



Murray-Darling Basin Regional Economic Diversification Program

Stage 2 – Business Plan Guidelines

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Stage 2 Business Plan

Successful applicants develop and submit a business plan (including budget) for their project by due date for Stage 2. The grant of co-investment funds will be conditional on submission of a satisfactory business plan under Stage 2 and co-investment by the applicant. Once the business plan is approved by the MDB REDP reference panel the business plan is incorporated into the grant agreement and signed by the applicant and department.

Financial assistance will be available to provide support for approved applicants to develop a project/business plan as outlined below.

Funding components	Maximum	indicative	amounts
Project Funding Amount (on a fixed percentage of actual costs basis)	up to \$30,000	\$31,000 to \$60,000	\$61,000 to \$100,000
Business plan assistance (on an actual cost basis)	up to \$2000	Up to \$3000	Up to \$5000

Business Plans.

We encourage successful applicants to utilise the funding provided to engage with an experienced service provider to help with the development of your business plan and a working document that can assist in the delivery of a successful project. The below list of experienced service providers has been compiled to assist you and is by no means a complete list of businesses in the region or in order of preference. The MDB REDP Reference Panel encourages you to engage with a service provider that meets your requirements as a business.

Business Name	Contact Details	Value proposition
Accession 3	Allan Vickers arv@accession3.com 420-422 Ruthven St Toowoomba QLD 4350 07 4613 0311	We are in business to build better futures for our clients. We do this by giving, challenging and collaborating with our clients, focussing on Accounting & Taxation, Business Strategic Planning and Financial Services.
Insight Accounting	Peter Crothers 07 46710711 prc@insightcpa.com	Assistance with the preparation of budgets and business plans that link the applicants proposed activity with the requirements of the MDB Regional Economic Development Plan.
Integra Management Services	Anne Houston 0428 848 923 ann@integramanagement.com.au	Integra produces clear, innovative and workable strategies for their clients. The companies' competitive advantages are identified to find areas that overlap with strong sustainable consumer markets.
Power Tynan	Amanda Kenafake 142 High Street, Stanthorpe P 07 4681 6700 E -ak@powertynan.com.au	Experience over the past 19 years working with clients in horticulture, including apples, stone fruit & vegetables. Power Tynan works with clients to develop Business and succession plans with vast experience in a number of software packages to assist clients.



Co-Investment Funding

Applicants should be aware that funding is subject to availability from the Federal Government. If an application meets the eligibility criteria or receives approval from the MDB REDP Reference Panel, this does not guarantee that the applicant will receive funding under the MDB REDP co-investment scheme.

After the project is approved by the MDB REDP Reference Panel, the grant of funding is still subject to receipt of an acceptable business plan (determined by the department in its absolute discretion) and to the applicant entering into a formal binding written agreement with the department to govern funding expenditure and conduct of the project. Applicants should not commence their projects until the signed agreement is in place.

MDB REDP co-investment funds are available to cover up to a maximum of 50 percent of the total budgeted cost of successful projects and up to a maximum of \$100,000 in any one funding round per project. The applicant is responsible for funding the remaining costs of the project and any budget overruns. If the project comes in under budget, the grant will be reduced accordingly, to ensure it remains within the percentage basis of the grant allocation.

Successful applicants may be considered for future funding rounds and eligibility will be determined by the MDB REDP reference panel at the time of assessment.

Eligible applications

To be eligible for the MDB REDP co-investment funding scheme, the applicant must demonstrate that the applicant/business operation:

- is involved in developing a new high value horticultural value chain located within the QMDB project area or benefiting producers located in the QMDB project area
- is located in the QMDB project area or the project will benefit producers located in the defined project area
- is a farm or post farm gate business
- trades as a sole trader, trust, partnership or an entity incorporated in Australia under any of the following Acts: *Corporations Act 2001* (Cwth); *Associations Incorporation Act 1981* (Qld); *Cooperatives Act 2002* (Cwth); *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (Cwth); an entity incorporated outside of Australia will not be eligible
- is registered for tax purposes in Australia with an Australian Business Number (ABN) and is registered for GST

- is not insolvent or under external administration or receivership and is not subject to any deed of company arrangement, personal insolvency agreement, insolvency proceedings or winding up order
- is willing for the details and outcomes of their project to be publicly disclosed the department. Applicants may reserve trade secrets or commercial in confidence methods or processes.

Eligible projects

Funds are available to support the development of **new, or expansion of existing**, horticulture value chains. Funds are available to support new activities at the production, harvest, handling, processing or marketing stages of the value chain.

The grant scheme will fund up to 50% of total **establishment** costs of a **new** project that will help establish **new** horticulture value chains in the Balonne and Goondiwindi regional council areas, up to a maximum amount of \$100,000 for out-of-pocket expenses. In general, funding will only be available to support the establishment costs of new activities and not ongoing operational costs.

Out of-pocket-expenses are direct costs incurred and paid by the business and must be supported by a valid Tax Invoice or other means of justifying the cost, and could include (but are not limited to) the following:

- purchasing, building, upgrading:
 - Equipment, eg machinery, grading machines, packaging machines, irrigation equipment, crop monitoring, processing or grading hardware or software
 - Production and processing facilities, eg cold rooms, packing sheds,
 - Protected cropping structure eg netting, tunnels, shadehouses etc
 - Crop support structures eg trellises, hydroponics systems
 - Earthworks for irrigation etc
- Engaging consultants to develop and implement new markets or business systems eg quality assurance systems (manuals, staff training, certification costs), HR Systems (management structures, compliance, policies & procedures etc), irrigation systems design
- Travel associated with developing new markets
- Establishment rootstock for perennial crops
- Machinery fuel and operating costs directly attributable to the project

The costs of staff labour and business owner labour associated with a project can be counted as total project costs but not as out-of-pocket expenses.

Items NOT eligible for funding

- Ongoing operational costs not directly associated with the establishment of a new project (eg fertiliser, seed, etc)
- Land rental
- Interest & loan repayments
- Insurance etc
- Administration expenses
- Project management fees
- Feasibility studies

Grant objectives

The objectives of the grant scheme are to increase economic activity in the project region through:

- Supporting innovative businesses, both farm and post farm gate, to enter new high value horticultural value chains.
- Creating new employment opportunities as a direct result of farm and post farm gate diversification.
- Increasing the level of investment in both new and existing infrastructure to assist future effective value chain management.
- Assisting businesses to access new export markets, thereby increasing the value and overall volume of exports from the region.
- Fostering new partnerships and collaboration between businesses to achieve long term sustainable projects.
- Developing new value chains that will allow for better utilization of existing skills and capacity in the project area.

The grant seeks to encourage and support new businesses, both farm and post farm gate, that will contribute to diversifying the regions agricultural economy and increase economic activity within the project area.

Key dates

Funding Round 2, 2015/16 financial year:

Opening date	Stage 1 - application closing date	Applicants notified of outcome	Stage 2 - Required business plan from successful applicants
Friday 4 March 2016	Friday 29 April 2016	In due course after closing date	Monday 27 June 2016

Stage 2 – Business plan

Successful Stage 1 applicants will be required to submit a business plan for the project by the due date for Stage 2 of the funding round, which must include:

- an outline of timeframes,
- a breakdown of the overall project cost/budget,
- a cost/benefit analysis of the project and
- further detail on the key components of the project.

Stage 2 – Business plan format

The business plan should follow the format below:

Key components of project plan	Description
Project Aim – Aim of the project, clearly define your project outline (valued proposition)	At the beginning of your project plan it is important to accurately describe your current business, clearly outline the project proposal, define how you intend to deliver successful project outcomes and how the project aligns with the grant objectives.
Project Deliverables - Description of the project deliverables.	Deliverables are "outcomes" produced as a result of the project undertaken, outline the key components of the project, deliverables and what is required in order to produce and meet the project goals.
Key stakeholders	Consideration should be given to external key stakeholders that will be required for the successful completion of the project. This may include wholesale agents, transport logistics, marketing, Regional Council requirements, understanding target customer or any other external factors that may influence the project
Project scheduling	Clearly define project timeframes and when project outcomes will be delivered.
Project Resources – Outline resources required to undertake project.	What are the resources required to successfully complete the project including staff, knowledge and skills. This may include intended management structure, defined roles in the organisation and key decision makers.
Project finances and budgets -	Clearly document project financials for the completion of project, list your key financial objectives, including cash flow budgets, profit and loss forecast and any research undertaken in developing these figures.
Co-Investment funding – Clearly outline what grant funding will cover.	Ensure that you are clear on what the funding will be used for, outline in detail what the co-investment funding will purchase and your co-contribution of cash and in-kind, up to the required 50% of the allocated funding.

Key components of project plan	Description
Regional project benefits – Outline regional benefits the project will deliver.	Quantify the regional benefits the project will deliver through improved economic activity, including creation of new employment opportunities, increased level of investment in both new and existing infrastructure and flow on benefits to other businesses in the region.
Cost / benefit analysis -	A cost benefit analysis is used to evaluate the total anticipated cost of a project compared to the total expected benefits in order to determine whether the proposed implementation is worthwhile.
Risk Analysis – Analysis of project risks (e.g. financial, operational, market)	Describe the project risks and how you will manage them.(template provided)
Market Research -	Describe what statistical research you have undertaken to help analyse your target market, including size of market, emerging trends, potential growth and projected sales.
Project Monitoring – How will the project be monitored	Describe in detail how the project will be monitored to allow timely reporting through to fund co-ordinator.
Project Summary -	Summary of the information above, including your goal, objectives and vision for your business. This could include an outline of the next steps on completion of this project – is further funding required?

Funding agreement

If the projects business plan is assessed and approved by the MDB REDP Reference Panel, the applicant will need to enter into a comprehensive written grant agreement with the department (substantially in the form and on the terms attached), including provision for at least matters such as:

- Requirement/confirmation that appropriate insurance cover is held by the applicant;
- Negotiation of milestones and reporting that are satisfactory to the department, with completion before 30 June 2017 required at the latest;
- where there is more than one party comprising the applicant, joint and several liability;
- risk allocation satisfactory to the department, including release/indemnity in favour of the department;
- comprehensive intellectual property licence to the department;
- consent to release information about the details and outcomes of the project publicly;
- other relevant provisions to ensure accountability for the grant of public funds and assess whether the grant objectives are being met;
- provisions requiring the applicant's acknowledgement of the financial co-investment in any publicity about the project.

Future funding is likely to have a similar process; however potential applicants should regularly check the department's website for updated processes, guidelines, eligibility criteria and application forms.

Submitting Stage 2 Business Plan

Please submit completed application form before 5pm, **Monday 27 June 2016** to:

Post: Justin Heaven
Senior Industry Development Officer
Department of Agriculture and Fisheries
Applethorpe Research Station, New England Highway, Applethorpe Q4378
Po Box 501, Stanthorpe QLD 4380

Email: justin.heaven@daf.qld.gov.au

For more information, contact us on 13 25 23 or visit us at www.daff.qld.gov.au