



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

# Standards Compliance Round

## Local Capability Fund Guidelines 2024-25



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# Standards Compliance Round Guidelines

## Program Objective

The Local Capability Fund (LCF) is administered by the Department of Jobs, Tourism, Science and Innovation (the Department). It aims to provide financial support to small and medium-sized enterprises (SMEs) to enhance their capacity, capability and competitiveness in supplying major projects and markets both in Australia and overseas.

## Objectives of this round

This round of funding is specifically designed to support Western Australian small and medium-sized enterprises (SMEs) with the costs of engaging external expertise to carry out the implementation and third party certification of the following national and international standards:

- » ISO 9001 - Quality management standards to help work more efficiently and reduce product failures;
- » ISO 14001 - Environmental management standard to help reduce environmental impacts, reduce waste and be more sustainable;
- » ISO 45001 - Health and safety standards to help reduce accidents in the workplace;
- » ISO 27001 - IT security standards to help keep sensitive information secure;
- » ISO 50001 - Energy management standards to help reduce energy consumption;
- » AS/NZS 5131 - Steel industry compliance standards to help improve the integrity of structural steelwork; and
- » ISO 13485:2016 – Medical devices – Quality management systems – requirements for regulatory purposes.

**Note: Any certifications funded under this round must be implemented in Western Australia.**

## Eligibility Criteria

To be eligible for funding, applicants must meet the following criteria:

- » Be operating in a trade-exposed industry (or an industry that faces competition from other national or international SMEs).];
- » Have been operating in Western Australia for at least three years at the time of application submission;
- » Be registered for GST for at least 12 months prior to application submission and intend to remain registered for the next 12 months;
- » Have an Australian Business Number (ABN);
- » Be a for-profit organisation or business (not-for-profits and charities are ineligible);
- » Have its principal place of business in Western Australia and continue to be based there for at least 12 months following the application submission; and
- » Have at least one full-time equivalent (FTE) employee, in addition to the owner, but fewer than 200 FTE employees at the time of application submission.

## Previous Recipients

Previous recipients of funding through the LCF are eligible to apply, provided that:

- » They have complied with all requirements of the Financial Assistance Agreements from prior funding, including being up to date with all reporting requirements (i.e. no overdue reports);
- » They have received no more than \$200,000 in grant funding under the LCF program in the last five years. Funding received as part of the \$10 million COVID-19 LCF Rounds run in 2020-21 does not count towards this limit; and
- » All previous grants awarded to the business under the LCF have been claimed.

## Level of Funding

The LCF will cover 50 per cent of eligible costs (excluding GST) up to a maximum of \$20,000 per successful applicant. For example, to receive the full \$20,000, you must have eligible costs of at least \$40,000 (excluding GST).



## Key Dates

This round does not have a fixed closing date. Applications will be considered while funds are available. In the event that funding is exhausted, the round will be closed to new applications. Updates regarding the closing date will be published on the [SmartyGrants portal](#).

Round Opens	9am (AWST) on 26 July 2024
Round Closes	When funding is exhausted, or 3pm (AWST) on 13 September 2024, whichever event comes first.
Assessment and notification of outcomes to applicants	Within 14 weeks of the round closing
Execution of Financial Assistance Agreement	Within 30 days of notification of outcome
Completion of activities and claim for payment submitted	No later than 31 May 2025

## Eligible activities

Assistance under this round will be provided for the costs of engaging external expertise/consultants for the purpose of implementation and certification of the eligible standard(s).

**Implementation** – This includes the following activities:

- » Assessment of current systems and practices
- » Reviewing existing procedures;
- » Conducting gap analysis
- » Development of manuals, procedures and related documentation
- » Staff training relating to the implementation and ongoing maintenance of the related management system

**Certification** – This includes, but is not limited to, the following activities:

- » Registration and certification fees
- » Audit fees for initial certification (expended within the financial year)
- » Travel, accommodation and meals for certification auditor

**Note: A condition of this round is that a copy of the certification certificate is provided to the Department as evidence of completion prior to any grant funding being paid out.**

## Ineligible activities

- » Surveillance audits
- » Costs associated with the ongoing maintenance of the accreditation
- » Works carried out by consultants without the appropriate expertise or qualifications to deliver the service
- » Works carried out by third parties that are perceived by JTSI not to be at arm's length from the business
- » In-house costs, including wages and salaries of staff directly working on the implementation and ongoing maintenance
- » In-kind contributions are not considered as part of the business commitment to activity costs
- » Retrospective activities (activities for which a service agreement has already been entered into, or some or all of the expenditure was incurred prior to submitting the application)
- » Activities which are not implemented in Western Australia

## How to Apply

Eligible applicants must submit their application online via the [SmartyGrants portal](#). A preview of the application form detailing the required information is available through the portal.

Before applying, applicants must read and understand these guidelines and the [Financial Assistance Agreement](#) found on the portal.

## Assessment process

Applications are assessed by an independent Assessment Panel, comprising officers from the Department and external experts as required. Applications are evaluated against their eligibility, relevance to the round objectives and the following criteria:

- » Relevance / Need
- » Expected outcomes / Impact
- » Capability and capacity
- » Value for money





#### » Financial viability and risk

A satisfactory response across all criteria is required for a successful application.

A Risk of Failure report will be obtained through Illion (formerly Dun & Bradstreet) for recommended applicants. A High Risk of Failure on the report will be considered when determining successful applications. The final decision on applications with a High Risk of Failure report is at the Department's discretion.

Applicants will be notified of the outcome via the email address provided in the application form.

## Financial Assistance Agreement

Approval of funding is subject to entering into a Financial Assistance Agreement (FAA) with the Department. Applicants must read the [FAA template](#) prior to submitting an application. This template includes non-negotiable terms and conditions.

## Project Completion Date

All activities must be completed and claims for payment submitted by the claim expiry date in the FAA. Notionally, this is before the end of the financial year in which the grant funding is awarded. Claims for payment are to be made online through the [SmartyGrants portal](#).

## Payment of Grant

The LCF is a reimbursement scheme. Successful applicants must pay for the activity before claiming the approved grant funding. The grant will be paid as a lump sum reimbursement upon completion of all agreed activities. Progress instalments will only be considered in exceptional circumstances.

Grant payment will be made upon submission of a Tax Invoice to the Department for the GST-exclusive value of the grant, accompanied by copies of suppliers' invoices and receipts as proof of payment.

If a claim for payment is not received by the specified due date, the grant approval will lapse and the funding agreement terminated.

## Tax Information

The Department is registered for GST and has an Australian Business Number (ABN) 90 199 516 864. Grants paid under the LCF are not regarded as payment for a supply to the Department. Therefore, the Department will not increase the grant to include GST, nor reimburse a grant recipient for GST paid to a third party.

Grants are assessable income for taxation purposes. Applicants should seek independent professional advice on their taxation obligations or assistance from the Australian Taxation Office. The Department does not provide taxation advice.

## Application Limitations

Only one application per round per financial year is allowed for each applicant (determined by ABN). Unsuccessful applicants may not reapply in the same financial year for the same round. If a business applies more than once under the same round, only the first application submitted will be considered unless otherwise requested by the applicant.

This is subject to all previous LCF grants awarded to the applicant being acquitted and the applicant having received no more than \$200,000 through this grant program in the last five years, excluding funding from the \$10 million COVID-19 LCF Rounds run in 2020-21.

## Reporting Requirements

Approval of funding is subject to entering into a FAA with the Department. The FAA requires the applicant to provide a report at six months and 12 months after the end of the financial year in which the grant is awarded. These reports are to be submitted through the [SmartyGrants portal](#). The FAA also stipulates that within two years of receiving payment, the Department may contact the applicant for verbal updates on business performance.

## Amendments to Guidelines

The Department reserves the right to amend these guidelines and related documentation during the course of the round if required.



## Contact

For any questions regarding this assistance program, the application form or eligibility for funding, please contact: [lcf@jtsi.wa.gov.au](mailto:lcf@jtsi.wa.gov.au). However please note that due to fairness to other applicants the Department will not provide specific advice or feedback on the content of your application.



# Guidance for Completing Your Application

LCF application forms are broken into several sections. The following will guide you through each section to ensure that you provide the required information in your application.

## Overview of Applicant's Business Operations

### What are the business's core business and products/services?

Provide a brief explanation of the business's core activities and products/services and how these are supplied to the market. This should include:

- What exactly does the business do?
- Is the business a direct supplier to the sector?
- If the business has supplied to major projects within a sector/market, provide details of the project and the work done by the business.

## Evaluation Criteria

### Relevance/Need

*Activity alignment with the objective of the round as well as the organisation's business plan and the proposed timing:*

- Provide a brief explanation of how the proposed activities align with:
  - The objectives of this funding round
  - The business's overall plan or long-term goals.
- Explain why the proposed activities are a short-term priority for the business.
- Identify any prerequisites needed before you can start the proposed activities.
- Explain how these activities fit into your business's long-term strategy.

### Expected Outcomes / Level of impact

You should endeavour to answer all questions in this section in two parts.

- 1) **Expected Outcomes:** Clearly state the specific, quantified outcomes you expect from the proposed activities (e.g., five new contracts).
- 2) **Explanation of Outcomes:** Describe how the proposed activities will lead to these outcomes. Provide a detailed explanation showing how the funded activities will achieve the anticipated results.

### Opportunities/Risks Faced and Proposed Activities

- Describe the significant opportunities and risks your business faces, including how these factors affect your operations and strategic goals.
- Explain how the proposed activities, funded by the grant, will help you take advantage of opportunities or mitigate risks. Show a clear connection between the funding and improvements in business performance or risk management.
- Provide specific examples such as meeting pre-qualification requirements, improving technical capabilities, refining internal processes, or upskilling staff. Demonstrate how these improvements will contribute to the growth and stability of your business.

### Quantify and qualify

- Include specific numbers and explain how the outcomes will be achieved through the funded activities.
- Ensure that the improvements you list are realistic and directly related to the activities you intend to carry out.
- Show a clear link between the funding requested and the expected improvements.
- Assessors will evaluate the realism of projected outcomes based on the annual turnover figures provided by your business.
- Address as many categories as possible. If some aspects of the section do not have expected outcomes, it is acceptable to leave them out. However, avoid answering



'N/A' to all categories, as this will result in a lower score for this section.

**Note: You will be required to report against these categories at six months and 12 months if your application is successful.**

## Capability and Capacity

*Describe the business's commitment, capacity and capability to carry out the implementation of the proposed activities.*

You should aim to answer this section in three parts

- **Commitment:** Describe the business's commitment to carrying out the requested activity. Is it driven from the top of the business? Is it part of the business's planning?
- **Capacity:** Explain if the business has the capacity (staff time and financial resources) to carry out the activity.
- **Capability:** Assess whether the business and its staff have the capability to implement the activity. If purchasing new equipment, can staff use it? If not, are there training plans? If moving into a new market, can staff undertake the work?

Good applications give assessors an idea of where the activity fits into the business's goals and whether the business has ability to not only carry out the activity but also to benefit from it.

*How will the business fund its own contribution towards the cost of the proposed activities?*

- The LCF is a reimbursement scheme, meaning the business must pay for the activity before claiming the approved funding.
- Illustrate that the business has the financial capacity to carry out the activity.

## Value for Money

*Competitive Quotes*

- Seek and provide at least two competitive quotes for each activity.
- If alternative quotes are not provided, explain why (e.g. only one supplier available).

## Explanation of Consultant/Supplier Choice

- Provide a rationale for choosing a particular consultant/supplier. Consider factors like value for money (not always the cheapest option), faster delivery, and the expected benefits to the business.
- Assessors will consider whether the activity you are seeking funding for represents value for money, both for the business and for the government. They will evaluate the expected benefits to the State relative to the grant amount requested.

## Financial Viability and Risk

*Addressing Yes Responses*

- If you answer yes to any of the questions in this section, provide a detailed but concise explanation of what occurred, the current position and any outcomes.
- The evaluation panel will assess whether providing funding presents a risk. Therefore, it is important to explain why the current business is sustainable despite the "yes" response.

*Up-to-Date Financials*

- Provide the latest financial statements, including the balance sheet and profit and loss statement, for the most recent financial year.
- Ensure the financial statements cover the entire financial year they pertain to (i.e. do not submit statements covering only part of a financial year).
- If the statements do not include figures from previous years, also provide copies of the previous year's financial statements.
- If the latest statements are unaudited, provide independently prepared financial statements instead.
- Explain any significant drops in turnover, net profit, or equity between years to demonstrate the business's financial viability and sustainability to the assessors.

## Tips

- **Double-Check Your Application:** Have someone else review it to ensure clarity and completeness.
- **Simplify Technical Details:** Write in a way that anyone, not just industry experts,





can understand. Imagine promoting the business via its website or social media.

- **Allow Sufficient Time:** Start early to gather quotes and relevant documents. (Applications without quotes or relevant documents will receive lower scores.)
- **Be Concise:** Provide sufficient detail without overwhelming assessors.
- **Highlight Key Information:** Include important details that will make your application stand out.
- **Check Eligibility:** Ensure the business and activities are eligible before investing time in the application. Contact the relevant team if you have eligibility questions.