Department of
Energy and Economic Diversification
GOVERNMENT OF
WESTERN AUSTRALIA

Regional Supplier Round

Local Capability Fund Guidelines 2025-26

Grant available	$5,000 - $20,000
Percentage of eligible project costs the grant will cover	50%
Funding mechanism	Paid in arrears upon evidence of full payment of approved activities.
Opening date and time:	10 July 2025
Closing date and time:	3pm AWST on 4 September 2025 *Please avoid submitting your application at the last minute. High volumes of submissions near the deadline can cause delays, as the system may take several minutes to process each submission. If your application is still processing when the deadline passes, it will not be accepted. The SmartyGrants portal strictly closes at the designated time, and no late submissions will be allowed under any circumstances.*
Administering entity:	Department of Energy and Economic Diversification (DEED)
Enquiries:	If you have any questions, contact us at lcf@jtsi.wa.gov.au
Type of grant opportunity:	Competitive – All applications will be competitively assessed and ranked

Contents

Regional Supplier Round Guidelines

Introduction

These guidelines provide essential information about the Regional Supplier Round, which forms part of the Local Capability Fund (LCF) grants program.

This document outlines:
- » The purpose of the grant round.
- » The eligibility and evaluation criteria.
- » How we consider and assess grant applications.
- » How we notify applicants and enter into grant agreements with successful applicants.
- » How we monitor and evaluate grant outcomes.
- » Responsibilities and expectations related to the grant round.

This LCF is administered by the Industry Development Division (IDD) within the Department of Energy and Economic Diversification (DEED, the Department).

Key terms used in these guidelines are defined in the glossary at Appendix 4.

Please read this document carefully before starting your application.

About the Program

The objective of the LCF is to provide small to medium-sized enterprises (SMEs) (refer Appendix 4 for definition) in Western Australia with financial support 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 eligible regionally based Western Australian SMEs to improve their business capability, capacity and competitiveness to supply goods, services and works to export markets, Western Australian State or Local Government, the Australian Government, and the private business sector.

Funding Available

The maximum grant amount under this round is $20,000 per applicant. Applicants are required to co-contribute to the approved activities. The LCF will cover 50 per cent of eligible project costs, excluding GST.

To receive the full $20,000, applicants must demonstrate eligible costs of at least $40,000 (excluding GST). The Department will not reimburse a grant recipient for GST paid to a third party.

Example:

Total project cost (inc. GST)	$44,000
Less GST (not covered by grant)	$4,000
Total eligible cost	$40,000
Grant amount	$20,000 (50% of eligible cost)
Applicant contribution (ex GST)	$20,000
Total applicant out-of-pocket (inc. GST)	$24,000

Applying for a Grant

Eligible applicants must submit their application online via the SmartyGrants portal. A preview of the application form, including required information, is available on the portal.

Before applying, applicants should:

» Read and understand these guidelines.
» Preview the application form.
» Review the application checklist (Appendix 5).
» Review the sample Financial Assistance Agreement (FAA) on the SmartyGrants portal.
» Ensure all eligibility and evaluation criteria are met - if you are unsure of your business or activity eligibility or any other requirements, contact the Department for advice.
» Attach supporting evidence where required.

To apply, you must:

✓ Set up an account on the SmartyGrants portal.
✓ Complete and submit the application online.
✓ Provide all requested information.
✓ Address all eligibility and evaluation criteria.
✓ Attach only the required documents - we will not consider additional attachments.

Applicants are responsible for ensuring their application is complete and accurate before submission.

Business Eligibility Criteria

To be eligible for funding, applicants must:

» Have their principal place of business in one of the Local Government Areas (LGAs) listed in Schedule 1 of the *Regional Development Commission Act 1993* (refer to Appendix 7) and remain based there for at least 12 months after applying. This must align with the 'Main business location' in ABN Lookup.
» Have been actively operating in that region for at least 12 months before applying.
» Primarily supply goods or services to businesses or government, rather than relying on walk-in retail trade. However, consideration will be given to businesses whose proposed activities will enable them to shift or expand into broader supply chains.
» Have been registered for GST for at least 12 months before applying and intend to remain registered for the next 12 months.
» Be a solvent business at the time of application and throughout the project duration.
» Have an Australian Business Number (ABN).
» Be a for-profit business, or an incorporated not-for-profit Aboriginal Corporation operating as a commercial enterprise.
» Be an SME with fewer than 200 full-time equivalent (FTE) employees at the time of application.

Additional Eligibility Requirements

» Only one LCF application per financial year is permitted (identified by ABN) regardless of the round.
» If multiple applications are received, only the first will be considered, unless it is withdrawn prior to the round closing.

Previous LCF recipients may apply if:

» They have complied with all requirements of prior FAAs, including submitting all required reports (i.e., no overdue reports).
» They have received no more than $200,000 in LCF grant funding over the past five years (excluding funding from the $10 million COVID-19 LCF Rounds in 2020-21).
» All previously awarded funding has been fully claimed.

Key Dates

The following timelines are indicative and subject to change at the Department's discretion. Updates regarding the closing date will be published on the SmartyGrants portal and wa.gov.au.

Round Opens	9am (AWST), 10 July 2025
Round Closes	3pm (AWST), 4 September 2025
Evaluation and Notification of Outcomes to Applicants	Within 14 weeks of the round closing.
Unsuccessful Applicants – Request for Feedback	Requests must be submitted within 14 days of the date on the outcome notification letter.
Execution of FAA (Successful Applicants)	Within 30 days of the outcome notification letter.
Completion of activities and Submission of Claim for Payment	No later than 30 June 2026.
Six-Month Report Due	December 2026
12-Month Report Due	June 2027

Eligible & Ineligible Activities

Refer to Appendix 1 for eligible expenditure and Appendix 2 for ineligible expenditure under this round.

Evaluation Process

Applications will be assessed by an independent evaluation panel comprising Department officers and, where required, external experts. All panel members will be required to declare any conflicts of interest before assessing applications.

The evaluation will consider eligibility, alignment with round objectives and the following criteria:

» Relevance/ Need: 40%
» Expected Outcomes / Impact: 30%
» Capability and Capacity: 10%
» Value for Money: 10%
» Financial Viability and Risk: 10%

A satisfactory response across all criteria is required for an application to be successful. For details on the assessment process, refer to Appendix 3.

A Risk of Failure report will be obtained through Illion or a similar provider for recommended applicants. (Illion is a commercial credit rating agency used to assess financial risk.)

Applicants flagged as High Risk of Failure will be subject to further consideration, with final approval at the Department's discretion.

Receiving a Grant (If Successful)

Notification of Application Outcome

Applicants will be notified of the outcome in writing. Approval of funding is subject to signing a FAA with the Department. The FAA template, which includes non-negotiable terms and conditions, should be reviewed before applying.

The FAA will be managed through the SmartyGrants portal, including issuing and executing the agreement. "Execute" means both the applicant and the State Government have signed the agreement. Applicants have 30 days from the written offer date to sign the FAA, or the offer may lapse.

Feedback on Your Application (If Unsuccessful)

Unsuccessful applicants may request feedback via lcf@jtsi.wa.gov.au within two weeks of receiving the outcome notification. Due to the high volume of applications, the Department cannot arrange meetings to discuss feedback.

Managing Your Grant

If your application is successful, these are the requirements and processes for managing your grant.

Project Expiry Date and Grant Payments

All funded activities must be paid for, and claims for payment submitted by the project expiry date specified in the FAA. The default deadline is before the end of the financial year in which funding is awarded. Claims are submitted via the SmartyGrants portal.

Grant Payment Terms

» The FAA will state the maximum grant amount and the proportion of eligible expenditure covered.
» The LCF is a reimbursement scheme - applicants must complete and provide evidence of payment for the approved activity before claiming the approved grant funding.
» Grants are paid as a lump sum upon completion of all agreed activities. Progress payments will only be considered in exceptional circumstances.
» Payments require a tax invoice (GST-exclusive) (refer to Appendix 6 for an example) and supporting documentation (e.g., supplier invoices and receipts).
» If a payment claim is not received by the due date, the grant approval will lapse, and the FAA will be 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 tax advice. The Department does not provide taxation advice.

Announcement of Grants

Successful applicants may be listed on wa.gov.au and announced in Ministerial media releases. This may include:

» Business name and location
» Description of the funded activities
» Grant amount awarded
» Industry sector.

Reporting Requirements

Grant recipients must submit reports at six months and 12 months after the financial year in which the grant was awarded. These must be submitted through SmartyGrants. The Department may also request verbal updates within two years of payment.

Grant Agreement Variations

If unexpected events impact the project, applicants may request a variation to:

» Extend the project completion timeframe

» Modify project activities

Grant funding amounts cannot be increased.

Requests for FAA variations must be submitted in writing at least a month before the agreement end date.

Requests for time extensions will only be considered in exceptional circumstances - where the delay was beyond the applicant's control – and are subject to the availability of program funds beyond the current financial year.

Requests to modify project activities may be approved based on factors such as:

» The impact on expected project outcomes.
» Alignment with the program objectives and round guidelines.

Confidentiality and Privacy

Information provided by an applicant as part of, or in connection with, a funding application will be treated as commercial-in-confidence. This information will only be disclosed with the applicant's consent or in accordance with the Announcement of Grants section above.

The Department may disclose any information contained within an application:

» to the relevant Minister and their office
» to members of the round's evaluation panel
» to independent technical experts where required
» to Departmental staff, consultants, advisers and auditors
» as required by law.

These parties will be required to maintain confidentiality in accordance with the State Government's general confidentiality requirements for employees and contractors.

Amendments to Guidelines

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

Contact Us

For any questions regarding this program, round, the application form or eligibility for funding, please contact: 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.

Appendix 1: Eligible Expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time; please ensure you are referring to the most current version on the wa.gov.au website before preparing your application.

Some project costs may not be eligible for grant funding. The round chairperson makes the final decision on what is eligible expenditure and may give additional guidance if required.

To be eligible, expenditure must:

» Be incurred by you within the project period.
» Meet the eligible expenditure guidelines below.
» Be at least $10,000 in total.

Eligible activities must be implemented in WA and have a clear and direct link to the grant objective. The following activities are eligible for funding:

A. External Expertise:

» Planning and Business Advice:

> Strategic and business planning
> Development and implementation of marketing plans
> Supply chain facilitation
> Tender submission advice and preparation
> Preparation and submission of applications for other government and international grants

» Improvements to Internal Business Infrastructure / Systems:

> Production systems
> Transportation and distribution systems
> IT and communication systems, including cyber security
> Operational systems and other activities necessary to meet the pre-qualification requirements of the target market

» Training:

> Up-skilling of employees to improve operational processes
> Training as part of the employer's staff development requirements
> Travel and accommodation costs associated with training where local options are not available
> Costs involved in bringing registered trainers to deliver local group training

B. Plant and Equipment:

» Acquiring new equipment or machinery
» Acquiring second-hand equipment or machinery through a dealer
» Modifying existing equipment or machinery
» Upgrades or expansions to applicant-owned business operating facilities
» Purchase of specialised motor vehicles used exclusively for business purposes (e.g., bobcats, forklifts, cherry pickers, back hoes, bucket trucks) *Note: Utility vehicles, 4x4s and vans are not considered specialised vehicles*
» Purchase of specialised computer hardware and software (e.g., tender management software; project management software; online sales and marketing systems)
» Related freight and installation costs on capital expenditure.

Appendix 2: Ineligible Expenditure

This section provides guidance on what we consider ineligible expenditure. We may update this guidance from time to time; please ensure you are referring to the most current version on the wa.gov.au website before preparing your application.

Examples of ineligible expenditure include:

» Works carried out by consultants without the appropriate expertise
» Works carried out by third parties where the Department determines there is a conflict of interest
» Support of any legal action
» Purchase of equipment and machinery second-hand through a private sale
» Purchase of non-specialised motor vehicles (e.g., utility vehicles, vans, 4x4s)
» Purchase of general computer hardware, software, and office furniture / equipment upgrades (e.g., Microsoft Office, Windows operating systems, photocopiers), unless vital to the operations of the applicant's business and used exclusively for business purposes
» Land and property acquisitions
» Upgrades or expansions to privately owned residential property or leased / rented property[1]
» Internal research and development activities
» Any cost that is considered "business as usual" or operational expenditure (e.g., wages, advertising, office expenses, accounting, legal, purchase of inventory, IT maintenance services, repair and maintenance of existing assets)
» Product certifications, testing and trademarks
» Creation of inventory or stock
» Research and product development costs, prototyping etc.
» Internal costs for delivering the project or activity (i.e., project costs cannot include staff wages)
» Training by organisations without the appropriate expertise and experience
» Tertiary education (including certificate level courses at TAFE or private colleges)
» In-kind contributions
» 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 funded by, or likely to be funded by, other Federal, State or Local Government funding
» Activities implemented outside of Western Australia

This list is not exhaustive and applies to all expenditure, including both grant-funded and applicant-contributed costs.

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[1] *Leasehold improvements may be considered in some cases.*

Appendix 3: Evaluation Criteria

You must address all evaluation criteria and sub-criteria in your application. Responses should be detailed and supported with clear evidence, proportionate to the size, complexity, and funding amount requested. The application form includes questions directly linked to these criteria, with character limits indicated for each section.

This guide will help you understand the information required under each section and ensure your responses align with assessment expectations.

Overview of Applicant's Business Operations

Describe the business's core activities, products and services

Briefly describe your business's core activities, products and services, including:

- Your main offerings and how they're delivered to market.
- Whether you supply directly to the relevant sectors.
- Any major projects you've supplied to, your role, and the project scope (if applicable).

Evaluation Criteria

Relevance/Need (40%)

Activity alignment with the funding round and business strategy:

Explain how the proposed activities:

- Align with the objectives of this funding round and relevant government strategies or policies.
- Support your business's growth strategy or long-term goals.
- Represent a priority at this time (e.g., meeting a market opportunity or critical gap).
- Fit into your broader strategic direction.

Note: The panel will consider the relative importance of the grant based on your business's size and investment capacity.

Opportunities and Risks

- Identify key opportunities and risks your business is facing.
- Explain how the proposed activities will address these, with examples (e.g., upskilling staff, meeting pre-qualifications, enhancing capabilities).
- Where relevant, include information about potential customers, existing or potential partnerships, commercial maturity or negotiations underway, timing and scale of the opportunities.

Expected Outcomes and Impact (30%)

Your response should cover:

1) **Expected Outcomes:** Clearly state the specific, measurable results you expect (e.g., Securing at least five new contracts, gaining access to larger-scale or higher-value projects, reducing operational costs by 30%, or achieving an annual reduction of 50 tonnes of CO_2 in greenhouse gas emission).
2) **Path to Outcomes:** Explain how the proposed activities will lead to those outcomes. Provide a logical and detailed link between the grant and the expected business or sector impact.

Quantification and Justification

- Provide specific figures and realistic projections.
- Demonstrate how the grant will contribute to the outcomes.
- Ensure your projections are feasible in relation to your annual turnover.
- Avoid answering 'N/A' to all categories unless truly not applicable.

Note: Funded applicants will need to report against these outcomes six and 12 months after the financial year in which funding is awarded.

Capability and Capacity (10%)

Commitment:

- Explain the business's dedication to completing the activity.
- Is the activity supported by senior leadership?
- Is it part of your strategic planning?

Capacity:

- Do you have the staff and financial resources to deliver the project?

Capability:

- Do your staff have the required skills or experience?
- If purchasing new equipment, can staff operate it? If not, are training plans in place?
- If entering a new market, do staff have the necessary commercial or technical expertise?

Resources and Track Record:

- Identify key personnel (both management and technical) and their relevant experience.
- Demonstrate previous successful project delivery (on time and on budget).
- Show how past investments have supported commercial outcomes.

Funding the Business's Contribution:

- As LCF grants are reimbursed after costs are incurred, provide evidence that your business can cover upfront costs

Value for Money (10%)

Competitive Quotes

- Provide at least two competitive quotes for each activity. If multiple quotes are not available, explain why (e.g., sole supplier).

Supplier Justification

- Explain your choice of supplier or consultant based on value for money, capability, timing, or other relevant benefits - not just cost.

Assessment Considerations:

- The panel will evaluate whether the grant offers value to both the business and the State Government, based on expected outcomes.

Financial Viability and Risk (10%)

Disclosure of Risk Factors

- If you respond 'Yes' to any financial risk-related question, clearly explain what occurred, the current status and any resolutions or mitigation strategies.
- The evaluation panel will assess whether providing funding presents a risk. Explain why your business remains financially sustainable despite any identified concerns.

Current Financials

- Provide your most recent financial statements, including a balance sheet and profit and loss statement (full financial year).
- If your current financial statements do not include comparative figures, provide prior year documents.
- If audited financial statements are unavailable, provide independently prepared financial statements.
- Explain any significant year-on-year changes (e.g., in turnover, profit or equity) to demonstrate financial stability.

Tips

- **Start Early:** Leave enough time to collect quotes and prepare evidence.
- **Double-Check:** Ask someone else to review your application for clarity and completeness.
- **Simplify:** Write clearly. Imagine explaining the project on your website or social media.
- **Be Concise:** Include enough detail to support your case, but don't overwhelm the panel.
- **Highlight Strengths:** Make it easy for the panel to understand your value proposition.
- **Check Eligibility:** Make sure your business and activities meet all eligibility criteria before applying.
- **Submit Required Documents Only:** Extra attachments will not be considered.

Appendix 4: Glossary

Term	Definition
Administering entity	The entity that is responsible for the administration the grant processes. For the Local Capability Fund grants this is the Department of Energy and Economic Diversification (DEED).
Application form	The document issued by the administering entity that applicants use to apply for funding under the program.
Commencement date	The expected start date for the grant activity.
Department	Department of Energy and Economic Diversification (DEED).
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support.
Eligible application	An application for grant funding under the round that the round chairperson has determined is eligible for assessment in accordance with these guidelines.
Eligibility criteria	Refer to the mandatory criteria which must be met to qualify for a grant. Eligibility criteria applies with regards to both the business and the requested activities.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in Appendix 1.
Evaluation criteria	The specified criteria against which applications will be judged. These criteria are also used to assess the merits of applications and, in the case of a competitive grant opportunity, to determine application ranking.
Evaluation panel	The body established by the round chairperson to consider and assess eligible applications and make recommendations for funding under the round.
Evaluation process	The method used to select potential grantees. This process may involve comparative evaluation of applications or the evaluation of applications against the eligibility criteria and/or the evaluation criteria.
Expiry date	The date by which the grant activity must be paid for and the funds claimed.
Financial Assistance Agreement (FAA)	A legally binding contract that sets out the relationship between the State Government and a grantee for the grant funding, and specifies the details of the grant.

Term	Definition
Grant activity/activities	Refers to the project/tasks/services that the grantee is required to undertake.
Grant round	Refers to the specific grant round under the Local Capability Fund.
Grantee	The organisation which has been selected to receive a grant.
Program funds	The funding made available by the State Government for the program.
Project	A project described in an application for grant funding under the program.
Round chairperson	A Senior Officer within the Department with responsibility for chairing the evaluation panel for the LCF round.
Small to medium-sized enterprises (SMEs)	Small to medium-sized enterprises: ▪ micro to small businesses (1-19 employees) ▪ medium businesses (20 to 199 employees).
SmartyGrants Portal	The grants information system utilised by the Local Capability Fund, which centralises the administration of all grant rounds under the LCF grant program.

Appendix 5: Application Checklist

Before submitting your application, please ensure you have completed the following steps and gathered all necessary documents.

Understanding the Grant Requirements
- ✓ Have you read the Guidelines to ensure your business and proposed activities are eligible?
- ✓ Have you reviewed the Frequently Asked Questions (FAQs) for additional clarity?
- ✓ Have you read and understood the FAA that applies to successful applicants?

Application Documents
- ✓ Do you have two quotes for each planned activity to support your proposed grant request?
- ✓ Do you have copies of your business's financial statements demonstrate two years' worth of activities?
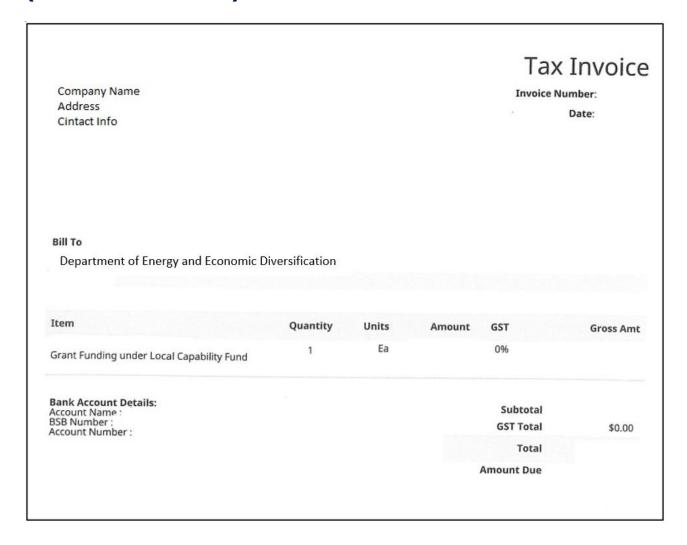
Business Details
- ✓ Do you have your Australian Business Number (ABN) ready?
- ✓ Do you have your business bank details ready?

Final Check
- ✓ Have you completed all required fields in the online application form?
- ✓ Have you attached all supporting documents as per the grant requirements?
- ✓ Have you reviewed your application for accuracy before submission?

Once you have completed this checklist, you are ready to submit your application.

Appendix 6: Example Invoice to DEED (if Successful)

Tax Invoice

Company Name
Address
Cintact Info

Invoice Number:

Date:

Bill To

Department of Energy and Economic Diversification

Item	Quantity	Units	Amount	GST	Gross Amt
Grant Funding under Local Capability Fund	1	Ea		0%	

Bank Account Details:
Account Name :
BSB Number :
Account Number :

Subtotal	
GST Total	$0.00
Total	
Amount Due	

Appendix 7: Regions of WA and the LGAs contained within them

Gascoyne region

The local government districts of Carnarvon, Exmouth, Shark Bay and Upper Gascoyne.

Goldfields-Esperance region

The local government districts of Coolgardie, Dundas, Esperance, Kalgoorlie Boulder, Laverton, Leonora, Menzies, Ngaanyatjarraku, Ravensthorpe and Wiluna.

Great Southern region

The local government districts of Albany (Town), Albany (Shire), Broomehill, Cranbrook, Denmark, Gnowangerup, Jerramungup, Katanning, Kent, Kojonup, Plantagenet, Tambellup and Woodanilling.

Kimberley region

The local government districts of Broome, Derby West Kimberley, Halls Creek and Wyndham East Kimberley. Mid West region The local government districts of Carnamah, Chapman Valley, Coorow, Cue, Geraldton, Greenough, Irwin, Meekatharra, Mingenew, Morawa, Mt. Magnet, Mullewa, Murchison, Northampton, Perenjori, Sandstone, Three Springs and Yalgoo.

Peel region

The local government districts of Boddington, Mandurah, Murray, Serpentine Jarrahdale and Waroona.

Pilbara region

The local government districts of Ashburton, East Pilbara, Port Hedland and Roebourne.

South West region

The local government districts of Augusta Margaret River, Boyup Brook, Bridgetown Greenbushes, Bunbury, Busselton, Capel, Collie, Dardanup, Donnybrook Balingup, Harvey, Manjimup and Nannup.

Wheatbelt region

The local government districts of Beverley, Brookton, Bruce Rock, Chittering, Corrigin, Cuballing, Cunderdin, Dandaragan, Dalwallinu, Dowerin, Dumbleyung, Gingin, Goomalling, Kellerberrin, Kondinin, Koorda, Kulin, Lake Grace, Merredin, Moora, Mt. Marshall, Mukinbudin, Narembeen, Narrogin (Town), Narrogin (Shire), Northam (Town), Northam (Shire), Nungarin, Pingelly, Quairading, Tammin, Toodyay, Trayning, Victoria Plains, Wagin, Wandering, West Arthur, Westonia, Wickepin, Williams, Wongan Ballidu, Wyalkatchem, Yilgarn and York.