



PRIMARY  
INDUSTRIES  
& REGIONS SA  
**PIRSA**

# Regional Growth Fund

GUIDELINES AND ASSESSMENT CRITERIA

JULY 2018



# Regional Growth Fund

## Guidelines and Assessment Criteria

Information current as of July 2018

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# Table of Contents

A message from the Minister	4
1. Introduction	5
2. Regional Growth Fund	6
3. Assistance and Conditions	7
4. Making an Application - Competitive Pool	9
5. RGF Process Flowchart – Competitive Pool	10

# A message from the Minister

## **Regional South Australia plays a critical role in our state's economy.**

The State Government places great importance on our regions as regional South Australia generates more than a quarter of our gross state product – more than \$25 billion annually.

We are committed to investing wisely in projects that will provide significant benefits to regional South Australia, to create new jobs and unlock new economic activity in the regions. That's why we have established the \$150 million Regional Growth Fund – providing a mechanism through which our regions are supported to grow in economic prosperity and opportunity.

The Regional Growth Fund is a long term, 10-year commitment to boosting the vitality of our regional industries, without needing ongoing reliance on government assistance, and to supporting projects that may not otherwise be realised.

The Fund has been established to unlock new economic opportunities, and build and strengthen communities.

Reducing the cost of doing business and increasing employment is key – creating an environment where our regions can offer meaningful employment opportunities for growth and development.

Regional South Australia is full of innovative forward thinkers and people who are looking to do business smarter and more effectively and we look forward to funding innovative projects that create sustainable benefits to their region and to the State overall.

Through this we will be able to honour the State Government's commitment of recharging our regions.

## **The Hon Tim Whetstone**

Minister for Primary Industries and Regional Development

# 1. Introduction

The South Australian Government recognises that our regions are fundamental to the success of South Australia's economy.

The State Government has committed to invest \$150 million over 10 years in the Regional Growth Fund (RGF) to support projects that unlock new economic activity in our regions, creating jobs, growing export opportunities and strengthening regional communities.

The RGF is a \$15 million annual grant fund administered by PIRSA.

The purpose of the RGF is to facilitate new economic opportunities, and build and strengthen communities for regional South Australia.

Commitments from the RGF will be based on the following principles:

- support for **new economic activity** that would not otherwise occur;
- the activity can be **sustained** without further intervention by government after the funding has been provided;
- the activity creates **benefit for multiple entities**, including entities not directly associated with the application;
- the activity contributes to the **scale** of an industry or sector; and
- the application has a connection to and has vested an interest in a specific **regional community**.

## 2. Regional Growth Fund

The RGF offers support in investing in long-term growth and sustainability of regional South Australia and increased contribution to the state's Gross Domestic Product (GDP) through diversity and innovation in value added product and market opportunities.

The Program's objective is to provide opportunities to leverage government and private funding to deliver critical community economic infrastructure designed to create direct economic benefits across industries or multiple businesses or users.

The Fund consists of two components, a \$5 million competitive pool and a \$10 million strategic pool.

The \$5 million per year competitive pool will be available through a single competitive round.

The \$10 million strategic pool will be available for strategic projects that meet the key principles of the Fund. This component of the Fund will be open for public applications all year round and be allocated to strategic projects that leverage additional funding sources.

Eligible organisations include:

- Local government bodies;
- Incorporated Associations; and
- Business Clusters – (lead business to apply and accept responsibility for contractual obligations).

For the competitive pool, funding will be preferenced to applicants providing at least a \$1 for \$1 contribution to the project, with funding to be available in a range from \$50,000 to a maximum of \$2 million.

However, where the applicant is a local government body, and scores highly on other criteria, a financial contribution which is less than \$1 for \$1 (for example, 1:2), will be considered.

Preference will be given to projects that commence within 3 months of approval, with the funds fully acquitted within 24 months of commencement.

### ASSESSMENT CRITERIA

Applications to the RGF are assessed and prioritised based on how well the project meets the following criteria:

#### Essential

- Support for new economic activity that would not occur otherwise
- The activity can be sustained without further intervention by government after the funding is provided
- The activity creates broader economic benefits for the community and multiple entities, including entities not directly associated with the application
- The activity contributes to the scale of an industry or sector
- The application has a connection to, and has vested interest in a specific regional community
- The activity creates sustainable economic benefits to the State or region (e.g. new long-term jobs, investment, higher incomes, etc.)
- The activity reduces the cost of doing business.

## **Desirable**

Project proposals focussed on enhancing the productive infrastructure to support economic development that drive regions to be long term strong economic contributors, will be considered favourably.

Also considered favourable are project proposals:

- that leverage funds from non-State Government sources and/or foster collaboration; and
- that demonstrate a commitment to employing locally, local investment and local supplier inputs wherever possible will also be considered favourably.

## **Assessment**

### *Competitive Pool*

Applications to the competitive pool will be assessed on a competitive basis against the Fund's criteria, and on the extent to which they demonstrate a commitment to employing locally, local investment and local supplier inputs.

Applications to the competitive pool will be assessed by a three member panel, which will include an independent chair. The panel will consider applications and submit its advice to the Minister for Primary Industries and Regional Development for consideration.

Applications will undergo comprehensive due diligence by PIRSA to determine the applicant's financial capability and the project's commercial feasibility.

Assessment of criteria will be weighted to ensure projects are prioritised against the Fund's key principles.

The assessment will also consider whether a project, or elements of a project, are more appropriately funded by other State, Commonwealth and/or Local Government or industry sources.

### *Strategic Pool*

Allocation of funding from the RGF Strategic Pool will be assessed against the Fund's key principles and criteria. This component of the Fund will be allocated to strategic projects that leverage additional funding sources.

Applications for funding from the Strategic pool will be assessed by Primary Industries and Regions SA which will provide direct advice to the Minister for Primary Industries and Regional Development for approval.

As with the competitive pool, applications will undergo comprehensive due diligence, be weighted to ensure projects are prioritised against the Fund's key principles, and consider whether projects, or elements of a project, are more appropriately funded by other State, Commonwealth and/or Local Government or industry sources.

## **3. Assistance and Conditions**

### **Assistance Offered:**

Grant payments are generally made on a reimbursement basis upon presentation of paid invoices for approved project expenditure, including evidence of eligible applicant contributions. However, up-front payments can be negotiated for projects approved under the Fund.

Final payments are made on receipt of a final report evidencing project completion to the satisfaction of the Minister for Primary Industries and Regional Development.

Funding from other State Government sources will not be considered as part of the leveraged funds.

The following conditions will be expected of any financial assistance recipients:

- complete the project as stated in the application;
- meet all key milestones and obligations as defined in the Funding Deed;
- seek prior consideration and approval, from the Minister through PIRSA, before making any changes to the project; and
- acknowledge the contribution of the South Australian Government on any promotional material and provide opportunities for the Minister for Primary Industries and Regional Development or a representative to take part in any formal project milestones and launches.

**Note:** Grants may be subject to GST and income tax. Successful applicants should seek advice on these and other tax implications from their tax advisers or the Australian Taxation Office.

### **What are the Eligibility Requirements?**

Eligible organisations must:

- be legal entities, i.e. with which the South Australian Government can enter into a legally binding funding agreement. PIRSA may require third parties who have a significant financial interest in the project (for example, parent companies or landowners) to be a party to the Funding Deed;
- have an Australian Business Number, and be registered for GST;
- demonstrate the availability of project funding required to complete the project, exclusive of in-kind contributions (funding from other State Government sources will not be considered as part of the leveraged funds); and
- have the project located within South Australia.

### **Ineligible Projects**

- projects undertaken on behalf of third parties;
- the purchase of land or a business;
- requests for retrospective funding, where projects have been completed or have commenced prior to the application being approved by the Minister;
- projects relating primarily to operational expenditure, including but not limited to regular repairs and maintenance;
- costs associated with upgrading non-fixed equipment, or relate to administrative or running costs that are normally the responsibility of businesses, state or territory agencies or local councils;
- projects that require ongoing recurrent State Government funding;
- feasibility studies, business cases and reports where they do not form part of an established and broader project that meets the Fund's objectives;
- costs associated with the preparation of the application and project management fees and costs;
- human resources (ie grant funding will not be provided to meet internal staffing costs); and
- projects that have already received assistance from the RGF or other relevant grant funds to achieve the same project outcomes.

## 4. Making an Application - Competitive Pool

Applications can be submitted using the on-line application form, which can be downloaded from the PIRSA website at: [www.pir.sa.gov.au/regionalgrowthfund](http://www.pir.sa.gov.au/regionalgrowthfund)

Projects will be assessed on the extent to which they address the Fund's criteria, including proposals that demonstrate a commitment to employing locally, local investment and local supplier inputs.

An independently chaired assessment panel will then consider applications on merit against the assessment criteria, before making recommendations to the Minister for Primary Industries and Regional Development.

Applicants can expect to be informed of the outcome of their application within approximately 12 weeks from the closing date of full applications, although longer time periods may be required when a large number and/or complex applications are received.

Successful applicants will also be required to enter into a standard Crown approved Funding Agreement with the Minister for Primary Industries and Regional Development in order to receive assistance, which will be subject to the Government's Contract Disclosure policy (see: <http://dpc.sa.gov.au/documents/rendition/B17980>).

The attached schedule outlines the proposed indicative timeline required to complete key stages of the application assessment process for the 2018-19 round.

See below for an RGF process flowchart.

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### Indicative Timeline 2018 - 2019

#### **Regional Growth Fund Announced**

<b>Full Applications - Open</b>	2 July
<b>Full Applications - Close</b>	31 August
<b>Full Application Assessment Completed</b>	End October
<b>Assessment Panel Recommendations presented to the Minister</b>	Mid November
<b><u>Minister considers Recommendations</u></b>	
<b>Announcement of projects to be funded</b>	End November

## 5. RGF Process Flowchart – Competitive Pool

