

Timber Supply Chain Resilience Package - Implementing Transition Stream Grants

For manufacturers that use native Victorian hardwood

Guidelines
MAY 2024

Background

On 23 May 2023 the Victorian Government announced that native timber harvesting in Victorian state forests will end on 1 January 2024. Hardwood product manufacturers will no longer be able to obtain timber inputs from Victorian state forests.

The Timber Supply Chain Resilience Package provides affected manufacturers with access to grants, professional advice and planning services to support business transition and to plan for the future. Support is for eligible businesses that currently process native hardwood sourced from Victorian state forests to manufacture products such as flooring, stairs, furniture, doors, windows, architectural features and pallets.

This program is administered by the Department of Jobs, Skills, Industry and Regions (DJSIR).

Implementing Transition Stream

The Implementing Transition Stream provides grants of up to \$120,000 (excluding GST) to implement activities outlined in the applicant's Business Transition Plan, prepared under the Highly Impacted Manufacturers Stream.

Key program dates

Participants of the Highly Impacted Manufacturing Stream will be invited to apply to this stream following the completion of their Business Transition Plan until 31 December, 2024 or earlier at the Department's discretion. Complete applications will be assessed in the order that they are received.

1. Who is eligible for a grant?

- 1.1. Only businesses that have successfully completed a Business Transition Plan with the nominated service provider (unless otherwise agreed by the Department) under the Highly Impacted Manufacturers Stream of the Timber Supply Chain Resilience Package will be invited to apply for a grant under the Implementing Transition Stream.

2. Grant funding

- 2.1. An eligible business may receive grant funding of up to \$120,000 (excluding GST) to implement activities outlined in the applicant's Business Transition Plan.
- 2.2. The grant funding is limited to \$120,000 (excluding GST). A cash co-contribution from the applicant is not required. Any costs of implementing the transition plan in excess of the grant funding amount will be the responsibility of the grant recipient. The State of Victoria will not be responsible or liable for any costs exceeding the \$120,000 (excluding GST) grant funding amount, arising from or in connection with the funded activities.
- 2.3. The grant funding must be spent on eligible project activities detailed under section 5 and the executed Grant Agreement.

2.4. If the costs incurred for implementation of the activities outlined in the Business Transition Plan are less than the approved maximum grant funding amount, the final payment will be adjusted to match the lower amount incurred.

2.5. An eligible business can only receive one grant.

3. How the grant process works

Step 1 – On successful completion of their Business Transition Plan an eligible business will receive an email from the Department, which will include a link to apply for the Implementing Transition Stream Grant.

Step 2 – The Department will assess each application and aim to notify the applicant of the outcome within approximately six weeks of receipt of a complete application.

Step 3 – If the application is assessed as eligible for a grant, the Department will issue an offer of grant funding subject to the conditions set out in an attached Grant Agreement.

Step 4 – The applicant will be required to accept the offer of the grant funding and sign the Grant Agreement,

Step 5 – On receipt of the applicant's acceptance of offer and signed Grant Agreement, the Department will then sign the Grant Agreement and send the applicant the agreement signed by both parties.

4. Who can apply?

4.1. The person submitting the application must be an authorised representative of the business (such as an owner or director) **or** be a person given authorisation by an authorised representative to apply.

4.2. An incorporated trustee can apply on behalf of a trust and a Partner can apply on behalf of a partnership provided that the trustee or partnership would otherwise be eligible and be able to meet the obligations under a signed agreement.

5. Transition activity and expenditure eligibility

5.1. Transition activities

- Proposed transition activities must align with the applicant's Business Transition Plan. This may include but is not limited to goods and services required to:
 - Source hardwood from alternative sources to ensure business continuity and long-term viability
 - Diversify material inputs to substitute away from hardwood
 - Diversify to produce new products and services that do not require the use of hardwood as an input
 - Develop existing business operations which are not reliant on native Victorian hardwood
 - Cease business operations or facilitate the sale of the business.

5.2. Eligible expenditure for transitioning businesses includes any new expenditure that is specifically tied to the Business Transition Plan, such as:

- Advisory services such as legal, accounting, and consultancy services
- Product or process, design and development
- Acquisition and installation of plant and equipment
- Expenditure on construction projects
- Workforce training and development required to implement new processes

- Workforce counselling and wellbeing expenditure
- Marketing activities
- Licensing another party's intellectual property.

5.3. Eligible expenditure for exit of a business includes any new expenditure that is specifically tied to the proposed cessation of operations of the business, such as:

- Advisory services including legal, accounting, and business consultancy services
- Services required to divest business assets, e.g. sale of plant and equipment, sale of shares in company, or sale of real property
- Workforce counselling and wellbeing expenditure
- Outstanding payments to business creditors and lenders.

5.4. Ineligible expenditure includes any activity not captured in the business's Transition Plan, and goods and services typically used in 'business as usual' functions, including:

- Activities commenced or concluded prior to applying for this Implementing Transition funding unless otherwise agreed by the Department
- Business as usual expenditure on goods or services ordinarily obtained in the course of business, including operating expenses, rent, stock purchases, services acquired, hire of plant and equipment, utility payments, salaries/wages, and associated entitlements, travel costs or routine maintenance (**NB** exiting business may claim outstanding payments to creditors)
- Financing fees, servicing lenders, other creditors or personal debts and expenses
- Payment of fines or regulatory charges
- Any amount paid on account of goods and services tax (excluding GST paid on costs incurred as eligible expenditure)
- Personal, non-business-related legal advice
- Any other expenditure as determined by the Department that does not meet program's objectives.

6. Project timeline

6.1. Projects must be completed within 12 months from commencement

6.2. Applicants will be required to supply project proposed start and end dates which will be confirmed in the Grant Agreement, as well as key activity milestone dates and proposed key deliverables as part of their application.

7. Assessment

7.1. Assessment criteria - Applications from eligible applicants will be reviewed by the Department against the criteria outlined below to determine the appropriateness of the transition activities for funding. All supplementary attachments and information provided as part of the application will be taken into consideration during this process

Criteria	Benchmark
Transition activities	The transition activities sufficiently align with the Business Transition Plan provided by the specialist service provider, unless otherwise agreed by the

	Department
Value for money	The proposed transition activity expenses represent fair market value
Deliverability and timeline	<p>The proposed transition plan timeline meets the required timeframe for the Program</p> <p>The budget for the transition activities is feasible</p> <p>Appropriate service providers have been identified, where relevant.</p>

- 7.2. Applications meeting the criteria will be recommended to the Minister for Jobs and Industry (or an authorised DJSIR executive officer) for approval
- 7.3. The Department may in its assessment of the application, obtain and consider such additional information as it considers relevant for the purpose of any decision to refer the application to the Minister or authorised DJSIR executive officer for approval. This may include but is not limited to any adverse findings by a court, government agency or local council regarding the business or its operation, or identification of an insolvency event or risk
- 7.4. The Department reserves the right to request the applicant provide three years of audited financial reports and statements for the purpose of undertaking a financial risk assessment if deemed necessary
- 7.5. The Department may request further information or clarification to assist with the assessment of the application.

8. Outcome notification

- 8.1. The Department will endeavour to notify applicants of the outcome of their complete application within six weeks of submission. There may be longer processing times and delays in notification of the outcome of the application if further information or evidence to verify or validate the application is required.

9. Conditions of funding

9.1. Offer and Grant Agreement

- The Department will send successful applicants an Offer Letter and Grant Agreement
- Applicants will have 10 business days from the date of the offer to execute (sign) the Grant Agreement with the department. The offer may be withdrawn if the Grant Agreement is not executed within the timeframe given above
- An offer of funding is not binding on the department unless and until both the department and the applicant execute the Grant Agreement
- The Grant Agreement details all funding obligations and conditions such as:
 - payments
 - funding use
 - grant activity deliverables
 - monitoring and milestones
 - reporting and acquittals
 - audit
 - termination conditions.
- Once the Grant Agreement has been executed, the grant recipient (successful applicant) will be required to commence the transition activities within the agreed timeframe, otherwise the department has at its absolute discretion the option of terminating the agreement.

9.2. Program Surveys

- Evaluation is critical to the Department in understanding program impact, supporting continuous improvement in program design and delivery, and delivering effective grant program outcomes for Victoria.
- As a condition of funding, grant recipients may be required to participate in program monitoring and evaluation activities initiated by the Department. This may include completing surveys throughout the term of the program and for a nominated period after program completion.

9.3. Goods and Services Tax

- If the successful applicant is registered for Goods and Services Tax (GST), where applicable, GST will be added to the grant payment.
 - Example: *If the approved funding is \$100,000 GST exclusive, the department will process payments totalling \$110,000 (\$100,000 GST exclusive funding + \$10,000 GST)*
- Grants to successful applicants not registered for GST are exempt from GST, but may need to provide an Australian Tax Office (ATO) Statement by a Supplier obtainable at <https://www.ato.gov.au/Forms/Statement-by-a-supplier-not-quoting-an-ABN/>.
 - Example: *If the approved funding is \$100,000 GST exclusive, the department will only process payments totalling \$100,000 GST exclusive*

10. Privacy statement

- 10.1. Any personal information provided for the purposes of this program will be used by the Department for the purposes of assessing eligibility, program administration, program review, evaluation, and auditing. When applying for a grant the applicant consents to sharing their information with relevant State and Commonwealth Government departments and agencies for the purpose of assessing applications, where necessary.
- 10.2. If there is an intention to include personal information about a third party in the application, the applicant must ensure the third party is aware of and consents to the contents of this privacy statement.
- 10.3. Any personal information about the applicant or a third party will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the Privacy and Data Protection Act 2014 (Vic) and other applicable laws. Enquiries about access to personal information, or for other concerns regarding the privacy of personal information, can be emailed to the Department's Privacy Unit at privacy@ecodev.vic.gov.au. The Department's privacy policy is also available by emailing the Department's Privacy Unit.

11. Probity and decision-making

- 11.1. The Victorian Government makes every effort to ensure the grant application and assessment process is fair and undertaken in line with the published program guidelines.
- 11.2. Victorian Government staff work to the Code of Conduct for Victorian Public Service Employees (Section 61) of the *Public Administration Act 2004* (Vic), including processes set out to avoid conflicts of interest. Staff are also expected to demonstrate the following Victorian public sector values:
- responsiveness
 - integrity
 - impartiality
 - accountability
 - respect
 - leadership

- human rights.

- 11.3. Decisions in recommending and awarding grant funding under this program are at the Department and minister's discretion. This includes not making any funding available or approving a lesser amount than that applied for.
- 11.4. Subject to the provision of reasonable notice, the Department may from time to time vary these guidelines, the application process or conditions of grant, as required to maintain the purpose and integrity of the program.
- 11.5. The Department may request the applicant provide further information should it be necessary for the assessment of an application against the Program's policy objectives, or for such purposes as fairness, transparency, accountability, integrity or to mitigate risks.
- 11.6. The Department may at any time decline an application from a business or cease the assessment or approval process, or terminate an agreement if, in the Department's opinion, association with the business may bring the Department, a Minister, or the State of Victoria into disrepute.

12. Other information about this program

- 12.1. A business that has not been successful in obtaining a grant and considers that the application was not assessed in accordance with these guidelines, may lodge a complaint. Send written feedback to industrytransition@ecodev.vic.gov.au.
- 12.2. If you have any queries about your application or require further information on the program, please visit business.vic.gov.au, contact the Business Victorian Hotline at **13 22 15**, or email industrytransition@ecodev.vic.gov.au.

Glossary

Term	Definition
application	The application submitted by the business to the Department for funding under the program for the transition activity.
applicant or business	The legal entity specified in the application.
Business Transition Plan	The plan prepared for the applicant by the nominated specialist service provider as part of voucher funding under the Highly Impacted Manufacturer's Stream, being either a plan to help a business transition or exit.
Department	The State of Victoria represented by the Department of Jobs, Skills, Industry and Regions.
grant	The funding provided by the Department to the Recipient under a Grant Agreement.
guidelines	This document.
native Victorian hardwood	Hardwood that is derived from Victorian state forests.
person applying	An authorised representative of the business (such as an owner or director) who can execute contracts and legally bind the business or be a person given authorisation by an authorised representative to apply.
program	The Timber Supply Chain Resilience Package – Implementing Transition Stream.
recipient	The business specified in an application formally accepted by the Department, by the issue of an offer and Grant Agreement
successful email	An email sent by the Department notifying the Applicant that they will receive grant funding.
specialist service provider	The business services specialist who prepared and delivered the Business Transition Plan to Recipients.
transition activity/activities	The activities undertaken in accordance with the Transition Plan for the purposes of the grant