



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

Regional Business Round

Local Capability Fund Guidelines 2024-25



Contents

Regional Business Round Guidelines

Program Objective.....	3
Objectives of this Round	3
Eligibility Criteria.....	3
Previous Recipients.....	3
Level of Funding.....	3
Key Dates.....	3
Eligible Activities.....	4
Ineligible Activities	4
How to Apply.....	5
Assessment Process	5
Financial Assistance Agreement.....	5
Project Completion Date.....	5
Payment of Grant	5
Tax Information	5
Application Limitations.....	5
Reporting Requirements.....	6
Amendments to Guidelines.....	6
Contact.....	6

Guidance for Completing Your Application

Overview of Applicant's Business Operations.....	7
Evaluation Criteria.....	7
Tips.....	8

Appendix 1



Regional Business Round Guidelines

Program Objective

The Local Capability Fund (LCF) is administered by the Department of Jobs, Tourism, Science and Innovation (the Department). It aims to provide financial support to small and medium-sized enterprises (SMEs) to enhance their capacity, capability and competitiveness in supplying major projects and markets both in Australia and overseas.

Objectives of this Round

This round of funding is specifically designed to support regional Western Australian SMEs in improving their business capability, capacity and competitiveness to participate as suppliers of goods, services and works to export markets, Western Australian State or Local Government agencies, the Australian Government and the private business sector.

Eligibility Criteria

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

- » Have its principal place of business in one of the Local Government Areas (LGAs) of the nine regions per Schedule 1 of the Regional Development Commission Act 1993; and continue to be based there for at least 12 months following application submission;
- » Have been operating in that region for at least 12 months at the time of application submission;
- » Be operating in a trade-exposed industry (or an industry that faces competition from other national or international SMEs or SMEs outside of their region);
- » Be registered for GST for at least 12 months prior to application submission and intend to remain registered for the next 12 months;
- » Have an Australian Business Number (ABN);
- » Be a for-profit organisation or business (not-for-profits and charities are ineligible); and

- » Have at least one full-time equivalent (FTE) employee, in addition to the owner, but fewer than 200 FTE employees at the time of application submission.

Previous Recipients

Previous recipients of funding through the LCF are eligible to apply, provided that:

- » They have complied with all requirements of the Financial Assistance Agreements from prior funding, including being up to date with all reporting requirements (i.e. no overdue reports);
- » They have received no more than \$200,000 in grant funding under the LCF program in the last five years. Funding received as part of the \$10 million COVID-19 LCF Rounds run in 2020-21 does not count towards this limit; and
- » All previous grants awarded to the business under the LCF have been claimed.

Level of Funding

The LCF will cover 50 per cent of eligible costs (excluding GST) up to a maximum of \$20,000 per successful applicant. For example, to receive the full \$20,000, you must have eligible costs of at least \$40,000 (excluding GST).

Key Dates

The following timelines are indicative and subject to change at the Department's discretion. Updates regarding the closing date will be published on the [SmartyGrants portal](#).

Round Opens	9am (AWST) on 26 July 2024
Round Closes	3pm (AWST) on 13 September 2024
Assessment and notification of outcomes to applicants	Within 14 weeks of the 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 31 May 2025
--	---------------------------

Eligible Activities

The following activities are eligible for funding.

A. External Expertise:

- » Planning and Business Advice:
 - > 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:
 - > Production systems
 - > Transportation and distribution systems
 - > IT and communication systems, including cyber security
 - > Operational systems and other activities necessary to meet the pre-qualification requirements of the target market
- » Training:
 - > Up-skilling of employees to improve operational processes
 - > Training as part of the employer's staff development requirements
 - > 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:

- » 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
- » Purchase of specialised motor vehicles used exclusively for business purposes

(e.g. bobcats, forklifts, cherry pickers, back hoes, bucket trucks) **Note: Utility vehicles, 4x4s and vans are not considered specialised vehicles**

- » Purchase of specialised computer hardware and software (e.g. tender management software; project management software; online sales and marketing systems)

Ineligible Activities

- » Works carried out by consultants without the appropriate expertise
- » Works carried out by third parties perceived by the Department not to be at arm's length from the business
- » Support of any legal action
- » Purchase of equipment and machinery second-hand through a private sale
- » Purchase of non-specialised motor vehicles (e.g. utility vehicles, vans, 4x4s)
- » Purchase of general computer hardware, software, and office furniture / equipment upgrades (e.g. Microsoft Office, Windows operating systems, photocopiers) unless vital to the operations of the applicant's business and used exclusively for business purposes
- » Land and property acquisitions
- » Upgrades or expansions to privately owned residential property or leased / rented property¹
- » Internal research and development activities
- » Any cost that is considered "business as usual" or operational expenditure (e.g. wages, advertising, office expenses, accounting, legal, IT maintenance services, repair and maintenance of existing assets)
- » Internal costs for delivering the project or activity (e.g. project costs cannot include staff wages)
- » Training by organisations without the appropriate expertise and experience
- » Tertiary education (including certificate level courses at TAFE or private colleges)
- » In-kind contributions
- » Retrospective activities (activities for which a service agreement has already been entered into, or some or all of the expenditure was incurred prior to submitting the application)

¹ Leasehold improvements may be considered in some cases.



- » Activities funded by, or likely to be funded by, other Federal, State or Local Government funding
- » Activities implemented outside of Western Australia

How to Apply

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

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

Assessment Process

Applications are assessed by an independent Assessment Panel, comprising officers from the Department and external experts as required. Applications are evaluated against their eligibility, relevance to the round objectives and the following criteria:

- » Relevance / Need 30%
- » Expected Outcomes / Impact 30%
- » Capability and Capacity 10%
- » Value for money 15%
- » Financial viability and risk 15%

A satisfactory response across all criteria is required for a successful application.

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 considered when determining successful applications. The final decision on applications with a High Risk of Failure report is at the Department's discretion.

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

Financial Assistance Agreement

Approval of funding is subject to entering into a Financial Assistance Agreement (FAA) with the Department. Applicants must read the [FAA template](#) prior to submitting an

application. This template includes non-negotiable terms and conditions.

Project Completion Date

All activities must be completed and claims for payment submitted by the claim expiry date in the FAA. Notionally, this is before the end of the financial year in which the grant funding is awarded. Claims for payment are to be made online through the [SmartyGrants portal](#).

Payment of Grant

The LCF is a reimbursement scheme. Successful applicants must pay for the activity before claiming the approved grant funding. The grant will be paid as a lump sum reimbursement upon completion of all agreed activities. Progress instalments will only be considered in exceptional circumstances.

Grant payment will be made upon submission of a Tax Invoice to the Department for the GST-exclusive value of the grant, accompanied by copies of suppliers' invoices and receipts as proof of payment.

If a claim for payment is not received by the specified due date, the grant approval will lapse and the funding agreement terminated.

Tax Information

The Department is registered for GST and has an 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 reimburse a grant recipient for GST paid to a third party.

Grants are assessable income for taxation purposes. Applicants should seek independent professional advice on their taxation obligations or assistance from the Australian Taxation Office. The Department does not provide taxation advice.

Application Limitations

Only one application per round per financial year is allowed for each applicant (determined by ABN). 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 subject to all previous LCF grants awarded to the applicant being acquitted and the applicant having received no more than \$200,000 through this grant program in the last five years, excluding funding from the \$10 million COVID- 19 LCF Rounds run in 2020-21.

Reporting Requirements

Approval of funding is subject to entering into a 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 in which the grant is awarded. These reports are to be submitted through the [SmartyGrants portal](#). The FAA also stipulates that within two years of receiving payment, the Department may contact the applicant for verbal updates on business performance.

Amendments to Guidelines

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

Contact

For any questions regarding this assistance program, the application form or eligibility for funding, please contact: lcf@jtsi.wa.gov.au. However please note that due to fairness to other applicants the Department will not provide specific advice or feedback on the content of your application.



Guidance for Completing Your Application

LCF application forms are broken into several sections. The following will guide you through each section to ensure that you provide 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 activities and products/services and how these are supplied to the market. This should include:

- What exactly does the business do?
- Is the business a direct supplier to the sector?
- If the business has supplied to major projects within a sector/market, provide details of the project and the work done by the business.

Evaluation Criteria

Relevance/Need

Activity alignment with the objective of the round as well as the organisation's business plan and the proposed timing:

- Provide a brief explanation of how the proposed activities align with:
 - The objectives of this funding round
 - The business's overall plan or long-term goals.
- Explain why the proposed activities are a short-term priority for the business.
- Identify any prerequisites needed before you can start the proposed activities.
- Explain how these activities fit into your business's long-term strategy.

Expected Outcomes / Level of impact

You should endeavour to answer all questions in this section in two parts.

- 1) **Expected Outcomes:** Clearly state the specific, quantified outcomes you expect

from the proposed activities (e.g., five new contracts).

- 2) **Explanation of Outcomes:** Describe how the proposed activities will lead to these outcomes. Provide a detailed explanation showing how the funded activities will achieve the anticipated results.

Opportunities/Risks Faced and Proposed Activities

- Describe the significant opportunities and risks your business faces, including how these factors affect your operations and strategic goals.
- Explain how the proposed activities, funded by the grant, will help you take advantage of opportunities or mitigate risks. Show a clear connection between the funding and improvements in business performance or risk management.
- Provide specific examples such as meeting pre-qualification requirements, improving technical capabilities, refining internal processes, or upskilling staff. Demonstrate how these improvements will contribute to the growth and stability of your business.

Quantify and qualify

- Include specific numbers and explain how the outcomes will be achieved through the funded activities.
- Ensure that the improvements you list are realistic and directly related to the activities you intend to carry out.
- Show a clear link between the funding requested and the expected improvements.
- Assessors will evaluate the realism of projected outcomes based on the annual turnover figures provided by your business.
- Address as many categories as possible. If some aspects of the section do not have expected outcomes, it is acceptable to leave them out. However, avoid answering 'N/A' to all categories, as this will result in a lower score for this section.



Note: You will be required to report against these categories at six months and 12 months if your application is successful.

Capability and Capacity

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

You should aim to answer this section in three parts

- **Commitment:** Describe the business's commitment to carrying out the requested activity. Is it driven from the top of the business? Is it part of the business's planning?
- **Capacity:** Explain if the business has the capacity (staff time and financial resources) to carry out the activity.
- **Capability:** Assess whether the business and its staff have the capability to implement the activity. If purchasing new equipment, can staff use it? If not, are there training plans? If moving into a new market, can staff undertake the work?

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 reimbursement scheme, meaning the business must pay for the activity before claiming the approved funding.
- Illustrate that the business has the financial capacity to carry out the activity.

Value for Money

Competitive Quotes

- Seek and provide at least two competitive quotes for each activity.
- If alternative quotes are not provided, explain why (e.g. only one supplier available).

Explanation of Consultant/Supplier Choice

- Provide a rationale for choosing a particular consultant/supplier. Consider

factors like value for money (not always the cheapest option), faster delivery, and the expected benefits to the business and the State relative to the grant amount requested.

Assessors will consider whether the activity you are seeking funding for represents value for money, both for the business and for the government. They will evaluate the expected benefits to the State relative to the grant amount requested.

Financial Viability and Risk

Addressing Yes Responses

- If you answer yes to any of the questions in this section, provide a detailed but concise explanation of what occurred, the current position and any outcomes.

The evaluation panel will assess whether providing funding presents a risk. Therefore, it is important to explain why the current business is sustainable despite the "yes" response.

Up-to-Date Financials

- Provide the latest financial statements, including the balance sheet and profit and loss statement, for the most recent financial year.
- Ensure the financial statements cover the entire financial year they pertain to (i.e. do not submit statements covering only part of a financial year).
- If the statements do not include figures from previous years, also provide copies of the previous year's financial statements.
- If the latest statements are unaudited, provide independently prepared financial statements instead.
- Explain any significant drops in turnover, net profit, or equity between years to demonstrate the business's financial viability and sustainability to the assessors.

Tips

- **Double-Check Your Application:** Have someone else review it to ensure clarity and completeness.
- **Simplify Technical Details:** Write in a way that anyone, not just industry experts,



can understand. Imagine promoting the business via its website or social media.

- **Allow Sufficient Time:** Start early to gather quotes and relevant documents. (Applications without quotes or relevant documents will receive lower scores.)
- **Be Concise:** Provide sufficient detail without overwhelming assessors.
- **Highlight Key Information:** Include important details that will make your application stand out.
- **Check Eligibility:** Ensure the business and activities are eligible before investing time in the application. Contact the relevant team if you have eligibility questions.



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, Ngaanyatjaraku, 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 Kimberley, Halls Creek and Wyndham East Kimberley.

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, Narembreen, Narrogin (Town), Narrogin (Shire), Northam (Town), Northam (Shire), Nungarin, Pingelly, Quairading, Tammin, Toodyay, Trayning, Victoria Plains, Wagin, Wandering, West Arthur, Westonia, Wickepin, Williams, Wongan Ballidu, Wyalkatchem, Yilgarn and York.