

Tourism Accelerator

The closure of New Zealand's borders and ongoing domestic business restrictions due to Covid-19 are posing an enormous challenge to the tourism industry.

Struggling tourism operators need immediate relief to stay afloat and to ensure the industry can rebuild.

National's Tourism Accelerator is a \$100 million package of direct grants for tourism projects aimed at increasing demand for tourism.

It will provide an incentive for tourism businesses to invest in the sector, to facilitate opportunities by funding innovative ideas, and to encourage new options for tourism markets.

There is no maximum or minimum amount of funding that can be applied for. All tourism operators are encouraged to submit proposals.

The \$100 million would be allocated over a four-year period.

Tourism operators will be eligible to apply for up to 70 per cent of the funding for projects they propose that meet the criteria of increasing demand within the tourism sector. The minimum co-investment expected from the private sector would be 30 per cent.

Viable projects must aim to increase demand for tourism in the region where the project is based, and is assessed to be likely to provide commercial returns.

The grants are not aimed at covering current operational costs, rather they will fund any new component of a tourism enterprise aimed at driving increased or new demand for tourism, including developing new or amended tourism offerings or marketing to new demographics or geographies.

The grants will be managed by an independent board appointed by the Minister of Tourism. The Minister can issue priority statements to provide guidance on the assessment of the broad criteria of the fund.

Covid-19 has posed a direct challenge to the industry and National's Tourism Accelerator is one tool we can use to help the industry rebuild and bounce back.

What is Tourism Accelerator?

- Tourism Accelerator is a grant programme that provides assistance to our tourism sector by co-funding projects with industry that will help stimulate demand and increase productivity.

Who can access the fund?

- Businesses, tourism operators, iwi, or groups of investors can approach the fund with a business proposal that outlines the costs of the project and how it meets the purposes of Tourism Accelerator.
- There is no maximum or minimum size of project or grant amount.
- The proposal will be assessed against a set of criteria, with final decisions on funding being made by the independent board that manages the grants.

Who will sit on the board?

- The Minister of Tourism will appoint a board that includes a wide range of expertise from across the New Zealand tourism sector.

Can the Minister Influence funding decisions?

- No. The Minister will appoint an independent board to manage the fund. The Minister may issue a priority statement on the programme to provide clarity to the board on what the Government's priorities are for stimulating demand and increasing productivity in the sector. These statements will be developed in consultation with industry stakeholders.

What does co-investment mean?

- Tourism Accelerator will provide 30 per cent of the funding for a project that meets the criteria of the programme. The grants will help the tourism industry establish new projects that will drive demand as it rebuilds after Covid-19.
- The Government will not take a stake in the equity of the project or in the intellectual property of a project.

How much is being invested?

- The proposal will see \$100 million invested over a four-year period. Because project must have at least 30 per cent private investment, this could result in at least \$130 million worth of investment in the tourism sector.