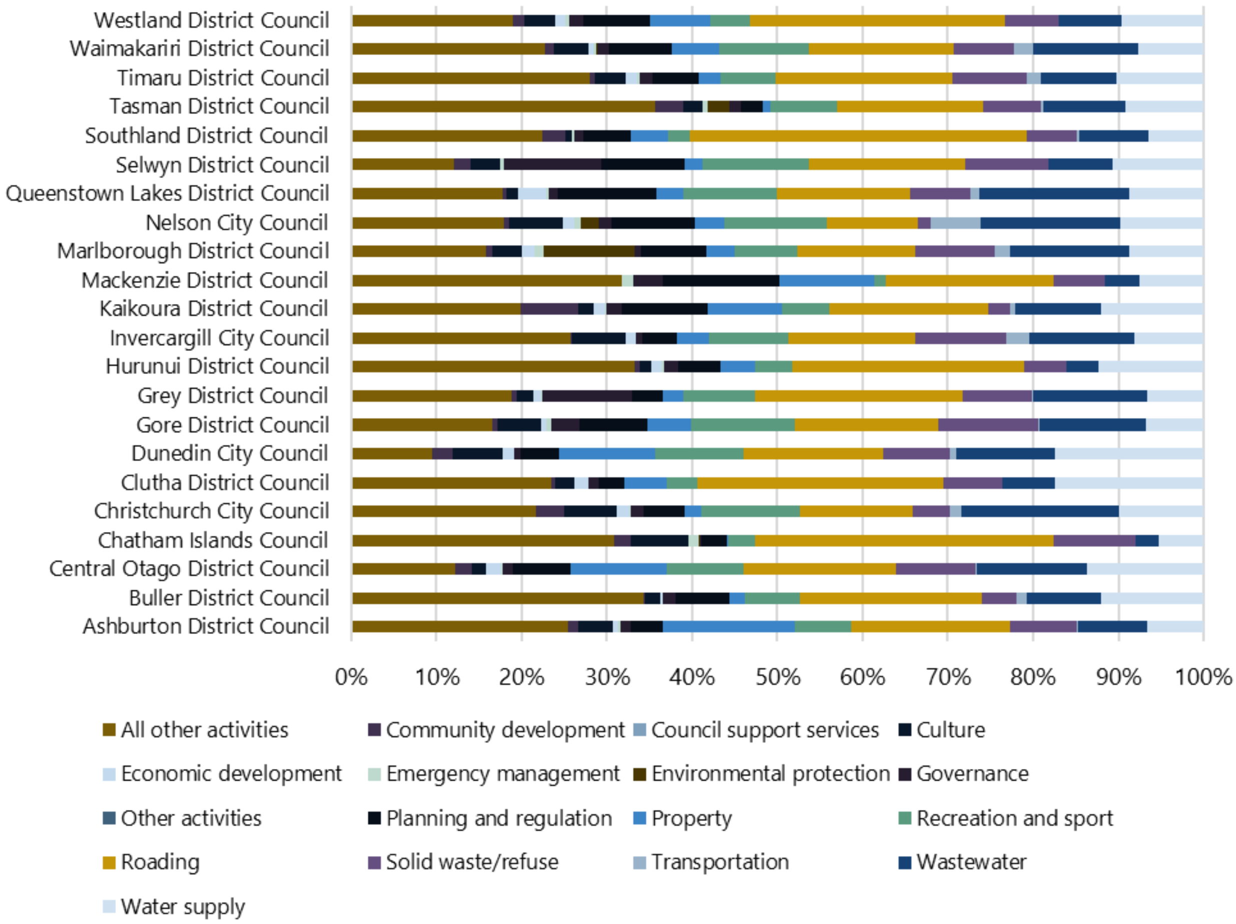
Source: Statistics New Zealand Local Authority Financial Statistics – Year ended June 2024, (Statistics New Zealand, 2025b)

Figure 43: FY23/24 Total Operating Expenditure - North Island Territorial Authorities



Source: Statistics New Zealand Local Authority Financial Statistics – Year ended June 2024, (Statistics New Zealand, 2025b)

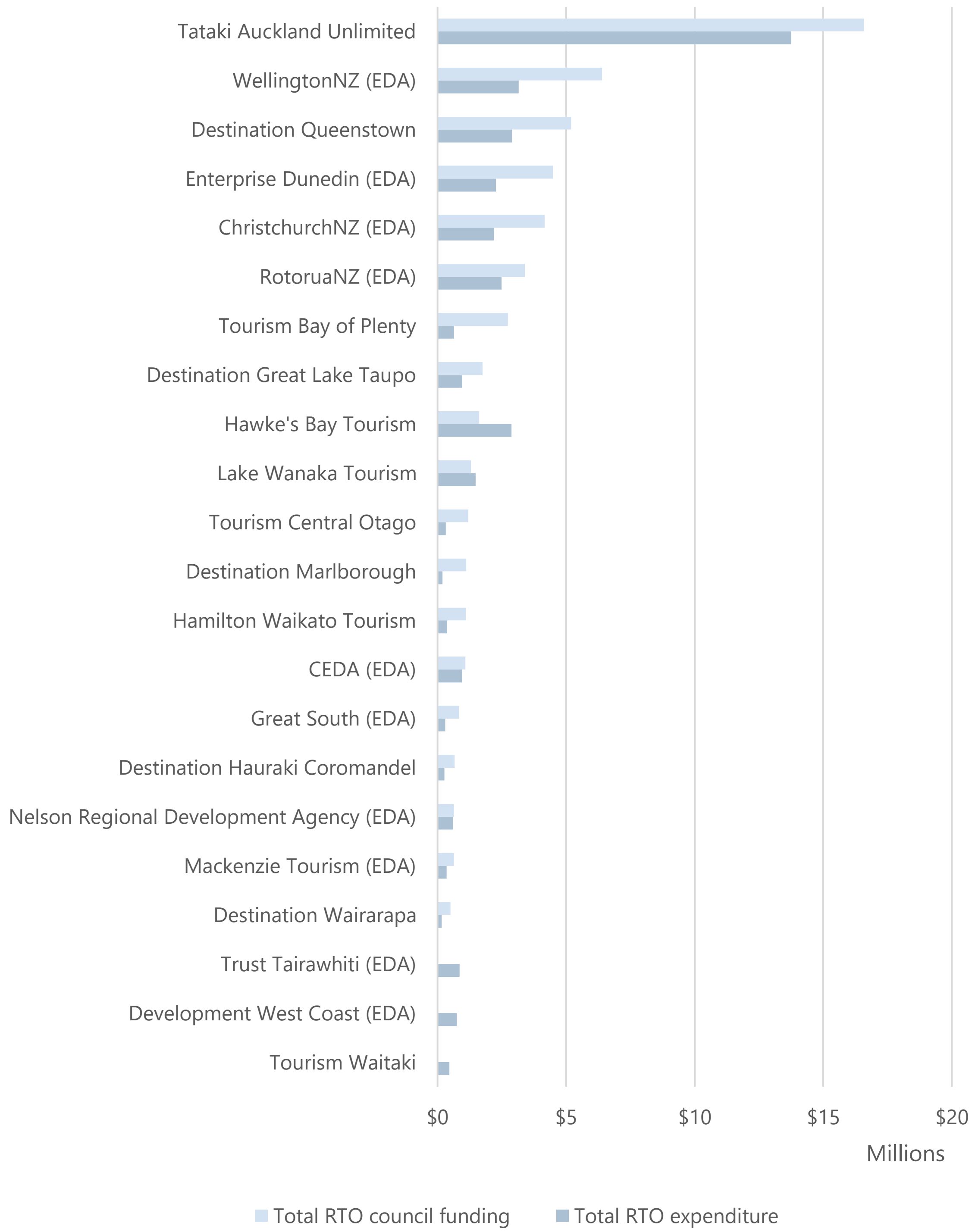
Figure 44: FY23/24 Total Operating Expenditure - South Island Territorial Authorities



Source: Statistics New Zealand Local Authority Financial Statistics – Year ended June 2024, (Statistics New Zealand, 2025b)

Comparison of RTO council income and tourism-related expenditure

Figure 45: Total RTO council income vs tourism-related expenditure



Appendix F Overview of tourism industry associations

Table 32: Industry association fees, revenues, expenses and membership numbers

Industry associations	Membership fees (24/25)	Total income/ revenue (24/25)	Total expenditure (24/25)	Number of members	Information source
Restaurant Association of New Zealand	$5.84 per week + GST - $16.45 per week + GST	**Membership revenue:** $0.76 million to $2.14 million (estimate not actual)[36]	Information not available	Over 2,500	Membership Fees - Restaurant Association of New Zealand About Restaurant Association of NZ | Our Story & Mission
Hotel Council Aotearoa	As of 2022, Annual membership includes a base fee of $250 per hotel, plus an amount calculated on room numbers per hotel: $27.50 per room for the first 100 rooms, $22.50 per room for rooms 101-200, $17.50 per room for rooms 200+. *Membership includes TIA membership*	**Membership revenue:** $0.39 million to $1.68 million (estimate not actual)[37]	Information not available	Over 240	250124-Introducing-HCA-and-key-hotel-sector-issues.pdf

[36] **Assumptions:** 1) Fees are weekly; converted to annual (×52); 2) Estimates shown excluding GST; 3) Member count treated as 2,500 minimum for "over 2,500"; actual could be higher; 4) Tier distribution unknown: range reflects all-lowest (2,500 × $303.68) vs all-highest (2,500 × $855.40) scenarios.; 5) Assumes full-year paid memberships (no proration, discounts, waivers, or bad debt).; 6) Excludes joining fees, non- membership revenue, and churn within the year.

[37] **Assumptions:** 1) Based on 240 hotels minimum (actual could be higher); 2) Room counts assumed: 50 rooms (low, $250 + (50 × $27.50) = $250 + $1,375 = $1,625 per hotel) to 300 rooms (high, $250 + (100 × $27.50) + (100 × $22.50) + (100 × $17.50) = $7,000 per hotel); 3) All members pay full annual fee; excludes discounts, waivers, or churn; 4) GST excluded.

Industry associations	Membership fees (24/25)	Total income/ revenue (24/25)	Total expenditure (24/25)	Number of members	Information source
Hospitality New Zealand	Monthly payment: $70.60 and annual payment: $847	**Total revenue:** $4.32 million **Membership revenue:** $1.63 million from membership subscriptions and significant other revenues including ID card scheme (37.7% of total income)	$4.79 million (deficit)	2,500	HNZ-ANNUAL-REPORT-2025.pdf
Tourism Industry Aotearoa (TIA)	$762 +GST - $65,930 +GST per year (tiered, increasing with turnover)	**Total income:** $3.57 million **Membership income:** $1.47 million (This figure is about 41.2% of their total revenue)	$3.18 million (89.1% of total income)	1,225	Membership Fees - Tourism Export Council of New Zealand Meeting with Tourism Industry Aotearoa - 31 July 2025 FINAL-Annual-Report-FY24-25.pdf
New Zealand Cruise Association	$500 + GST - $15,000 + GST / annum	**Membership revenue:** $46,500 – $1,395,000 (estimate, not actual)[38]	Information not available	93	Our Members - New Zealand Cruise Association

[38] **Assumptions**: 1) Low end: Assume all members are Associate tier at $500 each: $500 × 93 = $46,500; 2) High end: Assume all members are Platinum tier at $15,000 each: $15,000 × 93 = $1,395,000; 3) All members pay full annual fee; excludes discounts, waivers, or churn; 4) GST excluded; 5) Mix of tiers unknown; extremes used for range.

Industry associations	Membership fees (24/25)	Total income/ revenue (24/25)	Total expenditure (24/25)	Number of members	Information source
					Membership - New Zealand Cruise Association
Business Events Industry Aotearoa	$750 - $11,000 per annum (with gold membership also having capped fees per additional venue/service)	**Total revenue:** $1,200,000 (estimate not actual) **Membership revenue**: $540,000 (This figure is about 45% of their total revenue. Meetings makes a significant contribution after costs).	Information not available	332	Become A Member | BEIA
Tourism Export Council of NZ	$50/individual - $4,200+GST (with differentiation of inbound, allied members, and Youth and turnover/staffing) *Full membership includes membership of TIA and Qualmark*	**Total income:** $861,586 **Membership revenue:** $372,690 (43.3% of total income) Tourism Export Council of New Zealand (TECNZ) also ran a trade event this year with the specific purpose of increasing / diversifying their revenue streams.	$801,697 (93.1% of total income)	Industry Training Organisation members: 74 Allied member: 260 YoungTEC members; 219	Membership Fees - Tourism Export Council of New Zealand TECNZ 24/25 Annual Report

Industry associations	Membership fees (24/25)	Total income/ revenue (24/25)	Total expenditure (24/25)	Number of members	Information source
New Zealand Airports	$784.75 - $3,225.00 per year for overseas/non-airports (differentiating by employee size for the latter) and $784.50 (excluding GST)	**Membership revenue range**: $36,900 – $151,600 (estimate not actual)[39]	Information not available	Represent 47 airports	Join Us | Become A Member | New Zealand Airports Association
New Zealand Events Association	NZD 50 + GST **-** NZD 3,875 + GST (varying by student, size or if supplier)	**Total income:** $449,924 **Membership subscriptions:** $145,433 (32.3% of total income)	$448,289 (99.6% of total income)	966	Annual report 2025 Membership — NZEA
Bed & Breakfast Association New Zealand	$305 including GST annually *Full membership includes TIA membership*	**Membership revenue:** $61,000 (estimate not actual)	Information not available	Over 200 small owner operated businesses	pc-inq-lgff-dr-214-bed-and-breakfast-association-new-zealand-incorporated.pdf
Ngā Haerenga New Zealand Cycle Trails	$2,500 plus GST annually	**Membership revenue:** $ 57,500 (estimate not actual)	Information not available	23 Great Rides that are governed and managed at a local level	NZCT_A3-Briefing-Docfinal-16-August.pdf
Backpacker Youth Adventure Travel Association	$395 +GST annually	**Membership income/revenue:** over $55,300 (estimate not actual)	Information not available	Over 140	MEMBERSHIP - BYATA: New Zealand Backpacker Youth and Adventure Tourism Association

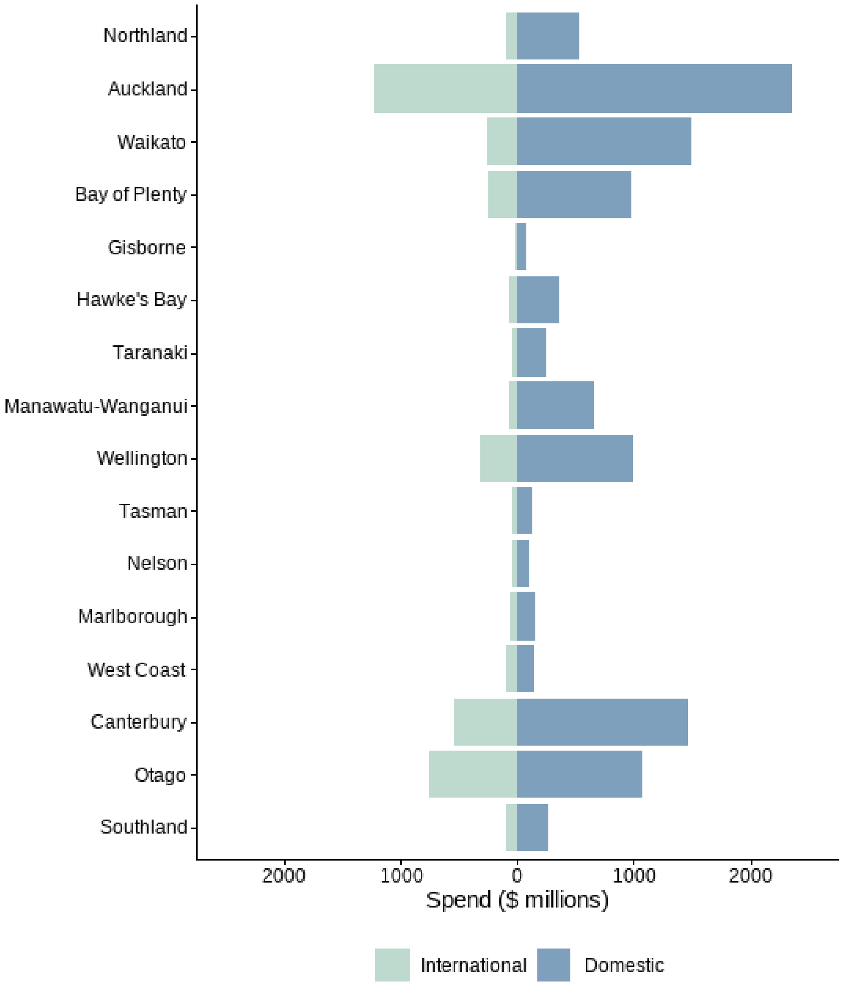
[39] **Assumptions:** 1) Low end: Assume most members are small companies paying $784.75 each: $784.75 × 47 = $36,883 (rounded to $36,900); 2) High end: Assume most members are large companies paying $3,225 each: $3,225 × 47 = $151,575 (rounded to $151,600); 3) All members pay full annual fee; excludes discounts, waivers, or churn; 4) GST excluded; 5) Airport membership revenue not included; 6) Optional: Overseas Airport members (0–5) at $784.50 each could add $0–$3,922.50.

Industry associations	Membership fees (24/25)	Total income/ revenue (24/25)	Total expenditure (24/25)	Number of members	Information source
					MEMBERS - BYATA: New Zealand Backpacker Youth and Adventure Tourism Association
Holiday Parks New Zealand	Information not available *Membership includes being a member of TIA*	Information not available	Information not available	Around 230 holiday parks	Discover New Zealand by Holiday Park | Camping Sites NZ
New Zealand Māori Tourism	Information not available	Information not available	Information not available	Over 200	New Zealand Māori Tourism - Tourism Export Council of New Zealand
Regional Tourism New Zealand	$5,250 - $13,125 annually or $4,000 for district tourism organisations (DTOs)	$200,000	Information not available	30 full members and 3 DTO members	NA
Board of Airline Representatives of New Zealand (BARNZ)	Information not available	Information not available	Information not available	More than 26 member airlines	Membership | BARNZ
Museums Aotearoa	$230+GST per FTE (with volume discounts of up to 75% for 200+ employees).	Information not available	Information not available	Information not available	Museums Aotearoa - Find your fees
Travel Agents & Tour Operators	$100 - $550 annually	Information not available	Information not available	Information not available	TAANZ For the Fees Schedule please click here

Sources: As indicated and with input from MBIE

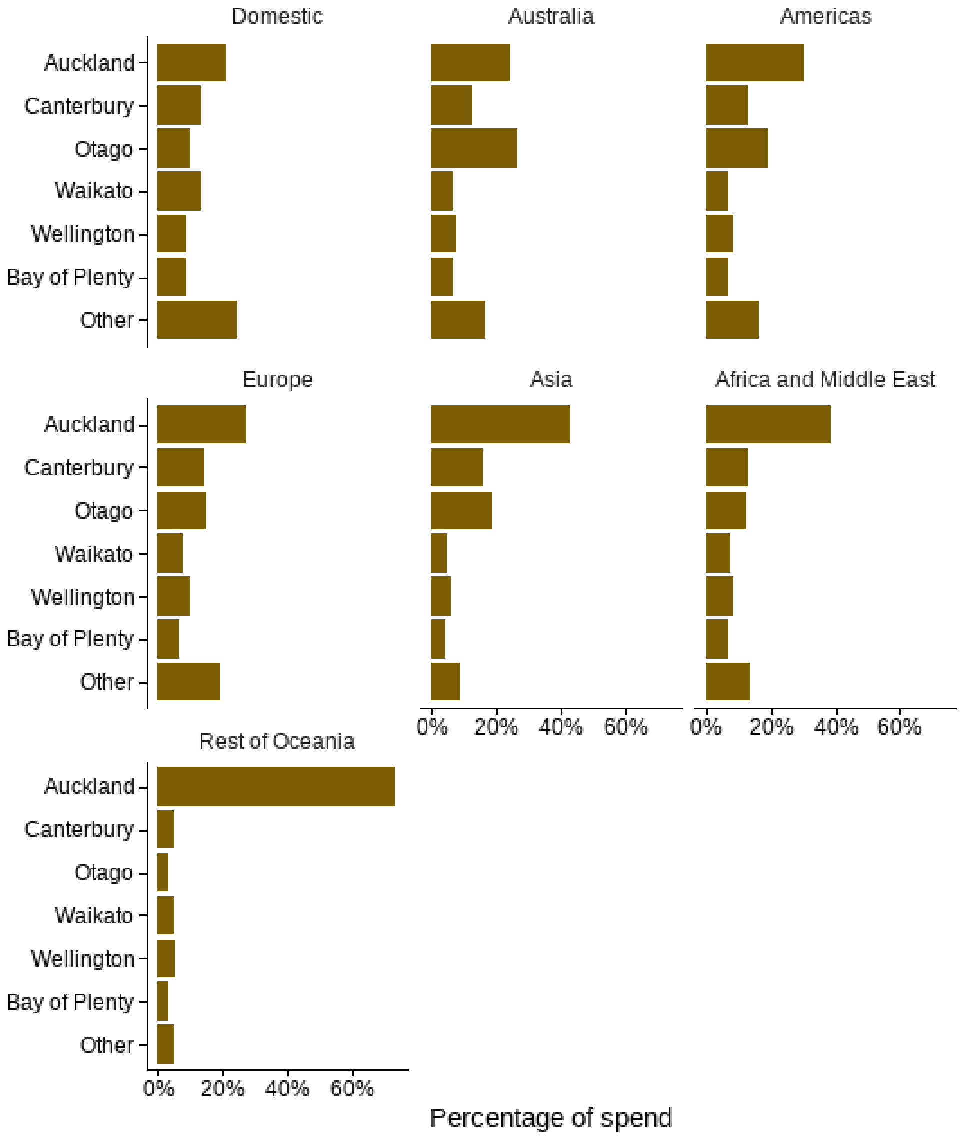
Appendix G Patterns of tourist expenditure

Figure 46: Tourism spend by region - year ended 30 June 2025



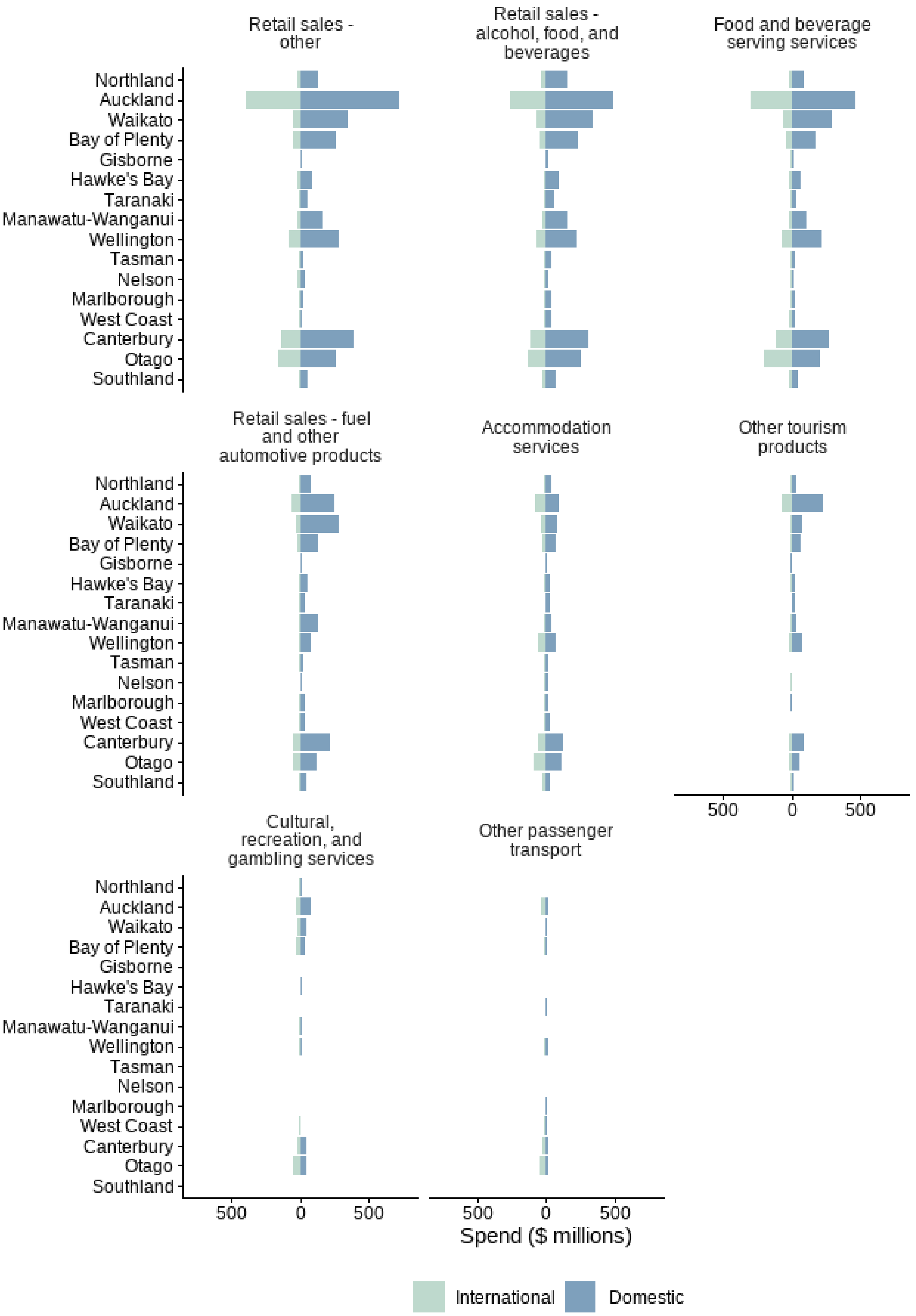
Source: Tourism Electronic Card Transactions (TECTs)

Figure 47: Tourism spend by tourist origin and region - year ended 30 June 2025



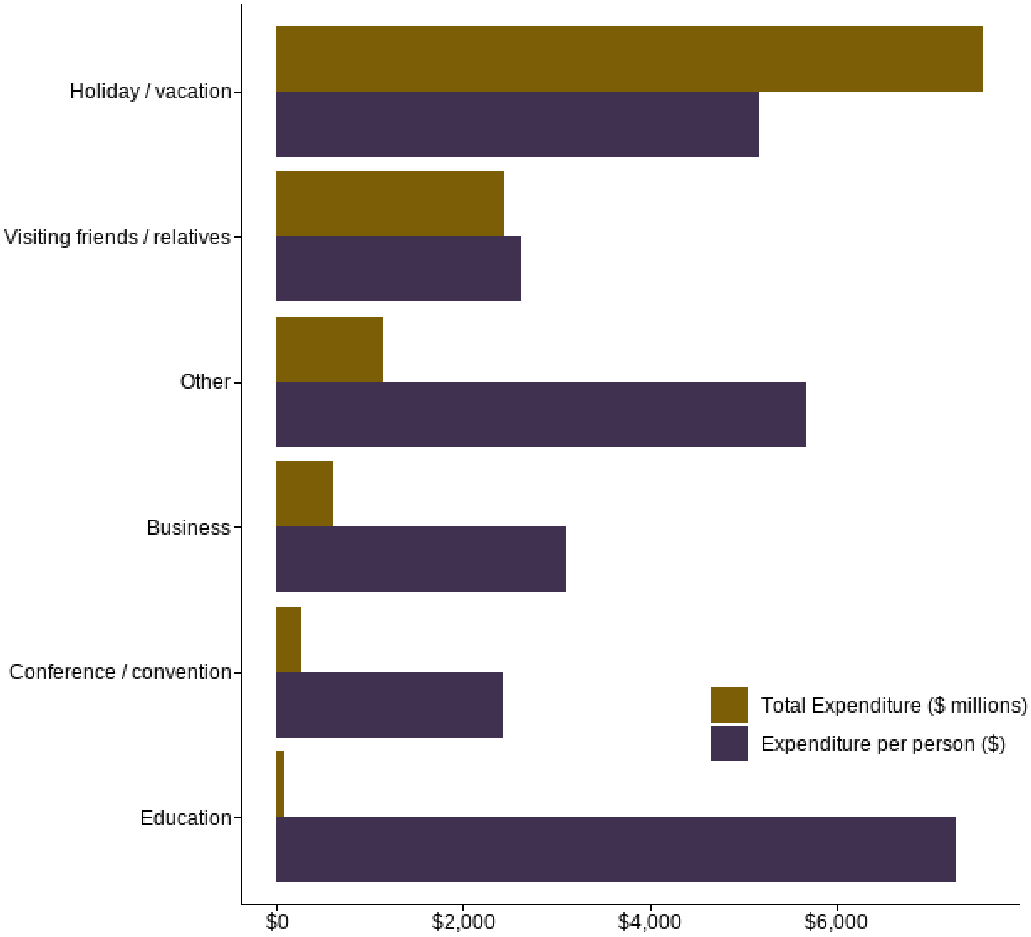
Source: Tourism Electronic Card Transactions (TECTs)

Figure 48: Tourism spend by product and region - year ended 30 June 2025



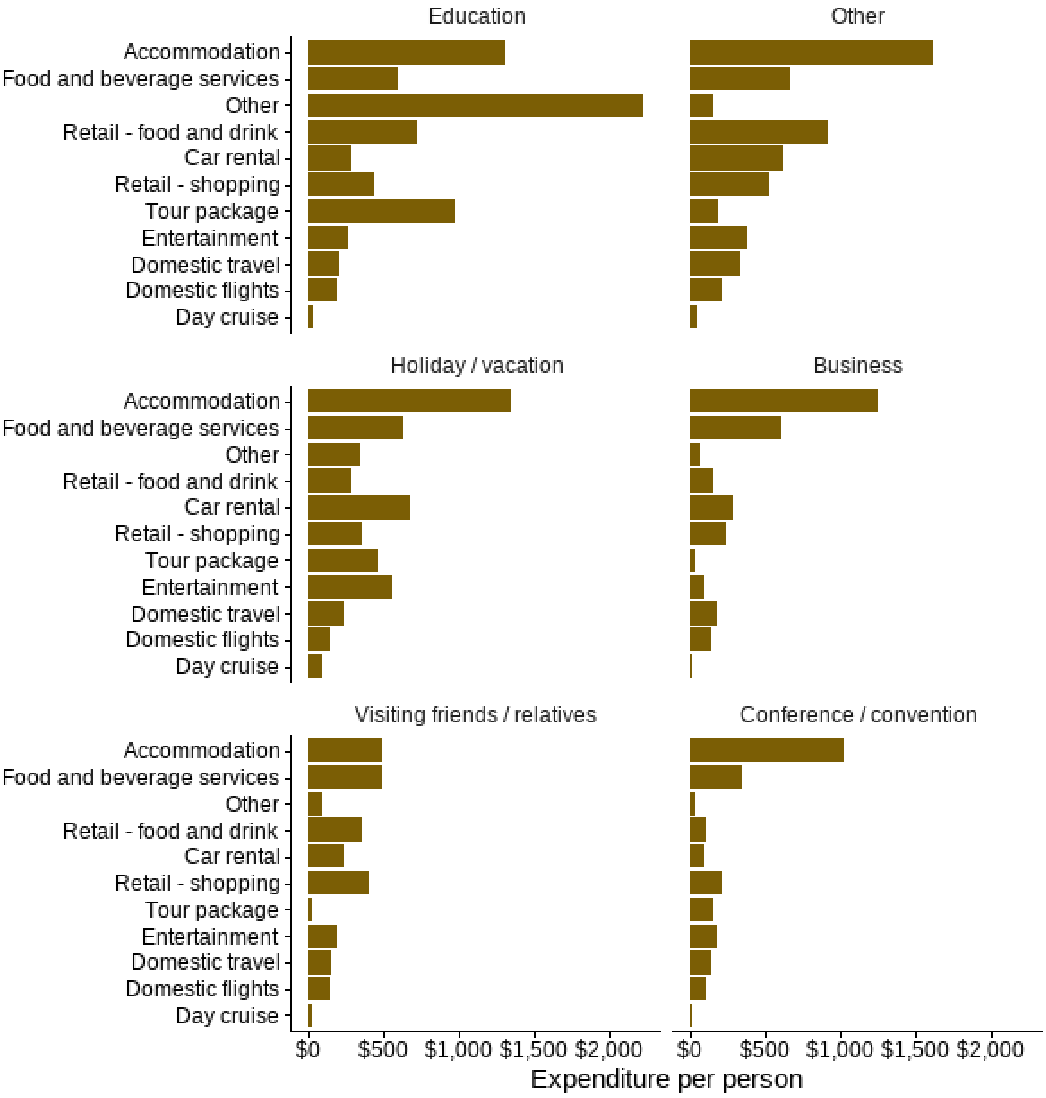
Source: Tourism Electronic Card Transactions (TECTs)

Figure 49: Tourism spend by main purpose of visit- year ended 30 June 2025



Source: International Visitor Survey

Figure 50: Tourism spend by main purpose of visit and product - year ended 30 June 2025

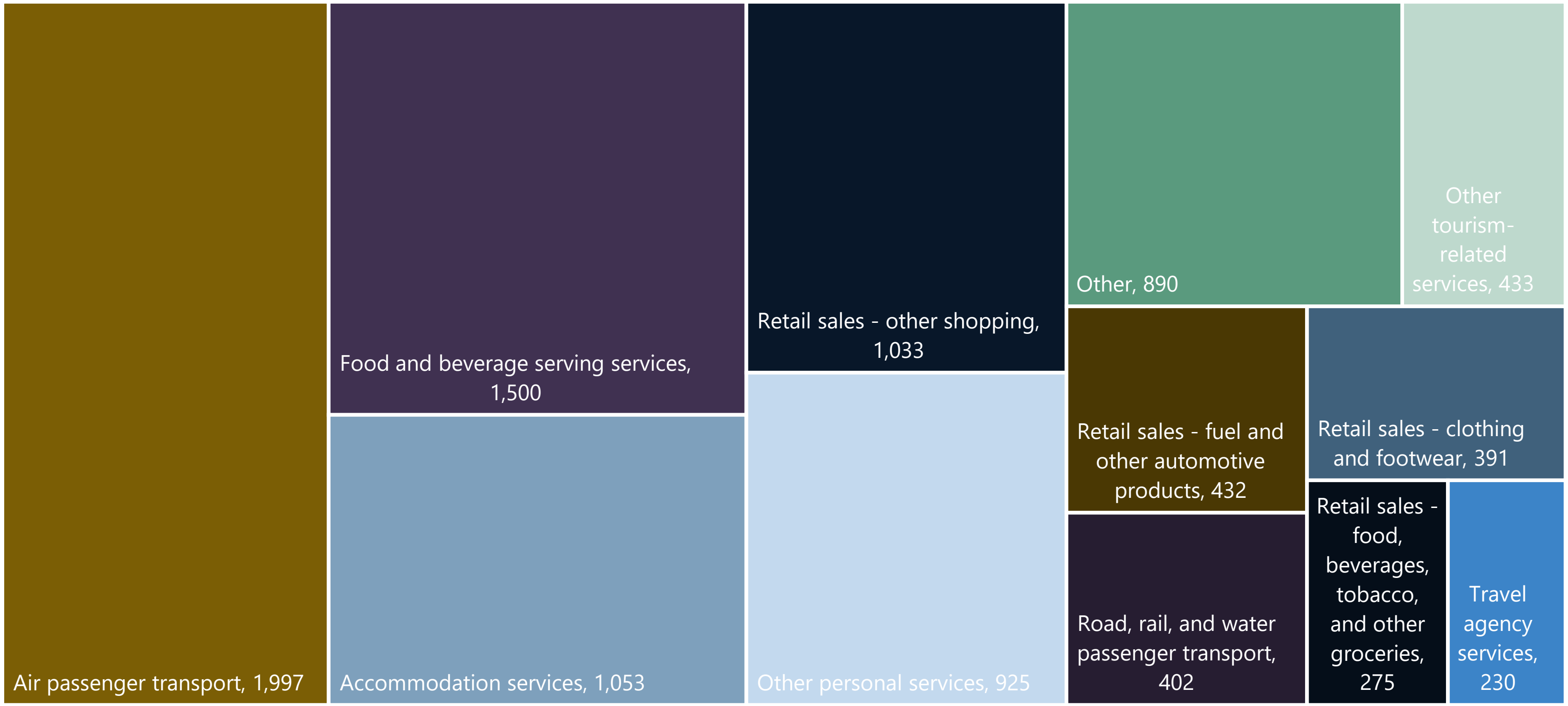


Source: International Visitor Survey

Appendix H Tourism expenditure and value added

5.5.2 Retail sales, air passenger transport, and food and beverage services are the three major spending categories of international tourists

Figure 51: Composition of international tourism expenditure (2023)

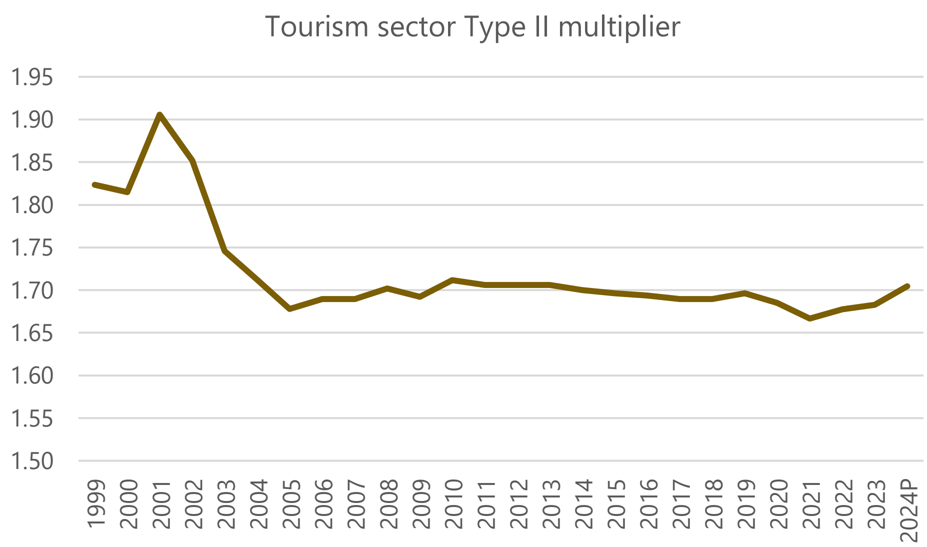


Source: TSA and Sapere analysis

Table 33: Other areas of spending ($millions)

Other (composition)	Amount
Motor vehicle hire or rental	181
Other sport and recreation services	156
Retail sales - tourism consumer durables	150
Libraries, archives, museums, and other cultural services	78
Retail sales - retail medicines, toiletries	75
Social and health-related services	65
Retail sales - alcohol	63
Gambling services	51
General insurance (incl. travel insurance)	48
Education services	20
Financial services	3
Imputed rental on holiday homes	0

Figure 52: Tourism sector Type II multiplier (1999 - 2024)



Source: TSA and Sapere analysis

Table 34: Export values by sector (1999-2024)

Year	International tourism	Dairy products, including casein	Meat and meat products	Wood and wood products	Fruit	Seafood
1999	6,028	4,703	2,843	2,348	909	1,173
2000	7,156	4,460	3,198	2,950	1,059	1,199
2001	8,218	6,167	3,854	3,635	1,074	1,334
2002	9,054	7,491	4,414	3,536	1,051	1,388
2003	9,593	5,919	4,242	3,653	1,054	1,309
2004	9,691	5,707	4,232	3,076	1,047	1,062
2005	10,071	5,678	4,688	3,203	1,356	1,136
2006	10,147	5,884	4,411	3,116	1,181	1,146
2007	10,676	7,332	4,813	3,497	1,191	1,193
2008	11,010	9,277	4,416	3,406	1,298	1,098
2009	10,927	9,975	5,432	3,619	1,497	1,289
2010	10,316	8,972	4,997	3,767	1,586	1,201
2011	10,090	11,576	5,199	4,413	1,446	1,350
2012	10,151	12,704	5,389	4,327	1,583	1,388
2013	9,958	12,349	5,279	4,385	1,568	1,369
2014	10,444	15,896	5,492	5,154	1,548	1,337
2015	12,426	14,168	6,194	4,633	1,758	1,380
2016	14,864	12,346	6,580	4,855	2,362	1,527
2017	14,796	12,374	5,983	5,315	2,758	1,586
2018	16,320	15,078	6,797	6,144	2,648	1,619
2019	17,164	15,574	7,632	6,773	3,294	1,696
2020	17,687	17,081	8,272	5,889	3,513	1,812
2021	1,485	16,316	7,834	5,813	3,910	1,565
2022	1,943	19,398	9,142	6,653	3,827	1,734
2023	10,601	22,360	9,352	6,647	3,778	1,839
2024	16,946	21,128	8,672	5,818	3,652	1,978

Source: TSA and Sapere analysis

Appendix I Methodology to create CamperMate traffic and facility search maps

CamperMate road usage

We used tracking event data from the CamperMate app to estimate the average daily traffic on New Zealand roads from tourism in January 2025. Each event in the tracking data corresponds to the location of a CamperMate user during January 2025, either from while they used the app, or every 1km if they had the app set to allow CamperMate to always track their location. We understand around 7 per cent of app users don't allow tracking, and of the users who do, 90 per cent have tracking enabled while using the app only. Users from 74 countries, including New Zealand, used the app in January 2025 (Table 35), and an average of 12,592 users created 414,491 tracking events per day.

Table 35: Summary of CamperMate app tracking data

User type	Tracking events	Users	Countries of origin
Domestic	1,716,050	22,783	1
International	10,782,175	43,408	73
Unknown	351,001	2,394	-
Total	**12,849,226**	**68,585**	**74**

To estimate daily traffic from CamperMate app users, we first imported the tabulated tracking event data into Quantum Geographic Information System (QGIS) and converted it into a point spatial layer using latitude and longitude coordinates. The layer contains almost 12.85 million points.

To evaluate which road the app users were on, we imported the road section geometry layer from Land Information New Zealand data service (Land Information New Zealand, 2025) and identified which road segment is closest to each point. We limited our analysis to points within 10m of a road segment. We used this limit to capture tracking information from users who were most likely to be driving. More than 5.26 million points were captured using the 10m limit.

We then summed the number unique users using each road segment per day and calculated the average number of daily users of the road segments.

We used line thickness and colour gradient symbology to visualise daily traffic nationally.

CamperMate facility search rates

CamperMate data on user searches for public toilets and dump facilities in January 2025 revealed that 21,494 users made 377,627 searches in January 2025 for public toilets and dump stations (Table 36). On average, 1,475 facilities were searched for each day.

We used this data to calculate a search rate per 1,000 population for each territorial authority. For each territorial authority we summed the number of unique users searching for each facility. We then divided this total by the territorial authority's 2025 population (NZ, 2025) to produce a search rate per 1,000 population. We visualised the results in QGIS to create the map.

Table 36: Summary of CamperMate searches for public toilet and dump facilities in January 2025

	Total	Daily average
Searches	377,627	12,182
Facilities searched	4,296	1,475
Users	21,494	2,024

Appendix J Infrastructure investment requirements methodology

Our work draws on elements of the Infrastructure Commission's *Build or Maintain* analysis and *Infrastructure Needs Analysis* (New Zealand Infrastructure Commission, 2024a, 2025). While international tourists are not explicitly considered in the Infrastructure Commissions modelling, based on our conversations, they are somewhat *implicitly* included in the demographic driver. This is on the implicit assumption that tourist growth and elasticities are roughly proportionate to New Zealand's resident population.

Tourist arrivals to resident equivalents

The TGR international visitor goals require higher growth rates in international visitors than growth in resident population. Statistics New Zealand's 50th percentile population estimate for 2034 is 10 per cent higher than 2024, compared to the 44 per cent from the Tourism Roadmap. Relative to the assumption that international visitors grow at the same rate as population, this equates to 1.13 million additional tourists.

We assume that, on average, additional international visitors have similar demands on infrastructure as resident populations, weighted by their length of stay (apart from the education, hospitals and social housing assets, which we assume visitors have no material impact on). The average length of stay of an international tourist was 21 days.[40] Therefore, our analysis assumes that one international arrival demands the equivalent of 21/365 of a resident. Put another way, 17.4 international tourists have similar infrastructure requirements as one resident. Combining this with the 1.13 million additional tourists, we arrive at 65,300 *resident equivalents*. This equates to a level of *residents plus resident equivalents* that is 1.1 per cent higher than otherwise implicitly assumed in the Infrastructure Commissions work.

Tourism elasticity of demand for infrastructure

The Infrastructure Commission's demographic driver of infrastructure needs implicitly assumes a population elasticity of 1 (a 1 per cent change in population leads to a 1 per cent change in infrastructure stocks (New Zealand Infrastructure Commission, 2025)). They note that they have previously found that elasticity of demand, with respect to population, is approximately 0.8. In this section, we present a range of infrastructure spending using this lower elasticity estimate of 0.8 through to 1.2. This represents the uncertainty of tourism demands relative to resident population i.e. it may be roughly 20 per cent more or less.

The baseline infrastructure capital stock

The Infrastructure Commission estimated infrastructure stocks of $287 billion (New Zealand Infrastructure Commission, 2024a). However, we exclude education, hospitals, public administration and safety, and social housing infrastructure on the assumptions that tourist numbers would have an

[40] Calculated from Statistics New Zealand estimates of "Visitors - average number in New Zealand each day by country of residence (Annual-Dec) [ITM284AA]" and "Visitor arrival totals (Annual-Dec) [ITM006AA]" for 2024

elasticity of demand of zero, or close to zero. Excluding these stocks, the estimated capital stock for infrastructure that may be impacted by tourism in 2022 is $185 billion.

We inflate this figure to 2024 dollars using a relevant capital goods price index series for each infrastructure sector and adjusting for population growth. This results in a base infrastructure stock for our modelling of $200 billion.

Table 37: Adjustments to infrastructure capital stock from 2022 to 2024

Infrastructure Commission sector	Price series	Multiplier
Road Transport	Construction of Roads	0.99
Rail, Water, Air and Other Transport	Construction of Airfields and Runways	1.01
Electricity and Gas Services	Energy Generation, Transmission, and Distribution Works	1.05
Water, Sewerage, Drainage and Waste Services	Systems for Water and Sewerage	1.05
Telecommunications Services	Construction of Telecommunications Infrastructure	1.11
Other Public Capital	Construction of Car Parks, Footpaths, Parks, Walkways, Cycleways and Streetlights	1.07
	Population	1.04

Source: Sapere analysis based on Statistics New Zealand's Capital Goods Price Index, Estimated Resident Population, and Population Projections

Depreciation and renewals of the additional stock

There will be depreciation on any additional capital stock as it gets used. In order to maintain this new infrastructure, it will also require expenditure through renewals. We estimate the renewal requirement using the Infrastructure Commissions renewal values in their Infrastructure Needs Analysis as a proportion of the capital stock.

Table 38: Additional infrastructure renewal percentage requirements by sector

Sector	Renewal percentage
Road Transport	2.1%
Rail, Water, Air and Other Transport	4.9%
Electricity and Gas Services	5.7%
Water, Sewerage, Drainage and Waste Services	3.5%
Telecommunications Services	10.5%
Other Public Capital	4.8%

Limitations and notes regarding this work

- This analysis does not account for any other interactive (or second order) effects with other drivers of infrastructure stocks, including decarbonisation, technological change, income effects, natural hazard resilience, shortages/surpluses in existing stocks or changes in the real price of construction.
- The estimate falls within the range of modelling scenarios/sensitivities that the Infrastructure Commission looked at. Put another way, the estimated impact of this additional tourism we provide here would be outweighed by aspects that the Commission's tested such as if the high/low growth scenario played out rather than its central estimate.[41]
- This analysis is on the assumed basis that a similar level of infrastructure quality/quantity per person is provided into the future as at today.
- These figures do not account for any additional operational expenditure that may be required to service tourism demand.

[41] That is if for reasons beyond tourism other scenarios played out then this impact may be outweighed – i.e. if there is more tourism but the economy more generally tracked to lower bound growth scenarios, then the tourism pressures would potentially be outweighed.

About Sapere

Sapere is one of the largest expert consulting firms in Australasia, and a leader in the provision of independent economic, forensic accounting and public policy services. We provide independent expert testimony, strategic advisory services, data analytics and other advice to Australasia's private sector corporate clients, major law firms, government agencies, and regulatory bodies.

'Sapere' comes from Latin (to be wise) and the phrase 'sapere aude' (dare to be wise). The phrase is associated with German philosopher Immanuel Kant, who promoted the use of reason as a tool of thought; an approach that underpins all Sapere's practice groups.

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