

NSW Government Grant Programs - Post-hearing Responses - Hearing 26 April 2021

Answers to Questions on Notice

From Snowy Valleys Council Chief Executive Officer, Matthew Hyde

Q1. The Hon. COURTNEY HOUSSOS: In terms of the funding that you received that was announced when the guidelines were publicly announced, did you have to submit an application form for that funding that you received? Do you want to go first, Mr Hyde?

Mr HYDE: Yes, there was a funding submission that was lodged for that.

The Hon. COURTNEY HOUSSOS: Would you be able to provide that to the Committee on notice?

Mr HYDE: I can do.

The CHAIR: Was there an application form? Were you given a form to fill in and specific criteria to meet or did you make it up on the go, Mr Hyde? That is no criticism of the council.

The Hon. SHAYNE MALLARD: Sounds like it.

Mr HYDE: I do not recall the detail around that so I would have to go back and take that on notice, thanks.

A1: *See attached funding submission application – Bushfire Industry Package – Sector Development Grants. Application BIP-SDG-019 From Snowy Valleys Council. Submitted 10 July 2020, 10.07am AEST.*

Q2. The CHAIR: Do you have an estimate of what the depreciation costs just of that extended Tumut Aerodrome will be to your ratepayers?

Mr HYDE: I am happy to take that on notice. We are only just starting the project management around that particular program at the moment.

A2. *The current annual depreciation estimates for the aerodrome assets is \$778,877.39 expected depreciation against a total value of \$2,676,598.71.*

We do not know yet what the depreciation will look like after the aerodrome improvement works as we are still scoping the different elements which all have different life expectancy and values in respect to depreciation.

If we were to assume that the \$12.5M equates to a value for depreciation and average life of 35 years (noting that the life for the different elements will vary significantly), a very rough estimate of \$357,000 could be assumed at this early stage of the project.

Introduction - Sector Development Grants

Overview

The Bushfire Industry Recovery Package – Sector Development Grants provide funding to support the medium to long-term recovery and resilience of the forestry, horticulture and agriculture (aquaculture, dairy, viticulture and apiculture) industries in New South Wales impacted by the bushfires from 31 August 2019. Funding is available for projects that will be delivered in the medium to long-term to help industry-wide recovery and rebuilding, with a focus on job creation via projects that will build industry sustainability, increase value-add production, support supply-chain efficiencies, product diversification and market expansion.

Sector Development Grants are one of two funding streams in the NSW Government's \$140 million Bushfire Industry Recovery Package. The *Supply Chain Support Grants* funding stream has separate Guidelines and will focus on projects that will be delivered in the immediate to short-term to help producers and businesses rebuild and recover, with a focus on retaining jobs and enabling future production.

The overall objective of the Bushfire Industry Recovery Package is to enable the recovery and resilience of key engine (driver) industries of forestry, horticulture and agriculture via supporting:

- The immediate recovery needs of producers to enable a functional supply chain;
- The creation and retention of jobs;
- Strengthening local supply chains;
- Increasing value adding production and diversification.

Objective

The objective of the Bushfire Industry Recovery Package – Sector Development Grants is to support medium to long-term job retention and creation in the forestry, horticulture, and agriculture industries in bushfire impacted regions via projects that will build industry sustainability, increase value-add production, support supply-chain efficiencies, product diversification and market expansion.

Bushfire Industry Package Application Form

*** indicates a required field**

Eligible Applicants

- Forestry, horticulture and agriculture (aquaculture, dairy, viticulture and apiculture) businesses or businesses in the close supply or value chain of these industries
- Incorporated industry associations, co-operatives, local councils or other organisations with a sector wide purpose in the forestry, horticulture and agriculture industries.

Applicants must:

- Have an ABN, ACN, AIN or another identifier
- Have the demonstrated skills and capacity to deliver the project
- Have been impacted by bushfires from August 2019 onwards or represent members that have been impacted

Bushfire Industry Package - Sector Development Grants

Bushfire Industry Package - Sector Development Grants Application Form

Application BIP - SDG - 019 From Snowy Valleys Council

Form Submitted 10 Jul 2020, 10:07am AEST

- Be financially viable

Businesses, industry associations, local councils and other organisations are encouraged to work together to submit joint applications. A lead applicant will need to be nominated for all joint applications.

Ineligible applicants include:

- Commonwealth or NSW Government agencies
- Organisations that do not have an ABN, AIN or other identifier
- Businesses that are insolvent

State Owned Corporations or statutory authorities cannot be the lead applicant for funding but can apply in partnership with eligible applicants.

Competitive Neutrality

The provision of financial assistance to businesses may require the consideration of competitive neutrality issues. Competitiveness neutrality issues will be reviewed as part of the assessment process to avoid advantaging or disadvantaging businesses that are legitimately competing in the same immediate market. Businesses whose primary operation is in the below industries will not be eligible for assistance under this program:

- Retail
- Localised trades
- Administrative services
- Most professional services

Organisation address

2-2-1 Applicant Organisation *

Snowy Valleys Council

2-2-2 Organisation's trading name

Snowy Valleys Council

2-2-3 Organisation street address *

76 Capper St

Tumut NSW 2720 Australia

Address Line 1, Suburb/Town, State/Province, and Postcode are required.

2-2-4 Organisation postal address *

76 Capper St

Tumut NSW 2720 Australia

Address Line 1, Suburb/Town, State/Province, and Postcode are required.

2-2-5 Organisation phone number *

Must be an Australian phone number.

Must be an email address.

2-2-7 If applying as the lead applicant on behalf of a consortia or industry grouping, please attach key details for each organisation, i.e. (Organisation

Bushfire Industry Package - Sector Development Grants

Bushfire Industry Package - Sector Development Grants Application Form

Application BIP - SDG - 019 From Snowy Valleys Council

Form Submitted 10 Jul 2020, 10:07am AEST

name, trading name, street address, postal address, phone number, email, ABN, and primary contact name including email address and mobile phone number).

ABN Check

2-3-1 Does your organisation have an ABN? *

Yes No

Australian Business Number details

2-4-1 ABN

53 558 891 887

Information from the Australian Business Register	
ABN	53 558 891 887
Entity name	Snowy Valleys Council
ABN status	Active
Entity type	Local Government Entity
Goods & Services Tax (GST)	Yes
DGR Endorsed	No
ATO Charity Type	Not endorsed More information
ACNC Registration	No
Tax Concessions	No tax concessions
Main business location	2720 NSW

Information retrieved at 2:40pm yesterday

Must be an ABN.

ACN or AIN details

2-5-1 Does your organisation have an ACN or AIN?

ACN AIN Other identification number

2-5-2 Please enter your organisation ACN, AIN or other identification number.

If unsure search Fair Trading Incorporated Associations Register - <http://associationspr.fairtrading.nsw.gov.au/default.aspx>

Project contact details

2-6-1 Applicant Project Contact *

2-6-2 Applicant Project Contact Primary Email *

2-6-3 Applicant Project Contact Position *

2-6-4 Applicant Project Contact Primary Phone Number *

2-6-5 Applicant Project Contact Mobile Phone Number *

Project Details and Delivery Capability

*** indicates a required field**

Eligible Projects

Projects must:

- Have a primary focus on the retention and creation of jobs;
- Build industry sustainability, support / increase value-add production, supply-chain efficiencies, product diversification, market expansion or other activities that will support sustainable jobs including sector-wide professionalisation or business development with a focus on productivity, sustainability and growth;
- Be sustainable without continued government investment;
- Align with the relevant [Bushfire Industry Recovery Plan](#) or industry led recovery plan;
- Align with existing NSW Government policies and strategies;
- Have a minimum co-contribution of 50 per cent of the total project cost. Co-contributions can include direct cash and in-kind contributions to the project. Costs already incurred by businesses for eligible activities (and not already claimed / paid under another State or Commonwealth program or insurance) can be deemed as a co-contribution. Co-contributions of lower than 50 per cent may be considered in extenuating circumstances.
- Be able to commence within 12 months from announcement.

For more information on eligibility of projects, please check the [Sector Development Grants Guidelines \(PDF, 7.26 MB\)](#)

3-1-1 Project Title *

Wondalga Road Timber Link - Junction Upgrade

3-1-2 Please provide a succinct overview of the project scope *

The Wondalga Road junction is an important part of the logistics network linking the softwood plantations of the Snowy Valleys FER with the world-scale sawmills and pulpmill of the region. The road surface of this junction is already failing and needs urgent repair, just as traffic loads over the junction are increasing due to the salvage operation that is being run following the January 2020 bushfires.

Must be no more than 200 words.

Provide a short description (100 words recommended) of your project - what are you out to do?

3-1-3 Please attach a detailed project scope *

Bushfire Industry Package - Sector Development Grants

Bushfire Industry Package - Sector Development Grants Application Form

Application BIP - SDG - 019 From Snowy Valleys Council

Form Submitted 10 Jul 2020, 10:07am AEST

Filename: Haulage routes.pdf
File size: 1.0 MB

Filename: Project Scope.docx
File size: 1.3 MB

Filename: Wondalga road.pdf
File size: 2.7 MB

3-1-4 Please select which industry your project falls under. *

Forestry

3-1-5 How does the project participate in or represent forestry, horticulture and agriculture (aquaculture, dairy, viticulture or apiculture) industries or their supply chains in NSW? *

The Wondalga Road Junction carries around 950,000 tonnes of fibre (logs and chips) per year, and is an essential component of the logistics system which supports the transfer of pine logs from the regional softwood plantations to the processing mills (AKD and Visy) located near Tumut.

The urgent need to transport salvaged logs from burnt plantation areas to these mills has placed additional demands on this particular intersection. In addition to logs, increased volumes of woodchips will also cross this junction, going from the Hyne mill at

Tumbarumba to the Visy mill near Tumut. The junction is anticipated to carry a total of 1.35 million tonnes of fibre (logs plus woodchips) in 2021, with a pavement that is severely deformed and is already in urgent need of repair.

The only alternative route for the transport of this fibre would require an additional 72 kms travel, and an additional 1 hour of time, for each load. This would add significantly to haulage costs (via time and also increased operating costs) for the processing sector, and thus damage the international competitiveness that is so important to their operations in a global market place.

Must be no more than 200 words.

Project Location

3-2-1 Please insert your project location below

Wondalga Rd

Wondalga NSW 2729 Australia



Latitude: -35.408346 | Longitude: 148.119684

Address Line 1 and Suburb/Town are required. State must be NSW.

Bushfire Industry Package - Sector Development Grants

Bushfire Industry Package - Sector Development Grants Application Form

Application BIP - SDG - 019 From Snowy Valleys Council

Form Submitted 10 Jul 2020, 10:07am AEST

3-2-2 Local Government Area your project is located in

Snowy Valleys Council

This is automatically populated based on project location provided.

3-2-3 If you cannot find the location above, please enter details here.

Delivery Capability and Bushfire Impact

3-3-1 Please outline your experience in delivering projects similar in scope and scale to the proposed project or explain how you demonstrate capability and capacity to deliver the project. *

Snowy Valleys Council, via their subsidiary Snowy Works and Services, has undertaken the design and construction of several major road upgrade projects. Most recently, they have worked on the \$70 million upgrade of the Gocup Road, which is another major component of the timber logistics network of the region. In December 2019, Snowy Valleys Council were successfully in gaining \$10 million for the upgrade of one bridge, and repairs to two local roads, which are all vital to the safe and efficient transport of sawlogs and pulplogs to the processing mills of the region. By comparison, the proposed upgrade to the Wondalga Road junction is a small project and does not present major engineering challenges. Detailed design work has already been completed, and so the project is 'shovel ready' once funded. The Council has already resolved to provide the 50% matching funding that is required. Diagrams showing the engineering details of the proposed upgrade work is attached, Must be no more than 200 words.

3-3-2 Please upload any evidence of your experience in delivering projects similar in scope and scale to the proposed project. *

Filename: Wondalga Rd Design.pdf

File size: 1.4 MB

3-3-3 How was your organisation or industry impacted by the bushfires from 31 August 2019? *

Local roads owned and maintained by Snowy Valleys Council were severely impacted by the Dunns Road fire in January 2020. A map indicating the extent of fire damage is attached. Photographs of the current state of the Wondalga Road junction are also attached.

Must be no more than 200 words.

3-3-4 Please attach detailed evidence of how your organisation or industry has been impacted by the bushfires.

Filename: 20200626_075238_resized.jpg

File size: 564.8 kB

Filename: 20200626_075432_resized.jpg

File size: 470.4 kB

Filename: 20200626_075505_resized.jpg

File size: 453.5 kB

Filename: 20200626_075556_resized.jpg

File size: 381.1 kB

Filename: 20200626_075835_resized.jpg

File size: 426.7 kB

Bushfire Industry Package - Sector Development Grants

Bushfire Industry Package - Sector Development Grants Application Form

Application BIP - SDG - 019 From Snowy Valleys Council

Form Submitted 10 Jul 2020, 10:07am AEST

Filename: 20200626_080003_resized.jpg
File size: 496.5 kB

Filename: Map - Fire Impacted Forestry Assets Infrastructure.pdf
File size: 3.6 MB

3-3-5 How does your project align with the relevant Bushfire Industry Recovery Plan or industry led recovery plan? *

Snowy Valleys Council has prepared a Bushfire Recovery Plan. This plan recognises the timber processing industry as one of the major economic drivers of the local economy, and places particular emphasis on the need to ensure that the greatest possible volume of fibre is successfully salvaged (recovery of burnt logs). Time is of the essence as these logs will start to rot (causing downgrade of timber rendering them useless) after 6-10 months. Roads such as Wondalga carry a very large share of this salvaged timber.

Must be no more than 500 words.

3-3-6 How does your project align with existing NSW Government policies and strategies? *

The need to ensure that the regional timber industry is adequately served with infrastructure such as roads is recognised in the revised Regional Economic Development Strategy (REDS) prepared by the NSW Govt following the January 2020 fires. The need to support salvage operations was also a component of this revised Plan. The Wondalga Road Junction is a vital part of the road infrastructure being used by the timber industry, with this use being increased as a result of the salvage of burnt trees from the Greenhills Plantation area.

Must be no more than 500 words.

Project Benefits

*** indicates a required field**

Projects need to demonstrate:

- The number of local jobs that will be created or retained
- Measurable outcomes that show how the project supports the productivity, sustainability and strengthening of the industry supply chain
- How the project contributes to and aligns with the overall industry recovery following the bushfires
- That the project is viable/deliverable
- That the project is affordable.

4-1-1 How many full-time equivalent jobs will be generated during development of the project? *

5

Must be a number.

4-1-2 How many full-time equivalent jobs will be retained for at least the first 3 years post project completion? *

5

Must be a number.

Bushfire Industry Package - Sector Development Grants

Bushfire Industry Package - Sector Development Grants Application Form

Application BIP - SDG - 019 From Snowy Valleys Council

Form Submitted 10 Jul 2020, 10:07am AEST

4-1-3 Please add any additional comments on the number of local jobs that will be created or retained. *

The role of the timber industry in regional economy has been quantified in the 2017 University of Canberra study (Schirmer, et al, 2017) commissioned by the Softwoods Working Group (of which Snowy Valleys Council is a member. The integrated plantation based industry of the region was found to be supporting over 6,600 jobs in the region - which is around 50% of all employment in this LGA. This level of employment would be under threat, should a vital component of the road network supplying fibre to the processing mills fail, and the Wondalga Road upgrade project is designed to prevent such a failure. An efficient logistics infrastructure is an essential part of assisting industry recovery following the catastrophic bushfires of 2020, in which around 40% of the total resource supply for the industry was burnt. The proposed upgrade to the Wondalga junction will assist in maximising transport efficiency. The road surface is already failing, and the increased traffic resulting from salvage operations will only increase this damage. The only viable alternative route would add 72 kms to the average journey, thus increasing travel time and increasing transport costs for the regional timber processing mills

Must be no more than 200 words.

4-1-4 Please list below any other expected benefits of the project (other than employment). *

In addition to supporting the employment of the plantation based processing industry, the upgrade will improve road safety for all road users. As indicated on maps attached to this application, the project involves repairs to a right-angled junction, which heavy vehicles approach from the south down a steep hill. The road is heavily used by heavy vehicles transporting logs and chips, contributing to a potentially increased incidence of accidents for private vehicles, and other heavy transport, which also use this road.

Must be no more than 200 words.

4-1-5 Explain how you plan to collect and retain data to measure the benefits stated above. *

Traffic counts could be conducted to confirm the heavy use of this road junction into the future. The employment status of the entire plantation-based industry (growing and processing softwood fibre) is being carefully monitored as part of the industry's own recovery plan, which is also central to the local and regional Bushfire Recovery Plans.

Must be no more than 200 words.

4-1-6 Which aspect of the program objective does your project address? *

- It builds industry sustainability
- It supports / increases value-add production
- It supports supply-chain efficiencies
- It supports product diversification and/or market expansion.
- It supports other activities that will support sustainable jobs including sector-wide professionalisation or business development with a focus on productivity, sustainability and growth.

Please tick all that apply

4-1-7 How does your project address the objective / objectives above? *

The project will assist in maintaining an efficient supply chain, delivering logs and chips to the processing mills of the area along a road that is fit for purpose except for the junction where upgrades and repairs are urgently required. In doing this, the project also supports the ongoing viability of the processing sector which provides a large share of total employment in the SVC area. A study (Schirmer, et al, 2017) has demonstrated that the activities of the local timber industry support (directly and indirectly) around 50% of all employment in the LGA. The industry also supports over \$2.2 billion of economic

Bushfire Industry Package - Sector Development Grants

Bushfire Industry Package - Sector Development Grants Application Form

Application BIP - SDG - 019 From Snowy Valleys Council

Form Submitted 10 Jul 2020, 10:07am AEST

activity in the region, which would represent development (and jobs) in a number of other sectors which represent diversified activity in businesses supplying to the timber industry, businesses supplying to those direct support industries, and businesses involved in meeting the consumption demands of all direct and indirect employment relating to the timber industry.

Must be no more than 500 words.

Project Plan

*** indicates a required field**

5-1-1 Proposed project start date *

31/01/1921

Must be a date.

5-1-2 Proposed project end date *

30/04/1921

Must be a date.

5-1-3 Please list any approvals that are required for the project to proceed and state whether these approvals have been obtained.

All Council approvals obtained

Must be no more than 200 words.

5-1-4 Are there any significant risks associated with your proposed project? *

Funding risks covered by Council resolution, subject to grant funding being received.

Environmental risks covered by design process.

Must be no more than 200 words.

5-1-5 If you identified any significant risks, please attach a Risk Management Plan.

No files have been uploaded

5-1-6 Please upload a copy of your feasibility study and/or business plan for the project and/or any supporting data, early designs, engineering studies, etc. *

Filename: Wondalga Rd Design.pdf

File size: 1.4 MB

5-1-7 Please confirm that you have completed a mandatory datasheet for your project. *

Yes

No

5-1-8 Please upload your datasheet. *

Filename: BI Industry datasheet - Wondalga Road.xlsx

File size: 820.7 kB

5-1-9 Are you requesting \$5 million or more in grant funding? *

- Yes
 No

Project Budget

*** indicates a required field**

Eligible Grant Amounts

The minimum grant per application is \$50,000. The maximum grant per application is \$10 million.

Each application will require a co-contribution of 50 per cent of the total project cost. A co-contribution may include cash or in-kind contributions (such as labour or project management costs) as well as costs that have already been incurred towards the project. Co-contributions of lower than 50 per cent may be considered in extenuating circumstances. Please refer to the Guidelines for more details on eligible costs.

6-1-1 Please enter the expected Total Project Cost *

\$960,000

Must be a dollar amount.
 GST exclusive.

6-1-2 Please attach a detailed project budget/cash flow by Financial Year. Please identify any local suppliers and include quotations if available. *

Filename: BI Industry datasheet - Wondalga Road.xlsx
 File size: 820.7 kB

6-1-3 Please enter the amount of NSW Government funding requested in this application *

\$480,000

Must be a dollar amount and between 50000 and 10000000.
 GST exclusive.

Co-contributions

Contributor Name	Contribution Type (cash or in-kind)	Co-contribution amount	Attach Co-contribution Confirmation
Snowy Valleys Council	Cash	\$480,000	Filename: Council Engineers Report.docx File size: 50.3 kB <hr/> Filename: Council resolution to fund 50% of Wondalga Road project.PNG File size: 16.5 kB

Bushfire Industry Package - Sector Development Grants

Bushfire Industry Package - Sector Development Grants Application Form

Application BIP - SDG - 019 From Snowy Valleys Council

Form Submitted 10 Jul 2020, 10:07am AEST

	Must be a dollar amount.	
--	--------------------------	--

Co-contributions lower than 50 per cent

6-3-1 Where total co-contributions are less than 50 per cent, please outline the key reasons.

Must be no more than 200 words.

Financial statements

6-4-1 Please provide financial statements (trading, profit & loss statements and balance sheets) for the past three years. *

Filename: 2017-18-Annual-Financial-Statements-Combined.pdf
File size: 6.1 MB

Filename: 20171030-Annual-Financial-Statements-2016-2017-Final-Snowy-Valleys-Council.pdf
File size: 4.0 MB

Filename: 20191025-Final-Annual-Financial-Statements-2018-19[1].pdf
File size: 4.1 MB

Government Assistance

6-5-1 Has your organisation received or is expecting to receive funding assistance from any other government program for this project? If yes, please provide details.

Council has received \$871,816 under the Australian Government Local Roads and Community Infrastructure Program. Council has resolved to allocate \$235,000 of this amount to the Wondalga Road project, to add to the \$245,000 already allocated from Council's own funds. This provides a total of \$480,000 to come from Council resources, to match the \$480,000 being sought in this application.

Must be no more than 200 words.

6-5-2 Do you confirm that your project will be sustainable without continued government investment? *

- Yes
 No

6-5-3 If NSW Government assistance is not provided, what will happen to the project and its intended outcomes?

The pavement on this section of the road is already failing. Further deterioration (which will occur if repairs are not made) will necessitate closure of the intersection, and the resultant use of the Hume Highway as an alternative route to supply timber to Visy and AKD, and to transport wood chips (derived from sawmill residues at Hyne) to Visy. Without the assistance now being sought from the NSW Government, Council will not be in a position to undertake the Wondalga Road project within the necessary time limits to effect maximum recovery of salvaged timber, and so put supply to the processing mills at risk, and involve considerable additional haulage costs.

Must be no more than 200 words.

Bushfire Industry Package - Sector Development Grants

Bushfire Industry Package - Sector Development Grants Application Form

Application BIP - SDG - 019 From Snowy Valleys Council

Form Submitted 10 Jul 2020, 10:07am AEST

In your answer, please describe what will happen if the NSW Government assistance is not awarded to the project. Quantify these effects where possible (examples may include revenues foregone, additional revenues, job losses, retained employment, additional employment, avoided bankruptcies and closures, etc.). Your answer should describe the situation that would occur if the assistance is not provided.

6-5-4 What are the barriers to undertaking the project and why is government assistance required?

SVC has insufficient funding, and has a huge task to repair local roads damaged by the Jan 2020 fires.

Remedial work is urgently required now, to enable haulage of salvaged timber - without this assistance, it will not be possible to repair this critical road junction within the time constraints imposed by deterioration in burnt timber.

Must be no more than 200 words.

In your answer, please outline why NSW Government assistance is required to achieve the project aims.

Declaration and Authorisation

*** indicates a required field**

The Applicant represents and warrants that this application has been authorised by an authorised representative of the Applicant (e.g. CEO, Chief Financial Officer, General Manager, Director, Chair of the Board, President, authorised manager etc.).

Where this Application is submitted in the course of employment by a representative of any kind (e.g. authorised representative or agent)) of the Applicant, you: (i) acknowledge and agree that the Applicant is deemed to be jointly and separately bound by this application; and (ii) represent and warrant that you have the authority to represent and bind the Applicant as contemplated by this provision.

I declare this application meets the following eligibility criteria:

- I have read and understood each of the acknowledgements, agreements, representations and warranties provided above, and that each of these are true and correct;
- All information provided including the responses to each question in the relevant sections of this application is true and correct to the best of my knowledge;
- Any information contained in this application may be disclosed to other Government agencies, staff administering the program, and to external stakeholders (including consultants, lawyers and other advisers) as part of the assessment of this application;
- I am authorised to submit this application on behalf of, and have the authority to represent and bind the Applicant;
- I understand that any false declaration may render this application ineligible/invalid.

Organisation Name
Snowy Valleys Council

Name *

Position *

Bushfire Industry Package - Sector Development Grants
Bushfire Industry Package - Sector Development Grants Application Form
Application BIP - SDG - 019 From Snowy Valleys Council

Form Submitted 10 Jul 2020, 10:07am AEST

Date

Must be a date.

NOTE Please ensure you click Submit Application when you are ready to submit. Applications must be submitted prior to the round closing date to be eligible for consideration.

Once you have submitted your application you cannot make any changes.