

NATIVE FOREST TRANSITION

Industry and Community Development Programs

**Alternative Proposal as supported by the community
representatives of the Native Forest Transition Group**

August 2022

Program Overview

Program One: Securing a sustainable economic future (SASEF) (\$15 Million)

The SASEF will provide grants of up to \$5 million to each of the Shire of Manjimup, the Shire of Bridgetown-Greenbushes and the Shire of Nannup to each establish a fully serviced¹ light industrial area with the enabling infrastructure² in each of the LGAs.

While the full extent of the social and economic impact of the Government's decision to cease native forestry by 2024 remains unknown, largely due to the Government's refusal to complete a socio-economic impact assessment, it is accepted that these three LGAs will be most impacted by the Government's decision.

A lack of enabling infrastructure and fully serviced light industrial land in each LGA has frustrated the ability of the three LGAs to attract new businesses and grow their local economies. Providing funding grants to attract new businesses to the LGAs will be ineffective without access to appropriately zone and fully serviced land.

The Government's modest investment will leverage private investment, as businesses are attracted to the LGAs, delivering much needed long term jobs and a sustainable economic future for the LGAs.

The success of these programs requires a holistic, multiagency approach (similar to the Collie Futures initiative) with the LGAs, business and communities working together to explore, leverage and develop new opportunities together.

Program Two: Community Small Grants Fund (CSGF) (\$2 million)

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

The funding is available to community groups with projects that deliver services and infrastructure; support community liveability; develop local skills and capabilities; and assist to retain workers and their families in the communities.

Businesses, State or Federal Government Agencies, Government Trading Enterprises, local governments, individuals, and trusts are ineligible.

The projects must take place in the most impacted native forestry regions.

Matching funding is not required.

¹ *Fully serviced* means the provision of light industrial sites with full industrial standard services and utilities.

² *Enabling Infrastructure* includes freight corridors and heavy vehicle access, industrial grade utilities provision, drainage and waste facilities, and most importantly digital broadband and mobile capability and capacity.

Program Three: New Industry Development Grants (NIDG) (\$10 million)

The NIDG will provide grants of up to \$2 million in matched funding to support new industry and innovative business expansion in impacted native forestry regions.

Program objectives, eligibility criteria are as outlined in the Government's proposal.

Assessment weighting will support development of new timber businesses based on ecological thinning, use of softwood, use of residue products and value-adding or development of new forest-based tourism activities.

Ineligibility criteria as outlined in the Government's proposal except businesses eligible for a Business Transition Program (BTP) payment will be eligible to apply under the NIDG program, noting that the BTP Program 1 payments for many eligible businesses is not sufficient to transition to a new business. If successful under the NIDG program, the business will forego the BTP payment in favour of the NIDG funding. If the business is unsuccessful under the NIDG program, the business will remain eligible for the BTP payment even after its closure, provided the business applied for a BTP payment before the closure of the application period. A business cannot receive both a BTP payment and a NIDG payment.

The Government's proposal indicates that, despite the stated weighting for projects/businesses/job creation in the most impacted LGAs, this may be extended to a specified radius outside the boundaries of the most impacted LGAs. This is contrary to the stated objective/weighting and is not supported by this proposal.

Program Four: Support for second tier impacted businesses (up to \$20 million)

This additional program provides funding support of up to \$50,000 for second tier businesses impacted by the Government's decision up to a funding cap of \$20 million.

Second tier businesses are businesses that provide support services to native forestry businesses and businesses in the native forestry supply chain that can demonstrate that a minimum of 50% of the business revenue (in the financial year preceding the Government's announcement on 8 September 2021) was derived from or dependent on the native forestry industry or native timber products/sales.

This program provides funding support for impacted businesses whether they seek to diversify or are forced to close as a result of the Government's decision. The Government's proposal provides funding support for impacted businesses to diversify or innovate only. Most impacted businesses will not be able to diversify or innovate and would therefore be ineligible for funding support under the Government's proposal.

While acknowledging that a payment of up to \$50,000 is woefully inadequate compensation for impacted businesses, it is equivalent to the Government's financial support for firewood suppliers with an FPC contract and the lowest BTP Program 1 payment to sawmills, and

more than the Government's proposal which provides no financial support for impacted businesses forced to close.

Matching funds are not required. The eligibility criteria and list of ineligible organisations as detailed in the Government's proposal apply.

The program will require a further Government investment of \$17 million.

The Government promised to deliver a Just Transition to those impacted by the Government's decision. This process requires significant discussion, engagement and the opportunity for feedback in situ within each impacted community and for our Government to provide just and adequate financial support to those suffering adverse financial consequences as a direct result of the Government's decision.