



Department of
**Primary Industries and
Regional Development**

INVESTOR READINESS PROGRAM

Investor Ready Grant Program Guidelines

Supporting our WA agriculture and food businesses
to become investor ready



An initiative of the Department of Primary Industries and Regional Development

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Investor Readiness Program

1.1 Overview

The Investor Readiness Program is a Western Australian (WA) State Government initiative managed by the Department of Primary Industries and Regional Development (DPIRD). It aims to support WA agriculture and food businesses to become investor ready in order to attract capital, which will in turn, support economic growth and regional job creation.

The Investor Readiness Program is targeted at WA small to medium enterprises (SME's) that are seeking to grow, expand and diversify and provides comprehensive support by delivering three different components between November 2019 and November 2020:

1. Printed and Online Resources

A series of printed and online resources, including a guide to investor readiness, templates and case studies, will be developed to enable WA agriculture and food businesses to improve their skills and confidence in undertaking capital raising.

2. Training and Skill Development

A range of masterclasses and webinars will be delivered to enable Western Australians to increase their capacity in becoming investor ready and raising capital.

3. Grant Program

A competitive grant program that will support SME's to become investor ready with support from professional services. Successful businesses may potentially also be introduced to the DPIRD and/or Austrade pipeline of investor ready businesses.

These guidelines focus on component three only – **the Investor Ready Grant Program.**

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'Investor Ready Grant Program'

2.1 Overview

The **'Investor Ready Grant Program'** is a competitive grant program that will provide financial support to WA agriculture and food businesses that have identified a need to raise external capital to support an expansion of their business. Successful agriculture and food businesses will be able to use grant funding to access professional services that will enable them to meaningfully engage with investors so they are better equipped to raise capital. There will be two separate rounds of the Investor Ready Grant Program with \$320,000 available in the first round (the second round will be pending an evaluation of the first round and incorporating any lessons learnt).

- **Round one:** Applications open 1 November 2019 and close 13 January 2020.
- **Round two:** Anticipated to open mid-July 2020, following round 1 evaluation.

Grants will be provided up to a maximum amount of \$20,000 (excluding GST).

The Investor Ready Grant Program also seeks to provide ongoing support to successful businesses by providing access to DPIRD's facilitation services and potentially bringing them into the DPIRD and/or Austrade pipeline to further support capital raising.

2.2 Eligibility

The Investor Ready Grants Program is aimed at supporting regional and metro businesses who are looking to invest in regional WA. Businesses are encouraged to contact DPIRD before applying.

In addition to the above, applicants must also meet the following eligibility criteria:

- Have an ABN and/or ACN;
- Have their business registered in WA;
- Be developing their agriculture and food business in WA;
- Be a solvent WA-based SME employing less than 200 people (including sole traders, private firms, partnerships and not for profit entities);
- Have operated for two or more years;
- Demonstrate a strategy for expansion as a result of attracting third party investment that will generate increased revenue, provide access to new markets and create additional direct and indirect jobs as a result of investment in their business;
- Have an annual turnover between \$1 million and \$20 million; and

2.3 Professional services eligible for funding

Funding will be provided to access professional services that will support capacity development in investor readiness.

Eligible service categories for funding include:

- Developing an appropriate corporate structure for capital raising including legal advice;
- Developing investment strategies;
- Coaching for pitching or negotiating with investors;
- Developing investment memorandums or pitch packs;
- Developing financial models (including auditing);
- Measuring social or environmental impact; and
- Developing legal advice (shareholder agreements, share subscription agreement, contracts, intellectual property, employee contracts, insurance etc.).

It is recommended applicants discuss their proposed activity with a DPIRD officer prior to applying to ascertain eligibility.

2.4 Professional services not eligible for funding

Funding cannot be spent on:

- General business or operational activities including salaries;
- Purchasing stock;
- Business and strategic planning;
- Marketing and promotional activities;
- Regulatory approvals and permits;
- Website development;
- Maintenance and upkeep of facilities; and
- Equipment capital expenditure.

2.5 Funding Requirements

Funds will be reimbursed to successful, participating businesses upon:

- Submission of a GST exclusive invoice for the professional services along with evidence that you have paid for the service, in line with your application.
- A simple letter outlining a statement of outcomes (a template will be available).

2.6 Co-contribution

Businesses are required to provide matched funding with a minimum of \$1 to \$1 co-contribution.

Should a business seek to procure services in excess of \$40,000 (excluding GST), the business will be responsible for paying the excess amount. For example, if the professional services are quoted at \$60,000 (excluding GST), the business may apply for funding of \$20,000 and would be required to provide the \$1 to \$1 matched co-contribution of \$20,000 PLUS the excess cost that remained (\$20,000 in this example).

2.7 Requirements for professional service providers

Applicants are required to submit a detailed service delivery plan and quotation from their preferred service provider(s) when applying.

Professional service providers must be approved by DPIRD and meet the following eligibility criteria:

- Have demonstrated skills and experience in the relevant area;
- Not be the business' accountant; and
- Have a history of delivering similar services on time and within budget.
- Utilising Western Australian based professional service businesses is encouraged.

2.7.1 Independent third party disclaimer

The professional service provider must also include a declaration in their quotation (or submit a separate letter on company letter head) stating that they are an independent third party to the applicant. This declaration needs to state:

"This is to confirm that [Service Provider Company Name] is an independent third party, and that [Service Provider Company Name] has no direct connection or relationship with [Applicant Name]".

3 Application process

3.1 The application form

Eligible agriculture and food businesses can apply for the Investor Ready Grant Program by applying online using **SmartyGrants**.

Applications close at 5:00pm AWST Friday 13th January 2020

3.2 Prior to applying

It is recommended applicants consider their answers to the following questions prior to applying:

1. How does your business demonstrate high growth/expansion/diversification potential?
 - Projected market access;
 - Projected production growth; and/or
 - Projected revenue growth.
2. Does your business have a strategy for attracting investment/raising capital to fast-track or enable your business growth/expansion/diversification?
3. What impact will your business growth/expansion/diversification have on regional jobs and economic diversification?
4. How will accessing a specialist service provider assist your business in attracting investment/becoming investor ready?

It is recommended that applicants read the **Frequently Asked Questions** before applying.

3.2.1 Supporting documentation required

Applicants should have the following documentation ready to submit with their application:

Service delivery plan and quotation from service provider(s)

This should include:

- the product or service being provided including a break-up of key activities;
- a breakdown of service delivery costs;
- the independent third party disclaimer (outlined in 2.7.1)

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Assessment process and timelines

4.1 The process

DPIRD will initially screen all applications for eligibility as per section 2.2. An independent panel will then be engaged to assess the competitiveness of individual applications using the following merit criteria and weightings:

Merit criteria	Weighting
1. Demonstrated pathway and rationale for investment/capital raising (how and why are you seeking to raise capital?)	30%
2. Demonstrated business growth/expansion/diversification potential: <ol style="list-style-type: none"> 2.1 projected market access; 2.2 projected production growth; and/or 2.3 projected revenue growth. 	30%
3. Demonstrated value for money of services sought (what is the project going to deliver and how will it add value?).	20%
4. The impact/level of change the business growth/ expansion/ diversification will have on: <ol style="list-style-type: none"> 4.1 regional job creation (both direct and indirect positions); and 4.2 regional economic diversification. 	20%

4.2 Timelines

Timeline	Activity
1 st November 2019	Applications Open
13 th January 2020	Applications close
January 2020	Applicants notified of outcome
1 st June 2020	Deadline for invoice and report submission

The professional services must be fully delivered to successful businesses and a report and invoice provided to DPIRD by 5:00pm AWST on or before 1st June 2020. This provides four months in which the project must be completed and an invoice submitted for reimbursement.

5 Conditions for funding

5.0 What will I need to do to receive the funds if I am successful?

All grant funding must be approved prior to receiving services. No retrospective payments will be made.

Reimbursement payments will be made and subject to the applicant providing:

- Evidence of expenditure
- Related invoice
- Statement of the outcomes that have been achieved. A template will be provided to help you with this.

Successful applicants will receive a letter of funding that sets out the terms and conditions of the funding.

6 Further information

6.0 Contact details

For more information about the *Investor Ready Grant Program* please contact an Agribusiness Food and Trade team member by telephoning +61 9368 3853 or emailing investorreadiness@dpird.wa.gov.au

