



Government of **Western Australia**
Department of **Jobs, Tourism, Science and Innovation**

Standards Compliance Round

Local Capability Fund Guidelines 2023-24



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Standards Compliance Round Guidelines

Objectives of this round

The objective of this round is to provide funding support to Western Australian small and medium-sized enterprises (SMEs), with the costs of engaging external expertise to carry out the implementation and third party certification of the following national and international standards:

- » ISO 9001 - Quality management standards to help work more efficiently and reduce product failures;
- » ISO 14001 - Environmental management standard to help reduce environmental impacts, reduce waste and be more sustainable;
- » ISO 45001 - Health and safety standards to help reduce accidents in the workplace;
- » ISO 27001 - IT security standards to help keep sensitive information secure;
- » ISO 50001 - Energy management standards to help reduce energy consumption;
- » AS/NZS 5131 - Steel industry compliance standards to help improve the integrity of structural steelwork; and
- » ISO 13485:2016 – Medical devices – Quality management systems – requirements for regulatory purposes.

Note: Any certifications funded under this round must be implemented in Western Australia.

Key dates

This round does not have a fixed closing date. Applications will be considered **whilst funds are available**. In the event that funding is exhausted, the round will be closed to new applications.

Round Opens	9am (AWST) 20 September 2023
Round Closes	When funding is exhausted, or 31 October 2023, whichever event comes first.
Assessment and notification of outcomes to applicants	Within 14 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

The level of funding support available under this round of the Local Capability Fund (LCF) is 75 per cent of eligible costs (excluding GST) - up to a maximum of \$20,000 per successful applicant. For example, to be eligible for the full \$20,000 you would need to have minimum eligible costs of \$26,667 (excluding GST).

Eligibility criteria

To be eligible for funding, in addition to satisfying the general program eligibility criteria as detailed in [Who Can Apply?](#) on page 5, applicants must also:

- » Have been trading for at least three years in Western Australia at the time of submitting an application for funding.

Eligible activities

Assistance under this round will be provided for the costs of engaging external expertise/consultants for the purpose of implementation and certification of the eligible standard(s).

Implementation – This includes the following activities:

- » Assessment of current systems and practices;
- » Reviewing existing procedures;
- » Conducting gap analysis;
- » Development of manuals, procedures and related documentation; and
- » Staff training relating to the implementation and ongoing maintenance of the related management system.

Certification – This includes, but is not limited to, the following activities:

- » Registration and certification fees;
- » Audit fees for initial certification (expended within the financial year); and



- » Travel, accommodation and meals for certification auditor.

Notes:

A condition of this round is that a copy of the certification certificate is provided to the Department as evidence of completion prior to any grant funding being paid out.

Companies wishing to apply under the LCF for ISO13485 accreditation activities should ensure their QMS audit will be undertaken by an auditing body recognised by the Therapeutic Goods Administration (TGA), such as European Notified Bodies, or Auditing Organisations in the Medical Device Single Audit Program (MDSAP).

Companies wishing to apply for ISO13485 activities should contact the TGA's SME Assist unit to discuss the requirements an audit of their QMS would need to meet in order to be used towards TGA certification of their product. The TGA's SME Assist unit can be contacted at: sme.assist@tga.gov.au or 1800 020 653.

Ineligible activities

- » Surveillance audits;
- » Costs associated with the ongoing maintenance of the accreditation;
- » Works carried out by consultants without the appropriate expertise or qualifications 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;
- » In-house costs including wages and salaries of staff directly working on the implementation and ongoing maintenance;
- » In-kind contributions are not considered as part of the business commitment to activity costs;
- » Retrospective activities. (The activity, or expenditure on the activity, must not be undertaken prior to submitting this application.); and
- » Activities which are not implemented in Western Australia.

Assessment process

Applications will be assessed by an independent Evaluation Panel which meets on a regular basis to consider applications as they are progressively received during the course of the round. Applications will be assessed against their eligibility as well as the round objectives, and will then be scored against the following evaluation criteria:

- » Relevance/need
- » Level of impact
- » Capability and capacity
- » Value for money
- » Financial viability and risk

Project completion date

All activities must be completed, and claims for payment submitted to the Department, by 3pm (AWST) 30 June 2024. Claims for payment are to be made online through the [SmartyGrants portal](#).

Contact

If you have any questions regarding this assistance program, the application form or your business' eligibility for funding under this round, please contact: lcf@jtsi.wa.gov.au.



General Program Guidelines

Program objective

The Local Capability Fund (LCF) is a funding program administered by the Department of Jobs, Tourism, Science and Innovation (the Department).

The objective of the LCF is to provide SMEs with funding support to enhance their capacity, capability and competitiveness to supply major projects and markets in Australia and overseas.

Who can apply?

To be eligible for funding, applicants must:

- » Be registered for GST for at least 12 months prior to application submission date;
- » 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 (operating facility) in Western Australia and continue to be based in Western Australia for at least the next 12 months following application submission date; and
- » Employ less than 200 people.

NB: Additional eligibility criteria may apply. Refer to the additional [eligibility criteria](#) on page 3 for further details.

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

- » The business having complied 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 \$200,000 in grant funding under the LCF program in the last five years, including the most recent application. Any funding received as part of the \$10 million COVID-19 LCF Rounds run in 2020-21 does not go towards this limit.

How do I apply?

Eligible applicants must submit their application online via the [SmartyGrants portal](#). A preview of the application form detailing the information required is available through the portal.

Before applying, applicants must read and understand these guidelines and the [Financial Assistance Agreement](#) found on the portal.

How will the applications be assessed?

Applications are usually assessed by an independent Assessment Panel that will meet on a regular basis to consider applications as they are progressively received during the course of the round. The Assessment Panel will comprise of officers from within the Department as well as external expertise, as required. Applications are assessed against their eligibility as well as their relevance to the round objectives and against the [evaluation criteria](#) of the round.

A satisfactory response is required across all of the evaluation criteria in order for an application to have a good chance of success.

To mitigate risk, a Risk of Failure report will be 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 the Department's discretion.

Illion is an independent, third party used to carry out due diligence and is not associated with, or part of, the Department. Further information on Illion can be found on its [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 the Department.

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 the Department.

Payment of Grant

The LCF is a re-imbursement 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 activities. Progress instalments will not be considered except in exceptional circumstances.

The grant payment will be made on submission of a Tax Invoice to the Department 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. Additional documentation may be required and will be detailed on [page 4](#) as required.

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

If a claim for payment is not received by the specified due date given in the [key dates](#) section on page 3, the grant approval will lapse and the funding agreement terminated.

Tax information

The Department is registered for GST and has been issued with Australian Business Number (ABN) 90 199 516 864.

Grants paid under the LCF are not regarded as payment for a supply to the Department. Therefore, the Department will not increase the grant to include GST, nor will it reimburse a grant recipient for GST paid to a third party.

Grants are assessable income for taxation purposes. We recommend applicants seek

independent professional advice on the business's taxation obligations or seek assistance from the Australian Taxation Office. The Department does not provide taxation advice.

How many times can I apply?

Only one application per round per financial year is allowed for each applicant (determined by applicant ABN number). Unsuccessful applicants may not reapply in the same financial year for the same round. If a business applies more than once under the same round, only the first application submitted will be considered - unless otherwise requested by the applicant.

This is also subject to the applicant having received no more than \$200,000 through this grant program in the last five years, including the most recent 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

As previously stated, approval of funding is subject to the applicant entering into an FAA with the Department. The FAA requires the applicant to provide a report at six 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, the Department may contact the applicant for verbal updates on business performance generally.

Amendments to guidelines

The Department reserves the right to amend these guidelines and related documentation through the course of the round, if required.



Guidance for completing your application

LCF application forms are broken into a number of different sections. Refer to page 3 for the [evaluation criteria](#) related to the round you wish to apply for.

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

Provide a brief explanation of the business's core business and products/services and how these are supplied to the market. I.e. What exactly does the business do? 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

Activity alignment with the organisation's business plan and the proposed timing

Provide a brief explanation of how the proposed activities strategically align with the business plan or how they further the long-term goals of the business. Why are the proposed activities a short-term priority? Does anything else need to occur before the proposed activities are implemented? Where do the proposed activities fit in with regards to the business's long-term goals?

Opportunities/risks faced and proposed activities

Provide an explanation of the major opportunities and any risks faced by the business. Elaborate on how the proposed activities and the grant funding will assist the business to take advantage of these opportunities, improve the operations of the business or help it to overcome / resolve the risks it currently faces. E.g. meeting pre-qualification requirements, increasing

technical capability, improving internal processes, or staff upskilling and training.

Realistic outcomes

Any improvements listed should be realistic and directly related to the activities that the business wishes to carry out. In your answer you want to show a clear line between what the business is seeking funding for and the improvements the business hopes to see.

Level of impact

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. E.g. five new contracts. Second, provide an explanation of how that outcome would occur from the activity the business is seeking funding for.

Quantify and qualify

Assessors of your application will be looking to see that the 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 outcomes from the requested activity are not expected. This is okay, not all businesses would have outcomes in all categories necessarily, and not all funded activities will 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 the business will be required to report against at six months and 12 months should your application be successful.



Capability and Capacity (if relevant)

Describe the business's commitment, capacity and capability to carry out the implementation of the proposed activities.

I.e. How is the business committed to carrying out the requested 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?

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

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?

Does the business and its staff have the capability to carry out the activity? If the business is purchasing a new piece of equipment, are the staff able to use it? If they aren't, are there plans to train them so they are? If the business is carrying out an activity that will help it move into a new market, will the 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 activity fits into the business's goals and whether the business has ability to not only carry out the activity but also to benefit from it.

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

The LCF is a re-imbursement scheme, which means that the business will need to have paid for the activity prior to claiming the approved amount of funding from the Department. Accordingly, the business needs to illustrate that it has the financial capacity to carry out the activity before being provided with the funding.

You don't need to provide a large explanation here of how the business will fund its contribution of the costs, but assessors will want to see that the business has the financial capacity to bring the project to completion.

Level of market/industry engagement (if relevant)

What part of the targeted project is the business hoping to supply to?

You may want to provide some context of the project beyond just naming the project the business is hoping to supply to. It is helpful if you are able to tie the proposed activity that the business is seeking funding for to how the business will be better placed to supply to the project.

What similar projects or markets has the business worked on in the past and what was the nature of the work?

Detail here can provide assessors with a sense of how realistic it is that the business can supply to the major project it is targeting with its application. Provide information on how the business supplied to the project(s) or market(s) e.g. did the business supply directly, what was the length of the business's participation in the project or market?

How has the business engaged with the project it is targeting or the State Government department/head contractor overseeing the project?

Please upload any evidence of the business's engagement where relevant. The assessment panel is looking to see that the business has begun engagement with the project they are targeting in the application. If there is communication or other relevant documentation showing this engagement then providing a copy will assist your application. If the business has not engaged with the project yet, then it is worth providing some detail about what the business's plan is to engage with the project so that assessors can see that the business has thought out a strategy to become a supplier for the project.

Value for money

It is critical that the business 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 the business has 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. If this is the case, you need to explain this so that assessors can understand why there are no alternative quotes.

Regarding the choice of consultants, you need to provide a good explanation of why the business has 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 (enabling the business to see the benefits of the activity sooner)?

Assessors will be considering whether the activity you are seeking funding for represents value for money not only for the business but also for the government, therefore, Assessors will consider the expected benefits to the State relative to the grant amount requested.

Financial viability and risk

If you answer yes to any of the questions in this section, 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 2023-24, you must provide financial statements for the 2022-23 financial year). The financial statements must cover the entirety of the financial year they are for (i.e. 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 are yet to be audited, then please provide an unaudited copy with an explanation of when an audited copy will be available.

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 the business, so a good explanation of why these drops occurred will help to assure assessors that the 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 are unlikely to be experts in the business's industry. Overly technical and detailed answers may be difficult for assessors to understand which could lead to lower scores. When writing an application it is useful to write it in a way that anyone could understand, not just those who work in the business's industry. A good way of doing this is to imagine you are promoting the business via its website or social media where the public will need to understand the core activities of the business.
3. Give yourself enough time before the closing date to be able to source quotes and relevant documents. As 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 the day before the closing date, and do not have the necessary documents ready to go, then you might run out of time to get them. Applications without quotes or relevant documents will receive lower scores.
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 include it.
6. Always read the [eligibility criteria](#) and the [eligible activities](#) carefully to ensure the business is eligible to apply, and that the activities the business is seeking funding for are eligible. A good application takes time to write, so if the business is ineligible you don't want to spend time on an application that will be rejected straight away. If you have queries about whether the business (or an activity) is eligible, feel free to contact the relevant team as detailed on page 3 under [Contact](#).