

**Native Forest Transition**

**Industry and Community Development  
Programs**

**Sub-Group Consultation Draft**

**August 2022**

CONFIDENTIAL

## **Policy Statement for Industry and Community Development Programs**

The Industry and Community Development Programs (ICDP) will drive further diversification of local economies and assist in identifying and securing sustainable job opportunities following the State Government's decision to end native forestry by 2023. The programs have been developed to support existing businesses to pivot and expand, to stimulate new industry investment, and to strengthen regional communities.

The \$30 million ICDP consist of the following contestable grants programs.

1. Small Business Development and Diversification (\$15 million)
2. Community Development Small Grants (\$5 million)
3. New Industry Development and Attraction (\$10 million)

Each program is designed to target specific sectors and outcomes, with tailored eligibility and assessment criteria to reflect the different objectives of each program.

Key themes underpinning all three grants programs are:

- a) a weighting towards business and communities most impacted by the decision to end native forestry logging,
- b) a preference towards sustainable projects which leverage the competitive advantages of the affected areas, e.g. timber, forestry or tourism link, and
- c) a weighting towards jobs.

This document outlines the structure of the programs and draft criteria for consultation. Finalised criteria to be detailed in the program guidelines.

## Program Overview

### **PROGRAM 1 - SMALL BUSINESS DEVELOPMENT AND DIVERSIFICATION (SBDD) GRANTS (\$15 MILLION)**

The SBDD will provide grants of up to \$400,000 each for existing small businesses with a demonstrated impact from the closure of the native forestry industry. This program is focused on stimulating small business expansion, diversification or innovation to protect local jobs and support strong regional economies.

#### **a. Program Objectives and Scope of Activities**

Support for projects that demonstrate one or more of the following areas of activity:

1. Business Expansion – expanding your existing business.
2. Business Diversification – bringing on new streams to your existing business.
3. Future Proofing – strengthening existing business operations.
4. Innovation – introducing new technology for economic and environmental outcomes.
5. Jobs – creating new and protecting existing jobs (displaced timber workers).

#### **b. Who should apply?**

Businesses that can demonstrate:

1. an impact from the native forest transition decision
2. opportunities for affected workers and their skills,
3. a direct link to native forestry or those that support the native forestry industry (e.g. furniture makers, servicing industry).

#### **c. Eligibility Criteria**

1. Businesses with a demonstrated direct link to the WA native forestry industry or reliance on native forestry or native forest products,
2. Have an Australian Company Number (ACN) or an Australian Business Number (ABN),
3. Be a valid legal entity that can enter into a legally binding funding agreement with the Western Australian Government, and
4. Be a solvent Western Australian based businesses or organisation.

#### **d. Ineligible Organisations**

1. Local, State, or Federal Government Authorities/Agencies,
2. Government Trading Enterprises (GTE's),
3. Individuals (without an ABN),
4. Trusts (however, an incorporated trustee may apply on behalf of a trust where it meets the eligibility requirements set out above),
5. Any business that has received a Native Forestry Transition - Business Transition Program payment.

#### **e. General Clauses/Considerations**

1. Matched funding is not required.
2. Sustainable projects which leverage the competitive advantages of the affected areas are encouraged.

3. Proposals should meet two or more of the grant's Program Objectives and include a project plan with high-level project outcomes and deliverables, proposed timeline, and detailed project budget.
4. A Monitoring and Evaluation Plan will be developed for the Program with consideration to capture key metrics from applications and grant-funded projects, including achievement against Program Objectives, creation of jobs, and location-based impact.

**f. Ineligible Items**

1. Project activities outside of WA
2. Retrospective, contingency or on-going operational costs (e.g. operating, maintenance and office costs such as rent, insurance, telephone etc),
3. Ongoing salaries/employment of new or existing staff,
4. Core business e.g. purchasing off-the-shelf software or costs of generic software associated with the normal administrative functions of the business; recruitment activities; design and printing of sales promotion materials and advertising and general legal advice, or
5. GST payments (this applies to GST registered organisations only).

**g. Proposed Assessment Weighting**

<b>Criteria</b>
<b>Impact*</b> – demonstrated direct impact from the closure of the native forestry industry
<b>Jobs</b> – creating new or protecting existing jobs (displaced timber workers).
<b>Demonstrated Alignment with Program Objectives (minimum of 2):</b> <ul style="list-style-type: none"> <li>• Business Expansion</li> <li>• Business Diversification</li> <li>• Future Proofing</li> <li>• Innovation</li> </ul>

\* Grant guidelines to outline criteria for demonstrated impact or reliance on native forestry, e.g. 50% of business revenue pre-2023 demonstrates a reliance on native timber product/sales, or a demonstrated employment of native timber workers displaced through the closure of the native forest industry.

## **PROGRAM 2 - COMMUNITY SMALL GRANTS FUND (\$5 MILLION)**

The Community Small Grants Fund will provide funding of up to \$100,000 to support projects that aim to stimulate regional economies and create liveable communities in the native forest region.

### **a. Program Objectives and Scope of Activities**

Support for projects that demonstrate one or more of the following areas of activity:

1. Stimulate regional economies – create jobs and increase economic productivity
2. Diversify local economies – expand or diversify new business streams
3. Inclusive and thriving communities – services and infrastructure that support liveability in the community to attract and retain workers and their families
4. Capable communities – develop local skills and capabilities

### **b. Who should apply?**

Organisations and community groups with well-planned and developed projects aimed at stimulating the local economy and supporting the community needs of the native forestry region.

### **c. Eligibility Criteria**

1. Have an Australian Company Number (ACN) or an Australian Business Number (ABN) or be registered as a Not-For-Profit or charitable organisation.
2. Be a valid legal entity that can enter into a legally binding funding agreement with the Western Australian Government.
3. Be a solvent Western Australian-based businesses or organisation.
4. Be an Australian entity and operating within Western Australia.

### **d. Ineligible Organisations**

1. State or Federal Government Authorities/Agencies
2. Government Trading Enterprises (GTE's)
3. Individuals (without an ABN), or
4. Trusts (however, an incorporated trustee may apply on behalf of a trust where it meets the eligibility requirements set out above).
5. Projects taking place outside Western Australia.

### **e. General Clauses/Considerations**

1. Project activities must take place in the most impacted native forestry regions.
2. Sustainable projects which leverage the competitive advantages of the affected areas are encouraged.
3. Matched funding is not required.
4. Applicants must have the authority to undertake the proposed grant activities.
5. A Monitoring and Evaluation Plan will be developed for the Program with consideration to capture key metrics from applications and grant-funded projects, including achievement against Program Objectives, creation of jobs, and location-based impact.

### **f. Ineligible items**

1. Project activities outside of WA
2. Retrospective, contingency or on-going operational costs (e.g. operating, maintenance and office costs such as rent, insurance, telephone etc),

3. Ongoing salaries/employment of new or existing staff,
4. Core business e.g. purchasing off-the-shelf software or costs of generic software associated with the normal administrative functions of the business; recruitment activities; design and printing of sales promotion materials and advertising and general legal advice,
5. GST payments (this applies to GST registered organisations only),
6. Religious activities (although welfare and community service activities of faith-based groups can be funded), or
7. Profit-making sporting activities.

**g. Proposed Assessment Weighting**

<b>Criteria</b>
<p><b>Demonstrated Alignment with Program Objectives:</b></p> <ul style="list-style-type: none"> <li>• Stimulate regional economies</li> <li>• Diversify local economies</li> <li>• Inclusive and thriving communities</li> <li>• Capable communities</li> </ul>
<p><b>Location:</b></p> <ul style="list-style-type: none"> <li>• Will deliver a positive outcome to the most affected native forest areas; local government areas of Bridgetown-Greenbushes, Manjimup and Nannup*.</li> </ul>
<p><b>Organisational Capability:</b> e.g.</p> <ul style="list-style-type: none"> <li>• Financial capability</li> <li>• Robust governance structure</li> </ul>

\* Scale TBD in program guidelines, e.g. Positive outcome directly within LGA / within 40 kms of LGA / within 60kms of LGAs, etc...

### **PROGRAM 3 - NEW INDUSTRY DEVELOPMENT GRANTS (\$10 MILLION)**

This program will provide grants of up to \$2 million in matched funding to support new industry and innovative business expansion within the affected native forest timber region. The industry-led program seeks to accelerate new and existing business development to future-proof regional economies and create new industries to replace native forestry.

#### **a. Program Objectives and Scope of Activities**

Support for projects that demonstrate one or more of the following areas of activity:

1. Future proofing the regional economies – Swiftly establish new industries or enhance/expand existing businesses to diversify regional economies and create regional jobs
2. Bring innovation to the regions – Develop, implement, or invest in smart or innovative technology or activities
3. Jobs for timber workers – establish industries suitable for employing displaced timber workers
4. Sustainable tourism and timber projects – Developing new industries based on e.g. ecological thinning and the WA softwood expansion or develop new forest-based tourism activities.

#### **b. Who should apply?**

Businesses, innovators and organisations with planned and investment-ready projects (or capacity to raise capital) aimed at diversifying regional economies, committed to expanding, creating or facilitating industry development, leveraging the region's comparative advantages.

#### **c. Eligibility Criteria**

1. Have an Australian Company Number (ACN) or an Australian Business Number (ABN)
2. Be a valid legal entity that can enter into a legally binding funding agreement with the Western Australian Government
3. Be a solvent Western Australian based businesses or organisation.
4. Project activities must be implemented or deliver outcomes in the affected native forestry region.

#### **d. Ineligible Organisations**

1. Local, State or Federal Government Authorities/Agencies,
2. Government Trading Enterprises (GTE's),
3. Individuals (without an ABN), or
4. Trusts (however, an incorporated trustee may apply on behalf of a trust where it meets the eligibility requirements set out above).
5. Any business that has received a Native Forest Business Transition Program payment.

#### **e. General Clauses/Considerations**

1. Matched funding mandatory (cash).
2. Business Case application which includes a project plan with high-level project outcomes and deliverables, proposed timeline, detailed project budget, statutory approval requirements, risk assessment, stakeholder engagement plan, and evaluation mechanisms.
3. Project activities must take place in the most impacted native forestry regions.
4. Sustainable projects which leverage the competitive advantages of the affected areas are encouraged.

5. Applicants must have the authority to undertake the proposed grant activities.

**f. Ineligible Items**

1. Project activities outside of WA.
2. Retrospective, contingency or on-going operational costs (e.g. operating, maintenance and office costs such as rent, insurance, telephone etc),
3. Ongoing salaries/employment of new or existing staff,
4. Core business e.g. purchasing off-the-shelf software or costs of generic software associated with the normal administrative functions of the business; recruitment activities; design and printing of sales promotion materials and advertising and general legal advice, or
5. GST payments (this applies to GST registered organisations only).

**g. Proposed Assessment Weighting**

Criteria
<p>Demonstrated Alignment with Program Objectives:</p> <ul style="list-style-type: none"> <li>• Future proofing the regional economies</li> <li>• Bring innovation to the regions</li> <li>• Jobs for timber workers</li> <li>• Sustainable tourism and timber projects</li> </ul>
<p>Jobs in most affected LGAs (Bridgetown-Greenbushes, Manjimup and Nannup)*.</p> <ul style="list-style-type: none"> <li>• create new jobs (including apprenticeships),</li> <li>• protecting and growing existing jobs,</li> <li>• develop or enhance skills or capabilities</li> </ul>
<p>Organisational Capability, e.g.</p> <ul style="list-style-type: none"> <li>• Financial capability</li> <li>• Robust governance structure</li> </ul>
<p>Project Preparedness</p> <ul style="list-style-type: none"> <li>• Projects that are likely to deliver tangible outcomes in the region within 2 years.</li> </ul>

\* Scale TBD in program guidelines, e.g. Job creation directly within LGA / within 40 kms of LGA / within 60kms of LGAs, etc...