

VICTORIAN FORESTRY PLAN

Timber Innovation Grants Program

Round One

Application Guidelines
October 2020

Background

Over the last ten years, the availability of native timber for harvesting has decreased by around half, due mainly to bushfires and setting aside forest for wildlife protection. At the same time, consumer and retailer demand has grown for plantation timber products.

The Victorian Government has developed the Victorian Forestry Plan to assist the timber industry as it manages its gradual transition away from native forest harvesting to a plantation-based timber supply.

Under the 30-year plan, a \$120 million package will provide workers, businesses and communities the time and the support they need for this transition.

Round One Grants

DESCRIPTION AND OBJECTIVES

The objective of the Timber Innovation Grants Program is to assist businesses directly affected by the Victorian Forestry Plan to adapt, explore and investigate alternative sources of timber or manufacturing opportunities. The Timber Innovation Grants Program is intended to support Victorian forestry businesses:

- explore opportunities to process or manufacture using plantation timber feedstock
- develop new products using plantation timber
- explore processing, harvest and haulage of alternative fibre
- investigate downstream manufacturing opportunities using alternative fibre.

Further rounds of the Timber Innovation Grants Program are planned for release during 2022.

FUNDING ASSISTANCE

Timber Innovation Grants Program will provide grants of up to \$100,000. Larger grants may be considered for projects that are likely to lead to early or considerable investment in plantation timber processing, manufacturing or other transformative industries and where there is a significant co-contribution by the applicant.

WHO CAN APPLY?

Applications for a Timber Innovation Grants Program grant are invited from businesses that:

- either:
 - hold a current VicForests Timber Supply Agreement; or
 - hold a Forest Produce Licence issued by VicForests; or
 - are a timber harvest and / or haulage business with a current VicForests agreement
- have an Australian Business Number (ABN)
- conduct business operations within Victoria
- meet all the industrial relations obligations as an employer in accordance with the National Employment Standards under the *Fair Work Act 2009 (Cth)*.

ELIGIBLE PROJECT ACTIVITIES

Activities funded under the Timber Innovation Grants Program include (but are not limited to):

- feasibility studies
- the engagement of consultants or research expertise
- new product design or development (engineering or design expertise to develop prototypes)
- investigation into alternative timber supplies
- process innovation
- enhancements to the productivity of manufacturing processes
- exploration of opportunities to undertake industry partnerships activities.

The following activities would generally not be considered for a Timber Innovation Grants Program:

- event sponsorship
- requests for retrospective funding, where projects have commenced (i.e. equipment purchased, contracts entered into or construction has begun) or have been completed prior to receiving funding approval
- projects requiring ongoing funding from the Victorian Government
- ongoing operating costs or salary subsidies
- costs to meet regulatory requirements
- purchase of vehicles
- purchase of property
- telecommunication service improvements and access road upgrades.

FUND DETAILS

Duration of the funded project

A project funded by the Timber Innovation Grants Program must be completed within two years unless otherwise agreed.

The completion of the project within the timeframe will be a legally binding commitment in the grant agreement.

Condition of applying

These guidelines and any discussions you may have with a representative of the Department of Jobs, Precincts and Regions (department) are for information only and do not constitute advice.

Applicants should seek independent advice before making an application or entering into a grant agreement.

Applications are at the cost of the applicant.

The department makes no representation that a grant of funds will be made to any applicant and reserves the right to make no funds available under the Timber Innovation Grants Program.

Application and Assessment Process

APPLICATION OPENING AND CLOSING DATES

Applications for the Timber Innovation Grants Program will open in October 2020 and will close on 31 March 2022, unless funds are fully expended prior to this date. Applications may be submitted at any time between the opening and closing dates. Applications submitted outside of these dates will not be considered.

APPLICATION PROCESS

To ensure the suitability of projects, all applicants will need to undertake the following process.

Step 1: Prior to application

Prior to submitting an expression of interest form, applicants are advised to:

- read these guidelines to establish eligibility
- discuss the proposed project with a Victorian Forestry Plan representative on P: 1800 318 182 or E: victorianforestryplan@djpr.vic.gov.au

Step 2: Expression of interest form

- complete an expression of interest form including a short description of the project, the nature of the project, timeline, benefits and costs.
- The expression of interest form and instructions can be found at rdv.vic.gov.au/grants-and-programs/timber-innovation-grant-program/eoi

Applicants should note that projects may not proceed to the formal application and assessment process where the project does not meet the objectives of the program.

Step 3: Prepare an application

In preparing an application for financial assistance through the Timber Innovation Grants Program, a Victorian Forestry Plan representative will email the application form link directly to the applicant. Formal applications are required to be submitted within 90 days of the date of invitation to apply.

Additional documentation to support the project such as previous research or studies, feasibility studies, business cases, business plans or letters of support should be attached to the application.

Step 4: Assessment process

All eligible applications will be evaluated by an assessment panel who will make recommendations to the Minister for Agriculture and any other relevant ministers for final consideration.

The department assessment panel will review the applications against the following criteria (see next page):

ASSESSMENT CRITERIA

ASSESSMENT CRITERIA	WEIGHTING
<p>1. Project Quality</p> <p>Assessed on:</p> <ul style="list-style-type: none"> the quality of the proposed project to support the business to transition away from dependence on native timber supply by adapting and exploring alternative sources of timber or manufacturing the alignment of the project with the objectives of the Timber Innovation Grants Program (see page 2) <p>Threshold requirements</p> <ul style="list-style-type: none"> the project is reasonably well outlined, scoped and shows how it will support the business to transition away from native timber supply. 	<p>40%</p>
<p>2. Project Impact</p> <p>Assessed on:</p> <ul style="list-style-type: none"> the extent to which the proposed project has the potential to deliver outcomes for the business to support its transition from native timber supply, including productivity benefits, development of new products, access to new markets and the ability to employ people. <p>Threshold requirements</p> <ul style="list-style-type: none"> the applicant has identified outcomes and benefits from the project that are realistic to the scope of the proposed project and articulates how the project will support the long-term goals of the business. 	<p>40%</p>
<p>3. Organisational Capability and Capacity</p> <p>Assessed on:</p> <ul style="list-style-type: none"> the extent to which the business has the required resources and skills to manage and implement the project, including a budget. <p>Threshold requirements</p> <ul style="list-style-type: none"> the application includes a reasonable implementation plan outlining the key project people, budget and other resources required and has identified a timeline. 	<p>20%</p>

Step 5: Due diligence

A financial risk assessment will be required for grants greater than \$50,000. Applicants will be required to submit their past three years Australian Taxation Office compliance reports (balance sheet and profit & loss statements).

Where the latest financial report is more than six months old, up-to-date management or interim accounts (profit & loss and balance sheet) will be requested.

Step 6: Funding agreement

Approval

An applicant should expect to learn the outcome of their application for a Timber Innovation Grants Program grant in approximately twelve weeks from the time of submitting an application.

All applicants will receive a letter confirming the outcome of the application. Feedback will be provided to the unsuccessful applicants by the department.

Funding agreement

Applicants who are approved will be issued with a letter of offer that remains valid for 30 days.

The applicant accepts the letter of offer which is a non-binding legal agreement until the execution of the formal grant agreement between both parties. The grant agreement will be provided by the department and will set out the terms and conditions upon which the government provides the grant.

Details of the project will remain confidential until the project is formally announced by the Victorian Government.

Compliance and Governance

INFORMATION ONLY

The department reserves the right to make changes to these guidelines as required. Any changes to the guidelines will not affect the eligibility of the applicants and applications made prior to the date of publication of any update.

PROJECT COSTING TREATMENT OF GST

Applicants should note that all project costs included in the application must be exclusive of GST.

Applicants must have an Australian Business Number (ABN) and be registered for GST or provide written advice from the Australian Taxation Office that no withholding tax is required to be withheld from the grant payment.

CONDITIONS OF FUNDING

Successful applicants will be required to enter into a grant agreement with the department detailing all funding obligations and conditions.

Grant agreements are legally enforceable documents that clearly set out the obligations of both parties. The grant agreement aims to protect the Victorian Government's interests and ensure the efficient and effective use of public money.

It also ensures there is appropriate recognition of Victorian Government support in project-related publications, media releases and promotional material.

Grant agreements can be signed by an authorised person to bind the organisation and will:

- describe the purpose for which the funding must be used
- set out any requirements or conditions that must be met prior to the payment of a grant instalment
- outline agreed milestones and project outcomes that must be achieved before payment of a grant instalment.

Once the grant agreement has been signed, the applicant will be required to actively manage and deliver the project and provide accurate progress reports to the department. During a project, the department may conduct site visits as necessary.

Successful applicants must execute a grant agreement and commence the project within three months from the date of the funding offer.

If a project does not commence within this timeframe the grant will be reviewed by the department.

Monitoring, evaluation and reporting

Successful applicants will be required to cooperate with an evaluation which is undertaken during and/or after completion of the project.

After completion of the project, applicants must submit annual evaluation reports assessing the project's success in meeting its stated objectives, outputs and outcomes. Depending on the significance of the project, these evaluation reports may be required for up to three years following completion of the funded project.

The department reports on grants and programs it administers. The reporting includes the identity of successful applicants and projects, and where applicable, deviates from or expectations to the assessment and approvals processes set out in these guidelines.

Acknowledgement

Successful applicants must liaise with the department to coordinate any events or announcements related to the activity. Successful applicants may be required to contribute information on activity outcomes for the state to use in communications materials.

Further support

A representative of the department will be available to provide additional support to applicants particularly to identify specific requirements and broader opportunities for each participant business.

A Victorian Forestry Plan representative will help determine the project's eligibility before an application form is completed. Applicants requiring further information should contact a Victorian Forestry Plan representative on P: 1800 318 182 or E: victorianforestryplan@djpr.vic.gov.au for further details.

Privacy

Any personal information about the applicant or a third party in the application will be collected by the department for the purpose of grant administration. This information may be provided to other Victorian Government agencies for the purposes of assessing applications.

If personal information about third parties is included in the application, the applicant must ensure that those third parties are aware of the contents of this privacy statement and the contents of the Department of Jobs, Precincts and Regions Privacy Policy available from the Privacy Officer (details below).

Any personal information about the applicant or a third party in correspondence will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the *Privacy and Data Protection Act 2014 (Vic)*, *Health Records Act 2001 (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 is available from:

Privacy Officer

Department of Jobs, Precincts and Regions
GPO Box 2392
Melbourne, VIC 3001, AUS
Email: privacy@ecodev.vic.gov.au

Enquiries about access to information about you held by DJPR should be directed to:

Freedom of Information Manager

Department of Jobs, Precincts and Regions
GPO Box 2392
Melbourne, VIC 3001, AUS
Email: foi@ecodev.vic.gov.au

Step-by Step Application Guide

Read the Program Guidelines to establish eligibility

Discuss the proposed project with your Victorian Forestry Plan representative

Complete Expression of Interest Form

Applicant will be advised of the Expression of Interest Outcome (successful/unsuccessful)

Successful applicants will receive a formal application request which must be submitted within 90 days of the date of invitation to apply

Applicant will receive a letter confirming the outcome of the application (successful/unsuccessful)

Successful applicants will receive a letter of offer, valid for 30 days

The department issues a grant agreement outlining the scope of the project, milestone and activity deliverable dates

Project commences

Payments are made on evidence of the project milestones being met and completed

Post Completion Evaluation Report

Authorised by the Department of Jobs,
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vic.gov.au/forestry

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W: vic.gov.au/forestry

