REGIONAL ECONOMIC DEVELOPMENT (RED) GRANTS PEEL

Guidelines

Round 3

As at May 2020

CONTENTS

1. OVERVIEW

The RED Grants program is a State Government initiative that invests in projects that contribute to economic growth and development in regional Western Australia.

The State Government's Royalties for Regions program is investing up to $6 million for this Round (Round 3) of the program.

Eligible applicants in the Peel region may apply for funding of up to $250,000 distributed over the 2020-2021 and 2021-2022 financial years. Applicants are encouraged to limit their ask in any one financial year to $150,000 (or less) due to the anticipated volume of applications as a result of the region's significant economic impact of COVID-19.

2. INTRODUCTION

These Guidelines contain important information for applicants about the Regional Economic Development (RED) Grants Program.

The nine Regional Development Commissions (RDCs) will deliver and implement funding rounds for the RED Grants Program within their region. The Department of Primary Industries and Regional Development (DPIRD) will oversee delivery of the overall Program.

Round Three

Applications open: Tuesday 12 May 2020
Applications close: Tuesday 7 July 2020 – 12 noon

3. OBJECTIVES AND SCOPE

The RED Grants Program provides funding to support locally driven projects that will contribute to economic growth in regional communities.

The objectives of the RED Grants Program include:

- Sustainable jobs;
- Expanding or diversifying industry;
- Developing skills or capabilities;
- Attracting new investment in the region;
- Maximising recovery from the COVID-19 pandemic impacts.

4. ELIGIBILITY CRITERIA

Who is Eligible?

To be eligible for RED Grant funding an applicant **must**:

- be a legal entity capable of entering into a legally binding and enforceable financial assistance agreement (**Grant Agreement**) with the Western Australian State Government;
- have an Australian Business Number (ABN);
- have an account with an authorised deposit-taking institution (an Australian financial institution or bank) registered with the Australian Prudential Regulation Authority.

Who is not Eligible?

You are **not** eligible to apply if you are a:

- State or Federal Government Agency;
- Government Trading Enterprise (GTE);
- School; or
- Hospital.

What is not Eligible?

Items or activities that are **not** eligible for funding include:

- Retrospective payments or expenditure incurred prior to execution of a RED Grants funding agreement.
- Ongoing costs incurred after the initiative is completed (e.g. operating and maintenance costs).
- Existing staff salaries for core business activities.
- Operational overheads (such as rent, insurance, telephone etc.).

5.   ASSESSMENT CRITERIA

Applicants are required to demonstrate:

a) how their project meets at least one of the following economic growth and development objectives:

- sustainable jobs;
- expanding or diversifying industry;
- developing skills or capabilities;
- attracting new investment in the region;
- maximising recovery from the COVID-19 pandemic impacts.

b) Local partnerships and collaboration including co-investment/supported by key regional stakeholders.

c) Delivery of local content outcomes.

d) Alignment with region's themes/priorities:
   - Reshape or rebuild your service or business model
   - Supply chain improvements including local supply
   - Reskilling / upskilling for industry sustainability
   - Building vibrant communities through social enterprise development

e) A wider economic development benefit outside of the applicant entity.

f) A minimum 30% **cash** contribution to the project (not-for-profit organisations may be considered on a case-by-case basis). Proponent cash contributions are expected to exceed the minimum requirement and the level of cash contribution will receive a higher weighting in the application assessment process.

g) The capacity to undertake and complete the project (past grant experience, project management and governance structure, experience of key personnel, project risk identification and mitigation);

h) The capacity to meet ongoing operating and maintenance costs following the conclusion of the grant funding (if applicable).

i) For businesses applying for funding, demonstration of financial capacity and sustainability including two years of audited financial statements.

For clarity on addressing these assessment criteria please refer to the application form.

Local content

Applications must address what the project means for the local community/region in relation to jobs and economic activity.

Preference will be given to projects that demonstrate:

- Building the capability of local suppliers, and the opportunity for regional businesses to supply items/services for the project;
- Increased regional employment and regional business participation through subcontractors, suppliers, apprenticeships and traineeships;
- Support for emerging or new industries in the region, promotion and awareness of local industry/businesses; and
- Benefit to the regional economy through any other identifiable means.

Local Content Advisors (LCA) are in place at the RDCs to provide guidance to applicants in addressing local content in their applications. You can contact your nearest Local Content Advisor at the following Regional Development Commissions:

Gascoyne
Email: local.content@gdc.wa.gov.au
Ph: (08) 9941 7000

Goldfields/ Esperance
Email: localcontent@gedc.wa.gov.au
Ph: (08) 9080 5000

Great Southern
Email: local.content@gsdc.wa.gov.au
Ph: (08) 9842 4888

Kimberley
Email: localcontent@kdc.wa.gov.au
Ph: 0438 090 194

Mid West
Email: local.content@mwdc.wa.gov.au
Ph: (08) 9956 8589

Peel
Email: local.content@peel.wa.gov.au
Ph: (08) 9535 4140

Pilbara
Email: local.content@pdc.wa.gov.au
Ph: 1800 843 745

South West
Email: local.content@swdc.wa.gov.au
Ph: (08) 0448 016 458

Wheatbelt
Email: local.content@wheatbelt.wa.gov.au
Ph: (08) 9622 7222

6. ASSESSMENT AND DECISION MAKING PROCESS

The assessment process for RED Grants involves the following:

- RDCs will undertake an assessment of all applications using a competitive, merit based process.
- Pending eligibility, each application will be assessed against the criteria outlined in section 5 by the RED Grants assessment team in each region.
- Recommendations will be submitted to the Minister for Regional Development for final approval.
- All Applicants will be advised of the outcome of the assessment process.
- Grant Agreements will be developed and executed with successful applicants.

Applicants should note that:

- the assessment and decision making process could take up to six (6) months and should be considered during project planning: and
- Each RDC reserves the right to request more information to clarify aspects of the application.

7. HOW TO APPLY

After reading the Guidelines, you should contact the relevant RDC to discuss your project prior to progressing or submitting an application for funding. Contact information for each RDC:

RDC	Telephone	Email	Web Address
Gascoyne	9941 7000	info@gdc.wa.gov.au	www.gdc.wa.gov.au
Goldfields-Esperance	9080 5000	grants@gedc.wa.gov.au	www.gedc.wa.gov.au
Great Southern	9842 4888	admin@gsdc.wa.gov.au	www.gsdc.wa.gov.au
Mid West	9956 8593	mwdcgrants@dpird.wa.gov.au	www.mwdc.wa.gov.au
Kimberley	9194 3000	gpo@kdc.wa.gov.au	www.kdc.wa.gov.au
Peel	9535 4140	grants@peel.wa.gov.au	www.peel.wa.gov.au
Pilbara	1800 843 745	grants@pdc.wa.gov.au	www.pdc.wa.gov.au
South West	9792 2000	grantscoordinator@swdc.wa.gov.au	www.swdc.wa.gov.au
Wheatbelt	9622 7222	royaltiesforregions@wheatbelt.wa.gov.au	www.wheatbelt.wa.gov.au

Note: *Where funding is sought for projects across multiple regions, applicants will be required to submit separate applications to each RDC, as they will be assessed independently. Details of each regional component and the amount of funding sought for the entire project will need to be included in their applications. Applicants should seek advice on their project proposal with each RDC where funding will be sought, prior to the submission of an application.*

Submitting an online application

Applications from eligible organisations must be submitted online using the SmartyGrants application form link available on the relevant Regional Development Commission (RDC) website (web addresses shown above).

To be considered for funding, completed applications must be submitted by the closing time and date specified on each of the RDC web pages. Please note the SmartyGrants system will close automatically at the specified time of the closing date and you will not be able to lodge a late application.

Applications received by other means will not be eligible for consideration unless agreed to by the relevant RDC. All applicants will be notified by email that their application has been received.

8. PERSONAL INFORMATION AND DISCLOSURE OF INFORMATION IN APPLICATION

Applicants should be aware that DPIRD and RDCs are subject to the *Freedom of Information Act 1992* (WA), which provides a general right of access to records held by State Government agencies and local governments.

Applicants are advised that information pertaining to the receipt of State Government financial assistance will be tabled in the Western Australian Parliament and listed in Government media statements. This information could include the name of the recipient, name of the Project, the RED Grant funding amount, total project budget, including name and amount of other leveraged funding sources and project description. This could result in requests for more details to be released publicly.

Successful applicants should be aware that a summary of the key project details and approved funding amount might appear on the relevant RDC website.

Each RDC and the State reserves the right to discuss an application with subject matter experts if it is deemed necessary to assist in assessing the application.

9. CONDITIONS AND OBLIGATIONS THAT APPLY TO SUCCESSFUL APPLICANTS

Before receiving any funds, successful applicants will be required to enter into a Grant Agreement, which will outline the conditions of the grant funding.

All projects must be approved and Grant Agreement executed prior to project commencement. No retrospective payments will be made. The Grant Agreement must be signed and returned to the relevant RDC within sixty (60) days of the date of issue.

Progressive payments may be made where applicable following execution of a Grant Agreement and subject to the applicant providing the relevant RDC with:

- sufficient information (including a written report) on the agreed milestones to indicate that the project is progressing satisfactorily; and
- a statement of income and expenditure for the project to the date of the progressive payment claim, signed by the applicant's Chief Executive Officer or equivalent position. This statement should include details of eligible project expenditure compared to budget.

As a condition of funding, all grant recipients will be required to provide a detailed final acquittal report to the relevant RDC within twelve (12) weeks of the completion of the project. For projects receiving funding of more than $50,000, the final report must be audited by an independent auditor, unless advised otherwise.

The Acquittal report will need to align with the outcomes stated in the application form.

10. CONFLICTS OF INTEREST

Each RDC reserves the right not to support an application if it is not satisfied that adequate arrangements are in place to appropriately address and manage a perceived or actual conflict of interest.

Criteria	Projects that demonstrate:	Guidance Notes
Meets at least one RED Grants program objective	• Sustainable jobs • Expanding or diversifying industry • Developing skills or capabilities • Attracting new investment in the region • Maximising recovery from the COVID-19 pandemic impacts	You should present a clear case of how your project meets each of the relevant objectives. If you meet more than one criterion include an assessment against each of the objectives. Round Three (3) includes an additional objective: **Maximising recovery from the COVID-19 pandemic impacts.** The aim of this objective is to assist projects that build the resilience of the Peel economy and/or diversifies a regional economy to maximise recovery efforts during this unique environment. To be competitive your project should demonstrate how it contributes to an increase in economic activity in the region beyond your own business. You may wish to use the SMART methodology or a similar tool to outline how you meet each of the relevant program objectives. • **Specific** (be specific e.g. how exactly will your project meet the program objectives i.e. create or retain jobs, develop new skills? Provide examples of how your project is not 'business as usual') • **Measurable** (be meaningful – how does your project achieve this objective e.g. how will you measure new skills or an investment in the region i.e. number of people trained, number of people employed, perception surveys etc) • **Achievable** (Set out how your project will achieve the objectives) • **Relevant** (demonstrate how your project is realistic and resourced for the funding requested to meet the objectives). • **Time bound** (what are your timeframes for delivering the project?) Jobs created should be specified as full time equivalent (FTE) i.e. This project will employ two people in two new part time positions, creating 1 new FTE. The Commission can assist with economic modelling to support your project. Any request for economic modelling assistance from the Commission must be submitted no later than two weeks prior to the closing date for this grants round (25 June 2020).
Meets at least one Peel regional themes/ priorities	1. Reshape or rebuild your service or business model 2. Supply chain improvements including local supply 3. Reskilling / upskilling for industry sustainability 4. Building vibrant communities through social enterprise development	The Commission Board has endorsed four regional themes/priorities. Projects that align with one or more of these regional priorities in addition to alignment with one or more of the RED Grants program objectives will be considered preferably. You should demonstrate how your project aligns with the Commission's priority areas including any relevant collaboration you may have been involved in, with the Commission during 2019-20, or if you have previously participated in any Peel or DPIRD led or funded programs.

Criteria	Projects that demonstrate:	Guidance Notes
Financial Commitment Collaboration and Partnerships	• Leverage funding • Own contribution • Partnerships and demonstrated collaboration • Co-investment and attracting new investment • Local Content outcomes	Projects that have co-contributions from the applicant and/or other organisations will be considered preferably. Projects that can demonstrate strong partnerships and collaborative working with other organisations, including the establishment of new partnerships or ways of working between the public, private and not-for-profit sectors, may be considered favourably. REDs is a regional grants program, and leveraging a high level of local content is important. Applicants are encouraged to consider local organisations, suppliers and contractors in the delivery of their projects. The Commission has a locally based Local Content Adviser that may assist with local content strategies in your application. Please call the Commission on 9535 4140 to reach the Local Content Adviser. Business applicants are encouraged to secure a minimum own or leveraged cash contribution of at least 30% of the REDs project funding request. Projects that can leverage regional investment, strong partnerships and local content will be considered favourably.
Governance and organisational capability	• Sustainability and ability to meet ongoing maintenance • Good governance structure • Project Management experience and personnel experience • Risk identification and mitigation • Project readiness	The REDs program will support organisations and businesses that can demonstrate good governance practices and management and that have potential to be sustainable into the future. Projects should demonstrate relevant approvals either in place or outline the process to achieve those approvals. The applicant must demonstrate relevant management structures and project personnel with suitable experience to manage the delivery of the project. The applicant must demonstrate a good understanding of the risks and mitigation measures they will put in place for their project and their organisation. A well-prepared and consistent application that demonstrates alignment with the objectives, concisely answers all questions and includes relevant attachments will provide a sound reference for your organisation's governance and management practices.

Outcomes and Benefits

Outcomes refer to the intended economic impact that is expected as a result of delivering the Project with the Grant funding – the expected outcomes listed should be realistic as successful applicants will be expected to report against these.

RED Grants Objective	Expected Outcome	Timeframe	How will this be measured?	Target
Sustainable Jobs	*Example: Number of new Jobs created/ retained (Full Time equivalent) created (type of job ie. direct/indirect, during construction phase only)*	*Example: after 2 years, or during project phase only (ie. Construction jobs).*	*Example: Number of new FTE employed*	*Example: 3 FTE*
Increased productivity	*Example: 5% increase in production*	*Example: within one year of installing infrastructure*	*Example: sales and revenue figures*	*Example: 5% increase from x to y*
Expanding or diversifying Industry	*Example: new canning line introduced.*	*Example: upon installation of equipment*	*Example: Commissioning of new equipment and new markets secured*	*Example: 2 new clients taking 500 tonnes product pa, 1000 tonnes product sourced from region*
Developing Skills or capabilities	*Example: Skills training and job matching provided to 100 participants*	*Example: Within 12 months of commencement.*	*Example: Number of participants through program and secured positions*	*Example: 100 secured potions within 12 months*
Attracting new investment in the region	*$5m investment in new aquaculture hatchery*	*Within 3 months of FAA execution*	*Confirmation of investment received.*	*$5m investment*
Maximising recovery from the COVID-19 Pandemic	*Example: Efficient and adaptive online sales*	*Example: Within a year of system implementation*	*Example: Increase in digital sales*	*Example: Generate $X income from online sales post COVID-19*

Applications that can provide specific, quantified benefits will be more competitive.
Additional guidance on outcomes and benefits can be discussed with the Commission.