

# Economic Development Unit

## Market Support Funding Programme

### Guidelines for Making an Application

Conditions valid until 31 December 2009

#### Introduction

The Market Support Programme offers support to Dunedin City firms to develop new markets (both domestic and international) for their products and services. The primary focus of the programme is increased revenue for the business.

The Market Support Programme provides assistance of up to \$10,000 to firms. The funding is reimbursement on a dollar-for-dollar basis and covers external costs only. If the fund is exceeded in any financial year, EDU reserves the right to suspend funding until the beginning of the new financial year.

To obtain more information, please contact the Economic Development Unit (EDU) on 477 4000.

#### Is Our Company Eligible?

To be eligible applicants must;

- Be active within one of the key sectors of Dunedin's economy.
- Be already working with an EDU Business Development Advisor.
- Have established contact prior to any expenditure being undertaken.
- Be operating in a commercial environment; be resident in New Zealand and registered for GST purposes.
- Be financially viable and have a sound track record.
- Demonstrate a commitment to growth in Dunedin i.e. jobs or revenue.
- Show why they need this funding rather than any alternative funding.
- Demonstrate how the funding will add value to existing activities.
- Demonstrate how the funding will add value to Dunedin.
- Have proposals and business concepts that are consistent with New Zealand laws and regulations.
- Have less than or equal to 100 full-time employees and/or annual turnover of less than or equal to \$NZ20 million. Any parent, subsidiary or other aligned business may also be taken into account.
- Tourism Companies: This funding is available for companies within the Tourism Industry for international markets, excluding Australia. Inward visits are excluded. Trade Fair Support is limited to Trade Fairs outside New Zealand that are coordinated by Tourism New Zealand and/or Tourism Dunedin.

#### What Projects Qualify For Assistance?

Before you submit a proposal, you must have already spoken to an EDU Business Advisor.

The proposal must involve a lawful activity, and be directed at commercial production. If there are regulatory requirements in relation to the development then you should incorporate these into your project steps and timeframe. If you require a consent, permit or licence in order to undertake the project, and this has yet to be obtained, then a decision on the assistance will be withheld pending the result of your application for this.

#### What Costs Can Be Considered?

The Market Support Programme can provide support in several different areas. The maximum support available to any firm in one year is \$10,000 GST Inclusive (i.e. a 50% reimbursement as support on total qualifying costs of \$20,000).

**Retrospective costs are not eligible therefore please ensure you contact EDU prior to incurring any expenditure related to the project.**

#### Market Strategy

Firms that wish to enter a new market may need to develop an appropriate marketing strategy to guide them. The Market Support Programme will provide up to \$2,000 assistance to a firm to engage a qualified consultant to develop a comprehensive marketing strategy for a new market. Firms are only eligible for this assistance once.

#### Mentoring Support

Developing a sound strategy is only the first step to entering a new market. Often advice from an experienced trader or professional can be critical to success. The Market Support Programme will fund up to \$2,000 to firms to meet with suitable mentors. Firms are only eligible for this assistance once.

#### Market Research

Where individual firms or clusters of firms have identified a potential opportunity in a new market, a qualified research consultant can conduct in-depth, firm-specific research. This research will be funded up to a maximum of \$2,500 for any one research brief.

#### Trade Fair Support

Attending a trade fair can be an important first step in developing a new market. The Market Support Programme will provide up to \$5,000 assistance to individual firms and clusters of firms to attend priority trade fairs in key markets.

Support will only be provided for:

- Up to two airfares
- Accommodation (up to a maximum of \$750 for any one application)
- Stand-hire charges (including signage)
- Marketing Support Material
- Firms are only eligible for assistance in this area once each year.

#### Market Visits

The key to expanding business is for firms to visit the marketplace and make direct contact with new and current customers and suppliers. The Market Support Programme will provide up to \$5,000 assistance for firms to undertake a market visit.

Support will only be provided for:

- One airfare
- Accommodation
- Specialist consulting services
- Promotional material
- Firms are only eligible for assistance in this area once each year.

## Inward Visits

The Market Support Programme will enable Dunedin firms to bring a customer or supplier to Dunedin for the purpose of strengthening relationships, the introduction of a new range, consummating a sale or similar activities. Reimbursement costs will cover air travel to and from Dunedin and accommodation for one person. This activity will be funded up to a maximum of \$2,500 per application.

**The funding is reimbursement on a dollar-for-dollar basis and covers external costs only.**

## How Do I Apply?

As retrospective claims are not eligible, firms are strongly advised to contact EDU as soon as they first consider a project.

EDU will then provide forms and advice on completing the proposal.

## How Are Proposals Assessed?

Appointed representatives of the Dunedin City Council's Economic Development Committee will consider the proposals.

Where the basic entry criteria are met, the weighting of the assessment is on the concept's value, and the extent to which the preparatory work and planning already undertaken shows that there is a good chance for success. The panel will also consider whether the business making the proposal has the capability to carry out the project.

The following criteria will be checked:

- Is there sufficient information provided to allow each of the criteria to be assessed.
- Do all aspects of the project and resulting commercial activity comply with New Zealand laws?
- Does the project fit within the eligible categories?
- Is the project directed towards commercial production of goods or services?
- Applications should be received by EDU at least four weeks prior to the activity being undertaken to allow the panel reasonable time to assess the project.

## What Conditions Apply?

The Programme has the following conditions:

- Retrospective claims will not be accepted. Costs incurred prior to the date of first contact with EDU are not eligible for reimbursement; therefore you cannot claim such costs.
- The recipient of assistance must notify the EDU in writing of their acceptance of the assistance within 20 working days of a letter of offer; otherwise the offer will lapse.
- The assistance must be uplifted within 12 months of the letter of offer or else it will lapse. No extensions are available.
- If 50% or more of the Company is owned by a Parent Company, all applications will be treated as if by the one Company/Organisation.
- The claims are paid on approved costs on the basis of original invoices matched to original receipts. Photocopied receipts and invoices are not acceptable. The only other basis on which claims can be paid is by forwarding an accountant's certification of costs to the Economic

Development Unit of the Dunedin City Council. This must be by an independent accountant in public practice and must certify a schedule of expenditure that is matched to the qualifying costs detailed above.

If payments have been made with a credit card you must supply the original invoices for these together with a statement for the credit card to which these have been charged.

- Information on assistance is personal to the business and may not be assigned to any other party without the written authority of the Economic Development Unit.
- Assistance is made subject to the EDU being satisfied that the information given by the client is true and correct and that there has not been an omission of any relevant fact nor any misrepresentation made. The EDU retains the right to refuse to make payments where it determines that it has been misled in the proposal or if the recipient has been placed in receivership or liquidation or declared bankrupt.
- You can only seek assistance up to a maximum of \$10,000 (GST Inclusive) in any one financial year (i.e. between 1 July and 30 June).
- This Dunedin City Council financial assistance is a contestable fund and once depleted, any further assistance to companies in the current financial year will not occur.
- The scheme does not cover internal costs. This means costs within your own firm or organisation and for which a third party will not invoice you. This includes payments (eg salaries, wages, fees, hourly rate, personal expenditure) to the individual making a proposal under the Programme, and to their employees and immediate family members. Where an application is by an organisation, it also covers the organisations office holders, employees, their immediate family members, office-holders and employees of the subsidiary/associate/parent companies and others who have a pecuniary interest in the project.
- A Final Report must be lodged with the EDU before the lapse date. Twenty percent of each eligible claim will be withheld and only paid out after this Final Report is received. This must be in the form prescribed and should not be submitted any sooner than 6 months after the project has finished unless the firm can clearly show it has met the set objectives.

## Is The Assistance Taxed?

**The amount of the assistance is GST inclusive so you should claim based on GST inclusive amounts.**

If you are registered for GST, the GST portion of the grant (1/9th) will have to be accounted for as output tax. Section 169 of the Income Tax Act (1976) deals with assistance such as this. Effectively it is not assessable income as such. It does, however, have the effect of reducing the costs that may be claimed for income tax purposes or reducing the cost of assets for depreciation purposes.

## For Further Information Contact:

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