



## BRIEFING

### Strategic Tourism Assets Protection Programme – Eligibility Assessments

<b>Date:</b>	30 June 2020	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	3906 19-20

Action sought		
	Action sought	Deadline
Hon Kelvin Davis <b>Minister of Tourism</b>	<b>Agree</b> eligible STAPP applications will progress and receive a full assessment  <b>Agree</b> not eligible STAPP applications will not progress any further and will not receive a full assessment	2 July 2020
Hon Grant Robertson <b>Minister of Finance</b>		
Hon Nanaia Mahuta <b>Minister for Māori Development</b>		
Hon Eugenie Sage <b>Minister of Conservation</b>		
Fletcher Tabuteau <b>Under Secretary Regional Economic Development</b>		

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Danielle McKenzie	Programme Director, Tourism Policy	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 Withdrawn           |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



## BRIEFING

### Strategic Tourism Assets Protection Programme – Eligibility Assessments

<b>Date:</b>	30 June 2020	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	3906 19-20

#### Purpose

To seek agreement on eligibility assessments and provide keys updates on the Strategic Tourism Assets Protection Programme as of Tuesday 30 June 2020.

#### Recommended Action

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

- a. **Note** MBIE has undertaken eligibility assessments for 264 applications to the STAPP *Noted*
- b. **Note** 45 applications from Inbound Tour Operators were removed as advice for ITO specific support is being provided separately *Noted*
- c. **Agree** which STAPP applications are eligible to progress and receive a full assessment *Agree / Disagree*
- d. **Agree** which STAPP applications are not eligible, will not progress any further and will not receive a full assessment *Agree / Disagree*
- e. **Note** that not eligible applicants will be notified at the same time funding announcements are made *Noted*
- f. **Note** full assessments and decisions for STAPP funding will be considered by TRM on Thursday 9 July *Noted*
- g. **Note** there are a number of funding complexities to individual applications to be considered during STAPP decision making *Noted*

Danielle McKenzie  
Programme Director, Tourism  
Labour, Science and Enterprise, MBIE

30/6/2020

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**

..... / ..... / .....

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT

## Eligibility assessments

---

### *STAPP Progress*

1. A total of 309 valid STAPP applications were received. Of these, 45 were identified as an Inbound Tour Operator (ITO) and were removed from the STAPP process. We intend to deal with these applications separately through an ITO-specific support package called the ITO Preservation Fund (ITOPF).
2. Briefing 3895 19-20 details further information on support for ITOs.
3. The remaining 264 applications have been put through an eligibility assessment. Only eligible applications will progress to the next phase and receive a full assessment.
4. To be eligible, applicants must be;
  - A tourism asset;
  - of strategic significance (national or regional, cultural, environmental and/or historic); and
  - have exhausted all other avenues of support.
5. MBIE has sought feedback on the eligibility assessments and recommendations from The Treasury, Department of Conservation, Te Puni Kōkiri, the Ministry of Culture and Heritage, the Ministry for the Environment, Tourism New Zealand and (this week at Ministers request) New Zealand Māori Tourism. MBIE shared a full list of applications and MBIE's recommendation of eligible and non-eligible applications with agencies. All agencies were given opportunity to query recommendations and seek further information on individual applications. MBIE particularly sought specific feedback from agencies on the cultural, historical and environmental aspects of each application.
6. Given timing and issues around commercial information and privacy, MBIE also invited DOC and TNZ into MBIE's office to view full applications. Agencies provided feedback based on their view of applications and TNZ provided feedback into the eligibility assessment for operators that it has worked with or has experience with. MBIE has taken this feedback into account in its recommendations. For the assessment process, MBIE will invite all the above agencies to provide feedback on our assessments.

### *Eligible STAPP Applications*

7. In total, 146 applications have been recommended eligible and receive a full assessment.
8. Most eligible applications were significant to tourism in their respective regions, or at a scale large enough that preserving the asset will have a positive economic effect.
9. Following our eligibility assessment, MBIE undertook a moderation process to ensure that applications were being treated fairly and consistently.
10. After this moderation, all jet boat operators and helicopter tour operators who applied for STAPP funding were made eligible.
11. A list of recommended eligible applicants is attached at **Annex One**.

### *Not eligible STAPP Applications*

12. In total, 118 applications have been deemed not eligible and recommended to not be progressed further.

13. The three main reasons that applicants were not eligible were:

- The applicant was a generic part of the tourism system (e.g. accommodation, transport, restaurants).
- The size of the applicant was not significant enough.
- The applicant requested funding which was out of scope (e.g. for new capital investment or marketing).

14. s 9(2)(b)(ii)

15. A list of recommended not eligible applicants is attached at **Annex Two**.

16. Not eligible applicants will be notified of the outcome of their application when successful applicants are announced.

## Considerations for full assessments

---

### *Period of funding*

17. Information provided to applicants makes it clear that STAPP funding is only available for up to two years. Most applicants have applied for two years.
18. However, a number of applicants have requested funding for only one year's support or have requested funding "until the borders reopen".
19. Where applicants have requested funding for one year, or "until the borders reopen", MBIE recommends that funding for up to two years is made by Ministers. This is likely to be in the form of an optional loan for year two.
20. We recommend support for the same period of time to all applicants, given the conditions for businesses are broadly comparable. If a provision for a second year of support in the original approval is not represented, it is likely that further support will not be available if required.

### *Adjustment of funding requests to cover Wage Subsidy Extension and DOC concessions waiver*

21. As noted to Tourism Recovery Ministers in previous briefings, the STAPP application process started before the wage subsidy scheme extension and DOC concessions waivers scheme were announced.
22. As applicants must exhaust all other funding options before becoming eligible for STAPP, this has implications for businesses who have applied for STAPP but now are able to access more funding.
23. We anticipate that the wage subsidy extension will impact all STAPP applicants and the DOC concession waivers will impact about 40 per cent of STAPP applicants.
24. Ideally officials would clarify this with each applicant prior to full assessments being presented to the TRMG for decisions on Thursday 9 July. Given the very short time frame, we will not be in a position to re-calculate individual funding amounts prior to the decision making meeting.

### *Minimum Viable Operation*

25. The STAPP is designed to keep assets trading at their minimum viable operational level. On that basis, MBIE will advise the following for each eligible application:

- “If Ministers choose to fund this asset, MBIE recommends \$XXX amount based on the minimum viable operation costs”

#### *Financial Assessments*

26. For all eligible applications, MBIE has contracted Deloitte to conduct; a review of two years of profit and loss statements, credit checks and run a media search.
27. Any risks highlighted by Deloitte will be included in full assessments.

#### *Public announcements*

28. With current timelines (attached at **Annex Three**), the TRMG meeting on Thursday 9 July 2020 will consider and make decisions on successful applications to the STAPP.
29. Officials recommend that funding agreements be negotiated with successful applicants immediately after Tourism Recovery Ministers make their decisions.
30. If Ministers would like to announce prior to contracts being signed, MBIE recommends an announcement of successful applicants and quantum of STAPP funding only, noting that MBIE will then undertake negotiations with successful applicants to determine individual funding amounts.

#### *DOC Relief Package for Wildlife Institutions*

31. DOC will have a relief package for captive wildlife institutions and eco-sanctuaries impacted by COVID-19 response. There are applications that have been deemed eligible that would also be eligible for support through the DOC relief package.
32. Given that this DOC package is yet to be released, TRMG will need to consider whether these STAPP applicants should be excluded from STAPP and instead seek funding from the DOC relief package.

## **Annexes**

---

Annex One: Recommended Eligible STAPP Applications

Annex Two: Recommended Not Eligible STAPP Applications

Annex Three: STAPP Timeline

## Annex Three – STAPP Timeline

STAPP timeline:

Date	STAPP timeline
Thursday 4 June	Applications open
Thursday 18 June	Applications close
Friday 26 June	Preliminary eligibility assessment sent to other agencies for feedback
Tuesday 30 June	Eligibility assessment paper sent to Tourism Recovery Ministers Group (TRMG) for approval
<b>Thursday 2 July</b>	<b>TRMG meeting: confirm eligible/non eligible applications</b>
Tuesday 7 July	Recommendation paper post full assessment of approved eligible assets sent to TRMG
<b>Thursday 9 July</b>	<b>TRMG meeting: consider funding applications</b>
Friday 10 July	MBIE contact applicants to confirm outcome and begin drafting contracts
<b>Proposed Announcement Dates</b>	
Week of 13 July	Two announcements; one for the North Island and one for the South Island

Please note that the proposed announcement date on the timeline above was proposed prior to Wage Subsidy Extension and DOC waiver fee announcement.