



# Digital Transformation Round 2025-26

## Local Capability Fund Frequently Asked Questions 2025-26

### General questions

#### How do I prepare and submit my application?

Complete the online application form and upload the required supporting documents via the SmartyGrants portal: [lcf.smartygrants.com.au](https://lcf.smartygrants.com.au)

#### I am having difficulty using SmartyGrants, what can I do?

If you encounter technical issues, please contact the Department of Energy and Economic Diversification (the Department) as early as possible at [lcf@jtsi.wa.gov.au](mailto:lcf@jtsi.wa.gov.au).

#### Can someone from the Department help me with my application?

The Department can only provide general advice regarding what stream to apply for and whether your project or business is eligible.

Please be aware that responses can take at least 3 business days, therefore, ensure you allow sufficient time when contacting the Department.

The Department cannot assist with drafting or reviewing your application content. This ensures a fair and consistent application process.

#### I won't be able to get my application submitted on time. Can I request an extension?

No. Applications must be submitted before 3pm AWST on 4 September 2025. Extensions are not given under any circumstances.

#### How will the applications be assessed?

Following the closure of the round, applications will be evaluated by a panel comprising of officers from within the Department of Energy and Economic Development. External evaluators may form part of the evaluation panel if their expertise is required.

The evaluation criteria are outlined in the Digital Transformation Round guidelines. Each criteria is allocated a weighting which is shown in the Guidelines and on the application form.

#### When will I be notified of the outcome?

It is expected that applicants will be notified via email within 14 weeks of the round closing.

#### What is the likelihood that my application will be successful?

The Digital Transformation Round is expected to be very competitive. Previous rounds have attracted more applications than could be funded. Applicants should weigh up the time taken to apply and consider that the 'invested cost' may not yield a return.

#### If my application is unsuccessful, will I receive feedback on why?

If you are notified that your application has been unsuccessful, you can contact the Department for feedback within two weeks of the notification email.

## **What is the relationship between the Department of Jobs, Tourism, Science and Innovation and Department of Energy and Economic Development?**

On 1 July 2025, the Department of Jobs, Tourism, Science and Innovation became the Department of Energy and Economic Development.

## **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 or an incorporated Aboriginal Corporation operating as a commercial enterprise.

### **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 have been actively operating in Western Australia for at least three years prior to submitting the application. The business must also have a turnover of  $\geq \$500,000$  in at least one of the previous three financial years.

Start-ups seeking funding can email [innovation@jtsi.wa.gov.au](mailto:innovation@jtsi.wa.gov.au) for information regarding early innovation grant programs.

### **What if my ABN is over three years old but the business activity has changed recently?**

Eligibility is based on the current business being operational for at least three years regardless of ABN registration date. For clarification, please contact the Department.

### **The business is headquartered in another Australian state or territory, but it has a facility in Western Australia. Is the business eligible for funding?**

No. The principal place of business must be in Western Australia and the business must continue to operate out of Western Australia for the next 12 months following application submission.

### **The business was successful in obtaining funding for a previous LCF round. Can I apply for other LCF rounds?**

Yes. You may apply for one round in a financial year, provided you have not received more than \$200,000 in LCF funding over the last five years; you have claimed any funding awarded in previous years; and are up to date with all reporting requirements (i.e. no overdue reports).

Businesses LCF funding history may be considered by the panel when evaluating their current need for additional support.

### **Can I apply for more than one LCF round?**

No. You cannot apply for multiple LCF rounds in the same financial year.

Only one application per business per round will be accepted. In the event a business submits two applications, only the first application received will be assessed, unless the Department is notified prior to evaluation that a later application is considered.

### **I own a hospitality business, and we would like to purchase point-of-sale technology. Is my business eligible?**

One of the eligibility requirements is that your business has contracts to deliver goods or services to other businesses or government clients. For example, a hospitality business that delivers a regular food service to a local school or provides regular catering to business would be considered eligible. A food business that only sells to walk in customers would not be eligible.

## Project Eligibility

### **I don't know whether I should apply for Stream 1 or Stream 2?**

Please contact the Department to discuss your project. [digital.industries@jtsi.wa.gov.au](mailto:digital.industries@jtsi.wa.gov.au)

### **Please allow at least 3 business days for a response.**

Stream 1 is for operational improvements to the business. These types of digital project are about adopting common technologies such as software that improves how the business operates. These improvements can make a big difference in the resilience of the business.

Stream 2 focuses on more advanced technologies that will enable digital transformation beyond day-to-day operational processes. These initiatives are typically more specialised and less likely to be applicable across all businesses, as they often depend on the specific sector in which a business operates.

### **If I submit my application to Stream 1, but it aligns better with Stream 2, will the Department reassign the application to Stream 2?**

No. The evaluation panel will not move applications from one stream to another.

### **What if my project is for activities that are listed as examples under Stream 1 but have a high cost attached. Can I apply for Stream 2?**

No. The cost of your project should not influence what stream you apply under.

### **Is Stream 2 more competitive than Stream 1?**

Given this is the first round with dual streams, we cannot advise which stream will have more applicants and be more competitive. Each stream will be competitively assessed and ultimately the strongest applications in each stream will be the most competitive.

### **Can I apply for both Stream 1 and Stream 2 of the Digital Transformation Round?**

No. You must select the most appropriate stream to submit your application to. If you are unsure, please contact the Department for guidance.

### **Can I apply for funding towards multiple projects?**

It is strongly recommended to focus your application on a single, clearly defined project. This helps ensure clarity and stronger alignment with the assessment criteria.

### **The business has recently purchased new equipment. Can the business apply for funding for this?**

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

### **The business has recently signed an agreement with an IT provider to build a new platform. We haven't paid any money yet, can I apply for funding towards this?**

No. Projects for which an agreement has already been entered into prior to submitting the application are not eligible.

### **I have submitted the application and we want to start the project. If we are successful, will this affect our claim?**

You can start the project after you have submitted your application and before receiving outcome notification, however, if your application is unsuccessful, you will not be reimbursed for any costs incurred.

Any project activity that takes place before the application submission date, is not eligible for funding under any circumstances.

### **Do I have to attach an alternative quote?**

Yes. You are required to attach an alternative quote to ensure that you have considered value for money. While the relationship with an existing supplier may be a valid reason to continue with that supplier, it is important that you can show consideration of alternatives. It is also recommended that you consider a variety of solutions in meeting your digitalisation goals.

Your response should satisfy the panel that you have done your research.

### **A business has offered to prepare my grant application on the condition that the funding is used to purchase their product or solution. Is this practice permitted under the grant guidelines?**

While it is acceptable to collaborate with a supplier when applying, it is strongly recommended that you conduct your own research and seek independent advice.

Applications that appear to be driven by a vendor rather than by your business may be perceived as biased or lacking objectivity.

To demonstrate due diligence and strengthen your application, it is important to include quotes from alternative suppliers.

Please note that grant approval is not guaranteed. You should exercise caution before entering into any agreements with businesses that approach you with offers tied to grant funding.

### **Can I use a grant writer to prepare my application?**

Yes. You are permitted to use a grant writer if you determine that this is a good use of your resources.

The panel appreciates that not all SMEs have access to experienced grant writers and there is no expectation that businesses produce polished applications. It is important to correct any obvious errors and ensure all required information is included. However, generally the most competitive applications are those written in clear, straightforward language by someone who understands the business and project well.

### **I wish to appoint a consultant who is based overseas, will this be supported?**

No. If your project involves a service, the supplier must be located in Australia and have an ABN.

### **I want to purchase some technology, and it is only available to be purchased from a US based business. Is this eligible?**

Yes. Where products are not available in Australia they can be purchased from suppliers overseas. This information should be detailed in your application.

### **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 \(www.wa.gov.au\)](https://www.wa.gov.au)

### **One of the business's staff members will provide support with the implementation of this project. Can I include their salary as part of the project costs?**

No. Your application should not include internal staff salary or wages as a project cost.

### **Can I apply for funding to purchase new computers and laptops for the office?**

No. The purchase of technologies that are general in nature, will not be supported by this grant. There may be applications where a high-specification computer may be integral to running automated equipment etc, and this will be considered on a case-by-case basis. Computers,

laptops, iPads, conferencing equipment etc. are considered standard office equipment.

**Our subscription for one of our software programs is about to end. Can I apply for funding towards the cost of purchasing a new subscription?**

This funding program supports projects that seek to improve a business's productivity, competitiveness, resilience, safety and/or sustainability. Renewal of an existing software subscription, unless a very significant step up, will unlikely score well in evaluation. For example, if you are running Microsoft 365 Business Basic and wish to upgrade to Microsoft 365 Business Premium, this will unlikely be a competitive application as the degree of transformation will be minimal.

**As part of our operations we utilise some digital equipment. This equipment needs replacing, can we apply for funding towards the upgrade?**

Equipment upgrades will not be considered unless an applicant can demonstrate that there is a significant impact to their competitiveness and productivity through the upgrade.

**Our website is outdated and we'd like to upgrade it. Can we apply for funding under this grant?**

You may apply for a website upgrade; however, the proposed changes must represent a significant enhancement beyond your current site. For example, are you developing an e-commerce platform to access new markets? Or integrating live inventory management that necessitates a new website? The upgrade must clearly support a commercial objective to be considered eligible

**Our project requires that we commit to a three-year subscription period with the purchase of the new technology. Could the grant be used to cover the three-year subscription as well as the purchase of the technology?**

You can include the purchase of the technology and up to 12 months subscription as part of your project costs.

**Can I apply for automated devices (e.g. a robotic vacuum cleaner)?**

No. Eligible devices must be used exclusively for, and be appropriate to, the business's commercial operations. A robotic vacuum cleaner that will clean the floor of the premises does not digitally enhance a business's operations.

**Is there anyone that can give me advice on what type of technology project my business would be best to implement?**

The Department cannot provide tailored advice. We suggest that you talk to a range of vendors as well as businesses operating in similar industries. If unsure as to what digital adoption would be most beneficial to your business, you can apply for the cost towards independent digital consultancy, through this grant program.

Small Businesses (less than 20 employees) can access the following Commonwealth Government services for digital advice:

- [Small Business Cyber Resilience Service](#)
- [Digital Solutions Program](#)

## **Claiming the Grant Payment**

**How do I receive the grant payment?**

You must first complete and pay for all activities. Submit your claim via SmartyGrants with supporting documents for reimbursement.

**Can I get paid upfront?**

No. All payments are made in arrears.

**The supplier I listed in my application has increased their price and I wish to go with a new supplier. Can I change suppliers?**

Yes. You can change suppliers provided the service or the outcome being achieved is comparable with what was supported in your application. It is recommended that you discuss this change with the Department prior to proceeding. If you put in a claim that does not align with the Financial Assistance Agreement, the claim may be rejected.

**Can I include GST in my grant claim?**

No. LCF grants are not regarded payment for “supply” for the purposes of GST. Therefore, when submitting your claim for payment, your tax invoice must not include GST.

**When do I need to complete the project?**

Claims must be submitted by 30 June 2026. Please note that while the project does not need to be fully completed by this date, it must be fully paid for, and the claim must be lodged through SmartyGrants

## **Other**

**Who can I contact if I have more questions?**

Please email [digital.industries@jtsi.wa.gov.au](mailto:digital.industries@jtsi.wa.gov.au) for further information or support.

**Please allow at least 3 business days for a response.**