



## BRIEFING

### Strategic Tourism Assets Protection Programme: Six-Month Update

<b>Date:</b>	24 May 2021	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2021-3719

Action sought		
	Action sought	Deadline
Hon Stuart Nash <b>Minister of Tourism</b>	<b>Note</b> the contents of this briefing.  <b>Agree</b> to this briefing being proactively released on the Ministry of Business, Innovation and Employment (MBIE) website.	31 May 2021
Hon Peeni Henare <b>Associate Minister of Tourism</b>	For your information.	N/A

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Tim Townsend	Manager, Tourism Operations and Partnerships	029 771 1936	✓
Privacy of natural persons	Advisor, Tourism Operations and Partnerships	Privacy of natural persons	

The following departments/agencies have been consulted
MBIE's Provincial Development Unit

**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 Withdrawn           |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 you with a six-monthly update on the implementation and outcomes achieved to date for the Strategic Tourism Assets Protection Programme (STAPP). This is for the six-month reporting period from August 2020 to February 2021 and includes:

- Regional Tourism Organisations (31 out of 31 reports received)
- Strategic business assets (124 out of 127 reports received), and
- an update on reporting requirements for loan borrowers of strategic business assets and loan borrowers/grant recipients of Inbound Tour Operators.

### Executive summary

Overall, the STAPP has made a positive contribution towards supporting the tourism industry by responding to the challenges of COVID-19, border closures and the flow-on impacts to businesses.

As at February 2021, the average spend across all 31 Regional Tourism Organisations (RTOs) is 38 per cent (\$7.7 million) of the \$20.2 million in grants. These grants have enabled many RTOs to maximise opportunities they would not have otherwise been able to, such as increasing marketing to generate domestic demand, hosting workshops to build industry capability, leading/supporting iwi initiatives and enhancing destination branding.

As at 14 May 2021, nine RTOs have completed their Destination Management plans, which are now being implemented. All other RTOs have started on the journey towards developing their Destination Management approaches with their communities and iwi to plan for the future.

A general overview of the 124 Business Assets that submitted their Six-Month Report showed an estimated 3000 jobs have been retained with the STAPP. The majority of recipients (95 per cent) used their grant to pay wages and minimum viable operating costs for their business, which supports this job retention statistic. The grants were also used to enhance the human, natural, social and financial capital of businesses, as the Living Standards Framework was used for reporting.

Reporting also revealed that 60 per cent of those businesses that submitted their reports have committed to paying their staff the Living Wage as a result of the STAPP. This statistic does not include businesses that were already paying the Living Wage prior to receiving the STAPP funding. However it is still a notable outcome.

It is too early to report on findings from the Six-Month Reports for loan borrowers of businesses, and loan borrowers/grant recipients of Inbound Tour Operators (ITOs), as these are not expected to be submitted until July 2021.

There is a high interest in the STAPP and we recommend this briefing be made publically available on the MBIE website, with any required redactions.

## Recommended action

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

a **Note** the content of this briefing.

*Noted*

b **Agree** to this briefing being proactively released on the MBIE website.

*Agree / Disagree*



Tim Townsend  
**Manager, Tourism Operations and  
Partnerships**  
Labour, Science and Enterprise, MBIE

24 / 05 / 2021

Hon Stuart Nash  
**Minister of Tourism**

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## Background

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1. The \$400 million Tourism Recovery Package was introduced in 2020 to support the industry's recovery from the impact of COVID-19. We provided an update on this package on 7 April 2021 [BR 2021-3129 refers].
2. The package includes the STAPP, which has been allocated into three key components<sup>1</sup>:
  - RTOs (\$20.2 million in grants).
  - Strategic business assets (\$170.6 million in grants and loans).
  - ITOs (\$18.5 million in loans).
3. The purpose of the STAPP was to ensure the survival of tourism assets through the disruption caused by COVID-19. The previous Tourism Recovery Ministers Group confirmed on 5 August 2020 that all funding available under the STAPP process has been allocated. No new applications can be made or reconsiderations of original decisions undertaken.
4. STAPP funding recipients must provide MBIE with a Six-Month Report and Final Completion Reports to highlight their progress and for accountability of public funding.
5. This briefing provides a summary of the Six-Month Reports for STAPP grant recipients of RTOs and strategic business assets, and an update on reporting requirements for loan borrowers of strategic business assets, and loan borrowers/grant recipients of ITOs.

## STAPP funding for RTOs

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### Funding overview

6. RTOs play an important role in supporting the tourism system. The sector depends on capable, secure and adequately resourced RTOs that lead and coordinate activities in their regions, alongside tourism stakeholders, Māori/iwi and communities.
7. The 31 RTOs across New Zealand received a total of \$20.2 million in grants for 2020/21 because of the impact of COVID-19 on local government revenue and the potential flow-on effects as primary funders. An overview of grants for RTOs is provided in **Annex One**.
8. Each RTO has an investment plan for their allocation of funding across three categories:
  - Destination Management and Planning.
  - Industry Capacity Building and Product Development.
  - Domestic Marketing.
9. A breakdown of STAPP funding for RTOs across these three categories is provided in **Annex Two**.
10. Surveys undertaken by MBIE in June 2020 and January 2021 (which 26 out of 31 RTOs responded) revealed a decline in RTOs' confidence levels (very confident or confident) in their region recovering from the impacts of COVID-19 in the next two years, and in dealing with regionally-specific challenges over the next 12 months. Despite these declines, all RTOs found the STAPP RTO funding support helpful (15 per cent) or very helpful (85 per cent), with some describing it as a "*lifesaver*".

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<sup>1</sup> Figures are total committed funds. This differs from the original allocated figures, as not all businesses accepted the full amounts offered.

## **RTOs provided six-month progress reports on their work programmes**

11. Six-month progress reports were received by the end of February 2021. The reports include highlights across the following:
  - Section One: Overview of progress, key highlights and a summary of financials.
  - Section Two: Details of activities including estimated versus actual spend and status.
  - Section Three: Risks, issues and changes.
12. The STAPP RTO funding recipients were given their grants as a lump sum to spend in the period between July 2020 and August 2021. The average spend as at February 2021 across all RTOs is 38 per cent (\$7.7 million) of the \$20.2 million in grants. This is expected considering the lead in times to get work programmes established and the lag time for processing invoices. Unspent funding will be carried forward to the next financial year to continue to support these work programmes.

## **Some local government funding has dropped**

13. Overall, local government funding for RTOs reduced by approximately 11 per cent from \$71.5 million in 2019/20 to \$63.8 million for 2020/21. This is consistent with the Department of Internal Affairs research estimating council revenues would be 2.3 per cent to 11.0 per cent lower. This could have been much higher without the STAPP goals to retain local government funding contributions and for grant funding to not be a substitute for this.
14. Through the reporting stage, we asked RTOs to indicate what local government contribution they were expecting for 2020/21. Reporting shows that local government contributions are anticipated to remain unchanged for most RTOs as a result of funding provided to them through the STAPP. This is likely because RTOs used the STAPP funding to retain investment from local government.

## **RTOs noted many positive outcomes of the STAPP in their reports**

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## Confidentiality

### Destination Management plans will take time to deliver

21. Destination Management is an ongoing collaborative process. It requires inclusive and coordinated leadership that enables various stakeholders to come together to form a common goal and an agreed vision of success to which they are all committed.
22. Destination Management needs to engage residents, tourism enterprises, businesses, Māori/iwi/hapū, RTOs, Economic Development Agencies, TNZ, and local/regional and central government, as appropriate. This is why embarking on a new Destination Management planning process can be a lengthy exercise.
23. Most RTOs are still in the process of developing their Destination Management plans. As at 14 May 2021, nine RTOs have completed their Destination Management plans, which are now being implemented. All other RTOs have started on the journey towards developing their Destination Management approaches with their communities and iwi to plan for the future. The two that have not started their plans are considering how they will progress this in 2021/22. Further detail on the status of each RTOs' Destination Management plan is provided in **Annex Three**.
24. Collaborating and consulting with communities, iwi, local councils and other RTOs has been a slower process than some RTOs had anticipated, with some activities taking longer than expected (one year). For example:
  - Confidentiality is likely to experience a delay in the delivery of some of the district/city plans, which will have a knock-on effect to the delivery date of its Destination Management plan for the region. This will not impact on the ultimate outcome, but will affect the delivery date.
  - Confidentiality had to put some of its projects on hold (e.g. Confidentiality), as finding the right consultant during a period of high demand nationwide has been challenging.
25. We expected some delays and planned for this, so funding agreements were agreed for an initial 18 months to ensure Destination Management plans are progressed. We consider the engagement process to bring the community and iwi along with RTOs more important than rushing to deliver a plan within a year that does not have local ownership.
26. How to continue progressing and implementing the work programme once the STAPP funding ends in August 2021 was a concern raised by many RTOs. For example:

- Confidentiality noted some of the work with its new programmes will struggle to continue beyond 1 July 2021 without continued funding. Further funding would help solidify the gains this RTO has made to better manage the industry and prepare for future challenges.
  - Confidentiality has used the STAPP funding for constructive activity and further development to the benefit of the region. However, it is unsure how to continue progressing the work it has done unless there is access to additional funding.
27. On 7 April 2021, Cabinet agreed to a support plan which includes further one-year grants worth a total of \$26 million for all RTOs in New Zealand [DEV-21-MIN-0067 refers]. This funding will enable RTOs to increase their ability to lead and coordinate tourism activities in their regions, and continue progressing activities previously supported by the STAPP.

## **STAPP funding for businesses – grants and loans**

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28. Businesses supported through the STAPP have been offered funding through a combination of grants and loans. This includes a grant over two years, and optional additional funding via a loan.
29. There are 130 STAPP grant recipients (127 contracted and 3 withdrawn), of which 106 of the recipients have access to a STAPP loan. To date, \$47.5 million has been paid to grant recipients.
30. **Annex Four** and **Annex Five** provide an overview of approved STAPP grants and loan amounts by region.

## **STAPP grant recipients provided Six-Month Reports on the progress of their businesses**

31. Recipients were required to report on the following:
- How STAPP funding has been used.
  - How the business intends to use the next funding instalment.
  - Visitor numbers.
  - Staff numbers.
  - How the business has been operating.
  - Any new initiatives to adapt to the domestic market
  - Progress made against the Four Capitals in the Living Standards Framework (LSF), which businesses were asked to select upon signing up to the grant agreements.
32. STAPP grant recipients were also required to complete a declaration that their business remains eligible to receive STAPP funding, as the grants are paid out in instalments. Criteria for remaining eligible is provided in **Annex Six**.
33. There are currently three STAPP grant reports outstanding. These reports are from Commercial Information  
 The second instalment of grant funding has not been provided to these companies, and will not be provided until the companies can provide sufficient reporting. It may be that these companies no longer require further grant funding. It may also be that reporting requirements and contact attempts from MBIE have been inadvertently overlooked. MBIE will continue to attempt to contact these companies to ascertain their current and ongoing needs in relation to STAPP support.

## Summary of reports from grant recipients

34. As at 3 May 2021, a review of 124 grant recipient reports estimates that STAPP funding has contributed to the retention of around 3,000 jobs<sup>2</sup>.
35. This estimate is based on the staff numbers reported in recipients' progress reports and funding agreements. However, it is important to note that this figure is an estimate, based on an analysis of the differing metrics that businesses reported on, which include numbers of individuals employed, numbers of full-time equivalent roles, or number of casual versus full-time staff. For example, 20 full-time equivalent employees counts for 20 'jobs', and four full-time employees and two seasonal employees counts for six 'jobs'. MBIE will address inconsistencies in reporting in the next round of STAPP reports by providing clearer reporting guidance to STAPP recipients.
36. Many STAPP recipients have looked at different ways of doing things, such as changed operational hours, improved operational efficiencies, adjusted pricing strategies and product packages to better target the domestic market.
37. Further progress reporting from STAPP grant recipients is due in August 2021. We will provide you with a further update at that time.

## A thematic analysis provides a summary of key qualitative themes from the reports

38. The previous Tourism Recovery Ministers agreed that conditionality should be '*embedded in the design of the STAPP to ensure assets are operated in a manner that aligns with the Government's key social, economic, cultural and environmental policies*'.
39. The LSF identifies the areas of public benefit that the Government is interested in. Using the LSF, MBIE has identified areas where tourism businesses could contribute more or better, and has included a range of funding indicators that would support improvement.
40. As part of the terms of the STAPP contracts, each business that received a grant was required to report on the Four Capitals under the LSF: Human, Natural, Social and Financial. This involved identifying at least one indicator per capital that is most relevant to their operations, which they will be able to demonstrate meaningful progress against as part of their regular reporting (included in **Annex Seven**). Key aspects of this reporting element are highlighted below.

### *The majority of STAPP funding was used to pay wages and operational costs*

41. The majority of recipients (95 per cent) used the STAPP funding to pay the wages and minimum viable operating costs of their business. The overriding principle was to keep the business operating by ensuring key staff were retained and critical operating assets were maintained.
42. Some of the organisations (15 per cent) spent smaller proportions on marketing to attract domestic visitors. The overall theme was one of survival by using STAPP to support the retention of staff and key assets/equipment until international visitors returned. For some businesses this involved pivoting towards a domestic market.

### *Contribution to Human Capital*

43. Some consistent themes also emerged under the topic of using STAPP to support Human Capital. The primary focus was to ensure the wages for staff were equivalent to New Zealand's Living Wage. Of those 124 businesses that submitted reports, 60 per cent were committed to paying their staff the Living Wage as a result of STAPP funding. Some

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<sup>2</sup> It is difficult to say job retention was a direct result of STAPP funding as it is unknown exactly how many redundancies would have eventuated without government support.



businesses were already paying their staff the Living Wage prior to the STAPP, but these are not reflected in this statistic.

44. There was a strong emphasis on contributing to the local economy by employing local people (20 per cent). Retaining key staff was also considered a priority.
45. It was evident that some businesses required specialists to keep the business operative (i.e. aircraft and helicopter maintenance engineers). The quieter period was perceived as a good time to renew current industry qualifications and in some cases, to upskill staff by acquiring new qualifications relevant to the tourism sector. Some staff were required to maintain their statutory Civil Aviation Authority qualifications as were those who held positions relevant to Maritime New Zealand and Worksafe Adventure Activities Regulations.

#### *Contribution to Natural Capital*

46. The usage of STAPP towards Natural Capital produced a diverse range of responses. A majority of the organisations (60 per cent) used the quieter period to investigate and acquire more eco-friendly product ranges.
47. A reasonable proportion (25 per cent) undertook assessments of their business to:
  - determine their noise pollution and attempt to reduce their noise levels
  - enhance their eco-tourism product offering, especially for those who had birds, sea life and animals as part of their tourism offering.
48. Examples of activities businesses put their grants towards to enhance their Natural Capital include:
  - ensuring the business retained its environmental accreditations
  - investigating and implementing new recycling practices
  - reducing water consumption
  - investigating renewable energy sources and Zero Carbon certification.
49. A number of organisations also reiterated their commitment to the Tiaki Promise and spent time educating domestic visitors on the concept.
50. A unique example of enhancing Natural Capital is through the tour operator, Confidentiality [REDACTED], which partnered with an oil heater company to provide used bus oil for the oil heaters. This more sustainable approach to business operations created a mutually beneficial business relationship.

#### *Contribution to Social Capital*

51. The way organisations invested in Social Capital varied considerably. There was a renewed investment into more active timetabling to ensure attractions were not causing congestion, or overcrowding natural resources, such as rivers and walking tracks.
52. A number of organisations (25 per cent) enhanced their links with iwi and increased consultation and collaboration. Confidentiality [REDACTED] increased its Māori visitors from 7 per cent to 14 per cent over 12 months, partially through its Confidentiality [REDACTED]  
[REDACTED]
53. Another consistent theme was developing closer working relationships with stakeholders, including RTOs (25 per cent). Other stakeholders include the Department of Conservation, Tourism Industry Aotearoa, TNZ, Heritage New Zealand, i-SITE visitor information centres, Qualmark and local councils.

54. Some organisations used the quieter period to target pests that were a risk to their tourist offering (15 per cent). For example, Confidentiality recently donated 10 mustelid traps and aided in funding applications for an additional 20 rat traps for the neighbouring property. This was to ensure increased protection of Confidentiality brown kiwi beyond its property boundaries. Biodiversity monitoring is undertaken onsite and invasive weed control is an on-going priority for the protection of the indigenous flora and fauna within the conservation park.

#### *Contribution to Financial Capital*

55. A number of businesses used the STAPP funding to ensure their assets were properly maintained and certified to continue operating, particularly with businesses using aircrafts, helicopters and/or boats. Building repairs and maintenance were a high priority for 40 per cent of recipients.
56. A reasonable proportion of organisations undertook audits to improve their sustainable business practices (40 per cent). Consequently, there was investment into new sustainable supply chains, waste reduction, LED lights, reducing packaging waste, carbon footprint assessment, increasing recycling, reducing the use of toxic products and investigating eco-friendly products.
57. For Confidentiality, this involved using the services of a speciality company to undertake a full audit of their current carbon footprint to work on strategies to offset or reduce carbon-intensive activities. Subsequently, Confidentiality replaced its cleaning products with organic ones from the New Zealand-owned company, Bio-Zyme, which uses active enzymes in its cleaning products instead of harsh chemicals. Confidentiality

#### *These reports also highlighted some challenges*

58. Some STAPP recipients are struggling despite the additional funding, and have experienced more challenges than others to cater to the domestic market, particularly where the business' tourism products are weather dependent, price sensitive, have a limited domestic market and/or the location of the business affects demand. Repricing can be difficult for higher-value products, which have high operating costs.
59. STAPP recipients are generally concerned that the winter period will only make things harder for them due to border closures. However, they largely consider that they are in a reasonable position to sustain the businesses over this period, and that the STAPP funding will help them to retain their employees throughout the low winter season.
60. To date, no STAPP businesses have informed MBIE of an intention to hibernate their business, though one Commercial Information was considering this. Two businesses are also considering/pursuing the sale of their business. Commercial Information As of 20 May 2021, MBIE has not been informed that any sale has been confirmed.

#### **There are various highlights across Māori tourism businesses that received STAPP grants**

61. There are 18 Māori tourism businesses that received STAPP grants (included in **Annex Eight**). These businesses have been disproportionately impacted by COVID-19 due to their high reliance on international visitors. Reports from Māori tourism businesses were analysed as part of the thematic analysis, however more specific examples of how STAPP has supported them in addressing COVID-19 implications are provided below.

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[Redacted]

[Redacted]

### Third party review of grant recipients

- 65. As a part of MBIE's ongoing assurance programme in relation to the STAPP, we have engaged Deloitte to undertake a review of the 127 businesses that have accepted STAPP grants. The results of this financial review will assist MBIE in determining whether there has been any overlap in funding provided to businesses from the STAPP and through other sources of Government COVID-19 support, such as the Wage Subsidy Scheme or the Department of Conservation support funding. If an overlap in funding is confirmed to have occurred, MBIE will make an adjustment to the final scheduled payment to businesses to account for any overlap.
- 66. The review will also seek high-level assurance that businesses have spent grant funding in accordance with their funding agreements, and that they have complied with the STAPP terms. You will be briefed further on this separately, once the final results of this review are received by MBIE.

### Six-Month Reports from STAPP loan borrowers are expected from July 2021

- 67. In addition to grants provided under the STAPP, 64 out of 106 STAPP loan recipients have elected to take up these loans. STAPP loans are for a term of up to five years and are interest-free for the first two years from the date of the first drawdown. Following execution, administration activities are being undertaken by the Provincial Development Unit (PDU) Investment Management Team.
- 68. STAPP loan borrowers are generally required to provide a Six-Month Report within 10 business days of the end of each half-Financial Year. This is usually 31 March and 30 September, or 30 June and 31 December each year, but differs for borrowers with other year-end dates. For example, there are four borrowers with year-end dates for their loans of either 31 July or 31 August, which means reports will be provided in August and February, or September and March each year.
- 69. Some businesses have been given additional time to submit their reports due to exceptional circumstances. For example, Confidentiality [Redacted]  
[Redacted]  
[Redacted] In this case, reporting will be required within 30 business days of 31 March and 30 September each year.

70. The content of the reports from the STAPP loan borrowers will be broadly similar to the reports already provided by grant recipients, with a focus on how the businesses are meeting the Tourism Programme Objectives. In these reports, STAPP loan borrowers are also required to provide their latest available management accounts with each drawdown request. This is so the PDU can carry out an assessment of their ongoing solvency before loan drawdown payments are processed for payment.
71. It was considered too early for borrowers to report for the half year ending 31 March 2021, as most of the loans were only just signed in the first quarter of 2021. In addition, all of the STAPP borrowers have existing grants in place which they were required to report on in February 2021, so we wanted to avoid duplication. The PDU is co-ordinating with MBIE Tourism to minimise duplication of effort in relation to Six-Month Reports provided under both the grant funding and loan agreements.
72. On this basis, we expect the first Six-Month Reports to start to be submitted at the beginning of the July quarter for those borrowers that have a year-end date on 30 June. This will also depend on whether they have actually drawn down on the loan facility.
73. A summary of the STAPP funding for RTOs (grants) and businesses (grants and loans) by region is provided in **Annex Nine**.

## STAPP funding for ITOs

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74. ITOs are firms that coordinate tourism export activity, linking domestic wholesalers and overseas retailers of tourism services. They maintain these business relationships in major tourism markets to build and maintain a pipeline of high-value visitation to New Zealand.
75. Many of the premium ITOs' customer base is built on years of consistent relationship building and these activities need to continue while borders remain closed. However, their ability to do so has been significantly diminished in the wake of COVID-19 and continued border restrictions. Since border restrictions were introduced, ITOs have cut back staffing levels by 80 per cent and are operating at minimum viable levels.
76. To support ITOs, loans with an approved total value worth \$18.5 million were offered to twenty-six ITOs, all of which have taken up these offers. In addition, some ITOs have accessed other forms of COVID-19 broad-based business support provided by the Government, including wage subsidies.
77. On 6 May 2021, you announced the \$200 million Tourism Communities: Support, Recovery and Re-set Plan, which involves changes to the ITO loans. A total of \$12.25 million is expected to be converted from loans to grants across each of the 26 ITOs<sup>3</sup>. Conversions are expected to be executed within the next few months. Approved grant and loan amounts for ITOs are provided in **Annex Ten**.
78. Depending on when agreements are fully executed, we anticipate that reports from ITO grant recipients will be received in July 2021.

## Risks and mitigation

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79. There is continued pressure on tourism businesses, some of which will have exhausted cash reserves. It is likely that some businesses will not be able to survive. MBIE will continue to monitor and work with them to provide support or advice where possible. It is possible that some of these businesses may ask for further funding or changes to payment timelines. We

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<sup>3</sup> 23 grants of \$500,000 and three grants of \$250,000

are also aware of at least two businesses looking to sell either all or part of their businesses (as mentioned above).

80. MBIE is not resourced to work across all RTOs to monitor the progress or quality of their Destination Management plans. This means Destination Management statuses recorded in this briefing (as at 14 May 2021) may have changed. We will continue to work with Regional Tourism New Zealand to monitor progress.
81. It is likely the report from the Office of the Auditor General's (OAG) enquiry into the development of the STAPP will generate media interest, and further comment and enquiries from unsuccessful applicants. Confidentiality [REDACTED]  
[REDACTED] We will keep you informed of updates in this area.
82. There is high public interest, Parliamentary Questions and continued Official Information Act (OIA) requests asking for briefings on the STAPP, mainly on the Business Assets. Proactively releasing this briefing would maintain transparency between the Government and the general public, and reduce administrative burdens. We recommend that this briefing be made publically available on the MBIE website with any required redactions.

## Next steps

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83. Convert 26 ITO STAPP loans to grants (up to \$500,000 per ITO).
84. Further progress reporting from STAPP grant recipients (127 businesses and 31 RTOs) are due in August 2021.
85. Six-Month Reports for STAPP loan borrowers (106 businesses) are expected from July 2021.
86. We anticipate that reports from grant recipients of 26 ITOs will be received in July 2021.

## Annexes

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**Annex One:** Approved STAPP funding for RTOs by region

**Annex Two:** Breakdown of STAPP funding by RTO (across the three categories)

**Annex Three:** Destination Management plan status by RTO as at 14 May 2021

**Annex Four:** Approved STAPP grants to businesses by region

**Annex Five:** Approved STAPP loans / loans contracted to businesses by region

**Annex Six:** Criteria for businesses to remain eligible to receive STAPP funding

**Annex Seven:** Reporting against the LSF for businesses that received STAPP grants

**Annex Eight:** Approved STAPP grants to Māori tourism businesses

**Annex Nine:** Approved STAPP funding for RTOs (grants) and businesses (grants and loans) by region

**Annex Ten:** Approved grant and loan amounts for 26 ITOs, as at 14 May 2021

## Annex One: Approved STAPP grants for RTOs by region

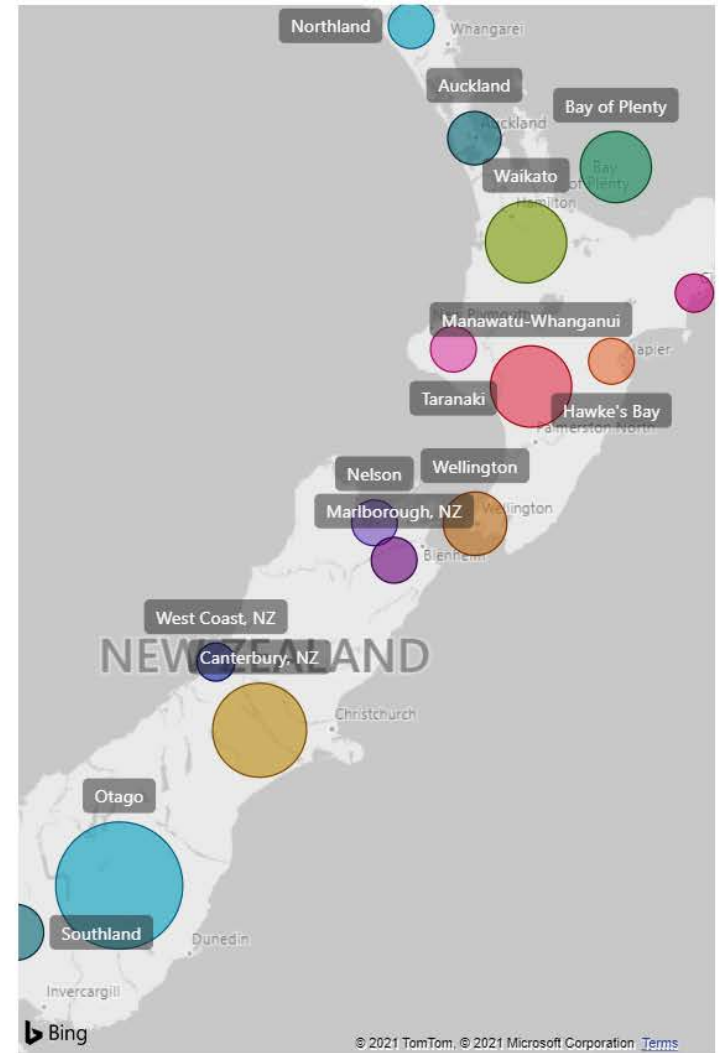


### Strategic Tourism Assets Protection Programme as at 10 May 2021

#### Approved RTO Applications (ALL)

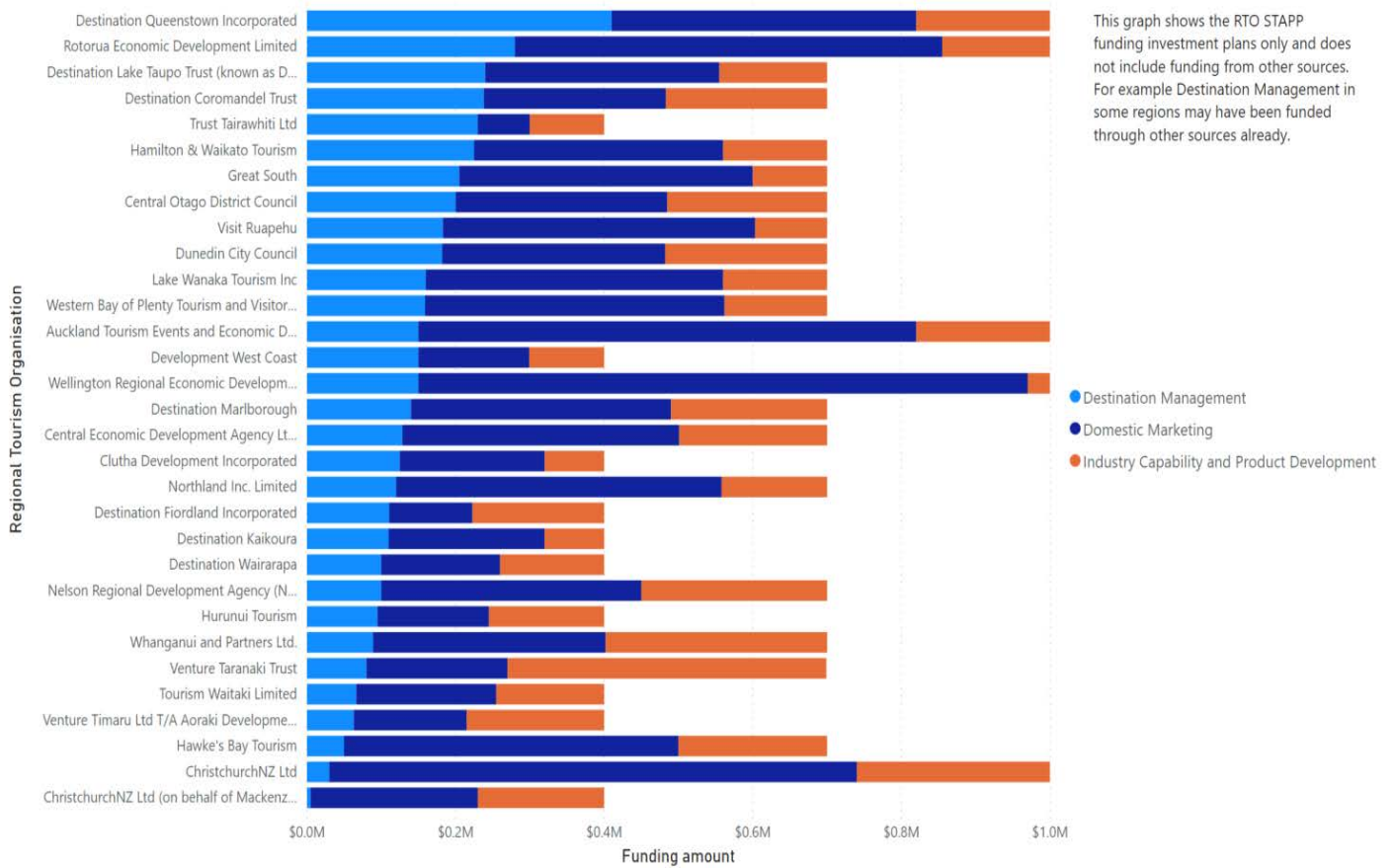
Region	Count	Grant Approved
Northland	1	\$700,000
Auckland	1	\$1,000,000
Waikato	3	\$2,100,000
Bay of Plenty	2	\$1,700,000
Gisborne	1	\$400,000
Hawke's Bay	1	\$700,000
Taranaki	1	\$700,000
Manawatu-Whanganui	3	\$2,100,000
Wellington	2	\$1,400,000
Nelson	1	\$700,000
Marlborough, NZ	1	\$700,000
West Coast, NZ	1	\$400,000
Canterbury, NZ	5	\$2,600,000
Otago	6	\$3,900,000
Southland	2	\$1,100,000
<b>Total</b>	<b>31</b>	<b>\$20,200,000</b>

Commercial In-Confidence

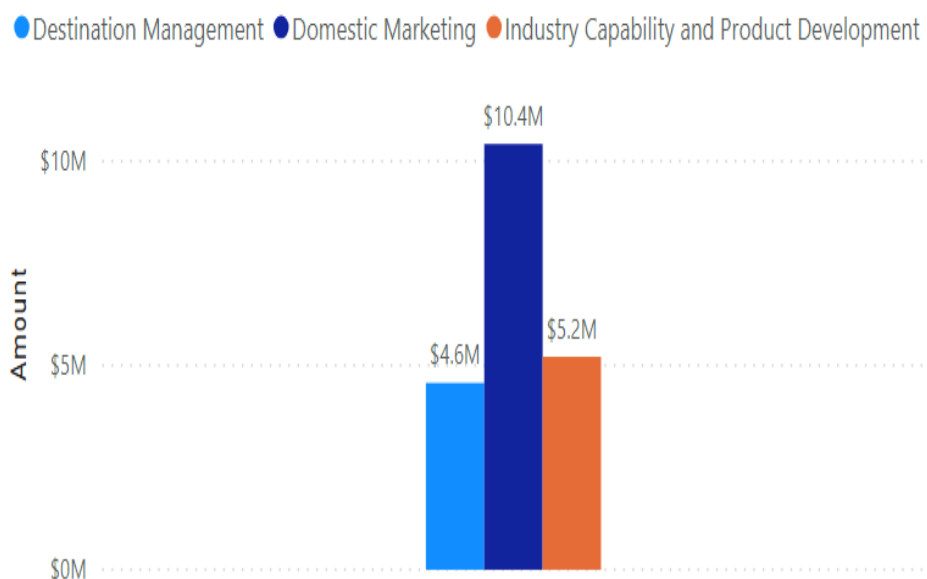


# Annex Two: Breakdown of STAPP funding by RTO (across the three categories)

Breakdown of STAPP funding applied for across three key areas



Summary of overall use of STAPP funding for RTOs



## Annex Three: Destination Management plan status by RTO as at 14 May 2021

Region	Led by	Destination Management plan status
Northland	Northland Incorporated and Te Au Mārie Trust	In progress
Auckland	Auckland Unlimited	Complete, being implemented
Coromandel	Destination Coromandel	In progress
Waikato	-	In progress
Gisborne/ Tairāwhiti (including Ōpōtiki District)	Trust Tairāwhiti, co-lead with iwi	In progress
Bay of Plenty	Tourism Bay of Plenty	Complete, being implemented
Whakatane	Whakatane District Council	In progress
Hawke's Bay	-	In progress
Visit Ruapehu	-	Complete, being implemented
Taupō district	Destination Great Lake Taupō	In progress
Rotorua	Rotorua Economic Development	In progress
Taranaki	Venture Taranaki	Complete, being implemented
Whanganui	Whanganui and Partners	In progress
Manawatu	Central Economic Development Agency	Complete, being implemented
Wairarapa	Destination Wairarapa	In progress
Wellington	WellingtonNZ	In progress
Nelson	Nelson Regional Development Agency	In progress
Marlborough	Destination Marlborough	In progress
West Coast	Development West Coast	In progress
Kaikōura	Destination Kaikōura	Complete, being updated
Hurunui	Hurunui Tourism	To be developed in 2021/22
Christchurch	ChristchurchNZ	To be developed in 2021/22
Mackenzie	Mackenzie District Council, ChristchurchNZ	In progress
Timaru	Venture Timaru	In progress
Waitaki	Tourism Waitaki	In progress
Dunedin	Enterprise Dunedin	Complete, being updated
Central Otago	Tourism Central Otago	In progress
Queenstown Lakes District (including Wanaka)	Queenstown Lakes District Council, Destination Queenstown and Lake Wanaka Tourism	In progress
Clutha	Clutha Development	Complete, being implemented
Southland (including Fiordland)	Great South	Complete, being implemented

### Key:

	Have a Destination Management plan
	Developing a Destination Management plan
	Not yet started



## Annex Four: Approved STAPP grants to businesses by region



### Strategic Tourism Assets Protection Programme as at 10 May 2021

#### Approved Business Applications (ALL)

Region	Count	Grant Year 1	Grant Year 2	Grant Total (Y1 + Y2)
Northland	7	\$2,935,595	\$355,000	\$3,290,595
Auckland	8	\$3,450,000	\$240,000	\$3,690,000
Waikato	11	\$5,265,320	\$1,176,120	\$6,441,440
Bay of Plenty	18	\$7,992,000	\$708,000	\$8,700,000
Hawke's Bay	3	\$977,000	\$283,000	\$1,260,000
Manawatu-Whanganui	3	\$510,000	\$360,000	\$870,000
Wellington	4	\$2,000,000	\$0	\$2,000,000
Tasman	6	\$2,549,000	\$317,000	\$2,866,000
Marlborough, NZ	1	\$243,000	\$257,000	\$500,000
West Coast, NZ	7	\$2,870,000	\$450,000	\$3,320,000
Canterbury, NZ	15	\$7,496,703	\$453,297	\$7,950,000
Otago	26	\$11,593,020	\$771,847	\$12,364,867
Southland	10	\$4,904,667	\$95,333	\$5,000,000
National	11	\$9,630,000	\$470,000	\$10,100,000
<b>Total</b>	<b>130</b>	<b>\$62,416,305</b>	<b>\$5,936,597</b>	<b>\$68,352,902</b>

Commercial In-Confidence



## Annex Five: Approved STAPP loans / loans contracted to businesses by region

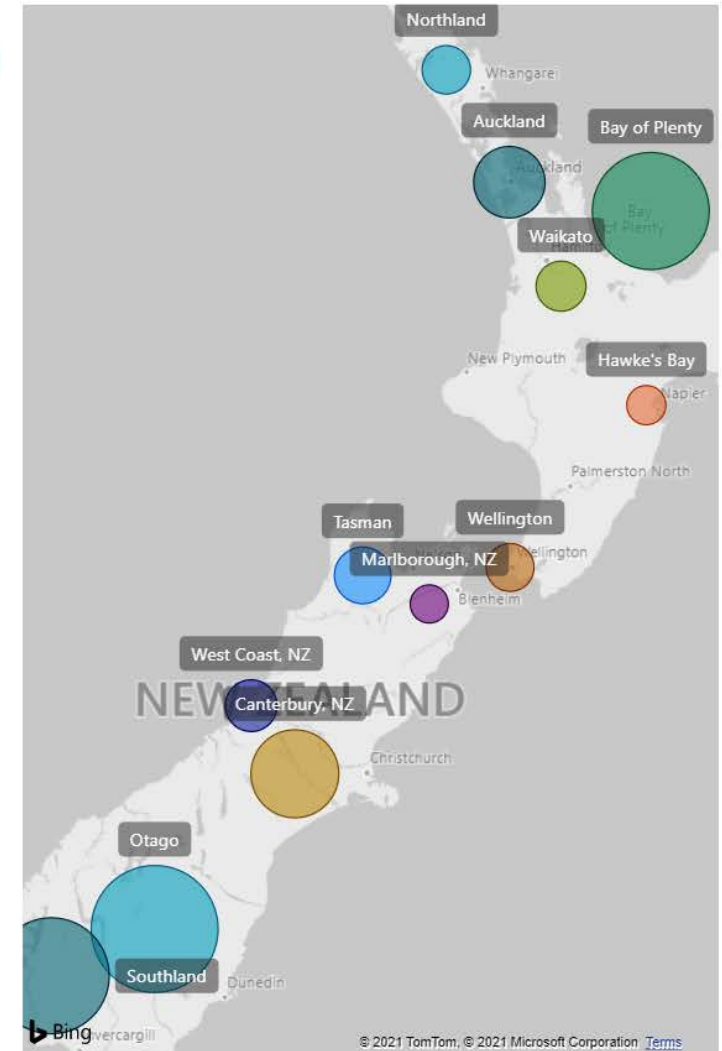


### Strategic Tourism Assets Protection Programme as at 10 May 2021

#### Approved Loans / Loans Contracted (ALL)

Region	Count	Loan Approved	Loan Contracted
Northland	5	\$3,988,172	\$390,000
Auckland	6	\$12,805,146	\$0
Waikato	8	\$6,571,400	\$864,000
Bay of Plenty	15	\$30,246,000	\$18,966,000
Hawke's Bay	2	\$434,000	\$134,000
Wellington	4	\$3,773,972	\$1,940,000
Tasman	5	\$7,138,000	\$1,208,000
Marlborough, NZ	1	\$43,000	\$43,000
West Coast, NZ	5	\$5,272,406	\$4,922,406
Canterbury, NZ	12	\$19,131,734	\$5,067,406
Otago	23	\$34,070,964	\$24,581,376
Southland	10	\$29,847,000	\$24,207,000
National	10	\$29,522,818	\$22,162,818
<b>Total</b>	<b>106</b>	<b>\$182,844,612</b>	<b>\$104,486,006</b>

Commercial In-Confidence



## **Annex Six: Criteria for businesses to remain eligible to receive STAPP funding**

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Funding agreements for businesses receiving STAPP grants require a statement from the Recipient confirming that, as at the date of the relevant Six-Month Report, each of the following representations remain true and accurate (each a “Repeating Representation”):

- The Recipient has used, and will continue to use, the Funding in a manner consistent with the Tourism Asset Support;
- The Recipient remains eligible (by reference to the eligibility criteria in its original application) for the next Funding payment, on the basis of the information provided in the relevant Six-Month Report;
- The Recipient has progressed, and will continue to progress, each Funding Indicator;
- The Recipient has not received, and will not apply for, any funding from other Government COVID-19 support packages, unless otherwise agreed in writing by MBIE;
- The Recipient is not aware of any material information that has not been disclosed to MBIE which may, if disclosed, materially adversely affect the decision of MBIE whether to provide the relevant Funding payment.

## Annex Seven: Reporting against the LSF for businesses that received STAPP grants

Please select at least one Funding Indicator per Living Standards Framework Capital by checking the box. You should select at least four Funding Indicators in total. (To find out more about the Living Standards Framework go to <https://treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework> ).

Living Standards Framework Capital	Tourism area of impact the Funding Indicator is seeking to address	Funding Indicator	Examples of reporting and evidence types (please note that the reporting and evidence provided by you should be appropriate to your circumstances)
Physical/ financial capital	<i>Sustainability of supply chains</i>	The sustainability of the business's supply chain is improved. This includes efforts to ensure supply chain is more economically, environmentally and socially sustainable.	<ul style="list-style-type: none"> <li>• Purchasing/procurement policies or plans are put in place.</li> <li>• Evidence of implementation or intention to implement policies and/or plans. This may include:               <ul style="list-style-type: none"> <li>○ assessment of existing supply chain</li> <li>○ correspondence with suppliers communicating sustainability expectations</li> <li>○ changes in suppliers resulting from supply chain improvements.</li> </ul> </li> </ul>
	<i>Sustainability of infrastructure (relevant to any funding that is going toward infrastructure maintenance)</i>	Any maintenance of infrastructure or facilities uses sustainable construction and design methods, and protects or restores the natural and cultural surroundings.	<ul style="list-style-type: none"> <li>• Reporting occurs as appropriate in the reporting period when maintenance activity occurs.</li> <li>• Evidence shows that consideration has been given to the least impactful methods and materials and that waste from infrastructure maintenance work is minimised.</li> </ul>
<b>Funding indicator for physical/financial capital (please select at least one):</b>		<input checked="" type="checkbox"/> <b>check box to select)</b> <input type="checkbox"/> Sustainability of supply chains <input type="checkbox"/> Sustainability of infrastructure	

Living Standards Framework Capital	Tourism area of impact the Funding Indicator is seeking to address	Funding Indicator	Examples of reporting and evidence types (please note that the reporting and evidence provided by you should be appropriate to your circumstances)
Human Capital	<i>Employee pay rates</i>	Payment of at least the Living Wage by the end of the contract period.	<ul style="list-style-type: none"> <li>Information that demonstrates progress for moving any staff who were, at the commencement of the agreement, paid less than a Living Wage will be or are paid at a Living Wage. (Employees can be identified as Employee One, Employee Two etc.)</li> </ul>
	<i>Employee skill levels</i>	Supporting employees to develop skills and qualifications.	<ul style="list-style-type: none"> <li>Development plans in place for all employees that include supporting employees to progress toward obtaining a New Zealand Qualification Authority recognised qualification (unit standard or full qualification) in tourism, heritage, arts, culture or another relevant field.</li> <li>Evidence such as a statement about employees with development plans. (Employees can be identified as Employee One, Employee Two etc.)</li> </ul>
	<i>Equitability and/or diversity of workforce</i>	Commitment to improving workforce diversity and/or equity.	<ul style="list-style-type: none"> <li>Evidence that the business understands current staff composition.</li> <li>Evidence of policies or plans with goals to improve workforce diversity and/or equity.</li> <li>Evidence of implementation of, or intention to implement, policies or plans. This may include: <ul style="list-style-type: none"> <li>improving business accessibility</li> <li>improving recruitment processes.</li> </ul> </li> </ul>
	<i>Employment of local workforce</i>	Local residents are employed or encouraged to take up employment at all levels of the organisation (as appropriate).	<ul style="list-style-type: none"> <li>Evidence of support for local residents to be employed in the business. This may include: <ul style="list-style-type: none"> <li>evidence of positions being advertised locally</li> <li>position descriptions value local knowledge</li> <li>supporting local work placements / internships from educational facilities.</li> </ul> </li> </ul>
	<i>Seasonality of employment</i>	The business is working toward being able to offer more year-round sustainable tourism jobs.	<ul style="list-style-type: none"> <li>Evidence might include a reviewed or updated business plan. Business plan may include adaptation of existing business to extend season or creation of a year-round offering and jobs.</li> </ul>
<b>Funding indicator for human capital (please select at least one):</b>		<input checked="" type="checkbox"/> <b>check box to select</b> <input type="checkbox"/> Employee pay rates <input type="checkbox"/> Employee skill levels <input type="checkbox"/> Equitability and/or diversity of workforce <input type="checkbox"/> Employment of local workforce <input type="checkbox"/> Seasonality of employment	

<b>Living Standards Framework Capital</b>	<b>Tourism area of impact the Funding Indicator is seeking to address</b>	<b>Funding Indicator</b>	<b>Examples of reporting and evidence types (please note that the reporting and evidence provided by you should be appropriate to your circumstances)</b>
Natural Capital	<i>Visitors' respect for the environment</i>	The business supports visitors to understand the expectations of them in relation to the natural environment.	<ul style="list-style-type: none"> <li>• Tiaki Promise collateral is promoted in business premises and materials are provided to support visitors to understand expectations of them.</li> <li>• Staff training includes supporting visitor awareness of expectations of them.</li> </ul>
	<i>Physical impact of business on environment</i>	Environmental issues resulting from business activities (including environmental emergencies) are identified, evaluated, monitored and mitigated.	<ul style="list-style-type: none"> <li>• Assessment/evaluation of your business's physical impact on the environment (this could be part of an environmental impact assessment).</li> <li>• Plans and policies are in place, impacts are monitored and remediation actions taken.</li> </ul>
	<i>Solid waste</i>	A waste mitigation, reduction and management plan is developed and the business is actively measuring and monitoring against it.	<ul style="list-style-type: none"> <li>• Waste mitigation, reduction and management plan is created.</li> <li>• Evidence demonstrates that the business is monitoring and reducing waste according to the plan.</li> </ul>
	<i>Greenhouse gas emissions</i>	A carbon and other emission reduction plan is developed and the business is actively measuring and monitoring against it.	<ul style="list-style-type: none"> <li>• GHG emissions measuring, monitoring and reduction plan in place.</li> <li>• Evidence demonstrates that the business is monitoring and reducing emissions according to the plan.</li> </ul>
	<i>Water use</i>	A water management and reduction plan is developed and the business is actively measuring and monitoring against it.	<ul style="list-style-type: none"> <li>• Water use measurement, monitoring and reduction plan is in place.</li> <li>• Evidence demonstrates that the business is monitoring and reducing water use according to the plan.</li> </ul>
	<i>Biodiversity endangerment/ disruption</i>	The business contributes positively to the natural assets it operates on and minimises or rehabilitates any disturbance or disruption caused by business activity.	<ul style="list-style-type: none"> <li>• Business can demonstrate compliance with DOC concessions or licences.</li> <li>• Business understands its impact on biodiversity at the sites it operates at.</li> <li>• Business invests (financial or other resources) into local projects to support biodiversity protection and rehabilitation.</li> </ul>
	<i>Wastewater</i>	Wastewater management plans are in place and the business seeks to minimise, treat and reuse wastewater (including gray water) where possible.	<ul style="list-style-type: none"> <li>• Wastewater measuring, monitoring and mitigation plan is in place.</li> <li>• Evidence demonstrates that the business is monitoring and improving wastewater practices according to the plan.</li> </ul>

	<i>Crowding / congestion / noise</i>	Efforts are made by the business to encourage dispersal of visitor flows (daily, weekly, and seasonally).	<ul style="list-style-type: none"> <li>• The business considers the visitor experience of crowding and congestion and adapts its offering to encourage dispersal.</li> <li>• Adaptations may include: <ul style="list-style-type: none"> <li>○ initiatives to distribute visitor numbers and smooth peaks</li> <li>○ initiatives to adjust visiting times</li> </ul> </li> </ul>
<b>Funding indicator for natural capital (please select at least one):</b>		<input checked="" type="checkbox"/> <b>check box to select)</b> <input type="checkbox"/> Visitors' respect for the environment <input type="checkbox"/> Physical impact of business on environment <input type="checkbox"/> Solid waste <input type="checkbox"/> Greenhouse gas emissions <input type="checkbox"/> Water use <input type="checkbox"/> Biodiversity endangerment/disruption <input type="checkbox"/> Wastewater <input type="checkbox"/> Crowding / congestion / noise	

Living Standards Framework Capital	Tourism area of impact the Funding Indicator is seeking to address	Funding Indicator	<u>Examples</u> of reporting and evidence types (please note that the reporting and evidence provided by you should be appropriate to your circumstances)
Social Capital	<i>Māori cultural appropriateness of tourism business and its offerings</i>	Local iwi and hapū provide advice into the way that the business impacts Māori and the appropriateness of any Māori cultural components of the tourism offering.	<ul style="list-style-type: none"> <li>• Engaging with local iwi and hapū (either your business alone or as part of destination management activity) to understand the cultural impact of your business (eg the incorporation of Māori culture into business practices)</li> <li>• Evidence of having sought and incorporated iwi and hapū advice about your business's cultural competency or of obtaining appropriate training.</li> </ul>
	<i>Visitors' impact on local community</i>	Efforts are made to ensure that local community members are not unduly displaced or impacted by visitors to the business.	<ul style="list-style-type: none"> <li>• This may be evidence of changes such as: <ul style="list-style-type: none"> <li>○ spreading peak volumes</li> <li>○ opening or closing times (eg outside of peak commuting times)</li> <li>○ alleviating foot or vehicle traffic</li> </ul> or other initiatives to ensure displacement does not occur or is minimised.</li> </ul>
	<i>Tourism sector collaboration to improve quality of destination</i>	The business actively participates in local destination management planning activity to collaboratively manage the impacts of tourism on the destination.	<ul style="list-style-type: none"> <li>• Evidence of having participated actively in destination management planning.</li> </ul>

	<i>Social licence</i>	Community is actively involved in or engaged with on tourism business developments/activities	<ul style="list-style-type: none"> <li>Community engagement plan in place (preferably part of a collaborative effort with other tourism businesses in the area).</li> <li>Evidence of having engaged constructively with local community per the plan.</li> </ul>
	<i>Visitor satisfaction</i>	Satisfaction levels of visitors to the business are improving.	<p><i>Note that this indicator could be selected in instances where the business may have experienced previously high levels of visitor satisfaction, however preferences and perceptions may be changing. (For example, domestic visitors may experience the offering differently than international visitors).</i></p> <ul style="list-style-type: none"> <li>Evidence could include: <ul style="list-style-type: none"> <li>ratings on review websites</li> <li>customer feedback form ratings</li> </ul> </li> <li>Evidence of having responded to visitor feedback and conducting any changes required.</li> </ul>
<b>Funding indicator for social capital (please select at least one):</b>		<input checked="" type="checkbox"/> <b>check box to select)</b> <input type="checkbox"/> Māori cultural appropriateness of tourism business and its offerings <input type="checkbox"/> Visitors' impact on local community <input type="checkbox"/> Tourism sector collaboration to improve quality of destination <input type="checkbox"/> Social licence <input type="checkbox"/> Visitor satisfaction	



## Annex Eight: Approved STAPP grants to Māori tourism businesses

Business Trading Name	Sum of Grant up to \$500,000
Dark Sky Project	\$500,000
Dart River Safaris	\$450,000
Footprints Waipoua	\$390,595
Franz Josef Glacier Guides and Glacier Hot Pools	\$500,000
Kapiti Island Nature Tours	\$500,000
Ko Tāne	\$302,000
Kohutapu Lodge and Tribal Tours Limited	\$500,000
MDA Experiences	\$500,000
Mitai Māori Village	\$500,000
Ngati Awa Tourism Limited & Te Manuka Tutahi Marae	\$500,000
Tamaki Māori Village	\$500,000
Te Hana Te Ao Marama	\$210,000
Waewae Pounamu	\$320,000
Waimangu Volcanic Valley	\$500,000
Waimarama Māori Tours	\$260,000
Waiotapu Thermal Wonderland	\$500,000
Wanaka River Journeys	\$215,101
Whakarewarewa - The Living Māori Village	\$500,000
<b>TOTAL</b>	<b>\$7,647,696</b>

## Annex Nine: Approved STAPP funding for RTOs (grants) and businesses (grants and loans) by region

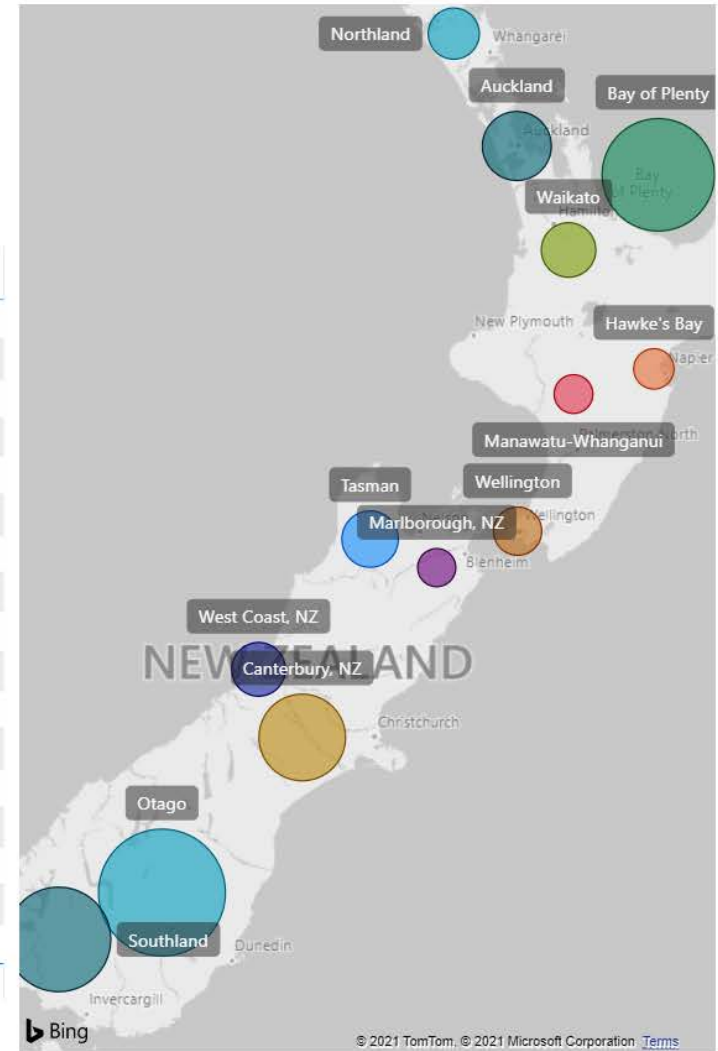


### Strategic Tourism Assets Protection Programme as at 10 May 2021

#### Approved Grants for Businesses & RTOs and Approved Loans for Businesses

Region	Count	Grant (Businesses & RTOs)	Loan (Businesses)	Total (Grants + Loans)
Northland	8	\$3,990,595	\$3,988,172	\$7,978,767
Auckland	9	\$4,690,000	\$12,805,146	\$17,495,146
Waikato	14	\$8,541,440	\$6,571,400	\$15,112,840
Bay of Plenty	20	\$10,400,000	\$30,246,000	\$40,646,000
Gisborne	1	\$400,000	\$0	\$400,000
Hawke's Bay	4	\$1,960,000	\$434,000	\$2,394,000
Taranaki	1	\$700,000	\$0	\$700,000
Manawatu-Whanganui	6	\$2,970,000	\$0	\$2,970,000
Wellington	6	\$3,400,000	\$3,773,972	\$7,173,972
Tasman	6	\$2,866,000	\$7,138,000	\$10,004,000
Nelson	1	\$700,000	\$0	\$700,000
Marlborough, NZ	2	\$1,200,000	\$43,000	\$1,243,000
West Coast, NZ	8	\$3,720,000	\$5,272,406	\$8,992,406
Canterbury, NZ	20	\$10,550,000	\$19,131,734	\$29,681,734
Otago	32	\$16,264,867	\$34,070,964	\$50,335,831
Southland	12	\$6,100,000	\$29,847,000	\$35,947,000
National	11	\$10,100,000	\$29,522,818	\$39,622,818
<b>Total</b>	<b>161</b>	<b>\$88,552,902</b>	<b>\$182,844,612</b>	<b>\$271,397,514</b>

Commercial In-Confidence



## Annex Ten: Approved grant and loan amounts for 26 ITOs, as at 14 May 2021

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Inbound Tour Operator	Grant Value	Loan Value	Total Value
Active Adventures	\$500,000	\$250,000	\$750,000
Ahipara Luxury Travel	\$500,000	-	\$500,000
ANZ Nature Tours	\$500,000	\$500,000	\$1,000,000
Beyond The Blue	\$500,000	-	\$500,000
China Travel Services (NZ) Ltd	\$500,000	\$500,000	\$1,000,000
DNZ Travel Ltd	\$250,000	-	\$250,000
Exclusive Travel Group	\$500,000	-	\$500,000
General Travel	\$500,000	\$500,000	\$1,000,000
GSN Pacific Ltd	\$500,000	-	\$500,000
ID New Zealand	\$500,000	\$500,000	\$1,000,000
KAD International Travel Services Ltd	\$500,000	-	\$500,000
New Zealand Journeys	\$500,000	\$500,000	\$1,000,000
Pacific Destination	\$500,000	\$500,000	\$1,000,000
Pacific Travel Planners	\$250,000	-	\$250,000
Pan Pacific	\$500,000	\$500,000	\$1,000,000
Seasonz Travel Ltd	\$500,000	\$500,000	\$1,000,000
Southern Crossings Ltd	\$500,000	\$250,000	\$750,000
Southern Travelnet Ltd	\$500,000	-	\$500,000
Southern World NZ	\$500,000	\$500,000	\$1,000,000
Tāpoi Travel	\$250,000	-	\$250,000
Terra Nova Coach Tours	\$500,000	\$250,000	\$750,000
The Green Spot	\$500,000	-	\$500,000
Touch of Spice	\$500,000	\$250,000	\$750,000
Travelmore International	\$500,000	\$500,000	\$1,000,000
Unparalleled Journeys Ltd	\$500,000	-	\$500,000
Volkai (Leisure Time Tours) Ltd	\$500,000	\$250,000	\$750,000
<b>Total</b>	<b>\$12,250,000</b>	<b>\$6,250,000</b>	<b>\$18,500,000</b>