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## Tourism Infrastructure Fund

### PURPOSE OF THE TOURISM INFRASTRUCTURE FUND

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The purpose of the Tourism Infrastructure Fund is to provide financial support for local tourism-related infrastructure where tourism growth (domestic and international) is placing pressure on, or potential growth is constrained by, existing infrastructure; and the local community is unable to respond in a timely way without assistance.

The Tourism Infrastructure Fund is intended to protect and enhance New Zealand's reputation both domestically and internationally by supporting robust infrastructure which in turn contributes to quality experiences for visitors and maintain the social licence for the sector to operate.

In addition each round will open with a Priorities Statement.

### ELIGIBILITY CRITERIA

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The following criteria set out which types of projects are eligible for grants from the Tourism Infrastructure Fund

- Only publicly-available infrastructure used significantly by tourists is eligible.
- Projects need to be for new facilities, or enhancements. Like-for-like replacement will not be funded.
- Development of new attractions, accommodation, and commercial activity is not eligible.
- Projects must demonstrate that they do not compete with commercial activities in the region.
- Projects will not be eligible if seeking funding under \$25,000 (though a series of linked projects can be joined in one application).
- Projects already receiving funding from NZTA are not eligible.
- Councils must meet at least one of the following tests (now or within 5 years), priority will be given to councils that meet two or more of these tests:
  - Visitor : rating unit ratio >5
  - Revenue from tourism in the region <\$1 billion per annum
  - Local Government Finance Agency lending limits have been reached.



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## ASSESSMENT CRITERIA

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The following criteria will be used to prioritise applications

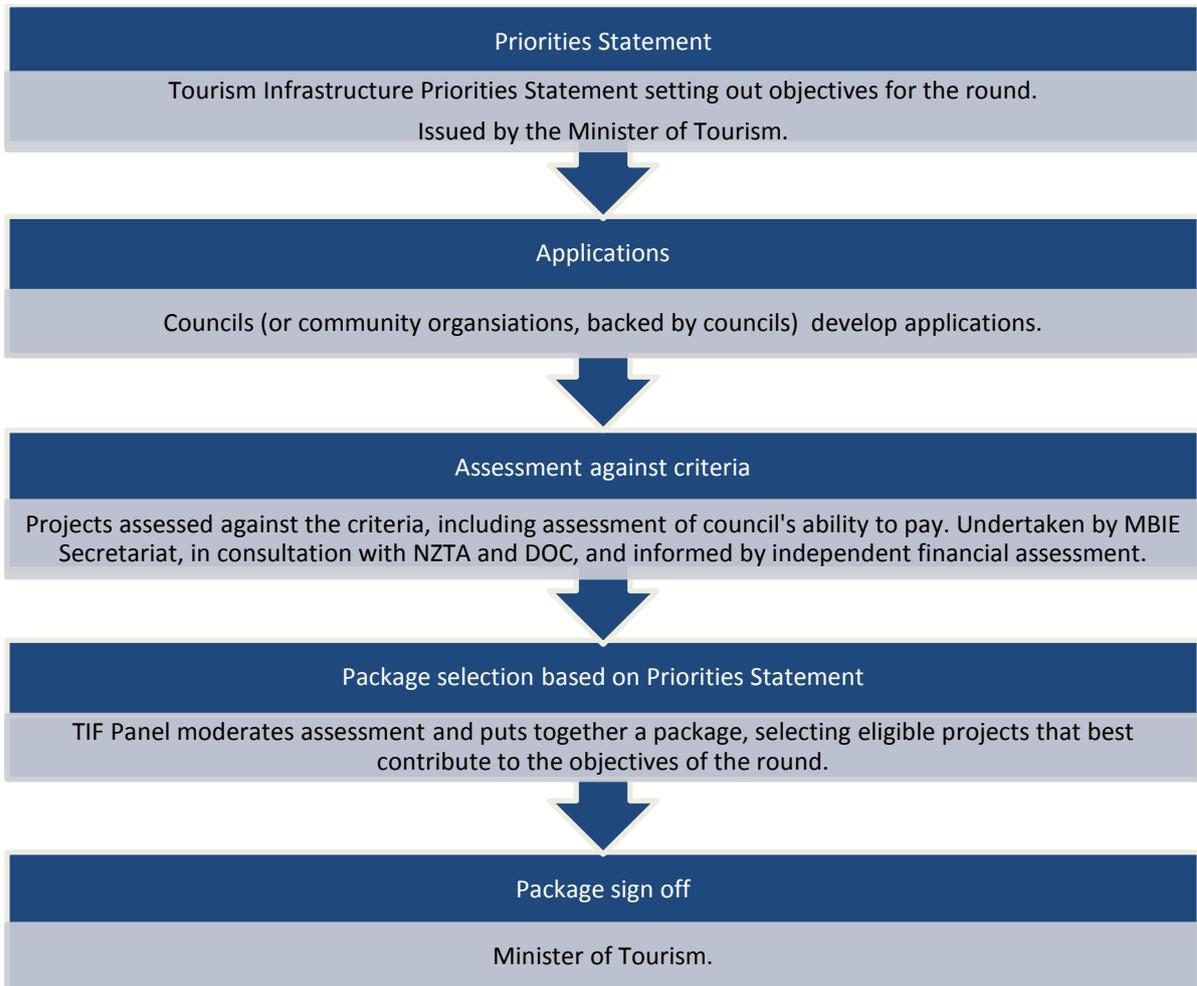
<b>Criteria</b>	<b>Implications</b>
The extent to which the project addresses infrastructure capacity constraints related to visitor numbers (and the scale of those constraints).	Prioritises projects that address deterrents to visitor flows (including health and safety); or will significantly enhance the quality of the visitor experience. Consideration given to the urgency of the project.
The extent to which the project supports attraction of visitors to a region.	Also prioritises projects that address deterrents to visitor flows. Projects linked to, or supporting DOC's regional dispersal investment will be prioritised. Prioritises projects supporting networks of visitor experiences, such as significant tourist routes, by increasing capacity.
The extent to which the project represents value for money.	Project is a cost-effective option for addressing the need. Project is a cost-effective design. A range of alternatives have been considered. Project enables increased yield from visitors. Consideration given to innovative approaches that enhance productivity, reduce costs (operating or capital), leverage economies of scale, and/or raise revenue.
Support targeted at projects that would otherwise not happen; or happen more slowly, or on a smaller scale than desirable.	Projects for which funding has already been identified are not eligible, unless there is a clear benefit to bringing forward or scaling-up.
The extent to which applicants are financially constrained.	Consideration will be given to the applicant's financial performance, asset management, the rating base in relation to the number of tourists, and tourism revenue.
Applicants are expected to maximise their funding contribution.	Applicants are expected to co-fund to the maximum extent they are able, and funding must be confirmed at the time of application. Applicants are able to demonstrate to the TIF Panel that they have investigated alternative funding options (in particular how to raise revenue from those who benefit, for example user chargers or tourism-related business contributions).
Other central government funding options have been investigated.	Projects that have received other government funds will need to demonstrate why further central government investment is merited as the TIF is not generally intended as an extension of other government investment. Consideration given to scale of funding provided by other agencies, including DOC, to infrastructure associated with the project.
Balance of resident and visitor demand for infrastructure will be taken into account in considering council contributions.	Provision of water and sewerage is a core council responsibility, with clear volume measures that can be used to determine the local share of demand. Councils would need to cover local demand, and contribute to visitor demand (in recognition of the local economic benefit of the sector). Local share of demand for other types of infrastructure will be less definitive, but will be given consideration.



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## APPLICATION AND ASSESSMENT PROCESS

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## PANEL MEMBERSHIP

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1. Chair – independent member with commercial and public policy expertise.
2. Two further independent members with considerable commercial and infrastructure investment experience and an ability to rigorously test proposals. This provides for an emphasis on commercial disciplines.
3. Industry representative to test the impact of, or need for, the project from a tourism business perspective.
4. Local government representative to provide input on practicality and relative priorities of projects.
5. Central government representatives – MBIE and DOC – to provide public policy perspective and co-ordination with wider tourism-related infrastructure investment, regional economic development objectives, etc.