

1. Objectives

The NSW Government has allocated \$34 million for a concessional loan scheme, the Forest Industries Innovation Fund Loan scheme (“the Scheme”), which will assist industry to adopt new technology and innovative practices to better address the changing demands of the future forest industry. All projects funded through the scheme must contribute to improving economic growth and productivity in the Forestry and Forest Products Industry, and have a positive impact on regional economies.

2. Amount

A loan of up to 100% of the net, GST exclusive cost of the works to a maximum of \$5 million per project.

The net cost is determined by deducting the amount of any other government grants relating to the proposed works.

Applicants can only apply once in any 12 month period.

A second application can only be approved on condition that the previous application has been fully drawn down.

The scheme will be administered by the NSW Rural Assistance Authority (RAA) under guidelines developed by the Department of Primary Industries (DPI) - Forestry.

3. Interest

The rate of 2.5% will be applied at the date on which the loan is approved and fixed for the term of the loan.

4. Term

Up to 20 years dependent upon the amount borrowed, the applicants' ability to repay, and type of security provided.

5. Repayments

Monthly, Half Yearly, Quarterly or Annual repayments of principle and interest

6. Security

The security for the loan will be determined in relation to each application.

NOTE: A risk assessment will be made by RAA on the level of security needed and the types of assets offered as security if not a land asset. A statutory charge may be taken over a property and is specific to the works being completed. A new charge will be required for each approved advance.

Funds will not be released until all security requirements have been satisfied.

7. Costs

There are no establishment or account keeping fees, however, costs for registering security documents and Government Stamp Duty will be borne by the applicant.

As part of the assessment process, the RAA will obtain title searches to confirm ownership of the land offered as security. This cost will be borne by the applicant whether or not they take up the loan.

8. Key Criteria

The Forest Industries Innovation Fund is part of the NSW Government's Forestry Industry Roadmap. Applications must meet one or more of the following objectives:

- a) Improve the profitability of the NSW timber industry and drive employment growth;
- b) To drive new investment and innovation to enhance the NSW forestry industry; and/
or
- c) Position the NSW forestry industry to adjust and capitalise on new opportunities.

9. Further eligibility criteria

To be eligible, the applicant must own or manage a business involved in:

- a) Plantation and/or native forest operations; or
- b) Forest product processor / milling operations; or
- c) Silvicultural or forest harvest / haulage contracting; or
- d) Production or development of forestry industry inputs or outputs, including market development.

The applicant must also satisfy each of the following:

- e) Demonstrate that their business has long-term viability and the capacity to meet loan repayments when due.
- f) Provide security for the low interest loan acceptable to the RAA.
- g) Have an Australian Business Number (ABN).
- h) Only one project per business applicant (ABN, Australian Company Number (ACN) will be allowed per year, with a maximum of two projects allowable over the life of the program.
- i) Be willing to undertake periodic reporting requirements to demonstrate their business continues to be viable and able to meet loan repayments.
- j) Applications must include a business plan as detailed in the Application form, detailing how the

proposed funding will assist the forestry and/or wood products processing business to improve profitability and overall viability.

- k) Undergo periodic site visits and auditing to evaluate whether the funded project has achieved its objectives.
- l) Permit the NSW RAA or any other person authorised by the NSW RAA, to enter the property to enable inspection of the works.
- m) The lead proponent in an application may not be a State Owned Corporation or a government agency.
- n) Loans must fully drawn with 12 months from the date of agreement
- o) Payments will be made on receipt of eligible tax invoices. The RAA may inspect the project at this point, per (j) above, to ensure the works are eligible and compliant.
- p) You must lodge an application before commencing the project.

Applications will be favourably considered that:

- I. Demonstrate collaborative / partnership arrangements and demonstrate industry-wide applicability and benefits
- II. Have high dollar-for-dollar commitment from the loan applicant or a consortium.

10. Assessment process

All eligible applications received will undergo a three-step assessment process.

- a) The first step in the assessment process is a detailed technical assessment. Proposals will be assessed against a set of Technical Guidelines by the Technical Advisory Panel.
- b) The financial assessment of proposals will be conducted by the RAA. The financial assessment process ensures that successful proponents are financially sound and in a position to repay the loans and that there is appropriate security over the loan. The RAA may seek third party advice from independent professionals.
- c) A Review Assessment Panel will conduct a final review. Proposals will be assessed against a set of Review Assessment Guidelines.
- d) RAA reserves the right to request further information from you or from any business or individual you have engaged, to assist in assessing your application and to verify any information provided in your application.

- e) Failure to provide such information may result in RAA refusing your application.
- f) RAA reserves the right to refuse an application where eligibility criteria are not met, or where the applicant does not or can not provide sufficient information for the RAA to determine if eligibility criteria have been met.
- g) Applications submitted may be subject to audit by RAA or its agents in order to determine compliance with scheme guidelines.
- h) Complete applications will be assessed in order of receipt. Incomplete applications will not enter the assessment queue until all required information is provided.
- i) Applicants should note that past financial assistance under this program or any other program is not a reliable indicator of eligibility for future financial assistance under this program.
- j) Before applying for financial assistance under this program, applicants should seek advice from their legal, business or financial advisers about the tax implications of this financial assistance.
- k) Applicants will be expected to provide a range of supporting documentation, including the latest local council rates notice; latest available Tax Return and Financial Statement for your business and complete copies of personal Tax Returns for each member of the applying business.
- l) You should also include personal taxation returns for all beneficiaries of trusts and all Directors/Shareholders of a company where other entities are involved.

11. Important information

- a) Guidelines are correct at the time of publishing.
- b) Guidelines are correct at the time of publishing.
- c) RAA reserves the right to amend, alter or change these guidelines at any time, and it is the responsibility of the applicant to ensure that they check the relevant website prior to application.
- d) The guidelines that apply to your application will be the guidelines that are current at the time your application is received by RAA.

12. Fraudulent claims

- a) By signing the application form, you are declaring that the information provided in the application form and supporting documentation is true and accurate.
- b) Providing inaccurate, untrue or misleading information may be a breach of criminal law for which serious penalties may apply.
- c) If any information provided in an application or supporting documentation is found to be inaccurate, untrue or misleading, legal action may be taken against you, including action to recover the funds.

13. Submitting your application

Please apply online at
<https://www.raa.nsw.gov.au/loans/nsw-forest-industries-innovation-fund>

If you need assistance with submitting your application, please contact the RAA:

Phone: 1800 678 593

Email: rural.assist@raa.nsw.gov.au

If you have difficulty understanding these guidelines or completing the application form you should seek the assistance of your rural/financial counsellor, business advisor, accountant or a trusted family member/friend.

If you need assistance with interpreting or translating, please contact Multicultural NSW on 1300 651 500 or email languageservices@multicultural.nsw.gov.au .