



Department of
**Primary Industries and
Regional Development**

Value Add Investment Grants – Round Two

Feasibility stream - Frequently Asked Questions (FAQ)

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Frequently Asked Questions

These Frequently Asked Questions apply to the Feasibility stream of Round Two of the Value Add Investment Grants (VAIG). Applicants should read this document in conjunction with the **Guidelines for Applicants – Feasibility stream** prior to submission.

1 Key information

1.1 About the Feasibility stream

The Feasibility stream will provide funds to eligible applicants for the planning of future capital investment projects. Projects must align to the stated objectives of the VAIG and be ready to commence the project planning and business case phase from July 2022.

This stream will open for applications on **Wednesday 27 April 2022 at 9:00AM (AWST)**

The closing date for applications is **Wednesday 8 June 2022 at 5:00PM (AWST)**

1.2 Is this my only opportunity to access funding in this round?

No. This stream will operate as a rolling fund with an assessment panel meeting up to three times a year allowing up to three funding opportunities each financial year (Up to \$0.5million per annum).

The funding has been allocated for two years across FY23 and FY24. The second and third rounds each year are subject to level of demand from quality projects in the first round.

NB: *The Value Add Investment Grants are funded by the Food & Beverage Fund with funding confirmed until 30th June 2024. At this stage, there is no guaranteed funding for future grant rounds.*

1.3 What are the key dates?

Feasibility Stream	Q1 Round	Q3 Round
Applications open (6 weeks to apply)	27 Apr 2022	09 Sep 2022
Applications close	08 Jun 2022	21 Oct 2022
Assessment complete (4 weeks to assess)	06 Jul 2022	23 Nov 2022
Approvals complete (4 weeks to approve)	03 Aug 2022	Late Dec 2022
Projects commence	Mid-August 2022	Early 2023

1.4 When do funded projects have to start and finish by?

Projects funded in the first round must commence no earlier than August 2022. It is anticipated that **Feasibility stream** projects can be completed within nine months of executing a funding agreement (which will include agreed milestones and project deliverables) with the State.

2 Guidance and advice

2.1 How many projects will get funded?

The number of projects funded is determined by the available budget and the number of quality applications received. We reserve the right not to fully allocate the budget.

As a guide, the budget allows between 5 and 16 projects to be funded.

2.2 What can I do to improve my chances of success?

All eligible applications are assessed individually and then collectively on their merits by an independent three-person panel against the published assessment criteria. The financial viability of applicants and any potential risk factors are also taken into consideration. You should consider the following prior to submitting your application.

1. Do you meet the eligibility criteria? This includes being able to prove that you have the financial resources to meet your cash contribution. Historically, around 25% - 30% of applications fail at this stage.
2. How strongly does your project support the stated objectives of the program?
3. How compelling is your case for the State Government to contribute funding to your project?
4. How much work has been undertaken to date to plan for your project? What evidence can you provide to support this? How will the funding support your final investment decision?
5. How feasible is your project? Have you allocated sufficient financial and human resources to deliver it? Is there evidence that the plan and timeframes are achievable? Are the costs supported by supplier quotes to indicate the costings realistic?
6. How compelling are the benefits to your organisation, the local economy and the broader State's economy?

If you are uncertain about the eligibility of your proposed project or wish to discuss or clarify any part of your application, our team is available to answer queries. Please email us on at aftprograms@dpird.wa.gov.au or call (08) 9368 3853.

3 Eligibility

3.1 My project will be located in the Perth metropolitan area, am I eligible to apply?

Yes. This is a state-wide program supporting eligible projects located across Western Australia including the Perth metropolitan area.

3.2 Which business or industry sectors are eligible to be considered for funding?

Value Add Investment Grants are being targeted at 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.

Examples of previously funded businesses and projects include:

- Wide Open Agriculture - Site feasibility of oat milk processing facility in regional WA
- Willie Creek Pearl Farm Pty Ltd - Feasibility study of additional forms of value-adding
- Ord River District Cooperative Limited – 'De-risking the Ord Cotton Gin' - an industry-led project
- Good Earth Dairy – Feasibility of high capacity dairy for the production and processing of premium quality camel milk and milk based products.
- Yarrie Station - Feasibility study for the design, construction and operation of a mobile abattoir and processing facility.

3.3 What activities will be funded?

Feasibility funding assistance may be available for new investments or bringing forward planned investment projects in existing businesses that involve:

- 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.

3.4 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. NB: Feasibility funding is targeted at projects commencing no earlier than 1 July 2022.
- Projects relating to “on-farm” primary production activities. The intent is to support post-production value adding to primary production
- Projects located outside of WA
- Costs incurred in the preparation of a grant application
- Hospitality, entertainment, the provision of alcohol and gratuities
- Marketing and market development activities
- Subsidy of general ongoing administration of an organisation such as utility charges, rent, salaries
- 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
- Relocation of employees, employee salaries
- 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 an unknown outcome.

3.5 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/>

3.6 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.

3.7 My project relates to on-farm or primary production activity that will add value to my produce or business.

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.

3.8 My business has operated for less than two years.

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.

3.9 My business doesn't have an ABN or ACN. Can I apply?

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

3.10 Can I apply if I have already received a government grant?

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.

3.11 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.

3.12 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.

4 Available funding and grant value

4.1 How much funding is available?

The Value Add Investment Grants (VAIG) - Round Two - Feasibility stream will provide up to **\$1 million** in grants across FY23 and FY24. Up to \$500,000 is available in each financial year.

4.2 What is the grant value?

Individual grants of between \$30,000 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.

4.3 How much do I need to contribute?

The State will contribute up to a maximum of 50% of the project's budget. Every dollar of grant funding must be matched with at least one dollar, in cash, by the applicant.

4.4 My project value does not meet the minimum grant and co-contribution amounts.

This round is targeted at projects that build resilience into WA's supply chain and supporting the diversification and transformation of the WA food and beverage industry at a competitive scale.

The minimum grant amounts have been set to encourage larger-scale projects, enabled by co-investment between the Government and the private sector. We are looking to support projects that will have a material impact on our economic recovery and job creation.

Projects that do not meet the minimum thresholds will not be considered for funding.

4.5 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.

5 Submitting an application

5.1 How do I apply?

All applications must be submitted online using the **SmartyGrants** application form, please see www.agric.wa.gov.au/VAIG-feasibility for more details.

5.2 How will I know if my application has been received?

Once you have submitted your application, you will receive an acknowledgement email from noreply@smartygrants.com.au. All notifications regarding your application's status will be sent from the above address, please add it to your address book or Safe Senders List to ensure receipt.

If you do not receive an acknowledgement email, please email aftprograms@dpird.wa.gov.au.

5.3 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 and provide your application number to have it re-opened.

5.4 Can I apply under more than one funding stream?

Yes but applicants will only be eligible to receive ONE grant.

Please note that the funding streams target support at different stages in the investment lifecycle. Therefore, the same project will not be eligible for both streams.

5.5 I am having difficulties with the SmartyGrants application form – who can I contact?

For technical issues or queries with the Smarty Grants application form, please contact aftprograms@dpird.wa.gov.au or telephone +61 (0)8 9368 3853

6 Assessment process

6.1 What are the assessment criteria?

All applicants must demonstrate through the provision of suitable evidence that they meet the eligibility criteria.

Applications, assessed as eligible by the Panel, will undergo a merit-based assessment against the five categories of assessment criteria outlined in the Guidelines. Each category is weighted as follows:

1. ESG Impact – 10%
2. Strategic Business Case – 25%
3. Direct Economic Benefit – 20%
4. Project Feasibility – 30%
5. Viability of Applicant – 15%

These criteria are described in the **Guidelines to Applicants** document.

Other factors will be taken into consideration during the assessment process at the discretion of the panel including but not limited to:

- i. Whether the applicant has received other grant funding sourced/approved for this proposal, including but not limited, to previous rounds of the Value Add Agribusiness Investment Attraction Fund, Asian Market Export Grants, Export Competitiveness Grants provided by DPIRD or by other State and/or Federal institutions.
- ii. The percentage of the nominated cash co-contribution from the applicant. Higher levels of cash co-contribution will be viewed more favourably.
- iii. If applicant is a previous recipient of grant funding from the Department of Primary Industries and Regional Development, the relevant monitoring, evaluation and reporting performance of the applicant.
- iv. The business and applicant(s) are considered in good standing with applicable regulatory, compliance, and taxation authorities.

The assessment criteria are set out in detail in section 3 of the Guidelines which can be found at www.agric.wa.gov.au/VAIG-feasibility

6.2 How will applications be assessed?

The assessment process aims to identify eligible applicants to whom funding could be awarded with applications that will be assessed by an independent Assessment Panel with support from the program team.

The assessment will be undertaken in the following manner:

- Applications will be assessed against the eligibility criteria to determine if they are eligible for consideration and, if not, they will not be included in the assessment process;
- Eligible applications will be assessed against the assessment criteria by an independent assessment panel;
- A comparative assessment of grants will occur;
- Recommended applications will undergo a financial viability and risk assessment. Further information may be requested from applicants to support this assessment. DPIRD will also consult with Regional Development Commission colleagues and other government departments.
- An Assessment Report will be developed from the assessment process and recommended applications presented to the Minister for Regional Development; Agriculture and Food for final decision-making.

6.3 Who will assess the applications?

An Assessment Panel will be established comprising suitably experienced and qualified people independent of DPIRD. Information about the assessment team will not be disclosed.

An assessment tool that sets out the eligibility and assessment criteria published for the grants scheme will be developed to guide assessments by the Panel.

6.4 When will I be notified of the outcome?

Notification of successful and unsuccessful applications will take place in line with the estimated timeframes set out in Section 1 of this document.

Successful applicants will be informed by a formal letter from the Department (via email). Subsequently, your project will be included in a public media release and an announcement on the Program website.

Unsuccessful applicants will be informed in the following manner:

- Initial formal email including an offer of feedback and contact details of person to provide feedback; and
- An announcement about successful applications on the program website.

6.5 What information about my project will be made public?

The following information regarding your project will be made public:

- Business name / Trading Name
- Short project description – to be agreed with you prior to publication
- Grant value awarded

The level of investment and number of jobs created by individual businesses will not be published. The total value for these metrics will be published at a whole-of-round level to protect individual businesses' confidentiality.

6.6 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.

6.7 What happens if my application is not eligible or I miss out?

If your application for funding is unsuccessful, you can request verbal feedback by emailing your request to aftprograms@dpird.wa.gov.au.

7 Contracting for successful applicants

7.1 I have been notified that I am successful, what happens next?

All successful applicants will be invited to a briefing session. This will cover the following topics:

- Joint media opportunities and recipients' obligations in relation public commentary on grant-funded projects.
- Contracting and agreement negotiation process
- Grant management process and key contacts.

Individual meetings will be arranged to discuss funding agreements.

7.2 When will grant funds be made available?

Grant payments are made in instalments and in arrears, subject to the recipients meeting a set of agreed milestones and outputs.

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.

7.3 What is the funding agreement that I will need to sign?

Successful applicants will be required to enter into a Financial Assistance Agreement (FAA) with the State Government. The FAA clarifies the rights and obligations of both parties and forms a legally binding contract. The FAA has two parts:

- **Operative clauses** that set out the rights and obligations of both parties; and
- **Schedules** that describe the project, its timeframes, reporting requirements and the criteria to be met to unlock progress payments.

7.4 Is the funding agreement negotiable?

Yes, but only certain parts. The Financial Assistance Agreement is a standard agreement used across all DPIRD's grant programs and all their constituent projects. The goal is to provide greater clarity, consistency and to better mitigate the State's risk through a standard set of terms.

The operative clauses are intended to be consistent across all agreements. The terms can only be varied via request, supported by a strong justification, to the State Solicitor's Officer. This is a lengthy and cumbersome process that can take several weeks to resolve. For expediency, our preference is to leave these clauses unchanged.

The schedules, however, can be negotiated and are designed to be customisable to meet the individual circumstances of each project.

7.5 What are the project reporting and evaluation requirements?

Progress reports will 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.

8 Any other questions?

Please get in touch with an Agribusiness, Food and Trade team member on +61 (0)8 9368 3853 or email aftprograms@dpird.wa.gov.au

9 Glossary

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)

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 FAB Fund.

AWST - Australian Western Standard Time.

DPIRD - Department of Primary Industries and Regional Development.

Grant – Value Add Investment Grant

Guidelines – are the guidelines for the Value Add Investment Grant

SmartyGrants – is a grant management software tool used by DPIRD.

Value adding – an activity or process that transforms primary production in 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.