



## COVERSHEET

<b>Minister</b>	Hon Stuart Nash	<b>Portfolio</b>	Economic and Regional Development
<b>Title of Cabinet paper</b>	Extension of the COVID-19 Events Transition Support Payment scheme	<b>Date to be published</b>	11 April 2022

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
February 2022	Extension of the COVID-19 Events Transition Support Payment scheme	Office of the Minister for Economic and Regional Development
9 February 2022	Extension of the COVID-19 Events Transition Support Payment Scheme DEV-22-MIN-0007 Minute	Cabinet Office
1 December 2021	2122-2080 Decision for amendments to the Events Transition Support Payment Scheme	Ministry of Business, Innovation and Employment
28 January 2022	2122-2436 Implications of the Omicron Outbreak for the Events Transition Support Payment Scheme	Ministry of Business, Innovation and Employment

### **Information redacted**

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of Commercial Information, Free and Frank opinions, Privacy of natural persons, and Confidential advice to Government.



# Cabinet Economic Development Committee

## Minute of Decision

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### Extension of the COVID-19 Events Transition Support Payment Scheme

**Portfolio**                      **Economic and Regional Development**

On 9 February 2022, the Cabinet Economic Development Committee, having been authorised by Cabinet to have Power to Act [CAB-22-MIN-0017]:

#### Background

- 1        **noted** that until 23 January 2022, the COVID-19 Events Transition Support Payment (ETSP) provided sufficient certainty to incentivise many large-scale events to go ahead and continue organising over the peak 2021/2022 summer season;
- 2        **noted** that due to the transition of New Zealand to the COVID-19 Protection Framework (CPF) Red setting on 23 January 2022, COVID-19 Recovery Ministers with delegated power to act agreed to remove the ETSP triggers for payment for all eligible events scheduled to begin between 23 January and 3 April 2022;
- 3        **noted** that there are significant medium to long-term implications for the wider events sector if public health restrictions continue to prohibit events from proceeding through 2022, such as supply chain pressures and businesses closures;
- 4        **noted** that extending the ETSP scheme will likely incentivise event organisers to continue planning events throughout 2022, thereby minimising the economic and social implications created by the COVID-19 public health restrictions and ongoing limits in gathering size;

#### Extending the timeframe for the ETSP scheme

- 5        **agreed** to extend the ETSP scheme to 31 January 2023;
- 6        **agreed** that for events from 4 April 2022 to the end of the ETSP scheme, the triggers for the ETSP are when an event must be cancelled or postponed due to one of the following:
  - 6.1      the event location is at CPF Red level or a localised lockdown on the date/s of the event; or
  - 6.2      at least 50 percent of tickets/paid registrations have been sold to attendees located within a CPF Red level or localised lockdown area on the date/s of the event (assuming regional boundary restrictions are in effect); or

- 6.3 the event is located in an area that is at CPF Red or a localised lockdown at any point within the six-week period prior to the start of the event, and there has been no explicit announcement yet regarding the CPF settings for the specific date/s of the event; or
- 6.4 the lead artist/subject is required by the Ministry of Health to self-isolate over the period of the event and there is no available alternative artist/subject;
- 7 **agreed** that the Ministry of Business, Innovation and Employment (MBIE) be given discretion to determine whether payment is triggered for an event under paragraph 6.4 above, using a consistent process to ensure fairness and transparency;
- 8 **agreed** that the following criteria apply to events within the extended timeframe for the ETSP (4 April 2022 – 31 January 2023) to ensure the ETSP is targeted at events that are regionally significant and is distributed in an equitable way:
- 8.1 event date must be scheduled to begin between 4 April 2022 and 31 January 2023;
- 8.2 event must:
- 8.2.1 have been publicly announced or have been actively in the market (e.g. where tickets or registrations have been advertised or for sale) prior to 23 January 2022; or
- 8.2.2 be a recurring event that can demonstrate a history of previous iterations over the last three years; or
- 8.2.3 be a touring event held at multiple venues or on multiple dates that can demonstrate a financial commitment to the event dates at least four months prior to the event dates;
- 8.3 event must be public facing (ie open to the public) and in New Zealand;
- 8.4 event must be organised by a New Zealand registered organisation (eg an entity registered with the Companies Office or a charitable organisation);
- 8.5 event must not be solely delivered by local government and other public authorities (but can be partly funded by those authorities, although costs incurred by local government would not be eligible for recovery);
- 8.6 event must not be currently receiving funding through the Major Events Fund or receive similar funding from the Ministry for Culture and Heritage's Arts and Culture Event Support Scheme for the same period, nor have an agreement in place with underwriting of eighty percent or more of unrecoverable costs from local government or another insurer;
- 8.7 event must require the use of COVID-19 vaccination certificates;
- 8.8 event organisers can only apply once for cancellation and once for postponement for an event;
- 8.9 touring events across multiple venues and dates are eligible on the basis that the cumulative total of attendees reaches the minimum attendee threshold, and they meet all other criteria;

- 9 **agreed** that all other existing parameters for the ETSP, as agreed by Cabinet on 8 November 2021 [CAB-21-MIN-0461], apply to events under the expanded timeframe, subject to the decisions in paragraphs 10 – 15 below;

### **Reducing the size of events eligible for the ETSP**

- 10 **agreed** that events must have expected in-person attendees of over 5,000 paid ticketed/registered attendees (approximately 350-500 events at a cost of \$265 – 375 million);

### **Increasing the range of business events eligible for the ETSP**

- 11 **agreed** to increase the range of business events eligible for the ETSP scheme;
- 12 **agreed** that the following criteria apply to business events within the extended timeframe for the ETSP (4 April 2022 – 31 January 2023):
- 12.1 event must have expected in-person attendees of at least 200 attendees (250 – 350 events at a cost of \$85 – 120 million);
  - 12.2 event must be a business event hosted by an organisation (association, corporate, government), and is either an incentive, conference, convention, exhibition, or trade show;
  - 12.3 event must be:
    - 12.3.1 organised by a member of Business Events Industry Aotearoa (BEIA); or
    - 12.3.2 facilitated by a Regional Convention Bureau; or
    - 12.3.3 held at a venue for the express purpose of hosting a business event (to be verified by MBIE, in consultation with BEIA, during the eligibility process);
  - 12.4 event date must be scheduled to begin between 4 April 2022 and 31 January 2023 (inclusive);
  - 12.5 event must have been publicly announced or have been actively in the market (e.g. where tickets or registrations have been advertised or for sale):
    - 12.5.1 prior to 23 January 2022 for events scheduled to begin before 1 July 2022; or
    - 12.5.2 at least four months prior to the event date for events scheduled to begin on or after 1 July 2022;
  - 12.6 event must be held in New Zealand;
  - 12.7 event must be organised by a New Zealand registered organisation (eg an entity registered with the Companies Office or a charitable organisation);
  - 12.8 event must not be solely delivered by local government and other public authorities (but can be partly funded by those authorities, although costs incurred by local government would not be eligible for recovery);

- 12.9 event must not be currently receiving funding through the Major Events Fund or receive similar funding from the Ministry for Culture and Heritage's Arts and Culture Event Support Scheme for the same period, nor have an agreement in place with underwriting of eighty percent or more of unrecoverable costs from local government or another insurer;
- 12.10 event must require the use of COVID-19 vaccination certificates;
- 12.11 event organisers can only apply once for cancellation and once for postponement for an event;
- 12.12 event must be held at an external venue, not in-house;
- 12.13 event must have ticketed or registered attendees of over 200 attendees (the tickets or registrations do not need to carry a cost, but proof of financial commitment to suppliers of at least the minimum threshold of attendees is required);
- 12.14 touring events across multiple venues and dates are eligible on the basis that the cumulative total of attendees reaches the minimum attendee threshold, and they meet all other criteria;
- 13 **agreed** that all other existing parameters for the ETSP as agreed by Cabinet on 8 November 2021 [CAB-21-MIN-0461], and payment triggers as agreed in paragraph 6 above, apply to business events under the expanded timeframe;
- 14 **agreed** that MBIE and its third-party provider, in consultation with BEIA, have discretion to approve and decline eligibility applications for business events using the criteria agreed above;
- 15 **agreed** that there will be no discretion beyond that in paragraphs 7, 13 and 14 above in determining eligibility for the ETSP, and that the set of criteria will be a definitive determination of eligibility;

### Implementation

- 16 **noted** that MBIE will continue to utilise its existing All-of-Government service agreement with insurance provider, Aon, to contract application and claims assessment services as required, to fulfil the needs of an extended ETSP;
- 17 **noted** that the Minister for Economic and Regional Development will continue to monitor the ongoing implementation of the ETSP scheme alongside the COVID-19 Protection Framework, and will report back to Cabinet by the end of April 2022 on these matters, including the measures put in place to ensure the integrity of the scheme;

### Legislative implications

- 18 **noted** that the ETSP may constitute an indemnity;
- 19 **noted** that the Minister of Finance, as the Minister responsible for the administration of the Public Finance Act 1989, is the Minister with the statutory power under section 65ZD of that Act to grant guarantees and indemnities if he determines it to be necessary or expedient in the public interest to do so;
- 20 **noted** that, to the extent the implementation of the extended ETSP constitutes an indemnity, the extension of the ETSP will be subject to the Minister of Finance making a decision under section 65ZD of the Public Finance Act 1989 as to whether to grant that indemnity;

**Financial implications**

- 21 **noted** that an appropriation was established for the existing ETSP scheme, with \$200 million funding provided and a recommendation that it be topped up as needed depending on public health restrictions and therefore demand for the ETSP;
- 22 **noted** that the existing ETSP scheme, scheduled to end on 3 April 2022, is expected to pay out up to approximately \$150 million, leaving approximately \$50 million unspent in the appropriation;
- 23 **agreed** that any funding remaining unspent in the appropriation at the end of the existing ETSP scheme be used to fund part of the extension to the ETSP;
- 24 **noted** that while there is a potential upper bound cost of \$350-\$490 million to the government to cover all events (events at over 5,000 pax and business events over 200 pax) at ninety percent of unrecoverable costs, this is unlikely to eventuate;
- 25 **agreed** to provide an additional \$150 million in funding for the ETSP appropriation to fund an extended ETSP, and that it be topped up as needed depending on public health restrictions and therefore demand for the ETSP;
- 26 **approved** the following changes to appropriations to give effect to paragraphs 5 and 25 above, with the corresponding impact on the operating balance:

Vote Business Science and Innovation Minister for Economic and Regional Development	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expense: COVID-19 Events Transition Relief Payment	-	150.00	-	-	-

- 27 **agreed** that the expenses incurred as a result of paragraph 26 above be charged against the COVID-19 Response and Recovery Fund (CRRF), established as part of Budget 2020;
- 28 **agreed** that the changes to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 29 **noted** that MBIE officials will continue working with Ministry for Culture and Heritage officials to align the ETSP scheme and the Arts and Culture Event Support Scheme as far as possible;
- 30 **authorised** the Minister of Finance, the Minister for Arts, Culture and Heritage and the Minister for Economic and Regional Development to jointly take decisions relating to any further design details and operational matters, including increasing appropriations, as required to progress the implementation of the ETSP to the extent that the changes do not invoke further financial liability for the government [CAB-21-MIN-0461];

- 31 **agreed** that the Minister for Economic and Regional Development will publicly announce the extension to the ETSP scheme, in consultation with the Prime Minister and the Minister of Finance.

Janine Harvey  
Committee Secretary

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**Present:**

Hon Grant Robertson (Chair)  
Hon Dr Megan Woods  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Poto Williams  
Hon Damien O'Connor  
Hon Stuart Nash  
Hon Kris Faafoi  
Hon Willie Jackson  
Hon Michael Wood  
Hon Dr David Clark  
Hon Dr Ayesha Verrall  
Hon Meka Whaitiri  
Hon Phil Twyford  
Rino Tirikatene MP  
Dr Deborah Russell MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV