

Hardwood Timber Haulage Subsidy Program

Program Guidelines



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Background

The record-breaking storms and flooding that occurred in parts of NSW from February 2022 has had a significant impact on communities. Lives have been lost and many people were forced to evacuate as the severe weather events caused extensive damage to residential properties, businesses, public infrastructure, agriculture, and the environment.

Currently 62 Local Government Areas (LGAs) in NSW have been declared a natural disaster zone under the Australian Government Reference Number (AGRN) 1012, including areas in the NSW Mid and North Coast that have been significantly affected.

The \$10 million Hardwood Timber Haulage Subsidy Program (the Program) is part of the \$150 million Primary Industry Support Package that is co-funded 50-50 by the Australian and NSW governments under the Disaster Recovery Funding Arrangements (DRFA). This Package is designed to support recovery, rebuilding and resilience efforts for primary producers and industries which have been significantly impacted by floods.

Impact on the Hardwood Industry

The Department of Regional NSW (the Department) conducted extensive analysis to better understand and document the direct damage experienced from the NSW Severe Weather and Flooding from 22 February 2022 onwards. This has been supported by direct engagement through state and regional recovery subcommittees, industry working groups and direct consultation with industry representative organisations.

One of the industries most impacted from the 2022 storms and flooding has been the NSW hardwood timber industry. This has been due to the reduced access to native forests and plantations that heavy rains and flooding have caused.

The damaged infrastructure and impediments to access will likely take many months to repair, resulting in low or no harvesting activity and a critical lack of supply of hardwood resources that timber processing facilities would normally rely on. Reduced harvesting activity has an impact on forestry harvest and haul contractors and the reduced log supply will affect the viability of many established hardwood processing facilities and other businesses that rely on the sector.

The funding provided under this Program has been designed to complement existing support measures in place.

Objectives

The aim of the Program is to support job retention at hardwood processing facilities and to maintain adequate supply of High Quality and/or Construction Grade hardwood timber to the construction industry during the rebuild of flood affected homes and buildings.

The Program will subsidise the transport of High Quality and/or Construction Grade hardwood timber from forests and plantations located Outside of Normal Supply Areas to be processed at hardwood timber processing facilities located in the flood affected LGAs of the NSW Mid and North Coast.

Hardwood Timber Haulage Subsidy Program

Program Guidelines

Key Dates

Applications open	30 May 2022
Applications close	2pm on 30 November 2022 or until the Program funding is fully allocated, whichever occurs first.
Assessment process	Applications will be assessed by the Department in the order that they are submitted. The Department will stop assessing applications once it has allocated all available funding. This may mean that some applications will not be assessed even if they are received by the Department before 2pm on 30 November 2022.
Outcomes of applications	Within 15 business days of submitting a completed application
Successful Applicants may submit claims for Eligible Costs until	5pm on 10 May 2023 in accordance with their Funding Deed and up to the maximum amount they have been approved to claim.

Eligibility Criteria

Eligible Applicants

Applicants must:

- be an existing hardwood timber processing facility
- operate and be located in an eligible LGA listed at **Appendix A**
- have been trading for at least 3-years
- have or be willing to purchase at least \$20 million in public liability insurance.

Applicants must be an incorporated entity or trust (including a trust with a corporate or individual trustee) and hold an Australian Business Number (ABN), Australian Company Number (ACN), or be registered with NSW Fair Trading under the Associations Incorporation Act 2009 or another Act.

Ineligible Applicants

Ineligible Applicants include:

- any business or organisation that does not satisfy eligibility requirements.
- Unincorporated organisations
- Individuals or sole traders
- NSW Government agencies or state-owned corporations.

Eligible Activities

Activities must be directly related to the transport of High Quality and/or Construction Grade hardwood timber from storage sites, forests and plantations located Outside of the Applicant's Normal Supply Areas into a disaster declared LGA in the NSW Mid and North Coast as per the Australian Government Reference Number (AGRN) 1012 at **Appendix A**.

Outside of the Applicant's Normal Supply Areas are defined as being storage or harvest sites that are not in one of the Applicant's normal supply areas and are located over 100kms by road from the location of the hardwood timber processing facility.

Hardwood Timber Haulage Subsidy Program

Program Guidelines

Applicants may provide additional evidence as to why a storage or harvest site should be considered and the Department may use their discretion to consider this information as part of the assessment process.

Timber may be sourced from anywhere within Australia.

Eligible Costs

Applicants may apply for the subsidy of \$30 per tonne for High Quality and/or Construction Grade hardwood timber that is harvested and transported from storage sites, forests and plantations located Outside of the Applicant's Normal Supply Areas to a processing facility located in a disaster declared LGA in the NSW Mid and North Coast.

Successful Applicants can apply for the subsidy amount up to a maximum of \$500,000 per Applicant.

Ineligible Costs

Ineligible costs include:

- costs associated with the transport of timber from within existing supply areas
- costs associated with the transport of timber that occurred prior to the applicant returning their signed confidentiality agreement, or that will occur after the period for claiming Eligible Costs closes
- costs that have already been covered or claimed under insurance or from other Australian or NSW government programs
- travel costs not associated with the transport of timber from a storage or harvest site to the processing facility. For example, the costs associated with travelling to the storage or harvest site with an empty payload are ineligible to claim
- costs associated with undertaking assessments of the timber to be transported under this Program, such as site visits
- costs that require recurrent or ongoing funding from the Australian or NSW governments
- costs to transport timber that does not comply with High Quality and/or Construction Grade hardwood timber standards.

Application Process

All applications must be completed online using the Smarty Grants portal at <https://sfrp.smartygrants.com.au/HTHSP>

Applications will be submitted and assessed in two stages:

1. Stage One: Applications
2. Stage Two: Assessment and Approval

Stage One: Applications

Applicants will be required to provide the following information to determine their eligibility for the Program:

- Details of the hardwood timber processing facility
- Evidence that the business has been in operation for more than 3 years

Hardwood Timber Haulage Subsidy Program

Program Guidelines

- An Australian Business Number (ABN), Australian Company Number (ACN) or NSW Fair Trading registrations under the Associations Incorporation Act 2009 or other Act.

Applicants must provide the following details of the hardwood timber to be transported under the Program:

- Forecasts of the volume of timber and the subsidy amount that will be claimed under the Program, up to a maximum of \$500,000 per applicant
- Details of the storage or harvest location/s and the processing site location
- Evidence that the timber can be processed as High Quality and/or Construction Grade hardwood
- Evidence that the timber is located Outside of an Applicant's Normal Supply Area or additional evidence supporting an Applicant's claim that a harvest site be considered as being Outside of an Applicant's Normal Supply Area
- Summary of any on-site visits and assessments by the applicant to grade the timber
- Evidence of purchase agreements/contracts and consent of the landowner (where applicable)
- A summary of how the proposed activities will enable continued operations, retain jobs and support ongoing economic activity.

Stage Two: Assessment and Approval

Subject to the below, Applications will be assessed by staff within the Department in the order that they are submitted.

The Department will stop assessing applications once it has allocated all available funding. This may mean that some applications will not be assessed even if they are received by the Department before 2pm on 30 November 2022.

Applicants will be notified of the outcome within 15 business days from submitting a completed Application.

If an Application is missing information or is incomplete, the Department may, in its sole discretion, work with applicants to clarify any missing or incomplete information. However, the Department will not start assessing the Application until, in the Department's sole opinion, the Application is complete.

Applications will be considered and approved by the Executive Director, Regional Recovery Programs, Department of Regional NSW.

Successful Applicants will be provided with a letter of offer and will be required to enter into a Funding Deed with the Department.

Unsuccessful Applicants will be notified of the outcome and provided an opportunity for feedback by the Department. Applicants are encouraged to resubmit updated applications based on the feedback provided by the closing date, however an Applicant can only be approved up to a maximum of \$500,000 per applicant.

Hardwood Timber Haulage Subsidy Program

Program Guidelines

Successful Applicants

Successful Applicants will be required to enter into a Funding Deed with the Department and submit claims for Eligible Costs as per the conditions outlined in the Funding Deed.

Claims for Eligible Costs must be submitted using the Smarty Grants portal using the Applicant's log-in details.

The claim submission period for Eligible Costs commences from when the Applicant has returned their signed confidentiality agreement and concludes at 5pm on 10 May 2023.

The claim submission for an Eligible Cost must clearly outline the following information:

- The date, location, tonnage and quality/grade of timber that was transported
- Confirmation that the timber was harvested at a location Outside of a Normal Supply Area.
- The location and date of when the timber was processed
- The subsidy amount to be claimed.

The claim submission must only include timber that has been harvested, transported, and processed at the time of making the submission.

Processing activities must align to the Program's objective of maintaining adequate supply of High Quality and/or Construction Grade timber to the construction industry and therefore this does not include activities such as the chipping of timber, or processing timber products for the export market.

Successful Applicants may submit multiple claims for Eligible Costs up until the claim submission period closes and up to the maximum amount that the Applicant has been approved to claim.

Claim submissions will be assessed by the Department and approved based on the conditions outlined within the Funding Deed. The approved subsidy amount will be paid to successful Applicants in arrears as set out in the Funding Deed.

For Applicants registered for GST and where it is payable, successful Applicants will be paid the approved grant amount plus 10 per cent by the Department of Regional NSW. Where an Applicant is not registered for GST, it is not payable on grant amounts. Applicants not registered for GST must incorporate any GST paid by them to third parties into their claim submission.

Terms and Conditions

Successful Applicants will be required to enter into a Funding Deed with the Department prior to receiving funds. The NSW Government makes no binding funding commitment to an Applicant unless and until both parties sign a Funding Deed.

Successful Applicants should note the following conditions:

- Applicants may be required to participate in an evaluation after the activity has commenced to determine the extent to which the activity has contributed to the objectives of the Program.
- The Australian and NSW governments may choose to publicly announce successful applications and Applicants may be requested to keep the funding confidential for a period of time if an announcement is to be made by the Australian and NSW governments.

Hardwood Timber Haulage Subsidy Program

Program Guidelines

- If successful, the Australian and NSW governments reserve the right to use the Applicant's information in media regarding the Program. Information may be used in the form of press releases, case studies, promotional material and in response to media enquires relevant to the Program.
- Successful Applicants may be required to submit progress reports to the Australian and NSW governments and auditing documentation as outlined in the Funding Deed.
- Payments will be made in arrears as set out in the Funding Deed.
- Requests for variations or changes to the Funding Deed will only be considered in limited circumstances.
- Payments will be made only for completed haulage activity within the eligible claim period and as set out in the Funding Deed. All Applicants will be required to provide evidence of completed activities in order to claim subsequent payments.
- The Department reserves the right to undertake an audit of any funding provided within seven years. Applicants are required to keep appropriate records for audit and assurance purposes.

Public Acknowledgement

Under the Disaster Recovery Funding Arrangements, all projects under the Hardwood Timber Haulage Subsidy Program must appropriately acknowledge and recognise that it is jointly funded by the Australian and NSW governments under the Disaster Recovery Funding Arrangements. The announcement of assistance must be done jointly by the Australian and NSW governments, unless otherwise agreed.

Prior agreement must be reached with the NSW and Australian Governments on the nature and content of any subsequent events, announcements, promotional material or publicity relating to DRFA assistance measures. This includes but is not limited to media releases, events, social media, signage and advertising. To obtain the required agreement, grant recipients must contact the Department at floods.recovery@regional.nsw.gov.au, and the Department will in turn liaise with NSW Reconstruction Authority and Australian Government representatives regarding the events, announcements, promotional material or publicity.

Publications must include both the Australian and NSW governments' logos and the following disclaimer: 'Although funding for this product has been provided by both the Australian and NSW governments, the material contained herein does not necessarily represent the views of either governments'. The Department will identify and inform NSW Reconstruction Authority and the Australian Government of media opportunities.

Government Information (Public Access Act

Applicants should be aware that information submitted in applications and all related correspondence, attachments and other documents may be made publicly available under the Government Information (Public Access) Act 2009 (NSW). Information that is deemed to be commercially sensitive will be withheld. The Government Information (Public Access) Act 2009 (NSW) makes government information accessible to the public by:

- requiring government agencies to make certain sorts of information freely available
- encouraging government agencies to release as much other information as possible
- giving the public an enforceable right to make access applications for government information
- restricting access to information only when there is an overriding public interest against disclosure.

Hardwood Timber Haulage Subsidy Program

Program Guidelines

Complaints

Any concerns about the Hardwood Timber Haulage Subsidy Program should be submitted in writing to floods.recovery@regional.nsw.gov.au.

If you do not agree with the way the Department has handled the issue, you may wish to contact the NSW Ombudsman via www.ombo.nsw.gov.au.

Getting Support

More information about this Program, including frequently asked questions are available at www.nsw.gov.au/hardwoodtimberprogram.

If you require assistance or advice with your application, please contact the Department on 1300 679 673 or email floods.recovery@regional.nsw.gov.au.

Disclaimer

The Department does not guarantee or warrant, and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency or completeness of any material contained in this publication. Information in this publication is provided as general information only and is not intended as a substitute for advice from a qualified professional.

The Department recommends that users exercise care and use their own skill and judgment in using information from this publication and that users carefully evaluate the accuracy, currency, completeness, and relevance of such information. Users should take steps to independently verify the information in this publication and, where appropriate, seek professional advice.

Funding assistance provided through the Program is subject to funds being available. The Department reserves the right to make changes to the Program to ensure it meets the objectives outlined in these guidelines and provides equitable funding support to applicants.

In extenuating circumstances, applications submitted after the deadline may be accepted at the sole discretion of the Department.

These guidelines are subject to change at any time at the sole discretion of the Department.

Hardwood Timber Haulage Subsidy Program

Program Guidelines

Appendix A

Eligible LGAs

The NSW Government through the NSW Reconstruction Authority and in partnership with the Australian Government has declared 62 NSW LGAs as impacted by a natural disaster following severe weather and floods from 22 February 2022 onwards.

The declaration and list of disaster declared LGAs is outlined within the Australian Government Reference Number (AGRN) 1012 at <https://www.nsw.gov.au/disaster-recovery/natural-disaster-declarations>.

The following LGAs are eligible for the Hardwood Timber Haulage Subsidy Program as they are declared disaster areas as per AGRN 1012 and are located within the NSW Mid and North Coast regions.

- Armidale Regional Council
- Ballina Shire Council
- Bellingen Shire Council
- Byron Shire Council
- Central Coast Council
- Clarence Valley Council
- Coffs Harbour City Council
- Dungog Shire Council
- Glen Innes Severn Council
- Kempsey Shire Council
- Kyogle Council
- Lismore City Council
- Mid Coast Council
- Nambucca Valley Council
- Port Macquarie Hastings Council
- Port Stephens Council
- Richmond Valley Council
- Tweed Shire Council

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