



## BRIEFING

### Tourism Recovery Fund Allocation

<b>Date:</b>	7 April 2021	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2021-3129

Action sought		
	Action sought	Deadline
Hon Stuart Nash <b>Minister of Tourism</b>	<b>Note</b> the underspend of the Tourism Recovery Fund as of 7 April 2021  <b>Agree</b> to the public release of the updated allocation for the Tourism Recovery Fund	9 April 2021
Hon Peeni Henare <b>Associate Minister of Tourism</b>	For noting only	N/A

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Danielle McKenzie	Manager, Tourism Policy	04 896 5113	Privacy of natural persons	✓
Privacy of natural persons	Senior Policy Advisor, Tourism System and Insights	Privacy of natural persons	n/a	
Privacy of natural persons	Policy Advisor, Tourism Policy	Privacy of natural persons	n/a	

The following departments/agencies have been consulted
Department of Conservation

**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 Withdrawn           |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

This briefing provides an update on the allocation of the \$400 million Tourism Recovery Fund, including Strategic Tourism Assets Protection Programme grant and loan uptake and the plan to publish the update.

This briefing also clarifies the current underspend and funds that will be returned to the Crown [CAB-20-MIN-0219 refers].

### Recommended action

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

- a **Note** that \$400 million was allocated to the Tourism Recovery Fund *Noted*
- b **Note** the we anticipate that the Tourism Recovery Fund will be underspent by \$73.688 million, made up of:
  - a. \$68.166m of Strategic Tourism Assets Protection Programme (STAPP) declined grants and loans<sup>1</sup>
  - b. \$0.200m from the New Zealand Futures Tourism Taskforce budget
  - c. \$5.322m in unused DOC concession fee waivers *Noted*
- c **Note** that \$32.944 million of this underspend is already set to be returned to the COVID-19 Response and Recovery Fund, through the budget process *Noted*
- d **Note** that the remaining \$40.744 million is available to be returned to the Crown, as required [CAB-20-MIN-0219 refers] *Noted*
- e **Note** a summary of the underspend of the Tourism Recovery Fund is below *Noted*

<b>Total underspend = \$73.688m</b> (\$68.166m + \$0.200m + \$5.322m)	
Already offered as part of the budget process	Remaining underspend to be return to the Crown
\$32.944 m	\$40.744 m

<sup>1</sup> Note that STAPP loan uptake has been lower than expected, as the economic conditions have not been as bad as initially anticipated.

- f **Agree** that MBIE will update its website with updated details of the Tourism Recovery Fund spend, and details of the Strategic Tourism Assets Protection Programme loans, noting that some details are not yet finalised and will be updated as needed.

*Agree / Disagree*



Danielle McKenzie  
**Manager, Tourism Policy**  
Labour, Science and Enterprise, MBIE

7 / 04 / 2021

Hon Stuart Nash  
**Minister of Tourism**

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## Background

1. In response to COVID-19, the Tourism Recovery Fund was established to support the tourism sector to respond to and recover from the disruption occurring for them as a result of border closures. The Tourism Recovery Ministers Group (TRM) was established to allocate and oversee the \$400 million fund.
2. On 30 July 2020 the TRM considered advice from MBIE [briefing 2021-0368 refers] on the allocation of the funding.
3. Table 1 below, summarises the Tourism Recovery Fund allocation agreed in that meeting.

**Table 1: Tourism Recovery Fund allocation (agreed by TRM in July 2020)**

Project	Funds Committed Specifics (up to \$m)	Total Funds Committed (up to \$m)
<b>STAPP</b>		<b>\$268.90</b>
<i>AJ Hackett</i>	\$10.20	
<i>Discover Waitomo (thl)</i>	\$4.00	
<i>Whale Watch Kaikoura</i>	\$1.50	
<i>RTO support</i>	\$20.20	
<i>STAPP Approved (\$46 in grants, \$164 in loans)</i>	\$210.000	
<i>STAPP Māori Tourism (\$8 in grants, \$13m in loans)</i>	\$21.000	
<i>STAPP Administration</i>	\$2.000	
<i>STAPP Grant/loan to Milford Sound Tourism*</i>	\$5.00	\$5.00
<i>STAPP Administration unallocated**</i>	\$6.00	\$6.00
<b>Transitions Programme</b>		<b>\$17.00</b>
<i>Support through Qualmark</i>	\$5.00	
<i>Support through NZMT</i>	\$2.00	
<i>Support through RBPB</i>	\$10.00	
<b>NZMT (through TPK)</b>	\$10.00	<b>\$10.00</b>
<b>DoC Concessions Waiver</b>	\$25.00	<b>\$25.00</b>
<b>MBIE Tourism Support Costs</b>	\$0.75	<b>\$0.75</b>
<b>Tourism Futures Taskforce</b>	\$0.755	<b>\$0.76</b>
<b>STAPP ITO Support</b>	\$20.000	<b>\$20.00</b>
<b>IT Capability</b>	\$10.000	<b>\$10.00</b>
<b>Domestic Events Fund</b>	\$50.000	<b>\$50.00</b>
<b>Total TRFs committed</b>		<b>\$413.41</b>
<b>Baseline</b>		<b>\$400.00</b>
<b>Surplus / (Deficit)</b>		<b>\$13.41</b>

Commercial Information

\*\* TRM agreed that any underspend would be allocated to the PDU to run the STAPP Loan scheme. An additional \$6m was agreed for any unspent loans

4. On 1 August 2020, then Minister of Tourism Hon Kelvin Davis announced the package.
5. MBIE has provided regular updates on the implementation and spend of the Tourism Recovery Package to you, and to Treasury in the COVID-19 Response and Recovery Fund (CRRF) reporting.

## **MBIE has regularly published proactive release of briefings and updates on the Tourism Recovery Package**

6. MBIE has previously proactively published information about the Tourism Recovery Package on its website including:
  - a. advice provided to TRM in the development of the package
  - b. information about the process to apply for some initiatives in the package and
  - c. funding recipients names and the amount of funding they received.

## **Reporting on the impact of the package will be presented shortly**

7. The Tourism Recovery Package has produced a range of benefits for businesses, regions and wider New Zealand. MBIE has received updated reports from STAPP and other fund recipients and will provide separate advice on the impact of the package later this month.

## **Final uptake of Tourism Recovery Package**

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### **Funding amounts have been changeable**

8. The amount available from the package for reprioritisation has been changeable because firms were offered funding, but had yet to decide whether they would accept the funding. The deadline for acceptance of the loans was required by 31 March 2021. MBIE now has confirmation from all businesses agreeing to enter into loan agreements, but some firms are yet to finalise the agreements. This may result in further reductions in amounts allocated for loans.
9. At the time of writing, 42 firms had been offered loans which they had declined, totalling \$77.769 million of loans offered, but not accepted. Two firms have accepted lower loan offers. The total value of declined loans is \$78.568 million.

### **Funding use will continue to change**

10. In relation to grants, a number of firms have also decided against taking up their grants in full.
11. In relation to loans, the amount that firms elect to actually draw down (versus what they have approval to draw down) will continue to change depending on circumstances of firms and their business decisions.

### **Update on the allocation of the \$400 million Fund**

12. Table two below provides an update on the funding committed in the Tourism Recovery Fund as at 7 April 2021.

**Table 2: Tourism Recovery Fund allocation (as at 7 April 2021)**

Initiative name	Appropriation (\$m)	Budget (\$m)	Actual committed (\$m)	Underspend (difference between appropriation and committed) (\$m)
<b>Strategic Tourism Assets Protection Programme (STAPP)</b>	285.495	293.398 <sup>2</sup>	217.329	68.166
<i>RTO Support</i>	20.200	20.200	20.200	0.000
<i>ITO STAPP Support</i>	20.000	20.000	18.500	1.500
<i>STAPP grants</i>	110.672	68.353	66.353	44.319
<i>STAPP loans</i>	126.623	182.845	104.276	22.347
<i>Loan administration</i>	8.000	2.000	8.000	0.000
<b>Transitions Programme</b>	15.000	15.000	15.000	0.000
<b>NZ Māori Tourism (Transitions \$2m plus additional \$10m for other support - through TPK)</b>	12.000	12.000	12.000	0.000
<b>DOC Concessions Fee Waiver</b>	25.000	25.000	19.678	5.322
<b>MBIE Tourism Support Costs</b>	1.750	1.750	1.750	0.000
<b>New Zealand Tourism Futures Taskforce</b>	0.755	0.755	0.555	0.200
<b>Digital Capability</b>	10.000	10.000	10.000	0.000
<b>Regional Events Fund</b>	50.000	50.000	50.000	0.000
<b>Tourism Recovery Package Total</b>	<b>400.000</b>	<b>407.903<sup>3</sup></b>	<b>326.312</b>	<b>73.688</b>
<b>Amount being returned to CRRF</b>				<b>-32.944</b>
<b>Total</b>	<b>400.000</b>	<b>407.903</b>	<b>326.312</b>	<b>40.744</b>

13. The Department of Conservation (DOC) has advised that \$5.322 million remains undrawn from the \$25.000 million allocated to them for the concessions waiver scheme. DOC has advised that they have only drawn down the amount needed to offset the reduced revenue. This underspend is reflected in Table Two.
14. The New Zealand Tourism Futures Taskforce is in a winding up stage with further invoices to arrive. The figure provided is indicative of the amount that we anticipate will remain when the Taskforce has been disestablished.
15. Treasury sought advice on underspend in the \$400 million Tourism Recovery Package. \$32.944 million of the underspend has been allocated to be returned to the COVID-19

<sup>2</sup> Includes funding for AJ Hackett, Discover Waitomo (thl) and Whale Watch Kaikoura.

<sup>3</sup> The budget for the package was over allocated as we predicted that not all businesses offered support under STAPP would uptake full amounts.

Response and Recovery Fund for Budget 2021, and will be approved on budget day. We are treating the \$32.944 million as returned.

16. The reconciliation as at 7 April 2021 has a total underspend of \$73.688 million. Deducting \$32.944 million already returned means a total of \$40.744 million underspend.
17. Cabinet agreed that any underspend of the Tourism Recovery Fund would be returned to the Crown [CAB-20-MIN-0219 refers]. MBIE officials will keep the Treasury informed of final uptake once outstanding loan agreements are finalised.
18. There will be a public interest in the underspend of the Tourism Recovery Fund. MBIE officials will work with your office to prepare for this.

## Next steps

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19. With your approval, MBIE will update its website with the text provided in **Annex One** to reflect the near final state of the package. MBIE will not release the individual loan amounts offered from businesses that declined the offer due to commercial sensitivities.
20. We note that if Cabinet agreed to change the Inbound Tour Operators (ITOs) loans to grants, that from a communications point of view, the website will need to be updated again to reflect that change.

## Annexes

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Annex One: Proposed Website Text

## Annex One: Proposed Website Text

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### Tourism Recovery Package Table

Project	Funds committed (\$m)	Total funds committed (\$m)
<b>Strategic Tourism Assets Protection Programme (STAPP)</b>		<b>217.329</b>
STAPP Grants	66.353	
STAPP Loans	104.276	
Regional Tourism Organisations	20.200	
Inbound Tour Operators Loans	18.500	
Loan administration costs	8.000	
<b>Tourism Transitions Programme</b>		<b>15.000</b>
<b>Digital Capability</b>		<b>10.000</b>
<b>Regional Events Fund</b>		<b>50.000</b>
<b>NZ Māori Tourism</b>		<b>12.000</b>
<b>Department of Conservation waiver</b>		<b>19.678</b>
<b>Tourism Futures Taskforce</b>		<b>0.555</b>
<b>MBIE support costs</b>		<b>1.750</b>
	<b><u>Total funds committed</u></b>	<b><u>326.312</u></b>

### STAPP Funding recipients

The Tourism Recovery Ministers Group approved funding for the Strategic Tourism Assets Protection Programme (STAPP).

#### Businesses

The former Tourism Recovery Ministers approved grant and loan funding for STAPP to 130 tourism businesses.

##### *Grant funding overview*

In 2020, \$68,352,902 of STAPP grant funding was offered to 130 businesses. As at 7 April 2021, 127 businesses had accepted STAPP grants of \$66,352,902.

Three businesses have declined the full value of their grant, while 2 businesses have declined partial value of their grant\*. The total value of grants declined is \$2,000,000.

##### *Loan funding overview*

In 2020, \$182,844,612 of STAPP loan funding was offered to 106 businesses. As at 7 April 2021, 27 businesses have entered into loan agreements for a total value of \$30,359,754\*.

There are a further 37 businesses that have accepted STAPP loan agreements, but the final amounts will be published once the funding agreement is signed. The total value of loan offers to these businesses is \$73,916,252.

42 businesses have declined their loans. The total value of loans declined is \$78,568,606\*. This includes partial value of loans declined.

*\*Some businesses have chosen to decline or take a reduced funding amount due to a range of reasons, for example, trading being better than expected.*



See the below table for grant and loan amounts for all 130 businesses, as of 7 April 2021.

Tourism Asset	Grant Value	Loan Value	Total Value
Abel Tasman Sea Shuttles	\$500,000	-	\$500,000
Abel Tasman Soul Ltd (Abel Tasman Kayaks)	\$500,000	tbc	\$500,000
Air Milford	\$500,000	tbc	\$500,000
Air Safaris	\$500,000	-	\$500,000
AJ Hackett Bungy NZ	\$5,100,000	tbc	\$5,100,000
Alpine Guides Aoraki	\$148,000	-	\$148,000
Alpine Helicopters & Southern Lakes Heliski	\$500,000	\$332,000	\$832,000
Art Deco Trust	\$500,000	tbc	\$500,000
Auckland Art Gallery Toi o Tamaki	\$500,000	-	\$500,000
Auckland Seaplanes	\$480,000	-	\$480,000
Auckland Zoo Te Whare Kararehe o Tamaki Makaurau	\$500,000	-	\$500,000
Backcountry Helicopters	\$500,000	\$450,000	\$950,000
Black Cat Cruises	\$500,000	-	\$500,000
Buried Village of Te Wairoa	\$500,000	\$484,000	\$984,000
Cardrona and Treble Cone	\$500,000	tbc	\$500,000
Caveworld	\$290,000	-	\$290,000
Christchurch Adventure Park	\$500,000	-	\$500,000
Christchurch Tram and Punting on the Avon	\$500,000	-	\$500,000
Dark Sky Project	\$500,000	-	\$500,000
Dart River Safaris	\$450,000	-	\$450,000
Discover Waitomo	\$2,000,000	-	\$2,000,000
Dive! Tutukaka	\$500,000	-	\$500,000
Dolphin and Albatross Encounter	\$500,000	\$400,000	\$900,000
Doubtful Sound Cruises	\$500,000	tbc	\$500,000
Driving Creek	\$500,000	-	\$500,000
Explore	\$500,000	\$1,500,546	\$2,000,546
Fiordland Expeditions Limited	\$500,000	\$107,000	\$607,000
Footprints Waipoua	\$390,595	-	\$390,595
Forgotten World Adventures	\$220,000	-	\$220,000
Fox Glacier Guiding	\$500,000	\$1,304,000	\$1,804,000
Franz Josef Glacier Guides and Glacier Hot Pools	\$500,000	-	\$500,000
Fullers Great Sights	\$500,000	-	\$500,000
Glenbrook Vintage Railway	\$500,000	-	\$500,000
Glenorchy Air	\$500,000	tbc	\$500,000
Heliservices NZ	\$500,000	tbc	\$500,000
Highlands Motorsport Park	\$500,000	tbc	\$500,000
Howick Historical Village	\$500,000	-	\$500,000
Huka Prawn Park	\$500,000	tbc	\$500,000
INFLITE	\$500,000	tbc	\$500,000
International Antarctic Centre	\$500,000	tbc	\$500,000
JUCY Cruise	\$500,000	\$1,300,000	\$1,800,000
Kaikoura Kayaks	\$500,000	\$67,406	\$567,406
Kaiteriteri Kayaks	\$500,000	-	\$500,000
Kapiti Island Nature Tours	\$500,000	tbc	\$500,000

Kiwi Cave Rafting	\$500,000	-	\$500,000
Kiwi Journeys	\$500,000	-	\$500,000
Kiwi North	\$400,000	-	\$400,000
KJet	\$500,000	-	\$500,000
Ko Tāne	\$302,000	-	\$302,000
Kohutapu Lodge and Tribal Tours Limited	\$500,000	\$350,000	\$850,000
Lake Taupo Cruises	\$250,000	-	\$250,000
Lakeland Queen	\$500,000	-	\$500,000
Larnach Castle Limited	\$500,000	-	\$500,000
Maniototo Curling International Inc.	\$199,766	-	\$199,766
Marahau Sea Kayaks Ltd	\$366,000	-	\$366,000
Marahau Water Taxis Ltd	\$500,000	-	\$500,000
MDA Experiences	\$500,000	-	\$500,000
Milford Sound Tourism	\$500,000	tbc	\$500,000
Mitai Māori Village	\$500,000	tbc	\$500,000
Monarch Wildlife Cruises and Tours	\$500,000	tbc	\$500,000
National Aquarium of New Zealand	\$500,000	-	\$500,000
National Kiwi Hatchery	\$500,000	-	\$500,000
Natures Wonders	\$500,000	\$500,000	\$1,000,000
New Zealand Maritime Museum Hui Te Ananui A Tangaroa	\$500,000	-	\$500,000
Ngati Awa Tourism Limited & Te Manuka Tutahi Marae	\$500,000	tbc	\$500,000
NZ Ski	-	-	-
Oamaru Penguin Colony	\$500,000	tbc	\$500,000
Omaka Aviation Heritage Centre	\$500,000	tbc	\$500,000
Orakei Korako Cave & Thermal Park	\$500,000	\$392,000	\$892,000
Orana Wildlife Park	\$500,000	tbc	\$500,000
Otago Museum	\$500,000	tbc	\$500,000
Otorohanga Kiwi House	\$500,000	-	\$500,000
Outback New Zealand (Nomad Safaris / Info & Track / Info & Snow)	\$500,000	tbc	\$500,000
Over the Top	\$500,000	tbc	\$500,000
Penguin Place Limited	\$500,000	tbc	\$500,000
Polynesian Spa	\$500,000	-	\$500,000
Pukaha National Wildlife Centre	\$450,000	-	\$450,000
Puzzling World	\$500,000	-	\$500,000
Rainbows End Theme Park	\$500,000	-	\$500,000
Real Journeys Milford Sound	\$500,000	tbc	\$500,000
River Valley	\$200,000	-	\$200,000
Rotorua Canopy Tours	\$500,000	tbc	\$500,000
Rover Tours Group Limited	\$500,000	-	\$500,000
Royal Albatross Centre	\$500,000	tbc	\$500,000
Salt Air	\$500,000	\$200,000	\$700,000
Sand Safaris & Dune Riders	\$500,000	tbc	\$500,000
SEA LIFE Kelly Tarlton's	\$500,000	-	\$500,000
Shantytown Heritage Park	\$500,000	\$100,000	\$600,000
Skydive Queenstown Ltd	\$500,000	tbc	\$500,000

Skyline Queenstown	\$250,000	-	\$250,000
Skyline Rotorua	\$250,000	-	\$250,000
South Pacific Helicopters & Wings over Whales	\$500,000	\$500,000	\$1,000,000
Southern Alps Air Limited	\$500,000	\$475,000	\$975,000
Southern Discoveries	\$500,000	\$6,430,000	\$6,930,000
Spellbound Glowworm and Cave Tour	\$401,440	-	\$401,440
Stewart Island Ferry Service	\$500,000	-	\$500,000
Tamaki Māori Village	\$500,000	tbc	\$500,000
Taupo DeBretts Spa Resort	\$500,000	-	\$500,000
Te Anau Glowworm Caves	\$500,000	tbc	\$500,000
Te Anau Helicopter Services	\$500,000	\$1,300,000	\$1,800,000
Te Hana Te Ao Marama	\$210,000	-	\$210,000
Te Puia	\$500,000	\$6,122,000	\$6,622,000
Tekapo Springs	\$500,000	\$500,000	\$1,000,000
The Arts Centre Te Matatiki Toi Ora	\$500,000	-	\$500,000
The Duke of Marlborough Hotel	\$500,000	-	\$500,000
The Hermitage Hotel and Glacier Explorers	-	-	-
The Kauri Museum	\$500,000	\$190,000	\$690,000
Totally Tourism	\$500,000	\$2,615,716	\$3,115,716
Transport World	\$500,000	-	\$500,000
True South Flights	\$500,000	\$2,056,000	\$2,556,000
TSS Earnslaw	\$500,000	tbc	\$500,000
Ultimate Hikes	-	-	-
Velocity Valley	\$400,000	-	\$400,000
Volcanic Air	\$500,000	-	\$500,000
Waewae Pounamu	\$320,000	-	\$320,000
Waimangu Volcanic Valley	\$500,000	\$150,000	\$650,000
Waimarama Maori Tours	\$260,000	-	\$260,000
Waiotapu Thermal Wonderland	\$500,000	tbc	\$500,000
Waitomo Adventures	\$500,000	\$200,000	\$700,000
Wanaka River Journeys	\$215,101	-	\$215,101
Wellington Zoo	\$500,000	-	\$500,000
West Coast Wildlife Centre	\$500,000	\$1,334,086	\$1,834,086
Westcoast Treetop Walk and Café	\$500,000	-	\$500,000
Whakarewarewa - The Living Maori Village	\$500,000	\$1,000,000	\$1,500,000
Whale Watch Kaikoura	\$1,500,000	-	\$1,500,000
Wilkin River Jets	\$500,000	tbc	\$500,000
Wilson's Abel Tasman National Park Ltd	\$500,000	-	\$500,000
Zealandia	\$500,000	tbc	\$500,000
Ziptrek Ecotours	\$500,000	tbc	\$500,000
Zorb Rotorua	\$300,000	-	\$300,000
<b>Total</b>	<b>\$66,352,902</b>	<b>\$30,359,754</b>	<b>\$96,712,656</b>

## Inbound Tour Operators (ITOs)

In total, \$18,500,000 of loan funding was offered to 26 Inbound Tour Operators (ITOs). Nearly all businesses have an agreed loan value.

See the below table for loan amounts for 26 ITOs, as of 7 April 2021.

Inbound Tour Operator	Loan Value
Active Adventures	\$750,000
Ahipara Luxury Travel	\$500,000
ANZ Nature Tours	\$1,000,000
Beyond The Blue	\$500,000
China Travel Services (NZ) Ltd	\$1,000,000
DNZ Travel Ltd	\$250,000
Exclusive Travel Group	\$500,000
General Travel	\$1,000,000
GSN Pacific Ltd	\$500,000
ID New Zealand	tbc
KAD International Travel Services Ltd	\$500,000
New Zealand Journeys	\$1,000,000
Pacific Destination	\$1,000,000
Pacific Travel Planners	\$250,000
Pan Pacific	\$1,000,000
Seasonz Travel Ltd	tbc
Southern Crossings Ltd	\$750,000
Southern Travelnet Ltd	\$500,000
Southern World NZ	\$1,000,000
Tāpoi Travel	\$250,000
Terra Nova Coach Tours	\$750,000
The Green Spot	\$500,000
Touch of Spice	\$750,000
Travelmore International	\$1,000,000
Unparalleled Journeys Ltd	\$500,000
Volkai (Leisure Time Tours) Ltd	\$750,000
<b>Total</b>	<b>\$16,500,000</b>