

TOURISM INDUSTRY DEVELOPMENT FUND PROGRAM GUIDELINES

1. OVERVIEW

TOURISM INDUSTRY DEVELOPMENT FUND

The South Australian Government recognises the significant impact that COVID-19 has had on the tourism sector across regional South Australia. To support and stimulate private sector investment in new or improved regional accommodation, and the development of quality tourism products and experiences, the South Australian Tourism Commission (SATC) has established the Tourism Industry Development Fund (TIDF).

The ongoing impacts of drought, bushfires and the COVID-19 pandemic has highlighted the urgency for many businesses to improve and diversify their tourism offering to remain sustainable and increase visitor demand for their product and experiences.

Regional tourism continues to play an important role in growing the visitor economy and creating local jobs. The latest visitor figures for the 12 months ending March 2020, show that 40 per cent of the State's total visitor expenditure was spent in regions, while only 23 per cent of South Australians live in regional areas.

The *South Australian Visitor Economy Sector Plan 2030* and the aligned *South Australian Regional Visitor Strategy (RVS)* identify the regional development priorities that are crucial to increase South Australia's tourism appeal from key target markets. Accommodation and tourism products and experiences were identified as key strategic pillars across all regions for growing the visitor economy in our State.

The RVS is a collaboration between many stakeholders, the Regional Tourism Organisations, Local Government Association, Local Councils and Regional Development Australia.

AVAILABLE FUNDS

The South Australian Government has committed \$20 million (excluding GST) over two financial years

Applicants can seek grants from a minimum of \$20,000 up to a maximum of \$500,000 (excluding GST)



2. ELIGIBILITY

2.1 WHO IS ELIGIBLE TO APPLY?

Project applications to the Tourism Industry Development Fund are limited to private sector businesses, including:

- ✓ Sole traders
- ✓ Partnerships
- ✓ Companies
- ✓ Trusts
- ✓ Business clusters*

Applicants must be financially viable, registered for GST and have been operating a business with an Australian Business Number (ABN) for a minimum of 12 months.

2.2 WHO IS NOT ELIGIBLE TO APPLY?

Project applications that **will not be** eligible are those that are lodged under the following:

- ✗ Local Government and Councils
- ✗ Local Government Associations
- ✗ Regional Development Australia
- ✗ Regional Tourism Organisations (one of the eleven recognised regional tourism authorities)
- ✗ Industry Associations
- ✗ Not-for-profit organisations
- ✗ State or Federal Government Agencies and / or Departments

2.3 WHAT TYPES OF PROJECTS ARE ELIGIBLE?

The TIDF will provide funding for the development of new and improved tourism infrastructure, (ie. regional accommodation) and the creation of new product and experiences that will attract domestic and international visitors.

Stream 1: Regional Infrastructure Projects

- To develop or enhance tourism infrastructure, facilitate new private sector investment in building new accommodation, or refurbish existing properties within regional South Australia.
- To support private projects that require infrastructure build or upgrades to better provide a tourism experience, such as new attractions.

Stream 2: Regional Product and Experience Development Projects

- To develop new products and/or enhance existing products and experiences within regional South Australia.
- To support products and experiences that align with SATC's marketing focus, such as food and wine, nature and wildlife, cultural, coastal and outback, and soft adventure.

Your overall project may include a number of linked activities that are eligible for Stream 1, Stream 2 or both.

2.4 WHAT ARE THE 11 TOURISM REGIONS?

Within South Australia, there are 11 tourism regions that are recognised by the State Government and SATC. To be eligible for funding, your business and/or project must be located in at least one of the following regions:

- Adelaide Hills
- Barossa
- Clare Valley
- Eyre Peninsula
- Fleurieu Peninsula
- Flinders Ranges and Outback
- Kangaroo Island
- Limestone Coast
- Murray River, Lakes and Coorong
- Riverland
- Yorke Peninsula

Projects located in metropolitan Adelaide and surrounds are not eligible for the TIDF.

Details on South Australian tourism regions, can be found at tourism.sa.gov.au/regions and via the [SA Tourism Regions map](#).

*Business clusters are a group of two or more privately owned businesses that are willing to share financial commitment to a project. They may be a joint venture, consortia, partnership or other model – collaborating for the purpose of this project. It is up to the applicant to determine the right clustering model for their project. If no formal arrangement has been made to bring the non-associated organisations together, a lead partner must be identified who will accept responsibility for contractual obligations.

3. FUNDING

3.1 WHAT WILL THE GRANT FUND?

Funding will be provided for projects that deliver tangible benefits to regional South Australia.

Only new projects are eligible for funding and must **not** have commenced prior to lodging an application.

Eligible expenditure considered for funding must be:

- Incurred by the applicant within the project period (between the project start and end date). Expenditure incurred prior to project commencement will not be eligible.
- A direct cost of the project.

Note: Indirect project costs are not eligible e.g. the cost of a pop-up venue while the primary site is closed for renovations.

Examples of eligible projects include:

- ✓ New accommodation or expansion builds.
- ✓ Refurbishment or renovations of existing accommodation.
- ✓ Non-fixed assets such as furniture and fittings
- ✓ Transportation including, but not limited to, vehicles, bikes and boats.
- ✓ Infrastructure to enhance visitor engagement, including provedores, cellar doors and interactive displays.
- ✓ Infrastructure required to develop a new tour offering utilising existing products and experiences.

3.2 WHAT WILL NOT BE FUNDED?

- ✗ Salaries and wages.
- ✗ Feasibility studies, project masterplans and business cases.
- ✗ Training courses and mentoring programs.
- ✗ Internal roads and driveways or access points (as a standalone project).
- ✗ Gateway signage, entrance signs or other outdoor advertising signage (as a standalone project).
- ✗ Marketing activities such as websites, traditional and digital marketing, subscriptions, or contract fees to third party marketing distributors and channel management providers.
- ✗ General business administration or operating costs.
- ✗ Retail outlets (Except those that form part of a larger project like an attraction, winery, wildlife park or farm).

- ✗ Projects from local government or councils and/or Regional Development Australia.
- ✗ Retrospective projects which have already commenced or have been completed are not eligible, excepting where the Application forms an additional stage of a larger, planned project.
- ✗ Projects which are not aligned to the *South Australian Visitor Economy Sector Plan 2030* or the RVS.

3.3 WHAT IS THE GRANT CRITERIA?

1. Funding must be a co-contribution to the project with a **maximum of up to 30 per cent** from the State Government of the total project cost. Either 30 per cent from the TIDF, or matching contribution from another State Government fund - up to a maximum of 30 per cent to the overall project cost.
2. Projects that are near commencement ('shovel-ready') with all required development approvals and other approvals or reports required to commence the project.
3. The project must commence within three months of being notified that the application for funding has been successful and conclude within 18 months of commencement.
4. The minimum grant application is \$20,000 (excluding GST).
5. The maximum grant application is \$500,000 (excluding GST).
6. As part of the grant criteria, applicants will need to demonstrate that:

For example, a project with the total value of \$100,000 (excluding GST) is eligible for a maximum of \$30,000 (excluding GST) grant funding from the State Government.

- Relevant development and building approvals, landlord approvals and any other necessary approvals and reports to commence the project are in place or are being sought.
- The business and new product or experience is (or will be) registered on the [Australian Tourism Data Warehouse](#) when completed.
- They intend to work with marketing and trade distribution partners aligned with [SATC target markets](#).
- They will operate an appropriate online booking system for customers.
- The property, product or experience is available in South Australia for visitors at least 50 weeks per year.

3.4 WHAT DO I NEED TO APPLY?

The following information is required with your application:

- A detailed business plan showing operational, financial and marketing plans with demand and supply assumptions that underpin the project. See business.sa.gov.au/start-your-business/Tools-and-templates/Preparing-your-business-plan.
- A project plan, which includes a detailed description of the project scope, budget and an outline of the major project milestones with the relevant timeline.
- An outline of the applicant's corporate structure, ownership and governance structure. Where the applicant is submitting on behalf of a business cluster, detail should be provided around the governance structure and the lead agency responsible for contractual obligations.
- Financial modelling for the project, indicating cash flow forecasts, profit and loss statement, and capital expenditures.
- A funding plan showing where funding for the project will come from – (e.g. any other grants, private investment, etc.) If the application is on behalf of a business cluster, the funding plan must include details about the capital contribution of each member business – including details around financial co-contribution and other contributions.
- Financial statements for the last three financial years, preferably audited, but if not, independently prepared. If the application is on behalf of a business cluster, financial statements should be included for every member of the cluster.

Note: If your business is less than three years old please provide statements covering the duration of trading period.

- Any other supporting documentation relating to the project and the assessment criteria.
- Support letters from relevant groups such as regional tourism organisations, Regional Development Australia and/or local council.

For applicants seeking over the \$50,000, grant it is desirable that an assessment of the proposal's broader economic impacts that may include benefits to the local economy, direct and indirect employment and construction activities is included.

4. ASSESSMENT

4.1 WHAT IS THE ASSESSMENT CRITERIA?

To support the South Australian tourism sector to reach its full economic potential, project proposals will need to align with the *South Australian Visitor Economy Sector Plan 2030* or the *South Australian Regional Visitor Strategy*.

Projects will be assessed on their ability to:

- Improve tourism infrastructure and experiences that appeal to SATC's target markets.
- Grow economic benefit via increased visitor expenditure.
- Create new jobs and develop skills.
- Encourage further development by the private sector in infrastructure and visitor facilities.
- Encourage businesses to work collaboratively.
- Implement sustainable business practices.

4.2 WHAT EVIDENCE DO I NEED TO PROVIDE?

Applicants must provide evidence that:

- demonstrates all planning has been completed
- provides confidence that the project will be delivered to an appropriate standard on time and within budget
- will deliver the benefits described in their application.

Project management

Provide a project management plan that will address the implementation of the project from commencement to completion. Define how, when and by who the project activities will be completed, to demonstrate that the project will be delivered on time, on budget and to the required standards.

Project risk

Provide details on the key risks to their project and the mitigation or management strategies in place across the life of the project.

Maintaining project benefits

Outline the operational needs of the project in the future, a strategy to manage the project and how they will maintain the ongoing viability of the completed project.

Attachment 1 provides a checklist of key supporting information.

4.3 HOW ARE THE APPLICATIONS ASSESSED?

Applications will undergo a comprehensive review to determine the applicant's eligibility, prior to being submitted to the Assessment Panel. This process will be conducted by the SATC and the South Australian Government Financing Authority (SAFA). Applications will be assessed by an Assessment Panel on a merit basis against the fund's criteria.

5. GRANT PROCESS

5.1 HOW WILL THE GRANT PROCESS BE MANAGED?

If successful, applicants will be required to enter into a funding deed with the Government of South Australia in order to receive the grant funding.

5.1.1 FUNDING DEED

The funding deed will outline all the conditions of the provision of the funding. The deed will be subject to the *Freedom of Information Act 1991 (SA)* and the [Government's Contract Disclosure Policy](#).

5.1.2 RECEIVING PAYMENT

Grant payments are generally made on a reimbursement basis upon presentation of paid invoices for the approved project expenditure, including evidence of eligible applicant contributions.

The following conditions will be expected from any financial assistance recipients:

- Completion of the project as stated in the application.
- All key milestones and obligations are met, as defined in the funding deed.
- Prior consideration and approval must be sought prior to making any changes to the project.
- The contribution of the South Australian Government must be acknowledged on any promotional material and opportunities must be provided for SATC (or a representative) to take part in any formal project milestones, events and project launches.

Grants are subject to GST and income tax. Successful applicants should seek advice on these matters, and other tax implications, from their tax advisers or the Australian Tax Office.

ATTACHMENT 1 – EVIDENCE CHECKLIST

- DOCUMENTS**
That demonstrate that the applicant (or lead of a cluster) is a legal entity eligible to apply, including an Australian Business Number (ABN).
 - CORPORATE STRUCTURE OUTLINE**
 - BUSINESS PLAN**
 - PROJECT PLAN**
 - DEVELOPMENT/PLANNING APPROVALS.**
 - QUANTITY SURVEYOR OR CONSTRUCTION REPORTS, IF AVAILABLE.**
 - LEGAL DOCUMENTS**
Joint Venture agreement, Trust Deed, Lease agreement.
 - INSURANCE COVERAGE**
Evidence of relevant operator licensing/certification.
 - CURRENT QUOTATIONS**
For works, services and equipment.
 - MARKETING PLAN**
 - CO-CONTRIBUTION EVIDENCE**
Bank loan approvals/ intent, bank statements.
 - FINANCIAL MODEL**
Showing the project and business cash flow and financial projections (sales, profits, balance sheet) in excel form.
 - FINANCIAL STATEMENTS**
3 years – audited preferred.
 - LETTERS OF SUPPORT/INTENT**
i.e. cluster members, trust unit holders, interested parties (councils, associations etc).
 - OTHER (RELEVANT) SUPPORTING MATERIAL**
Applicants are invited to consider whether to submit additional information that demonstrates the technical and/or financial feasibility of the project and the management of risks.
- For applications seeking more than \$50,000 in grant funding:***
- DETAILS ON ECONOMIC MODELLING**

ALL ENQUIRIES

South Australian Tourism Commission

Attention: TIDF Project Team

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