



BRIEFING

Implementation of Regional Events Fund

Date:	27 July 2020	Priority:	Urgent
Security classification:	Unclassified	Tracking number:	2021-0356

Action sought		
	Action sought	Deadline
Hon Kelvin Davis Minister of Tourism	Agree that the Regional Events Fund is distributed to International Marketing Alliances (IMAs), on the basis of the share of international visitor spend prior to COVID-19	29 July 2020
Hon Grant Robertson Minister of Finance		
Hon Nanaia Mahuta Minister for Māori Development		
Hon Eugenie Sage Minister of Conservation		
Fletcher Tabuteau MP Parliamentary Under-Secretary to the Minister for Regional Economic Development	Agree that MBIE invite each IMA to establish a panel to develop a plan to use this funding	
	Agree that MBIE will approve the plans on the basis that all of the members of a panel agree with the Plan	

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Karl Woodhead	Director, Tourism	Privacy of natural persons	✓

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 Withdrawn |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

Implementation of Regional Events Fund

Date:	27 July 2020	Priority:	Urgent
Security classification:	Unclassified	Tracking number:	2021-0356

Purpose

To get agreement from Ministers on implementation of the Regional Events Fund as part of the Tourism Recover Fund.

Recommended action

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

- a **Note** that Tourism Recovery Ministers wanted further consideration of the implementation of the Regional Events Fund to ensure that the funding went to events rather than marketing
Noted
- b **Agree** that the funding is to be distributed to International Marketing Alliances, which are groupings of Regional Tourism Organisations, based on the share of international visitor spend that they had prior to the COVID-19 pandemic
Agree / Disagree
- c **Agree** that MBIE will invite each International Marketing Alliance to establish a panel of people who represent the events and tourism sector, who will develop a plan to use the funding for events
Agree / Disagree
- d **Agree** that MBIE will approve the Plans on the basis that all members of the International Marketing Alliance panel agree with the Plan.
Agree / Disagree

Karl Woodhead
Policy Director, Tourism Branch
Labour, Science and Enterprise, MBIE

27 / 07 / 2020

Hon Kelvin Davis
Minister of Tourism

..... / /

Hon Eugenie Sage
Minister of Conservation

..... / /

Hon Grant Robertson
Minister of Finance

..... / /

Fletcher Tabuteau MP
**Parliamentary Under-Secretary to the
Minister for Regional Economic Development**

..... / /

Hon Nanaia Mahuta
Minister for Māori Development

..... / /

Background

1. On Friday 24 July, 2020, the Tourism Recovery Ministers Group met and discussed a proposal for a Regional Events Fund (REF) (MBIE 2021-0285 refers). Ministers agreed to the \$50m fund to stimulate domestic tourism through events.
2. As part of the discussion Ministers asked whether creating a new fund was the best approach, compared with putting the money into the Domestic Events Fund (DEF), which was created in Budget 2020. A key issue that was raised was whether providing the funding to Regional Tourism Organisations (RTOs) would lead to a focus on marketing, rather than on event creation – Ministers were clear that they would want the funding to lead to more events, rather than on more marketing of existing events.

Should the Regional Events Fund be rolled into the Domestic Events Fund?

The Domestic Events Fund

3. In July 2020 the Government launched the \$10 million DEF. The purpose of this fund was to provide a lifeline for the events sector to get through the immediate impacts of COVID 19 on economic activity. The DEF was set up specifically to support the *event sector* which delivers events, rather than for the outcomes achieved through those events. In particular:
 - a. Only established, recurring events were able to apply
 - b. Half of the funding received by an event must be passed through to event suppliers, to ensure cashflow reaches the event sector
 - c. Only the private event sector was eligible to apply (i.e. not councils).
4. Applications opened on 1 July and closed on 17 July. 419 applications were received and MBIE (Major Events) is now assessing the applications based on the criteria.
5. Administration for the DEF is relatively resource heavy. MBIE invited applications for specific events. Following this there will be recommendations by regional panels, moderated by NZ Major Events (within MBIE) for a final decision by the General Manager, Tourism. The regional panels are divided up as per the International Marketing Alliance¹ (IMA) areas, but aren't specifically RTO representatives. Each region has appointed *event* leads to the panels, rather than tourism leads. NZ Major Events have found the regions to be supportive of the process and they self-selected the best representatives for the purpose of the DEF within the IMA boundaries.

The Regional Events Fund

6. The purpose of the REF is to stimulate domestic tourism through the provision of new events, or to ensure that pre-existing events continue to happen (if they aren't supported through other means).
7. The scope of the fund is intended to be broader than the DEF – for example it will be able to support the provision of one-off and new events as well as recurring and existing events; it will be able to support the provision of events organised by local government as well as the private sector; it will disseminate the funding quickly through development of a regional plan rather than through an application process to MBIE.

¹ International Marketing Alliances are groupings of Regional Tourism Organisations used by Tourism NZ when marketing specific areas internationally. They allow Tourism NZ to market nine specific areas internationally, rather than 31.

8. The briefing that Tourism Recovery Ministers previously considered was at a high level around options for the design and purpose of the fund. MBIE envisaged that the fund would be distributed to the IMAs based on the pre-COVID-19 share of international visitor spend that each RTO had, then grouped this with the IMA they were part of. The IMA grouping would be required to develop a plan to spend their allocation. Approval for the funding to be disseminated would be based on an assurance from all members of the IMA that they all agree with the plan (so that smaller members of the IMA don't feel pressured into signing). The IMA grouping would then need to report quarterly on its spend until the funding is used up.

Criteria for implementation

9. Based on our understanding of the need to stimulate demand for domestic tourism through events quickly, and the feedback of Ministers that funding should be to events rather than marketing, we consider that the following criteria should guide decision making on fund implementation:
 - a. A light touch approach at the centre
 - b. A fund that is permissive in terms of the events that it enables
 - c. Funding is able to move quickly
 - d. A regional approach that discourages competition within a region
 - e. The funding should go to staging of the events, rather than marketing.

Assessment of options against the criteria

10. Having reviewed this criteria we do not consider it appropriate to use the Domestic Events Fund. This is because of: the scope of the Domestic Events Fund (supporting existing events and only private sector suppliers); the need for an assessment function within MBIE, which will take time to resource (including an assessment panel); and the time it would take to run a round of applications.
11. In our briefing on the Regional Events Fund we recommended distributing the money to the IMAs. We considered that this met the criteria outlined in para 9 above. However, given concern expressed by Tourism Recovery Ministers that this may lead to increased marketing activity, rather than events we propose a couple of modifications to our proposal to address these concerns.
12. Our revised approach is to work through the IMA divisions and to ask them to agree a panel of representatives for their geographic area that provides a mix of tourism and event expertise, which would be approved by MBIE. Rather than it being RTO representation only, each region can determine for itself who their best panel members would be. Once in place they will develop the plan and submit it to MBIE when this is developed. Following this they will receive their funding allocation. We will highlight that the plan needs to focus on the provision of events, rather than on marketing.
13. MBIE's role in this process will be to: approve the Panel that each IMA nominates; approve the plan when it has been developed; and to develop a monitoring and reporting framework.
14. Approval of the panel will involve an assessment of whether the panel is representative of the events sector across all of the regions within an IMA. Approval of the plan will be done on the assurance of all members of the panel that they agree with the plan.