MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT

HĪKINA WHAKATUTUKI

Tourism Communities: Support, Recovery and Re-set Plan

Tourism Kick-start Fund

Guide for applications

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New Zealand Government

Introduction

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 to help business prepare for the return of international visitors.

Applications can be made by eligible tourism businesses within the five communities receiving this targeted support, which are outlined below.

DISTRICT	LEAD ENTITY	REGISTER YOUR INTEREST
Kaikōura and Mackenzie	ChristchurchNZ	https://www.christchurchnz.com/tourism-communities-initiatives
Westland	Development West Coast	https://westcoast.co.nz/business/business-support/tourism-recovery-re-set-plan/
Southland	Great South	https://greatsouth.nz/business-services/tourism-support-funding
Queenstown Lakes	Queenstown Lakes District Council	https://business-south.org.nz/tourism-communities-support-recovery-and-re-set-plan/

Eligibility criteria

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;

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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.

Businesses with multiple sites

Businesses with more than one site (i.e. as part of a chain) would only be eligible for the business operation/site that is <u>physically based</u> 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.

Application processing

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.

What can the grant be spent on?

In Scope

The Tourism Kick-start Fund <u>can</u> 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 <u>cannot</u> 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.

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Grant payment

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

- If your revenue in 2019/20 financial year was $60,000-$260,000, you would receive $10,000.
- If your revenue in 2019/20 financial year 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.

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.

Evidence required

Your Lead Entity is likely to require:

1. Your bank account details and third party verification (such as a bank statement or screenshot of your internet banking);
2. Proof of GST registration (e.g. screenshot from MyIR accounts tab showing the word GST and your business name);
3. Two years of annual financial accounts or IR10 forms (balance sheet, and profit and loss statements) for the 2019/20 and 2020/21 financial years OR the 2019/20 and 2021/22 financial years as evidence to determine eligibility and grant value;
4. Evidence that you have sufficient working capital to scale up to continue to be a viable business; and
5. Any additional information you consider necessary to support your application.