

FORESTRY TRANSITION PROGRAM

# Transition Fund – Round Two

APPLICATION GUIDELINES  
NOVEMBER 2024



### **Acknowledgment**

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices. We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

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### **Accessibility**

If you would like to receive this publication in an alternative format, please telephone the Forestry Transition Program representative on 1800 318 182, email [forestrytransition@deeca.vic.gov.au](mailto:forestrytransition@deeca.vic.gov.au). This document is also available on the internet at [vic.gov.au/forestry](http://vic.gov.au/forestry).

# Contents

<b>1. Background</b>	<b>4</b>
<b>2. Overview of the Transition Fund</b>	<b>4</b>
<b>3. Eligibility</b>	<b>5</b>
3.1 Eligible businesses and organisations	5
3.2 Eligible locations	5
3.3 Eligible funded activities	5
3.4 Ineligible activities	5
<b>4. Funding</b>	<b>6</b>
4.1 Co-contributions	6
4.2 Funding conditions	6
<b>5. Application process</b>	<b>7</b>
<b>6. Application assessment and approval</b>	<b>7</b>
6.1 Expressions of Interest assessment	7
6.2 Application assessment	7
<b>7. Offer and grant agreement</b>	<b>9</b>
<b>8. Payments, monitoring, evaluation and reporting</b>	<b>9</b>
<b>9. Terms of applying</b>	<b>9</b>
<b>10. Privacy</b>	<b>10</b>
<b>11. Key dates</b>	<b>10</b>
<b>12. Further support</b>	<b>10</b>
<b>Appendix 1 – Employment Incentive</b>	<b>11</b>

## 1. Background

The Forestry Transition Program provides support for workers, businesses and communities who are impacted by the cessation of commercial native timber harvesting in Victorian State forests.

The program has funding to support the creation of jobs and economic development through the following grant programs:

- the \$36 million Forestry Transition Fund aims to support the creation of jobs and economic activity through business development in communities affected by the forestry transition
- the \$35 million Victorian Timber Innovation Fund (VTIF) is supporting impacted native forestry businesses to transition into other industry sectors including the plantation fibre sector
- the Local Development Strategy (LDS) is funding 11 communities most at risk because of the transition to identify economic diversification opportunities to support their transition to new and sustainable industries
- the \$22 million Community Development Fund (CDF) is supporting the early implementation of opportunities identified through the LDS program.

## 2. Overview of the Transition Fund

The Forestry Transition Fund – Round Two (this Round) is available primarily to support job creation, particularly for displaced timber workers, in localities significantly impacted by the transition from native timber harvesting including the eleven towns and communities that have an LDS. Funding will also be available in other Victorian towns or communities where there has been a demonstrated impact on local economies and employment due to the forestry transition.

Approximately \$12 million of funding is available through this contestable funding Round. Further rounds may be available in the future.

Allocation of the funding will be guided by the following principles:

- funded projects are to offer good value-for-money for the State's contribution
- funds will be spent primarily in towns or communities that are particularly vulnerable to the industry transition due to:
  - the number of affected jobs in the town or community
  - impacted jobs to population ratio
  - the remoteness of the town or community
  - the level of disadvantage experienced in the community.

The Forestry Transition Fund is administered by the Department of Energy, Environment and Climate Action (the Department).

## 3. Eligibility

### 3.1 Eligible businesses and organisations

Applications for the Round will be accepted from:

- private sector businesses
- business and industry groups including but not limited to:
  - chambers of commerce and business associations
  - industry peak bodies
  - business and industry clusters and networks (noting that a cluster or network would need to nominate a business or entity to enter into the funding agreement and take on primary responsibility and liability for delivering the project)
  - incorporated not-for-profit organisations that operate as a business
  - Local Government Authorities.

Note that:

- all applicants must have an ABN and be registered for GST
- for businesses, applicants must be the owner and/or the operator of the business
- all applicants must commit to meeting all industrial relations obligations as an employer in accordance with the National Employment Standards under the *Fair Work Act 2009* (Cth)
- all applicants must abide by the Buying for Victoria **Supplier Code of Conduct**.

### 3.2 Eligible locations

This Round supports job creation and business development in towns affected by the Forestry Transition Program.

Applications will be considered from eligible businesses or organisations operating in or near Benalla, Corryong, Heyfield, Koondrook, Murrindindi (Alexandra, Taggerty, Buxton and Marysville), Noojee, Nowa Nowa, Orbost, Swifts Creek, Yarra Ranges (Yarra Junction, Warburton and Powelltown) and Yarram.

Applications will also be considered from other regional Victorian towns or communities where there has been a demonstrated impact on local economies and employment due to the forestry transition.

### 3.3 Eligible funded activities

Activities that may be eligible for funding include:

- the expansion of existing or development of new facilities such as factories, offices or shops
- the introduction of new technologies, innovations, plant and equipment, systems and processes to improve business growth.

Note that:

- projects funded through Transition Fund – Round One or other Victorian or Commonwealth Government grants may be eligible provided that the outputs of the projects are different
- project management activities (capped at 10% of the funded amount)
- businesses that are eligible for the Victorian Timber Innovation Fund must apply via that funding stream.

### 3.4 Ineligible activities

The following activities will not be considered for funding through this Round:

- requests for retrospective funding, where projects have commenced (i.e. equipment purchased, contracts entered into or where construction has begun) or have been completed prior to receiving funding approval
- projects requiring ongoing funding from the Victorian or Commonwealth Government
- projects undertaken by the private sector as a result of an existing Victorian or Commonwealth Government contract
  - projects normally funded through Australian, state or local government sources
  - ongoing operating costs or salary subsidies
  - projects primarily to meet regulatory or compliance requirements
  - purchase of vehicles, unless they are directly required for the proposed job creation (that is, they would not be used for business-as-usual activities)
  - event sponsorship
  - purchase of property
  - access road upgrades
  - items of stock
  - assets that were previously compensated through the Forestry Transition Program
  - activities that have received previous funding from the Victorian or Commonwealth Government.

## 4. Funding

Funding for the Transition Fund – Round Two will be \$12 million for the 2024-25 financial year.

Grants of \$10,000 to \$1.0 million (excluding GST) are available.

Successful grant applicants will also be eligible to apply for a Transitioning Timber Worker Employment Incentive Payment of up to \$20,000 per transitioning timber worker employed by the grant recipient as part of the funded project – see Appendix 1. This is in addition to funding provided for the project itself. Applicants are not able to claim this payment for themselves.

Grants over \$500,000 (excluding GST) will need to obtain and comply with the Fair Jobs Code<sup>1</sup> and Local Jobs First<sup>2</sup> policy.

The amount of funding to be given to any eligible applicant will be determined through the assessment of the application against the program’s assessment criteria, in particular the number of jobs that will be created – see ‘Application assessment and approval’ section.

### 4.1 Co-contributions

Applicants are expected to contribute their own funds towards the project including loans from financial institutions or equity from business investors.

In addition to their own contribution, applicants may seek additional funding for the project from a range of sources, including:

- grants from the Australian Government
- contributions from Local Government Authorities
- contributions from utility/service providers.

**Table 4.1 provides the co-contribution funding ratios.**

Total cost of project activities eligible for funding	Applicant contribution	Department contribution	Total
\$10,000 to \$250,000	\$0.50	\$1.00	\$1.50
>\$250,000	\$1.00	\$1.00	\$2.00

Note that:

- in-kind contributions will not be considered as part of the project costs in calculating the level of applicant contribution
- the Department’s contribution will be calculated based on the applicant’s contribution excluding additional funding from the Australian or

Victorian Government, contributions from Local Government Authorities or contributions from utility/service providers

- for applicants who received funding through the Transition Fund - Round One, the total project cost and the amount already funded through the Fund will be considered when determining the co-contribution amount for this Round
- applicants must identify the source of all funding sources at the time of application
- funding may be awarded at a different ratio to that in Table 4.1 if the State decides that the nature of the applicant organisation, previous grant funding received through the Forestry Transition Program, job creation and/or the location of the project warrants a different level of financial support.

### 4.2 Funding conditions

Applicants should note:

- for start-up businesses, some funding will be provided in arrears of evidence of job creation
- a lower grant amount than that requested may be offered to a successful applicant
  - all project costs included in the application must be exclusive of GST
  - funded equipment must remain in the ownership of the grant recipient, as per terms of the grant agreement
  - grants for start-up companies or companies that cannot provide three years audited financial statements will be capped at \$50,000 (excluding GST)
  - successful applicants will be required to enter into a grant agreement with the Department. The grant agreement is a legally enforceable document that clearly sets out the obligations of both parties. The grant agreement aims to protect the Victorian Government’s interests and to ensure the efficient and effective use of public money
  - the Department reports publicly on the grants and programs it administers. The reporting includes the identity of successful applicants and projects
  - the applicant must not disclose publicly any funding outcome until approved by the Department.

<sup>1</sup> <https://www.buyingfor.vic.gov.au/fair-jobs-code>

<sup>2</sup> <https://localjobsfirst.vic.gov.au/key-documents>

## 5. Application process

### Step 1: Prior to Expression of Interest (Eoi)

All applicants will need to go through the following process:

- read these application guidelines carefully to establish the proposed project's eligibility
- discuss the proposed project and its eligibility with a Forestry Transition Program Business Transition Co-ordinator on **1800 318 182** or email **Forestry Transition**.

### Step 2: Expression of Interest

To participate in this Round, potential applicants must complete an Eoi form that is available at **DEECA Forestry Grants**.

Refer to 6.1 for the Department's assessment of the Eoi.

### Step 3: Prepare an application

Invited applicants will prepare and submit an application using the individualised link sent by the Department on confirmation of the Eoi's eligibility. The submission must be submitted by a person with authority to bind the organisation.

Applications are to include financial statements (audited profit and loss statements and balance sheets for government agencies and not-for-profit organisations) covering the last three financial years and may include documentation to support the project such as:

- material demonstrating alignment with the Local Development Strategy (if applicable)
- a feasibility study
- a business plan, including financial forecasts. For projects with a total project cost of more than \$500,000, a business plan must be prepared by an external business advisor
- risk analysis
- letters of support from local government or community organisations, including Local Development Strategy host agencies.

## 6. Application assessment and approval

### 6.1 Expressions of Interest assessment

The Department will assess the Eoi to determine whether the application is:

- from an eligible entity
- for an eligible location
- for an eligible activity
- based on the information and evidence that is true and correct; and
- is submitted by the Eoi closing date.

The Department may request clarification of the information provided, ask for additional information or validate the information provided before assessing the eligibility of the Eoi. The Eoi cannot be assessed until the information requested is provided within the timeframes specified by the Department.

The Department will assess Eois in batches upon receipt of more than one Eoi, with the timing of the assessments to be at the Department's sole discretion.

### 6.2 Application assessment

The application will be assessed by a departmental assessment panel against the following criteria. Applicants must demonstrate how the proposed project meets the assessment criteria.

Assessment criteria	Assessment considerations	Weighting
<b>The ability of the project to meet the objectives of the Transition Fund – Round Two</b>	<ul style="list-style-type: none"> <li>The number of permanent jobs that will be created through the project in a town or community affected by the forestry transition</li> <li>The relevance of those jobs for affected native timber workers or their families</li> <li>The amount of economic activity the project will generate in an affected town or community</li> <li>The alignment of the project with the town or community's Local Development Strategy, where that strategy exists, or other Government priority initiatives.</li> <li>Whether or not the project is ready for an imminent start</li> <li>Whether or not a local procurement approach will be adopted including the ongoing use of local suppliers</li> </ul>	<b>50%</b>
<b>Organisational capability and capacity</b>	<ul style="list-style-type: none"> <li>How well the project has been planned (including relevant business planning, forecasting and market analysis activities completed)</li> <li>The extent to which the business or organisation has or will have the required resources, budget and skills to deliver the project</li> </ul>	<b>20%</b>
<b>Risk</b>	<ul style="list-style-type: none"> <li>The risks of the project and the effectiveness of the strategies that are in place to mitigate them</li> <li>The outcomes of the Financial Risk Assessment, if required</li> <li>The likely success of the project</li> <li>The amount of co-contribution</li> <li>The applicant's previous conduct with the Victorian Government<sup>3</sup> and previous record of meeting workplace safety or workplace industrial law.</li> </ul>	<b>30%</b>

The Department may request the applicant provide further information should it be deemed necessary.

### Due diligence assessment

The Department may undertake due diligence checks on the EoI, the application or the applicants.

Such checks may include:

- financial risk assessment – for a grant request of more than \$50,000 (GST exclusive) where applicants are not exempt (e.g. Local Government Authorities)
- the Australian Business Number (ABN) registration and status including GST
- business regulator check – this may be undertaken to verify business details provided with the Australian Business Register, Australian Securities and Investment Commission, Australian Charities and Not-for-profits Commissioner, Consumer Affairs Victoria and/or other applicable regulators.

### Application recommendation and approval

The departmental assessment panel will make recommendations to the Minister for Agriculture for funding.

All decisions on all matters in recommending and awarding grant funding under this Program is at the absolute discretion of the Department and the Minister for Agriculture. This includes recommending or awarding a lesser amount than sought, or not awarding any amount.

<sup>3</sup>. Refer to [buyingfor.vic.gov.au/supplier-code-conduct](http://buyingfor.vic.gov.au/supplier-code-conduct).



## 7. Offer and grant agreement

Successful applicants will receive a letter of offer to enter into a grant agreement with the Department. Applicants have 15 business days to accept the letter of offer. Upon accepting, a grant agreement will be issued.

Applicants have 20 business days to sign the grant agreement which will then be countersigned by the Department.

## 8. Payments, monitoring, evaluation and reporting

The grant agreement may contain one or more milestones that will need to be met before payments are made.

The Department will determine the timing and amount of milestone payments in its sole discretion.

Successful applicants will be required to cooperate with an evaluation which is undertaken during and/or after completion of the project for use in program evaluation reviews and Department marketing materials.

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.

Successful applicants may be required to contribute information on project outcomes, including longer-term impacts beyond project completion, for use in program evaluation reviews and departmental marketing materials. It is the responsibility of successful applicants to put in place adequate collection arrangements to capture the appropriate data in relation to outputs and outcomes.

These arrangements will assist the Department to undertake a robust evaluation of the Forestry Transition Program's Transition Fund.

The Department reports on grants and programs it administers. The reporting includes the identify of successful applicants and projects and, where applicable, deviations from or exceptions to the assessment and approvals processes set out in these guidelines.

Monitoring, evaluation and reporting requirements will be specified in the grant agreement.

## 9. Terms of applying

### Absolute Discretion

The Department reserves the right to amend these guidelines and the application terms at any time as it deems appropriate.

### Disrepute

The Department may at any time, remove an applicant from the application and assessment process, if in the Department's opinion association with the applicant may bring the Department, a Minister or the State of Victoria into disrepute.

### Conflict of Interest

Applicants must advise the Department of any real or perceived conflict of interest relating to a project for which it has applied for funding.

Conflicts of interest for Victorian Government staff will be handled as set out in the Code of Conduct for Victorian Public Service Employees (Section 61) of the *Public Administration Act 2004* (Vic).

### Information only

These Guidelines and any discussions you may have with a departmental representative 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.

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.

## 10. Privacy

Any personal information about you or a third party in your application will be collected by the department for the purposes of administering your grant application and informing Members of Parliament of successful applications. Personal information may also be disclosed to external experts, such as members of assessment panels, or other Government Departments for assessment, reporting, advice, comment or for discussions regarding alternative or collaborative grant funding opportunities. If you intend to include personal information about third parties in your application, please ensure that they are aware of the contents of this privacy statement.

Any personal information about you or a third party in your correspondence will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the Privacy and Data Protection Act 2014 and other applicable laws.

## 11. Key dates

<b>Round Two Expressions of Interest open</b>	<b>Thursday 7 November 2024</b>
<b>Round Two Expressions of Interest close</b>	<b>5:00 pm Friday 29 August 2025</b> Unless the program is fully subscribed by that date, in which case the Department will advertise that Round Two is closed
<b>Round Two closes</b>	Applications must be received by <b>5:00 pm Friday 31 October 2025</b>
<b>Successful applicants agree and sign the grant agreement</b>	<b>Within 15 business days</b> from the date the Department provides them with the grant agreement, otherwise the offer will lapse

## 12. Further support

### Further information

Applicants requiring further information about the Transition Fund or other Forestry Transition programs should contact their Forestry Transition Program Business Co-ordinator for further details.

P: **1800 318 182**

E: **Transition Fund**

W: **DEECA Forestry Grants**

The Guidelines will also be made available at the following website: **DEECA Forestry**.

# Appendix 1 – Employment Incentive

## Overview

The Employment Incentive provides businesses with additional funding to hire displaced native timber workers.

Projects supported by the Transition Fund which employ former native timber workers may apply for a \$20,000 employment incentive for each worker, in addition to any project funding requested.

## Eligibility

To be eligible, applicants must:

- have a good workplace safety record
- have a history of meeting all industrial relations responsibilities
- employ a worker on an ongoing basis who:
  - is unemployed or employed on a casual basis when they are recruited, and
  - was made redundant, or their casual employment was terminated by their employer as a direct result of the forestry transition, and
  - received a Government Top-Up Payment through the Worker Support Program
- provide evidence of a written ongoing employment contract with the employee within 30 days of commencing employment.

## Exclusions

The incentive is not available:

- to former native timber workers who employ themselves within their own business
- for the employment of a previous employee of a business that the applicant was or is a director.

## How does the \$20,000 payment work?

- For successful applications, \$10,000 (per full time equivalent role) will be paid upon the provision of evidence of the employee's engagement by the business.
- The remaining \$10,000 (per full time equivalent role) will be paid after 12 months of continuous (per full time equivalent role) employment. The remaining \$10,000 will not be paid if the employee leaves before 12 months.

## How do employers recruit workers?

- The business must contact ForestWorks to identify potential employees.
- ForestWorks will undertake a pre-screening process to ensure that the employer is appropriate and is willing to provide ongoing employment for the prospective new employee.
- The business engages the employee.
- If required, ForestWorks can create a training plan and use training funds to provide the new employee with relevant and required training.

## What if the employment ends?

- If the employment is ended by the employer for a reason other than misconduct or poor performance, DEECA may seek a refund of any incentive payments paid to date
- If the employment is ended by the action of the employee (e.g. voluntary separation), the employer may keep any incentive payments that they have already received but will not receive the final payment.

