



## 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

### List of documents that have been proactively released

<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.



## BRIEFING

### Decision for amendments to the Events Transition Support Payment Scheme

<b>Date:</b>	1 December 2021	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2122-2080

Action sought		
	Action sought	Deadline
COVID-19 Ministerial Group	<b>Agree</b> to add an additional payment trigger for the ETSP scheme, as outlined in this paper.	1 December 2021

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Danielle McKenzie	Manager, Tourism System and Insights	Privacy of natural persons	✓
Amanda Harrison	Principal Policy Advisor, Tourism System and Insights	-	-
Joseph Hayes	Graduate Policy Advisor, Tourism System and Insights	-	-

The following departments/agencies have been consulted
The Treasury, Ministry of Culture and Heritage, Sport NZ

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



# BRIEFING

## Decision for amendments to the Events Transition Support Payment Scheme

<b>Date:</b>	1 December 2021	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2122-2080

### Purpose

This paper seeks the COVID-19 Recovery Ministers with Delegated Power to Act's agreement to amend the COVID-19 Events Transition Support Payment (ETSP) scheme to add an additional trigger for payment of an ETSP.

### Recommended action

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

- a **Note** that Cabinet agreed to establish the Events Transition Support Payment (ETSP) scheme to provide certainty to event organisers over the summer period as the country transitions to the COVID-19 Protection Framework (CPF)

*Noted*
- b **Note** that recent announcements regarding the shift to the CPF continue to create uncertainty for events scheduled to be held over the next six weeks and have not yet triggered eligibility for claims against the ETSP.

*Noted*
- c **Note** that some large-scale events, Confidential advice to Government, are facing significant public scrutiny for their decisions to continue planning their events in locations with highly vulnerable populations

*Noted*
- d **Note** that decisions to continue planning events until further CPF announcements are made will create perverse economic, social and health outcomes.

*Noted*
- e **Agree** to add an additional payment trigger for the ETSP when an event can choose to postpone or cancel because:
  - a. the event is located in an area that is operating under the CPF and is at CPF Red or a localised lockdown at any point within the four-week period prior to the start of the event; and
  - b. there has been no explicit announcement yet regarding the CPF settings for the event location on the specific date/s of the event.

*Agree/Disagree*
- f **Note** that consistent with the parameters of the ETSP, only eligible unrecoverable costs will be covered if a claim is successful (ie costs that are directly associated with the event, and in the case of postponement cannot be transferred to a postponement event date).

*Noted*

g **Note** that the decision to add an additional payment trigger above will not change the forecast expenditure for the ETSP scheme and can be accommodated within the current appropriation.

*Noted*



Danielle McKenzie  
**Manager, Tourism System and Insights**  
Labour, Science and Enterprise, MBIE

1 / 12 / 2021

Rt Hon Jacinda Ardern  
**Prime Minister**

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Hon Grant Robertson  
**Minister of Finance**

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Hon Kelvin Davis  
**Minister of Māori Crown Relations**

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Hon Chris Hipkins  
**Minister for COVID-19 Response**

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Hon Andrew Little  
**Minister of Health**

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

Hon Stuart Nash  
**Minister of Economic and Regional  
Development**

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

Hon Chris Faafoi  
**Minister of Immigration**

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

Hon Peeni Henare  
**Associate Minister of Health**

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Hon Dr Ayesha Verrall  
**Associate Minister of Health**

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Hon Aupito William Sio  
**Associate Minister of Health**

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# Amendment to the COVID-19 Events Transition Support Payment scheme

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## Proposal

- 1 This paper seeks the COVID-19 Recovery Ministers with Delegated Power to Act's agreement to amend the COVID-19 Events Transition Support Payment (ETSP) scheme to add an additional trigger for payment of an ETSP.

## Issue identification

- 2 Some large-scale summer events due to be held over the next six weeks are facing increasing pressure to postpone or cancel because of low vaccination rates and vulnerable populations in the areas where the events are due to be held. Under the ETSP scheme, these events will render themselves ineligible to claim against the ETSP scheme if they postpone or cancel before there is an explicit Government announcement that the location of the event will be at COVID-19 Protection Framework (CPF) Red or a localised lockdown on the date/s of the event.

## Executive Summary

- 3 There are growing public concerns that large-scale summer events are continuing to go ahead despite ongoing uncertainty of public health settings, particularly where events are located in vulnerable communities. For large New Year's events, the Government's review of CPF settings on Monday, 13 December 2021 will be the relevant trigger point that provides certainty of public health settings for the dates of these events.
- 4 In recognition of the perverse social, health and economic outcomes associated with the continued planning of these events, the Minister of Economic and Regional Development proposes a new payment trigger be added to the ETSP scheme to allow events an earlier opportunity to postpone or cancel. The new payment trigger shall be:
  - 4.1 if the event is located in an area that is operating under the CPF and is at CPF Red or a localised lockdown at any point within the four-week period prior to the start of the event; and
  - 4.2 there has been no explicit Government announcement yet regarding the CPF settings for the specific date/s of the event.

## Background

- 5 Large events are a key driver for economic and regional development, as well as domestic and international tourism. Events also deliver benefits across the capitals of the Living Standards Framework and contribute to the wellbeing of New Zealanders, helping to improve social cohesion, community spirit and pride, develop a stronger identity and sense of place, and improve cross-cultural awareness and understanding.
- 6 To recognise these benefits and provide confidence to the events sector to continue planning events over the summer period, Cabinet agreed, on 8 November 2021, to establish the Events Transition Support Payment (ETSP) scheme. The key elements of the ETSP scheme are:

- 6.1 Payment is triggered in the instance that an event is prohibited from operating due to public health restrictions at the time of the event;
  - 6.2 Support is for events of more than 5,000 in-person ticketed attendees;
  - 6.3 The scheme only applies to events scheduled over the summer period (17 December 2021 – 3 April 2022);
  - 6.4 When payment is triggered, the ETSP covers 90 percent of eligible unrecoverable costs;
  - 6.5 There is no discretion in determining eligibility, and Cabinet’s agreed set of criteria provides the definitive determination of eligibility.
- 7 Cabinet also agreed that the Minister of Economic and Regional Development will undertake a review of the ETSP when a transition to the CPF takes place and will report back to Cabinet if any changes are required to be made. On 29 November, the Government announced that the entire country will move to the CPF on Friday, 3 December 2021.
- 8 The ETSP has received a generally positive reception from the events sector. As of 30 November 2021, 66 events have been granted eligibility under the first step of the scheme. These events will be eligible to make a claim against the scheme if they are forced to postpone or cancel due to the relevant public health setting being triggered.

**Implications of recent CPF announcements for the ETSP scheme**

- 9 On 29 November 2021, the Government announced that the entire country will move to the CPF on Friday 3 December 2021. Subsequently, the Government also announced that the following districts would move into the CPF at Red: Northland, Auckland, Taupō, Rotorua Lakes, Kawerau, Whakatane, Ōpōtiki, Gisborne, Wairoa, Rangitikei, Whanganui and Ruapehu. Cabinet will review settings and provide an update on Monday 13 December 2021, and then again on Monday 17 January 2022.
- 10 The ETSP scheme is available for events scheduled to begin between 17 December 2021 and 3 April 2022. Events are only eligible to claim against the ETSP scheme if they are required to postpone or cancel because the event, or 50 percent of ticketholders are, located in a CPF Red district on the specific date/s of the event. The recent CPF announcements have not triggered the ETSP for any events due to the pending CPF review on Monday 13 December 2021. The review point means that there is no certainty which CPF level each district will be in from Monday 13 December 2021 onwards.
- 11 Some large-scale events, Confidential advice to Government [REDACTED], are facing significant public scrutiny for their decisions to continue planning their events. Free and frank opinions [REDACTED] Both events generally attract a significant number of attendees from Auckland and the local communities are urging these event organisers to postpone or cancel to avoid an influx of festival goers causing a COVID-19 outbreak (despite the requirement that

all festival goers are double vaccinated for the event to proceed). Free and frank opinions

- 12 These events have incurred significant costs to date, particularly as they are now in the middle of their six-week risk window where costs escalate in the lead-up to the event. Without certainty that Confidential advice to Government will be in CPF Red when their event starts, the event organisers are not eligible to claim against the ETSP scheme if postponed or cancelled now based on CPF announcements to date. The continued uncertainty for these events and the local communities is creating perverse social, health and economic outcomes.
- 13 Following the recent CPF decisions, MBIE has reviewed the ETSP and the Minister of Economic and Regional Development considers that an amendment is necessary to address eligibility issues related to the transition to the CPF and to ensure that event organisers have the option to make postponement or cancellation decisions that are reasonable in the wider social, health and economic interest.

### **Proposed amendment to add an additional payment trigger for the ETSP**

- 14 The Minister of Economic and Regional Development proposes to amend the triggers for when events are eligible to make a claim against the ETSP scheme to address the continued uncertainty for event organisers and vulnerable communities. The existing triggers for payment are when an event must be postponed or cancelled due to one of the following:
- 14.1 **event is located** in an area that is operating under Alert Level restrictions, which explicitly prohibit the event from occurring (Alert Level 2 or higher on the date/s of the event); or
  - 14.2 **event is located** in an area that is operating under the CPF and is at Red or a localised lockdown on the date/s of the event; or
  - 14.3 **at least 50 percent of tickets/paid registrations** have been sold to attendees located within an Alert Level 3 or higher boundary or within a CPF Red or localised lockdown area on the date/s of the event (assuming regional boundary restrictions are in effect); or
- 15 An additional trigger for payment shall be when an event can choose to postpone or cancel because:
- 15.1 **the event is located** in an area that is operating under the CPF and is at CPF Red or a localised lockdown at any point within the four-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.
- 16 This trigger for payment should be added immediately. If agreed, this will enable Confidential advice to Government to postpone or cancel immediately and be eligible to claim against the ETSP scheme to recover 90 percent of their unrecoverable costs. It will also allow event organisers to make informed judgments about the impact of their events in consultation with local communities, and to signal any decisions well in advance of the scheduled event date. We are aware of 15 other events (listed at Annex One) that may become



eligible for an ETSP on this basis prior to the 13 December review of CPF settings. Four of those 15 events have already applied, and been granted eligibility, for an ETSP should one of the payment triggers be met.

- 17 Decisions regarding postponement or cancellation will ultimately sit with the event organisers themselves. While this additional payment trigger will provide them with an option to immediately postpone or cancel and claim against the ETSP, it does not mean they will choose to do this. If an event organiser chooses to postpone their event using this new trigger, they will be able to claim 90 percent of the unrecoverable costs associated with postponement only (ie costs that are directly associated with the event and unable to transfer to a postponement event date). If an event organiser chooses to cancel their event using this new trigger, they will be able to claim 90 percent of all eligible unrecoverable costs already incurred or already subject to contract.
- 18 If event organisers within the four-week window do not choose to cancel or postpone their event using this new trigger, the associated risks regarding the event's reputation and standing in the community will be for the event organiser to carry. Following any decisions to keep **Confidential advice to Government** in Red on Monday 13 December, there will be a further opportunity for the eligible event organisers to postpone or cancel and claim against the ETSP scheme if they have not already done so.
- 19 It is also important to note that the proposed new payment trigger will not provide additional opportunities for event organisers with events located in CPF Orange to postpone or cancel. Regions such as Taranaki, Hastings, Nelson and Waikato also have below average Māori vaccination rates, as well as other compounding issues around service access and socioeconomic deprivation. Events are likely to still go ahead in these areas, and if not, event organisers will be unable to claim against the ETSP scheme unless CPF settings change.

### **Risks of amending the payment triggers for the ETSP**

- 20 There are risks attached to the decision to amend the payment triggers for an ETSP. The ETSP scheme was designed to encourage event organisers to proceed with planning and hosting their events, despite the uncertainty of public health settings. This amendment could be perceived as inconsistent with the intent of the scheme by allowing event organisers to postpone or cancel up to four weeks prior to the event. Based on views officials heard from the sector during the design of the ETSP scheme, we anticipate that most events will continue to go ahead until they have definitive CPF decisions for the date of their event rather than invoke this new payment trigger. Event organisers want to proceed with their events if at all possible, as the event delivery is the very reason they operate, and it is the only way they generate profit.
- 21 Key events scheduled to be held in vulnerable communities, **Confidential advice to Government**, will ultimately have the required level of certainty to trigger a claim against the ETSP following Cabinet's decisions on Monday, 13 December 2021. This assumes that Cabinet decides that **Confidential advice to Government** will remain in CPF Red through to the next review date of 17 January 2022. Therefore, the addition of this new payment trigger will only provide these events with the opportunity to postpone or cancel approximately one week earlier than they otherwise would be able to.

- 22 A further risk of amending the payment triggers is that the existing payment triggers do not provide any choice or discretion for event organisers as they are only eligible to claim against the ETSP when public health settings specifically prohibit their event from going ahead. The proposed new trigger will introduce an element of choice for event organisers, as they will now be able to choose to postpone or cancel their event within the four-week window prior to the event occurring, regardless of the public health settings on the date of the event itself (unless those settings have already been announced by the Government). This may result in events postponing or cancelling which might otherwise be able to go ahead, and the government incurring costs it otherwise may not have.
- 23 There is also a risk associated with changing the criteria after the ETSP has been announced, as the scheme was specifically established to avoid discretionary decision making. This risk is partially reduced as there have not yet been any claims made against the scheme so no party has missed out on support through the scheme that would now be possible with this amendment.

### **Implementation**

- 24 If agreed, MBIE will update all communications and website material related to the ETSP scheme to include the new payment trigger. MBIE will also directly contact the event organisers of the two events facing the most scrutiny to alert them to the updated payment triggers. MBIE will also work with its third-party vendor, contracted to deliver the ETSP, to update all application forms and processes, including terms and conditions of the scheme, to reflect the new payment trigger. This may mean that these events may not be able to make a claim under the scheme immediately as there will be operational details to work through and implement.

### **Financial Implications**

- 25 There are no additional financial implications beyond those for the broader ETSP scheme. However, the addition of this trigger event will increase the likelihood of successful claims being made against the ETSP by widening the circumstances under which a claim can be made and may increase the overall level of pay-out made under the scheme. This is likely to be balanced out by smaller levels of pay-out for some events which choose to postpone or cancel using this payment trigger and will therefore no longer continue to incur costs in the four-week period prior to the event. It will not widen the scope of eligible events so we do not expect it will change the forecast expenditure and therefore the amendment can be accommodated within the current appropriation.

### **Communications**

- 26 MBIE will inform the sector of the outcome following Cabinet's decision and update all relevant website and communications materials.

### **Proactive Release**

- 27 This paper will be proactively released with any appropriate redactions as soon as practicable after public communication of the scheme.

**Appendix One: List of events potentially eligible to make a claim immediately under the proposed new payment trigger**

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Commercial Information

