SA Export Accelerator
Program Guidelines

Department for **Trade** and **Investment**

ADELAIDE SOUTH AUSTRALIA

Government of South Australia

dti.sa.gov.au/saea

SUCCESS STORY

Alliance Wine Australia

Trading as Thistledown Wine Company

Alliance Wine Australia is part of a global wine distribution business with its Australian head office located in South Australia. Alliance owns a number of South Australian wine brands operating across the Barossa Valley, McLaren Vale and the Adelaide Hills regions.

Using their SAEA funding, Alliance attended Prowein in Germany and the Chengdu Wine Show in China in March 2019 to showcase their range of wines and meet with new and existing distribution partners across a range of potential new markets.

Through the connections they made at these global wine shows, the company have established new distribution partnerships in Denmark and Belgium and found new importers in China leading to increased sales of more than A$60,000 in the first three months.


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Introduction

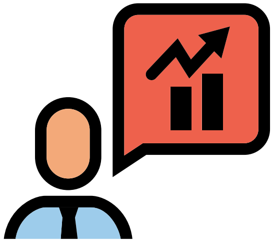
The South Australia Export Accelerator (SAEA) is an initiative to assist small to medium-sized businesses in South Australia to grow in international markets and create jobs.

The SAEA has three components:

Emerging Exporter – Grants up to $5,000 are available to South Australian businesses that are exporting for the first time, on a competitive, 1:1 matched funding basis.

Export Accelerator – Grants up to $30,000 are available to help fund business expansion that will create multiple direct ongoing jobs, on a competitive 1:1 matched funding basis. Multiple grants can be awarded up to the $30,000 cap.

New Market Entry – Grants up to $15,000 are available to help fund business expansion per each new international market, on a competitive 1:1 matched funding basis.



The objective of the SAEA is to help South Australian SMEs access international markets and create domestic jobs.

Queries relating to the SAEA may be directed to:

Export Program Administrator

Department for Trade and Investment

Phone: (08) 8303 2400
Email: saea@sa.gov.au

Emerging Exporter

Emerging Exporter Grants provide up to $5,000 to businesses that are new to export and are attending their first business connection, trade show or business mission.

This is a competitive program that is awarded based on the merit of applications.

Applicants can receive the grant if they meet all the core program eligibility criteria. Additionally, an applicant must also:

- Be new to international export
- Have an annual turnover between $50,000 and $1 million
- Be a registered South Australian business and a sole trader, company, partnership or trust
- Have an ABN and be registered for GST
- Have been actively trading for at least 12 months
- Have a tradeable, export-ready good or service that is made in South Australia **
- Be able to enter into a legally binding funding agreement with the South Australian Government
- Be willing to provide information and data, including financial information as required
- Be able to commit and contribute 1:1 matched funds towards the proposed costs
- Provide:
  - Your Export Plan
  - Your most recent full financial statement *
  - Projections, budget or cash flow forecast for the next 12 months***.

Grants will cover eligible costs incurred up to six months prior to, and 12 months following the closing date of the round in which the application is submitted.

A new exporter is one that has had no direct international sales in the last five years.

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* specific years required will be listed on the online application form

** refer to page 18 for details. *** refer to page 16 for details.

Eligible activities

Eligible activities include export marketing and development activities that will result in the creation of new direct jobs and/or increased revenue within 12 months of the execution of the funding agreement.

Amounts

The maximum grant payable under the program is $5,000.

The program will contribute up to 50 per cent towards the eligible expenditure. For each dollar of grant funds provided, the applicant needs to contribute one dollar.

Duration

A grant is to relate to expenditure incurred over a maximum of six months prior to, and 12 months following the closing date of the funding round.

Exporter Accelerator

Export Accelerator Grants provide up to $30,000 to small and medium- sized businesses to access new global markets through marketing and export development opportunities. This is available to businesses that have exhausted or are not eligible for other funding streams. Applicants must use the Emerging Exporter Grant first if eligible and the project budget is suitable.

This is a competitive program that is awarded based on the merit of applications.

Applicants can receive the grant if they meet all the core program eligibility criteria. Additionally, an applicant must also:

- Have an annual turnover between $100,000 and $15 million
- Be a registered South Australian business and a sole trader, company, partnership or trust
- Have an ABN and be registered for GST
- Have been actively trading for at least 24 months
- Have a tradeable, export-ready good or service that is made in South Australia **
- Be able to enter into a legally binding funding agreement with the South Australian Government
- Be willing to provide information and data, including financial information as required
- Be able to commit and contribute 1:1 matched funds towards the proposed costs
- Provide:
  - Your Export Plan
  - Full financial statements for the previous 2 years of business *
  - Projections, budget or cash flow forecast for the next 12 months***.

If successful an Export Accelerator Grant will only cover eligible costs incurred up to six months prior to, and 12 months following the closing date of the round in which the application is submitted.

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** refer to page 18 for details. *** refer to page 16 for details.

Eligible activities

Eligible activities include export marketing and development activities that will result in the creation of new direct jobs and/or increased revenue within 12 months of the execution of the funding agreement.

Amounts

The maximum grant payable under the program is $30,000. Applicants can apply multiple times to a maximum cumulative amount of $30,000.

The program will contribute up to 50 per cent towards the eligible expenditure. For each dollar of grant funds provided, the applicant needs to contribute one dollar.

Duration

A grant is to relate to expenditure incurred over a maximum of six months prior to, and 12 months following the date of the closing date of the funding round.

New Market Entry

New Market Entry Grants provide up to $15,000 per new international market to small and medium-sized businesses. This is available to businesses that have exhausted or are not eligible for the Emerging Exporter and Export Accelerator categories.

This a competitive program that is awarded based on the merit of applications.

Applicants can receive the grant if they meet all the core program eligibility criteria. Additionally, an applicant must also:

- Be entering a new international market.
  A new international market is one that your business has had no direct sales into over the preceding five years. If a significant point of difference can be demonstrated between internal markets (e.g. different province in China) in your application it will be considered by the assessment panel.
- Have an annual turnover between $250,000 and $20 million
- Be a registered South Australian business and a sole trader, company, partnership or trust
- Have an ABN and be registered for GST
- Have a tradeable, export-ready good or service that is made in South Australia **
- Be able to enter into a legally binding funding agreement with the South Australian Government
- Be willing to provide information and data, including financial information as required
- Be able to commit and contribute 1:1 matched funds towards the proposed costs
- Provide:
  - Your Export Plan
  - Full financial statements for the previous 2 years of business *
  - Projections, budget or cash flow forecast for the next 12 months***.

Grants will cover eligible costs incurred up to six months prior to, and 12 months following the closing date of the round in which the application is submitted.

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* specific years required will be listed on the online application form

** refer to page 18 for details. *** refer to page 16 for details.

Eligible activities

Eligible activities include export marketing and development activities that will result in the creation of new direct jobs and/or increased revenue within 12 months of the execution of the funding agreement.

Amounts

The maximum grant payable under the program is $15,000 per new international market.

The program will contribute up to 50 per cent towards the eligible expenditure. For each dollar of grant funds provided, the applicant needs to contribute one dollar.

Duration

A grant is to relate to expenditure incurred over a maximum of six months prior to, and 12 months following the date of the closing date of the funding round.

Eligible activities

Marketing materials

Design and printing costs for business cards, brochures, product sheets, presentations, corporate gifts, banners and signage.

Costs associated with the production of corporate videos and online presentations. Translation costs for the above for non-English speaking markets.

Expenses for an independent contractor to identify and make changes to prepare for internationalisation of your website, such as language translations, product and expertise details.

Market research

Costs of working with a third party (such as Austrade or accredited supplier) to conduct market research into opportunities and barriers in targeted overseas markets. (Travel, accommodation and per-diem expenses for a third party are not eligible).

E-commerce development

Costs of working with a third party to develop and implement an international e-commerce platform.

Export training and consulting

Includes costs for export-focused mentoring and coaching, to prepare an export plan or to gather market intelligence (travel, accommodation and per-diem expenses for a third party are not eligible).

Participation in international tradeshows and trade missions

Includes cost of hiring exhibition space at an international trade show, entry and project management fees, freight of free samples, and costs associated with participating in trade shows, trade mission and business programs including international trade shows held in Australia.

Inbound business support

Costs of hosting incoming buyers in South Australia, such as; hiring local facilities, economy international travel, economy domestic travel and standard accommodation for no more than two inbound buyers, (food and beverage costs are not eligible).

Travel and accommodation costs

Costs of economy air fares, basic accommodation (standard room only) and on-ground transfers for no more than two people to attend an international trade show, business programs or accompany a trade mission to a relevant market or as detailed in your export plan.

Standard administrative costs of obtaining a visa directly from consulate/ embassy (priority processing, third party fees and travel and accommodation are not eligible).

Exclusions

- Costs of routine business activities, such as (but not limited to):
  - Routine or seasonal marketing costs
  - Routine accounting costs, including the costs of audit certificates
  - Rental costs and expenses
  - Routine utility costs
  - Routine training costs
  - General stationery
  - Internet and telephone costs
  - Production of product including samples.
- Travel expenses not directly related to the purpose such as (but not limited to):
  - Travel insurance
  - Incidentals (e.g. mini-bar/laundry)
  - Duty Free purchases
  - Outbound travel expenses for a third party.
- Food and beverage
- Working capital (e.g. stock, debtors, cashflow)
- Payment of wages/salaries
- Trademarking, copywriting and IP protection
- Design and manufacture of product labels and product packaging
- Overseas representation
- Purchase of equipment
- General academic qualifications and courses (excluding practical exporting courses that fit the scope of the grant)
- Membership of professional associations
- Any program, project or activity that is subsidised directly to the grantee by State, Local or Federal Government during the funding period.

This list is not exhaustive and other exclusions may apply.

Applications

Applications for all SAEA programs are to be completed and submitted online through the Department for Trade and Investment website **www.dti.sa.gov.au/saea**

Applications will be assessed after the close of each funding round.

Applications need to be submitted prior to the closing date and time to be considered. Supporting documents must be uploaded at the time of application submission. Opening and closing dates for upcoming rounds are available on the Department for Trade and Investment website.

Application assessment

All submissions will be assessed on a competitive basis by an independent assessment panel. All applications received are assessed against the program eligibility and merit criteria.

Applicants should note that irrespective of eligibility and merit, there is no guarantee that an offer of funding will be made.

Program Administration

The financial and commercial information pertaining to or in application for funding under SAEA will be kept strictly confidential. Any information given on an application or subsequent report or survey will only be reported as part of aggregated data that does not identify any individual responses or companies, unless otherwise permitted in writing by companies.

Merit criteria

Applications for a South Australia Export Accelerator Grant will be assessed by the assessment panel under set criteria:

The assessment panel score each application based on the following (in no particular order):

- **Business:** Taking into consideration business structure, and the experience and qualifications of staff.
- **Finances:** Give the business a financial risk rating (high, considerable, medium, moderate or low)
- **Export Plan:** Consider if the plan is achievable, robust, specific, viable, sustainable and logical; also consider market selection.
- **Product/Service:** Is the Product or Service Innovative, high quality, viable, does it meet demands etc.
- **Benefit to South Australia:** Are South Australian jobs made/retained, how much export revenue will be generated etc.

Supporting documentation

Each application will require three types of mandatory supporting documentation to be uploaded at the time of submission:

- An export plan of no more than 15 pages with details of your business export expansion or growth plans, that relates back to the program merit criteria including (but not limited to) a description of your business, your product/service, export market selection, market entry strategy, breakdown of costs, project milestones, and an explanation of how your business will create new jobs and/or increase export revenue
- Recent full financial statements prepared in accordance with Australian Accounting Standards, inclusive of (but not limited to) a Balance Sheet and Profit and Loss Statement (the most resent set for Emerging Exporter applications, and two most recent financial years for both Export Accelerator and New Market grants
- Projections, budget or cashflow forecast for the next 12 months.

Your application will not be considered if these documents are not included, are not satisfactory or exceed document length.

Please note: further documentation will not be accepted.

Payments

To receive grant funds, a successful applicant must enter into a written funding agreement with the South Australian Government.

The offer of a grant lapses if a funding agreement has not been entered into within the grant acceptance period (usually 10 business days) of the applicant being offered a grant by the Department for Trade and Investment.

Successful applicants will be required to provide:

- Evidence of matched funding
- A valid tax invoice for 85% of the approved grant amount.

Successful applicants will be required to provide evidence, for audit purposes, of a budget and supporting receipts and invoices showing the funded activities undertaken, 12 months from the date of execution of the funding agreement.

Final payment, representing 15 per cent of the grant amount approved, will be made within 30 days of provision of a tax invoice and acceptance of a satisfactory final report at the end of the grant funding period.

Funding will need to be repaid to the Department for Trade and Investment if the approved activities did not start, were not undertaken or were underspent.

All grant payments will be made subject to the availability of funding.

Decision Process

Decisions to offer grants to applicants are made taking into account the:

- Recommendations of the SAEA Assessment Panel (where applicable)
- Availability of funding based on commitments of program funds in the current and future financial years.

Applicants will be advised in writing whether their application was successful.

No further correspondence will be entered into.

Unsuccessful applicants can re-apply for funding in a future funding round.

Final decisions on funding rest with the Minister for Trade and Investment.

Reporting

Recipients will be required to provide quarterly progress reports and a final report, due 12 months following the date the agreement is executed, that must include, but is not limited to:

- Evidence of approved activities being undertaken
- Details of any job creation and increase in export revenue
- Provision of a grant acquittal in relation to eligible expenditure.

Varying the agreement

DTI recognises that unexpected circumstances may occur within your project's lifecycle. Any such changes should be discussed as soon as possible with the Export Program Administrator, or you may risk breaching your funding agreement. The Export Program Administrator will advise whether a formal variation to your funding agreement is required.

No extensions to the agreement end date will be made, under any circumstances.

Taxation

Grant amounts may be subject to GST. Grant amounts referred to in the program guidelines, application form and funding agreements are GST exclusive.

Receipt of grant funding from the SAEA may have taxation implications. Applicants should seek independent taxation advice regarding the potential taxation implications of receiving an SAEA grant.

Made in South Australia

To be eligible for the South Australian Export Accelerator Grant your export goods or services must be:

- Produced in South Australia; or
- If they are not made in South Australia, you must show how South Australia would derive a significant net benefit from the sale of the goods outside Australia.

If your goods are not made in South Australia, you need to check their eligibility:

Goods are considered 'made in South Australia' if your company's manufacturing process:

- Results in the manufacture of a new product; or
- Substantially transforms the nature of the materials or components; or
- Represents an important stage of manufacture of a product created from an imported component.

In addition, goods are considered 'made in South Australia' provided that your process or operation is:

- Not designed to circumvent the correct origin of the product; or
- Not simply grading, packing or sorting of imported components.

If your goods or services meet these criteria you may indicate on your application that they are 'made in South Australia'.

If your goods or services do not meet the requirements as 'made in South Australia' they are only eligible for the South Australian Export Accelerator Grant if it can be shown that South Australia would derive a significant net benefit from the sale of those goods outside Australia.

To determine this, the Department for Trade and Investment will take into account whether:

- The business assets used in making the goods ready for sale (other than assets used in manufacture) are primarily or substantially based in South Australia
- The activities (other than manufacture) that result in the goods being made ready for sale are primarily or substantially conducted in South Australia
- A significant proportion of the value of the goods is added within South Australia
- Any sale of the goods generates, or would generate, substantial economic benefits for South Australia, including employment.

If your goods are not made in South Australia, you must prepare a detailed submission addressing the above criteria and providing factual information about your goods and your business, as part of your export plan submitted in support of your South Australian Export Accelerator Grant application.

The Department for Trade and Investment assesses all submissions concerning goods not made in South Australia on the individual circumstances, based on the information submitted and the relevant guidelines. Successful applicants must show substance to their business operations and that they are promoting goods that are developed in South Australia.

The SAEA will be delivered by the Department for Trade and Investment. Funding for this program commenced on 1 July 2018. The Department for Trade and Investment may reallocate some or all of the funding between the programs within the SAEA at its discretion, at any time during the program's operation.

Norseld

Adelaide-based company Norseld has developed a new diamond-like carbon (DLC) coating technology called CoolDiamond DLC®, a unique process which gives superior hardness and uniformity. Norseld can coat at room temperature compared to other DLC coaters who cannot giving a world leading capability.

Norseld used its grant of more than $11,000 to take part in a number of international scientific conferences focussing on defence, photonics and optics with a target market of Tier 1 defence companies.

Through their involvement at these events, Norseld have been able to enter into tendering trials of their technology with a number of business in the US Europe and Australia.

Applicants will be required to submit an online application, which can be found on the Department for Trade and Investment website **dti.sa.gov.au/saea**

Queries relating to the SAEA may be directed to:

Export Program Administrator

Department for Trade and Investment

Phone: (08) 8303 2400
Email: saea@sa.gov.au

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