



# Traceability Grants Program - Round 2

### General feedback for applicants

## **Summary**

Round 2 of the Traceability Grants Program (the program) received 122 applications. After assessment, 14 were selected for funding, totalling approximately \$3 million (GST exclusive).

It was excellent to see the interest shown by stakeholders in the program and successful applications were of a high standard.

The selected applicants provided strong, well-written responses to all the assessment criteria. The proposed activities were eligible, appropriate and effective to achieve the program outcomes and demonstrated their suitability for public funding and value for money.

The feedback below provides all organisations with easy access to information about the grant selection process and the main strengths and areas for improving applications.

## **Program overview**

The Traceability Grants Program – Rounds 1 and 2 will run over 4 years from 2019—20 financial year until the end of the 2022—23 financial year. The program was announced as part of the Modernising Agricultural Trade initiative. The program has \$7 million (GST exclusive) for grants over the 4 financial years. The funding has been made available in 2 grants round. One round was finalised in 2019—20 and the other round in 2020—21.

This program provides opportunities for successful applicants to conduct projects that will enhance the supply chain traceability systems and arrangements that support the export of our agricultural commodities.

Traceability is the ability to follow the movement of a product through stages of production, processing and distribution (ISO 22005:2007).

Australia's agricultural traceability systems include all government regulation and industry arrangements that enable tracing of agricultural production and products, back and forward along entire supply chains. At each step in the supply chain, participants should be able to trace one step forward and one step back.

Consumers and trading partners want to know more about the products they buy, including information about:

- food safety
- animal and plant pest and disease status
- provenance
- authenticity
- social matters such as sustainability, and animal welfare practices.

Australia has a reputation for exporting safe products that meet importing country requirements and producing safe food for domestic supply. This grants program will support projects that will further enhance the integrity of our traceability systems and arrangements.

Many Australian agricultural producers and exporters already realise the commercial benefits of enhancing traceability. It improves competitiveness and provides assurance for customers.

The objectives of the program are to:

- support industry projects that will enhance our agricultural supply chain traceability systems, including developing and trialing technologies that digitise information flow
- provide an advantage for our exporters in overseas markets to assist them in maintaining their competitive edge
- increase opportunities to export Australian commodities.

The intended outcomes of the program are as follows:

- Broad enhancement of the traceability systems that support our agricultural export supply chains and that success of individual projects is measured.
- Exporters are able to use the enhancement of our traceability systems to assist in maintaining their competitive edge in export markets.
- More farmers, producers and processors consider exporting, especially those involved in exporting high risk commodities.
- Traceability system enhancements are cost effective because they utilise existing systems and technologies where possible.

The program is administered by the Department of Social Services' Community Grants Hub (the Hub), on behalf of Department of Agriculture, Water and the Environment (the department) under a Whole of Australian Government initiative to streamline grant processes across agencies. The program is administered according to the <a href="Commonwealth Grants Rules and Guidelines 2017">Commonwealth Grants Rules and Guidelines 2017</a> (CGRGs).

# **Selection process**

An open competitive selection process was undertaken to select a range of quality projects from a variety of organisations.

Applications were screened for eligibility and compliance against the requirements outlined in the Grant Opportunity Guidelines (the guidelines).

An assessment panel was formed with expertise and knowledge of the policy, program delivery and industries relating to the grant. The assessment panel considered each application on its merits, based on:

- an assessment of all eligible and compliant applications, scoring each application in relation to 3 assessment criteria
- how it compares to other applications
- whether it provides value for money.

When assessing the extent to which the application represents value with relevant money, the assessment panel had regard to:

- the overall objectives to be achieved in providing the grant
- the relative value of the grant sought
- the extent to which the proposed project will be applicable to more than one exported agricultural commodity
- the extent to which the evidence in the application demonstrates that it will contribute to meeting the outcomes/objectives.

Based on this assessment, the assessment panel recommended grant applications to the decision maker for approval. The decision maker for this program is the First Assistant Secretary, Trade and Market Access Division, the Department of Agriculture, Water and the Environment.

# General feedback for applicants

Successful applicants proposed activities that were eligible, appropriate and considered effective for achieving the program objectives. They demonstrated their suitability for public funding, value for money and met the requirements outlined in the guidelines. Applications included strong responses to all of the assessment criteria.

The feedback is based on the information provided by the assessment panel during the funding round as well as experience from other funding rounds.

#### Writing and providing details

Applications should clearly and concisely address the selection criteria. It is difficult to assess poorly written and verbose applications, so careful editing is advised. The use of sub-headings and dot points can also assist to improve the readability of applications.

A number of applicants did not effectively utilise the word limits in their applications, providing too much background information but not enough detail on the proposed project. Low scoring applications often lacked sufficient detail to describe:

- need for the grant activity applications that provided limited or no details about the need for project activities generally did not score well. The assessment panel need to be able to determine from the application why the proposed activity is needed and how it will address that need. Higher scoring applications may include quantitative evidence to demonstrate the need for the activity.
- project effectiveness applications that did not clearly demonstrate the effectiveness of the
  project to achieve the program outcomes did not score well. Applications that provided a
  measured contribution to the achievements and showed how the project will achieve the
  program outcomes were generally well rated by the assessment panel. Higher scoring
  applications clearly articulated project effectiveness and how each project would contribute
  to program outcomes.

#### Methodology and milestones

Applications should be clear and concise when providing details regarding methodologies and key milestones for the project. In order to assess viable projects and assign funding, methodologies and key milestone for projects are paramount. Several projects lacked clarity in these areas. Milestones are important markers for project development and indicators of deliverables, to ensure the project moves forward as planned.

#### **Budgeting and value for money**

To be eligible for funding, applicants were required to fill out and submit the budget template, which lays out how much money is being requested and justifies its expense. This is a critical part of the application, and it is advised that applicants carefully address all criteria.

Some unsuccessful applicants incorrectly utilised the provided Project Budget template or failed to provide sufficient levels of detail regarding planned spending. In order to accurately and fairly assess projects, a thoroughly planned budget is essential for funding allocation.

Several unsuccessful applications provided insufficient information regarding the project's value for money proposition. A common mistake among unsuccessful applicants was broadly identifying the value of traceability systems, without specifying how and why their project provided good value for money. When addressing this, it is important to focus on the project in question and its individual value, as the grants program has implicitly recognised the importance and value of traceability in its conception.

Additionally, some unsuccessful applicants included large allocations of funding for operational business activities and costs, including staff salaries and general office expenses, which was contrary to the guidelines.

#### **Contribution towards program outcomes**

To be awarded funding, applications needed to clearly demonstrate that the project would deliver the program outcomes.

In general, many unsuccessful applications did not sufficiently demonstrate how their project would contribute to program outcomes, with some projects seeming to have limited relevance to the program. In particular, in order to improve a project's relevance with the program, applicants should consider:

- checking the guidelines to ensure that the proposed project is a good fit for the program
- ensuring that the application clearly demonstrates how the proposed project meets the program outcomes and links project activities to the project outcomes
- justifying the delivery approach.

#### Common failures to meet selection criteria

A number of applications did not meet the specified criteria that clearly demonstrated how they would deliver program outcomes. There are a number of specific areas here that were commonly not addressed. These include failures to sufficiently:

- identify risk within the project areas, and/or provide sufficient mitigation strategies to address risks
- demonstrate how the project builds on existing work and/or research which will then be extended upon using grant funding
- address how projects can be scaled up or expanded to other commodities within or outside of the given industry focus
- demonstrate and/or prove industry support:
  - Requirements of the application included a maximum of 3 letters of support from industry project supporters.
- demonstrate benefits for a broad range of stakeholders:
  - Several of the unsuccessful applications only benefited a small number of stakeholders who would obtain a commercial benefit from their involvement in the project and did not demonstrate wider industry benefits.

#### Capacity to deliver

Unsuccessful applicants commonly did not strongly demonstrate that they have the capacity to successfully deliver the project. To rank highly, applicants should:

- demonstrate their ability to manage Commonwealth grant funding responsibly and effectively
- include a strong focus on the capability to engage relevant expertise, including any technical expertise, required to achieve positive outcomes for all stakeholders
- clearly articulate how they will measure outcomes and progress towards achieving the objectives of the grant opportunity.

# Criteria specific feedback

#### Criterion 1 – The project proposal

Projects selected to be funded provided strong examples on how their project proposal could enhance multiple commodity supply chains and or benefit the whole industry, rather than a single establishment/company.

Strength	Example
Describes how project will enhance agricultural traceability supply chains.	A strong response clearly articulated how the project will enhance supply chains. The details would include the project approach and/or methodology and the benefits to the supply chain.
Describes how the achievement of outcomes will be measured.	A strong response clearly articulated the desired outcomes from the specified project, how the outcomes will be achieved and the methodology for measuring the success of the project's outcomes.
Describes how the project builds on existing work or is in some way linked to existing work.	A strong response linked the specified project to previous strategic work undertaken by industry and/or government, for example, providing consideration to the National Traceability Framework and how the specified project met the objectives of the Framework.
Delivers a project outcome that is applicable to more than one agricultural commodity, and provides opportunities to use this outcome to promote the commodities concerned in international markets.	A strong response demonstrated how a specified project could benefit multiple agricultural commodities. If the project was a trial, then the applicant outlined how the project could be rolled out to other commodities in the future, while considering any potentials impacts of the projects outcomes on international trade.

#### Criterion 2 - Project supporters and stakeholders

Projects selected to be funded provided a strong response to this selection criteria, outlining whether the project has broader industry support and what that level of support might be.

Strength	Example
Identifies at least one project supporter to the project, and details their contribution/involvement (if applicable) in the project.	A strong response identified project supporters and clearly and concisely articulated the details of their contribution/involvement in the project (if applicable). These letters aligned with industry priorities and letters of support were provided by industry supporters, who were not a direct beneficiary of the project.
Describes the stakeholders that relate to the project proposal, their views on the project proposal and how/when they will be engaged.	A strong response was able to demonstrate that industry peak bodies had been engaged in drafting the proposal, and were supportive of the approach, while considering how the industry peak body would be involved in the rollout of the project.

#### Criterion 3 - Project management

Projects selected to be funded provided a strong response on how the project will be managed providing details of, what sets them apart in relation to value for money, capability to deliver and risk management.

Strength	Example
Describes how the project will deliver value for money (that is, why the project is worth investing in).	A good example outlined how the specific project proposal would deliver value for money, detailing why the department should invest in this project, how the project aligned with industry priorities and the broader benefits of the project to the specific industry.
Details capability to deliver the project and, where applicable, provide detail on previous experience in delivering similar projects.	A good example identified resources and clearly articulated how the project will be managed. The submission also detailed the relevant management experience of the project team and how their experience will benefit the delivery of the project.
Describes the risks to the project and how they will be managed.	Risks have been identified and management strategies put in place to mitigate any potential risks.

