



Australian Government
**Department of Agriculture,
Fisheries and Forestry**

APPROVED SUPPLY CHAIN IMPROVEMENTS PROGRAM

Support Australian exporters of livestock for feeder and slaughter purposes in their efforts to improve supply chains and to promote the use of stunning in the slaughter of livestock in importing countries.

GRANT PROGRAM GUIDELINES

DECEMBER 2012

FOR FURTHER INFORMATION:

Telephone	+612 6272 3300
Email	ASClP@daff.gov.au
Post	Approved Supply Chain Improvements Program Animal Welfare Branch Department of Agriculture Fisheries & Forestry GPO Box 858 Canberra ACT 2601
Street	18 Marcus Clarke Street
Address	Canberra City ACT 2601
Website	www.daff.gov.au

Table of contents

1.	OVERVIEW.....	3
2.	PURPOSE OF PROGRAM	3
3.	HOW THE PROGRAM WILL OPERATE.....	4
4.	KEY DATES.....	5
5.	WHO IS ELIGIBLE?.....	6
6.	WHAT ACTIVITIES QUALIFY FOR FUNDING?.....	6
7.	HOW DO I APPLY?	8
8.	PROGRAM CONDITIONS.....	9
9.	FUNDING AGREEMENT.....	9
10.	PUBLICATION OF GRANT INFORMATION.....	10
11.	HOW ARE APPLICATIONS ASSESSED?	10
12.	WHO IS SELECTING THE SUITABLE APPLICANTS?	12
13.	NOTIFICATIONS.....	12
14.	COMPLAINTS HANDLING PROCESS.....	12
15.	PRIVACY STATEMENT	13

Approved Supply Chain Improvements Program

1. Overview

In October 2011 the Australian Government announced a range of livestock export trade reforms. Included in this announcement was the allocation of funds to the Approved Supply Chain Improvements Program. The government allocated \$5.0 million over two years (2011-12 to 2012-13) to encourage Australian industry investment in approved supply chains in Australian livestock export markets. At least 20 per cent of program funds are to be used to encourage and promote the use of stunning in the slaughter of livestock. The program has \$2.6 million available for the financial year 2012-13, of which \$520 000 will be allocated towards stunning activities.

The Approved Supply Chain Improvements Program helps support the new regulatory framework for live animal exports that will be phased in over the course of 2012.

Under the new regulatory framework, Australian exporters must have an exporter supply chain assurance system (ESCAS) in place before the Department of Agriculture, Fisheries and Forestry (DAFF) can consider issuing an approval to export livestock for feeder and slaughter purposes.

The licensed exporter must submit their proposed ESCAS for assessment at the time the Notice of Intention (NOI) and Consignment Risk Management Plan (CRMP) are submitted.

The exporter's ESCAS must:

- provide evidence of compliance with internationally agreed animal welfare standards
- demonstrate control throughout the supply chain
- demonstrate traceability/accountability of animals throughout the supply chain
- meet reporting and accountability requirements, and
- include independent auditing.

Export permits will only be issued when an exporter can demonstrate to the government that it has an appropriate ESCAS in place.

2. Purpose of program

The program will support the Australian Government decision to implement a new regulatory framework for livestock exports for feeder and slaughter purposes.

The rollout of the new regulatory framework for livestock exports to all markets and livestock species includes the need for robust exporter supply chain assurance systems that are compliant with the regulatory requirements as assessed by qualified independent auditors.

These improvements may require investment by Australian industry operators to bring a

number of supply chains in export markets up to the required standards. The effectiveness of this program will be evaluated as follows:

- 20 per cent of program funds have been allocated to encourage and promote the use of stunning in the slaughter of livestock
- high level of participation i.e. program funds fully allocated
- allocation of program funds is spread across livestock export markets, supply chains and exporters.

3. How the program will operate

The Department of Agriculture, Fisheries and Forestry (the department) will administer the Approved Supply Chain Improvements Program.

Eligible expenditure from the date of announcement of the new regulatory requirements, 6 July 2011 for Indonesia and 21 October 2011 for other markets can be claimed by eligible applicants. The program provides grants to industry for eligible activities undertaken to improve animal welfare in existing approved export supply chains to the value of 25 percent of the investment by industry (i.e. the government will provide \$1 for each \$3 provided by industry). On the basis there are program funds available, reimbursements of expenses for eligible activities of up to 25 per cent will be provided based on an assessment of receipts and relevant evidence provided to demonstrate that the work has been undertaken in an existing supply chain that is part of an export supply chain assurance system (ESCAS) that has met the requirements of the new regulatory framework.

Applications must not necessarily have a stunning component although applicants are encouraged to prioritise investment in eligible stunning activities where stunning is permitted in the importing country.

The total amount of funding that an applicant can apply for will be capped at \$250,000 per applicant per country. The amount available for activities is

- up to \$100,000 per supply chain, noting that an approved supply chain can be utilised by more than one exporter
- Up to \$200,000 per applicant per country where there has been no investment made in eligible stunning activities
- \$250,000 per applicant, per country where there has been an investment made in eligible stunning activities.

The department will maintain records to manage the funding caps per supply chain, and per exporter per country.

For the purposes of this program only, a supply chain is defined as the system that Australian livestock for slaughter and feeder purposes are passed through from disembarkation to slaughter in an overseas market. In some markets there are multiple supply chains and these may include facilities that are common to a number of supply chains, for example a single

feedlot or abattoir may be used in a number of supply chains and further each may be an element of different exporter supply chain assurance systems. Each single pathway Australian livestock for feeder and slaughter purposes will take is a single supply chain. Note that a supply chain may only receive an allocation of funding for expenditure on activities that have not had previous funding allocation approved.

Applications can be made on a country by country basis, for applicants that operate in multiple markets or they can be made on a supply chain basis where applicants use multiple supply chains in a single market.

Once the allocated funding for the FY 2012-13 (\$2.6 million) is expended there will be no further funding provided. DAFF will provide regular updates on the use of funds available throughout the phased implementation of the new regulatory framework. Applications will be processed in the order they are received – that is first in first out.

It is likely that in some markets a number of exporters use the same supply chain. If exporters want to ‘join forces’ to invest in eligible activities in a single supply chain, this is permitted but the eligible applicants cannot claim twice for the same investment and the total claimed must not exceed the supply chain cap of \$100 000.

The program will fund eligible activities in approved supply chains in the following areas:

- **stunning**, including stunning-related activities such as the purchase and installation of stunning equipment and the provision of associated training in the use of stunning equipment
- **infrastructure upgrades**, including improvements to abattoirs and other infrastructure along the supply chain
- **training**, with a focus on raising awareness of the animal welfare benefits of stunning and the appropriate use of stunning equipment, as well as training to ensure compliance with World Organisation for Animal Health (OIE) animal welfare standards throughout the supply chain, particularly at the point of slaughter.

4. Key dates

Expenditure can be claimed from **6 July 2011 for Indonesia and 21 October 2011 for other markets** – that is expenditure on or after this date is potentially eligible for program funding.

These revised guidelines commence on **21 December 2012**.

Program funds will be available up to **28 June 2013** or until fully subscribed – approved claims for reimbursement will be paid up to and including 28 June 2013 or until the program funds allocated for FY 2012-13 (\$2.6 million) is fully subscribed, whichever comes first.

The close date for applications is **30 April 2013** – that is expenditure and applications received after this date will not be eligible for program funds

5. Who is eligible?

At the time of application, the applicant will need to possess the following attributes:

- be an Australian livestock export business entity (i.e. hold a current license to export livestock under the *Australian Meat and Livestock Industry Act 1997*) or livestock export industry body such as Meat and Livestock Australia (MLA), LiveCorp or Australian Livestock Exporters' Council (ALEC), and
- be registered for tax purposes in Australia with a current Australian Business Number (ABN) and be headquartered in Australia.

6. What activities qualify for funding?

Activities will only be eligible for reimbursement under the program if they are paid for and delivered on or after 6 July 2011 for Indonesia and 21 October 2011 for other markets.

Improvement activities other than costs incurred for implementing traceability requirements of ESCAS, for Australian domestic and on-ship components of a supply chain are not eligible for this program. Additionally, costs incurred for train-the-trainers activities in Australia will be eligible for reimbursement under the program provided the trainers are linked to an approved supply chain. Funding will be made available for eligible activities in existing approved export supply chains in international markets for livestock species intended for feeding or slaughter. The program does not cover activities associated with the export of breeder animals. Eligible activities must have been carried out or commissioned by an eligible applicant and paid for by the applicant prior to the submission of their application. Claims for reimbursement of pre-paid expenses will not be eligible i.e. eligible activities must have been delivered, completed or installed prior to the lodgement of the application.

Note:

Travel expenses and allowances will be considered using the Australian Tax Office reasonable rates for taxation purposes. Refer to [www.ato.gov.au \(http://law.ato.gov.au/pdf/pbr/td2011-017.pdf\)](http://www.ato.gov.au/law/ato.gov.au/pdf/pbr/td2011-017.pdf) for current approved travel allowances.

Stunning

These activities include:

- i. purchase and installation of stunning equipment and related infrastructure
- ii. provision of training in the use of stunning equipment, including animal handling, OH&S requirements, appropriate storage of equipment and supplies and maintenance of equipment
- iii. gap analysis work to identify equipment and related infrastructure requirements to ensure compliance with ESCAS
- iv. provision of technical advice to ensure correct and appropriate equipment and related infrastructure is installed

- v. provision of oversight of installation by personnel with appropriate expertise and knowledge
- vi. provision of monitoring of use during phase in period.

Infrastructure upgrades

These activities include:

- i. provision of new or improvements to existing infrastructure at abattoirs to improve animal welfare, for example, shelter in holding facilities, appropriate pens, races and gates, flooring, lighting and waste management systems
- ii. redesign and renovation of existing facilities, including restraint boxes, to achieve appropriate animal welfare outcomes, including the modification of restraint boxes to support the use of stunning
- iii. provision and installation of new restraint boxes where necessary, including to support the use of stunning
- iv. provision or upgrade of traceability systems including expenses incurred by exporters in Australia towards the purchase of scanners and software and other equipment to ensure transferability of data collected along the ESCAS supply chain
- v. provision of equipment, such as appropriate knives and sharpening equipment
- vi. upgrade or provision of infrastructure and equipment along other parts of the supply chain in overseas markets
- vii. undertaking gap analysis to identify infrastructure requirements to ensure compliance with ESCAS
- viii. provision of technical advice and support to ensure correct infrastructure installed to meet compliance with ESCAS
- ix. provision of oversight of construction and installation by personnel with appropriate expertise and knowledge
- x. provision of monitoring of use during the trial use.

Training

These activities include:

- i. in-country and/or regional workshops to promote animal welfare practices that meet World Organisation for Animal Health (OIE) animal welfare guidelines and other benefits of incorporating stunning practices, including costs associated with the venue, facilitators and presenters, promotion and to facilitate attendance of training/workshop participants
- ii. in-country training of abattoir workers in correct, humane slaughter techniques, aligned to the OIE animal welfare guidelines
- iii. in-country training of animal handlers and veterinary officers on animal husbandry techniques to safeguard animal welfare outcomes

- iv. train the trainers – in-country or in Australia – on the compliance elements of ESCAS to ensure appropriate in-country training of participants in an approved supply chain on correct slaughter and/ or animal handling techniques where it directly relates to an approved supply chain
- v. provision of translating services when providing training to workers in an approved supply chain.

What activities do not qualify for funding?

This Program does not fund:

- operating expenses such as ongoing maintenance of capital items, labour costs, other audit services required for ESCAS compliance, feed, petrol, stunning supplies (eg. charges) and other consumables
- improvement activities for Australian domestic and on-ship components of a supply chain, other than costs incurred for implementing traceability requirements of ESCAS and train-the-trainer courses held in Australia
- unreasonable travel expenses – eg. alcohol, entertainment, hospitality etc. *Refer to www.ato.gov.au (<http://law.ato.gov.au/pdf/pbr/td2011-017.pdf>) for current approved travel allowances*
- travel costs in excess of the current approved Australian Taxation Office allowances
- any other activities the department assesses as inappropriate
- any activities not linked to an approved supply chain
- activities paid for and undertaken prior to 6 July 2011 for Indonesia and 21 October 2011 for other markets and after 30 April 2013.

7. How do I apply?

An eligible applicant can make a claim for program funds for reimbursement of 25 per cent of expenditure on eligible activities by lodging a completed application form along with relevant documentary evidence to:

*Approved Supply Chain Improvements Program
 Animal Welfare Branch
 Department of Agriculture Fisheries & Forestry
 GPO Box 858
 Canberra ACT 2601*

Application forms and other important information about this program are available on www.daff.gov.au or can be obtained by contacting ASCIP@daff.gov.au.

Closing date for applications is **30 April 2013**.

8. Program conditions

Evidence to determine eligibility of applicant:

- applicant is either MLA, LiveCorp, ALEC or the holder of a current Australian export license to export livestock (*verified by DAFF against internal records*)
- ABN (*status verified by DAFF*).

Documentary evidence of expenditure on eligible activities:

- NOI approval including supply chain details
- invoice or equivalent (eg. letter, quote etc.) issued by provider for activities undertaken in overseas supply chains containing the following details:
 - supply chain – facility name/s and location/s
 - activity undertaken
 - costs per activity
 - date each activity was undertaken
- receipt for payment of invoice or equivalent (eg. letter or statement).

The department will maintain records to manage the funding caps per supply chain and per exporter per country. These records will be used during the assessment of applications to verify compliance with program guidelines. These records will also be used to monitor the funding availability from the \$2.6m allocation for the 2012-13 financial year. Applications will be processed in the order of receipt. No additional funding will be provided for the program when the 2012-13 funding allocation is exhausted. If it becomes evident, from the department's records, that the program will become fully prescribed before all applications are processed, the affected applicants will be notified in writing. Notification will also be provided on the department's website if the program's 2012-13 funding allocation becomes fully subscribed prior to the closing date for the submission of applications, 30 April 2013.

9. Funding agreement

This program does not require a formal funding agreement to be signed in order to regulate the expenditure and acquit the funding. The program will require up front acknowledgement and consent from the applicant on a range of matters regarding the conditions upon which the funds are made available, should the application be successful.

The applicant is required to sign a statutory declaration before a prescribed witness to accompany the application form. The statutory declaration includes the following assertions:

- acknowledgement that the information provided is true and correct
- all documentary evidence provided supports a claim for reimbursement for supply chain improvement activities undertaken by the applicant consistent with the objectives of the guidelines
- the applicant has incurred the costs claimed

- the applicant has not been reimbursed or received a refund or other subsidy from another source in respect of the costs claimed, and is not entitled to receive any such payment other than as disclosed in the application
- the receipt/s have not been submitted for any other claim to the department
- the applicant consents to the department using and disclosing information about its claim, including the application, in accordance with the Privacy Statement in the guidelines and publication of information
- the applicant acknowledges that the Commonwealth may recover from the applicant the financial assistance that it has paid to it if it provided false or misleading information or the department otherwise determines that it is not entitled to the assistance in accordance with the Guidelines
- the applicant acknowledges that it understands providing false and misleading information is an offence under the *Criminal Code Act 1995*
- the applicant acknowledges that the department, or any persons authorised in writing by the department, may access the applicant's premises where records relating to the performance or implementation of supply chain improvement activities are stored or held and agrees to allow those persons to inspect and take copies of any material relevant to the program.

10. Publication of grant information

Applicants should be aware that if they are successful, Commonwealth policy requires the department to publish information on its website about the grant program, including but not limited to:

- name of the person or entity receiving the grant
- program title and purpose
- amount of funding received
- term of the grant
- funding location (*note that this will be limited to country information*).

By submitting an application for funding under this program, the applicant consents to publication of the above information by the department if they are awarded funding under this grant program.

11. How are applications assessed?

Applications will be assessed on a continuous basis and in the order they are received by the department.

Step 1	Applicant submits a signed and completed application form accompanied by relevant documentary evidence to DAFF by either email or post.
---------------	---

Step 2 The DAFF Assessment Team undertakes an assessment of the application against the eligibility criteria.

Step 3 Where necessary, the DAFF Assessment Team will request further information from the applicant. Applicant provides information. Proceed to Step 4. Note: If the applicant does not provide the necessary information within 14 days of being requested, the application will be rejected and formal advice provided to the applicant.

Step 4 The DAFF Assessment Team will review and check the documentary evidence for accuracy, completeness and where necessary obtain advice from internal experts on the reasonableness of the cost of each activity.

Step 5 If the application and accompanying documentary evidence meet the requirements of the program and there are sufficient program funds available, the department's Secretary or his delegate will approve the release of program funds to the successful applicant's based on the recommendations of the DAFF Assessment Team.

Step 6 DAFF will raise a recipient created tax invoice and arrange payment by Electronic Funds Transfer (EFT).

The department will assess applications against the following criteria:

1. eligibility of applicant
2. supply chain approval
3. claim is within the funding cap of \$200 000 per applicant per country, or \$250 000 if stunning is included
4. claim is within the funding cap of \$100 000 per supply chain
5. eligibility of activity – delivered on or after the start date of the program (i.e. 6 July 2011 for Indonesia and 21 October 2011 for other markets) and meets eligible activity criteria
6. expenses for eligible activities are reasonable
7. claims demonstrate value with public money
8. activity has not been the subject of previous claim/s by same or different applicant
9. bona fides of documentary evidence.

The department will notify successful applicants in writing and provide a tax invoice and details of the payment of claim.

12. Who is selecting the suitable applicants?

The applicant eligibility criteria are outlined in Section 5 of these guidelines.

An Assessment Team of departmental officials will assess and review the applications. The Secretary of the department or his delegate will be the decision maker for this program.

Conflict of Interest

A conflict of interest arises where a person makes a decision or exercises a power in a way that may be, or may be perceived to be, influenced by either material personal interest (financial or non-financial) or material personal associations.

DAFF Assessment Team members will be required to declare any real, or perceived, conflicts of interest prior to the commencement of the assessment of applications, and will inform the assessment team if a conflict of interest arises during the assessment process.

13. Notifications

The department reserves the right to negotiate with applicants on any aspect of the application before approval for funding, including supporting additional activities that deliver improved animal welfare outcomes given the eligible activity criteria is not exhaustive. In this situation, the department may request further information from applicants in order to adequately assess the application.

The department will notify unsuccessful applicants in writing. There is no appeal mechanism for unsuccessful applications, but the department may exercise discretion and undertake a review of the assessment of applications on a case by case basis.

Applicants that are dissatisfied with the process may follow Section 14 below. Feedback on unsuccessful applications will be available on request by contacting ASCP@daff.gov.au.

14. Complaints handling process

If you are dissatisfied with the way in which the application has been handled, you can contact the department to lodge a complaint (telephone +612 6272 3300 or by email to ASCP@daff.gov.au) . The complaint may be reviewed by one or more independent areas of the department. If the complaint is not resolved, you can apply to the Commonwealth Ombudsman. The Commonwealth Ombudsman can be contacted on Phone – Toll free: 1300 362 072, Email: ombudsman@ombudsman.gov.au (www.ombudsman.gov.au).

15. Privacy Statement

Information provided by applicants to the department is used for administration of the program and assessment of an application. Provision of information (personal or otherwise) constitutes the applicants consent to the department using the information for the above mentioned purposes and any other incidental or related purpose. The department may disclose your personal information to any party engaged in assessment or program evaluation. The department will store the personal information collected by it in compliance with its obligations under the *Privacy Act 1988 (Cth)*. You may access or correct your personal information by contacting the Department of Agriculture Fisheries and Forestry on +612 6272 3300 or emailing ASCIPI@daff.gov.au or sending a letter to the address provided at the front of these guidelines.