

TOURISM RECOVERY MINISTERS GROUP

MINUTES

Wednesday, 5 August 2020, 4.30pm-5.15pm
Weekly Meeting, Beehive 7.EW

Attendees	Hon Kelvin Davis (Minister of Tourism) Chair Hon Grant Robertson (Minister of Finance) Hon Eugenie Sage (Minister of Conservation) Hon Nanaia Mahuta (Minister of Māori Development)
Apologies	Fletcher Tabuteau (Under Secretary Regional Economic Development) Bruce Parkes (DOC)
Officials	Carolyn Tremain (MBIE CE), Paul Stocks (MBIE), Iain Cossar (MBIE Tourism GM), Danielle McKenzie (MBIE), Stephen England-Hall (TNZ, CE), Billie Moore (TNZ GM), Bryan Dunne (DPMC), James Beard (TSY), Jean Le Roux (TSY), Alice Ansley (TSY), Laura White (DOC), Aaron Fleming (DOC), Robert Pigou (MBIE PDU)

Record of Decisions

1. STAPP - Inbound Tour Operators (ITOs) Process Update (Tourism New Zealand)

- TRM agreed with the ITO assessment approach where Tourism New Zealand (TNZ) make recommendations on the most strategic ITOs for New Zealand
- TRM noted that TNZ brings expertise across New Zealand's international markets to be able to make recommendations and that TNZ took a customer and market-led approach across its distribution network.
- TRM noted that TNZ has a draft recommended list of 26 ITOs requesting a total of \$19.65m
- TRM noted there is some variation in scale of support requested from similar sized businesses so further work is required to look at the financials of each ITO request.
- TRM noted that the ITO recommended list may include support for both ITOs that applied to the STAPP and those that did not.
- TRM noted that TNZ has received feedback on the list from Tourism Export Council, New Zealand Māori Tourism and MBIE.
- TRM agreed that TNZ and MBIE will provide recommendations to TRM to consider at the next meeting.

2. s 9(2)(f)(iv)



STAPP Loan Scheme terms and conditions (the Treasury)

- TRM noted that there are high administrative costs for 126 loan agreements so unlikely to be attractive to banks.
- TRM requested further clarity from the Treasury on whether IR could administer the STAPP loan scheme without legislative change.
- TRM noted that while the individual quantum is much larger for STAPP than the \$100,000 from the small business loans scheme, the terms and conditions are likely to be largely similar.
- TRM noted that the s 9(2)(f)(iv) deliver the loan scheme but then the Government would have three different loan schemes sitting across different parts of government.
- TRM noted that loans may be needed sooner than anticipated because the ITOs are to be funded by loans only and the larger STAPP applications may use the grant funding reasonably quickly and then request access to the loan facility.
- Minister Mahuta proposed that the \$21m for Māori tourism businesses be given directly to New Zealand Māori Tourism to administer.
- TRM noted that NZMT had additional assurances on the 18 approved Māori tourism businesses.
- TRM noted that MBIE and NZMT had agreed that the funding agreement terms and conditions would be the same across all STAPP applications and that MBIE has the systems in place to deliver the funding.
- TRM requested that MBIE officials clarify with NZMT who would be administering the grants and loans and report back to Minister Mahuta.
- TRM noted the following points in relation to the terms and conditions of the loan scheme:
 - o the term of 5 years has already been agreed
 - o 3% interest rate would be consistent with the other schemes
 - o the loan terms still need to be a concessionary
 - o in recognition that the tourism industry has reduced revenue, sometimes zero in the case of ITOs particularly, that the repayment terms should be favourable, for example interest free/no repayment in the first two years of operation
 - o the simpler the scheme, the better, i.e. the same conditions across all loans
 - o the more similar to other government loan schemes the better
 - o a subordinated scheme is recommended
- TRM noted that there is a legal process for MoF to be satisfied that the loan scheme is in the public interest.
- TRM agreed that MBIE and Treasury officials consult with IR and PDU (and NZMT regarding the loans to 21 Māori businesses) and report back to TRM on recommended delivery agency and terms and conditions ahead of the next TRM meeting

3. Strategic Tourism Assets Protection Programme - Grant process update (MBIE)

- TRM noted the paper and noted that officials were receiving late applications, applications for additional funding (as applicants had realised that the initial request was too low) and requests from Groups of companies to allow them to disaggregate their requests (in order to access more by way of the cash grants)
- Ministers agreed that the STAPP had closed and there was no facility to reconsider applications and officials were to politely advise stakeholders of this.

4. s 9(2)(f)(iv)

- [REDACTED]
- [REDACTED]