



Local Capability Fund (LCF) Guidelines



Government of **Western Australia**
Department of **Jobs, Tourism, Science and Innovation**

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Local Capability Fund

Program Objective

The Local Capability Fund (LCF) is a funding program under the Industry Facilitation Scheme (The Scheme). The Scheme is an approved guideline under section 10 of the Industry and Technology Development Act 1998.

The objective of the LCF is to provide small and medium sized enterprises (SMEs) with funding support to enhance their capacity, capability and competitiveness to supply major projects and markets in Australia and overseas.

Specific objectives include:

- Improving the applicant's capability and capacity to service the market
- Meeting the requirements for pre-qualification, contractual or technical compliance of the market
- Overcoming barriers and constraints to participate in the market
- Improving innovation and research
- Improving overall applicant competitiveness

Level of funding

The level of funding support under the LCF is 50% of eligible costs up to a maximum of \$20,000 (excluding GST) per successful applicant. In some circumstances (for certain rounds) both the percentage and the maximum amount may be increased depending

on the specific objectives and requirements of the LCF round. Applicants are advised to refer to the relevant application form for the level of funding provided for the specific round in which you are applying.

Industry engagement

In order to be considered for funding, businesses, whether they are current suppliers to "The Market" or not, must detail within the application, where relevant, their engagement with the market, and provide evidence to demonstrate such engagement.

The engagement must support the activities the applicant is seeking funding support for.

Who can apply?

To be eligible for funding, businesses must meet the eligibility criteria outlined in the self-assessment checklist included in the application form for the relevant round.

Previous recipients of funding through the Industry Facilitation and Support Program (IFSP) or the Local Capability Fund are eligible to apply, subject to:

- the business having complied with the requirements of the Financial Assistance Agreements entered into for the prior funding; and
- The business having received no more than three (3) approvals under this grant process in the last five (5) years.

Eligible activities

Planning - This includes, but is not limited to:

- Strategic and business planning
- Contract and tender negotiation planning, including terms and conditions advice
- The writing and implementation of marketing plans
- Feasibility studies
- Assistance in applying for other government and international grants
- Domestic and International market entry planning

Plant and Equipment - This includes, but is not limited to:

- Upgrading or modifying existing equipment or machinery
- Acquiring equipment, machinery

Improvements to internal business infrastructure/systems - This includes, but is not limited to:

- Improvements to occupational health & safety systems, quality assurance systems, manufacturing and management systems
- The implementation and audit of ISO management system standards, including but not limited to, ISO 9001 Quality Management, ISO 31000 Risk Management, ISO 14000 Environmental Management and general occupational safety and health standards
- Upgrades or expansions to applicant owned property/buildings
- Specialist software purchase and upgrades e.g. tender

management software, computer aided drafting or project management software linked to a specific outcome and to raise capability

- Technical advancements/processes
- Other activities identified as necessary to help meet the pre-qualification requirements of the target market.

Training - this includes but is not limited to:

- Up-skilling employees which leads to improved operational processes
- Training linked with the acceleration and boosting of Australian Apprenticeship completion rates
- Training that is part of the employer's staff development
- Travel and accommodation costs associated with training - where local options are not available
- Costs involved in bringing registered trainers to deliver local group training

Ineligible activities

- Works carried out by unqualified consultants without the appropriate expertise to deliver the service
- Works carried out by third parties that are not perceived by The Department of Jobs, Tourism, Science and Innovation (JTSI) to be at arm's length from the business
- Support of any legal action
- Equipment, and machinery acquired second-hand through a private sale

- Motor vehicles (unless such vehicles are specialised equipment considered vital to the operations of the business and are used exclusively for business purposes).
- General computer hardware, software and office equipment upgrades and purchases e.g. Microsoft Office/Windows operating systems, photocopiers etc. (Unless it is specialised equipment considered vital to the operations of the applicant's business and is used exclusively for business purposes)
- Land and property acquisitions
- Internal research and development activities
- Expenditure of an operational nature
- In-house training
- Training by unregistered training organisations
- Tertiary education – this includes certificate level courses at TAFE or private colleges.
- In-kind contributions are not considered as part of the business commitment to activity costs and are not funded under the LCF.
- Retrospective activities will not be funded. The activity or expenditure on the activity must not be undertaken prior to submitting this application.

Use of consultants

Consultants used to help the business deliver the activities funded under this program must be qualified and have the necessary expertise to deliver the service.

Consultants must also be at arm's length from the business.

Businesses will not be funded where services are carried out by third parties that are perceived by JTSI not to be at arm's length from the business.

Application process

LCF applications must be received before the closing date as detailed on the relevant application form.

Completed application forms and attachments (quotation(s), financial statements) should be submitted to lcf@jtsi.wa.gov.au

Application will be evaluated by an independent Assessment Panel which meets on a regular basis to consider applications as they are progressively received during the course of the specific round.

Businesses will be notified on the outcome of their application via the email address provided in the application form.

Approval of funding is subject to the business entering into an LCF Financial Assistance Agreement (FAA) with JTSI.

The FAA requires the applicant to provide **a report within six months and 12 months** of receiving payment (a reporting template will be provided).

The FAA also stipulates that at any time within two (2) years of payment, JTSI may contact the business for updates on general business performance.

When must the project be completed by?

Activities funded under the LCF must be completed, and the claim for payment submitted to JTSI, before 31 May of the financial year in which the application has been approved. This is to ensure that grant funding is paid out before financial year end.

Payment of grant

The LCF is a re-imbusement scheme and therefore successful applicants will need to pay for the activity before making a claim for the approved grant. A lump sum payment will be made as a single reimbursement of approved activity expenditure.

This payment will be made on submission of a Tax Invoice to JTSI and must be accompanied by copies of suppliers' invoices and receipts as proof that the activity has been paid for in line with the application and Financial Assistance Agreement.

JTSI must receive the claim for reimbursement by 31 May of the financial year in which the grant is awarded or as otherwise agreed. If a claim for payment is not received by this date the grant approval will lapse and the funding agreement terminated.

JTSI is registered for GST and has been issued with Australian Business Number 90 199 516 864. However, grants paid under the LCF are not regarded as payment for a supply to JTSI. Therefore, GST does not apply to LCF grants.

How many times can I apply?

Only one application per round is allowed for each applicant. This is also subject to the applicant having received no more than three (3) approvals under this grant process in the last 5 years.

How do I apply?

The application forms for relevant rounds are made available through the JTSI website and the [WA Industry Link Portal](#).

Potential applicants are encouraged to contact the Industry Development Directorate should they require assistance or clarification in regards to their application.

Completed application forms, including relevant attachments, must be emailed to lcf@jtsi.wa.gov.au

How will my application be assessed?

Applications received are assessed by an Evaluation Panel. The Panel comprises of 3 officers from JTSI, however additional officers, or even outside expertise, may also sit on the Panel depending on the particular round being considered.

Application are assessed against their eligibility, round objectives and then scored against the following evaluation criteria:

- Relevance/Need
- Level of impact
- Level of market/industry engagement

- Value for money
- Financial viability and risk

Each evaluation criterion is assessed by individual panel members on a scale of 1 - 9. An Evaluation Panel meeting is then held where consensus scores are agreed through discussions based on the merits of the application. An application is expected to achieve a minimum score of 25 in order to be recommended for approval.

To mitigate risk, a Risk of Failure report is obtained through the Illion (formerly Dun & Bradstreet) credit agency for recommended applicants.

Reporting requirements

Approval of funding is subject to the applicant entering into an LCF Financial Assistance Agreement (FAA) with the Department of Jobs, Tourism, Science and Innovation (JTSI).

The FAA requires the applicant to provide **a report within six months and 12 months** of receiving payment (a reporting template will be provided at the relevant time interval).

The FAA also stipulates that at any time within two **(2)** years of payment, JTSI may contact the applicant for updates on general business performance.

In some circumstances the assessment process will be streamlined to reflect the specific requirement of the LCF round being considered.

Contact

If you have any questions regarding this assistance program, the application form or your business's eligibility for funding please contact:

Abigail Endersby
Phone: 08 9222 0470



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