

Agribusiness and Food Investment

Investor Ready Incentive
for Food and Beverage Producers

Program Guidelines

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Investor Ready Incentive for Food and Beverage Producers at a glance

Key features of the Investor Ready Incentive for Food and Beverage Producers program are:

- Grants of up to \$50,000 to fund activities that will support the WA premium food and beverage businesses, seeking to become investor ready and have a plan for growth via capital raising. It will also provide on-going support from a suitable agriculture and food investment team member in the preparation for capital raising process.
- The process will provide the Agribusiness and Food Investment Team with guidance for the suitability and appetite of a longer-term incentive scheme, supporting WA agriculture and food companies in becoming investor ready.

Should you read on?

To help decide whether you are eligible to nominate for an award under this program, you should answer yes to these questions:

Is your business:

- Western Australian owned and operated premium and food beverage businesses
- with a turn over less than \$20 million
- operating for more than three years
- generate more than 50% of its income from the sale of food and beverage products
- be considering capital raising or other expansion options
- be able to demonstrate a business plan and historical financial returns

To be eligible to nominate, you must:

Complete and submit an application form (available at www.agric.wa.gov.au) with supporting documentation as required. This will require providing detail on the competitive aspect of the application, including proposed capital raising activity, budget, and supporting information. This information would be a requirement of any investor (including banks) and therefore assumed to be existing and accessible to eligible businesses that are preparing to become investor ready and raise capital.

The applicant must provide:

- An Australian Business Number (ABN);
- Evidence of current insurance status (public liability and/or professional indemnity);
- Bank account details including;
- Audited/unaudited statements from previous grants or financial years;

- Physical and postal addresses.

Investor Ready Incentive for Food and Beverage Producers

These guidelines relate solely to the Investor Ready Incentive for Food and Beverage Producers in Western Australia, an initiative under the Agribusiness and Food Investment project.

1. Program overview

This Incentive Scheme will provide grants for Western Australian-based and owned premium food and beverage businesses with high growth potential and high turnover up to \$20M, supporting them to become investor ready and improve their ability to attract capital.

2. Objective of the program

The objective of the Incentive Scheme is to support premium food and beverage businesses to become investor ready and improve their capacity to raise capital.

Feedback from industry and potential investors to the DPIRD agriculture and food investment indicates a lack of investor ready agriculture and food businesses in Western Australia, a key impediment to investment and growth.

A Pilot Scheme is proposed to address this by assisting a select number of high growth potential businesses to become more investor ready, and improve their capacity to attract capital to grow.

3. How will the program operate?

See Section 12 of these guidelines for information about how applications are assessed and Section 13 for information about the process.

4. What are the program priorities?

An incentive scheme has been proposed to support the development of WAOFB strategic objective 2: Better investment opportunities: assisting agribusiness and food companies to improve their capacity to raise capital. It provides the WAOFB office with the opportunity to directly support the businesses, growing as the pool of desirable WA agrifood investment opportunities.

Beyond incentivising the preparation for capital raising, the WAOFB Office can support the company in the pre-deal space, and / or provide matchmaking support for companies at capital raising stage.

5. Who is eligible to apply for funding?

Applications are open to all Western Australian owned and operated premium and food beverage businesses.

The business must:

- have a turn over less than \$20 million
- have been operating for more than three years
- generate more than 50% of its income from the sale of food and beverage products
- be considering capital raising or other expansion options
- be able to demonstrate a business plan and historical financial returns

6. What qualifies for funding?

Funds can be used to support expertise or resources that will help the business work towards its goals in the short term, but is also expected to grow the capacity of those involved in the business in the medium to long term.

For example, activities funded by the funds can include but are not limited to:

- development of an Investment Memorandum
- completion of base case projected financials
- development of investor communications, e.g. pitch pack
- assistance in establishing valuation metrics and price
- assistance in establishing an appropriate legal/ownership structure
- development of partnerships, joint ventures or consortia
- development and execution support of investor engagement plan

7. What does NOT qualify for funding?

The following will not be funded under the program:

- expenditure not directly related to delivering approved project objectives
- capital works and general infrastructure costs
- funding for existing staff
- entertainment
- travel unrelated to capital raising activities
- gifts and bribes
- activities that are invested in by other means, including but not limited to AusIndustry, regional development commissions and research, and development corporations.

8. How to apply

You can lodge your application via the SmartyGrants portal ([Add Link](#))

9. Corrections

It is the responsibility of the applicant to ensure their application is complete and correct. The department will not accept responsibility for any misunderstanding arising from the failure by an applicant to comply with the guidelines, or arising from any discrepancies, ambiguities, inconsistencies or errors in an application.

If an applicant discovers any material discrepancy, ambiguity, inconsistency or errors in their application, they must immediately bring it to the attention of the department. The department may request clarification information from an applicant and allow them to remedy any discrepancy, ambiguity, inconsistency or errors in an application. The department's decision will be final and will be made at its absolute discretion.

10. False and misleading information

Applicants should be aware that the giving of false or misleading information is a serious offence under the *Criminal Code Act 1995 (Cth)*.

11. Conflict of Interest

A conflict of interest arises where a person makes a decision or exercises a power in a way that may be, or may be perceived to be, influenced by either material personal interest (financial or non-financial) or material personal associations.

Applicants are required to advise whether any actual or potential or perceived conflicts of interest exist in relation to their application.

If a conflict of interests arises, or appears likely to arise, the applicant must:

- make full disclosure of all relevant information relating to the conflict in their application; or
- bring it to the attention of the department in writing if the conflict arises after the application has been received; and
- outline the steps the applicant intends to take to resolve or otherwise deal with the conflict.

The department reserves the right to reject an application if it is not satisfied that there are arrangements in place to appropriately address or manage a perceived or actual conflict of interest.

All persons involved in the assessment of applications will be required to:

- sign and update as needed conflict of interest declarations which will ensure the appropriate identification and management of any conflicts of interest, and
- comply with the Western Australian Public Service Code of Conduct.

12. How are applications assessed?

Assessment criteria will be used to determine an application's suitability for funding and relevance to achieving the program objective. Applications that meet the assessment criteria are likely to be funded.

The following criteria are considered essential:

- A demonstrated business plan, including thesis for investment/capital raising;
- Historical financial returns and projected future growth
- Articulated plan for how the incentive funds will be used to raise capital
- Understanding of how the investment will deliver growth to the WA agricultural and food sector (productivity and/or profitability)
- Budget for project/activity supported by the grant, including co-investment of a minimum 50 per cent of the total amount requested.

Important but not essential criteria are:

- Alignment with DAFWA's Premium Market Opportunities report, included alignment with identified priority growth area.

13. What is the selection process?

The assessment process aims to objectively identify eligible applicants to whom a grant could be awarded.

The assessment of all applications will be carried out and completed within two weeks after applications are received

The assessment will be carried out in the following manner:

- Applications will be first assessed internally to see if they are eligible and if not they will not be included in the assessment process;
- Applications will be assessed by the selection panel of three, comprising: an industry representative and independent chair; one WAOFB staff member; and one WAOFB Advisory Panel Members/industry representative. Assessment will be completed against the program's application criteria. The criteria will have equal weighting.

An assessment report will be developed from the assessment process and will be presented in the following manner:

- An Excel document will be used by each selection panel member to record their scoring against the criteria.

- A score out of five will be provided against each criteria, with five being the highest and zero being not addressed at all.
- Results will be compiled and discussed at a meeting of the selection panel. Recommended applicants will be determined.

The assessment report will be addressed to the grant program decision-maker, who will make the final decision.

14. Notification of funding decisions

Successful applicants will be notified via email on Friday 9 February 2018.

Where an application is unsuccessful, applicants will be notified in writing by the department. Feedback on unsuccessful applications will be available on request by contacting the agriculture and food investment team A/General Manager, Susan Hall, at susan.hall@dpiird.wa.gov.au.

15. Funding conditions

Successful applicants will be required to sign a standard contract, subject to negotiation.

The contract negotiation process will be used to ensure that both parties are clear about and comfortable with the terms and conditions of the funding. It will also inform any potential WAOFB incentive programs.

Contracting arrangements for this program are:

- Letter regarding successful application and offer to negotiate a contract based on the applicant's application (if required) and the program's standard contract;
- Appointment to negotiate the contract (if required);
- Contract offer; and
- Contract signing.

The contract must be signed by both parties before the activity commences.

The payment policy for this program is as follows:

- Payments are made by the department (may also be on behalf of a funder);

- Payment of 75% of the grant amount will be made upon signing of the contract, with 25% paid upon completion of a final report’;
- Payments are made electronically to nominated accounts.

The reporting arrangements for this program include a final report to be made on the program’s reporting form.

Any project specific items to be reported on will be identified in the contract.

Reports are to be upon completion of the project, and by 30 June 2018.

If a successful applicant fails to comply with any requirements in the grant agreement, the applicant may be required to repay some or all of the grant money received.

16. Personal information and disclosure of information in application

The department may collect personal information from applicants for the purposes of administration, evaluation and assessment of an application. If the relevant personal information is not provided by applicants, the department will be unable to assess the application for funding.

Personal information may be disclosed to other Western Australian Government agencies and may be published on the department’s website, provided disclosure is consistent with relevant laws, including the *Privacy Act 1988*. Personal information will be used and stored in accordance with the Privacy Principles.

The department’s Privacy Policy is available on the department’s website. Applicants may contact the department about their personal information or to make a complaint using the following contact details:

Telephone: 1800 198 231

Post: Department of Primary Industries and Regional Development
Locked Bag 4, Bentley Delivery Centre 6983

Applicants should note that basic information for awarded grants may be published.

As a recipient of public money, all successful applicants must report on the outcomes of the activity undertaken with the funds received. All reporting requirements will be detailed in the grant agreement. These may include (but are not limited to):

- Financial acquittals.
- A statutory declaration declaring that funds have been expended in accordance with the grant terms and conditions.

17. Program evaluation

The department will conduct a review of the program at the end of the program. The review will refine existing grants administration processes, practices and requirements.

It will examine whether the program has met its stated objective as well as whether, and how, the activities funded under the program had a positive impact on the participating businesses.

The program evaluation is also designed to help identify research gaps and frame future investment. This will be supported by successful applicants meeting all requirements of their grant, particularly reporting and providing information. This will assist the department in its evaluation of the program.

Successful applicants may be required to provide information to assist in the program evaluation.

18. Complaints handling process

If an applicant is dissatisfied with the way an application has been handled by the department, they can contact the agriculture and food investment team A/General Manager, Susan Hall, at susan.hall@dpird.wa.gov.au, and lodge a complaint. The department will not reconsider applications as part of the complaints process.

Instead, the complaint will be considered internally within the department by a departmental officer independent from the original process, and the applicant will receive a response from the department.

19. Key dates

Table 1

ESTIMATED - GRANTS TIME LINE 2017	Start
Submission period opens. Grants announced by Minister, advertised on website and externally	Mon 11 Dec
Submission period closes. Internal eligibility pre-assessment undertaken.	Wed 31 Dec
Notification to successful and unsuccessful applicants	Fri 9 Feb
Project and grant payment scheduling	Wed 14 Feb
Projects due complete, final report due	Wed 31 May

20. Additional Information

Receipt of funding from this program may result in an applicant's business being ineligible for support from other government programs. Applicants are advised that funding may have taxation implications and that they should seek independent taxation and financial advice from a suitably qualified professional before submitting their application if they have any concerns. GST is payable on grants.

21. Contact us

Telephone: 08 6552 2111
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Agribusiness and Food Investment
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