



Department of
**Jobs, Tourism, Science
and Innovation**

Native Forest Transition: Closure of Impacted Business (CIB) Grants Guidelines



Native Forestry Transition: Closure of Impacted Businesses

Guidelines

Overview

On 8 September 2021, the Western Australian Government made the decision to end native forest harvesting from January 2024. The WA Government's \$80 million Native Forest Transition Plan ensures affected workers, businesses and regional communities are supported through the transition.

The funding is provided through three program pillars – the Workforce Transition Program, the Business Transition Program and the Industry and Community Development Programs. The Department of Jobs, Tourism, Science and Innovation (JTSI) administers the Native Forest Transition Plan and associated funding.

This Closure of Impacted Businesses program aims to assist businesses with a reliance on the commercial native timber industry that will close their operations.

About the Grant

The Closure of Impacted Businesses program is a \$1 million non-competitive grant program that aims to help any business reliant on native timber to exit the industry.

The grant offers eligible businesses up to \$50,000 in financial assistance to help with expenses associated with closing their business.

Financial assistance will be offered through a **two-stage** online application process with:

Stage 1 – Business Closure Schedule: eligible businesses are invited to apply for up to \$5,000 to seek professional support that may include financial, accounting, legal or wellbeing services that support the decision to close and the development of a business closure schedule. Applicants will need to demonstrate eligibility and provide details regarding the professional services they wish to engage.

Stage 2 – Closure Activities: Businesses that have applied for Stage 1 and been deemed eligible will then be invited to apply to access up to a further \$45,000 to undertake the specific approved activities identified in their business closure schedule. Funding will be reimbursed on the provision of tax invoices for approved expenditure items.

A business closure schedule is a list of activities, including associated costs and timeframes, that need to be executed to close a business. The schedule

helps ensure that the closure process is well-managed, orderly, and compliant with regulatory and legal obligations, while also aiming to minimise negative impacts on affected parties. CPA Australia provides a [Check List for Closing Your Business](#).

Provision of financial assistance shall be at the discretion of the Western Australian Government. Meeting the eligibility criteria does not automatically entitle applicants to assistance under this initiative.

Activities eligible for funding assistance

- An initial 'health check' assessment by an accredited financial and/or accounting specialist to review your financial data and provide advice on the business' feasibility to continue.
- Accredited financial and accounting advice specific to activities required to close the business.
- Legal advice to assist with any issues specific to contracts, employee relations and/or property matters as a result of closing the business.
- Counselling services to assist owners with mental health and wellbeing support during the business closure process.
- Activities as part of business closure such as the sale/ disposal of equipment/ machinery, lease termination activities and other closure activities which will be assessed on a case-by-case basis.
- Any business deregistration fees.

Eligibility

1. Must be a Western Australian business operating within the native forestry industry for at least 3 years prior to, and at the time of the announcement on 8 September 2021.
2. Business must have a valid and active ABN or ACN and not have any pending litigations or insolvency processes underway.
3. Business must be able to demonstrate a 50% or greater reliance on the native timber industry over at least one financial year from 2019/2020 to 2021/2022, with at least:
 - o 50% of inputs used in manufacturing processes be from native timber; or
 - o 50% of business revenue derived from the sale of goods or services from the native timber industry.
4. Must be the only business held by the business owners/directors. Where business owners/ directors hold additional ABN or ACN numbers, applications will be assessed on a case-by-case basis to ensure the majority of their income (i.e. 50%) is derived from the eligible business.

5. Must be registered for GST with a minimum turnover of \$75,000.
6. Must not have received funding through any other Native Forest Transition grant program.

Ineligible

The following organisations are ineligible for funding:

- Local, State, or Federal Government Authorities/Agencies, Government Trading Enterprises (GTEs) and Individuals (without an ABN).
- Trusts that are not incorporated and are unable to enter into a funding agreement with the State Government. (A trustee may apply on behalf of a trust where it meets the eligibility requirements set out above).
- Businesses that have been successful in receiving funding from another Native Forest Transition grant; and
- Businesses located outside of Western Australia.

The following activities are ineligible:

- Payments of company debts or any accrued payments owed to owners;
- Staff redundancy and leave liability payments;
- Payments of tax and statutory payments;
- Purchase of dividends or other distributions of equity to owners;
- Reimbursement for depreciation of assets;
- Purchase of land, assets or inventory;
- Salaries/employment of new or existing staff; and
- Advertising and office upkeep.

Application Process

For an application to be assessed by the State, the applicant must submit a complete application electronically through the Native Forest Transition online Smarty Grants portal at <https://nft.smartygrants.com.au/CIBs1>.

The applicant must inform the JTSI of any changes in the status or circumstances of the application between the time of its submission and its assessment, by email to NFT@jtsi.wa.gov.au.

STAGE 1

Submission online via Smarty Grants to access an initial \$5,000 payment - Opens 1 July 2024

- Businesses facing hardship from the decision with a substantial reliance on native timber.
- Businesses must:
 - o Provide business details including ABN or ACN, listed owners/directors and contact details.
 - o Confirm 50% reliance
 - o Confirm operating at the time of the announcement and for at least 3 years prior
 - o Provide financial statements for the 2019/2020, 2020/2021 and 2021/2022 periods
 - o Detail the eligible activities you propose for the Stage 1 funding.

STAGE 2

Submission of receipts for reimbursement via Smarty Grants to access up to \$45,000 – 1 July 2024

- Only successful applicants from Stage 1 are eligible for Stage 2.
- Eligible applicants will be invited to apply for Stage 2.
- To receive reimbursements in Stage 2, applicants must submit receipts for approved eligible activities.

Assessment Process

- A review of applications will take place to confirm eligibility.
- If an applicant is successful, an agreement letter is signed by both parties.
- Businesses must ensure that the information listed with the Australian Business Register (ABR) as part of their ABN registration is current and accurate at the time of application.
- Without limiting JTSI's assessment, the following circumstances may be taken into consideration in any decision whether to award funding:
 - o Duplicate applications by a director, trustee or trust.
 - o Misleading amendments to information provided to public registers describing the business or any authorised officer of the business.
 - o Any adverse findings by a government agency or local council regarding a business or its operation.
 - o A business is, or notice has been given that it will be, placed under external administration.
 - o There is a petition for bankruptcy or to wind up or deregister a company or business.

- Applications will be carefully considered and assessed against the eligibility criteria. The State may, in its absolute discretion, determine: (a) whether the type of business of an applicant is eligible for the grant; or (b) whether the use of native timber is material to the business of the applicant. The State's decision about eligibility for a grant is final.
- JTSI may request further information or clarification to assist with assessment of the application. The Western Australian Government reserves, in its absolute discretion, the right to refuse the application where eligibility criteria are not met, or where the applicant does not or cannot provide sufficient information in the required time frame to assess whether eligibility criteria have been met, or where a claim cannot be supported.
- Successful applicants will be required to enter into a letter of agreement with JTSI.
- Payments will be made electronically into the business applicant's nominated Australian bank account.

Confidentiality

JTSI will treat all information provided as confidential and commercial-in confidence where relevant.

Personal information and disclosure

JTSI may collect personal information for the purposes of administration and evaluation of an application. If the relevant information is not provided by applicants, JTSI and will not be able to review the application for funding.

Information from the application may be disclosed to other Western Australian Government agencies and may be published on the JTSI website, provided disclosure is consistent with relevant privacy laws, including the Privacy Act 1988. Personal information will be used and stored in accordance with Australian Privacy Principles (APPs) set out in the Privacy Act 1988.

Contact

If you have any questions about the program, more information can be found at www.wa.gov.au/nft. Phone 08 9777 1555 or email NFTEnquiries@swdc.wa.gov.au for enquiries.

Native Forestry Transition team

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www.wa.gov.au/nft