

DAIRY REGIONAL ASSISTANCE PROGRAMME (DAIRY RAP)

Introduction

This Guide is to assist Dairy Regional Assistance Programme (Dairy RAP) project proponents and Area Consultative Committees. It provides guidance on the development of proposals for funding under the Dairy Regional Assistance Programme.

Dairy RAP is one of three programmes of assistance being funded by the Federal Government under the Dairy Industry Adjustment Package (DIAP). There is a brief outline of the background and the DIAP initiatives in Attachment A.

The purpose of Dairy RAP is to provide assistance to dairy dependent communities affected by the removal of state market milk price regulations and to address any social dislocation arising from these industry changes.

The Guide sets out the basis on which project proposals will be considered, assessed and evaluated.

1. Eligibility Criteria

The two criteria for eligibility are that the region in which the project is located is:

- a dairy dependent community on an economic and socio-economic basis; and
- significantly impacted upon by the deregulation of the dairy industry.

The Australian Bureau of Agricultural and Resource Economics Liaison (ABARE) produced a report for the Minister for Agriculture, Fisheries and Forestry (AFFA) in January 2001 titled *'The Australian Dairy Industry – Impact of an Open Market in Fluid Milk Supply'*. This report provides information on the regional impact of dairy deregulation in specific dairy regions.

The ABARE report is utilised by the Department of Transport and Regional Services (DOTARS) as a guide to assess and determine whether a project will benefit a dairy region impacted upon by dairy deregulation. However, it is recognised that the ABARE report was not intended to identify all regions that have suffered adjustment pressure.

Applications should refer to the ABARE report for information on the impact of dairy deregulation on specific statistical local areas. A list of regions identified by ABARE is included at Attachment B. Applicants may also wish to contact their local Area Consultative Committee (ACC) to obtain further information on the impact of dairy deregulation in their region.

2. Programme Objectives

Dairy RAP will facilitate employment solutions for communities following dairy restructuring and seek to maximise opportunities for affected regions to become self-reliant.

The primary objectives of the programme are to:

- Supplement investment by businesses in the dairy affected regions to create long term employment in the regions; and

- Support the provision of community infrastructure and community access to training and counselling services that facilitate economic and social adjustment leading to ongoing regional benefits in the affected regions.

3. Guidelines

The programme is supported by the Commonwealth Government's network of Area Consultative Committees (ACCs) which work in partnership with government, business and the community to identify and foster opportunities for jobs growth, skills development and regional growth and service delivery through community-based initiatives.

ACCs that cover eligible regions will encourage both private sector and not-for-profit organisation project proposals for funding under Dairy RAP in the following areas:

- Business re-orientation;
- Employment generation;
- Improving the skills base of a region;
- Tackling disadvantage and encouraging growth in a region; and
- Support infrastructure in communities.

PROJECT PROPOSALS MUST DEMONSTRATE:

- capacity to create **sustainable regional employment opportunities**; and/or
- services that lead to **ongoing regional benefits**.

PROPOSALS, IF ASSESSED VIABLE AND SUSTAINABLE, COULD INCLUDE, FOR EXAMPLE:

- projects aimed at assisting existing businesses to re-orientate their activity to viable alternatives;
- projects aimed at value-adding to existing economic activity within the region or community (e.g. creating a boutique cheese industry for niche markets using existing produce);
- business investment supplementation to create long term employment opportunities (ie, supplementation to private investment in new enterprises);
- projects aimed at diversifying the economic base of a region, through generating new business or investment activities (e.g. development of tourism initiatives, education facilities for overseas students in dairy industry);
- projects that **support** infrastructure development in local communities (ie, as minor contributor to general infrastructure that will employ local people in the construction and result in identifiable community benefit);
- projects that address the needs of individuals and groups arising from the social dislocation within the affected communities (e.g. personal and financial counselling services, training opportunities).

PROPOSALS SHOULD NOT INCLUDE:

- environmental impact studies, research or the preparation of reports;
- projects aimed at developing submission writing or grant application skills;

- one off consultancies for feasibility studies that have little chance of implementation or would exclusively depend on further Commonwealth Government funding; and
- funding for one off conferences, seminars, competitions, expos or festivals that do not have a clear path to an employment, economic or regional benefit.

4. Administration

ACCs will endorse suitable project proposals within identified regions and forward these to the DOTARS Regional Offices for assessment. **Dairy RAP projects will be assessed for approval and announcement in Rounds distributed throughout the year.**

Project proposals will initially be assessed by the DOTARS Regional Offices and recommendations for approval made to DOTARS Canberra Office. Consultation on proposals will be undertaken by DOTARS Canberra Office with the Department of Agriculture, Fisheries and Forestry (AFFA) and, where appropriate, input from other government agencies will be sought. Projects will be approved by the Departmental Programme delegate of the DOTARS.

The Minister for Agriculture, Fisheries and Forestry is responsible for the programme's outcomes, including announcing those proposals that are to receive assistance under the programme as determined by DOTARS. DOTARS will report to the Minister for Agriculture, Fisheries and Forestry in relation to the operation of the programme and its outcomes. Announcements of approved projects may be made jointly with other relevant ministers.

Only projects that meet the assessment criteria, and are consistent with the guidelines and general principles as set out in this document, will be considered for funding.

Up to \$65 million is available to Dairy RAP. As a general rule, the maximum amount of funding for each proposal is \$1,000,000, however greater amounts will be considered where projects would have a significant and/or widespread impact on employment in a region. There is no minimum amount of funding.

5. General Principles

The following principles will apply to proposals for Dairy RAP funding:

- ACCs must endorse project proposals as being consistent with regional priorities;
- proposals must be consistent with current Government policy and ideally, complement existing programmes;
- proposals from proponents operating as commercial enterprises should include a commitment of at least 50% of the total project costs to be met by the proponents, not including in-kind contributions
 - in the case of supplementary business investment projects, the applicant's financial contribution must be in new investment;
 - evidence must be provided to substantiate how the applicant's financial contribution will be funded.

In-kind contributions (for example salaries and office accommodation costs not specifically and solely associated with the proposal) will not be considered as part of the applicant's contribution.

A co-operative will be considered a commercial enterprise if according to its rules its profits are distributed to its members as distinct from supporting non-profit making initiatives.

- for proposals from not-for-profit organisations, preference will be given to project proposals demonstrating financial and other support particularly from the private sector but also from State/Territory or local government, the local community or other sources
 - proposals of \$30,000 or more should have significant contributions from other sources, cash or in-kind.
- feasibility studies must demonstrate clear paths to the next stage of development and to sustainable job outcomes in the local community. Ideally this should include a commitment to the proposal from the eventual sponsor. (Dairy RAP is not intended to fund one off consultancies for feasibility studies that have no likely chance of implementation or would exclusively depend on further Commonwealth Government funding);
- all Dairy RAP proposals must include an evaluation process to ensure that they have met their agreed project outcomes;
- while Dairy RAP is generally for seed funding for up to 12 months, proposals for projects of more than 12 months duration should indicate the length of the project and/or the anticipated number of project stages in the original proposal. Appropriate evaluation arrangements should be built in at the end of each stage of the project (see Conditions of Assistance [8] below);
- proposals must be consistent with relevant government legislation, eg. planning and environmental laws;
- project proposals will not be approved in areas where Commonwealth funding through Dairy RAP is, or could be perceived as, substituting or duplicating funding from the responsible Commonwealth, State/Territory or local government agency. In particular, it is not a substitute for existing services or programmes such as TAFE;
- Dairy RAP projects must demonstrate value for money;
- Dairy RAP projects must not advantage any individual Job Network Member, New Apprenticeship Centre or Work for the Dole contractor;
- Dairy RAP funding is not available to support overheads or administrative costs not directly and specifically related to the project;

6. Application Process

Project proposals must be submitted to the relevant DOTARS Regional Office, through the relevant ACC. All proposals submitted must be endorsed by the ACC. Project proponents may be either from commercial enterprise or not-for-profit organisations. In certain circumstances, proponents may be selected through a tender process. In limited circumstances, the ACC itself may be the project proponent.

PROPONENTS MUST:

- complete the Application Form addressing the selection criteria, taking account of the programme guidelines and general principles, and addressing the following key issues:
 - **what difference will the project make to the local community;**
 - **what employment outcomes are anticipated as a result of the project; and**

- **what would be the result if Commonwealth funding was not provided for the project;**
- have a sound management capability;
- provide a detailed and comprehensive proposal including a full and complete budget;
- provide a detailed business plan; and
- attach all supporting documentation to the Application Form.

7. Assessment Criteria

All project proposals will be assessed against the following assessment criteria.

(1) Region has been identified as a Dairy RAP target region

Projects must be located in regions which meet the eligibility criteria of a dairy affected region (refers section 1. Eligibility Criteria)

(2) Significance and benefit to the local community

Projects must be able to demonstrate how they will make a positive difference to the local community. Preference will be given to projects which demonstrate a capacity to provide on going employment, economic or regional benefits.

(3) Sustainable Outcomes

The key measure of a project's contribution to employment growth will be its capacity to create sustainable regional employment opportunities and/or services that lead to ongoing improved regional benefits.

(4) Good Management

Applications should provide evidence of:

- the organisational capacity and financial status of the proponent as required to implement and complete the project;
- realistic budgeting for the project;
- achievable outcomes;
- project completion within a three year (maximum) period, and
- where relevant, evidence that arrangements are in place, or there is a reasonable expectation that they will be in place, to ensure the continuation of the project and/or the ongoing viability of the project outcome.

(5) Project Viability

Proposals must be soundly researched and documented including a detailed business plan which demonstrates the viability of the proposal.

(6) Partnerships in funding

Preference will be given to proposals that contain financial and other support from State/Territory or local government, the private sector, the local community or other sources.

In the case of commercial enterprise proponents, substantiation of the commitment by the proponent to the cost (to at least 50% of the total) of the project must be provided.

8. Conditions of Assistance

- (1) Successful proponents will be required to enter into a contract with DOTARS. Project funding will not commence until the contract has been signed by both parties.
- (2) Funding is not available retrospectively. Proponents should not plan to begin a project dependent on Dairy RAP funding before receiving formal notification of approval.
- (3) The ACC Chair will receive formal written notification of a project's approval, following approval of the project by DOTARS.
- (4) Successful projects may be announced jointly by relevant ministers.
 - Commonwealth Government support must be acknowledged in all promotional material associated with the Dairy RAP projects.
- (5) Assistance will be available based on the budget submitted in the application.
- (6) Successful proponents will be required to acquit the project by submitting a completed evaluation form, including audited financial statements, in a form determined by DOTARS, at the conclusion of the project or at the conclusion of each stage of the project.
 - the evaluation form will ask proponents to report against the outcomes for the project, in particular against the general assessment criteria (2) and (3). DOTARS in consultation with the relevant ACC will also evaluate the project in accordance with these criteria; and
 - evidence that the project was completed in the specified manner must also be provided.
- (7) DOTARS will advise of the timing and amount of project payments and this information will be included in the project contract.

Attachment A : The Dairy Industry Adjustment Package

1. The Australian Dairy Industry Council (ADIC) approached the Commonwealth in April 1999 with a proposal for an adjustment package for dairy producers in the event all States and Territories agreed to remove farm gate pricing arrangements from 1 July 2000. The Government responded to the ADIC proposal and announced details of a structural adjustment package on 28 September 1999.
2. The Commonwealth had no role in making decisions on individual state regulatory arrangements. However, it formulated legislation to provide Commonwealth assistance to enable the industry to meet the new commercial circumstances of a deregulated market. This legislation, the Dairy Industry Adjustment Act 2000, was passed by both Houses in March 2000 and received royal assent on 3 April 2000. The legislation took effect when all States and Territories passed complementary legislation to deregulate their dairy industries from 1 July 2000.
3. In developing the Dairy Industry Adjustment Package, the Government consulted widely with dairy farm organisations to design a package which meet the majority of dairy farmers' needs in the future - whether they choose to continue in the dairy industry or exit agriculture.
4. The package consists of three main programmes :
 - the Dairy Structural Adjustment Programme (DSAP)
 - the Dairy Exit Programme (DEP)
 - the Dairy Regional Assistance Programme (Dairy RAP).
5. The Dairy Structural Adjustment Programme provides payments to eligible dairy farmers based on deliveries of manufacturing and market milk in the year 1998/99. To be eligible for a payment, producers must have had an interest in an eligible dairy farm enterprise at 6.30pm on 28 September 1999, the date of the Commonwealth announcement of the availability of the package.
6. As an alternative to receiving a structural adjustment payment, the Dairy Exit Program enables eligible dairy farmers to exit agriculture and obtain an exit payment of up to \$45,000 tax free. The Dairy Exit Program (DEP) will be available for the first two years of the adjustment program. The assessment of Dairy Exit Payments is the responsibility of Centrelink.
7. Dairy RAP is designed to assist communities that have been impacted upon by the deregulation of the dairy industry. It facilitates long term employment by supplementing business investment and provides support for services that will lead to on-going economic and social benefits for regions affected by dairy deregulation. The programme commenced on 1 July 2000 with total funding of \$45 million. In June 2001, Government legislation was passed supplementing the assistance provided under the Dairy Industry Adjustment Package - as part of this package a further \$20 million was allocated to Dairy RAP, taking the total funding to \$65 million.
8. The package, now estimated at a total cost of \$1.94 billion, is funded by the Dairy Adjustment Levy, a Commonwealth levy on sales of drinking milk applied at the retail level and collected at the wholesale level.
9. Further information on the Dairy Industry Adjustment Package may be obtained from the Dairy Adjustment Authority website at <http://www.daa.gov.au>.

ACCs and AUSTRALIAN DAIRY REGIONS

Dairy RAP projects that will help dairy-dependent communities can be funded within the ABARE dairy regions below.

ACC Name	Telephone number	ABARE Dairy Region(s)	Affected SLA's in Dairy Region(s)
Victoria			
Albury Wodonga	Tel: 02 6041 6600	Riverina NSW / Other Victoria	Towong; Tumbarumba
Central Highlands (Ballarat)	Tel: 03 5337 2988	Other Victoria	Moorabool; Ballarat
Central Murray	Tel: 03 5480 2353	Goulburn Murray / Riverina NSW	Berrigan; Campaspe; Conargo; Gannawarra; Murray; Swan Hill; Wakool
Central Victoria (Bendigo)	Tel: 03 5442 8773	Other Victoria	Loddon
Gippsland	Tel: 03 5175 0600	Victoria Gippsland / Other Victoria	Bass Coast; Baw Baw; East Gippsland; La Trobe; South Gippsland; Wellington
Greater Green Triangle	Tel: 03 5352 3935	Western South Victoria / Other Victoria	Colac-Otway; Corangamite; Moyne; Warrnambool; Glenelg, Surf Coast
North East Victoria	Tel: 03 5831 1133	Other Victoria / Goulburn Murray	Alpine; Greater Shepparton; Indigo; Moira; Wangaratta; Delatite
New South Wales			
Aust Holiday Coast	Tel: 02 6562 1477	Central NSW	Bellingen; Gloucester; Great Lakes; Greater Taree; Hastings; Kempsey; Nambucca
Central West	Tel: 02 6332 6417	Central NSW	Forbes
Hunter	Tel: 02 4961 2600	Central NSW	Dungog; Muswellbrook; Scone; Singleton
Illawarra	Tel: 02 4227 4500	Southern NSW	Kiama; Wingecarribee
New England/North West	Tel: 02 6766 4866	Central NSW / Northern NSW	Manilla
Northern Rivers	Tel: 07 5599 4200	Northern NSW	Copmanhurst; Kyogle; Nymboida; Richmond River; Ulmarra
Orana	Tel: 02 6885 1488	Central NSW	
Riverina	Tel: 02 6964 5540	Riverina	
Shoalhaven	Tel: 02 4422 9011	Southern NSW	Shoalhaven
South East	Tel: 02 6492 5688	Southern NSW	Bega Valley; Eurobodalla
Queensland			
Central	Tel: 07 4921 3639	Central Qld	Banana; Calliope; Fitzroy; Miriam Vale
Far North Qld	Tel: 07 4051 7836	North Qld	Atherton; Eacham; Herberton
Gold Coast & Region	Tel: 07 5596 6100	SE Qld	Beaudesert, Guanaba-Currumbin Valley
Greater Brisbane	Tel: 07 3275 3155	SE Qld	
Ipswich & Regions	Tel: 07 3812 4144	SE Qld	Boonah; Esk; Gatton; Ipswich; Laidley
Mackay	Tel: 07 4944 0661	Central Qld	Mirani; Nebo
Moreton Bay Coast & Country	Tel: 07 5428 2411	SE Qld	Caboolture; Kilcoy

ACC Name	Telephone number	ABARE Dairy Region(s)	Affected SLA's in Dairy Region(s)
Southern Inland	Tel: 07 4639 1211	SE Qld	Cambooya; Chinchilla; Clifton; Crows Nest; Jondaryan; Rosalie; Wambo; Pittsworth; Warwick
Sunshine Coast	Tel: 07 5479 5099	SE Qld	Caloundra; Maroochy; Noosa
Wide Bay Burnett	Tel: 07 4121 7099	Central Qld / SE Qld	Biggenden; Cooloola; Gayndah; Kilkivan; Kingaroy; Monto; Mundubbera; Murgon; Nanango; Wondai; Tiaro
South Australia			
Barossa Riverland	Tel: 08 8563 1355	Northern Dairy Area (Barossa / Clare Valley)	Burra Burra; Mannum
South Central Region	Tel: 08 8131 0155	Fleurieu Peninsula / Murraylands - Lakes	Coonapyn Downs; Meningie; Mount Barker; Murray Bridge; Onkaparinga; Port Elliot & Goolwa; Strathalbyn; Victor Harbour; Yankalilla; Mount Pleasant
South East	Tel: 08 8724 7628	South East SA	Millicent; Mount Gambier; Penola; Port MacDonnell
Flinders	Tel: 08 8645 0011		Mount Remarkable
Western Australia			
Great Southern	Tel: 08 9842 5800	Lower Great Southern	Denmark
Peel ACC	Tel: 08 9586 3400	SE Metro / Dale / Upper Great Southern	Murray; Waroona
South West WA	Tel: 08 9791 4552	Dale / South West	Augusta-Margaret River; Busselton; Capel; Dardanup; Donnybrook-Balinup; Majimup; Harvey
Tasmania			
TEAC	Tel: 03 6334 9822	Tasmania	Break O' Day; Burnie; Central Highlands; Circular Head; Dorset; Kentish; King Island; La Trobe; Launceston; Meander Valley; Waratah/Wynyard; Central Coast
ACT			
ACT Capital Region	Tel: 02 6295 5945	ACT	
Northern Territory			
Northern Territory	Tel: 08 8941 7550	Northern Territory	

NOTE:

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Applicants may wish to contact their local ACC to obtain further information on the impact of dairy deregulation in their region.