



# Value Add Investment Grants: Capital Stream Round 3

## Frequently Asked Questions

These Frequently Asked Questions apply to grants for Value Add Investment Grants – Capital Stream. Applicants should read this document in conjunction with the **Guidelines** prior to submission of their application.

It will operate as a two-stage process. Businesses must participate in Stage 1 – Expression of Interest to be eligible for Stage 2 – Grant Application.

To be considered for funding through this scheme,

- Expressions of Interest must be submitted by **5.00pm (AWST), 3 May 2024**
- Detailed applications must be submitted by **5.00pm (AWST), 15 July 2024**.

## Eligibility

### • What are the eligibility requirements to apply?

Value Add Investment Grants are being targeted at eligible food and beverage manufacturers or businesses undertaking post-harvest, value-add processing of primary production. For the purposes of this grant, primary production encompasses grains and oilseeds meat and livestock, dairy, fibre, horticulture, wild catch fisheries and aquaculture, forestry and bush food products. Applicants must satisfy eligibility requirements and provide identified application information for the EOI and grant application.

## Mandatory eligibility criteria

To be eligible to receive a grant, the application must be related to value adding to primary production in WA; and the applicant must meet ALL of the following criteria:

- Be a private sector business (including incorporated trustees), public companies, grower cooperatives, or similar organisations that have an ABN, and are registered for GST
- Be capable of entering into a legally binding agreement with the WA Government
- Be a 'going concern' – i.e., will continue to trade into the foreseeable future and there are no plans, events and/or circumstances known to the Applicant which would result in their business ceasing to trade
- The project be located in, or looking to relocate to, regional and/or metropolitan WA
- Have the financial capacity to fund the minimum cash contribution
- Have been in operation for a minimum of two years (or similar established track record)

- Have a project to be delivered by 28 February 2026. Projects must commence within six months of executing a funding agreement (which will include agreed milestones and project deliverables) with the State.

Regional and Aboriginal businesses are encouraged to apply.

Business clusters, consortiums, and collaborations are also encouraged to apply where a lead business is defined that meets the above criteria and applies and accepts responsibility for contractual obligations on behalf of the business group.

## **Expression of Interest (Eoi) eligibility requirements**

Proposed projects must comply with the criteria outlined in 'Activities that can be funded' and 'Mandatory Eligibility requirements' sections of the guidelines.

Eoi applicants will not be required to demonstrate ability to satisfy mandatory eligibility requirements at this stage. However, will be required to affirm their understanding of the mandatory requirements and understand that they will be able to evidence their ability to satisfy the mandatory requirements should they be invited to the next stage.

Applicants are encouraged to have developed their project to 'shovel-ready' status, including but not limited to business case, feasibility studies and consultation on necessary approval and regulatory requirements as these will be required for invited Stage 2 applicants.

## **Capital Investment Stream Stage 2 eligibility requirements**

In addition to the mandatory eligibility requirements, applicants must:

- Submit an Eoi for the intended project
  - Receive an invitation from DPIRD to submit a grant application for the project identified within the Eoi
  - Have completed a business case, feasibility assessment, or de-risk analysis of the intended project.
  - Provide evidence of consultation with applicable regulatory authorities as to the specific requirements for the potential project including indicative timeframes, cost and process (environmental approvals, licencing requirements, development applications etc).
- **My business hasn't been operating for more than 2 years, am I eligible?**

No. The intent of this program is to support established businesses with high-growth potential. Only revenue-generating businesses with a strong balance sheet that have been operating for a minimum of two years can apply. Financial viability of the applicant is core to the assessment process. This provides the State a level of assurance that the business entity has an established, suitable business model, the financial resources and personnel to effectively manage the grant funds and deliver the intended project outcomes in a profitable business.

A group of businesses that aim to establish a value adding operation can also apply as long as the lead applicant (who applies on behalf of the group) has been in the agribusiness sector for more than two years.

Established businesses launching new operations may also apply, but evidence is required on the track record of the parent business and/or the commitment of investments.

- **My business doesn't have an ABN – can I apply?**

No. Only businesses registered and operating in, or relocating operations to, Western Australia that have an ABN or ACN can apply.

- **My project relates to on-farm or primary production activity that will add value to my produce or business. Does that qualify for funding?**

The program will not fund projects for “on-farm” primary production activities. The intent is to support investments relating to post-production/harvest value adding of primary production.

- **What is primary production?**

For the purposes of this grant, our definition of primary production is based on the Australian Tax Office's definition of primary production activities. A primary producer is an individual, partnership, trust or company operating a primary production business if they undertake:

- plant or animal cultivation (or both)
- fishing or pearling (or both)
- tree farming or felling (or both)

<https://www.ato.gov.au/business/primary-producers/primary-production-activities/>

- **What if my business does not produce a food or beverage product?**

If your project relates to post-harvest, value adding of primary production then it may be eligible. Examples of eligible non-food or beverage products include, but are not limited to, stock feed, industrial hemp or medicinal cannabis oils, biomass to produce biofuels or starch-based polymers.

- **Can I apply if I have already received the funding from other sources or other government grants?**

Possibly. If the grant you have already received relates to the services or project you are requesting funding for under the program (or other DPIRD grant), then you will not be eligible to apply.

However, if the grant you have received relates to a different project/aspect of your business then you may still be eligible to apply. You should contact DPIRD before applying.

If you have previously received grant funding from the DPIRD, your performance in relation to the monitoring, evaluation and reporting of that grant will be considered as part of the assessment of your application.

- **Will I need to obtain a quotation to apply?**

Yes. Your budget will need to be supported by evidence that your project has been thoroughly costed. This can be in the form of a service proposal or written quotation from the service provider(s) or equipment manufacturers that you wish to engage. This/these will need to be attached to your application.

- **Can I apply to fund activities that have already commenced?**

No. Only eligible activities, which have not commenced prior to formal notification of the successful outcome of your application, can be funded.

## **Funding Limits, Timeframe and Eligible Activities**

- **What is the minimum and maximum funding available per application?**

Individual grants of between \$500,000 and \$1,000,000 (excluding GST) to support either new investments or bringing forward planned investment projects by eligible food and beverage manufacturers or businesses undertaking post-harvest, value-add processing of primary production.

Eligible projects are those that involve investment in the diversification or expansion of operations in WA or that relate to relocating or setting up new operations in WA.

- **What are the timeframes to commence and complete the project proposed in the application?**

Projects cannot commence prior to the award of funding. Projects must commence within six months of executing a funding agreement (which will include agreed milestones and project deliverables) with the State. Based on the key dates in the guidelines, it's suggested that projects would start no earlier than the indicative announcement from September onward. Projects must be delivered by 28 February 2026.

- **What types of activities are eligible for funding?**

Capital investment funding assistance may be available for new investment or bringing forward planned investment projects in existing businesses that involve value adding post harvest or production, which is defined as any activity that transforms WA primary production from its original or raw form (i.e. commodities) into a state which is perceived as more valuable to the end consumer (i.e. products), thereby accruing higher margins to the producer. This can include:

- Investment in new manufacturing capability or processing facilities, new technology or plant modernisation which results in reducing WA's reliance on imported products, supports business growth, fosters innovation and creates jobs;
- Investment that improve sustainability, reduces the environmental impact of the manufacturing or processing activities being undertaken or contributes to improvements in broader environmental, social, and governance outcomes;
- Investment that enables expansion or diversification of business operations that relate to value adding to primary production in WA;

- or
- Businesses to relocate operations to, or expand existing operations in, WA.

Examples of past eligible projects are on the website.

- **What types of activities are NOT eligible for funding?**

Grant funding cannot be used for the following:

- Costs incurred prior to the project commencement date in the agreement.
- Projects relating to “on-farm” primary production activities. The intent is to support post-production value adding to primary production
- Subsidy of the applicant or related entity’s operational expenditure; the ongoing costs of running the business. Examples include but are not limited to production, processing and manufacturing costs, salaries, utility charges, rent, or relocation of employees
- Costs incurred in the preparation of a grant application
- Hospitality, entertainment, the provision of alcohol and gratuities
- Marketing and market development activities
- Honorariums, scholarships, study tours, fact-finding missions
- Travel expenses
- Purchase of land or buildings
- Agricultural primary production and farm infrastructure
- Data purchase or database access
- Legal fees
- Protecting or patenting intellectual property
- Repair or connection to infrastructure or major equipment that could be considered part of normal business or ongoing operations
- A research and development project involving an experiment or a trial with unknown outcome
- Any other expenditure as determined by the Department that does not meet program conditions

## Application

- **How do I apply?**

Applications to the Capital Investment stream is a two-stage process:

**Stage One** will be an open Expression of Interest (EOI) process allowing businesses to submit a short project summary. No funding will be awarded at this stage.

**Stage Two** will be a closed, invite-only grant application process for the successful projects from Stage One. It will be a competitive process with all applications assessed on their merits by an independent assessment panel.

All applications must be submitted online using the **SmartyGrants** application form, please see Value Add Investment Grants – Capital Stream Guidelines for more details.

- **How will I know if my application has been received?**

Once you have submitted your application, you will receive an acknowledgement email from SmartyGrants that it has been received. Please email [aftprograms@dpird.wa.gov.au](mailto:aftprograms@dpird.wa.gov.au) if you don't receive this.

- **Can I update/revise my application after it has been submitted?**

Yes, but only prior to the closing date for applications. If you wish to revise your application, please email [aftprograms@dpird.wa.gov.au](mailto:aftprograms@dpird.wa.gov.au) and provide your application number to have it re-opened.

- **I am having difficulties with the Smarty Grants application form, who can I contact?**

For technical issues or queries with the SmartyGrants application form, please contact [grantsupport@dpird.wa.gov.au](mailto:grantsupport@dpird.wa.gov.au).

## Grant Value

- **How much do I need to contribute?**

Applicants should demonstrate a cash funding contribution of no less than 50% of the total program budget.

While in-kind contributions do not fulfill the requirement for the co-contribution, Aboriginal business applicants that do not have a 50% cash co-contribution but can demonstrate in-kind and/or lesser cash co-contribution may be considered on a case-by-case basis.

- **Can my application include collaborator(s)?**

Yes. Business clusters, consortiums, and collaborations are encouraged to apply. A lead business, that meets the above criteria, must apply on behalf of the business group and accept responsibility for all contractual obligations.

- **What happens if the project cost is more than the maximum amount that I can apply for?**

The maximum grant value is \$1,000,000 (excluding GST) with the grant recipient responsible for funding any expenses incurred over and above any grant amount awarded.

- **Are grant payments subject to GST?**

Funding provided to recipients under the Grant is regarded as payment for a supply. GST-registered grant recipients will therefore be liable for the GST component of the grant.

The grant awarded will be increased by the amount of GST payable. Recipients must provide a tax invoice for the GST inclusive value of the grant.

Applicants are encouraged to seek tax advice on the potential implications of obtaining funding for their business.

## Application Outcome

- **Will all eligible applicants be successful?**

No. All applications will be assessed by the panel individually on their merit against the criteria described in the Guidelines.

- **When will I be notified of the outcomes?**

Notification of successful and unsuccessful applications will take place generally within twelve weeks of the closing date for applications.

Successful applicants will be informed by a formal email from the Department. Publication and/or public announcement of successful applicants may occur on an ad-hoc basis and be at the discretion of the Minister. Unsuccessful applicants will be informed by a formal email including an offer of feedback and contact details of person to provide feedback.

- **When will grant funds be made available to successful applicants?**

Grant payments are made in instalments upon evidence of satisfying milestones and receipt of invoice. In practice, this means that recipients will need sufficient cashflow to fund project costs, upfront, until they have evidenced the completion of an agreed milestone or output needed to receive an instalment.

- **What are the project reporting and evaluation requirements?**

As a condition of funding, all grant recipients are required to provide a detailed final acquittal report.

Within twelve weeks of the end date, the grant recipient must provide to the Project Manager a financial statement of income and expenditure of the Project signed by the CEO (or equivalent) of the grant recipient and certified by an Auditor and include details of how the Grant was expended. The final report must be audited by an independent auditor prior to lodgement with the VAIG team.

Full details of the acquittal requirements for grant recipients are specified in the agreement.

## Have another question?

Get in touch with an Agribusiness, Food and Trade team member on +61 (08) 9368 3853 or email [aftprograms@dpird.wa.gov.au](mailto:aftprograms@dpird.wa.gov.au)

# Glossary of Terms

**Applicant** - the entity who makes the application for funding.

**Application** - an application (or relevant part of an Application) made to the State of Western Australia for funding under the Fund.

**AWST** - Australian Western Standard Time.

**Grant** – Value Add Investment Grant.

## Grant Opportunity Type:

- **open competitive funding rounds** have open and closed nominated dates, with eligible applications being assessed against the nominated selection criteria (and against other applications);
- **targeted or restricted competitive** funding rounds are open to a small number of potential applicants based on the specialised requirements of the grant activity under consideration;
- **a non-competitive, open process** under which applications may be submitted at any time over the life of the grant opportunity and are assessed individually against the selection criteria, with funding decisions in relation to each application being determined without reference to the comparative merits of other applications; and
- **a closed non-competitive process**. For example, where applicants are invited by the entity to submit applications for a particular grant and the applications or proposals are not assessed against other applicants' submissions but assessed individually against selection criteria.

**Guidelines** – are the guidelines for the program, this document.

**Key Contact** - the person to contact if there are any queries or information required in relation to the program.

**Program Manager** - the person responsible for managing the grant program.

**Program Owner** - the Director of the operational area responsible for the implementation of the program on behalf of DPIRD (the fund provider).

**Project Partners** - are other entities, apart from the primary applicant named in the proposal or in the full application.

**Program Provider** - The program provider is (generally) DPIRD; the policy owner that establishes the program and is ultimately responsible for the program's underlying policy and program deliverables

**SmartyGrants** – is the grant management system used by DPIRD.

## Important Disclaimer

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