



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



**Local Capability Fund Guidelines 2022/23**

# **Regional Rounds 2022-23**

## **Goldfields/ Esperance**



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# Local Capability Fund Guidelines

## Program Objective

The Local Capability Fund (LCF) is a funding program under the Industry Facilitation Scheme (The Scheme). The Scheme is an approved guideline under section 10 of the *Industry and Technology Development Act 1998*.

The objective of the LCF is to provide small and medium-sized enterprises (SMEs) with funding support to enhance their capacity, capability and competitiveness to supply major projects and markets in Australia and overseas.

## Objectives of this round

The objective of the Golfields/ Esperance Regional Round is to provide Western Australian businesses in the Golfields/ Esperance with funding support to enhance their capacity, capability and competitiveness to participate as suppliers of products, services and works to Western Australian State or Local Government agencies, the Australian Government and the private sector.

Assistance provided under the LCF may include:

- » upgrading plant and equipment;
- » staff training and upskilling;
- » implementing improvements to internal business infrastructure;
- » overcoming barriers and constraints impacting on business viability; and
- » engaging specialist advice on eligible activities (such as business and market planning and improvements to internal business systems).

## Key dates

The Golfields/ Esperance Regional round closes at **3pm (AWST) on 19 July 2023**. Information regarding the closing date of the round will be published and maintained on the SmartyGrants portal. The Department of Jobs, Tourism, Science and Innovation

(JTSI) aims to assess all applications and notify applicants of the outcome within eight weeks of the round closing.

The timelines below are indicative, and subject to change at JTSI's discretion.

Round opens	5pm (AWST) 7 June 2023
Round closes	3pm (AWST) 19 July 2023
Assessment and notification of outcomes to applicants	Within eight weeks of round closing
Execution of Financial Assistance Agreement	Within 30 days of notification of outcome
Completion of activities and claim for payment submitted	No later than 30 June 2024

## Level of funding

A grant pool of \$100,000 is available for this round. The level of funding support is 75% of eligible costs (excluding GST) up to a maximum contribution of \$20,000 per successful applicant. For example, to be eligible for the full \$20,000 your business would need to expend, at a minimum, \$26,667 (excluding GST) of eligible costs.

## Who can apply?

To be eligible for funding, applicants must meet the following provisions:

- » Be registered for GST;
- » Have an Australian Business Number (ABN);
- » Be a for-profit organisation or business (Not-for-profits and charities are



- ineligible);
- » Have its principal place of business reside in one of the Local Government Areas (LGAs) of the Goldfields/ Esperance region as described in Schedule 1 of the Regional Development Commission Act 1993 (see Appendix 1);
- » Have been operating, and continue to operate, in that region for at least 12 months prior to and following application submission date; and
- » Employ less than 200 people.

Previous recipients of funding through the Industry Facilitation and Support Program (IFSP) or the LCF are eligible to apply, subject to:

- » Compliance with the requirements of the Financial Assistance Agreements entered into for the prior funding - including all reporting requirements; and
- » The business having received no more than \$300,000 in grant funding under the LCF program and its predecessor (the IFSP) in the last five (5) years, including this application. Any funding received as part of the \$10 million COVID-19 LCF Rounds run in FY2020/21 does not apply towards this limit.

## Eligible activities

### A. External expertise for the purposes of:

- » Planning and business advice, including, and not limited to:
  - > Strategic and business planning
  - > Development and implementation of marketing plans
  - > Supply chain facilitation
  - > Tender submission advice and preparation
  - > Preparation and submission of applications for other government and international grants
- » Improvements to internal business infrastructure / systems, including, however not limited to:
  - > Production systems
  - > Transportation and distribution systems

- > IT and communication systems including cyber security
- > Implementation and certification of national and international standards and management systems
- > Operational and other activities identified as necessary to meet the pre-qualification requirements of the target market
- » Training, including, however not limited to:
  - > Up-skilling of employees which leads to improved operational processes
  - > Training that is part of the employer's staff development program
  - > Travel and accommodation costs associated with training – where local options are not available
  - > Costs involved in bringing registered trainers to deliver local group training

### B. Plant and Equipment, including, however not limited to:

- » Acquiring new equipment or machinery
- » Acquiring second-hand equipment or machinery through a dealer
- » Modifying existing equipment or machinery
- » Upgrades or expansions to applicant owned business operating facilities
- » Specialised motor vehicles. These are vehicles which perform specific and specialised functions and are used exclusively for business purposes (e.g. bobcats, forklifts, cherry pickers, back hoes, bucket trucks etc.)
- » Specialised computer hardware and software (e.g. tender management software; project management software; on-line sales and marketing systems)

## Ineligible activities

Ineligible activities include, and are not limited to:

- » Works carried out by consultants without



the appropriate expertise to deliver the service

- » Works carried out by third parties that are perceived by JTSI not to be at arm's length from the business
- » Support of any legal action
- » Equipment and machinery acquired second-hand through a private sale
- » Motor vehicles which are not specialised
- » General computer hardware, software and office equipment upgrades and purchases e.g. Microsoft Office/Windows operating systems, photocopiers etc. (Unless it is specialised equipment considered vital to the operations of the applicant's business and is used exclusively for business purposes)
- » Land and property acquisitions
- » Upgrades or expansion to leased or rented property<sup>1</sup>
- » Internal research and development activities
- » Expenditure of an operational nature (i.e. business as usual expenditure such as wages, advertising, office expenses, accounting, legal, IT maintenance services etc)
- » In-house training (training delivered by employees of the business)
- » Training by organisations without the appropriate expertise and experience
- » Tertiary education – this includes certificate level courses at TAFE or private colleges
- » In-kind contributions are not considered as part of the business commitment to activity costs and are not funded under the LCF
- » Retrospective activities will not be funded. The activity or expenditure on the activity must not be undertaken prior to submitting this application
- » Activities for which other Federal, State or Local Government funding has been, or is likely to be granted
- » Activities implemented outside of Western Australia

**Note: JTSI may, at its discretion, consider requests for grant funding being used**

<sup>1</sup> Leasehold improvements may be considered in some cases.

**towards some of the above activities depending on individual circumstances.**

## How do I apply?

Eligible applicants can submit their application online via the SmartyGrants portal. A preview of the application form is available through the portal.

[Lcf.smartygrants.com.au](http://Lcf.smartygrants.com.au)

Before applying, you must read and understand these guidelines and the Financial Assistance Agreement published on the portal.

Applicants may contact the Industry Development Division should they require additional assistance or clarification regarding their application.

[rbef@jtsi.wa.gov.au](mailto:rbef@jtsi.wa.gov.au)

## How will my application be assessed

Applications will be assessed by an independent Evaluation Panel which will meet to consider all submitted applications following the closure of the round. The Evaluation Panel will comprise of officers from within JTSI as well as external expertise, as required.

Applications will be assessed against their eligibility as well as the round objectives, and the following evaluation criteria and weightings:

- » Relevance/Need 30%
- » Level of impact 30%
- » Capability and Capacity 10%
- » Value for money 15%
- » Financial viability and risk 15%

To mitigate the risk to JTSI, a Risk of Failure report is obtained through Illion (formerly Dun & Bradstreet) for recommended applicants. A High Risk of Failure on the report will be taken into consideration when determining successful applications. The final decision on applications where a High



Risk of Failure report is returned will be at JTSI's discretion.

Illion is an independent, third party used to carry out due diligence and is not associated with, or part of, JTSI. Further information on Illion can be found on their [website](#).

Applicants will be notified of the outcome of their application via the email address provided in the application form.

## Financial Assistance Agreement

Approval of funding is subject to the applicant entering into a Financial Assistance Agreement (FAA) with JTSI.

Applicants must read the FAA template prior to submitting an application. This template includes the non-negotiable terms and conditions that successful Applicants will be required to agree to when entering into an FAA with JTSI.

## When must the project be completed by?

Activities funded under the LCF must be completed, and the claim for payment submitted to JTSI, by **3pm (AWST) on 30 June 2024**. Claims for payment are to be made through the [SmartyGrants portal](#).

## Payment of grant

The LCF is a re-imbursment scheme and therefore successful applicants will need to pay for the activity prior to making a claim for the approved grant funding. The grant will be paid as a lump sum reimbursement on completion of all agreed expenses and/or activities.

Grant funds may be paid upfront in certain circumstances and where businesses can show they have working capital constraints and don't have the capacity to pay the full cost of the agreed activities themselves before receiving the grant.

The grant payment will be made on submission of a Tax Invoice to JTSI for

the GST exclusive value of the grant and must be accompanied by copies of suppliers' invoices and receipts as proof that the activity has been paid for in line with the application and FAA.

Claims for payment, and submission of the above documents, are to be made online via the [SmartyGrants portal](#).

JTSI must receive the claim for reimbursement by **3pm (AWST) on 30 June 2024**. If a claim for payment is not received by this date the grant approval will lapse and the funding agreement will be terminated.

## Tax information

JTSI is registered for GST, and its Australian Business Number (ABN) is 90 199 516 864.

Grants paid under the LCF are not regarded as payment for a supply to JTSI. Therefore, JTSI will not increase the grant to include GST, nor will it reimburse a grant recipient for GST paid to a third party. So the application for the grant must be based on quotes provided (excluding GST) and the final invoice to JTSI must be for expenditure excluding GST paid.

Grants are assessable income for taxation purposes. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office](#). JTSI does not provide taxation advice.

## How many times can I apply?

Only one application per round per financial year is allowed for each applicant. Unsuccessful applicants may not reapply in the same financial year for the same round.

This is also subject to the applicant having received no more than \$300,000 through the LCF program in the last five years, including this application. Any funding received as part of the \$10 million COVID-19 LCF Rounds run in 2020/21 does not go towards this limit.



## Reporting requirements

Approval of funding is subject to the applicant entering into an FAA with JTSI.

The FAA requires the applicant to provide a **report at 6 months and 12 months** after the end of the financial year that the grant is awarded. These reports are to be submitted through the SmartyGrants portal.

The FAA also stipulates that at any time within **two years** of receiving payment, JTSI can contact the applicant for verbal updates on business performance generally.

## Amendments to guidelines

JTSI reserves the right to amend these guidelines and related application form through the course of this round if required.

## Contact

If you have any questions regarding this assistance program, the application form or your business' eligibility for funding please contact:

[rbe@jtsi.wa.gov.au](mailto:rbe@jtsi.wa.gov.au)



# Appendix 1

Regions of WA and the LGAs contained within them:

## *Gascoyne region*

The local government districts of Carnarvon, Exmouth, Shark Bay and Upper Gascoyne.

## *Goldfields-Esperance region*

The local government districts of Coolgardie, Dundas, Esperance, Kalgoorlie-Boulder, Laverton, Leonora, Menzies, Ngaanyatjarraku, Ravensthorpe and Wiluna.

## *Great Southern region*

The local government districts of Albany (Town), Albany (Shire), Broomehill, Cranbrook, Denmark, Gnowangerup, Jerramungup, Katanning, Kent, Kojonup, Plantagenet, Tambellup and Woodanilling.

## *Kimberley region*

The local government districts of Broome, Derby-West Golfields/ Esperance, Halls Creek and Wyndham-East Golfields/ Esperance.

## *Mid West region*

The local government districts of Carnamah, Chapman Valley, Coorow, Cue, Geraldton, Greenough, Irwin, Meekatharra, Mingenew, Morawa, Mt. Magnet, Mullewa, Murchison, Northampton, Perenjori, Sandstone, Three Springs and Yalgoo.

## *Peel region*

The local government districts of Boddington, Mandurah, Murray, Serpentine-Jarrahdale and Waroona.

## *Pilbara region*

The local government districts of Ashburton, East Pilbara, Port Hedland and Roebourne.

## *South West region*

The local government districts of Augusta-Margaret River, Boyup Brook, Bridgetown-Greenbushes, Bunbury, Busselton, Capel, Collie, Dardanup, Donnybrook-Balingup, Harvey, Manjimup and Nannup.

## *Wheatbelt region*

The local government districts of Beverley, Brookton, Bruce Rock, Chittering, Corrigin, Cuballing, Cunderdin, Dandaragan, Dalwallinu, Dowerin, Dumbleyung, Gingin, Goomalling, Kellerberrin, Kondinin, Koorda, Kulin, Lake Grace, Merredin, Moora, Mt. Marshall, Mukinbudin, Narembeen, Narrogin (Town), Narrogin (Shire), Northam (Town), Northam (Shire), Nungarin, Pingelly, Quairading, Tammin, Toodyay, Trayning, Victoria Plains, Wagin, Wandering, West Arthur, Westonia, Wickiepin, Williams, Wongan-Ballidu, Wyalkatchem, Yilgarn and York.



# Guidance for completing your application

The application form is broken into a number of different sections. The following will guide you through each section to ensure that you are providing the required information in your application.

## Overview of applicant's business operations

### What is the major industry sector in which the business operates?

Please select the industry sector from the drop down menu that best reflects the sector in which the business operates. These are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) which is a standard classification developed by the Australian Bureau of Statistics for use in Australia and New Zealand for the analysis of industry statistics. If the business operates in multiple sectors, select the industry for which the business generates the highest value of turnover.

### What are the business's core business and products/services?

Provide an explanation of the business's core business and products/services and how these are supplied to the market. E.g. Is the business a direct supplier to the sector? If there are major projects within a sector/market that the business has supplied to, provide details of the project and what work the business did.

## Evaluation criteria

### Relevance/Need 30%

*How will the proposed activities to be funded by this application improve the business' operations?*

This may include meeting prequalification requirements, increasing technical capability, improving internal processes, and staff upskilling and training. Provide an explanation of how the activities in your application will improve the operations of your

business. There may be other areas outside the list of examples provided in the question that you want to provide an answer to.

### *Realistic outcomes*

These improvements should be realistic and directly related to the activities that you wish to carry out. In your answer you want to show a clear line between what you are seeking funding for and the improvements you hope the business will see.

You should endeavour to answer all questions in this section in two parts. First, what the expected outcome is – this should be a number if possible, for example five new contracts. Second, provide an explanation of how that outcome would occur from the activity you are seeking funding for.

### Level of impact 30%

### *Quantify and qualify*

Assessors of your application will be looking to see that your answer is quantified (there is a number), that it is achievable by undertaking the funded activity (your explanation of how the outcome will occur), and that it is realistic for the business.

Please note the assessors of your application will take into consideration the annual turnover figures of the business that you provide to measure whether the expected outcomes for contracts, employees and estimated income are a realistic projection.

There may be some aspects of the section where you do not expect that there will be outcomes from the funded activity. This is okay, not all businesses would have outcomes in all categories necessarily, and not all funded activities may lead to some of the outcomes listed. However, you should try to answer as many of the categories as you can and if you answer 'N/A' to all of them then this will result in a low score for this section.

The categories outlined are what you will be required to report against at six months and 12 months if your application is successful.



## Capability and Capacity 10%

*Describe the business' commitment, capacity and capability to implement the proposed activity.*

Where possible, you should aim to answer the three parts of this question: commitment; capability; and capacity.

How is the business committed to carrying out this activity? Is this something that is being driven from the top of the business? Is the activity part of any planning the business is undertaking?

Even though the business may be using external consultants or suppliers to deliver the activity, this will still require some amount of the staff's time and/or a financial commitment from the business, does the business have this capacity?

Don't forget that the Local Capability Fund provides payment on completion of the activity not before, so the business needs the financial capacity to carry out the activity before it is provided with the funding.

Does your business and your staff have the capability to carry out the activity? If you are purchasing a new piece of equipment, is your staff able to use it? If they aren't, do you plan on training them so they are? If you are carrying out an activity that will help you move into a new market, will your staff be able to undertake this work?

The above may guide you in answering this question. Good applications give assessors an idea of where the certification fits into the business's goals and whether the business has ability to benefit and carry out the activity.

*How will the business fund its own contribution towards the cost of the proposed activities?*

The LCF is a re-imburement scheme, which means that you will need to have paid for the activity prior to claiming the amount of funding from JTSI that you have been approved for. You don't need to provide a large explanation here of how you will fund your contribution of the costs and assessors will want to see that you have funds available, whether through cash reserves, a business loan from a bank or similar.

## Value for money 15%

It is critical that you a) seek competitive quotes for the activity the business is seeking funding for, and b) provide copies of those alternative quotes with your application. It is expected that the business will get at least two quotes for each activity.

*The importance of alternative quotes and research*

If you do not provide alternative quotes, you must provide an explanation as to why you have not sought/provided them. There will be some situations where it is simply not possible/feasible to get alternative quotes, such as when there is only one supplier of a particular product or service. This is acceptable however you need to explain this so that assessors can understand why there are no alternative quotes.

Assessors will be considering whether the activity you are seeking funding for represents value for money for the government (and for the business) and without alternative quotes it is very difficult for them to properly consider this.

Provide a good explanation of why you have chosen the particular consultant/supplier. Does it represent better value for money (remember that 'value for money' does not always mean cheapest)? Will the service be delivered faster than the alternatives (and so you will be able to see the benefits of the activity sooner)?

## Financial viability and risk 15%

If you answer yes to any of the questions, you must provide an explanation of what occurred, the current position and what outcomes occurred (if any). The Evaluation Panel considers whether providing funding would present a risk, and so it is advised that you provide an explanation that is detailed enough (without being too long) to demonstrate that while senior officers of the business may have had business ventures that haven't worked out in the past that the current business is sustainable.

*Up-to-date financials*

When providing a copy of the latest financial statements, you must provide a copy of both



the balance sheet and the profit and loss statement for the last financial year (if you are applying in FY2022/23, you must provide financial statements for the 2021/22 financial year). The financial statements must cover the entirety of the financial year they are for (ie. do not provide financial statements that only cover part of a financial year). If the financial statements do not show figures for previous years then please provide copies of the previous year's financial statements as well.

If the latest financial statements have not yet been audited, then please provide an unaudited copy plus an explanation of when the audit will occur and results known.

If there are significant drops in turnover, net profit or equity between years in the detail you provide in the table for the last three financial years, please provide an explanation regarding these. Any significant drops may suggest that there is some financial risk involved in providing funding to your business, so a good explanation of why these drops occurred will help to assure assessors that your business is financially viable and sustainable.

## Tips

1. Always double check your application. It is worth getting someone else to read over it, if possible, before you submit it to ensure it makes sense.
2. Remember that assessors may not be experts in your field. Overly technical answers may be difficult for assessors to understand which could lead to lower scores. When writing your application it is useful to write it in a way that anyone could understand, not just those who work in your industry. A good way of doing this is to imagine you are promoting your business via your website or social media where the public will need to understand the core activities of your organisation.
3. Give yourself enough time before the closing date to be able to source quotes and relevant documents. Applications without quotes or relevant documents will be scored lower and these documents

can often take a bit of time to get hold of, with quotes sometimes taking a number of weeks. If you start an application a day before the closing date and don't have the necessary documents ready to go then you might run out of time to get them.

4. Good applications provide sufficient detail but are also concise. While you definitely want to provide enough detail to ensure assessors are able to properly assess your application, if you overwhelm them with large amounts of detail it may be difficult for them to determine the point you are trying to make. Again, it is worth double checking your application and getting someone else to look over it to make sure that it is detailed, but to the point.
5. Assessors are only able to make a recommendation based on the information you provide in your application. If there is something important that will help your application stand out then do not forget to include it.
6. Always read the eligibility criteria and the eligible activities carefully to ensure you are eligible to apply, and that the activities you are seeking funding for are eligible. A good application takes time to write, so if you are ineligible you don't want to spend time on an application that will be rejected straight away. If you have queries about whether you are eligible (or an activity is eligible), feel free to contact the LCF team. (rbef@jtsi.wa.gov.au)