



**Australian Government**  
**Department of Agriculture,  
Fisheries and Forestry**

# **Forest Industries Climate Change Research Fund**

## **Applicant Guidelines**

**July 2009**

**For further information:**

Telephone:  
(02) 6272 5079

Fax:  
(02) 6272 4367

Email:  
[ficcrf@daff.gov.au](mailto:ficcrf@daff.gov.au)

Post:  
Forest Industries Climate Change Research Fund  
Forestry Branch  
Climate Change Division  
Department of Agriculture, Fisheries and Forestry  
GPO Box 858, CANBERRA ACT 2601

Street address:  
18 Marcus Clarke Street, CANBERRA ACT 2601

Program information, guidelines and related forms are available at  
[www.daff.gov.au/ficcrf](http://www.daff.gov.au/ficcrf)

## 1. Overview

The Australian Government is committed to ensuring Australia meets its responsibilities in facing the global challenge of climate change.

Climate change has significant implications for Australia's forests and forest industries. The Australian Government, as part of its 2007 election commitments, has provided \$8 million over three financial years from 2008–09 to 2010–11 to address major knowledge gaps about the impacts of climate change on forestry and forest industries. The forest industries ministerial advisory committee, the Forest and Wood Products Council, has assisted in identifying priorities for investment.

As part of this commitment, the Australian Government will provide \$5 million through the Forest Industries Climate Change Research Fund, which will commence in 2009-10 and cease on 30 June 2011.

These guidelines provide details on the Forest Industries Climate Change Research Fund program, which is to be administered by the Australian Government Department of Agriculture, Fisheries and Forestry (the department).

## 2. Purpose and aim of the program

The Forest Industries Climate Change Research Fund will provide \$5 million in one round of funding to address major knowledge gaps about the impact of climate change on forestry and forest industries in Australia.

Through research, this grant program will assist the industry to better understand the implications of climate change and build industry capacity to adapt to predicted scenarios and capitalise on emerging mitigation opportunities.

Addressing knowledge gaps will assist commercial forest planners and managers to better manage their forest assets in a changing environment. Generating information and developing tools and expertise will assist sustainability benefits to flow through the value chain and contribute to growth and development in forestry dependent communities.

Projects funded through this program aim to achieve the following outcomes:

- Forest industry stakeholders are better able to adapt to changed climatic conditions through the availability of new technologies and techniques which encourage different practices
- Forest industry stakeholders are better equipped with the knowledge, tools and strategies to manage their emissions, including a greater ability to participate in the Carbon Pollution Reduction Scheme
- Forest industry stakeholders and forestry dependant communities better understand the range of climate change impacts and the future implications for their enterprise and region.

Collaborative research projects involving industry, scientific and government organisations are supported. This will ensure that relevant expertise and experience is brought together so that commercial realities are taken into account in achieving outcomes and improve the transition from applied research to demonstration and implementation of commercial applications.

### **3. Delivery of the program**

This program is a competitive grants program. Expressions of Interest (EOIs) from research providers will be assessed on a competitive basis by an independent assessment panel including relevant experts from the industry, scientific and government sectors.

In assessing EOIs, the panel will draw upon work completed to date to ensure that projects sufficiently advance the forest industries' understanding of the implications of climate change, the ability to adapt to predicted climate scenarios, to manage emissions, and capitalise on emerging mitigation opportunities.

Based on the assessment by the independent panel, proponents of highly ranked EOIs will be invited to prepare full project proposals. The department will negotiate these project proposals with the proponents. Finalised research project proposals will also be sent to the Rural Research and Development Council for consideration. The Minister for Agriculture, Fisheries and Forestry will be responsible for the final approval of projects under this program.

Larger scale collaborative projects with cross sectoral applications, and which combine the efforts of a number of eligible parties in consortia, are strongly encouraged.

Grants from this program will generally be up to \$500 000. Higher grants may be considered in special circumstances where collaborative and integrated projects seek outcomes that will apply across the whole industry. Some very specific projects in priority areas will not require the full available allocation. The funding will be provided on the basis of cash and in-kind co-contributions by proponents. Funding from other Australian or state/territory government sources, research institutions and industry partners will be accepted as an applicant's contribution to a project.

Funding under this program will complement not duplicate, other research initiatives.

Grants will be paid when an applicant completes each milestone specified in a negotiated Funding Deed. The program will end on 30 June 2011. Approved projects must be delivered by 30 May 2011, in order to ensure final funding is paid before 30 June 2011.

### **4. Who is eligible?**

To be eligible to apply for grant funding, you must satisfy the following criteria:

1. Your organisation must be able to provide, upon request, professionally prepared financial statements demonstrating your ability to fund your share of project costs
2. The proposed project must primarily involve new work
3. The proposed work must be completed and reported by 30 May 2011
4. Your EOI must address the assessment criteria (see section 8)
5. The proposed work must not duplicate other research activity
6. EOI proponents must be an Australian registered company or research agency, for example:
  - Peak national or state forestry organisations
  - Australian, state or territory government agency
  - Australian tertiary education institution
  - Australian Cooperative Research Centre
  - Australian registered business or registered industry group
  - Australian public sector research agency
  - Australian private, not for profit, research organisation.

## 5. What activities are eligible for funding?

Project proposals need to address major knowledge gaps about the impact of climate change on forestry, forest industries and forestry dependent communities in Australia, while providing skills, knowledge or strategies to help industry address these issues and respond to the challenges and opportunities arising from climate change.

Priority areas for addressing knowledge gaps for the industry include, but are not limited to:

### *Adaptation*

Further research, which will allow all commercial forest sectors, forest planners and managers, and forestry dependent communities, to better adapt to climate change is a priority. The fund will support research in the following area:

- Development of diagnostic tools and techniques to determine when (and what) specific management intervention is required to respond to the threats and opportunities of climate change. This will include but will not be limited to determining interactions between; increasing atmospheric carbon dioxide concentrations, changed rainfall regimes, water availability, fire risk, incidence and severity of pests and disease outbreaks; and forest enterprises, to inform the development of management systems and intervention options
- Develop methods to identify critical infrastructure necessary for the industry where viability is at risk from climate change
- Develop, provide and facilitate farm forestry and other regional-scale tree planting and sustainable forest management options, which can be used in the business models of forestry, agricultural and other land use sectors as a means of adaptation.

### *Mitigation*

As a sequesterer of carbon, the forestry sector has opportunities to make contributions to the national climate change mitigation effort. Projects on mitigation techniques and technologies which attempt to integrate economic and social analysis are strongly encouraged as it would assist in informing the development of commercial applications.

Mitigation priorities include:

- Expanding and strengthening the dataset underpinning the fate of carbon in harvested wood products during use and after disposal; and demonstrating how net emissions from harvested wood products could be recognised within international carbon trading protocols
- Research and demonstration projects that identify and investigate opportunities to reduce emissions and improve carbon sequestration potential in the industry, and determining the social and economic implications of these opportunities
- Develop measures to identify and address critical bottlenecks to greater use of recycled wood and paper products

### *Bioenergy*

Bioenergy currently contributes just 0.5% to Australia's total electricity supply, with energy generation from wood related waste and residues occurring on a very small scale. The Australian biofuels industry is also small, supplying less than 0.5% of Australia's transport fuel. Research projects may be considered that promote the development and deployment of sustainable bioenergy generation based on forest industries resources on a commercial scale. Projects that identify required resources to realise the opportunities presented by bioenergy may also be considered.

### ***Inventory and data***

A basic level of information about the forestry and forest products industry is required urgently to establish a benchmark against which the results of strategies addressing the challenges and opportunities faced by the industry from climate change may be assessed in the future. A stocktake of existing relevant data sets and a gaps analysis of existing baseline data have been undertaken. The *Data Gaps Overview* is available from the Secretariat by request. A priority is to fill the data gaps so that quantitative analyses on climate change responses can be undertaken in the future.

Projects demonstrating the results and integration of applied research will be considered. The assessment panel will seek to balance the level of investment across priority areas.

## **6. What activities are not eligible for funding?**

Funding will not be provided for:

- Projects that look at non production forests
- Capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers, photocopiers, construction, renovations and utilities
- Any cost incurred prior to the commencement date of a Funding Deed with the Commonwealth
- Staff relocations costs
- Administration/overhead and infrastructure costs
- Travel and living expenses
- Hospitality/catering costs
- Costs involved in the purchase/upgrade of software including licences
- Costs associated with the protection or patenting of intellectual property
- Feasibility projects/studies
- Costs associated with market research for products or research carried out by surveys to assess the size of the market and/or the price of a particular service or product
- Costs associated with activities of a distinctly commercial or proprietary nature that are aimed at selling or attracting investment
- Costs associated with product development and the building or production of commercial prototypes
- Marketing campaigns
- Projects funded solely by other Australian Government programs.

## **7. How do I apply?**

It is anticipated that there will be one funding round; however a second call for proposals will be made at the discretion of the Minister taking account of the diversity of projects proposed. The program will be advertised in national newspapers and on the program website ([www.daff.gov.au/ficcrf](http://www.daff.gov.au/ficcrf)) along with critical dates.

EOI for funding proposals should be developed and submitted electronically using the application form available through the program website by **4.00pm (ACT local time) 20 August 2009** to [ficcrf@daff.gov.au](mailto:ficcrf@daff.gov.au)

Hard copies must also be submitted as soon as possible after 20 August 2009 to:

Post:

Forest Industries Climate Change Research Fund  
Forestry Branch  
Climate Change Division  
Department of Agriculture, Fisheries and Forestry  
GPO Box 858  
CANBERRA ACT 2601

In person:

Forest Industries Climate Change Research Fund  
Forestry Branch  
Climate Change Division  
Department of Agriculture, Fisheries and Forestry  
18 Marcus Clarke Street  
CANBERRA ACT 2601

When submitting your EOI electronically, please check the size of the email. If the email size is above 10 Mb, please send the EOI in more than one email or submit on CD.

Electronic EOIs must be received before the closing date and time or they will not be accepted. Applicants will be sent an acknowledgement within 10 working days of the receipt of a completed application by the department.

The information in your EOI form, the advice of the panel and any other information relevant to your application will be used to make a final determination of eligibility and competitiveness.

All information provided to the department will be treated as commercial-in-confidence and handled on a strict need-to-know basis. The information collected is necessary for the department to make a fair and equitable decision on funding but we recognise the sensitivity of this data, particularly financial information. The department is obliged to, and will, protect any information in accordance with the *Privacy Act 1988*.

A standard draft funding deed to inform proponents of the type of agreement that must be signed to receive funds is available on the fund website at [www.daff.gov.au/ficcrf](http://www.daff.gov.au/ficcrf)

## **8. How are applications assessed?**

The department will initially determine whether an EOI meets the program eligibility criteria. An assessment will then be made against the criteria listed below.

As this is a competitive grants program, each EOI will also be assessed against the other EOIs.

Further details regarding any aspect of your proposal may be sought by the department at any time after receipt of an EOI to assist in making a decision. This will include an allowance to submit further detail in support of a proposal or to amend an existing proposal.

### ***Assessment Criteria***

Your EOI will be assessed by the panel against the following criteria. All criteria are weighted equally.

1. The degree to which the proposal will contribute to the program outcomes outlined in section 2.
  - Clear explanation of how the research addresses an identified gap in one or more of the research priorities stated in section 5
  - Clear explanation as to how the project will better equip the forest industry and dependant communities to optimise carbon sequestration and reduce emissions, including a greater ability to respond to the commercial imperatives arising from emissions trading
  - Clear explanation of what new technologies and techniques will be available to encourage different practices
  - Clear explanation of the information to be generated and extension services that will be available to help forest planners and managers, forest industries and forestry dependent

- communities to better understand and respond to the impacts of climate change on their region
- The timeliness of the results of your project in meeting one or more of the priorities
  - The level of integration with other work (i.e. a strategic approach not an ad-hoc proposal or project).
2. Demonstrates a clear understanding of the topic and its relationship to forestry and climate change.
    - Demonstrated understanding of the research topic
    - Demonstrated understanding of climate change and its impacts on Australian forests, forest industries and forestry dependent communities.
  3. The project outcomes are clearly defined and can be delivered within the specified timeframe.
    - Clearly show how the outcomes will be achieved
    - Clear timeline for the project, including realistic key milestones.
  4. The level of co-contributions from other parties, such as the states and industry.
    - Clear itemised budget for the project, including grant funding, co-contributions, and in-kind support
    - The level of support from industry members and other key stakeholders
  5. The applicant demonstrates the resources and capability to carry the project through to finality.
    - Financial management systems and policies in place to manage grant monies
    - Capacity of the project manager to administer grants of this nature, including relevant experience
    - Risk management in place.
  6. The applicant demonstrates the technical feasibility and competency to deliver the project outputs and outcomes, as well as reports to the department.
    - Practical and realistic methodology which will ensure delivery of project outputs and outcomes
    - Research capability of project proponent and other consortium members (if applicable), including previous work on related topics (evidence could include resumes or biographies)
    - How you will ensure you meet outputs and outcomes (i.e. what quality mechanisms do you have in place)
    - Include references from two qualified referees addressing methodology and research capability.

## **9. Selection of suitable applicants**

The independent advisory panel and the Rural Research and Development Council will make assessments and recommend suitable projects for funding to the decision maker (as described in section 8 of these guidelines).

The decision maker for the program is the Minister for Agriculture, Fisheries and Forestry.

The minister will make the final decision on funding, taking into consideration the recommendations of the independent advisory panel, the Rural Research and Development Council, and any other relevant information available.

As this is a competitive grants program, the decision maker has the discretion in determining whether or not a particular application receives funding and may or may not impose conditions on the grant.

Please note it is possible that due to competitiveness, the full amount of your request may not be available and only partial funding may be offered. All costs of the project above the approved grant will need to be met by the applicant.

All applicants will be advised of the outcome of their EOI in writing. The minister will announce successful applicants. Information on successful projects will be published on the program website.

## 10. Appeals

For grants, such as within this program, the relevant test of the validity of a decision is that "it is not unreasonable". Applicants should note that grants are literally made at the discretion of the minister.

The avenues of appeal available to applicants deemed unsuccessful include:

- The Commonwealth Ombudsman: for applicants who consider they have been unfairly or unreasonably treated by the department.
- The Administrative Appeals Tribunal: for applicants who wish to seek an independent review of a decision made by the department.
- The Freedom of Information Act 1982: this enables individuals the right of access to documents in the possession of the department.

## 11. What conditions are attached to funding?

If you are awarded funding, you will be required to sign a Funding Deed that sets out (among other things):

- the rights and obligations of the Australian Government and the grantee
- the agreed activities and timetable for completion
- any milestone payments
- the conditions to be met to acquit the use of the funds
- reporting obligations
- requirements for recognising the Australian Government on any marketing material
- penalties for failing to meet obligations.

All terms and conditions of a grant may not be contained in these guidelines. No legally-binding relationship exists until a Funding Deed is signed by both parties. The Funding Deed will contain all terms and conditions. Grantees should seek independent legal advice before entering into a Funding Deed. A draft funding Deed is available on the fund website at [www.daff.gov.au/ficcrf](http://www.daff.gov.au/ficcrf)

Grant payments will be made on a milestone basis, with the milestones being identified in a schedule in the negotiated Funding Deed. Milestones regularly include reporting to the department the outcomes of the research project.

If an applicant fails to comply with any clause in the Funding Deed, the applicant may be required to repay some or all of the grant monies received.

Applicants should be aware if they are successful, Australian Government policy may require the department to publish information about the applicant including but not limited to:

- name of the person or entity receiving the grant
- amount of funding received
- term of the grant
- funding location.

Applicants should be aware that the department may publish the above information on its website in order to comply with Australian Government policy and to meet mandatory reporting requirements.

By submitting an application for funding under this grant program, the applicant consents to publication of the above information by the department if they are awarded funding under the grant program.

## **12. Additional information**

Applicants should be aware that receipt of funding from this program may result in you being ineligible for support from other government programs.

Applicants should discuss with their accountants or tax advisers the taxation and associated implications of receiving a grant.

GST is payable on grants. Grants will be announced as GST exclusive, but payments are made GST inclusive. When submitting your project budget, you should omit GST from your figures.

All applicants are advised to seek independent legal advice prior to entering into a Funding Deed with the Australian Government.

### ***Intellectual property***

Applicants must provide details of intellectual property (IP) issues in their EOI. This includes both the use of IP in the project and the proposed ownership of rights to IP generated by the project as well as strategies for protecting Australia's IP interests. The Agriculture, Fisheries and Forestry portfolio approach is to vest the title to intellectual property rights in any project material upon its creation in the grantee, with a grant to the Commonwealth of a non-exclusive, perpetual, royalty free licence (including a right to sub-licence) to use and adapt the project material.

## **13. Contact us**

Further information on the Forest Industries Climate Change Research Fund is available from:

Secretariat  
Forest Industries Climate Change Research Fund  
Forestry Branch  
Climate Change Division  
Australian Government Department of Agriculture, Fisheries and Forestry  
GPO Box 858  
CANBERRA ACT 2601

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