

# Supply Chain Support Program

## Program Guidelines



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# Background

The record-breaking storms and flooding that occurred in parts of NSW in February and March 2022 had a catastrophic impact on communities. Lives have been lost and many people were forced to evacuate as the severe weather events caused extensive damage to residential properties, businesses, public infrastructure, agriculture and the environment.

Currently 62 Local Government Areas (LGAs) in NSW have been declared natural disaster zones under the Australian Government Reference Number (AGRN) 1012, including devastated areas on the NSW Mid and North Coast.

The \$22 million Supply Chain Support Program (the Program) is part of the \$150 million Primary Industry Support Package that is co-funded by the Australian and NSW governments under the Disaster Recovery Funding Arrangements (DRFA). This Package is designed to support recovery, rebuilding and resilience efforts for primary producers and industries which have been significantly impacted by floods.

This document outlines the eligibility requirements and processes involved in submitting an application to the Supply Chain Support Program, serving as a guide for prospective applicants to the Program.



# Impact on the Supply Chain Industry

The Department of Regional NSW (the Department) conducted extensive analysis to better understand and document the direct damage from the NSW Severe Weather and Flooding from 22 February 2022 (AGRN 1012) onwards. This has been supported by direct engagement through state and regional recovery subcommittees, industry working groups and direct consultation with industry representative organisations.

The Primary Industries Impact Assessment Report identifies that, in addition to producers being impacted by AGRN 1012, there are numerous processors or supply chains that have been affected. The impact to receivers of primary produce is estimated at over \$81 million and can be summarised into two major categories:



**Direct impact:** the business / co-operative that is the first receiver and processor of primary produce had floodwaters enter their facility and cause damage to the assets in the facility



**Indirect impact:** the business / co-operative that is the first receiver and processor of primary produce has had their producers significantly impacted by AGRN 1012, which has led to a supply issue for the facility

Industry consultation by the Department, in conjunction with the Flood Impact Assessment Report, has identified that the first receivers of produce off the farm are an important part of the supply chain and have been impacted by AGRN 1012.

The funding provided under this Program has been designed to complement existing support measures in place.



# Objectives

The aim of the Supply Chain Support Program is to support the recovery of first receivers that process primary produce in identified Primary Industries impacted by the February/March 2022 severe weather and floods by:

- assisting in the business recovery of processors that have been directly and indirectly impacted
- retaining key skills and jobs within the supply chain
- upgrading and enhancing the supply chain, where applicable, to reduce the impacts of further natural disasters and build sector resilience for future events
- providing support which has a medium to longer term impact.



# Key Dates

## **Applications open:**

28 November 2022

## **Applications close:**

12pm on 20 January 2023

## **Assessment process:**

All applications will be assessed by the Department and an assessment panel as per the approved assessment methodology which outlines specified eligibility and assessment criteria following closure of the application period.

## **Application outcome date:**

24 February 2023

## **Funding deeds executed with successful applicants:**

February 2023. Contracting processes will commence once an applicant has signed and returned their letter of offer and confidentiality agreement

## **Project completion:**

5pm on 31 May 2024 and in accordance with the milestones within the funding deed

In extenuating circumstances, applications submitted after the deadline may be accepted at the sole discretion of the Department.





# Program Funding



Up to \$2 million per application will be made available per project. An applicant may receive funding for all of the activities within a funding application or some of the activities within a funding application. Only one application may be submitted per applicant.

Funding for individual applications will be capped at the following rates:

## \$2 million

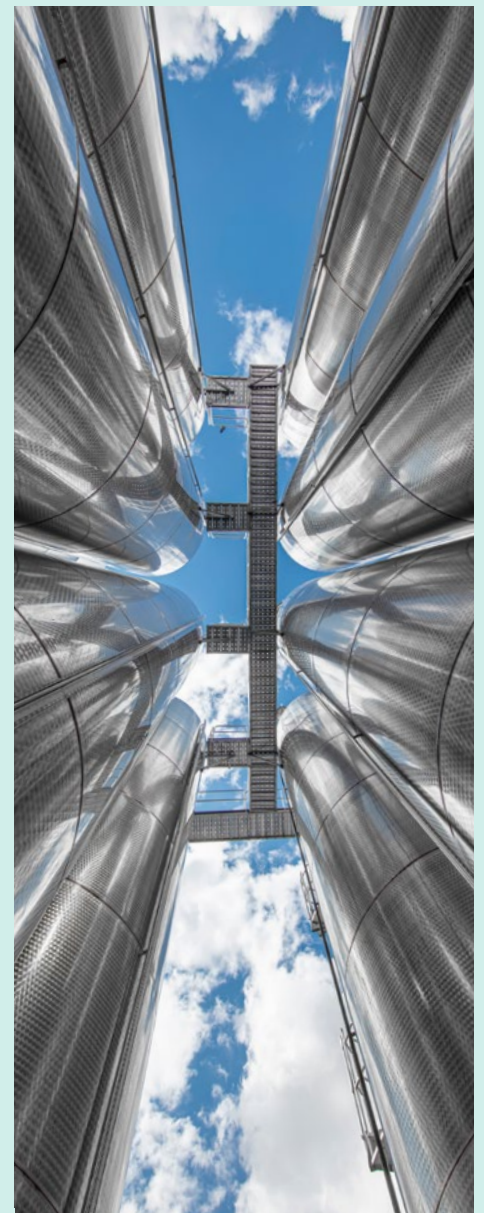
### Directly Impacted Applicants

up to \$2 million per application. Example projects could include replacement of impacted assets. Minimum application is \$500,000.

## \$250,000

### Indirectly Impacted Applicants

up to \$250,000 per application. Example projects could include freight subsidies to transport produce from out of normal supply areas, or diversification to business. Minimum application is \$100,000.



# Eligibility Criteria



## Eligible Applicants

### *Applicants must:*

- be in the supply or value chain of the aquaculture (including fisheries), horticulture (blueberries, macadamias, pecans, vegetables, tea tree), or agriculture (beef, dairy, soybeans, sugarcane, intensive livestock) industries
- operate and be located in one of the 62 LGAs impacted by AGRN 1012, as listed at [nsw.gov.au/disaster-recovery/natural-disaster-declarations](https://nsw.gov.au/disaster-recovery/natural-disaster-declarations), or represent members that have been impacted
- have experienced direct or indirect impacts as a result of AGRN 1012
- be the first receiver AND processor of primary produce
- have demonstrated skills and capacity to deliver the project
- have been registered, as per the relevant criteria, and operational for 12 months or more prior to the commencement of AGRN 1012 on 22 February 2022
- have or be willing to purchase at least \$20 million in Public Liability Insurance.

## Businesses

### *Applicants must:*

- be an industry business enterprise or in the close supply or value chain of the eligible industries
- have an ABN, ACN, AIN or another identifier
- be a legally registered, incorporated entity
- be registered for GST
- have been financially viable prior to AGRN 1012, and continue to be financially viable.

## Co-operatives

### *Applicants must:*

- be a registered co-operative with NSW Fair Trading Registry and Accreditation under the *Co-operatives National Law (NSW)*
- be operational with at least five active members.

## Ineligible Applicants

### *Ineligible Applicants include:*

- Australian Government or NSW Government agencies
- organisations that are not registered co-operatives, unincorporated or do not have an ABN, AIN or other identifier
- primary producers and farm gate sellers
- transport and logistic providers
- businesses that are insolvent.

The provision of financial assistance to businesses may require the consideration of competitive neutrality issues. Competitive neutrality issues will be reviewed as part of the assessment process to avoid advantaging or disadvantaging businesses that are legitimately competing in the same immediate market. Businesses whose primary operation is in the below industries will not be eligible for assistance under this program:

- retail
- localised trades
- administrative services
- most professional services.

State Owned Corporations or statutory authorities cannot be the lead applicant for funding but can apply in partnership with eligible applicants.

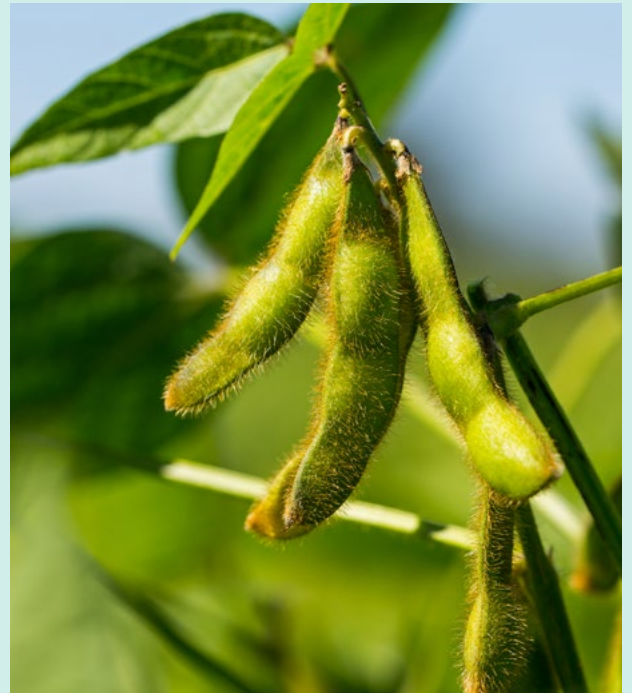




## Eligible Projects

### *Projects must:*

- have a primary focus on the retention and creation of jobs
- build industry sustainability, support/increase supply-chain efficiencies
- involve product diversification (whilst continuing to support supply chains in eligible industries and LGAs) or other activities that will support sustainable jobs including sector-wide professionalisation or business development with a focus on productivity, sustainability and growth
- be sustainable without continued government investment
- align with existing NSW Government policies and strategies
- have a minimum co-contribution of 50% of the total project cost. Co-contributions can include direct cash and in-kind contributions to the project. Costs already incurred by applicants for eligible activities (and not already claimed/paid under another Australian or NSW Government program or insurance) can be deemed as a co-contribution. Co-contributions of less than 50% may be considered in extenuating circumstances
- be able to commence within 12 months from announcement.



**Examples of eligible projects include:**

- replacement, repair, enhancement or adaptation of existing plant and equipment, including technology or energy efficiency upgrades, that increase resilience of the supply chain
- sourcing of alternative production inputs for transition projects including fuel switching
- transportation of primary produce from outside of usual sourcing areas
- critical private infrastructure upgrades i.e. private roads directly linked to supply chain efficiencies
- diversification to process alternate primary produce which continues to support supply chains in eligible LGA(s) and industries
- development of new manufacturing processes
- product, business or sector development
- regeneration of natural assets including site clearance
- industry feasibility, research and development studies
- business development programs such as coordination and advice to industry members on adapting to change or linking with existing or emerging opportunities
- industry wide marketing and promotion activities.

**Ineligible Projects*****Ineligible projects include:***

- projects that would fund the day-to-day operations of business
- projects which involve the purchase of new plant and equipment not linked to replacement, repair, enhancement or adaptation of disaster damaged plant and equipment
- projects that require ongoing funding from the Australian or NSW Government
- projects that would proceed and be delivered on the same timeline without government financial assistance.

**Eligible Costs*****Eligible grant costs include:***

- capital and other costs directly related to the delivery of eligible projects.

**Ineligible Costs*****Ineligible grant costs include:***

- repayment of existing debts or budget deficits
- costs to cover lost earnings as a result of AGRN 1012
- administrative, operational and maintenance costs not related to the project
- ongoing staff wages and salaries
- costs already funded by insurance or other Australian or NSW Government programs
- improvements or repairs to residences (excluding worker accommodation)
- costs that require recurrent or ongoing funding from the Australian or NSW Government.



# Application process

All applications must be completed online using the Smarty Grants portal at [sfrp.smartygrants.com.au/SCSP](https://sfrp.smartygrants.com.au/SCSP)

Applications will be submitted and assessed in two stages:

- 1. Stage One:** Applications
- 2. Stage Two:** Assessment and Approval

## Stage One: Applications

Applicants can only submit one application and will be required to provide the following information to determine their eligibility and suitability for the Program:

- applicant details including ABN or another identifier
- location of processing facility
- financial statements (trading, profit & loss statements and balance sheets) for one year
- evidence of participation in or representation of the aquaculture (including fisheries), horticulture (blueberries, macadamias, pecans, vegetables, tea tree), or agriculture (beef, dairy, soybeans, sugarcane, intensive livestock) industries or their supply chains
- evidence of experience in delivering projects similar in scope and scale to the project or otherwise demonstrates capability and capacity to deliver the project
- a detailed project scope
- a cash flow budget and underlying assumptions for the lifecycle of the project including ongoing benefits
- information on how the project meets the assessment criteria including projected jobs that will be created or retained over the first three years of the project (at a minimum)
- other expected benefits of the project and how they will be measured (other than employment)
- evidence of how the project relates to industry recovery following the impact of severe storms and floods in February/March 2022
- confirmation of the co-contribution to the project
- evidence of \$20 million Public Liability Insurance, or confirmation that \$20 million Public Liability Insurance will be purchased prior to funding deed execution, in the name of the applicant.



## Direct Damage

Applicants claiming on the basis of direct damage from AGRN 1012 will be required to provide:

- evidence of direct damage resulting from AGRN 1012, which includes:
  - a list of the direct storm and flood-related damage (mandatory)
  - photographic evidence of the direct damage (mandatory)
  - balance sheet equipment schedule
  - depreciation tables
  - any other appropriate evidence to prove direct damage for consideration by the Department in circumstances where the direct damage is unable to be photographed or other information (eg. receipts) is not available.

## Indirect Damage

Applicants claiming on the basis of indirect damage from AGRN 1012 will be required to provide:

- evidence of indirect damage resulting from AGRN 1012, which includes:
  - documentation showing a loss of production output in 2022
  - receipts of purchase for primary produce outside of typical supply area
  - supporting documentation to show a lack of supply of primary produce.

## Applicants should note the following conditions:

- All applications must be submitted by the Application Close Date. All activities and expenditure must be completed and all supporting documentation must be submitted by the Expenditure Completion Date.
- The Department of Regional NSW will endeavour, but is not obliged, to provide advance notification of early closure or an extension of the Application Close Date under the Supply Chain Support Program. In the event of an early close, the Department will review received applications for eligible applicants. Early closure of the Program will not impact funding for projects that have already been approved. In the event of an extension or early closure of the Program, applicants and Department stakeholders will be notified and public-facing content will be updated consistently.
- The availability of assistance is subject to funds being available. No assistance will be offered beyond the allocated funding.
- A lack of notification by the Department, or an applicant's lack of awareness of early closure of the Program will not be grounds for consideration of applications received after the Application Close Date.



## Stage Two: Assessment and Approval

The program will have a standard opening period for impacted businesses to submit applications. After the Application Close Date, the Department will assess applications against the approved assessment methodology.

Applications will be assessed on the following criteria, after applicant eligibility has been confirmed:

Review of Project Suitability	
<b>Damage (40%)</b>	<p>Direct Damage: the extent to which the applicant has been impacted through damage to its assets as a direct result of AGRN 1012</p> <p>Evidence of damage to the business / co-operative as a direct result of AGRN 1012, which may include:</p> <ul style="list-style-type: none"> <li>• photographs</li> <li>• insurance assessment reports</li> <li>• damage assessment reports</li> <li>• quotes for replacement / restoration of business / co-operative assets.</li> </ul>
	<p>Indirect Damage: the extent to which the applicant has been impacted by a reduction in their supply of primary produce as a direct result of AGRN 1012</p> <p>Evidence of indirect damage to the business / co-operative as a direct result of AGRN 1012, which may include:</p> <ul style="list-style-type: none"> <li>• documentation showing a loss of production output in 2022</li> <li>• receipts of purchase for primary produce outside of typical supply area</li> <li>• supporting documentation (e.g. correspondence from suppliers) to show a lack of supply of primary produce.</li> </ul>
<b>Employment (20%):</b> the extent to which the funding application supports employment, both during the delivery of activities within the funding application and through ongoing operations once normal operations resume	<p>Number of temporary Full Time Equivalent employees created or maintained during the delivery of activities within the funding application.</p> <p>Number of ongoing Full Time Equivalent employees employed by the organisation once the applicant returns to normal operations.</p>
<b>Resilience (20%):</b> the extent to which the funding application builds business / co-operative resilience to natural disasters	<p>Clear link between at least one project activity and building business resilience to future natural disasters.</p> <p>Evidence demonstrating how the funding application builds business / co-operative resilience to natural disasters. This may include:</p> <ul style="list-style-type: none"> <li>• engineering reports and construction designs for proposed assets or equipment</li> <li>• external quotes or invoices</li> <li>• training program materials</li> <li>• feasibility study reports</li> </ul>
<b>Co-contribution (20%):</b> the extent to which the applicant is co-contributing to the costs associated with the funding application	<p>Evidence that the applicant has the intention and financial capacity to co-contribute the value proposed.</p>

Applicants will be notified of the outcome of their application by 24 February 2023.

If an application is missing information or is incomplete, the Department may, in its sole discretion, work with applicants to clarify any missing or incomplete information. However, the Department will not start assessing the application until, in the Department's sole opinion, the application is complete.

Applications will be assessed by an independent assessment panel, which will submit recommendations to be considered and approved by the Deputy Secretary, Department of Regional Development and Programs for the Department of Regional NSW.

Successful applicants will be provided with a letter of offer and will be required to enter into a funding deed with the Department.

Unsuccessful applicants will be notified of the outcome and provided an opportunity for feedback by the Department. Applicants are encouraged to resubmit updated applications based on the feedback provided by the closing date, however, an applicant can only have one successful application.





# Successful Applicants



Successful applicants will be notified in writing by letter and/or email. Successful applicants will be provided with a letter of offer and will be required to enter into a funding deed with the NSW Government prior to receiving funds. A sample funding deed can be viewed at [nsw.gov.au/supplychainsupport](https://nsw.gov.au/supplychainsupport)

Successful applicants will be required to provide all supporting documentation and approvals before the Department of Regional NSW can enter into a funding deed. This includes \$20 million Public Liability Insurance.

The NSW Government makes no binding funding commitment to an applicant unless and until both parties sign a funding deed.

Successful applicants must not make financial commitments for funded activities until funding deeds have been executed by both parties.

Grants will be paid via milestone payments set out in the funding deed. Timing and requirements will vary at the discretion of the NSW Government. Successful applicants may be required to submit progress reports to the NSW Government as outlined in the funding deed. Subsequent milestone payments after the initial payment may be withheld if the successful applicant is unable to demonstrate sufficient evidence for the remainder of the grant amount or work done to date. Evidence must be submitted through the Smarty Grants portal using the applicant's log-in details.

## **Works and expenditure must be completed by 5pm on 31 May 2024.**

Without limiting any rights, the Department (or another NSW agency) in its sole discretion may recover funds from the applicant, and determine that a debt is due, if evidence indicates that the applicant:

- did not meet the eligibility criteria
- received an over-payment of the grant (whether of the up-front grant or of an additional grant payment), or
- spent any part of the grant on costs that were not related to an eligible project or cost.

## Terms and Conditions

*Applicants should note the following terms and conditions:*

- The NSW Government typically receives far more applications than it can support. Applicants are not guaranteed funding even if the application is of high merit. Further, even if an application is successful, it may not be funded to the full amount requested.
- All projects must demonstrate they can commence within 6 months of the commencement of the funding deed and be completed by 5pm on 31 May 2024 in the project plan.
- Applicants must hold all relevant insurances, including a minimum \$20 million Public Liability Insurance.
- All awarded grants will be GST exclusive. If the applicant is registered for GST, this will be applied on top of the agreed grant value when payment is made. Grants are assessable income for taxation purposes, unless exempted by taxation law. It is recommended applicants seek independent professional advice about taxation obligations or seek assistance from the Australian Taxation Office. The NSW Government does not provide advice on individual taxation circumstances.
- Successful applicants will be required to participate in a program evaluation to determine the extent to which their projects have contributed to the objective of the Fund. The evaluation will require applicants to provide evidence of how projects have resulted in a measurable change to the lives of local residents that is consistent with the objective of the Program.
- The NSW Government may choose to publicly announce funding for individual applications and applicants may be requested to keep the funding confidential for a period of time if an announcement is to be made by the Australian and NSW governments. The NSW Government may also use information provided in the grant to develop case studies.
- Any information submitted by an applicant may be used for promotional material prepared by the NSW Government.
- Successful applicants will be required to pay back unspent funds or those funds which have not been spent in accordance with the funding deed or receive a reduced final payment.
- All recipients of NSW Government funding should acknowledge this financial support as per the Funding Acknowledgement Guidelines for Recipients of NSW Government Grants available at [nsw.gov.au/branding/sponsorship-and-funding-acknowledgment-guidelines/funding-acknowledgement-guidelines](https://nsw.gov.au/branding/sponsorship-and-funding-acknowledgment-guidelines/funding-acknowledgement-guidelines).
- Applicants must advise the Department of any changes to their legal status or of changes or delays to their project.
- Payments will be made in arrears as set out in the funding deed.
- Requests for variations or changes to the funding deed will only be considered in limited circumstances.
- The Department reserves the right to undertake an audit of grant funding within a period 7 years from the signing of the funding deed.

## Public Acknowledgement

Under the Disaster Recovery Funding Arrangements, all projects under the Supply Chain Support Program must appropriately acknowledge and recognise that it is jointly funded by the Australian and NSW governments under the Disaster Recovery Funding Arrangements. The announcement of assistance must be done jointly by the Australian and NSW governments, unless otherwise agreed.

Publications must include both the Australian and NSW governments' logos and the following disclaimer: 'Although funding for this product has been provided by both the Australian and NSW governments, the material contained herein does not necessarily represent the views of either governments'. The Department will identify and inform Resilience NSW and the Australian Government of media opportunities.



## Complaints

Any concerns about the Fund or individual applications should be submitted in writing to [regionalnsw.business@regional.nsw.gov.au](mailto:regionalnsw.business@regional.nsw.gov.au). If you do not agree with the way the Department of Regional NSW handled the issue, you may wish to contact the NSW Ombudsman via [ombo.nsw.gov.au](http://ombo.nsw.gov.au).

## Government Information (Public Access) Act 2009 (NSW)

Applicants should be aware that information submitted in applications and all related correspondence, attachments and other documents may be made publicly available under the *Government Information (Public Access) Act 2009 (NSW)*. Information that is deemed to be commercially sensitive will be withheld.

*The Government Information (Public Access) Act 2009 (NSW)* makes government information accessible to the public by:

- requiring government agencies to make certain sorts of information freely available
- encouraging government agencies to release as much other information as possible
- giving the public an enforceable right to make access applications for government information
- restricting access to information only when there is an overriding public interest against disclosure.

## Getting Support

More information about this Program, including frequently asked questions are available at <https://www.nsw.gov.au/regional-nsw/regional-recovery-programs>.

If you require assistance or advice with your application, please contact the Department on 1300 679 673 or email [floods.recovery@regional.nsw.gov.au](mailto:floods.recovery@regional.nsw.gov.au)

## Ethical Conduct

Applicants must not participate in any anti-competitive conduct.

It is a condition of the grant program application process that no gifts, benefits or hospitality are to be made to any Department/Agency employee at any time. Any inducement in contravention of this condition may result in an applicant's proposal not being considered.

## Conflicts of Interest

There may be a requirement for a conflict-of-interest declaration to be submitted with all proposals or in the application form.

Where a conflict-of-interest detrimental to the assessment process is identified, mitigation measures must be put in place, or an individual may be asked not to participate in the application, assessment or delivery stage of the process.

## Confidentiality

Funding decisions and assessment outcomes must be kept confidential until announced by the NSW Government. Successful applicants will be required to provide a confidentiality undertaking. This means they must keep the outcome of the application process confidential until the NSW Government makes a public announcement.

Upon entering into a funding deed, details about the funding deed may be made publicly available (subject to information which the Department/Agency deems to be commercial in confidence).

The applicant agrees not to disclose any confidential information pertaining to the grant program application or funding deed without prior written consent of the Department.

## No offer

These Guidelines are not an offer, recommendation or invitation by the Department in respect of any contract or commitment and, subject to a funding deed being fully executed by the parties to it, nothing in these Guidelines will form the basis of any contract or commitment.

## Addenda

The department may, in its absolute discretion, issue an addendum to these Guidelines. In each case, an addendum becomes part of these Guidelines.

## Department Rights

The Department may, in its absolute discretion, and without limiting any other right which the Department may have, do all or any of the following at any time without giving notice or reasons:

- require additional information from an applicant
- change any of the requirements of these Guidelines
- alter or vary any process, procedure or timing related to the grant opportunity, including any process, procedure or timing regarding the consideration or the evaluation of any proposal or all applications
- suspend or terminate the grant opportunity
- negotiate with one or more preferred applicants without prior notice to any other applicant
- terminate any negotiations being conducted with any applicant
- readvertise for new applicants
- consider any non-conforming application
- terminate further participation in the grant opportunity by any applicant for any reason (including if the department reasonably considers an application to contain any false or misleading claims or statements)
- not proceed with any funding deed, or
- proceed with a funding deed in ways not contemplated in these Guidelines.

## Intellectual Property

All intellectual property rights in these Guidelines remain the property of the Department. Applicants are permitted to use these Guidelines for the purpose of preparing an application only. Applicants must not use these Guidelines, or any information contained in these Guidelines for any other purpose.

Applications submitted in response to these Guidelines remain the property of the applicant, unless otherwise agreed between the applicant and the department. The applicant agrees that the department may make copies and reproduce applications for any purpose related to the grant opportunity. In addition, the department will retain (electronic and hard) copies of all applications.

## Disclaimer

The Department does not guarantee or warrant and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency or completeness of any material contained in this publication. Information in this publication is provided as general information only and is not intended as a substitute for advice from a qualified professional.

The Department recommends that users exercise care and use their own skill and judgment in using information from this publication and that users carefully evaluate the accuracy, currency, completeness, and relevance of such information. Users should take steps to independently verify the information in this publication and, where appropriate, seek professional advice.

Funding assistance provided through the Program is subject to funds being available. The Department reserves the right to make changes to the Program to ensure it meets the objectives outlined in these guidelines and provides equitable funding support to applicants.

## Definitions

**AGRN 1012** – means the February / March 2022 NSW Severe Weather and Flooding, which occurred from 22 February 2022 onwards.

**Approval** – your application will be approved based on your eligibility against the Eligibility Criteria. After successful applicants enter into a funding deed, they will receive milestone payments dependent on the sum of their grant and in compliance with the terms of the funding deed.

**Direct damage** – a direct and material impact of the NSW Severe Weather Storms and Flooding in February/March 2022 (AGRN 1012) on business / co-operative assets or equipment.

**Directly impacted business / co-operative** – first receivers who process primary produce who have had floodwaters from the NSW Severe Weather Storms and Flooding in February/March 2022 enter their facility and cause direct damage to the assets in the facility.

**Farm gate seller** – primary producers which process and sell their products on-farm.

**Financial viability** – a business' ability to generate sufficient income or have sufficient financial resources in place to meet its financial obligations.

**Indirectly impacted business / co-operative** – first receivers who process primary produce whose producers have been significantly impacted by the NSW Severe Weather Storms and Flooding in February/March 2022, which has led to a supply issue for the facility.

**You and Your** in the context of these guidelines and the related application process refers to the applicant and can be taken to refer to a company, partnership, trust or co-operative. The Department takes you as having authority to make an application on behalf of the entity applying.

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**T** 1300 679 673  
**E** [floods.recovery@regional.nsw.gov.au](mailto:floods.recovery@regional.nsw.gov.au)  
**W** [nsw.gov.au/supplychainsupport](https://nsw.gov.au/supplychainsupport)

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