



Promoting Australian Produce

Program Guidelines

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Program information, guidelines and related forms are available at
www.daff.gov.au/ausproduce



Table of Contents

Table of Contents	2
Overview.....	3
Purpose of the program	3
Program objectives	4
Am I eligible to apply?.....	4
What activities are eligible for funding?	5
What activities are not eligible for funding?.....	7
How do I apply?	7
How will my application be assessed?.....	7
Merit Criteria	8
How will decisions be made?	8
What conditions are attached to funding?.....	8
Additional information	9
Roles and responsibilities	10

Overview

Australia's agricultural industries are a major driver of employment, wealth and prosperity. Australia's competitive advantage in agricultural production is underpinned by an abundance of arable land that is used to produce a wide range of commodities across temperate, sub-tropical and tropical agricultural systems.

Many Australians in rural, regional and metropolitan areas are engaged in the production, processing, packaging, storage, transport, distribution, marketing and retailing of Australian products derived from plants and animals.

Around two thirds of Australian agricultural commodities are destined for export markets.

Purpose of the program

Promoting Australian Produce will invest up to \$5 million over three years from 2008-09. In general, applications are assessed against the merit-criteria set out in these guidelines and those applications that are eligible and best meet those criteria and the objectives of the program are selected for funding. Funds are limited and, therefore, meeting eligibility and merit criteria does not guarantee funding.

The Minister for Agriculture, Fisheries and Forestry is the program decision-maker. The minister may choose to fund projects that he determines meets the overall program objectives.

The program assists agricultural and seafood industry bodies and not-for-profit entities responsible for agricultural marketing to develop their capacity to better promote and market Australian produce to their traditional domestic markets and to new or established export markets. It does not invest in actual marketing activities.

This will assist in further leveraging Australia's competitive advantage in agricultural production and improve the competitiveness and profitability of local producers.

This is a matched-funding program. Grantees must meet at least 50 per cent of the project costs, in cash. It is generally expected that grants will be between \$50 000 and \$750 000, with no more than \$250 000 available in any one year.

The program will end on 30 June 2011. Approved projects must be delivered before 30 April 2011, in order to ensure final funding is paid before 30 June 2011.

Program objectives

Promoting Australian Produce will assist Australian producers of animals plants and their value added products to develop their capacity to better promote and market Australian produce to traditional domestic markets, new domestic markets and new or established export markets. This is particularly important for, but not limited to, industries facing increased import competition, such as those producing home-grown fruit and vegetables, pork and seafood.

The program will achieve its objectives by funding projects that develop the capacity of these sectors, either individually (i.e. live animals, meat, seafood, fruit and vegetable etc) or collaboratively (under a regional brand) to address the generic marketing challenges of their sectors. Overcoming these marketing challenges will lead to increased sales for Australian produce, both at home and abroad.

The program will *not* fund direct marketing activities, such as media advertisements and publication of promotional material.

Am I eligible to apply?

All applicants must satisfy the following criteria:

1. You must be an industry organisation, research organisation or a collaboration of food businesses representing those along the supply chain for agricultural animals, plants and their value added products.
2. Your organisation or sponsoring business must be a business registered for tax purposes in Australia, with an Australian Business Number (ABN)
3. Your organisation must be financially sound, with professionally prepared financial statements demonstrating your ability to fund your share of project costs, or, if a collaboration, you must be able to clearly demonstrate you will have the funding to see the project to fruition.

Individual businesses involved in the production of animals, plants and their value added products are not eligible to apply.

Organisations or groups that do not have an ABN may submit an application sponsored by an eligible entity with an ABN, with the sponsoring organisation becoming the applicant.

While the Commonwealth will enter into agreements with single entities meeting the above criteria, we encourage applications from collaborative partners representing a range of products under a particular regional or industry banner.

What activities are eligible for funding?

To be eligible for funding, you must demonstrate that the proposed project:

- will improve industry capability, structures or general capacity for marketing and promotion of Australian produce
- will meet objectives that have been previously identified as key strategic priorities for your industry
- has broad supply-chain support
- has not received funding via other government programs or incentives.

Projects could include, but are not limited to:

1. The development of exploratory market research to underpin marketing strategies and the selection of promotional channels

This could involve, for example, identifying an agricultural sector, either in Australia or overseas, that undertakes superior marketing and promotional activities; studying the capabilities that allow this sector to perform well in this area; identifying the gaps within your own sector; and developing and implementing a strategy to address these gaps.

It could also involve scoping the development of a brand for a region or a product that would add value and increase marketability. The scoping work may include market research into target audience preference and attitudes and testing of potential expression of the brand to gauge target audience reaction. It may also target potential participants in the brand to find out what benefits would induce them to 'buy-in'.

A grant could be made to develop your industry/sector marketing and promotions strategies, including feasibility studies in new markets, identifying the needs of your consumer and development strategies for new marketing campaigns or brand development based on those studies.

If multiple applications identify the same sector for study, the department would firstly encourage cooperation, but then reserves the right to fund one study and share the results among multiple applicants/grant recipients.

2. Capacity building in the areas of marketing and promotion for industry organisations or personnel

This could involve the establishment of a marketing and promotions arm of your organisation; training activities for relevant personnel; and the acquisition of necessary equipment. The need for such activities would have to be clearly outlined in an overall marketing strategy, the development of which would also be eligible for funding.

3. Development and pilot delivery of customised training strategies that meet the marketing needs and priorities of your sector/sectors and that form part of a comprehensive strategy for future success

This could involve making these training strategies available to individual members of your organisation to help them develop their marketing and promotional capability consistent with your overall sector strategies; or it could fund the development and implementation of a training program that would increase your sector's capacity to conduct its own marketing and promotion. This might involve conducting a media skills audit of your sector's key influencers or members of your production chain and then ensuring that those people who could contribute to media debate are appropriately trained.

4. Exploration and development of opportunities for co-ordination of marketing activities throughout supply chains to deliver synergies

This would provide opportunity to develop innovative and novel approaches to marketing and promotion that involved linkages in the supply chain that had not previously been made, for example, 'Fresh Vegetable Trucking Company working with the vegetable producers of Australia to bring you the freshest, most nutritious, locally and Australian grown vegetables, year round'.

Funding could also be used to investigate, develop a pitch, and approach organisations about potentially beneficial product placement opportunities, for example in restaurants, airline menus, truck sides or films.

5. Implementing strategies that accelerate the adoption of marketing innovations that addresses an industry-wide challenge or opportunity

Funding may be allocated to research strategies to promote the adoption of innovations, such as brand buy-in. The funding could be used to research the drivers to voluntary brand uptake and to develop communication material with potential brand participants. This material could include anything from a simple letter to a workshop program and may identify the need for pamphlets, signage or point-of-sale materials. It may also be used to scope a competition or award program that promotes marketing innovation.

6. Communicating consumer or market needs to producers and supply chain businesses and associated development of marketing strategies.

Funding could be used to set up regular market research of consumer preferences for a particular product and share results with industry participants and the supply chain to allow for better targeting of products to marketplaces. Alternatively, this funding could include researching new media uses (such as the internet) for particular target markets (such as youth) and sharing the insights with industry.

Other activities proposed in your application will be assessed against their likelihood of contributing to the objectives of this program and of meeting the merit criteria set out in these guidelines.

Projects could focus on one key area of activity, or contain a series of related activities that result in a comprehensive marketing and promotions capability for your sector/s. Based on assessment of your application against the guidelines, decisions may be made to fund some or all of the proposed activities; defer funding of some activities depending on the successful outcomes of other activities; or propose alterations to proposed activities to better align them with the overall objectives of the program.

What activities are not eligible for funding?

Activities that are not eligible include the following:

- × actual marketing campaigns and activities—the program aims to assist industries to develop their capacity to undertake these activities, but does not support the activities themselves
- × research and development
- × working capital for existing operations
- × retrospective activities, that is, anything commenced before a Funding Agreement has been signed by the department
- × remuneration and costs of personnel not directly engaged in project activity
- × government funded agencies' salary, overheads or other costs—except where a fee-for-service is normally charged (where a project makes use of input or advice from a government agency)
- × any other activities the department assesses as inappropriate.

How do I apply?

There will be up to two funding rounds per year until all funds have been committed. The number of rounds and their frequency will depend on the response and availability of funding. We will publish critical dates on our website (www.daff.gov.au/ausproduce), when known.

Grant application forms will be available from our website. Applications should be submitted using the grant application template and be consistent with the program guidelines.

The information on your application form and any other relevant information will be used to make a final determination of eligibility and competitiveness.

All information provided to the department will be treated as commercial-in-confidence and handled on a strict need-to-know basis. The department is obliged to, and will, protect any information in accordance with the *Privacy Act 1988 (Cth)*.

How will my application be assessed?

The department will assess each application against the program eligibility criteria and merit criteria and provide recommendations to the Minister for Agriculture, Fisheries and Forestry, who will decide on all grants (see Roles and Responsibilities).

Merit Criteria

Your application and any other relevant information will be assessed against the following criteria:

- Criterion 1.* the extent your industry relies on traditional domestic markets and the extent to which those markets are experiencing significant import competition
- Criterion 2.* the potential level of benefit to your industry, as a whole, and to individual businesses that the outcomes will deliver
- Criterion 3.* the extent to which your project will contribute towards addressing the critical strategic needs of your industry
- Criterion 4.* demonstrated industry support for the project (support of key industry leaders across the supply chain)
- Criterion 5.* the extent to which you have the resources and capability to carry the project through to finality.

How will decisions be made?

The Minister for Agriculture, Fisheries and Forestry is the program decision-maker.

The minister will make final decisions on funding, taking into account any recommendations made by the department and any other relevant information available.

The minister will announce successful candidates. Information on successful applications will be published on the program website (www.daff.gov.au/ausproduce)

What conditions are attached to funding?

You will be advised, in writing, of the minister's decision. If you are awarded funding, you will be required to sign a Funding Agreement that sets out (among other things):

- the rights and obligations of the Australian Government and the grantee
- the agreed activities and the timetable for completion
- any milestone payments
- the conditions to be met to acquit the use of the funds
- reporting obligations
- requirements for recognising the Australian Government on any marketing material
- penalties for failing to meet obligations.

All terms and conditions of a grant may not be contained in these guidelines. No legally-binding relationship exists until a Funding Agreement is signed by both parties. The Funding Agreement will contain all terms and conditions. We will publish an example of the

Funding Agreement on our website. Grantees should seek independent legal advice before entering into a Funding Agreement.

Additional information

Project budget

The program only funds eligible activities carried out solely for the purposes of the agreed project. The funding is paid retrospectively—that is, you must fund the upfront costs of the project until an agreed milestone is achieved and the department is satisfied that the milestone has been achieved satisfactorily. After successful completion of the agreed activities under that milestone and acquittal of expenditure demonstrating you have spent the monies according to the Funding Agreement, you will receive a payment for that milestone.

You should be aware of the implications this has for your cash-flow. After the final acquittal of your project, you will have paid 50 per cent of the total costs; the other 50 per cent will come from your grant. However, to complete your project and receive your final payment, you will have to outlay an additional amount equal to the value of the final payment. The following example illustrates how this might work:

Total agreed project costs:	\$200 000
Your cash contribution:	\$100 000
Your grant amount:	\$100 000
Agreed milestone costs:	
Milestone 1	\$100 000
Milestone 2	\$100 000

At Milestone 1, you will have outlaid \$100 000. On acquittal, we will then pay \$50 000.

At Milestone 2 and project completion, you will have outlaid a further \$100 000. At this stage, you will have paid out \$150 000 and the government would have provided \$50 000. On successful acquittal, you will then receive a final \$50 000 payment.

You should carefully consider this implication in the design of your project budget. You will need to demonstrate that you have access to the required amount of funding for the life of the project and that expenditure will not impact on the financial viability of your business.

Funding is on a strict dollar-for-dollar basis to the agreed amount. The department will not fund an overall cost over-run for the project. In-kind contributions will not count towards matching contributions.

Total project costs should be calculated as the cost of all eligible project activities, undertaken or commissioned by project partners.

No other sources of government funding can account for any of the expenditure within a project. This does not include situations where a government service provider is involved in the project on a fee-for-service, or other partnership, basis.

You may no longer be eligible for support from other government programs if you receive funding from this program. You should check with the grant officers responsible for the other programs.

Announced grants will not include goods-and-services tax (GST). Grant payments will be GST inclusive. Therefore, if you are awarded \$200 000, you will receive \$220 000. When submitting your project budget, you should omit GST from your figures.

You should seek professional advice on the taxation impacts of funding from this program, in particular, whether the grant:

- will be considered income for the purposes of paying income tax
- will have additional GST implications
- will have any other taxation implications

If you are successful in gaining funding, you must not commence your project before you receive a funding agreement signed by yourself and a representative of the Commonwealth.

Roles and responsibilities

The Minister for Agriculture, Fisheries and Forestry has ultimate responsibility for the program. The minister has responsibility for approving these guidelines and for making funding decisions. The minister will announce all grants.

The minister will be assisted by the Food Programs Section of the Agricultural Productivity Division of the Department of Agriculture, Fisheries and Forestry.

The Food Programs Section consists of a program manager and program staff. The program manager will have specific responsibility for:

- supervision of the program administration, including project assessment and management
- determining if project objectives have been met and whether repayment of funds is required
- approving Funding Agreement variations
- dispute management.

Together, the program staff will be responsible for:

- communicating program requirements to stakeholders
- receiving and assessing applications

- making recommendations to the program decision-maker
- communicating the program decision-maker's decisions to applicants
- negotiating and finalising Funding Agreements
- administering individual grants, including reconciling expenditure
- making payments.

Can I appeal decisions?

This is a discretionary grants program and decisions of the minister cannot be appealed.

However, if you believe there has been an administrative error in the assessment of your application, you do have avenues of appeal. In the first instance, you should contact the department, which will initiate an internal review. Alternatively, you can make a complaint to the Commonwealth Ombudsman. A complaint to the Ombudsman may be made orally, in writing or using the on-line complaint form. Complaints should be directed to the following address:

Commonwealth Ombudsman

Enquiries: 9am - 5 pm Monday to Friday
Phone: 1300 362 072 (local call charge)
Email: ombudsman@ombudsman.gov.au
Mail: GPO Box 442
CANBERRA CITY 2601
Web-site: www.ombudsman.gov.au
Facsimile: 02 6249 7829

There is no application fee payable for a complaint made to the Ombudsman.

We encourage you to discuss any issues with the department in the first instance.