

Community Forestry Support Package

The Community Forestry Support Package is a payment the Victorian Government will make to Forest Produce Licensees and firewood operators with a VicForests Timber Sales Agreement ahead of Forest Produce Licences for small-scale timber production ending on 30 June 2024.

Businesses can receive:

- a volume compensation payment
- a payment of up to \$1,000,000 for non-fully depreciated plant and equipment used for native timber harvesting or processing operations
- a reimbursement payment for any employee statutory redundancy costs.
- up to \$50,000 for site rehabilitation and remediation for licensees and agreement holders with an annual allocation of 1,000 tonnes or cubic meters or more over one or more agreements or licences and intend to cease operating as a processor of forest products.

Any workers that are made redundant as a result of a business taking a package are eligible for the [Forestry Worker Support Program](#) delivered by ForestWorks.

Who is eligible?

To be eligible to apply applicant businesses must:

- be a community forestry operator that holds a Forest Produce Licence or Forest Produce Agreement issued or administered by VicForests for timber supply in 2022-23 and/or 2023-24, that is not for the sole purpose of storm or bushfire salvage operations, as a one-off FPL or FPA for a defined period of time for a specific location; or
- be a non-contractor firewood customer that is party to a Timber Sale Agreement with VicForests for timber supply in 2022-23 and 2023-24; and

All businesses must:

- hold a current registered Australian Business Number (ABN), and
- declare that they meet all industrial relations obligations as an employer in accordance with the National Employment Standards under the *Fair Work Act 2009* (Cth) if they are an employing business.

Compensation

Component 1 – Volume compensation

Forest Produce Licensees

The Department will pay eligible Forest Produce Licence holders (including those who hold a Forest Produce Agreement) set rates for:

- the Annual Supply Level volume for 2022-23 and 2023-24 as per the relevant FPL

MINUS

- any volume taken during 2022-23 and 2023-24.

Timber Sales Agreement holders

The Department will pay eligible non-contractor Timber Sale Agreement (TSA) holders set rates for:

- the minimum Annual Supply Level volume for 2022-23 and 2023-24 as per the relevant TSA.

MINUS

- any volume taken during 2022-23 and 2023-24
- any compensation payments received from VicForests in 2022-23 and 2023-24 for the relevant Timber Sale Agreements.

For Timber Sale Agreements with an 'up to' volume amount, the minimum volume will be used for the calculation.

Component 2 – Non-fully depreciated plant and equipment

The Department will pay the difference between the non-fully depreciated value of the eligible plant and equipment and the current market value based on a valuation undertaken by the Valuer-General Victoria

To be eligible for the payment, plant and equipment must:

- be listed on the business's ATO-compliant 2021-22 or 2022-23 depreciation schedule with a closing value of greater than \$0.00
- be used primarily for the harvesting, hauling, or processing of timber not be a motor vehicle, IT and office equipment, and infrastructure. These will be considered as separate asset classes from the plant and equipment used for the processing of native forest timber and will not be included in the valuation.

If the valuation amount is less than the written down value for a piece of plant or equipment, the Department will pay the difference, up to \$1 million in total per eligible business.

If the valuation amount is greater than the written down value for a piece of plant or equipment, the Department will not make a payment.

Examples of plant and equipment compensation calculation

	Written down value	Current market value	Projected loss on sale	Departemental Payment
Item 1	\$250,000	\$20,000	\$230,000	\$230,000
Item 2	\$100,000	\$130,000	\$0	\$0

Component 3 - Employee statutory redundancy costs

Reimbursement amount

The Department will reimburse the business for employee statutory redundancy payments made by the business, capped at the maximum rate specified in the applicable Award or National Employment Standards.

The reimbursement amount will be based on the evidence of the redundancy payment being made to an employee and the redundancy is a genuine redundancy.

A genuine redundancy means:

- A worker's position that is not required by the employer, in this case due to the consequence of the transition away from harvesting native timber from state forests and the termination is because of the redundancy of the position (and not for any other reason)
- There must be no arrangements (such as promise of another job) or other circumstances which indicate the redundancy is not genuine.

Some workers may be categorised as 'dual capacity' employees, in that they are engaged by an employing entity, and are also a decision maker or officeholder of that entity. The department will seek to understand the nature of the termination in these circumstances to determine if there is a genuine redundancy. The Department will not reimburse the payment of leave entitlements.

Component 4 - Site rehabilitation

The Department will pay up to \$50,000 towards site rehabilitation and remediation for licensees and agreement holders who have an annual allocation of 1,000 tonne or cubic metres or more, across one or more licences or agreements. The business is required to declare that they intend to cease operating as a processor of forest products.

How to apply

The application can be made through an online form or a manual form with help from the Department of Energy, Environment and Climate Action.

To apply contact members of the Forestry Transition Business Support Team to discuss your application:

Kara Zdrzalka

Email: kara.zdrzalka@deeca.vic.gov.au

Phone: 0417 483 803

Or visit vic.gov.au/forestry

Applicants can also seek professional advice and support in the preparation of their application.

Key dates

Application opening date: Friday 1 December 2023.

Application closing date: 5pm, Friday 27th September, 2024.