

GLOBAL EXPANSION PROGRAM Guidelines



Government
of South Australia
Department for Trade
and Investment

Global Expansion Program Guidelines

1. Program Overview

As part of the South Australian Government's '*Growth State – our Plan for Prosperity*' (the plan), the \$2.28 million Global Expansion Program (the Program) aims to accelerate growth of the state's exports by building comprehensive export capability and capacity in businesses with the most potential to become South Australia's next global leaders.

The Department for Trade and Investment (DTI) is administering the Program on behalf of the South Australian Government.

The Program will target those South Australian businesses that:

- Are experiencing strong growth
- Have a realised product or service market fit
- Are positioned to embark on a 'growth through export' pathway or expand to additional markets; and
- Are operating in one or more of the state's nine growth sectors¹ identified under the plan.

Key features of the Program include:

- In-depth participant selection process to maximise likelihood of success:
 - Free business reviews will be offered by an external provider to up to 30 businesses shortlisted by DTI in 2020-21 to identify each company's business needs in driving growth through export
 - Up to 15 businesses will receive Program funding in 2020-21 as final Program participants (up to \$50,000 per participant) to access tailored advisory services to address issues and gaps identified by the business reviews.
- Being designed to provide flexible, bespoke services and support matched to the unique and specific needs of individual participating companies, rather than offering pre-determined services and support.

¹ (1) Creative Industries, (2) Defence Industries, (3) Energy and Mining (4) Food, Wine and Agribusiness, (5) Health and Medical, (6) Hi-tech, (7) International Education (8) Space, and (9) Tourism

- Bespoke services will be delivered by a network of firms with requisite expertise, and each participant would select and contract their optimal service provider(s) with DTI having no contractual relationship with the provider(s).
- The delivery of a hybrid model of government and external provider support. Each final participant will be allocated a DTI case manager to develop and implement a 12-month action plan with the allocated funding, including receiving tailored services from selected provider(s).
- No co-contribution required from participating companies.

2. Program Process

There will be three separate Expressions of Interest (EOIs) undertaken in 2020-21, 2021-22 and 2022-23 (as cohorts), and the indicative number of participants for each cohort is as follows:

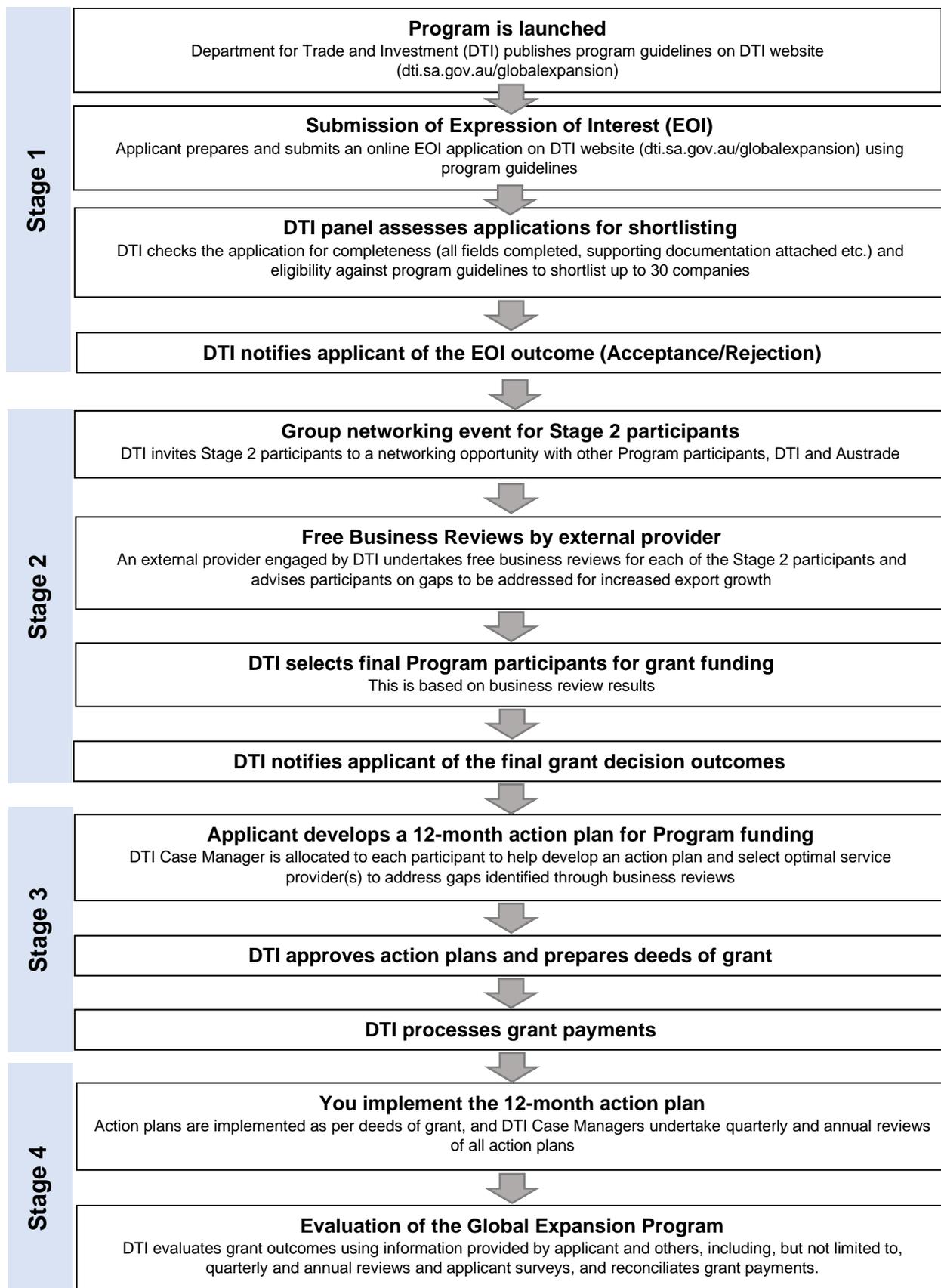
- Cohort 1 (2020-21): Up to 30 companies participate; 15 receive grants
- Cohort 2 (2021-22): Up to 20 companies participate; 10 receive grants
- Cohort 3 (2022-23): Up to 20 companies participate; 10 receive grants.

The Program consists of four separate stages within each cohort year (Table 1):

Table 1: Four separate stages of the Global Expansion Program within each cohort year

Stage 1 (8 weeks)	EOI & shortlisting; Stage 2 participant selection	<ul style="list-style-type: none"> • Up to 30 businesses will be shortlisted by DTI following the EOI process to progress to Stage 2.
Stage 2 (6 weeks)	Business reviews	<ul style="list-style-type: none"> • Each Stage 2 participant will receive business reviews to understand their export capability and capacity. • Based on business review results, up to 15 businesses will be selected by DTI as final Program participants to receive funding and progress to Stage 3.
Stage 3 (1 month)	Action Plan Development	<ul style="list-style-type: none"> • Final participants develop 12-month action plans with DTI case managers and select optimal service provider(s) to address gaps as per business reviews.
Stage 4 (12 months)	Grant Funding & Action Plan Implementation	<ul style="list-style-type: none"> • Final participants receive funding (up to \$50,000) from DTI to undertake Action Plans approved by DTI. • Final participants engage selected service provider(s).

In accordance with the above four stages, the Program will be delivered by the following process.



3. Program Objectives

The objectives of the Program are to:

- Assist South Australian companies to accelerate exports in current and/or new markets to deliver a significant increase in export sales for South Australia
- Increase the number of South Australian companies exporting higher value export products and services
- Increase the number of South Australian companies pursuing high growth through persistent and sustainable export strategies
- Increase access and utilisation of a suite of export services by South Australian companies
- Be a complementary program, not a duplication of other export support programs available in South Australia.

4. Grant amount and grant period

Up to \$50,000 per participant will be available as grants over the next four years from 2020-21 until 2023-24. The sum is available to the participant to receive tailored services required to address impediments to export growth identified through business reviews.

The grant monies must be spent within 12 months of the date of the execution of a deed of grant. A successful final Program participant as a grantee can only receive the grant once for the purpose of delivering their 12-month action plan approved by DTI.

The exact amount to be granted will be determined based on a quote or quotes from the selected service provider(s) following the development and approval of an action plan.

Successful final applicants will be asked to enter into a grant agreement with the South Australian Government. DTI will make an upfront payment of 90 per cent of the grant which is based on the amount quoted by the selected service provider(s), solely to the participant to an Australian bank account. The participant is wholly responsible for paying their selected service provider(s) as DTI will have no contractual relationship with the provider(s).

At the end of the grant period, the participant must present:

- A tax invoice from the service provider with respect to the eligible service specified in the approved action plan

- A receipt from the service provider showing payment of the eligible service by the participant
- A report with appropriate evidence of the effective and efficient use of the grant only for the approved services and the level of unexpended grant money if any.

The remaining 10 per cent of the grant will be paid to the participant at the end of the grant period following the grant acquittal. The participant must repay all unexpended grant monies to DTI unless specific approval is given by the Minister for Trade and Investment.

DTI can decide to terminate the grant agreement immediately and ask the participant to repay the amount granted if:

- Any of the grant has been spent other than in accordance with the agreement with DTI
- Information submitted in the application, invoicing or reporting is found to be false or misleading; and/or
- Reports are failed to be submitted on time.

Final Program participants that decide to abandon their project before the end of the 12 months will be asked to send a letter of explanation to DTI and repay all or a portion of the grant monies (whether expended or not) to DTI. They are also responsible for informing their business service provider(s) ensuring that they respect termination terms. Participants may also be asked to participate in an 'early exit' interview.

Termination costs associated with early termination are not eligible to claim under the Program.

The applicant should not plan or make financial commitments which assume a receipt of any particular level of payment. DTI accepts no liability for any loss arising from the actions of an applicant who assumes any particular level of payment.

5. Eligibility criteria – who is eligible to apply for the Program?

Business information, including ABN, business trading name, industry sector, the number of full-time employees (FTEs), current total turnover and export turnover, growth history (e.g. recent growth in revenue/FTEs), etc., is a mandatory criteria section, where all information required must be provided to be eligible to participate in the Program. The applicant must have an ABN and must be established and generating revenue for 36 or more months in South Australia. There is no minimum turnover or FTE requirement.

The applicant business must be from one of the following priority sectors:

- Creative industries
- Defence industries
- Energy and mining
- Food, wine and agribusiness
- Health and medical industries
- Hi-tech
- International education
- Space industries
- Tourism

Eligible companies also need to demonstrate they are in one of the following three stages of export maturity:

- (1) Infrequent exporter – sporadic or opportunistic export history with a lack of strategy, plan and execution capability and capacity.
- (2) New market entrant – exporting well in existing market(s) but have clear specialised barriers to entry in new market(s).
- (3) In-country focus – exporters that lack the in-country partnerships, expertise and knowledge.

Applicants are not required to provide a funding contribution.

Final decisions on eligibility and funding rest with DTI, and applicants should note that there is no guarantee that an offer will be made.

6. Assessment criteria

EOI applications are subject to a competitive process, and DTI will receive and assess applications for the Program on merit. EOIs seek the following three types of information from applicants: (1) business information; (2) export status; and (3) growth path.

Once applicants are considered eligible to participate based on business information provided, they will be assessed on the remaining two criteria sections which are weighted using a points system with a maximum of 100 points: export status and growth path. The two sections will comprise the following sub-criteria (Table 2):

Table 2: A 100-point weighting system for EOI assessment

Criteria	Sub-criteria	Points
Export status	Track record in exporting	Not weighted
	Types of product/services exported	10
	Historic and current export endeavours	30
	Export capability of senior management team	Not weighted
	History in accessing government export support programs	Not weighted
Growth path	Export ambition	20
	Growth target	20
	Current export plan	Not weighted
	Strategy to fund the export plan	Not weighted
	Competitive advantages of your export product/service in your target market(s)	10
	Understanding of impediment to export	Not weighted
	Implementation of COVID-19 response	10
Total points		100

Non-weighted selection criteria, including the applicant’s export capability, export plan, funding strategy and understanding of impediment to export, will be taken into consideration for DTI to confirm applicants’ export maturity as per the three stages described above. Those of each export maturity category will be assessed separately to support exporters at different export maturity stages.

7. Eligible services – what the grant money can be used for

Eligible services key to helping high potential businesses navigate export challenges and barriers include but not limited to:

- Development of an export plan
- Development of specific market/territory entry or growth plan, including market research to determine target customers/segments and channels in new markets/territories, obtaining specific advice on market dynamics, logistic/freight cost analysis, structuring and credit risk advice
- Marketing and communications strategy review, with a focus on digital marketing capability and overcoming digital deficits
- Product or service development, testing or optimisation (e.g. customer insights, packaging, regulations) for targeted customers/segments
- Access to meeting rooms, product testing and consumer research facilities

- Overcoming jurisdictional barriers to trade (e.g. regulations, documentation, government licenses, taxes, legal, etc.)
- Registration of IP rights relating to trademarking through the Chinese Trademark Office (CTMO) or through World Intellectual Property Office (WIPO) processes, domain name registration, translation, securing social media handles
- Cultural awareness advice relating to the target customers
- Connections and networking opportunities to key buyers/influencers both face to face and through online platforms.

Maximum spends are set on certain eligible services, including:

- Market research (to be focused on in-market research) – a limit to desktop research undertaken from outside of the target country is a maximum of \$20,000
- IP rights – a maximum of \$5,000 can be spent on securing IP rights in principle, but the amount can be negotiable depending on the nature of IP issues
- Third-party marketing channels – a maximum of \$10,000 can be spent on third-party marketing platforms, influencers or key opinion leaders (KOLs).

Since the issue(s) each participant is facing will shape the types of support they require, the exact services will be refined once successful participants are finalised and their needs are defined as per business review reports.

Each final participant will have the opportunity to choose which of the recommended areas for improvement or support they wish to pursue from their business reviews in consultation with the business reviewer and DTI Case Manager. The participant may choose one or multiple areas, in response to which they are required to identify the optimal service provider(s) they wish to work with.

DTI Case Managers will support Program participants in deciding on their area of focus, the subsequent selection of appropriate service provider(s) and will help the participant to develop their action plan.

All service providers must be registered and approved by DTI before they can be finalised in the participant's action plan. Participants are advised to confirm with DTI the eligibility of services selected before purchase/contracting.

8. Ineligible services/expenses – what the grant money cannot be used for

Ineligible services include:

- Existing services provided by existing providers to the business (e.g. accountants, lawyers, existing business advisors for existing activities, etc.)
- Costs of routine business export activities (e.g. servicing customers or supporting supply chain partners in existing export markets)
- Services that are not direct export support services (e.g. routine engineering services on plant and equipment, IT support, export training or other support already provided through other export support programs).

In general, we consider that activities that are eligible for support under Austrade's Export Market Development Grant (EMDG) program are ineligible for this Program except for:

- Market research
- Provision of free samples, but only those that are used for market research and pre-launch product testing;
- Registration of IP rights relating to trademarking through the CTMO or through WIPO processes, domain name registration, translation, securing social media handles.

You cannot claim expenses that:

- Were incurred by a related business entity
- Relate to business with the Democratic People's Republic of Korea (North Korea) and New Zealand
- Were incurred by you when you were not a resident of Australia
- Relate to after-sales activities
- Have or will be subject to reimbursement by a third party (other than EDMG claimable activities stated above)
- Relate to an illegal or unlawful activity

- Are commissions, incentives or discounts
- Are in payment of an Australian tax, levy or charge (except Australian departure tax)
- Relate to any form of pornographic material with a classification equivalent to the x-rating for films.

9. How to apply

In order to be considered for the grant funding, you are required to submit an EOI on DTI's website: dti.sa.gov.au/globalexpansion

EOI applications must be submitted in accordance with the instructions provided on the website and be received by DTI by the specified deadline published on the website. All applications will be registered and acknowledged by email.

Applications that are not received by the published closing date may not be accepted. DTI may consider the submission of late applications under extenuating circumstances provided an alternative timeframe has been agreed prior to the closing date or the delay is as a result of an issue with DTI's information and communications technology systems. Requests for an extension of time to lodge an EOI application must be made in writing to DTI via email: DTI.GlobalExpansionProgram@sa.gov.au Any decision by DTI to accept or not accept a late application will be final.

If you experience any difficulties in accessing or using the online application platform, you can email DTI.GlobalExpansionProgram@sa.gov.au or phone (08) 8303 2400 prior to the application closing date to request assistance.

When preparing the EOI application, ensure that you have:

- Read and understood the program guidelines
- Met the eligibility criteria
- Used the online EOI application platform via DTI website
- Had an authorised person to sign the EOI application form online
- Uploaded any required supporting documentation
- Submitted the application by the deadline published on DTI website.

It is the responsibility of the applicant to ensure their application is complete and correct. Intentionally giving false or misleading information is a serious offence. DTI will not accept responsibility for any misunderstanding arising from the failure by an applicant to comply with the guidelines, or arising from any discrepancies, ambiguities, inconsistencies or errors in an application.

If an applicant discovers any material discrepancy, ambiguity, inconsistency or errors in their application, they must immediately bring it to the attention of DTI in writing via email: DTI.GlobalExpansionProgram@sa.gov.au

DTI may request further information from an applicant and allow them to clarify or remedy any discrepancy, ambiguity, inconsistency or errors in an application. DTI may consider information submitted by an applicant after the closing date for the purpose of resolving any material discrepancy, ambiguity, inconsistency or errors in an application.

DTI's decision will be final and will be made at its absolute discretion.

If you submit an EOI application which is unsuccessful, you are able to apply again in the subsequent rounds. If you are successfully shortlisted and receive free business reviews (reaching Stage 2) but are not successful to reach Stage 3 for grant funding, you can be reconsidered for the subsequent rounds if you request to DTI in writing for reconsideration and there is no major change in your export plan in the subsequent rounds.

If you have questions during the application period, contact DTI directly on (08) 8303 2400 or via email at DTI.GlobalExpansionProgram@sa.gov.au

10. EOI and grant selection process

DTI will review EOI applications against the eligibility and weighted criteria to shortlist up to 30 businesses to proceed to Stage 2 free business reviews. If the application requires additional information to assess eligibility and suitability, DTI will request this from the applicant.

If the applicant progresses to Stage 2, they will receive a free business review with a report provided by an external provider selected by DTI. DTI will assess business review reports and recommend up to 15 businesses as final program participants to receive funding.

Once final program participants are finalised, DTI will issue a letter of offer for the grant, outlining the requirement to develop a 12-month action plan with an allocated DTI case manager in order to receive funding. The case manager will assist the applicant with the selection of areas for improvement to be addressed and optimal service provider(s).

After an action plan is developed and submitted by the applicant to DTI, DTI will review and approve the action plan and finalise the recommended grant amount based on a quote(s) received from the selected service provider(s).

Grant payments will be made as upfront payments in principle based on the quote(s). Grant acquittal or reporting on the grant payment will be required, and any unexpended grant monies must be repaid to DTI.

11. Notification of EOI application and business review outcomes

All applicants will receive an email notifying them of the outcome of their EOI application.

If the applicant is assessed as not eligible, the applicant will be advised of the reasons in writing.

If the applicant is eligible but does not progress to Stage 2 (business reviews), the applicant will be advised of the reasons and recommended actions in writing.

Successful EOI applicants as Stage 2 program participants will receive a letter of invitation to attend a networking event and undertake a business review to be provided by an external provider selected by DTI.

Upon the completion of business reviews, DTI will send an invitation in writing to Stage 2 program participants to discuss their business review report with the external provider and DTI Case Manager.

DTI will send a letter of offer for funding following the completion of business reviews to successful businesses as final program participants to receive the grant. If the business is not successful to receive funding, they will be advised with recommended actions in writing.

12. Funding – taxation

Funding may have taxation implications for the applicant organisation. Consider seeking independent taxation and financial advice from a suitably qualified professional before submitting your EOI application. The GST component of incurred expenses for

approved action plans can be claimed under the Program provided that you are registered for GST.

13. Announcement of grants

If successful, your grant will be listed on the DTI website within four weeks of the execution of a grant agreement. Information will include:

- Name of the entity receiving the grant
- Project title and purpose
- Amount of funding received.

By submitting an EOI application for funding under this Program, the applicant consents to this information being published on DTI website.

14. Monitoring and evaluation

DTI Case Managers will regularly liaise with their allocated participants to ensure that they are on track to achieve their stated objectives specified in their action plans.

Each quarter, DTI Case Managers will undertake a short interview with each of their participants to formally assess progress against their action plan and the selected service provider's performance.

Revision and re-issue of the action plan may be required where this is deemed the most appropriate action to resolve issues or in the case where the actions of the quarter lead to outcomes that mean the future actions are no longer optimal for the business. Any revision of action plans must be reviewed and approved by DTI.

DTI Case Managers will also undertake an interview with each of the participants for an annual program evaluation to examine outcomes against each participant's action plan and KPIs.

15. Probity

15.1. Enquiries and feedback

DTI does not have an appeal mechanism for unsuccessful applicants. If an applicant is dissatisfied with the way an application has been handled by DTI, they can contact DTI in writing and lodge a complaint. The complaint will be reviewed by one or more independent areas of DTI.

If no resolution is achieved, the applicant can contact the South Australian Ombudsman. Before contacting the Ombudsman, the matter should first be raised with DTI directly, and DTI should be provided with a reasonable opportunity to respond.

The South Australian Ombudsman can be contacted on:

Phone: (08) 8226 8699 or 1800 182 150 (toll free: outside metro SA only)

Email: ombudsman@ombudsman.sa.gov.au

Website: www.ombudsman.sa.gov.au

15.2. Conflicts of interest

Any conflicts of interest could affect the performance of the grant. There may be a conflict of interest, or perceived conflict of interest, if DTI staff, you and/or any of your personnel:

- Has a professional, commercial or personal relationship with a party who is able to influence the EOI application and final selection process, such as a DTI officer
- Has a relationship with or in an organisation which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently
- Has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives funding under the Program.

You will be asked to declare, as part of your application, any perceived or existing conflicts of interest or that, to the best of your knowledge, there is no conflict of interest.

If you later identify that there is an actual, apparent or potential conflict of interest or that one might arise in relation to a grant application, you must inform DTI in writing immediately.

DTI reserves the right to reject an application if it is not satisfied that arrangements are in place to address or manage a perceived or actual conflict of interest.

DTI will maintain a register of notified conflicts of interest throughout the application and assessment process. The register will list applicants' conflicts of interest and those of the DTI assessment panel and authority officers. Those involved in the assessment process must sign and keep up-to-date conflict of interest declarations to ensure identification and management of any conflicts of interest.

