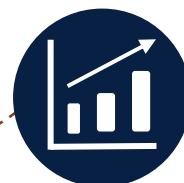




Department of  
**Primary Industries and  
Regional Development**

# Value Add Agribusiness Investment Attraction Fund

## Guidelines



***Supporting WA agriculture and food businesses***

An initiative of the Department of Primary Industries and Regional Development

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# Guidelines for Applicants

## 1. About Value Add Agribusiness Investment Attraction Fund

### 1.1. Overview

The Value Add Agribusiness Investment Attraction Fund (VAAIAF) is targeted at:

- assisting agribusinesses to confidently invest in new projects or expansion opportunities in regional Western Australia that will build competitiveness, adopt innovative technologies and grow their operations
- established businesses seeking to grow and scale, as part of an integrated offering from DPIRD to support businesses at varying stages of growth.

This \$4.55 million investment funding program comprises **three components** to support eligible businesses, as described in detail in 1.2.

**Businesses can apply for all components but can only be awarded one grant in this funding round.** All grants require a minimum \$1:\$1 matched cash component from the applicant (this is the same for each of the three components). Any eligible business can apply including those that have previously applied for either VAAIAF or other DPIRD grants.

### 1.2. The three components

#### COMPONENT 1: CAPITAL EXPENDITURE

This component offers \$3.0 million total in this round with grants up to \$300,000 matched funding (minimum \$1:\$1) available per business to contribute to capital expenditure related to expansion or relocation of value adding, processing and production in regional Western Australia.

#### COMPONENT 2: DE-RISKING INVESTMENT

This component offers a total of \$550,000 to contribute to costs occurred in businesses undertaking feasibility for regional expansion or relocation of value adding, processing and production; costs associated with undertaking approvals for regional expansion or relocation. Grants of up to \$100,000 matched funding (minimum \$1:\$1) are available for eligible businesses.

#### COMPONENT 3: AGRIFOOD TECHNOLOGY INVESTMENT

This component offers \$1.0 Million to support small to medium value add, processing and production agribusinesses to confidently invest in globally advanced ag-tech and food-tech that will support material growth of expansion of the business. This includes technology that can reduce input costs and environmental impact, improve productivity; and ensure product quality, product provenance and animal welfare. Grants of up to \$100,000 matched funding (minimum \$1:\$1) are available for eligible agribusiness to invest in and implement innovative technology solutions.

In order to be supported, applicants should demonstrate the benefits of the investment to their business and to regional Western Australia. Successful grant applicants will be required to make a cash contribution, which would match or exceed the full amount of the requested grant on a dollar for dollar basis.

The Department of Primary Industries and Regional Development (DPIRD) will manage the Fund and application process. The Minister for Regional Development; Agriculture and Food will make the final funding decisions.

### 1.3. Objective of the fund

- Attract and facilitate agribusiness investment through supporting the expansion or relocation of agribusiness operations to the benefit of regional Western Australia.
- Support high growth potential agribusinesses that can create new or retain existing jobs in regional Western Australia.
- Support agribusiness growth through implementation of ag-tech and food-tech.

### 1.4. Eligibility criteria

Applicants that meet all of the following criteria are eligible to apply.

- Australian private sector businesses with an Australian Business Number (ABN), registered for GST and that are capable of entering into a legally binding agreement with the Western Australian Government.
- Trustees must be incorporated, with an ABN and registered for GST, and agree to special clauses in the grant agreement limiting the trustee's powers.
- The applicant's main source of revenue (50 percent or more) should be derived from the production or processing of agriculture, food or beverage products.
- The applicant must have been in operation for a minimum of two years.

Business clusters 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.

**Agrifood:** *"Relating to the commercial production of food by farming"*

**Agribusiness:** *"Agribusiness is the business sector encompassing farming and farming-related commercial activities. The business involves all the steps required to send an agricultural good to market: production, processing and distribution"*

**Value Add:** *"Encompasses any process or service in the supply chain that adds to or enhances the market value of products to customers"*

### 1.5. Timelines (opening and closing)

The Fund will open to applications on **Friday 31 January 2020 at 9:00AM (WST)**

The closing date for applications on **Friday 13 March 2020 at 5:00PM (WST)**

**Funded projects must be completed by 30 June 2021.**

## 2. What Activities and Projects Will Be Considered For Funding?

### COMPONENT 1: CAPITAL EXPENDITURE

#### 2.1. What Capital Expenditure activities will be funded

Capital investment funding assistance may be available for:

- new investment or bringing forward investment in existing businesses that creates jobs;
- investment that enables expansion or diversification of business operations that add value through the production process;
- investment in new manufacturing capability, processing or production facilities, new technology or plant modernisation which results in business growth and jobs creation; and
- businesses to move to, or expand into regional Western Australia.

### COMPONENT 2: DE-RISKING INVESTMENT

#### 2.2. What De-Risking activities will be funded

De-Risking funding assistance may be available to support and de-risk project investment decision making including the following:

- 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; and
- Obtaining licences necessary to grow operations.

### COMPONENT 3: AGRI-FOOD TECHNOLOGY INVESTMENT

#### 2.3. What Agri-food Technology activities will be funded

Funding assistance to improve productivity, increase throughput, improve product quality or shelf life, improve supply chains or increase competitiveness, including the following:

- robotics;

- autonomous equipment;
- sensory technology;
- artificial intelligence;
- 3d printing;
- shelf-life enhancement technology; and
- novel farming systems.

**NOT ELIGIBLE FOR FUNDING UNDER VAAIAF**

## **2.4. Activities that will NOT be considered for funding**

- Projects that are not located, in or benefitting, regional Western Australia.
- Purchase of land or buildings.
- Study tours/fact finding missions/travel.
- Preparation of grant application materials.
- Core business expenses not directly related to the proposed project.
- Business entertainment expenses.
- Protecting or patenting intellectual property.
- Relocation of employees, employee salaries.
- Repair or connection to infrastructure or major equipment that could be considered part of normal business or ongoing operations.

## **3. Ready to apply?**

### **3.1. Prior to submitting an application**

Prior to submitting an application, applicants are advised to:

- read the application guidelines to establish eligibility, and
- discuss the proposed project with the DPIRD officers identified in section 3.7 below.

### **3.2. Preparing an application and selection criteria**

When completing the online application form applicants should describe the proposed investment including the following.

- Project summary.

- Estimated project timeframes and budgets;
- Desired outcomes;
- Business growth expectations;
- Regional benefits; and
- Total project budget, including funding assistance requested and other funding sources, including applicant cash contribution.

Documentation to support the investment such as the calculation of equipment costs, construction costs, existing feasibility studies or business plans and letters of support should be attached to the application.

### **3.3. Applications must address the following selection criteria**

#### **1. Direct Economic Benefits**

How the project will:

- result in direct investment in regional Western Australia;
- create or retain direct employment or create an increased potential for direct employment;
- increase value added production;
- produce additional revenue, exports or potentially replace imports; and
- generate potential long-term benefits that continue after funding has ceased.

#### **2. Indirect Economic Benefits**

How the project will:

- create indirect employment if applicable, e.g. during construction or associated with the supply chain or other services;
- complement or create an added incentive for other investment to occur, e.g. through the creation of critical mass of an industry sector or through the potential attraction of an industry partner;
- create any benefits for any other groups such as suppliers, transport operators or other service providers; and
- deliver innovation or production productivity benefits e.g. through the introduction of new technology, enhancement of employee skills, improved safety, new management techniques or raising the value of outputs.

#### **3. Project Feasibility**

Applications should demonstrate:

- that any regulatory requirements including planning and environmental issues have been identified;
- the estimated timeframes for the planning, development, approval and implementation of the project; and
- that project risks have been identified and strategies developed to manage them.

#### **4. Other Benefits**

Applicants should demonstrate any:

- relevant industry or community support for the Project if applicable; and
- environmental, social or other benefits.

## 5. Viability of Applicant

Applicants should demonstrate their:

- capacity, capability and commitment to undertake the Project successfully and outline any other project funding sources including contributions from the commonwealth or local governments, community, private sector or other organisations.

Applicants may be asked to provide independently verified financial statements and information showing the ongoing viability of their business operations.

Applications that can demonstrate how the Project will contribute to long-term benefits will be regarded more favourably than those with short-term benefits.

### 3.4. Submitting an application

Applications from eligible organisations must be submitted online using the SmartyGrants application form link available at [www.agric.wa.gov.au/VAAIAF](http://www.agric.wa.gov.au/VAAIAF)

To be considered for funding, completed applications can be submitted at any time **before 5:00PM (WST) Friday 13 March 2020.**

Please note the SmartyGrants system will close automatically at this time and you will not be able to lodge a late application.

Applications received by other means will not be eligible for consideration. If there is a question over whether an application is eligible, the matter will be resolved by the responsible officer in DPRID. There will be no appeal regarding eligibility of late applications.

All applicants will be notified by email that their application has been received.

### 3.5. Assessment and selection

Successful projects will be selected based on assessment of their eligibility and the selection criteria detailed above.

DPIRD will appoint an independent selection panel with suitable industry, technical and commercial experience to assess the applications and provide funding recommendation advice to DPIRD.

Any conflict of interest issues that may apply to any selection panel member will be assessed and managed for each application.

The Minister for Regional Development; Agriculture and Food is the final decision maker.

All decisions are final. Applicants will be notified in writing of the outcome of their application.

Successful applicants will be responsible for the delivery of the project and will be required to enter into a Financial Assistance Agreement with DPIRD that will set out agreed milestones and the terms and conditions applicable to the granting of funds

Up to 25 per cent of awarded funds will be paid on execution of the Financial Assistance Agreement with the balance to be paid on completion of agreed milestones.



### 3.6. Further information

Additional information can be found on the Department of Primary Industries and Regional Development website [www.agric.wa.gov.au/VAAIAF](http://www.agric.wa.gov.au/VAAIAF)

### 3.7. Contacts

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