

Innovation Programme - introductory webinar, November 2022

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Introduction

Kia ora koutou. Welcome to today's webinar, the last for 2022. And I'm just going to chat to you all while the numbers just ticking and just as people join us. My name is Poppy. You've probably seen me here before if you've attended any of our previous webinars. I'm really excited today to be talking about the Innovation Programme. That was obviously announced and opened by the Minister recently. So hopefully this webinar will give you some more helpful advice around those applications.

MBIE Karakia

And so we'll kick off today with quick karakia. And this is the MBIE karakia. For those of you who are not fluent in reo, you can see the translation on the screen just there. So this one is Tāwhia tō mana kia mau, kia māia. Ka huri taku aro ki te pae Kahurangi, kei reira te oranga mōku. Mā mahi tahi, ka ora, ka puāwai. Ā mātua mahi katoa, ka pono, ka tika. Tihei Mauri Ora.

Introductions

So just a little bit of housekeeping before I hand over to our experts today a few things about this webinar, like usual, we will be recording this webinar so that those of you who have to shoot off and flip through or those of you who weren't able to join us at 10am on Thursday will be able to watch this later. So just bearing in mind with that recording, that does mean that anything that gets typed into the chat or the question answers will be recorded, and people who watch the recording will be able to see those things. And on the subject of questions, we're obviously expecting that there's probably going to be quite a lot of questions today. If you do have questions, the way to ask those is to pop them in the question and answer function. So that should be at the bottom of your screen under q&a. And what we'll be doing is we've got some of our in the experts on the line to try answers to those questions as they come through. And we'll try and do our best to answer all of them while we're live today. But we're conscious we might not be able to.

Oh, I'm on mute. Okay. Are people able to hear me okay? Can I get like a sign from someone? I've got a thumbs up that people can hear me. "I see the Mute icon, but I can hear everything." Well, that's good. So I won't repeat myself then. hopefully everyone's been able to hear. So we're recording, you'll be able to see copies of anything that gets popped in the chat...

Sorry, just recollecting myself, there are questions, we'll try and type answers to the questions, anything that we can't get to today, we will pop the answers for those in the email that we send to you all after this webinar, which will also have a link to the recording, so you can revisit this or share it with other people who haven't seen it. Right. So I'll roll on to quickly introducing our speaker for today, we're very fortunate to have Alice Russon with us. She's one of the MBIE officials who's been working very closely on this particular project. And so that's everything for me, I will hand over to Alice.

Kia ora koutou, ko Alice Russon ahau. Hello, I'm Alice. I'm a Senior Policy Advisor in the MBIE Tourism branch. We are very excited to chat to you all today about the Innovation Programme. I know it's been a long time coming for lots of you. It was announced by the Minister as part of Budget in May. And it was announced as open by the Prime Minister last week at the Tourism Summit. We're very excited to have this webinar with you all and take you through the Programme.

Webinar overview

In terms of an overview, we're going to talk about the Programme's purpose. We're going to go through Stream One and Stream Two and will talk about the application process for both of those streams. And then if we get time, we will answer some questions at the end. I'm sure there'll be lots as we go as Poppy said. So just pop them in the chat and we'll try and answer them as we can. And if we can't, we'll come to them via email.

Like I said, the Tourism Innovation Programme was opened last week by the Prime Minister and it's a \$54 million contestable fund. Applicants will be able to receive grants from the Government. Stream One applications and Stream Two expressions of interests are now open. The information that I'll cover today is on MBIE's website and there is a guidance document for applicants too, so have a look at those to see if your questions are still there. And if they aren't, you're welcome to reach out to us via the Tourism Innovation inbox (tourisminnovation@mbie.govt.nz) as well, which is on our website.

Who can apply?

We will kick off with who can apply. The Programme is open to individuals and organisations that can demonstrate a New Zealand presence. That being said, central governments cannot apply for funding. We do welcome applications for projects led by groups of individuals or groups of businesses, it's very much welcome and encouraged. If you would like to do a consortium approach to a project that's absolutely welcome. Our website has guidance about how you can demonstrate your New Zealand presence depending on whether you're an individual or an organisation. Just putting it out there, there's no minimum or maximum cap on your organisation in terms of whether you can apply – you can be a very, very large business or you could be a very small entity or charity, any of that. So, there's very wide eligibility in terms of applicants.

The purpose is to support projects that seek to:

As many of you will have seen, the purpose of the Programme is to support four things:

1. The first one is to stimulate, catalyze, or achieve transformative innovation.
2. The second is to deliver on our core values of tourism.
3. The third is to seek to achieve at least one of the five Programme outcomes.
4. And the fourth is that it needs to be applicable to the New Zealand Aotearoa visitor journey.

So we just want to make it clear from the outset that this innovation Programme is not like other government support Programmes that have been put forward through COVID for the last two and a half years. And it's not support for general business as usual, or for scaling up for a very busy summer period that we know you're planning for. The Programme is meant to be focused on projects that are going to have a really meaningful and transformative impact. We're really looking for big ideas that are going to catalyze change across the industry. I will cover all four of these in more detail, so we'll get into it.

Stimulate, catalyse, or achieve transformative innovation

The first one is to stimulate or catalyze or achieve transformative innovation. We've defined transformative innovation as a fundamental or disruptive shift towards new or different and better systems, business models, processes, experiences, or products that will create a meaningful impact across the New Zealand Aotearoa visitor journey. We're not going to provide you guidance on whether we think your idea is innovative or not, that's up to you to argue your case if you decide to put forward an application. But for some pointers, you're welcome to check out the MBIE website and use the self-assessment tool to kind of frame up your idea and see if you think that it might be considered transformative. Also, have a think about whether your project is actually on the list of excluded activities, which we'll come to in a second. So something that's business as usual, or something that you're already doing like offering an existing product is not considered innovative within this Programme. And what the government is really looking for, and this Programme, is to fund projects that are world firsts or ideas that might have been used overseas, and will create a really big change if they came to New Zealand and they might be a first in our country.

Deliver on the core values of tourism

The next is delivering on the core values of tourism. So the core values of tourism come from the New Zealand Aotearoa Government Tourism Strategy, and inspired by some of the New Zealand Story work as well. The core values of tourism are Tiaki, Whanaungatanga, Manaaki, and Pōtikitanga.

Diagram shows the core values of tourism:

- *Tiaki: Caring for and protecting people, place and planet for our future.*
- *Pōtikitanga: Our curious, ingenious and adventurous spirit.*
- *Manaaki: Extending respect, hospitality, generosity and care to others.*
- *Whanaungatanga: Creating a sense of connection, family and belonging.*

When you submit your application, you're required to provide details about how you'll meet one of these values of tourism. You can tick more than one but we're only asking for you to demonstrate one at that stage.

Seek to achieve at least one of the five outcomes

The third part of the Programme's purpose is the five outcomes, this is kind of the main part of it. We've got five outcomes:

1. Climate - reducing carbon emissions resulting from tourism or having a positive impact on the climate.

2. Sustainability - improving the environmental sustainability of tourism through enhancing our natural environment and biodiversity
3. Resilience - improving the resilience of tourism to future changes, impacts and shocks
4. Technology - lifting the productivity and capability of the tourism sector through technology, and
5. Tāonga Māori - promoting and protecting Tāonga mighty through the Aotearoa New Zealand visitor journey.

Diagram shows the 5 outcomes of the programme:

- *Reduce carbon emissions resulting from tourism or have a positive impact on the climate.*
- *Improve the environmental sustainability of tourism through enhancing our natural environment and biodiversity.*
- *Improve the resilience of tourism to future changes, impacts and shocks.*
- *Lift productivity or capability of the tourism sector through technology.*
- *Promote and protect Taonga Māori throughout the New Zealand-Aotearoa visitor journey (where the project is led or delivered by iwi / hapū or Māori enterprises).*

Just a note with that last one - for Tāonga Māori, this project needs to be led by Māori – iwi, hapū, whanau. The definition of Tāonga Māori comes from WAI262, a Waitangi Tribunal claim about concerns for New Zealand law and policy affecting Māori culture and identity. The definition of what Tāonga Māori can be found in our guidance document on the website. You're also welcome to come to the inbox with questions about that as well.

When you submit your application, you will be assessed on how you make one primary outcome. So you pick one that you think your project is going to meet the most. But you're also welcome to have secondary outcomes - you can also say, for example, my project is going to have a huge impact on tourism resilience. But I also think at the same time, it's going to hit that technology outcome too, so you're welcome to have a secondary outcome. And if you do that, it could potentially could boost your projects assessment relative to others that might only hit one. That being said, we don't want you to just tick all five and the hope that you'll cover them all. They do really need to be relevant.

Are applicable to the New Zealand-Aotearoa visitor journey

And finally, the fourth aspect of the Programme's purpose is that you it needs to be applicable to the New Zealand-Aotearoa visitor journey. We've defined the visitor journey starting at the moment that someone is inspired to come to New Zealand and they start thinking, 'maybe I'll book a trip here' and then to the moment, they get home, and they're a storyteller for New Zealand, and they provide inspiration for others to come back or maybe themselves to come back as well.

Diagram shows the visitor journey from pre-arrival (inspiration and trip planning, booking and transport), in trip (arrival, accommodation, activities and experiences, engagement with New Zealanders and departure), to post trip (storytelling and inspiration for the next trip).

Your innovation can focus on one area of the visitor journey or it can focus on multiple areas across the visitor journey, but you need to make sure that it's relevant to tourism, and the visitor experience. We're

not looking just for new buildings, for example, it really needs to relate to tourism. And I will have a just in this point, it's really important that it's not about marketing either - so it's not about bringing in new customers. The visitor journey isn't just focused on international visitors either. Obviously this diagram has quite an international focus, but your innovation can also focus on domestic tourism too.

We're really looking to fund a mix of projects across those five outcomes and across the different parts of the visitor journey.

Co-funding requirements

We'll get a little bit into more detail about the types of co-funding (depending whether you go for a Stream One project or Stream Two project) in a second as we get there, but as a general rule, your co-funding can't come from a central government agency. Everybody needs to have co funding, you either need to be able to have it or co-source it. The co-funding has to be financial - we're not accepting any kind of in-kind donations or any in-kind co funding: it needs to be financial. You are also welcome to provide more than 50% of your portion of co-funding, so you can ask for less than 50%. But the same rules apply no matter how much you're asking for up to that 50% amount. I will just make it clear that you can't ask for co-funding for any restrict retrospective costs - so you might have started a project, and now you're thinking, 'Oh, this definitely fits with the Innovation Programme. We're going to meet the Programme's purpose and we think we're eligible for funding.' You can apply for funding but it excludes costs of what you've started already. In this case, you would need to plan for funding for future stages of that project.

Are any activities excluded?

Yes, they are excluded activities and funding cannot be **solely** used for any of the following:

- general business as usual
- upgrading a business or a product to be more sustainable, or more eco friendly, or to have better technology
- marketing or brand development
- drafting of destination management plans
- retrospective costs
- qualifications
- infrastructure.

There might be elements of these within your project - for example, you might be doing marketing for your new innovation - and that's fine. But you can't apply for funding **solely** for marketing, if that makes sense. If you do have questions about this, and you're not quite sure you're welcome to send an email to our inbox and we can help you work it out. But there's also other applications support available while you do complete your application, which we'll come to who might also be able to help you at that point.

Stream One: Discovery projects

Now we'll talk about Stream One. I appreciate this has been quite a lot of information already, and it's going to get a little bit more detailed. I'll try and take it slowly but we'll get through as much of it as we can.

Stream One is for discovery projects. This is innovative solutions based projects that might require further feasibility work before you come and apply for full developmental support. Stream One has \$1 million total allocated to it, and we are willing to contribute between \$10,000 and \$25,000 per successful project. Like the diagram on the right hand side shows, if your total project cost was \$50,000, you would co fund \$25,000 and the government would co fund \$25,000.

Diagram shows that the total project cost is \$50,000 = Applicant co-funds \$25,000 and Government co-funds \$25,000.

And your Stream One project needs to be completed within four months of you signing a contract, so it's a really short amount of time to complete some feasibility work to help you test your innovation to see whether it's feasible, to work out your business case, or that sort of thing, so that you can then consider applying for additional funding.

Stream One: Approved activities

The main point for Stream One is that there is a list of approved activities, so you must use your Stream One funding for one or more of these activities:

- concept validation or testing,
- concept development, which could include design sprints, but doesn't have to be that specific methodology,
- sourcing relevant expertise, partners or skill sets to deliver your project
- consultancy support to help you do a project plan or business case,
- acceleration or scaling up testing or
- giving advice and then preparing a business plan or a project plan.

We will also say that you're welcome to consider an external accelerator or incubator programme to help deliver your activities if you think that's relevant. If you would like to do this, and you think that your project would benefit from that, you would need to talk to us as well make the decisions about who's eligible to go through those accelerator programmes. Just making it clear that for Stream One, anything outside of that list is not eligible for any Stream One funding.

Stream Two: Development projects

Stream Two are the development projects. These are the projects that the government is really looking to fund, which is why the majority of this \$50 million available is allocated to Stream Two. Stream Two is for innovative solutions based projects that are validated, and they have a full proposal and the business case. These are the real transformative concepts that the government wants to fund. We're looking for a few, really big plays and we're looking for things that are going to be really impactful across the sector.

The government will contribute between \$100,000 and \$10 million per successful project. You would need to complete this project within a two-year timeframe. Now in terms of Stream Two, there's no list of prescribed activities like Stream One, but you just need to make sure that you're not applying for funding for that excluded list of activities, which we covered earlier.

Stream Two co-funding

There are two options for Stream Two funding. The first example is a typical Stream Two project - this is where the applicant will co fund 50% and the government will co fund 50%. So, if the total project costs are \$5 million, the applicant will put in \$2.5 million and the government will put in \$2.5 million.

Diagram shows that the total project cost is \$5 million = Applicant co-funds \$2.5 million and Government co-funds \$2.5 million.

However, we do have wiggle room and for Stream Two, and we have a second option for projects that are going to have significant positive community-wide or sector-wide benefits. For this type of project, applicants could be eligible to receive up to 75% of co-funding from the government.

Diagram shows that the total project cost is \$5 million = Applicant co-funds at least \$1.25 million and Government co-funds up to \$3.75 million.

So that \$10 million cap still remains, but you, as the applicant, would be required to put in less, and the government would put in more because it would have significant benefits in terms of your community or across the sector. If you're interested in applying for Stream Two, and you think that your innovation is going to be in that second group (it is going to have a significant impact), you will need to demonstrate in your application form why you think that that's the case. The decision about whether it is significant and whether the impact would be positive will be assessed by MBIE during the application stage.

Application process

We're now going to move on to the application process. There are two different types of application processes just to make things super complicated, but there's one for Stream One and one for Stream Two. We'll take you through them both, and all this information is also on our website if you need any help.

Stream One application process

Stream One applications is a one step process.

Diagram shows the Stream One application process:

- *Complete and submit your application*
- *Assessment of your application by MBIE*
- *MBIE will notify you of the outcome*
- *Deliver your project*
- *Look to the future – consider Stream Two funding.*

You will complete and submit your application which is available the form is available on MBIE's website. We would really recommend that as you complete your application for Stream One you'll also use the guidance document that's available on our website too and consider getting some support from our application support providers as well (we'll talk about that in a moment). But basically, if you'd like some help while you draft your application, come to us and we can help get you that support as well. You will submit your application via the Tourism Innovation inbox (tourisminnovation@mbie.govt.nz),

and it will be assessed by MBIE on a monthly basis. We'll notify you of the outcome once we've assessed your project. Then you will have four months from the moment you've signed the contract to deliver that project. Once you've completed your Stream One project, and if it shows that it's been successful, so for example, if you've done some design sprints, and it showed that your innovation looks like it's going to be really impactful, and everything's showing that it's ready to go, and you just need some funding for it to be delivered, then you can contact MBIE and consider applying for Stream Two funding. You can then come back in the process and ask for a significant amount of money to actually deliver your innovation.

Stream One is open now and the application form is on the website. And we're taking applications now. You need to get your application in by the 3rd of May 2023. So there'll be assessed on a rolling basis every month by MBIE.

Stream One key dates

Like I said, Stream One is open for applications assist on a monthly basis and is closing on the 3rd of May 2023. It's really important to know that for Stream One, the funding is going to be allocated on a first come first served basis. There's not a specific portion of that \$1 million across each monthly round. It's just first come first served and the most competitive ideas that will have the best impact will get that funding. If all Stream One funding is allocated before the rounds close, on the 3rd of May, it will shut early.

Stream Two application process

This is a two stage process.

Diagram shows the Stream Two application process:

- *Complete and submit your EOI*
- *Assessment of your EOI by MBIE*
- *Invitation to submit full application*
- *Complete and submit your full application*
- *Assessment of your full application by MBIE and Expert Advisory Panel*
- *Minister of Tourism makes funding decisions*
- *MBIE will notify you of the outcome*
- *Deliver your project.*

What you need to do is complete and submit your EOI. The expression of interest form is available on MBIE website. And again, we recommend that you use the guidance document while you complete your application form to make sure that you can put in the most competitive expression of interest. You will submit your expression of interest to MBIE via the Tourism inbox (tourisminnovation@mbie.govt.nz) again, and it will be assessed on a monthly basis by MBIE. Projects that meet the eligibility criteria, and you as an applicant are eligible to receive funding, and your project meets the Programme's purpose and the criteria, then you will be invited to submit a full application. This is why we say that it's a two stage process - if you're eligible, then you get to submit a second application, which is what we're calling a full application. This full application will need to include a business case. Information will be provided to applicants about what needs to be covered in that business case when they receive

notification that they have successfully proceeded to the next round. Full applications are going to be assessed in three rounds in 2023 (the dates will be up on the next slide for you). Your full application will be assessed both by MBIE and by an expert advisory panel, which are made up of members of the sector who have been chosen by the Minister for their experience with tourism, governance, government funding processes, innovation and Māori development and connections. They will also be assessing all the applications, and the Minister of Tourism will make all funding decisions. Once the Minister has made his decisions, we'll notify you of the outcome and then you have two years to complete your project.

Stream Two funding rounds

Stream Two is now open for EOIs and the final date for Stream Two EOIs is the 1st of September 2023 so that gives you enough time to get into the final funding round for Stream Two full applications. Like we said, there will be three Stream Two funding rounds. But the full applications are going to be assessed in three rounds:

- Round one is on the 28th of February 2023
- Round two is on 30 June 2023
- Round three is on the 31st of October 2023.

Diagram shows three funding rounds: Round 1 closes on 28 February 2023 (\$20 million available), Round 2 closes on 30 June 2023 (\$20 million available) and Round 3 closes on 31 October 2023 (\$9.2 million available plus any underspend from previous two rounds).

In Rounds one and two, there is \$20 million available each to be allocated to projects. In Round three, there's the \$9.2 million available, plus any underspend from Rounds one and two that hasn't been allocated and available. If your application is competitive, but it doesn't receive funding in rounds one or two, we will invite you to resubmit your application for that third and final round.

Do you need help with your application?

We have providers to support you while you're drafting applications. Advice is available to everyone who wants to apply for funding - so that's at any stage from the moment you think, 'Hey, I've heard about the Innovation Programme and I think I have an idea that might be eligible' all the way to the moment that you hit Send in your Outlook, and you send it into MBIE Tourism to be assessed. So advice is available in terms of

- helping work out if you're eligible for the Programme,
- working out how to prepare your application form for Stream One or your Stream Two EOI or application,
- for advice about how to lift the quality of your application
- where you might be able to co source funding (so they're not going to provide support about how to get it, but they might be able to help you work out where you might be able to get it),
- how you might prepare your business case for Stream Two, if you've been invited to put forward a full application,
- what other advice might be needed to help support that business case, if you were to put forward a stream to full application, and

- considering what other community sector or other partners might be able to help deliver your project.

How do I get application support?

If you would like advice on your application, there's nationwide advice available for everyone from New Zealand Māori Tourism and Business South. You don't need to be in a specific region to access this, everyone is welcome to use this advice. If you would like help with your application (the help that we just talked about), you're welcome to email the Tourism Innovation inbox (tourisminnovation@mbie.govt.nz), and we can link you up with either New Zealand Māori Tourism or Business South. When you send us an email, you're welcome to let us know if there's one provider that you would like to work with, and this might depend on the type of innovation you'd like to explore, or your business, or whether you're requiring specific kaupapa mauri support.

What I will just say is that the role of New Zealand Māori Tourism and Business South as an independent function from MBIE, so they don't have any part to play in the assessment process. You can use their experience to help determine your eligibility or to help lift the competitiveness of your application. They won't be able to tell you whether your application will be successful or if you'll receive funding, but they can help you make sure that you can put forward the most competitive application possible. One final thing just to point out with the support available from New Zealand Māori Tourism and Business South is that you can only get support from **one** - you can't get support from both while you draft your application. So like we said, think about who might be able to provide you with the best support that you're looking for throughout the process.

Summary: The Programme has two funding streams

I appreciate that that has been a significant amount of information in quite a short amount of time. I thought we'll just quickly go over a summary of the two streams, just so that you can kind of see on one page, the difference between the two and then we can open up for questions.

Diagram shows comparison table:

	Stream One (Discovery)	Stream Two (Development)
Scope	<p>Projects that require feasibility work to enable completion of a full proposal and business case.</p> <p>The activities to be funded <u>must</u> be included on the prescribed list of Stream 1 activities.</p>	<p>Projects with a full proposal and business case, ready to be developed.</p> <p>The activities to be funded cannot be any of the activities listed on the excluded activities list.</p>
Delivery timeframe	Four months	Two years
Government contribution	\$10,000 - \$25,000 per project	\$100,000 - \$10 million per project
Co-investment requirement	At least 50 per cent	At least 50%, or at least 25% for projects with significant positive community or sector-wide benefits.

Total fiscal allocation	\$1 million	\$49.2 million
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Like we've said, Stream One is for projects that require further feasibility work to determine if they're eligible and they might need some help to do a business case or to work out if they're projects ready to be implemented. In Stream One, you **must** use the funding for one of the activities or more on the prescribed list of Stream One activities. You need to deliver your Stream One project within four months, and you are eligible to receive between \$10,000 and \$25,000 per project. Your co-investment required is at least 50% of the total project costs. The total amount allocated for Stream One projects is \$1 million.

In comparison, Stream Two is for projects that have a full proposal on a business case and they're ready to be developed and delivered. Essentially, the idea is ready, the business case is ready, and it's time to put it into action., There's no specific list of activities that can be funded for Stream Two, but you just need to make sure that you're not applying for any of the activities that are listed on our excluded activities list. You have two years to deliver your Stream Two project. You can apply for between \$100,000 and \$10 million per project. As a baseline, you'll need to co source at least 50% of that (so at least 50% of your total project costs). However, if you have significant positive community or sector wide benefits, then you may be required to only co-source 25% for your project up to that \$10 million. And like we've said, the total amount available for stream to projects is at \$49.2 million. This is where the government is really looking for some big plays some transformative ideas, and things that are going to be groundbreaking, they're going to be inspiring, they might be a world first, they might be a New Zealand First used in a different way. This is where the majority of the money is being allocated.

Questions

The webinar team then answered questions in the chat function and using the Q+A function. These are summarised on the following page, and have been shortened in some cases for brevity.

The Programme's purpose

Q: Will you provide applicants with guidance on what 'transformative innovation' is, or help to understand if their idea is transformative?

A: There is a definition of "transformative innovation" on our website and in the guidance material. This is the primary guidance on this point. You can also use the self-assessment tool to frame your idea.

Q: Does the experience economy fit within the New Zealand-Aotearoa visitor journey? For example, virtual and metaverse strategy/product development, which would be a world first/fundamental disruptive shift.

A: Yes, it does, as long as it still relates to "visitor" experiences. There's a section in the visitor journey about experiences.

Q: Do the five programme outcomes carry equal weight across competing applications? e.g. a sustainability project v a Taonga Māori project or technology project?

A: Yes they do. Your primary outcome will be the opportunity for your project to score the most. Any secondary outcomes will be able to boost your competitiveness.

Applicant and project eligibility

Q: Can a provider (specialist) apply for Stream 1 or Stream 2 funding to provide those services to a number of tourism companies?

A: No. The applicant must be responsible for the delivery of the project.

Q: Will the innovation fund invest in new adventure tourism activities for a region?

A: That is not the intent of the programme. The funding is for projects that will innovate the tourism sector.

Q: Is it acceptable to have a project that combines tourism and other sectors/areas (for example, tourism and education)?

A: Yes, that's fine so long as your project meets the four parts of the programme's purpose. However, you can't get your co-funding from another government agency..

Q: Would partnership projects with tourism implications for our Pacific Island neighbours be considered with the same weight as just NZ?

A: The project must be relevant to the visitor in New Zealand-Aotearoa.

Q: Are councils and/or RTO's able to apply if a collaborative project identified for the region?

A: Yes.

Q: Can private sector operator and Local government do a joint application?

A: Yes.

Q: Were any tourism operators involved in developing criteria?

A: We had some tourism peak body members on the stakeholder group, and others with connections to the sector.

Excluded activities

Q: You say that funding is not for drafting of Destination Management Plans (DMP). What about delivery or implementation of the DMP?

A: Delivery or implementation activities under a DMP could be eligible (so long as those activities meet the Programme's requirements, particularly the innovation definition).

Q: In Stream 2 - is there a definition of infrastructure which is excluded?

A: We don't have a specific definition of infrastructure, but includes horizontal and vertical infrastructure. We're not looking at buildings, carparks or other things that are eligible for other

government funding processes (for example, the Tourism Infrastructure Fund). But if you're not clear, come to us for guidance to determine if it is on that list of excluded activities.

Co-funding requirements

Q: Does your definition of in-kind include staff time spent on the innovation project, or is it part of the co-investment?

A: Labour costs should be included in your overall project costs (within your business case). Your co-investment could go specifically towards those labour costs and can be included in the overall project cost (of which, the government will fund up to 50% of the overall cost). However, projects where the only costs are labour costs are unlikely to be eligible.

Q: Can co-funding come from local government?

A: Yes.

Q: Can you apply for funding for a project that has already received funding from central government (50%) but with escalating prices has left a big gap in funding between the original project cost and the new quote?

A: No. The project as a whole can't be receiving funding from other central government agencies.

Q: SMEs appear to be disadvantaged if larger businesses are submitting applications and have big balance sheets to co-fund when SMEs don't have balance sheet reserves to co-fund.

A: We recommend and encourage SMEs, or other groups (e.g. a collection of charities, iwi or Māori Land Trusts, etc) to collaborate or create a consortia. You are welcome to put in an application on behalf of multiple businesses.

Q: If an applicant was applying for a smaller percentage of project costs vs larger percentage (50%), having already raised funding, would this add to the potential outcome success?

A: Having more or less wouldn't make a difference, it is not assessed during the assessment process. You're welcome to apply for less than 50% of the project costs.

Q: If a project had previously received grant funding from another gov agency (i.e. EECA), would it still be eligible to receive funding through this fund? Would this be detrimental to the success of your application?

A: Your co-funding cannot come from another central government agency. As part of the application form, you will declare where else you have applied for funding.

If your application is successful and you have also applied for other government funding at the same time, we will contact you to ensure that the portion of funding you get from MBIE is not being supplemented by funding from another government agency.

Drafting an application form

Q: Can organisations submit multiple applications for different projects? What about in both Stream One and Stream Two?

A: Yes. If your application is not eligible, you can also adjust/amend it and resubmit at a later point.

Q: In terms of the 'project' we're outlining on the application form, is that the overall project, or what we're going to apply the funding to, or both? And ... are we able to submit supporting docs?

A: You're welcome to submit supporting docs as relevant. For Stream One, you are asked to outline the overall project, and then specifically the work you are looking to complete through Stream One (i.e. your feasibility work).

Q: Should I place links to the pages that have information that I want to share in the body of my application for Stream One, or would I take a screenshot of that information and add it to the attachments?

A: We recommend that you take screenshots, as we may not be able to identify the key points easily within a link. You could reference that information via a footnote so it is clear to the assessors which attachments are relevant to certain points in the application.

Q: How detailed does our budget need to be for Stream 1 funding? Do you require multiple quotes etc, or can it just be a global figure with a rougher breakdown of costs?

A: Check against the Stream One Application form – that will have all the information about the funding and budget information required.

Assessment of applications

Q: How much weighting is given to the attraction of international visitors vs domestic visitors?

A: Equal weight is given to targeting of international visitors versus domestic visitors.

Q: When is the first monthly assessment of applications due to be completed?

A: Stream One Applications and Stream Two EOIs will be assessed at the end of November 2022. We will be aiming to get the first batch of decisions to applicants before Christmas.

Q: For stream 2 funding if you do not receive funding in Round 1 are you able to refine and resubmit in Rounds 2 & 3?

A: Yes.

Q: Who has been appointed to the advisory panel or are they also anonymous?

A: This information is on our website. The current Panel members are Paul Brock, Andrew Baker, Leslie Preston and Dan Walker.

Funding allocations

Q: Is MBIE providing visibility of how Stream 1 funding is being used/consumed? So potential submitters have a sense of what is left in the fund?

A: Yes, we will include this information on our website.

Q: If a big operator wants to de-carbonise their fleet and take up most of the \$49m pool of co-funding, this could impact SMEs. Will there be a cap on funding?

A: There is a cap of \$10 million per project for Stream Two.

Q: What is the final \$4 million of the announced funds to be used for? I.e. \$54 million fund - \$1 million for Stream One, \$49.2 million for Stream Two.

A: Administration costs and delivery of the Programme.

Q: So 5 big businesses with \$10 million per project could use up all the pool of funds?

A: Yes, that is correct. The Programme is preferably looking for large transformative projects in Stream Two.

Q: If the fund is not drawn upon to the full amount, will government consider making co-funded ideas for SMES to grants?

A: There has been no consideration of this. If the fund is not fully drawn down, Ministers will make decisions on the next steps.

MBIE closing Karakia

Well, on behalf of myself and the rest of the Tourism Branch, thank you so much for joining us for the webinar on the Innovation Programme. Thank you for your very awesome questions. I appreciate there has been heaps of information dumped on you and you're probably just getting your heads around what the Programme is after it was announced and opened last week. We appreciate your patience and your thoughts and your questions. Like we said, if you still have questions come to us by the inbox, we're more than happy to help, we can connect you with New Zealand Māori Tourism and we can connect you with Business South so that you can put in the best applications you possibly can. I will hand over to Poppy to finish off with the MBIE closing karakia and we can finish 15 minutes early.

Fabulous. And just before we wrap up, a huge thank you from the webinar team this year as well. Some of you will have attended some of our other webinars over this year and we've really appreciated having you there and hopefully discussing some really exciting topics. And we're looking forward to hopefully sharing the plan for next year with you later.

So I'll close this up. Ka hiki te tapu, kia wātea ai te ara, kia tūruki ai te ao mārama, Hui e, Taiki e. Have amazing rest of your days and I look forward to hearing from you soon.