

Tourism Communities: Support, Recovery and Re-set Plan 2021: Business Advisory Support and Business Advice Implementation Grant FAQ

The following FAQs provide further information on the Business Advisory Support and Business Advice Implementation Grant, which will support businesses with completing the application form(s).

General FAQ:

Q: What is the demand for this tourism support?

A: The likely demand for the business initiatives is uncertain. MBIE is mitigating the risk of being under/oversubscribed by distributing 80 per cent of the funding in advance to Lead Entities, and retaining 20 per cent to allocate where the demand is the greatest. Demand levels will be indicated by monthly reporting to MBIE across the business initiatives.

Q: How do I prove that more than 50 per cent of my revenue was from visitors?

A: Your financial records will provide this proof, as your business would have experienced a significant drop in annual revenue from 2019/20 to 2020/21 financial year. If you operate a business that does not obviously identify as being related to tourism, you may wish to include evidence of contracts, service agreements or invoices.

For example, if your business is a laundry service that has a contract with accommodation providers, and the accommodation providers have significantly reduced business, this drop in business and revenue will have a direct impact on the laundry service.

Q: Do I have to be the business owner to sign the application form?

A: The person who submits the application form must have the legal authority to commit your organisation to a transaction (e.g. Chief Executive).

Q: What are the implications if I answer 'no' to questions in the Declaration by Applicant section?

A: The main purpose of this section is to provide transparency and manage risks. For example, conflicts of interest often occur in New Zealand and stating the declaration will help the Lead Entity and Applicant manage these situations and risks.

Q: What is an FTE defined as?

A: For the purposes of this fund, an FTE is an employee who works at least 30 hours per week.

Q: Can I group all my staff (full-time, part-time, casual staff) hours together as an FTE?

A: Yes - If grouping all your staff hours together is the only way to identify your total FTE.

Q: Am I eligible if my business is physically located in one of the five districts, but my registered business address is outside of the district?

A: You will need to describe your business set up so the Lead Entity and Growth Advisor can determine whether your business is eligible. For example, a business would be eligible if it has all its staff and assets physically located in one of the five districts but the business is registered outside of the district.

A business must have been physically located and financially transacting in the district prior to 6 May 2021 to be eligible for funding from that district.

Q: Why am I not eligible if my business isn't GST registered?

A: GST registered businesses generally receive an income of \$60,000 or more. To ensure the funding is directed to the tourism businesses in most need of support, the eligibility criteria includes being GST registered and having a minimum revenue of \$60,000 per annum.

Q: Can an entity that has three trading entities within one company submit an application for each trading entity?

A: No, each business can only apply once for each initiative under the one New Zealand Business Number and GST number.

Q: Where a business has two income streams, one being tourism, and both activities are run through one entity, can the calculations for the business initiatives criteria be based only on the tourism activity?

A: The business is assessed against the eligibility criteria as one entity including both the non-tourism and tourism business activities. At least 50 per cent of the entity's operational output must be purchased by tourists (domestic or international) to be eligible.

For example, an agricultural business that has an accommodation offering included within the agricultural business will only be eligible if the accommodation component makes up at least 50 per cent of the total business revenue.

Q: Are travel agents and inbound tour operators eligible to apply for one or both of the business initiatives?

A: Outbound travel agents are not eligible for either of the initiatives as their services are not purchased by tourists (domestic or international), but by outbound travellers.

An inbound tour operator may only be eligible for the Business Advisory Support and/or Advice Implementation Grant if it can provide evidence that the majority of its client activity takes place within the eligible districts.

Q: Why are Growth Advisors the main contact with the businesses?

A: The process should be simple for tourism businesses so they can easily understand what support is available for their unique situation to support them through this period of uncertainty and change. Growth Advisors are experts who can develop relationships with the businesses, discuss each business initiative within the same conversation, and build a good understanding of the individual businesses' target markets, work programme, timing and risks. This should ensure businesses are directed to the appropriate support for them.

FAQ: Business Advisory Support

Q: Why is only the Business Advisory Support provided through the Regional Business Partner Network?

A: The business initiatives all serve a specific purpose, and are related but not dependent on each other. There is no established network or provider that can deliver all three initiatives. The closest mechanism is the Regional Business Partners (RBP) network. However, the RBP Network is only capable of providing advice and connecting businesses to external support; not the administration of direct grant funding.

FAQ: Business Advice Implementation Grants

Q: Is there a minimum length of time my business must have been operating for to be eligible for the Business Advice Implementation Grant?

A: Your business must have been physically located and financially transacting in the district prior to 6 May 2021 to be eligible for funding from that district.

Q: Can I be reimbursed for an expense I have already paid for before applying for funding? (retrospective expenses)

A: No – You must get approval of the funding from the Lead Entity before an expense is paid.

Q: Can I spend the Business Advice Implementation Grant on health and wellness (e.g. employee mental health & wellness, resilience building and stress management), given there is already mental well-being support being provided through the \$200 million Tourism Communities: Support, Recovery and Re-set Plan?

A: Yes – You can use the Advice Implementation Grant on health and wellness (e.g. employee mental health & wellness, resilience building and stress management). The psycho-social support being delivered by District Health Boards in the five districts is intended to support individuals rather than businesses.

Q: Can I spend the Business Advice Implementation Grant on general repairs and maintenance on my business property?

A: The Business Advice Implementation Grant can be used for operational activities in one or more of the following categories:

- HR & employee relations and legal (e.g. contract law, legal requirements)
- Financial and cash flow management (e.g. budgeting, forecasting, scenario planning)
- Health and wellness (e.g. employee mental health & wellness, resilience building and stress management)
- Business continuity planning (e.g. workforce planning, risk management)
- Marketing strategy (e.g. digital marketing strategy, branding, digital advertising)
- Digital enablement strategy (e.g. website development, automated booking)
- Hibernation and exit advice (e.g. liquidation support)
- Management Capability Training and Coaching.

These categories do not include advice for building or property advice, such as repairs and maintenance.

Q: Where is the boundary for what is eligible vs ineligible legal support under the Business Advisory Support and Business Advice Implementation initiatives?

A: Advice on general legal issues, as would be expected under the Funds' intention of support, recover, reset (e.g. Terms of Trade, Financing, Lease & HR, etc) would be deemed eligible under the Advisory Support initiative. The drafting of letters, agreements, contracts and policies to achieve this would be deemed eligible under the Advice Implementation initiative. However, preparing for or representing clients in a tribunal or court would be deemed ineligible.

19 November 2021

Q: Do I need to include GST on my invoice for the Business Advice Implementation Grant?

A: Yes – The invoice to the Lead Entity should include \$5000 (plus GST) per business.