



Department of  
**Primary Industries and  
Regional Development**

# **Value Add Investment Grants – Round One**

## **Frequently Asked Questions (FAQ)**

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# Frequently Asked Questions

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

The Grants will open for applications on **Friday 14<sup>th</sup> August 2020 at 9:00AM (AWST)**

The closing date for applications on **Friday 09<sup>th</sup> October 2020 at 5:00PM (AWST)**

## 1 Guidance and advice

If you 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](mailto:aftprograms@dpird.wa.gov.au) or call (08) 9368 3853.

## 2 Eligibility

### 2.1 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.

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

Value Add Investment Grants are being targeted at eligible applicants with project that involve expansion in, or relocating to WA that:

- are undertaking value adding to primary production post-harvest (further defined in 2.4);
- have their main source of income (more than 50%) from the production or value adding to primary production;
- are already exporting or planning to export within the next two years;
- can demonstrate high growth potential based on recent financial performance;
- are private sector businesses (including incorporated trustees), public companies, grower cooperatives, or similar organisations that have an ABN, and are registered for GST.

### 2.3 What is value adding?

In the context of the VAIG, value adding 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.

## **2.4 What is primary production?**

For the purposes of this grant, primary production encompasses meat and livestock, dairy, fibre, horticulture, wild catch fisheries and aquaculture and forestry products.

## **2.5 My business does not produce a food or beverage product.**

If your project relates to post-production, 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.

## **2.6 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.

## **2.7 My business has operated for less than two years.**

Only businesses that have been operating for a minimum of two years can apply. The requirement for a business to demonstrate a minimum of two years in operation is to provide a level of assurance that the business entity has established suitable business models, 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.

## **2.8 My business doesn't have an ABN or ACN.**

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

## 2.9 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 Value Add Investment Grants - Round 1 (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 Funding streams and eligible activities

### 3.1 What are the funding streams?

The Value Add Investment Grants (VAIG) - Round One will provide up to **\$6.5 million** in grants through two funding streams:

#### 1. Funding Stream One - Capital expenditure

Up to \$6 million is available for grants of between \$250,000 and \$750,000 (excluding GST) to support capital expenditure related to the expansion of value adding primary production in Western Australia. A minimum \$1:\$1 cash contribution is required from the applicant.

#### 2. Funding Stream Two - De-risking investment

Up to \$500,000 is available for grants of between \$50,000 and \$150,000 (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. A minimum \$1:\$1 cash contribution is required from the applicant.

### 3.2 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 relate to value adding of primary production in Western Australia;
- Investment in new manufacturing capability or processing facilities, new technology or plant modernisation which results in business growth and jobs creation; and
- Businesses to relocate operations to, or expand existing operations in, Western Australia.

### **3.3 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 and other professional 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.

### **3.4 Will I need to obtain a quotation?**

Your application will need to be supported by information that demonstrates include a service proposal/quotation from the service provider(s) you wish to engage or for the equipment you wish to purchase and/or any other costs. This/these will need to be attached to your application.

### **3.5 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
- Costs incurred in the preparation of a grant application
- Hospitality, entertainment, alcohol, 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 or 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

### **3.6 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.

### **3.7 When does the project have to be completed by?**

The project must be completed by the 30<sup>th</sup> June 2022 and commence within six months of executing a funding agreement (which will include agreed milestones and project deliverables) with the State.

## **4 Grant value**

### **4.1 What is the grant value under each stream?**

- Funding stream 1 – Capital Expenditure: between \$250,000 and \$750,000
- Funding stream 2 – De-risking Investment: between \$50,000 and \$150,000

### **4.2 How much do I need to contribute?**

Recipients will need to match funding on a minimum of a \$1 to \$1 basis. For example if your project is a total of \$500,000, you may only apply for \$250,000.

### **4.3 My project value does not meet the minimum grant and co-contribution amounts.**

The Value Add Investment Grants have been introduced as an immediate stimulus measure to support the recovery from the economic impacts of COVID-19 and to boost industry growth and diversification.

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

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

#### **4.4 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/VAIGrants](http://www.agric.wa.gov.au/VAIGrants) 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](mailto: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](mailto: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](mailto: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](mailto:aftprograms@dpird.wa.gov.au) or telephone +61 (0)8 9368 3093



## 6 Assessment process and application outcome

### 6.1 What are the assessment criteria?

Application will be assessed against five criteria, weighted as follows:

1. Direct Economic Benefit – 30%
2. Indirect Economic Benefit – 20%
3. Project Feasibility – 30%
4. Viability of Applicant – 15%
5. Other Benefits – 5%

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 Competiveness Grants provided by DPIRD.
- 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 a previous recipient of grant funding from DPIRD, the monitoring, evaluation and reporting performance of the applicant.

The assessment criteria are set out in detail in section 5 of the Guidelines which can be found at [www.agric.wa.gov.au/VAIGrants](http://www.agric.wa.gov.au/VAIGrants).

### 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. This will be approved by Susan Hall, Manager, Investment, prior to its use.

### **6.4 When will I be notified of the outcome**

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

Successful applicants will be informed by:

- Initial formal email
- Inclusion in a public media release
- 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 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.

### **6.6 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@dpiird.wa.gov.au](mailto:aftprograms@dpiird.wa.gov.au).

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

Successful applicants will be required to enter into a funding agreement that will set out agreed milestones and outputs for payments. Milestones will be negotiated with the recipient. Payments will be made on a reimbursement basis.

## 6.8 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.

## 7 Any other questions?

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

## 8 Glossary

**Primary production** – the production of agriculture commodities such as meat and livestock, dairy, fibre, horticulture, forestry products, wild catch fisheries and aquaculture.

**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.