



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



**QUEENSTOWN
LAKES DISTRICT
COUNCIL**

Tourism Communities: Support, Recovery and Re-set Plan



Tourism Kick-start Fund

Application Guide

April 2022

Section 1: Information for Applicants

The Government has allocated additional funding to support tourism businesses through recovery from COVID-19 through the \$200 million Tourism Communities: Support, Recovery and Re-set Plan (the Plan).

The Plan includes a \$49 million Tourism Kick-start Fund to help prepare existing tourism businesses for the return of international visitors.

Tourism businesses can access funding through other initiatives in the Plan alongside the Tourism Kick-start Fund if required, including Business Advisory Support and the Business Advice Implementation Grant.

The organisations delivering the Business Advisory Support, Business Advice Implementation and Tourism Kick-start Fund initiatives are called Lead Entities. Lead Entities have local knowledge and expertise, and have been agreed with the five communities. These are:

- ChristchurchNZ (for Kaikōura and Mackenzie Districts)
- Great South (for Southland District)
- Queenstown Lakes District Council (for Queenstown Lakes District)
- Development West Coast (for Westland District).

Confidentiality: The application is confidential. Limited information may be published online by the Lead Entity and/or MBIE for accountability and transparency purposes. This is expected to be limited to the name of the business, location and grant amount approved except where subject to the Official Information Act 1982 or Local Government Official Information and Meetings Act 1987. The grant amount approved will be displayed as \$10,000-\$25,000 or \$25,000-\$50,000 to prevent the disclosure of commercially sensitive information.

Eligibility Criteria

Your business must:

1. Be a GST registered business, or GST registered prior to COVID-19 (either the 2018/19 OR 2019/20 financial year);
2. Have a New Zealand Business Number (if you do not have a New Zealand Business Number, you can register here: <https://www.nzbn.govt.nz/get-an-nzbn/>);
3. Be operating in a commercial environment;
4. Be a privately-owned business or Māori Trust or incorporation under the Te Ture Whenua Māori Act 1993 or similar organisation managing Māori assets under multiple ownership;
5. Be a tourism business, which is defined as a business where at least 50 per cent of its operational output is purchased by tourists (domestic or international), for example: Accommodation, Arts and Recreational Services, Food Services, Transport Services or Retail Trade. This can include service businesses whose output is purchased by tourism businesses;
6. Be physically based within at least one of the five communities: Queenstown Lakes District, Southland District, Kaikōura District, Mackenzie District, or Westland District (one grant per business operation);
7. Have engaged in hibernation-like activities, for example: reduced opening hours, level of services, customers or business capacity due to COVID-19. Compared to either the 2018/19 OR 2019/20 financial year, a business must have experienced a drop in annual revenue (post-COVID) of at least 50 per cent;
8. Have a minimum annual revenue of \$60,000 pre-COVID-19 (either the 2018/19 OR 2019/20 financial year);
9. Not have received direct Government tourism support from the Strategic Tourism Assets Protection Programme; and
10. Pass a viability test demonstrating that the business will remain viable and operating up to and beyond the border re-opening. This can be discussed with one of your Lead Entity's Growth Advisors.

Charitable Trusts, Incorporated Societies, Non-business entities, Local and Central Governments are ineligible.

Applications will be assessed on a case-by-case basis as they are received to enable businesses to apply when they are ready, help spread the workflows and for budget forecasting. The pace of this assessment will be dependent on the volume of applications received for the Tourism Kick-start Fund.

Grant conditions

The Tourism Kick-start Fund available for eligible businesses is between a **minimum of \$10,000 to a maximum of \$50,000 per business operation** (excluding GST). This grant is a contribution to increasing your level of service in preparation for the return of international visitors and should not be relied upon to sustain your business.

The grant will be **calculated based on two weeks of pre-COVID-19 revenue** set at two weeks of annual revenue for either the 2018/19 OR 2019/20 financial year.

- If your pre-COVID revenue was \$60,000-\$260,000, you would receive \$10,000.
- If your pre-COVID revenue was more than \$260,000, you would receive two weeks revenue up to a maximum of \$50,000.

The Tourism Kick-start Fund provides one grant per business operation/site and that business operation/site needs to apply to the Lead Entity for the district they are physically based in.

Businesses with more than one site (i.e. as part of a chain) would only be eligible for the business operation/site that is physically based within the five communities, and each site must have separate audited financial accounts (or separate IR10 forms) to be assessed for this support. Where separate operations exist under a group structure or under one NZBN, the maximum grant available to that group would be \$50,000. Please speak to your Growth Advisor for further guidance.

In Scope

The Tourism Kick-start Fund can be used for some or all of the following operational activities:

- Recruitment and wages for staff
- Training
- Operating expenditure (e.g. Restocking, certification, WOF, accounting software)
- Fixed overheads (e.g. office leases)
- Marketing
- Repairs and maintenance directly related to scaling up business operations.

Out of scope

Tourism Kick-start Funds cannot be used for:

- Capital expenditure (e.g. purchasing computer hardware, vehicles, boats, planes)
- Any other situation where an actual, perceived or potential conflict of interest may exist, without prior written approval from the Lead Entity
- Paying off debt your business has incurred.

Payment

Payments will be made by the Lead Entity to the business on satisfactory confirmation that any conditions of funding to manage successful outcomes have been met. Exact payments timeframes will be communicated by the Lead Entity for your district.

Reporting and accountability

The business that receives a grant must retain evidence of the expenditure for transparency and audit purposes. An audit may be conducted on grants given.

Grant recipients may be required to complete a survey for the Ministry of Business, Innovation & Employment to measure the outcomes of the Tourism Kick-start Fund (e.g. the level the business is operating and solvent, the level of operation compared to or closed).

Definitions

“Contracting Entity” refers to the business the application being completed for.

“Lead Entity” refers to the organisation(s) delivering the Tourism Kick-start Fund in the five communities. There are four Lead Entities.

“Applicant” refers to the individual(s) completing the application form on behalf of the business/
Contracting Entity.