



## Minister of Tourism

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# Tourism portfolio

## Vote Business, Science and Innovation

Report in relation to selected non-departmental appropriations for the year ended 30 June 2023

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## Foreword

Ministers are responsible for reporting the financial and non-financial performance of non-departmental appropriations to Parliament. This report provides information on the year-end performance results of non-departmental appropriations that have not been included in any other reports to Parliament.

This report provides the 1 July 2022-30 June 2023 results of relevant non-departmental appropriations for the Tourism portfolio within Vote Business, Science and Innovation. The relevant appropriations are:

### Non-departmental output expenses:

- *COVID-19 Tourism Response*
- *Regional Events Fund*

### Non-departmental other expenses:

- *Tourism: Tourism Infrastructure Fund*
- *Tourism: Tourism Strategic Infrastructure and System Capability*
- *Tourism: Recovery from COVID-19 2021-2023*



Hon Peeni Henare  
**Minister of Tourism**

## Statements of Performance

### *Non-Departmental Output Expenses*

#### Tourism: COVID-19 Tourism Response

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#### Scope of appropriation

This appropriation is limited to domestic visitor marketing, and destination planning and management, and supporting actions in response to the tourism sector impacts of COVID-19.

#### Intention Statement

This appropriation is intended to achieve the delivery of a domestic tourism campaign in the most affected regions.

#### Assessment of Performance

##### Non-financial

| Performance Measures   | 2021/22<br>Actual Result | 2022/23<br>Budget Standard | 2022/23<br>Actual Result |
|--|--------------------------|----------------------------|--------------------------|
| Percentage of contracts that have been monitored and assessed in line with contract requirements | 100%                     | 100%                       | On Track                 |

##### *Comment*

Ongoing contract monitoring and assessment. Some contracts have completed and recipients are undertaking final reconciliations. Where underspend is identified, funds will be reimbursed to the Crown.

##### Financial

| Expenses (\$000)    | 2021/22<br>Actual<br>\$000 | 2022/23<br>Estimates<br>\$000 | 2022/23<br>Supplementary<br>Estimates \$000 | 2022/23<br>Actual<br>\$000 |
|---------------------|----------------------------|-------------------------------|---|----------------------------|
| Total Appropriation | 24,985                     | 54,226                        | 2,200                                       | 261                        |

##### *Comment*

This appropriation is underspent by \$1.9 million for the year ended 30 June 2023. This appropriation contains the newly established Innovation Programme for Tourism Recovery and had minimal spend in 2022/23 while the process and criteria for this fund was established. An in-principle expense transfer of up to \$2 million has been approved by the Minister of Finance.

## Tourism: Regional Events Fund

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### Scope of appropriation

This appropriation is limited to the funding of entities to support the delivery of events that will stimulate domestic tourism.

### Intention Statement

This appropriation is intended to achieve an increase in the levels of domestic tourism in New Zealand.

### Assessment of Performance

#### Non-financial

| Performance Measures   | 2021/22<br>Actual Result | 2022/23<br>Budget Standard | 2022/23<br>Actual Result |
|--|--------------------------|----------------------------|--------------------------|
| Percentage of contracts that have been monitored and assessed in line with contract requirements | -                        | 100%                       | On Track                 |

#### Comment

This funding started in 2020 and contracts have a duration of two or four years. Reports are assessed prior to payment of funding instalments. Six-monthly report from July 2023 is currently being assessed prior to scheduled payments being made. Some funding recipients have been requested to provide additional information and to update their Investment Plans prior to approval and payment.

#### Financial

| Expenses (\$000)    | 2021/22<br>Actual<br>\$000 | 2022/23<br>Estimates<br>\$000 | 2022/23<br>Supplementary<br>Estimates \$000 | 2022/23<br>Actual<br>\$000 |
|---------------------|----------------------------|-------------------------------|---|----------------------------|
| Total Appropriation | -                          | 14,120                        | 14,200                                      | 14,200                     |

## ***Non-Departmental Other Expenses***

### **Tourism: Tourism Infrastructure Fund**

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#### **Scope of appropriation**

The appropriation is limited to supporting communities to respond to tourism-related pressures on existing infrastructure.

#### **Intention Statement**

This appropriation is intended to achieve infrastructure that will contribute to quality experiences for visitors.

#### **Assessment of Performance**

##### **Non-financial**

| <b>Performance Measures</b>   | <b>2021/22<br/>Actual Result</b> | <b>2022/23<br/>Budget Standard</b> | <b>2022/23<br/>Actual Result</b> |
|---|----------------------------------|------------------------------------|----------------------------------|
| Percentage of contracts assessed against their objectives and critical steps in line with contract requirements | 100%                             | 100%                               | 100%                             |

##### *Comment*

Ongoing contract monitoring and assessment. All reports are assessed against requirements prior to funding instalments being paid.

##### **Financial**

| <b>Expenses (\$000)</b> | <b>2021/22<br/>Actual<br/>\$000</b> | <b>2022/23<br/>Estimates<br/>\$000</b> | <b>2022/23<br/>Supplementary<br/>Estimates \$000</b> | <b>2022/23<br/>Actual<br/>\$000</b> |
|-------------------------|-------------------------------------|--|--|-------------------------------------|
| Total Appropriation     | 11,032                              | 10,000                                 | 18,217   | 16,660                              |

##### *Comment*

This appropriation is underspent by \$1.557 million for the year ended 30 June 2023. The variance relates to the timing of payments to Councils as compared to funds committed. An in-principle expense transfer of up to \$4.5 million has been approved by the Minister of Finance.

## Tourism: Recovery from COVID-19 2021-2023 (Multi-Year Appropriation)

### Scope of appropriation

This appropriation is limited to support packages for those communities that are most reliant on international tourism.

Commences: 01 April 2021

Expires: 30 June 2023

### Intention Statement

This appropriation is intended to achieve the provision of support packages for those communities that are most reliant on international tourism.

### Assessment of Performance

#### Non-financial

| Performance Measures  | 2021/22<br>Actual Result | 2022/23<br>Budget Standard | 2022/23<br>Actual Result |
|---|--------------------------|----------------------------|--------------------------|
| Funding agreement in place and progress being monitored in line with agreements | Achieved                 | Achieved                   | Achieved                 |

#### Comment

This measure is for the lifetime of the Multi-Year Appropriation (MYA), which expires on 30 June 2023. This relates to funding agreements with DHBs for Psycho-social support and Kick-Start/business support. Final reports are being assessed and any underspends will be returned to the Crown.

#### Financial

| Expenses (\$000)    | 2021/22<br>Actual<br>\$000 | 2022/23<br>Estimates<br>\$000 | 2022/23<br>Supplementary<br>Estimates \$000 | 2022/23<br>Actual<br>\$000 |
|---------------------|----------------------------|-------------------------------|---|----------------------------|
| Total Appropriation | 51,500                     | 19,000                        | 3,039                                       | 2,680                      |

#### Comment

This appropriation is underspent by \$0.359 million for the year ended 30 June 2023. This mainly relates to a lower uptake on support funds from Councils in relation to the Tourism Kick-Start fund.

## Tourism: Tourism Strategic Infrastructure and System Capability

### Scope of appropriation

This appropriation is limited to investment in tourism-related infrastructure and systems, including capability, in accordance with an agreed International Visitor Conservation and Tourism Visitor Levy (IVL) Investment Plan.

### Intention Statement

This appropriation is intended to improve and expand visitor-related infrastructure and build the capability of the tourism system. Together with investment managed by the Department of Conservation, the funding will support a more sustainable tourism sector that enriches New Zealanders and supports a quality visitor experience.

### Assessment of Performance

#### Non-Financial

| Performance Measures   | 2021/22<br>Actual Result | 2022/23<br>Budget Standard | 2022/23<br>Actual Result |
|--|--------------------------|----------------------------|--------------------------|
| Percentage of contracts assessed against their objectives and critical steps | 100%                     | 100%                       | On Track                 |
| Projects build tourism sector capability                                     | Achieved                 | Achieved                   | On Track                 |

#### Comment

Ongoing contract monitoring and assessment.

Tourism Data Leadership Group is under way and the Tourism Funding Tool Kit has been funded and published.

#### Financial

| Expenses (\$000)    | 2021/22<br>Actual<br>\$000 | 2022/23<br>Estimates<br>\$000 | 2022/23<br>Supplementary<br>Estimates \$000 | 2022/23<br>Actual<br>\$000 |
|---------------------|----------------------------|-------------------------------|---|----------------------------|
| Total Appropriation | 12,957                     | 44,214                        | 44,137                                      | 6,195                      |

#### Comment

This appropriation (which is managed via a notional memo account for the IVL collected) is underspent by \$37.942 million for the year ended 30 June 2023. This variance relates to the phasing of the budget and was forecast to be well under budget due to lower levies collected in the past two years as a result of COVID-19 border restrictions.