



BRIEFING

Tourism Recovery Package – Update, 9 June 2020

| | | | |
|---------------------------------|---------------|-------------------------|------------|
| Date: | 9 June 2020 | Priority: | High |
| Security classification: | In Confidence | Tracking number: | 3660 19-20 |

| Action sought | | |
|---|---|--------------|
| | Action sought | Deadline |
| Tourism Recovery Ministers Group Hon Kelvin Davis Minister of Tourism Hon Grant Robertson Minister of Finance Hon Nanaia Mahuta Minister for Māori Development Hon Eugenie Sage Minister of Conservation Fletcher Tabuteau Under Secretary Regional Economic Development | <p>Note the contents of this briefing.</p> <p>Agree to the STAPP timeline set out in this briefing</p> <p>Note the impact of different support delivery options on timing</p> <p>Note that NZ Futures Tourism Taskforce Co-Chairs will be attending the next TRMG meeting</p> | 11 June 2020 |

| Contact for telephone discussion (if required) | | | | |
|--|---|-------------|-----------|-------------|
| Name | Position | Telephone | | 1st contact |
| Danielle McKenzie | Programme Director, Tourism | 04 896 5113 | s 9(2)(a) | ✓ |
| s 9(2)(a) | Policy Advisor, Tourism System and Insights | s 9(2)(a) | | |

| The following departments/agencies have been consulted |
|--|
| |

Minister's office to complete:

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 Withdrawn |

Comments



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Purpose

To provide an update on the Tourism Recovery Package, as of Tuesday 9 June 2020.

Recommended Action

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

- a. **Note** the contents of this briefing. *Noted*
- b. **Agree** to the STAPP timeline set out in this briefing *Agree/Disagree*
- c. **Note** that Tourism Recovery Ministers will need to make decisions about the investment instrument(s) to use to deliver the programme and those decisions will have significant implications for the delivery of support. *Noted*
- d. **Note** that the New Zealand Futures Tourism Taskforce Co-Chairs will be attending the next Tourism Recovery Ministers Group meeting on Thursday 11 June 2020. This is an opportunity to meet the newly appointed Co-Chairs, discuss initial ideas and what you'll like the Co-Chairs to achieve. *Noted*


Danielle McKenzie
Programme Director, Tourism
Labour Science and Enterprise, MBIE
9 / 6 / 2020

Hon Kelvin Davis
Minister of Tourism
..... / /

Hon Eugenie Sage
Minister of Conservation
..... / /

Hon Grant Robertson
Minister of Finance
..... / /

Fletcher Tabuteau
Under Secretary Regional Economic Development
..... / /

Hon Nanaia Mahuta
Minister for Māori Development
..... / /

Strategic Tourism Assets Protection (STAPP)

Registration of interests have now closed

1. On 15 May 2020, MBIE officials launched a registration of interest (ROI) process on MBIE's Tourism Recovery webpage to allow tourism operators to indicate their interest in the programme and to give an early indication of the type of asset they wanted to protect and the support needed to safeguard it.
2. The ROI website form requested additional information which helped to inform the design of the programme and the application process. Questions included:
 - What asset(s) is your business looking to protect and what makes the asset(s) strategically important to your region and/or New Zealand?
 - What support do you think is needed to specifically protect the asset?
3. A total of 128 registrations of interest were received between 15 May and 4 June 2020. Six of these were received from Regional Tourism Organisations (RTOs), whose needs are likely to be met through the RTO funding package. Annex One provides details about the tourism operations that registered interest, the proportion of their businesses reliant on international visitors and where they were located.
4. Indicatively, through the ROI process, a range of support options were requested including grants, loans, further wage support (sometimes targeted to key staff) and support for government compliance costs.

STAPP Timeline

5. On 4 June 2020, Minister Davis announced the opening of the STAPP and applications were invited. Tourism operators who had registered their interest through MBIE's website were contacted and advised that applications are open and encouraged to test their eligibility against the criteria and apply if they meet all the eligibility criteria.
6. The STAPP application process will close on 5.00pm on 18 June 2020. It is likely, based on MBIE officials' experience of administering other funds, that a large volume of applications will be received in the final 48 hours of the application period.
7. An indicative STAPP timeline is as follows:
 - Applications open – *Thursday 4 June*
 - Applications close – *Thursday 18 June*
 - Preliminary eligibility assessment sent to other agencies for feedback – *Friday 26 June*
 - Eligibility assessment paper sent to TRMG for approval – *Tuesday 30 June*
 - Recommendation paper post full assessment of approved eligible assets sent to TRMG – *Tuesday 7 July*
8. MBIE officials will process applications as they arrive and will bring to the Tourism Recovery Ministers Group's attention if any urgent eligible applications are received.
9. When the recommendation paper is delivered, Tourism Recovery Ministers will need to make decisions about which applications to fund and the investment instrument(s) to use to deliver the programme. Those decisions will have significant implications for the delivery of support.
10. Support in the form of grants will be more swiftly administered, whereas loans and other investment instruments will take more time to set up. The risk of investment also varies by the type of investment instrument used. Advice provided to the Tourism Recovery Ministers Group on 26 May 2020 [B 3344 19-20] included a breakdown of the ease of each investment

instrument for Government (risk/liability and transaction and administration costs) as well as for tourism businesses receiving the investment.

STAPP support to date

11. Contract negotiations have commenced with three tourism operators approved by the Tourism Recovery Ministers Group through the ad hoc, urgent process – Whale Watch Kaikōura, Discover Waitomo (Tourism Holdings Limited) and AJ Hackett Bungy NZ.
12. The three ad hoc applications that have been approved have included a conditional grant over a 12 month period (paid quarterly in advance) with review of the application at 12 months and the option to take up a loan at that time. This option could be considered for other applicants to allow for lower risk investment and more expedient delivery of that investment to applicants.

Regional Tourism Organisations funding progress

13. MBIE officials met on 4 June 2020 with Regional Tourism New Zealand and Tourism New Zealand (TNZ) for a preliminary discussion.
14. A draft investment template has been developed and tested with Regional Tourism Organisations (RTO) and TNZ – we expect to send it to RTOs this week.
15. MBIE officials are meeting with 31 RTOs on Tuesday 9 June 2020 discuss what the funding can be used for and how to access it.

Tourism Transitions Programme

16. Tourism Recovery Ministers have made a first phase decision to direct money to one-to-one business advisory support through Qualmark and New Zealand Māori Tourism. Over 300 firms have approached Qualmark for support.
17. Officials are looking to provide further advice on using the Regional Business Partners network. The next phase will look at further options, such as one-to-many supports and whether any ongoing costs can be mitigated by the Crown.
18. We are aware that many SMEs will not fit the criteria of a strategic tourism asset. Officials will provide further advice on micro-level interventions for SMEs, which will likely fall under the transitions programme.

New Zealand Futures Tourism Taskforce

19. Cabinet agreed that the Minister of Tourism would establish a New Zealand Tourism Futures Taskforce consisting of cross-government and tourism sector representatives to lead thinking on the future of tourism in New Zealand.
20. Last week, the Minister of Tourism appointed independent co-chairs of the Taskforce in consultation with the Tourism Recovery Ministers. The Co-Chairs are Steve Chadwick, Mayor of Rotorua and Grant Webster, CEO of Tourism Holdings Limited.
21. The Ministry of Business, Innovation and Employment is working with the Co-Chairs to establish the membership of the Taskforce, and the policy agenda for the group. Membership will be decided by the Minister of Tourism, in consultation with the Tourism Recovery Ministers Group.

22. The Taskforce will meet for the first time in early July, and monthly after that. The Co-Chairs will report back to the Minister of Tourism regularly on the progress of long-term recommendation development.

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Annex One: ROI analysis

Six RTOs were seeking information on behalf of their members, marketing contributions or funding toward projects in their area.

- Hawkes Bay Tourism
- Lake Wanaka Tourism
- Venture Taranaki
- Destination Fiordland
- ChristchurchNZ
- Great South

Registrations by region

| Region | Number of ROIs |
|----------------------|----------------|
| National | 26 |
| Northland | 10 |
| Auckland | 9 |
| Waikato | 7 |
| Bay of Plenty | 8 |
| Gisborne | 1 |
| Hawke's Bay | 4 |
| Taranaki | 1 |
| Whanganui – Manawatū | 6 |
| Wellington | 4 |
| Marlborough | 2 |
| Nelson - Tasman | 3 |
| West Coast | 8 |
| Canterbury | 10 |
| Otago | 13 |
| Southland | 16 |
| Total | 128 |

Operators by size and domestic and international visitation

- 87 of the tourism operators who hosted fewer than 10,000 visitors registered their interest in the STAPP
- 30 of the tourism operators who registered their interest for the STAPP had domestic visitors comprising 50 percent or more of their total visitors. 12 tourism operators rely 100 percent on international visitors.

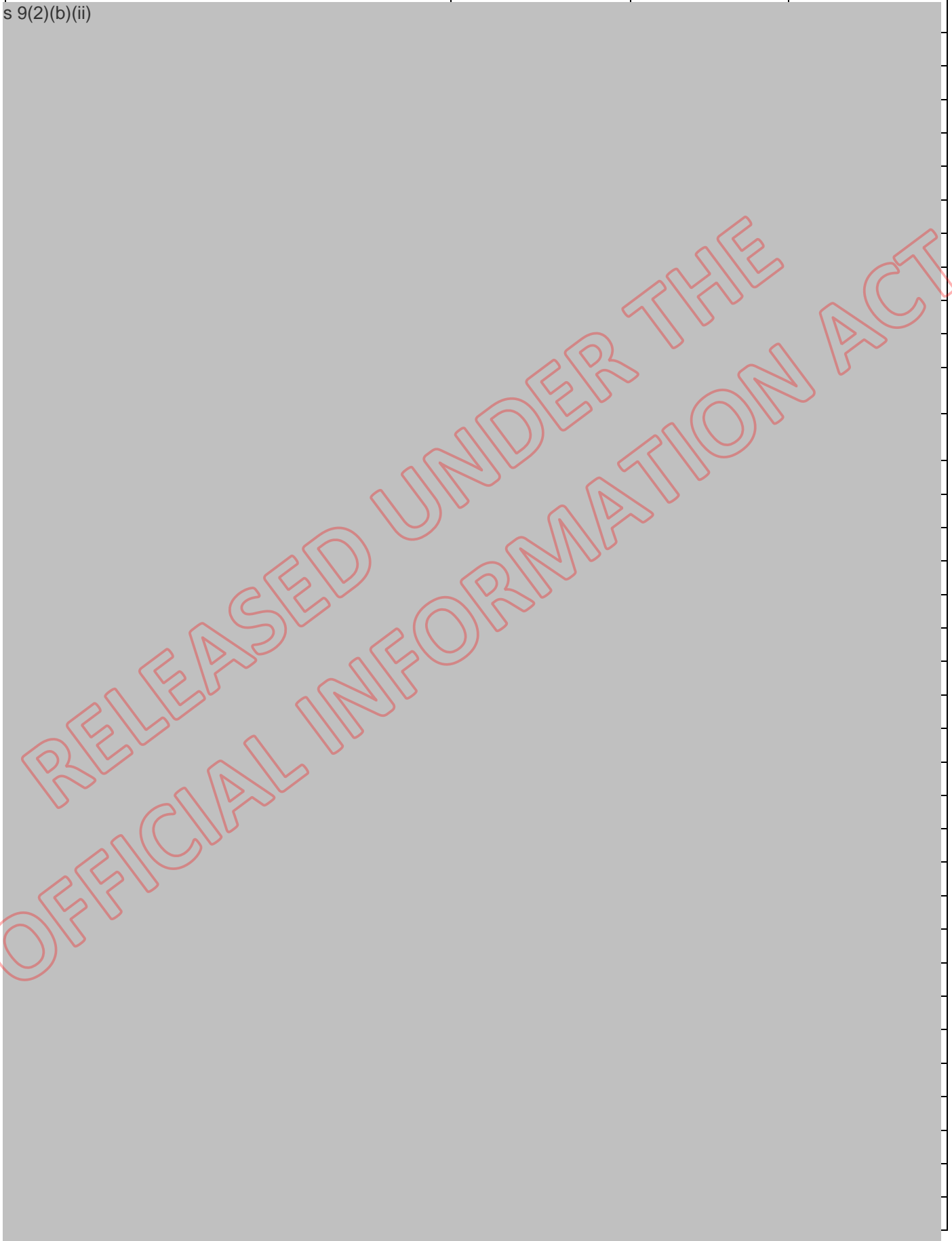
(3 operators did not provide visitor numbers and a number did not provide a useable international and domestic visitor split)

| Business name | Visitor numbers | Percent domestic | Percent international |
|---------------|-----------------|------------------|-----------------------|
|---------------|-----------------|------------------|-----------------------|

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| Business name | Visitor numbers | Percent domestic | Percent international |
|---------------|-----------------|------------------|-----------------------|
|---------------|-----------------|------------------|-----------------------|

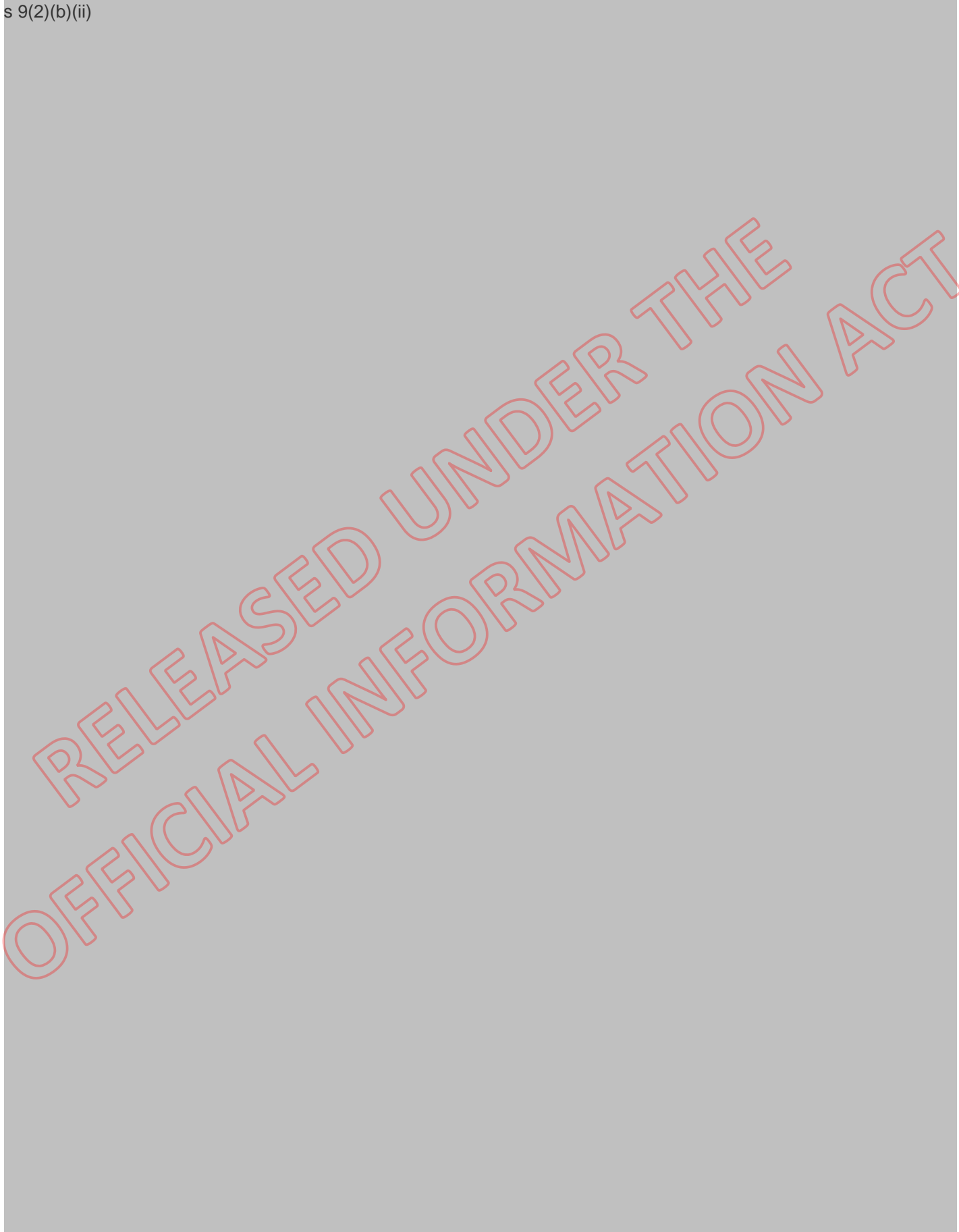
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