Taking Our Local Produce to the World
Small-Scale and Craft Program Guidelines
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About the program

The Victorian Government recognises the important role that small-scale, craft and premium agribusinesses play in Victoria’s agricultural sector and regional economies.

The sector is closely linked to Victoria’s agri-tourism appeal and reputation as a producer of high-quality, niche agricultural offerings. The sector also helps shape Victoria’s food and culinary culture, showcasing the diversity of its regions.

Through the 2018 election commitment ‘Taking Our Local Produce to the World’, the Victorian Government is supporting small-scale and craft food and beverage producers across Victoria grow, increase market opportunities and strengthen Victoria’s regional offering to deliver flow-on benefits for jobs and tourism.

The Small-Scale and Craft Program is a four-year program that builds on targeting businesses looking to scale-up operations, diversify product lines, expand exports and create new jobs.

It will help achieve our goal of increasing agricultural exports to $20 billion by 2030.

Two streams of funding are currently open under the program:

- **Stream One – Small-Scale and Craft Business Development:**
  Grants up to $25,000 are available to eligible small-scale and craft agribusinesses for projects that support businesses to scale up, expand their operations and diversify their products – with applications closing on 6 December 2019.

- **Stream Two – Job Creation and Economic Development:**
  Grants of $25,000-$200,000 are available to eligible small-scale and craft agribusinesses for significant projects that will deliver benefits to the community and generate jobs. Projects involving multiple businesses are encouraged to apply. An expression of interest template can be found online at agriculture.vic.gov.au/artisanag, which closes on 31 December 2019.

The Small-Scale and Craft Program builds on the State Government’s Artisanal Sector Program to support premium small-scale producers in Victoria. The Artisanal Sector Roadmap identified a collective vision for the sector, opportunities to grow the sector and activities to achieve that vision.

Nearly 250 recipients were awarded grants under the Artisanal Sector Program, totalling an investment of $11 million in the sector.
Objectives:

- Support Victoria’s small-scale and craft agribusinesses to elevate and expand their businesses and support other businesses in the sector, creating more jobs.
- Provide visitors with unique experiences and high-quality produce that increases tourism to the state.

Stream One: Small-Scale and Craft Business Development

- Support Victoria’s small-scale and craft agribusinesses to expand, scale-up operations and access new markets.
- For Victoria to continue to be a leader in artisanal produce, with a renewed focus on excellence and sustainability.
- An example of the type of projects that could be funded include the installation of a cool room to store more products or upgrades to a commercial kitchen.

Stream Two: Job Creation and Economic Development

- Support Victoria’s small-scale and craft agribusinesses to create regional growth through jobs, tourism or broader industry and community benefits.
- Identify opportunities to grow the sector and maintain Victoria’s reputation as a premium producer by supporting eligible businesses to build their operations.
- An example of a potential projects could include the development of a food distribution system across businesses, or shared processing or storage facilities amongst producers.

Please note: the examples provided are for reference only and will not be given preference over other project types. The assessment criteria will be used as the basis for ranking all applications.

Program dates

Stream one will open for applications on Friday 25 October 2019 and close on Friday 6 December 2019.

Stream two will open for expressions of interest only on Friday 25 October 2019 and close on Tuesday 31 December 2019.
Funding available

**Stream One: Small-Scale and Craft Business Development**
Funding applications will be accepted for requests up to $25,000. Recipients are required to make a cash co-contribution of a minimum of 50 per cent of the total costs of the project.

For example, if the total cost of the project expenditure is $30,000 (excluding GST) the recipient must make a cash co-contribution of $15,000 (excluding GST) and the remaining $15,000 (excluding GST) will be supported by the grant.

**Stream Two: Job Creation and Economic Development**
Expressions of interest will be accepted for projects between $25,000 - $200,000. Recipients are required to make a cash co-contribution of a minimum of 50 per cent of the total costs of the project.

For example, if the total cost of the project expenditure is $300,000 (excluding GST) the recipient must make a cash co-contribution of $150,000 (excluding GST) and the remaining $150,000 (excluding GST) will be supported by the grant.

Co-contributions must be in cash. In-kind contributions such as labour are not included. Any additional or ineligible costs associated with the overall project must be met by the applicant.

**Please note:** recipients will need to outlay all project costs prior to the grant reimbursement by the department. Milestone payments may be available upon request.

Businesses that applied for, or received, a grant under stage one of the Artisanal Sector Program can apply, if eligible. Applicants who apply, or are successful, under stream one of the Small-Scale and Craft Program are eligible to apply for stream two funding.
Applicant eligibility

In order to apply, applicants must:
1. Have a current Australian Business Number (ABN)
2. Be registered as a business in Victoria
3. Have a Victorian business address
4. Be a legal entity\(^1\)
5. Operate a small/micro\(^2\) agribusiness within the small-scale and craft sector i.e. cannot be a subsidiary of a larger firm
6. Agree to participate in future program evaluation activities
7. Meet all industrial relation obligations as an employer in accordance with the National Employment Standards
8. Be able to meet the agreed (minimum 50 per cent) private cash/finance contribution, and provide evidence of the contribution\(^3\)
9. Attest to having obtained all relevant regulatory permits and approvals for the project to commence (where applicable)\(^4\)
10. Provide relevant business information on the project, including costs
11. For grants above $50,000, provide audited financial reports for the last three financial years to enable the department to conduct a Financial Risk Assessment (including Profit & Loss, Balance Sheet and notes to the accounts) and management or interim accounts for the current year, if the most recent Financial Report is more than six months old\(^5\) (stream two only).

For the purpose of these guidelines, operating or directly involved in Victoria’s small-scale and craft sector means:
- Business registration and business address in Victoria
- Business operations (including product(s), production or processing method(s), supply chain and customers) align with Agriculture Victoria’s definition of the Victorian small-scale and craft sector
- Where possible, local ingredients, produce and employment are used throughout the production process
- Long-term value of the project must relate to and benefit the sector
- Applicants must have less than 20 Full-Time Employees (or 20 FTE equivalent hours) - applicants outside of this will be considered on a case-by-case basis.

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\(^1\) A legal entity is an association, corporation, trustee of a trust, or individual that has legal standing in the eyes of the law. A legal entity has legal capacity to enter into agreements or contracts, assume obligations, incur and pay debts, sue and be sued in its own right, and to be held responsible for its actions.

\(^2\) For the purpose of these guidelines, small and micro businesses are generally considered to have fewer than 20 full-time Employees (or 20 FTE equivalent hours) - applicants outside of this will be considered on a case-by-case basis.

\(^3\) Evidence of a contribution includes evidence of support from the Board or business that it can undertake the project and meet its co-contribution costs, and one of the following i) an approved loan facility (including loan amount), or ii) cash at bank (current bank statement) or iii) management accounts demonstrating satisfactory cash flow or liquid assets.

\(^4\) Exceptions may be granted in extraordinary circumstances and will be negotiated on a case-by-case basis.

\(^5\) Financial Risk Assessments are undertaken by the department to establish the financial risk exposure of the applicant, and whether the applicant is likely to remain financially viable over the duration of the project. It is the applicant’s responsibility to ensure all requested documentation is supplied to the department. Failure to do so may result in the application being rejected. If the applicant’s accounts are not audited, the department will accept unaudited accounts, which have been prepared by their accountant.
Not eligible:

- Government departments or agencies, unincorporated associations, franchisees and subsidiaries of larger companies
- Local councils are not eligible to apply as a sole recipient but can be listed as a party for group proposals
- Applicants that have applied for another state government grant for the same project
- Applicants not based in Victoria
- Projects, activities, or purchases already undertaken prior to approval of the grant application
- Ongoing operating expenses or other ‘business as usual’ expenses (including social media marketing and operational wage-related costs)
- Fees associated with permits for planning or annual certification
- Ongoing or routine maintenance costs
- Costs associated with applying for government grants and funding programs
- The purchase, lease or acquisition of land
- Individuals and businesses operating in the wine sector
- Travel, flight and accommodation costs
- Events and associated promotion costs
- Vehicles or vehicle associated costs such as tractors and forklifts
- Costs associated with scholarships.
## Eligible expenditure

Grant funding may be used for the following types of projects:

- New equipment or small-scale infrastructure
- Product diversification
- Developing specialised skills
- Expansion into new markets, including market development strategies.

Social media posts and advertising are excluded.

Stream one projects must be completed within six months of the executed Grant Agreement and stream two projects must be completed within twelve months of the executed Grant Agreement.

Eligible expenditure must clearly align with the objectives and one or more actions from the Artisanal Sector Roadmap listed below:

<table>
<thead>
<tr>
<th>Roadmap Action</th>
<th>Examples of eligible project types</th>
</tr>
</thead>
</table>
| Promote the artisanal sector as a vibrant and valued part of Victoria’s agricultural landscape and regional flavour | • Proposals that raise the profile of the artisanal sector or deliver ancillary activities  
• Region-based agritourism projects that:  
  - Link and cross-promote multiple producers and food businesses  
  - Develop a tourism plan or tourism experience centred on promotion of food and produce, as well as broader regional capabilities |
| Facilitate access to government support and services and enhance regulatory capabilities | • Proposals for member-based groups, associations, consultancy groups or service providers to the artisanal sector to deliver training and services to improve sector capabilities in food safety, biosecurity and other business-related regulatory requirements |
| Support sector-led development of collaboration, community education, and coordinated leadership and advocacy for Victoria’s artisan producers | • Community-based initiatives such as food co-operatives or food hubs that will benefit multiple producers and food businesses  
• Initiatives to engage the community in the sector, local food systems or local food production, such as:  
  - On-farm education programs for school groups  
  - On-farm agricultural skills, training or employment initiatives |
Assessment criteria

Eligible applications will be competitively assessed against the following criteria:

**Stream One: Small-Scale and Craft Business Development**

<table>
<thead>
<tr>
<th>Assessment Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrated small-scale and craft business with an established connection to consumers and local supply chain</td>
<td>30%</td>
</tr>
<tr>
<td>Potential project will be used to scale-up operations, allow access to new markets or diversify product range</td>
<td>30%</td>
</tr>
<tr>
<td>Project will support industry growth, local tourism and/or provide new employment opportunities</td>
<td>20%</td>
</tr>
<tr>
<td>Demonstrated need for government funding to be able to undertake proposed project</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Stream Two: Job Creation and Economic Development**

<table>
<thead>
<tr>
<th>Assessment Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project will be significant with impacts on the broader region. Project will scale-up operations, allow access to new markets, diversify product range or increase industry collaboration</td>
<td>30%</td>
</tr>
<tr>
<td>Project will support industry growth, local tourism and/or provide new employment opportunities</td>
<td>30%</td>
</tr>
<tr>
<td>Demonstrated small-scale and craft business with an established connection to consumers and local supply chain</td>
<td>20%</td>
</tr>
<tr>
<td>Demonstrated need for government funding to be able to undertake proposed project</td>
<td>20%</td>
</tr>
</tbody>
</table>
Supporting material and documentation

Please provide relevant documents for your application.

- A maximum of **eight** documents can be uploaded. This includes:

<table>
<thead>
<tr>
<th>Document Type</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed budget</td>
<td>Detailed budget, including budget notes.</td>
</tr>
<tr>
<td>Quotes</td>
<td>Itemised quotes that include the supplier’s business details and ABN.</td>
</tr>
<tr>
<td>Project duration</td>
<td>Documentation outlining and supporting the proposed timeline of the project.</td>
</tr>
<tr>
<td>Financial Risk Assessment documentation (only required for grant applications over $50,000 in stream two).</td>
<td>Audited financial reports for the last three financial years (including Profit &amp; Loss, Balance Sheet and notes to the accounts) and management or interim accounts for the current year, if the most recent Financial Report is more than six months old. This is not required for expressions of interest.</td>
</tr>
</tbody>
</table>

Please ensure all necessary documents are provided, as applications will be assessed on what documentation is provided at the time of submission.
Application and assessment process

**Stream One: Small-Scale and Craft Business Development**
1. Applications must be submitted online via the Agriculture Victoria website at: agriculture.vic.gov.au/artisanag
2. At the close of the funding round, all applications will be assessed on merit against the assessment criteria. Applications that rank highest against both the assessment criteria and other applications will be offered funding.
3. Applications will undergo eligibility checks and be reviewed by an assessment panel comprised of representatives from the department.
4. It is estimated applicants will be advised of outcomes within eight to twelve weeks from the closing date.
5. Successful applicants will receive a letter of offer and are required to enter into a Grant Agreement to receive funding. Unsuccessful applicants will be notified in writing and feedback provided, upon request.
6. Applications received after the closing date will not be considered.

**Stream Two: Job Creation and Economic Development**
1. Expressions of interest must be completed on the template found at agriculture.vic.gov.au/artisanag and emailed to artisan.ag@agriculture.vic.gov.au
2. All applications will be assessed on merit against the assessment criteria. Applications that rank highest against both the assessment criteria and other applications will be invited to apply for a stream two grant.
3. All applications will undergo eligibility checks. Grants over $50,000 will also undergo a Financial Risk Assessment.
4. It is estimated applicants will be advised of outcomes within eight to twelve weeks from the closing date.
5. Applications received after the closing date will not be considered.
Grant Agreement and conditions

Successful applicants must sign a Grant Agreement that includes a standard set of terms and conditions and project-specific obligations, to receive the approved grant. The department will enter into one Grant Agreement per eligible business.

All expenditure is to be incurred only after execution of the Grant Agreement (once the Grant Agreement has been signed by the department and returned to the applicant). Grants will not be provided for retrospective activities (activities that occur prior to the executed Grant Agreement) or equipment that was purchased prior to the execution of the Grant Agreement.

A stream one project is expected to be concluded within six months of the execution of the Grant Agreement and a stream two project is expected to be concluded within twelve months of the execution of the Grant Agreement. The department reserves the right to withdraw the offer of grant funding if the approved project has not commenced within three months of the execution of the Grant Agreement.

Payment will be made by the department to the grant recipient following the submission of:

- evidence of completion of the funded project (i.e. a receipt for purchase of equipment or provision of the services)
- a tax invoice for paid goods and services and a statutory declaration.

Some projects may require milestone payments throughout the project duration. This will be determined at the discretion of the department. In this instance, the above items must be submitted for each individual payment.

Payment will be made via electronic funds transfer to a nominated bank account and may take up to four weeks to process.

Please note: It is expected that there will be a high level of demand for funding under this program. Applicants must not assume they will be successful or enter into commitments based on that assumption before receiving formal notification of the outcome. Applicants who were successful in the Artisanal Sector Program Stage One grants should also not assume they will be successful in this program.

Further information

Additional information about the Small-Scale and Craft Program can be found on our website at agriculture.vic.gov.au/artisanag or by contacting:

Agriculture Victoria
Department of Jobs, Precincts and Regions
Tel: 136 186
Email: artisan.ag@agriculture.vic.gov.au
Publicity

Grant recipients may be asked to assist the department in promotion of the Small-Scale and Craft Program. This may include involvement in media releases, case studies or promotional events and activities.

The department may request recipients to fact check any text and seek approval to use any owned imagery associated with the project prior to the publication of any such promotional materials.

Recipients must not make any public announcement or issue any press release regarding the receipt of a grant without prior written approval from the department.

The department may include the name of the recipient and/or grant amount in any publicity material and in the department’s annual report.

If requested by the department, the recipient must ensure that the State’s support for the grant is acknowledged on all promotional materials and appropriate signage, consistent with the Guidelines for Victorian Government Advertising and Communications (available at www.dpc.vic.gov.au) or as otherwise specified by the department.

Privacy statement

Any personal information provided by the applicant in an application will be collected by the department for the purpose of program administration. This information may be provided to other Victorian Government bodies for the purposes of assessing applications. If confidential personal information about third parties is included in an application, applicants are required to ensure that the third party is aware of the contents of this Privacy Statement.

Any personal information collected, held, managed, used, disclosed or transferred will be held in accordance with the provisions of the Privacy and Data Protection Act 2014 (Vic) and other applicable laws.

The Department of Jobs, Precincts and Regions is committed to protecting the privacy of personal information. The department’s Privacy Policy can be found online at https://djpr.vic.gov.au/privacy. Enquiries about access to information should be directed to Agriculture Victoria by phone on 136 186 or to the department’s Privacy Unit by email privacy@ecodev.vic.gov.au.