

Local Capability Fund Frequently Asked Questions 2023-24

Digital Transformation Round (Pilot)

Who can apply?

To be eligible for funding, applicants must:

- > Have a current Australian Business Number (ABN)
- > Have registered for GST for at least 12 months prior to application submission and intend to continue to remain registered for the next 12 months
- > Be a for-profit organisation or business (Not-for-profits and charities are ineligible)
- > Have the principal place of business (operating facility) in Western Australia and continue to be based in Western Australia for at least 12 months from the application submission date
- > Have been trading for at least three years in Western Australia at the time of submitting an application for funding
- > Employ at least 1 and less than 200 FTEs¹; and
- > Have a turnover of at least \$500,000².

Consistent with the *Diversify WA* framework, priority will be given to businesses and/or projects in the following sectors:

- > Energy
- > Defence industries
- > Mining and METS
- > Space industries
- > Health and medical life sciences
- > Primary industries
- > Tourism, events and creative industries
- > International education

What projects does this funding cover?

Digital transformation projects where existing digital technologies are adopted and used to improve business productivity, efficiency, competitiveness, resilience and/or safety.

For example:

- > Improvements in business cybersecurity
- > Implementation of data analysis tools and platforms, data governance and management
- > Establishment of an e-commerce platform or secure payment portals
- > Integration of technologies to automate business processes, including Artificial Intelligence products
- > Integration of digital devices such as drones, robotic/autonomous devices, sensors, and/or additive manufacturing equipment (3D printers)
- > Costs of consultancy services/business planning to address an identified business need or opportunity related to digital adoption or data capabilities
- > Costs of short-term training to address a specific digital capability gap within the business

What projects are not covered by this funding?

- > Research and development or commercialisation of new or innovative technology or products
- > Purchase of computers, equipment, tablets or other portable devices for general business operations and not an integral part of the digital transformation project
- > Costs of general software, cloud subscription fees, internet provider fees,

¹ At time of application

² You must demonstrate that you have turned over at least \$500,000 for one of the previous three financial years



IT maintenance, and other similar ongoing operational expenditures

- > Leasing of technology
- > Costs of general advisory/consultancy services; and
- > Costs of long-term training (e.g. VET qualifications, university degrees)

How much funding is available?

A maximum of \$25,000 per successful applicant to cover 50% of eligible costs (excluding GST). Applicants must contribute 50% of total project cost.

Please note that in-kind contributions are not considered as part of the business commitment to project costs.

How do I prepare and submit my application?

Complete the appropriate online application and provide the required supporting documents via the SmartyGrants portal: lcf.smartygrants.com.au

When is the closing date for applications?

3pm (AWST) on Wednesday 8 November 2023.

How will the applications be assessed?

Following the closure of the round, applications are assessed by a panel comprising officers from within the Department of Jobs, Tourism, Science and Innovation (the Department).

External evaluators may form part of the evaluation panel if their expertise is required.

The application assessment criteria are outlined in the round guidelines.

When will the round outcomes be announced?

It is expected that applicants will be notified of the outcome of their application within 14 weeks of the round closing (by 14 February 2024 at the latest).

On applicant eligibility:

Can a not-for-profit organisation apply?

No. Not-for-profit organisations and charities are ineligible. The business must be a for-profit organisation.

Can a local government authority apply?

No. Local government authorities are not eligible for funding.

Can new businesses or start-ups apply?

No. The business must be operating for at least three years in Western Australia prior to the date of submitting the application. The business must also have a turnover of at least \$500,000 in one of the previous three financial years.

I have operated a mining equipment business for 12 years and started a remote sensing business for farms nine months ago using the same ABN. Would the remote sensing business be eligible?

No. It would be ineligible as we are seeking applications from businesses with over three years in operation. The remote sensing business is considered a new operation, despite its ABN having been registered more than three years ago.



The business is headquartered in another Australian state or territory, but it has contractors that work in Western Australia, is the business eligible for funding?

No. The business must have a permanent direct operating facility based in Western Australia and these facilities must continue to operate in Western Australia for the next 12 months following application submission.

The business was successful in obtaining funding in a previous LCF round, can I apply for this or other LCF rounds?

Yes. You can apply for this or other LCF rounds for different proposed projects. However, businesses are limited to receiving up to \$200,000 in funding under the LCF in the last five years. Any funding received as part of the \$10 million COVID-19 LCF rounds run in 2020-21 does not count towards this limit.

Can I apply to this LCF round more than once?

No. Only one application per business per round will be accepted. In the event a business submits two applications under the same ABN, only the first application received will be assessed.

On project eligibility:

Can I apply to fund the development of an innovative product or service or its commercialisation?

No. This funding aims to support technology uptake. If you are seeking innovation and/or commercialisation support, please see the

programs available as part of the WA Government's Innovation Strategy and associated New Industries Fund: [New Industries Fund \(www.wa.gov.au\)](http://www.wa.gov.au)

Can I apply for this funding if the project has received or is likely to receive funding from another government program or agency?

No. Projects for which other Federal, State or Local Government funding has been, or is likely to be granted, are ineligible.

The business has recently purchased new equipment or hired specialised services. Can the business apply for funding for this?

No. Retrospective activities or past purchases made prior to submitting your application will not be funded.

I have submitted an application, can the business fund the requested project prior to being notified of the application outcome and be reimbursed afterwards?

The project would be potentially eligible to receive funding if you have already submitted an application. However, the business will wear the risk of funding the entire activity if the application is ultimately deemed unsuccessful. It would be prudent to wait until you are notified of the outcome of your application prior to incurring in any related expenses.



Can I submit a funding request for any in-house training or service done in the business?

No. In-house training or services are ineligible. All training or services must be carried out by third parties that are perceived by the Department to be at arm's length from the business.

Can I apply for funding to purchase general use computers, laptops and/or tablets?

The purchase of computers, laptops and/or tablets will only be considered if this is an integral part of a wider digital transformation project, where there is a demonstrated upgrade in digital capabilities to enhance productivity. The purchase of such devices for business-as-usual use will not be considered.

Can I apply for domestic/recreational automated devices (e.g. drones)?

No. Devices must be dedicated exclusively to and suit the business' commercial activities.

If I can demonstrate that my project has a high relevance/need and impact but is financially risky, would it still be considered for funding?

Yes. However, to be competitive the project needs to score well in all assessment criteria.

On grant payments and project completion:

How do I receive payment for the approved project?

The LCF is a reimbursement scheme. The business must pay for the project first, then request payment for that project via the SmartyGrants portal before 3pm (AWST) on 30 June 2024. A lump sum payment will be made as a single reimbursement of approved project expenditure.

Can I receive payment of the grant in advance?

No. This is a reimbursement scheme, payment of the grant will only occur once the business has paid for the activity.

How long does the business have to complete the project?

The project must be completed, and all cost claims submitted to the Department by 3pm (AWST) on 30 June 2024.

Who can I contact if I have any other questions?

If you have questions about this LCF round, please contact: lcf@jtsi.wa.gov.au or digitaleconomy@jtsi.wa.gov.au