

## How to prepare the project proposal

Forest Industries Innovation Fund loan scheme (“the Scheme”) will assist industry to adopt new technology and innovative practices to better address the changing demands of the future forest industry. Projects funded under the Scheme could include mill upgrades, developing new products or processing capabilities or initiatives to better access new domestic or international markets.

Eligible applicants can submit an application form and must provide a project proposal to be considered for the loan scheme.

To assist applicants, the following information may be used as a guide:

a) Summary / overview:

- Provide a summary of the project proposed in no more than 400 words – This summary should include a clear indication of the expected outcomes of the project with reference to the following:
  - a brief background;
  - an outline of the innovation method / process / tools/ technology to be used; and
  - the expected outcomes and significance of the work.
- For a successful contracted project, this summary will be published on the Department’s website and in publications it produces from time to time.

b) Project outcomes:

- What outputs will the proposed project actually produce or create? A deliverable is a new product or service created and transferred to or developed for industry/stakeholder adoption and or use, e.g. a decision support system package, process, new sensor etc. Describe each deliverable separately and clearly state the product or service being provided.

c) Project objectives:

- This is a statement of the key (principal) project purpose. The key objective must be a precise statement of the scientific or technical intent linked to project outputs. The objective must be realistic and achievable.

d) Project impacts:

- Provide a statement in point-form of the potential impacts and benefits to be gained and how the benefits are going to be measured and over what time frame the proposed benefits will be achieved.
- The expected outcomes (results) – what the project is expected to provide, and time frames;
- Benefits to be gained from the project or that will be accrued if/when the outputs are adopted. The benefit must be a net benefit from the achievement of the project’s objectives assuming the results are adopted by industry. They should accrue as:
  - Direct costs and benefits – include assumptions (with justification) on rate of adoption, e.g., savings per m3 timber, estimate savings to industry at assumed rate of adoption;
  - National or NSW economic costs and benefits, for example, increasing existing or creating new export markets; decreasing imports; increasing employment; lowering business costs by forest and wood products savings or reducing forest and wood products costs;
  - National or NSW environmental costs and benefits, for example, reducing emissions (local and/or global); reducing toxic wastes; reducing land and/or water degradation; (The description should include how the benefit will be obtained (e.g. product sales, licences, forest and wood products savings, etc.) and reasonable quantitative information such as the present size of existing markets; where such markets are; and what the economic and environmental benefits may be if a reasonable penetration of these markets is assumed.
- A means of measuring the benefits with an inclusion of justified assumptions. Show what anticipated costs and benefits will result if the outcomes of the research project reach commercial use, and indicate the time frame in which such commercialisation may be achieved.

e) Project positioning:

- Positioning the project in the context of the industry. Identify and describe the following:
  - Issues and difficulties experienced currently from industry perspective;
  - Size of the problem;
  - Economic or social threats (if any), their impacts together with potential opportunities;
  - Feasibility/likelihood of the project's success; and
  - Barriers to achieving these benefits.

f) Proposed Project Budget:

- The Total Project Cost must identify all anticipated costs associated with the project including those that will be funded from "in-kind" and other contributions.
- Total Project Cost – all costs are to be GST exclusive from all collaborators. NB: The project total cost must equal the total actual investments (the receipts for the project)
- Salaries – should be a total of all direct salaries paid pro rata to staff engaged on the project. Details of individuals participating in the project are sought later in the proposal (Personnel to Work on the Project). The Applicant must be prepared to provide the RAA with detailed salary information if requested to do so. The RAA may randomly audit this information;
- On-costs – Proponents may include actual or up to 25% of direct salaries as direct salary on-costs;
- Travel – includes fares, accommodation, subsistence and related expenses. A sub-total against each of these categories should be shown;
- Capital items – Capital items are regarded as real or personal property items with an individual purchase price greater than \$5,000. These should be itemised in the Total Project Cost; and
- Other Operating – Operating costs may include expendable laboratory and field items, and vehicle running costs. Items identified as required for the project may be consolidated into logical groupings similar to those shown – additional categories may be added. Other costs may include a proponent's overheads but must be identified as such.

g) Project risk assessment:

- In the project context, risk can be described as the chance of something occurring that will impact on the achievement of the objectives – risk can be measured in terms of the likelihood of the event occurring and its potential consequences. Identify any risks to achieving the project objectives and delivery of the outputs and provide strategies to mitigate this risk(s).

h) Project management:

- Provide details of the Project Management System you will use to ensure that the project outcomes will be delivered on time and within budget.

i) Project Milestones and reporting:

- Project milestones and reporting should be structured to enable timely delivery of outputs for the smooth running and delivery of the project.

**NOTE:** Applications must include the project proposal with the application form.

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.

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Post: Locked Bag 23, Orange NSW 2800

In Person: 161 Kite St, Orange NSW 2800