Victorian Timber and Fibre Innovation Fund

Application Guidelines

July 2026

AGRICULTURE VICTORIA

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.

ISBN 978-1-76176-924-5 **(pdf/online/MS word)**

Accessibility

To receive this document in an alternative format, phone the Customer Contact Centre on 136 186, email customer.service@deeca.vic.gov.au, or contact National Relay Service (www.accesshub.gov.au/) on 133 677. Available at DEECA website (www.deeca.vic.gov.au).

Contents

Message from the Minister	3
1. What is the Timber and Fibre Innovation Fund?	4
2. Program objectives	4
3. Who can apply?	5
4. What might be funded?	5
5. What will not be funded?	6
6. What are the funding details?	6
7. What are the assessment criteria?	8
8. What information will need to be provided?	9
9. What are the funding conditions?	10
10. What is the application process?	12
11. Additional information	12
12. What is the notification process?	12
13. Key dates	12
14. Application Checklist	13

Message from the Minister

The Victorian Government is committed to ensuring Victoria's timber and fibre industries remain resilient, innovative and well positioned to meet future challenges and opportunities. These industries play an integral role in supporting regional economies, providing sustainable materials, and contributing to a low-carbon future.

The Victorian Timber and Fibre Innovation Fund is a key part of this commitment. The Fund builds on the Government's forestry transition programs by shifting the focus from transition to transformation - supporting businesses to invest in innovation, advanced manufacturing, alternative fibres and new market opportunities that strengthen the long-term outlook of the sector.

Through this Fund, the Victorian Government is supporting projects that improve productivity, enhance processing capability and unlock new and emerging markets across forestry, plantation, agroforestry and plant fibre industries. By encouraging the adoption of new technologies, advanced processing methods and innovative business models, the Fund aims to deliver lasting economic, social and environmental benefits for Victoria.

Importantly, the Fund supports the development of sustainable timber and fibre products that contribute to Victoria's emissions reduction targets, meet growing demand for low carbon materials, and create jobs and investment in regional communities across the state. It recognises the opportunity to expand and diversify the sector through alternative plant fibres, supporting innovation and commercialisation in areas such as hemp and bamboo.

The Victorian Government will continue to work in partnership with industry to support a strong, future ready timber and fibre sector. I encourage eligible businesses to consider how their projects align with the objectives of the Fund and to apply for support to help drive innovation, sustainability and growth across Victoria's forest and plant fibre industries.

1. What is the Timber and Fibre Innovation Fund?

The Timber and Fibre Innovation Fund (the Fund) is a forward-looking initiative designed to strengthen Victoria's timber and plant fibre industries for a sustainable future.

This Fund builds on Forestry Transition programs supporting workers, businesses, and communities impacted by the end of commercial native timber harvesting. The Fund shifts the focus from transition to transformation and is open to eligible Victorian businesses working across forestry, agroforestry, alternative fibre industries and businesses seeking innovative and expanded use of timber and fibre.

The Fund invests in innovation and strategic opportunities that drive the delivery of projects advancing emerging markets in timber and fibre production. It aims to accelerate industry growth by supporting practical, scalable models and concepts that move beyond small-scale trials into real-world implementation, commercial deployment and widespread adoption.

The Fund supports Victoria's economic growth through the development and expansion of a sustainable timber and fibre industry. Outcomes of the Fund will support the production of sustainable materials for housing and other needs; drive emissions reductions; meet the global demand for low carbon sustainable materials; and enhance regional economies.

It will foster new technologies, improve processing and increase innovative and efficient uses of timber and plant fibre. By driving innovation, project delivery and market development, the Fund supports a resilient, future-ready industry that delivers environmental, economic, and social benefits for Victoria.

2. Program objectives

The Victorian Government has established the Fund to drive innovation and accelerate the growth of Victoria's timber and plant fibre industries with a focus on maximising the use of locally grown resources.

The Fund supports projects that develop, demonstrate and implement new technologies, advanced processing methods and creative business models to unlock emerging markets and deliver compelling economic, social and environmental benefits. By prioritising value for money and sustainable outcomes, the Fund positions the sector for long-term success.

The key objectives of the Fund are to:

Advance Emerging Technologies and Market Opportunities

The Fund supports businesses to unlock innovative technologies, practices, and business models that enhance competitiveness across plantation, agroforestry and plant fibre sectors. Initiatives can include activities related to engineered wood products, bioenergy, improved silviculture, tree breeding, and other solutions that create new markets or expand existing ones.

Improve Manufacturing and Processing Capabilities

The Fund assists businesses to adopt or scale advanced processing techniques, build integrated supply chains, and optimise operations to reduce waste, improve efficiency and create high-value timber and fibre products that meet market demand.

Expand Opportunities for Alternative Plant Fibres

The Fund backs projects that develop commercially viable uses of fibres such as – but not limited to – hemp and bamboo through innovative end-use applications and advanced processing, creating new markets and business models for the sector.

3. Who can apply?

To be eligible for funding, an applicant must:

a. be a business or organisation in the forestry, plantation, agroforestry or plant fibre industry (including manufacturers in those industries) that operates in Victoria, or

b. be a business that is a significant user of timber or plant fibre.

Applications from partnerships or consortiums are welcome.

In addition, to be eligible for funding applicants must:

1. have an Australian Business Number (ABN)
2. be, or expect to be, conducting business operations in Victoria
3. be registered for Goods and Services Tax (GST)
4. meet all the industrial relations obligations as an employer in accordance with the National Employment Standards under the Fair Work Act 2009 (Cth) National Employment Standards - Fair Work Ombudsman
5. be WorkSafe compliant
6. agree to abide by the Buying for Victoria Code of Conduct.

4. What might be funded?

The following types of activities (or projects) are eligible for funding:

Make operations smarter and more innovative
Support new ways to make forestry, plantations, plant fibre, and businesses who utilise timber and fibre more innovative and/or efficient.

Create or improve products and processes
Design, develop, or put in place new products, processes, or technologies that bring innovation or efficiency to the industry.

Upgrade equipment for innovation
Purchase or improve equipment or machinery to support innovative processes, boost efficiency, or access or create new markets.

Develop new products from alternative fibres
Invest in new products or fibre sources using products such as, but not limited to, hemp or bamboo to grow, innovate or diversify the industry.

Test and commercialise new ideas
Explore and validate innovative solutions such as tree breeding, bioenergy, and genetics to ensure practical and market-ready outcomes.

Other activities or projects not listed above may still be eligible, provided they align with the Fund's objectives.

A project supported by the Fund must be completed within 2 years unless otherwise agreed with the department.

5. What will not be funded?

The following activities will not be supported under the Fund:

- purchase of vehicles (including but not limited to: cars, utes, truck prime movers, vans, etc.).
- projects requiring ongoing funding from the Victorian Government when completed.
- retrospective funding, where projects have commenced (i.e. equipment purchased, contracts entered into, or construction has begun) or have been completed prior to receiving funding approval.
- ongoing operating costs such as rent or utilities or salary subsidies.
- the purchase or establishment of a timber plantation.
- financial reimbursement for an applicant's or their employee's time relating to a funded project, including project management.
- feasibility studies.
- event sponsorship.
- private sector projects undertaken as a result of a government contract.
- projects where funding is normally provided by other state, Australian Government, or local government sources.
- costs to meet regulatory requirements.
- purchase of property or land.
- telecommunication service improvements and access road upgrades.

6. What are the funding details?

The total funding available is up to $12 million.

Grants between $50,000 (excluding GST) and $1.0 million (excluding GST) are available to successful applicants.

Any applications for grants under $50,000 (excluding GST) or over $1.0 million (excluding GST) may be considered on a case-by-case basis. Applications above $1.0 million (excluding GST) must demonstrate significant innovation, compelling outcomes, increased employment, and matching of funding.

Grants through the Fund will be awarded competitively. Applications will be assessed based on value for money, feasibility of success, innovative merit and the capability of the applicant to complete the project. This means that not all applications for grants will be successful, even if the application meets all the eligibility criteria.

The amount offered by the department may be less than the amount requested by the applicant.

For businesses that are unable to provide three years of audited financial accounts, the department will utilise its absolute discretion in determining the amount of funding, if any, a project may receive.

Co-contribution requirements

A minimum 1:1 cash co-contribution is required for all projects supported by the Fund. In-kind contributions and purchases of land and property will not be considered.

Applicants are expected to maximise their co-contribution. Co-contributions can be drawn from a range of sources, such as:

- equity from the business or business investors
- loans from financial institutions
- grants from the Australian Government
- contributions from local government authorities
- contributions from utility/service providers
- funds from other sources.

Sources of cash co-contribution must be disclosed in the application.

Credit: Australian Sustainable Hardwoods

7. What are the assessment criteria?

First, applications will be checked for eligibility to make sure that the applicant and their activity are eligible for funding.

After that, eligible applications will be assessed using the criteria listed below. Each criterion is given a percentage weighting to indicate its relative importance in the assessment process. Applications should address all relevant criteria.

Applicants that rank highest against both the assessment criteria and other applicants are offered funding in alignment with available funding for this grant round.

Innovation and strategic impact
40%

Applicants must demonstrate:

- how the project aligns with the objectives of the Fund
- potential to deliver long-term industry benefits, including competitiveness, sustainability, and alignment with Victorian economic priorities.
- evidence of productivity gains, new product development, or the creation of, or access to new markets.
- overall feasibility and practicality of the project to be successful and deliver impact

Value for money
25%

Applicants must demonstrate how their proposal provides value for money, including:

- level of co-contribution into the project, either directly from the applicant or from other sources.
- demonstrated return on investment through measurable outcomes such as job creation, industry development, or market expansion.
- broader benefits to local and regional communities and economies including supply chains.

Organisational capability, capacity
20%

Applicants must demonstrate their capability and capacity to deliver the proposed project, including:

- project readiness, where key components for the project are in place for timely implementation.
- demonstrated ability to deliver the project, including planning, forecasting, and market analysis.
- availability of resources, skills, and governance structures to ensure successful implementation.

Risk management
15%

- identification and mitigation of key risks, supported by a robust and comprehensive risk management plan.
- financial stability and outcomes of any financial risk assessment.
- demonstrated history of constructive engagement and timely, professional communication with the department (where relevant).

It is recommended that applicants use these criteria as a guide to the information that should be included within the application. Not all assessment criteria listed may be relevant to every application.

8. What information will need to be provided?

To apply for a grant, applicants must complete the application form, providing the following information:

- a detailed description of the project
- a description of the project's ability to deliver on the objectives of the Fund
- the outcomes and benefits of the project, particularly relating to industry development, sustainability, innovation, employment creation or retention, and economic, social and environmental benefits to the local community.
- a comprehensive project plan that outlines project timelines, key milestone dates and the people who will be involved in delivering the project
- a detailed project budget that states where the co-contribution funding will be sourced and when it will be spent
- evidence that co-contribution funding is available or has been secured
- a comprehensive risk management plan
- 3 years of audited financial reports, where the latest financial report is more than 3 months old, up-to-date management or interim accounts (accrual-based profit and loss statement and balance sheet) will be requested (for projects over $50,000).
- research to support the activity
- feasibility studies
- business cases and plans
- cost benefit analysis
- letters of support
- regional and/or local economic impact analyses

Relevant permits, approvals, or regulatory authorisations.

9. What are the funding conditions?

Recommendation for funding

The departmental assessment panel will make a recommendation for funding based on its assessment of applications against the assessment criteria.

The panel may recommend the application not be funded, be partially funded or fully funded.

A financial risk assessment will be undertaken by the department for all grants above $50,000 (excluding GST). Applicants will be required to submit audited financial reports (accrual-based profit and loss statement and balance sheet) for the past three years.

Where the latest financial report is more than 3 months old, up-to-date management or interim accounts (accrual-based profit and loss statement and balance sheet) will be requested.

The assessment panel will consider the results of the financial risk assessment as well as the evidence that the business has sufficient cash to cover the co-contribution requirements over the life of the project in determining what funding, if any, should be recommended for approval. If the financial risk assessment is high, the department is unlikely to recommend the project for funding.

Approval of funding

Where the departmental assessment panel recommends an application for funding, the panel will provide that recommendation to the Minister for Agriculture for final consideration.

The Minister for Agriculture will consider the recommendations made by the department when deliberating on approval for a grant to an applicant.

The department will provide feedback to unsuccessful applicants for those applications not recommended to the Minister for approval.

Offer of a Grant

Where the Minister approves a grant to a successful applicant, the successful applicant will be provided with a letter of offer to enter into a grant agreement with the department.

The letter of offer is a non-binding agreement and will lapse after 30 days from the date of the letter unless varied by agreement with the department.

The successful applicant must respond to the letter of offer in writing indicating their acceptance.

Funding agreements

Successful applicants must enter into a funding agreement with Department of Energy, Environment and Climate Action (DEECA). The Victorian Common Funding Agreement is used for funding agreements with not-for-profit organisations and Local Government Authorities.

It is recommended that applicant review the terms and conditions before applying. Information about the Victorian Common Funding Agreement is available on https://www.vic.gov.au/victorian-common-funding-agreement

The activity does not include using the funding for political campaigning or advocacy activities for political parties.

Legislative and regulatory requirements

In delivering the activity grant recipients are required to comply with all relevant Commonwealth and state/territory legislation and regulations, including but not limited to:

- *The Privacy Act 1998 (Commonwealth)*
- *The Freedom of Information Act 1982 (Vic)*
- *Occupational Health and Safety Act 2004*

Tax implications

Applicants should consult the Australian Taxation Office or seek professional advice on any taxation implications that may arise from this grant funding.

Successful applicants without an ABN will need to provide a completed Australian Taxation Office form "Statement by a Supplier" so that no withholding tax is required from the grant payment.

Acknowledging the Victorian Government's support

Successful applicants are expected to acknowledge the Victorian Government's support and promotional guidelines (available at https://www.deeca.vic.gov.au/grants) will form part of the funding agreement. Successful applicants must liaise with the departmental program area to coordinate any public events or announcements related to the project.

Payments

Payments will be made as long as:

- the funding agreement has been signed by both parties
- grant recipients provide reports as required, or otherwise demonstrate that the activity is progressing as expected
- other terms and conditions of funding continue to be met.

Monitoring and reporting

Grant recipients are required to comply with project monitoring and reporting requirements as outlined in the funding agreement. This may include progress reports, site inspections, completion records and acquittal documentation.

Privacy

Any personal information about you or a third party in your application will be collected by the department for the purposes of administering your grant application and informing Members of Parliament of successful applications. Personal information may also be disclosed to external experts, such as members of assessment panels, or other Government Departments for assessment, reporting, advice, comment or for discussion regarding alternative or collaborative grant funding opportunities. If you intend to include personal information about third parties in your application, please ensure that they are aware of the contents of this privacy statement.

Any personal information about you or a third party in your correspondence will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the *Privacy and Data Protection Act 2014* and other applicable laws.

DEECA is committed to protecting the privacy of personal information. You can find the DEECA Privacy Policy online at www.deeca.vic.gov.au/privacy.

Requests for access to information about you held by DEECA should be sent to the Manager Privacy, P.O. Box 500 East Melbourne 8002 or contact by emailing foi.unit@deeca.vic.gov.au.

Local Jobs First Policy

Applicants seeking grant funding of $1 million and over may be subject to The Local Jobs First Policy (LJF). Further information can be found at https://localjobsfirst.vic.gov.au/

Fair Jobs Code

The Fair Jobs Code applies to grants awarded under this program valued at $500,000 or more.

The applicant organisation must have a Pre-Assessment Certificate (Certificate) from the FJC Unit before applying for the grant. Information on how to apply for a Certificate can be found at https://www.buyingfor.vic.gov.au/apply-fair-jobs-code-pre-assessment-certificate

Successful applicants must have a valid Certificate for the life of the grant agreement.

10. What is the application process?

Applications are submitted online using the Grants Online portal.

To apply, go to the grant program web page Timber and Fibre Innovation Fund and click on the **'Start New Application'** button.

To return to a saved draft application, click on the **'Access Saved Application'** button.

Attaching required documents

Supporting documents must be in an acceptable file type, such as Word, Excel, PDF, or JPEG.
The maximum file size for each file is 10MB.

You will receive an application number when you submit an application online. Please quote this number in all communications with the department relating to your application.

If you have documents to submit that cannot be attached to your online application you can email them to TFIF@deeca.vic.gov.au, quoting your application number. Attach all documents to one email, zipping the files if required.

Make sure your application is submitted by **5pm AEST on 31 August 2026.**

Note: *No hard copy applications will be accepted. Late and incomplete applications will not be considered*

11. Additional information

Additional information is available at the program web page Timber and Fibre Innovation Fund

If you require assistance submitting your application online, email grantsinfo@deeca.vic.gov.au.

12. What is the notification process?

Successful and unsuccessful applicants will be notified in writing after the assessment process is completed.

All decisions are final and are not subject to further review. Unsuccessful applicants can ask for feedback on their application.

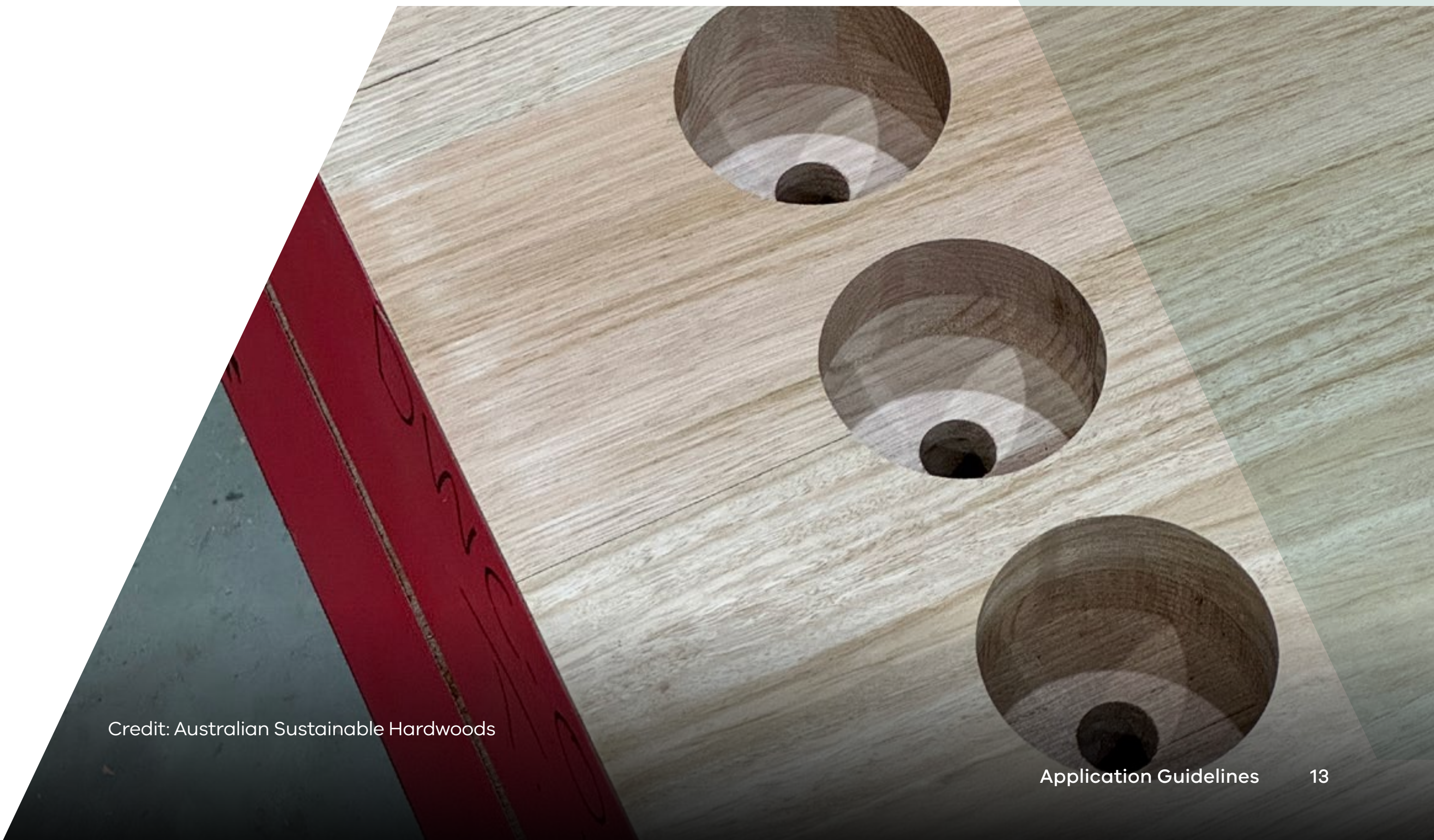
13. Key dates

Applications open	27 July 2026
Applications close	31 August 2026 (5pm AEST)
Applicants notified	By 30 October 2026

14. Application Checklist

Read these guidelines and the information about this grant program at Timber and Fibre Innovation Fund before applying and complete the following checklist:

- [ ] Read the Program Guidelines
- [ ] Apply via the electronic weblink before the program closing date
- [ ] Department assesses and makes recommendation to the Minister on applications recommended or not recommended for funding.
- [ ] Receive letter of offer if successful or notification if unsuccessful
- [ ] Applicant responds by accepting or rejecting letter of offer
- [ ] Department issues a grant agreement for applicant's signature
- [ ] Applicant signs and returns grant agreement to the department
- [ ] Department countersigns and executes the agreement
- [ ] Project commences
- [ ] Payments are made upon evidence that project milestones have been met



Credit: Australian Sustainable Hardwoods agriculture.vic.gov.au

2460