

FORESTRY TRANSITION PROGRAM

# Community Development Fund – Round Three

APPLICATION GUIDELINES  
JANUARY 2026



### **Acknowledgment**

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. We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

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### **Accessibility**

If you would like to receive this publication in an alternative format, please telephone the Forestry Transition Program representative on 1800 318 182, email [forestrytransition@deeca.vic.gov.au](mailto:forestrytransition@deeca.vic.gov.au). This document is also available on the internet at [vic.gov.au/forestry](http://vic.gov.au/forestry).

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## 1. Background

The Victorian Forestry Transition Program supports workers, businesses and communities that are impacted by the end of commercial native timber harvesting in Victorian State forests.

Under the Local Development Strategy program, grants of \$500,000 have been provided to 11 communities most at risk because of the transition. These grants are used to deliver a locally based, community led process to identify opportunities to diversify the economy and to support communities' transition to new industries.

The \$22 million Community Development Fund (the Fund) supports the implementation of Local Development Strategy priority proposals. The allocation of funds will ensure fair access for eligible communities while considering the impact of the end of native timber harvesting on each community. It will prioritise activities that demonstrate value for money, support local economic diversification and deliver long term community benefit. The Fund is open for applications until 30 June 2026.

The Forestry Transition Program also provides support for native timber businesses to expand and diversify and for non-forestry businesses to create jobs. Details of all supports can be found at <https://www.deeca.vic.gov.au/forestry/forestry-transition-program>.

## 2. What is the Community Development Fund Program?

The objective of the Community Development Fund is to support the implementation of opportunities identified by communities in their Local Development Strategy.

The Fund will:

- assist the community to transition to new and sustainable industries
- create economic growth and future jobs
- support development of community capability and resilience.

Communities will determine which opportunities should be pursued in their location.

## 3. Who can apply?

The following 11 towns and communities are eligible for funding under this program:

- Benalla
- Nowa Nowa
- Yarram
- Corryong
- Orbost
- Heyfield
- Noojee
- Swifts Creek
- Koondrook
- Yarra Ranges (Powelltown, Yarra Junction, Warburton)
- Murrindindi (Alexandra, Taggerty, Buxton, Marysville, Narbethong)

The Fund has two streams. Each town or community is eligible to apply for:

- up to \$500,000 (excluding GST) to fund project management support and upskilling activities. (Stream 1).
- up to \$500,000 (excluding GST) for key activities identified by the Innovation Working Groups and through the Local Development Strategy (Stream 2).
- further funding of up to \$1.5 million (excluding GST) for additional key activities identified in the Innovation Working Groups and through the Local Development Strategy. This funding is contestable and successful applications will be required to rate highly against the assessment criteria (Stream 2).

No town or community will receive more than \$2.5 million (excluding GST) in total across all funding rounds, for all applications to Streams 1 and 2.

Recipients of Stream 1 and 2 funding in previous rounds are eligible to apply for funding in this round.

**Innovation Working Groups** are formed during the development of the Local Development Strategy. They are responsible for developing, testing and refining identified innovation opportunities, delivering outputs including feasibility studies, business cases, or other appropriate documents to build and support a case for investment and funding for the initiative.

## Eligible applicants

To be eligible for funding applicants must:

1. discuss their proposal with a Community Transition Coordinator before commencing the formal Expression of Interest process.
2. hold an Australian Business Number (ABN).

For both funding streams, applications will be considered from community or industry groups including:

- local government authority
- a business and industry cluster or network
- an incorporated community organisation
- non-profit organisations
- chamber of commerce, business association, education and research organisations

## Eligible applicants – Stream 2 only

For Stream 2, applications will also be considered from:



- Private sector businesses

Applications submitted under Stream 2 for key infrastructure works identified in the Local Development Strategy may be considered from:

- utility and services providers
- water corporations
- local government authorities
- incorporated not-for-profit organisations that operate as a business.

## 4. What are the funding details?

The Fund will use two funding streams:

Total \$22 million	
<p><b>Stream 1</b> \$5.5 million</p> <p><b>Up to \$500,000 (excluding GST) per community</b></p> <p>Open to Local Development Strategy host agencies and community groups</p>	<p><b>Stream 2</b> \$16.5 million</p> <p><b>Up to \$2 million (excluding GST) per community</b></p> <p>Open to businesses, community groups, utility companies and Local Development Strategy host agencies</p>
Funding for:	
 <p>Project management, capacity building, training, upskilling</p>	 <p>Early implementation of key activities identified in Local Development Strategy and Innovation Working Groups</p>

## Stream 1–Project management support and upskilling community members

Each town or community is eligible for up to \$500,000 (excluding GST) to fund:

- project management support for the implementation of Local Development Strategy priorities.
- activities to upskill community members to build business expertise and community capability.

### What might be funded?

Activities that may be funded through Stream 1 include:

- Project management support
  - co-ordinating the implementation and delivery of each Innovation Working Group established through the Local Development Strategy program
  - implementing enabling activities identified in the Local Development Strategy
  - providing administration support to each Innovation Working Group and the Local Development Strategy Leadership Group
  - convening community meetings supporting the Local Development Strategy
  - leading and delivering a communications strategy for the Local Development Strategy.
- Upskilling community members
  - identification of workforce and business support needs
  - building business expertise, capability and resilience within the community
  - community workforce capability and training
  - grant-writing assistance
  - succession planning and investor/investee advice
  - leadership development
  - business development support.

A **Local Development Strategy Leadership Group** comprises representatives from community, business, government and education/research who have an interest in the community and its success. The group provides overall strategic direction to the Local Development Strategy and Innovation Working Groups.

### What will not be funded?

Activities that will typically not be funded through Stream 1 include:

- funding for project management support resources which could reasonably be expected to be the responsibility of the Local Development Strategy host agency
- requests for retrospective funding where activities have been completed or have commenced prior to receiving funding approval
- purchase of property or vehicles
- activities establishing expectations of ongoing funding from the Victorian Government
- activities undertaken by the private sector as a result of a Victorian Government contract

For applications for project management support, the host agency that held the Local Development Strategy grant is expected to endorse any application received from another community or business/industry group, if the original host agency does not apply.

## Stream 2 – Innovation opportunities

Stream 2 has a total funding pool of \$16.5 million (excluding GST). Each of the 11 towns or communities may be eligible to access up to \$2 million (excluding GST) from this stream to deliver key activities identified through their Local Development Strategy and Innovation Working Groups.

The \$2 million is made up of:

- up to \$500,000 (excluding GST) of guaranteed funding provided applications meet departmental requirements, eligibility and assessment criteria.
- up to \$1.5 million once the community's guaranteed funding is exhausted. This is competitive funding where applications that best meet the objectives of the program will be recommended for approval. Successful applications need to rate highly against the funding stream's assessment criteria and other applications.

### What might be funded?

Activities that may be funded through Stream 2 include:

- initial funding to support innovation opportunities identified through the Local Development Strategy and developed by the Innovation Working Groups, including:
  - applied research and development
  - pilot projects / feasibility studies / business cases / funding submissions
  - marketing
  - logistics and supply chain development
  - project activity support.
- infrastructure improvements identified in the Local Development Strategy, for example:
  - technology, plant and equipment, and communications
  - new or upgraded infrastructure including utility or service connections.

### What will not be funded?

Activities that will typically not be funded through Stream 2 include:

- activities primarily to meet regulatory requirements e.g. cost of permits associated with an activity
- requests for retrospective funding where activities have been completed or have commenced prior to receiving funding approval
- purchase of property or vehicles
- use of funding for political campaigning or advocacy activities for political parties
- activities undertaken by the private sector as a result of a Victorian Government contract
- activities normally funded through Commonwealth, State or local government sources
- activities requiring operational funding from the Victorian Government once completed.

Final decision on the types of activities that will be funded are at the discretion of the department and the Minister for Agriculture.

Potential applicants who believe their project may not be eligible under the Fund may be eligible to apply to other grant programs under the Forestry Transition Program. Applicants are encouraged to contact a DEECA Community Transition Coordinator to discuss other funding options. Contact details can be found in the 'How to Apply' section at [www.deeca.vic.gov.au/forestry/grants/community-development-fund](http://www.deeca.vic.gov.au/forestry/grants/community-development-fund) or by calling 1800 318 182.

### What supporting documents will need to be provided?

As a community-led program, the department expects that the application is well understood and supported by the local community and other stakeholders.

Most Local Development Strategy locations will have established a local leadership group that provides strategic direction and support for the community's transition plan. Where this group is in place, it is expected that the leadership group will have formally endorsed the proposed project.

Where a leadership group is not in place, the applicant will need to demonstrate support for the application from the community. This may include:

- written evidence of support from relevant industry, government and community organisations
- minutes of relevant working group meetings to develop/finalise the proposal
- evidence of support from the Local Development Strategy Project Control Group.

The applicant should submit the following documents with their application (as applicable):

- evidence of any other funding sources
- written consent from the relevant public land manager or private landowner to undertake the activity
- approval for appropriate works permit/s from councils or other authorities
- Applicants who have not previously applied to the Fund (except for exempt organisations such as Local Government Authorities and universities) must provide audited or accountant prepared financial reports for the last three years before their application. This should include Profit and Loss Statement, Balance Sheet, Cash Flow Statement and any Notes to the Accounts. Where the latest financial report is more than 6 months old, a current Profit and Loss Statement and Balance Sheet must be supplied. Applicants may also be required to provide this information when submitting future applications. This helps the department assess the financial viability of the applicant and their ability to manage and complete the project.

The DEECA Community Transition Coordinator can assist applicants to understand the documents required and advise on other options, if they cannot provide annual reports and audited financial statements for the last three years.

## 5. Key dates

Funding from the total pool of \$22 million (excluding GST) will be made available in rounds with opening and closing dates. This is designed to ensure that:

- all communities have a fair opportunity to apply for and receive grants
- the department makes fair decisions where applicants are competing for funds
- timely outcomes are provided to applicants.

For funding Stream 2, applicants are required to submit a short Expression of Interest before being invited to make a full application.

Key dates for the current round are:

**Round 3 Opening Date:** Tuesday, 7 July 2025

**Round 3 Expression of Interest Closing Date:** Monday, 15 June 2026

**Round 3 Application Closing Date:** Tuesday, 30 June 2026

Approximately \$9 million (excluding GST) is available in Round 3 of the Community Development Fund.

Expressions of Interest and applications submitted after the closing date will not be considered.

Applications will be assessed in batches upon receipt.

## 6. What is the application process?

Community Development Fund applications are managed through the following process:

Steps	Process and Support
<p><b>CHECK ELIGIBILITY</b></p>	<ul style="list-style-type: none"> <li>• <b>DEECA Community Transition Coordinator</b> – provides pre-submission eligibility advice and advice on the scope of the project</li> <li>• <b>Project Manager</b> – discusses alignment of proposal to Local Development Strategy and shares information with relevant stakeholders to seek support</li> </ul>
<p><b>SUBMIT AN EXPRESSION OF INTEREST (STREAM 2 APPLICATIONS ONLY)</b></p>	<ul style="list-style-type: none"> <li>• <b>DEECA Community Transition Coordinator</b> – facilitates submission of Expression of Interest, and liaises between the applicant and the departmental assessment panel</li> <li>• <b>Departmental assessment panel</b> – assesses eligibility of project and confirms the project can proceed, with feedback to the applicant on what is needed in a full application</li> </ul>
<p><b>PREPARE AND SUBMIT AN APPLICATION</b></p>	<ul style="list-style-type: none"> <li>• <b>DEECA Community Transition Coordinator</b> – assists with development of application and ensures relevant information required for assessment is included</li> <li>• <b>Project Manager</b> – supports application development and liaises with stakeholders to gain their endorsement</li> <li>• <b>Innovation Working Group and Leadership Group</b> – provide endorsement for the application (for Stream 2 applications)</li> </ul>
<p><b>APPLICATION ASSESSMENT</b></p>	<ul style="list-style-type: none"> <li>• <b>Departmental assessment panel</b> – undertakes assessment against criteria and makes grant recommendation</li> </ul>
<p><b>APPLICATION RECOMMENDATION AND DECISION</b></p>	<ul style="list-style-type: none"> <li>• <b>Minister for Agriculture</b> – makes decision to award a grant</li> </ul>

## Step 1 – Check eligibility

Before commencing the application process, applicants must discuss the proposed project with the relevant Local Development Strategy Project Manager and a DEECA Community Transition Coordinator.

They will:

- provide advice on the eligibility of the proposed project
- share information with relevant local stakeholders to seek support for the proposal
- assist with project scoping.

Contact details for the DEECA Community Transition Coordinator for your area can be found in the 'How to Apply' section at [www.deeca.vic.gov.au/forestry/grants/community-development-fund](http://www.deeca.vic.gov.au/forestry/grants/community-development-fund) or by calling 1800 318 182.

Once a DEECA Community Transition Coordinator has confirmed the project's eligibility to progress, a link to the Expression of Interest form will be sent to the applicant.

Stream 1 applications do not require an Expression of Interest to be submitted and can progress directly to the application stage (see Step 2).

## Step 1a – Submit an Expression of Interest (Stream 2 only)

The Expression of Interest process gives the assessment panel opportunity to review potential applications for Stream 2 funding and provide advice and feedback to the applicant, ahead of submission of a full application.

Potential applicants are required to provide the following information as part of the Expression of Interest submission:

- outline of the proposed activity or project
- the amount of funding requested
- how the requested funding will be used
- how the proposed project or activity is aligned with the Local Development Strategy and demonstrates value for money
- confirmation that the application has been discussed with the relevant Local Development Strategy Project Manager, host agency, and DEECA Community Transition Coordinator
- Financial information required to assess the financial viability of the applicant and their ability to manage and complete the project (if requested).

The department aims to provide feedback and advice to applicants and determine their eligibility to progress to the next step of the application process within two weeks of receiving a complete Expression of Interest.

## Step 2 – Prepare and submit an application

Once a proposal is approved to proceed, the DEECA Community Transition Coordinator will provide the applicant with a link to the application form.

### What is required in an application?

All applications should clearly and succinctly describe the proposed activity or project by detailing:

- the proposed activity or project objective and outcomes
- the proposed activity or project plan, including timelines, deliverables and governance arrangements
- how the proposed activity or project aligns with the Local Development Strategy
- the demonstrated community support for the proposed activity or project
- how the proposed activity or project demonstrates value for money and assists the community to transition and generate future economic growth and jobs
- proposed activity or project resource requirements
- the proposed activity or project budget
- potential proposed activity or project risks and how they will be managed
- Evidence of endorsement by the Local Development Strategy leadership group, or community endorsement if a leadership group has not been established
- Evidence of any relevant permits or approvals required to deliver the proposed activity or project

When preparing the application, applicants should note:

- co-funding, whether cash or an in-kind contribution, will be considered favourably in the assessment process but is not mandatory. Where co-funding exists, evidence should be provided as part of the application.
- all proposed activity or project costs included in the application must be exclusive of GST.

## Step 3 – Application assessment

### How applications are assessed

A departmental assessment panel will assess eligible applications 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.

Assessments will evaluate application responses and supporting documentation supplied in the application or as requested.

### Stream 1–Project management support and upskilling community members

Assessment area	Assessment criteria	Weighting
<b>Proposed activity or project aims</b>	How well the activities to be undertaken and resourcing demonstrate value for money and will meet the identified needs of the community and its transition.  How well the proposed approach will assist in the implementation of the town or community's Local Development Strategy.	<b>60%</b>
<b>Organisational capability and capacity</b>	How well the activities have been planned and will be managed to ensure delivery on time, on budget and at the agreed quality.  The appropriateness of the applicant organisation to manage the activities and funds.	<b>40%</b>

### Stream 2–Innovation opportunities

Assessment area	Assessment criteria	Weighting
<b>Innovation project aims</b>	How well the application aligns and will achieve the aims of the Local Development Strategy.  How well the application demonstrates value for money and aligns to Forestry Transition Program outcomes, including enabling diversification in communities most affected by the end of native timber harvesting.	<b>60%</b>
<b>Organisational capability and capacity</b>	How well the project has been planned and will be managed to ensure it is delivered on time, on budget and at the agreed quality.  The appropriateness of the applicant organisation to manage the project and funds.	<b>40%</b>

Where the applicant community has already been approved for the total \$500,000 guaranteed funding under Stream 2, applications will be assessed under a competitive funding model. This means that the assessment will also consider the quality of the application relative to other applications to the same round, and the impacts of the end of native timber harvesting on the community.

At each stage of the assessment process, the department reserves the right to ask the applicant for clarification or more information to assist in the assessment of the application. The department may also seek independent external advice when assessing an application.

The assessment will consider application responses, other information and supporting documentation supplied in the form or as requested.

### Due diligence assessments

Due diligence assessments are used by the department to determine financial and other (non-financial) risks associated with the proposed project. They are also used when entering into a funding agreement with the applicant. These assessments can take place during the Expression of Interest and Assessment of application stages of the process.

Outcomes from such assessments may be considered in any decision to recommend or award a grant and in contracting with successful applicants.

Such checks may include:

- the potential for reputational risk to the State of Victoria
- the delivery performance of other grants contracted with the Victorian Government and whether the applicant has failed to meet key contractual obligations for previous grant agreements
- business regulator check – this may be undertaken to verify business details provided with the Australian Business Register, Australian Securities and Investment Commission, Australian Charities and Not-for-profits Commissioner, Consumer Affairs Victoria and/or another applicable regulator.

The department may require applicants to provide audited or accountant prepared financial records to enable due diligence assessments.

### Step 4 – Application recommendation

The departmental assessment panel will make a recommendation for funding to the Minister for Agriculture.

### Step 5 – Application decision

The Minister has absolute discretion in determining the application outcome. This includes recommending or awarding a lesser amount than sought, or not awarding any amount.

Successful and unsuccessful applicants will be notified in writing. All decisions are final and are not subject to further review. Unsuccessful applicants can ask for feedback on their application.

## 7. What are the funding conditions?

### Funding agreements

Successful applicants must enter into a funding agreement with the department.

The grant agreement is a legally enforceable document that clearly set out the obligations of both parties. The grant agreement aims to protect the Victorian Government's interests and to ensure the efficient and effective use of public money.

Activities cannot commence until the Grant Agreement is executed and signed by both the recipient and the department.

It is recommended that applicants 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 legislations and regulations, including but not limited to:

- *The Privacy Act 1988 (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.

## 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, evaluation and reporting

Grant recipients are required to comply with project monitoring, evaluation and reporting requirements as outlined in the funding agreement. This includes program evaluation activities, progress reports, completion reports and acquittal documentation. This may include evaluation and reporting requirements for up to three years following completion of the project.

Stream 2 funding recipients will also be required to provide regular project updates to the town or Community Leadership Group that oversees the implementation of the Local Development Strategy and Innovation Working Groups, the Chair of the relevant Innovation Working Group, the Local Development Strategy Project Manager and the department, as agreed to and specified in the grant agreement.

The department publicly reports on grants and programs it administers. The reporting includes the identity of successful applicants and projects and, where applicable, deviations from or exceptions to the assessment and approvals processes set out in these guidelines.

## Terms of Applying

The department reserves the right to request the applicant to provide further information should it be deemed necessary. The department reserves the right to amend these Guidelines and the application terms at any time as it deems appropriate.

Any changes to the Guidelines will not affect the eligibility of the applicants and applications made prior to the date of publication of any update.

The department may at any time, remove an applicant from the application and assessment process, if in the department's opinion, association with the applicant may bring the department, a Minister or the State of Victoria in disrepute.

## 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 discussions 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](http://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](mailto:Foi.unit@deeca.vic.gov.au).

## Further information

Applicants requiring further information about the Victorian Forestry Plan should contact their local DEECA Community Transition Coordinator for further details.

**Phone:** 1800 318 182

**Email:** [forestrytransition@deeca.vic.gov.au](mailto:forestrytransition@deeca.vic.gov.au)

**Website:** [www.deeca.vic.gov.au/forestry/grants](http://www.deeca.vic.gov.au/forestry/grants)

