



Value Add Investment Grants: Feasibility Stream Round 3

Frequently Asked Questions

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

The Fund will open to applications on 22 March 2024.

The Feasibility stream is run as an ongoing rolling round until 30 June 2025 or until funding is exhausted, whichever occurs first. Projects must be completed within nine months of execution of the funding agreement or no later than March 2026, whichever occurs first.

Eligibility

• What are the eligibility requirements to apply?

A business must meet **BOTH** the applicant eligibility criteria **AND** the planned feasibility activities must be for specific types of investment or expansion projects as outlined below in order to apply for a grant.

FIRST, you must meet **ALL** the following applicant eligibility criteria:

- Be a private sector business registered with ASIC or registered for an Australian Business Number (ABN) with annual sales turnover of at least \$100,000;
- 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;
- Be planning a project located in, or looking to relocate operations to regional and/or metropolitan Western Australia
- Be capable of entering into a legally binding agreement with the Western Australian Government;
- Have the financial capacity to fund the minimum cash contribution (30% of the total project budget); and
- Have been in operation for a minimum of 12 months (or similar established track record).

Regional and Aboriginal business are encouraged to apply.

SECOND, your feasibility project must meet the below project eligibility criteria:

- Your feasibility project must be for the planning and development of **qualifying** capital investment and expansion projects associated with food and beverage manufacturing or other forms of value add processing in WA; **AND**

- Your feasibility project must be related to one or more of the following qualifying capital investment and expansion projects to be eligible:
 - 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 improves 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
 - Investment that involves relocating existing operations to WA, setting up new operations or expanding existing operations in WA.

You can find full project and applicant eligibility criteria outlined in the Guidelines.

- **My business hasn't been operating for more than 12 months, 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 12 months 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 12 months.

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?**

Yes. Foreign companies are eligible to apply. However, if your application is successful, your business must be registered to carry out business in Australia before a Financial Assistance Agreement with the State can be entered into.

Registration can be achieved either by registering the foreign company with ASIC <https://asic.gov.au/for-business/registering-a-company/steps-to-register-a-company/foreign-companies/> or by the foreign company incorporating an Australian company (subsidiary) with an ABN.

Foreign companies will be required to provide a unique business identification number as accepted in their domicile with their application.

- **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, medicinal cannabis, oils and other forms of extraction from primary produce, 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. You are required to provide written quotations from at least two services providers to deliver the scope of the de-risking activities that you are seeking to fund. The information provided will be treated as commercial in confidence. For clarity, a supplier quote must include:

- Scope of works
- Project timelines
- Proposed delivery personnel
- Deliverables
- Fee proposal.

- **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 \$15,000 and \$100,000 (excluding GST) to contribute towards the cost of de-risking investment. This includes contributing to the costs of feasibility studies, business plans and approvals to expand in, or relocate to, Western Australia

- **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 be completed within nine months of executing a funding agreement with the State or by 30 March 2026, whichever occurs first (which will include agreed milestones and project deliverables).

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

Funds must be used to engage relevant expertise to gather the information that will be used to support an investment decision for eligible capital expenditures or expansion projects.

The types of services used for the purpose of assessing if an investment project is feasible that can be funded include, but are not limited to:

- Technical consultants
- Professional services including, accounting, tax, legal and other services
- Property related services including architect, planners, designers and valuers
- Product or market analysts and advisors
- Specialist reports and data services as may be applicable
- Other advisors or relevant service providers
- Obtaining regulatory approvals
- Obtaining licences necessary to grow operations.

Examples of past eligible projects are on the website.

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

Grant funding cannot generally 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, repairs, salaries, supplies, and rent.
- 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
- Any capital or operational expenses including infrastructure, maintenance or land acquisition
- Agricultural primary production and farm infrastructure
- Data purchase or database access

- Legal fees
- Protecting or patenting intellectual property
- A research and development project involving an experiment or a trial with an unknown outcome.
- Any other expenditure as determined by the Department that does not meet program conditions

Examples of ineligible projects

Project	Reason ineligible
Engaging a consultant to achieve Safe Quality Food certification	3.4 – Ineligible activity Subsidy of the applicant or related entity’s operational expenditure; the ongoing costs of running the business.
Investigating the potential of honey as a protection for the sun’s harmful UVB ultraviolet radiation spectrum on humans.	3.4 – Ineligible activity A research and development project involving an experiment or a trial with an unknown outcome
Agronomy and farming system analysis of sustainable production and supply of a unique plant-based Super High Oleic Safflower Oil (SHOSO)	3.4 – Ineligible activity Projects relating to “on-farm” primary production activities. The intent is to support post-production value adding to primary production
Purchase of a flow wrapper for packed goods	Funds to be spent on purchasing equipment. Feasibility funding is for planning investment projects not executing them.
Direct to consumer e-commerce marketing and distribution solution	Funds to be spent implementing an e-commerce and marketing strategy and software. Feasibility funding is for planning investment projects not executing them.

Application

• How do I apply?

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

• Purpose of the feasibility stream application

The feasibility stream application is to objectively assess a project’s merits, not on whether the outcome of the feasibility/de-risking is for recommendation or non-progression (‘fast-fail’).

• 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 if you don’t receive this.

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

Yes. If you wish to revise your application prior to the closing date, please email aftprograms@dpird.wa.gov.au and provide your application number to have it re-opened.

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

For technical issues or queries with the SmartyGrants application form, please contact grantsupport@dpird.wa.gov.au.

Grant Value

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

Applicants must fund no less than 30% of the total project budget in the form of a cash contribution. While in-kind contributions do not fulfill the requirement for the co-contribution, Aboriginal business applicants that do not have a 30% 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 \$100,000 (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?**

The full assessment process, including submission to the Minister for Agriculture and Food (the Minister) for final approval of successful applicants is expected to take up to sixteen (16) weeks from the date of submission to notification of a funding decision. These timeframes are indicative only and subject to change.

Successful applicants will be informed by a formal letter from the Department (via email). Unsuccessful applicants will be informed by a formal email including an offer of feedback and contact details of person to provide feedback as well as information on other potential funding or assistance opportunities that may be applicable.

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

Grant payments are made in instalments upon evidence of satisfying agreed 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?**

Progress reports may be required to demonstrate progress towards achievement of agreed milestones and outputs and that funds are being spent in accordance with the funding agreement. A final report and evaluation will also be required.

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

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