

## 1. Objectives

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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.

## 2. Purpose

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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.

## 3. Amount

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A loan of up to 100% of the net, GST exclusive cost of the works to a maximum of \$3 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.

## 4. Interest

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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.

## 5. Term

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Up to 20 years dependent upon the amount borrowed and the applicants’ ability to repay.

Works must commence within 12 months from date of loan approval.

## 6. Repayments

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

## 7. Security

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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.

## 8. Costs

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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.

## 9. Eligibility

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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 satisfy each of the following:

- a) Demonstrate that their business has long-term viability and the capacity to meet loan repayments when due.
- b) Provide security for the low interest loan acceptable to the RAA.
- c) Have an Australian Business Number (ABN).
- d) 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.
- e) Be willing to undertake periodic reporting requirements or undergo periodic site visits and auditing to evaluate whether the funded project has achieved its objectives.
- f) The lead proponent in an application may not be a State Owned Corporation or a government agency.

## 10. Assessment process

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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.
- c) A Review Assessment Panel will conduct a final review. Proposals will be assessed against a set of Review Assessment Guidelines.

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.

Applications will be favourably considered which:

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

## 11. Business plan / project proposal

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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.

## 12. Applications

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Applications for assistance under the program must be made on RAA's application form and be accompanied by the documentation stated in the application form.

Applicants should carefully read through the checklist prior to submitting their application.

Complete applications will be assessed in order of receipt. Incomplete applications will not enter the assessment queue until all required information is provided.

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.

Before applying for financial assistance under this program or making any decision, applicants should seek advice from their legal, business and financial advisers to determine their eligibility for and the terms of the financial assistance.

Applications and claim forms can be submitted by email, post, or in person. Applications and claim forms that have been emailed can be tracked most efficiently.

Applications in the first round will be accepted from 1 October 2018 and close on 11 November 2018. It is planned to have up to two rounds per year for 4 years, or until the Fund is fully expended.

Email: [rural.assist@raa.nsw.gov.au](mailto:rural.assist@raa.nsw.gov.au)

Post: Locked Bag 23, Orange NSW 2800

In Person: 161 Kite St, Orange NSW 2800

Telephone: 1800 678 593 (toll free)

## 13. Fraudulent claims

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By signing the application form, you are declaring that the information provided in the application form and supporting documentation is true and accurate. Providing inaccurate, untrue or misleading information may be a breach of criminal law for which serious penalties may apply. 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.