

Kick-start Q&As

Why has it taken so long to open the Tourism Kick-start Fund?

- The Tourism Kick-start Fund has always been tied to the re-opening of the border.
- Now that we have a firm date for the arrival of international visitors, it's appropriate that tourism businesses begin thinking about what they'll need to do in order to be ready to welcome them – the Kick-start fund is intended to support those decisions.
- In the interim, eligible businesses have been able to access funding for advice and implementation, in order to make some hard decisions about the future.

How do applications work?

Each lead entity has a team of Growth Advisors who work closely with businesses in their communities, and have the advice, skills and expertise to assist in the application process.

- Businesses can make an application through the lead entity of the district they are physically based in.
- Lead entities are:
 - Development West Coast for businesses in Westland District (focussing around Fox Glacier and Franz Josef areas)
 - Great South for businesses in Southland District (focussing around Te Anau and Fiordland)
 - ChristchurchNZ for businesses in Kaikōura and Mackenzie Districts, and Queenstown Lakes District Council for businesses in Wanaka, Queenstown and surrounding areas in the District.
- Each Lead entity will be able to advise businesses on the process for making an application for their region.

How long will it take to get the funding?

- It is intended that payments are made as soon as possible once applications and supporting documents have been received, assessed and processed. Exact processing and payment times may vary between Lead Entities, depending on the volume of applications.
- In general, businesses should expect to be notified of the outcome of their application within 10 working days of submitting the completed application. Successful applicants should expect to receive payment within 10 working days of being notified of this outcome and will be notified if any delays are expected.

What about businesses not physically located in the five communities but that support one that is – are they eligible?

- To access the tourism support, a business will need to be physically based within at least one of the five districts. Inbound tour operators and transport providers outside of the district that operate within the districts are not eligible.

Why am I only eligible if my business has experienced a 50% drop in revenue?

- The aim of this fund is to provide funding to businesses who have been most impacted by the loss of international visitors. Accordingly, a threshold of 50% loss in revenue was established. If you do not meet this requirement Lead Entities may be able to suggest other support that's available.

Do these initiatives give money to businesses that would otherwise be unviable for reasons unrelated to the lack of international visitors (through poor business practices, bad management etc.)?

- Business viability will be assessed as a part of the application process.
- There is a risk that some businesses will do everything possible to be viable, however still may not be able to continue in business. There is no expectation that any of the Tourism Kick-start Fund will be recouped if the business is no longer viable.

What will local businesses use the Kick-start fund for. i.e. what do they believe is required to come out of hibernation/be 'kickstarted' ?

- Each case will be different, depending on the needs and circumstances of the business. It is expected some operators may use the financial support to refresh their facilities, hire and train new staff, and source new stock in readiness for welcoming international visitors.

What checks and balances are in place to check that businesses are doing the right thing with this funding?

- Only those businesses that meet the eligibility criteria will be able to receive payments. To be eligible, businesses must pass a viability test demonstrating that the business will remain viable and operating up to and beyond the border re-opening.
- There will be operational activities in and out of scope of the Fund. For example, the Tourism Kick-start Fund cannot be used for paying off debt your business has incurred.
- MBIE can also conduct audits of recipients.

There are other communities struggling with a downturn in tourism. What are you doing to help them?

- We know it's hard for all businesses right now, not just tourism businesses, and not just in targeted areas of the South Island.
- Over the last two years, around \$600 million in targeted support has been available to the tourism sector, that's on top of the government's broad base support through the Wage Subsidy Scheme, COVID-19 Support Payment, Short-Term Absence Payment, Leave Support Scheme, Small Business Cash Flow Loan Scheme and others.
- When designing the *Tourism Communities: Support, Recovery and Re-set Plan*, we used the following criteria to assess which regions were most affected and could therefore receive targeted support:
 - more than 10 per cent of the region's expenditure was on tourism in 2019
 - more than 50 per cent of tourism spending in the district in 2019 was by international visitors, rather than domestic visitors.

- consumer spending in the district, across all industries, had decreased by more than 10 per cent in the year to January 2021.
- Information about financial support for businesses is available on business.govt.nz website.

Eligibility Criteria for the Tourism Kick-start Fund

Your business must:

1. Be a GST registered business, or GST registered prior to COVID-19 (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 2019/20 financial year, a business must have experienced a drop in annual revenue of at least 50 per cent;
8. Have a minimum annual revenue of \$60,000 pre-COVID-19 (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.