



## Industry Attraction Fund Grant Guidelines

### Introduction

The Shire of Northam is the key regional centre of the Wheatbelt. The Shire of Northam area plays a pivotal role in the region's economy, offering a broad cross section of employment opportunities.

In order to further grow and diversify industry in the area, the Shire of Northam proactively works with the State Government and industry to develop a robust, flexible and adaptable local economy. The Shire of Northam is also an active member of the Regional Capitals Alliance Western Australia, working collaboratively with the nine other regional capitals of Western Australia to support our communities and economies.

As part of this proactive approach, the Shire of Northam has established the *Industry Attraction Fund (IAF)*. The IAF has been established to incentivise business development and economic growth within the Shire of Northam. It is part of a suite of initiatives devised by the Shire of Northam to build on the area's existing competitive advantages, intended to strengthen and diversify the local economy and support long-term jobs growth.

These Guidelines provide key information for applicants to this fund.

The IAF has been established to incentivise business development and economic growth within the Shire of Northam by attracting new businesses to the area, or by supporting existing local businesses to substantially expand their operations.

The Shire has identified the following priority sectors, based on synergies with existing industry and/or alignment with strategic priorities. The IAF priority sectors are:

- Agriculture and Agri-Innovation;
- Freight and Logistics;
- Aviation;
- Tourism;
- Manufacturing & Professional Services;
- Education & Training;
- Utilities & Waste Services;
- applications from other industries are welcomed where the project can demonstrate the capacity to deliver on the IAF objectives.

The Shire of Northam has committed to investing up to **\$1 million** value to each approved applicant, with support available in a variety of forms including cash contributions, land provision or peppercorn lease, waiver of rates or other mechanism as negotiated. The Shire of Northam recognises the importance of local governments taking an enabling approach and is proactive in working with proponents to support impressive turnaround times on planning and building approvals.

Eligible applicants can apply for IAF Grants funding of up to **\$1 million**.

Applications open: November 2020

Applications close: IAF applications will be considered whilst funds are available.

## IAF Objectives

The IAF provides funding to support industry to establish or expand within the Shire of Northam, through developments that will contribute to the economic growth of the local area, as well as the region and State more broadly.

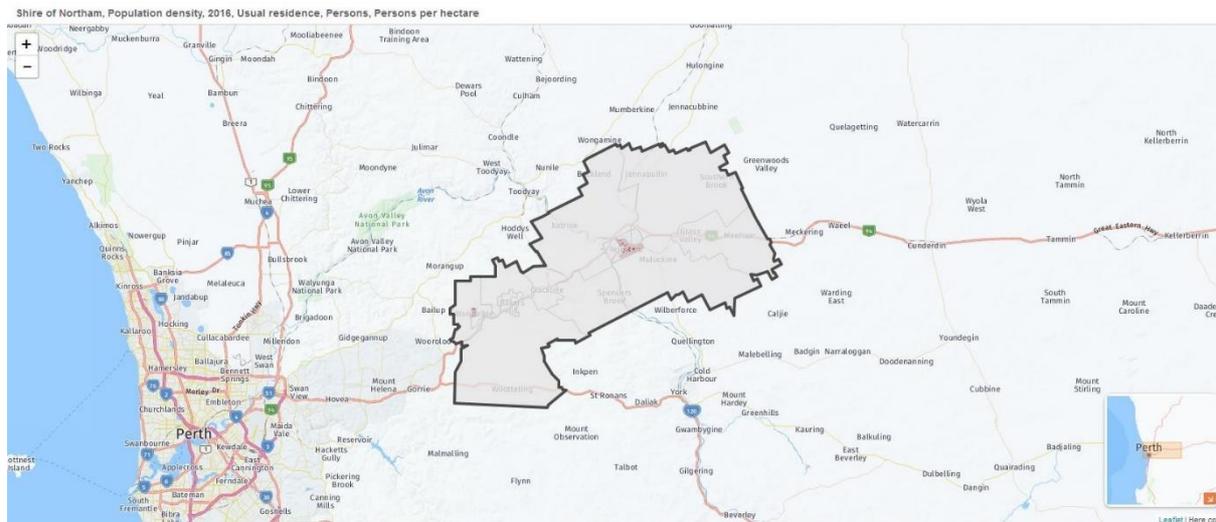
The objectives of the IAF include:

- increasing sustainable local jobs, including Aboriginal employment opportunities;
- increasing the proportion of high economic value-add sectors in local industry;
- attracting new investment to the Shire of Northam;
- stimulating population growth within the Shire of Northam; and
- fostering collaborations between new and existing developments and businesses within the Shire of Northam

## Why Choose Northam?

Northam is Western Australia's largest inland town and is the strategic economic base for agriculture, transport, commercial services and government agencies, serving as the administrative centre for the Avon Arc and the wider Wheatbelt region.

The main townsite of Northam is located just 40km from the edge of the Perth metropolitan area and a one-hour drive to Perth Airport. It benefits from its position on arterial linkages into the metropolitan area as well as spanning out into key growth areas across the State and beyond to the Eastern States.



Northam offers competitively priced industrial, residential and commercial land, with access to reliable services, including the NBN, and has well-developed infrastructure. This is complemented by a proactive Local Government, keen to support the economic and social development of the area, investing in strategic planning, community infrastructure and incentive programs for businesses.

Northam offers two major industrial areas adjacent to the Great Eastern Highway at the well-established Avon Industrial Park and in a new proposed development, Avon Logistics Hub, situated next to the Northam Road Train Assembly Area.

Northam enjoys a central position on the road network, as well as being located on the east-west rail corridor, the standard-gauge railway connecting Perth with Kalgoorlie and the Eastern States. It is also anticipated that Northam will benefit from the recent momentum with the progression of EastLink WA (previously known as the 'Orange Route') with the State and Federal Governments each recently committing \$10 million (total \$20 million) to progress planning and development on this project with a view to securing funding for implementation. This infrastructure upgrade would see significant upgrades to the Reid and Roe Highways and a new route to Northam to improve road freight performance and connectivity between Northam and Perth.

Northam has a well-maintained airport, primarily utilised for agricultural, commercial, recreational, and emergency services activities. The Northam Airport is identified by the WA Planning Commission as a 'priority regional airport' for the Wheatbelt in the framework and the regions relative proximity to Perth, clear skies and other favourable conditions make it an option for an expanded aviation sector, noting the day-trip tourism market as having potential. Northam Aero Club has over 100 members and also operates a flying school. The airport also serves the operations centre for Northam Air Services who provide aircraft servicing and maintenance to the regional market.

Northam also has a strong ballooning history, with Windward Adventures operating their long-established tourism business from the airport, being a solo circumnavigation launch site (Steve Fossett 2002 and Fedor Konyukhov 2016) and hosting of the 2015 and 2017 Australian National Ballooning Championships. The Northam Airport Master Plan is available from the Shire of Northam to interested applicants.

The Shire of Northam is working to further enhance the town centre of Northam, with financial support for businesses to upgrade facades, implementation of a Town Centre Connectivity Strategy and the establishment of Create298, a coworking and collaboration space. The Shire of Northam offers access to highly subsidised retail locations for short-term market testing for new businesses with a view to boosting retailer activity in the town centre. These initiatives are further enhanced by regular events designed to draw people into the town centre include twilight and farmer's markets, entertainment and other community focused activities. The vibrant and diverse small business sector are further supported with an active Chamber of Commerce and Northam Women In Business, along with increasing connections being established with the Wheatbelt Business Network.

Significant investments in retail infrastructure by major retailers have been made in the last few years, highlighting market confidence in the area. The local retail, hospitality and professional service sector is strong, with a wide range of independent businesses as well as larger retailers including Woolworths, Coles, Aldi, Best & Less, Bunnings and Target Country (transitioning to a Kmart Hub). Northam has seen significant growth and investment in this sector in recent years and is fast becoming the preferred shopping destination for surrounding communities who previously regularly travelled to Perth for shopping.

Businesses are encouraged to support staff and their families to settle in Northam, with the area offering a welcoming environment for new residents. Affordable land, rates and housing make Northam an attractive prospect for those relocating to the area.

There are a wide range of sporting, recreation and arts programs for children and young people, as well as a broad spectrum of clubs and groups for adults. Social infrastructure is also strong, with significant recent community infrastructure projects including a developed Youth / Family Precinct, Northam Aquatic Centre, Bilya Koort Boodja Centre for Nyoongar Culture and Environmental Knowledge, Northam Hockey Pitch (artificial surface) and Bernard Park Water Park.

Northam offers access to excellent health services, with a recently upgraded Regional Hospital, a wide range of health service providers and a recently expanded ambulance service. Families are well-supported with a range of childcare providers, State and private schooling options through to Year 12

along with tertiary options at the major Central Regional TAFE campus and the Muresk Institute.

## **Potential Opportunities**

In developing the IAF, the Shire of Northam have identified a number of sectors that may have particular synergies with the area, however applicants from any industry who consider they would be a good fit for the location and who can deliver on IAF objectives are encouraged to approach the Shire of Northam.

Known as a farming and agribusiness hub, Northam plays a critical role in this industry. Its relevance is further increasing with the growth in global food demands and the WA State Government's recent investments in the Northam Grains Research Facility and the Muresk Institute. Northam is also home to the Avon Office of CBH group and head or key office location for a wide range of agriculture sector corporates. Northam offers an ideal location for agri-focused businesses looking to be strongly connected with other players in the industry, while still being an easy drive to the centre of Perth.

Traditionally activity has centred on broadacre agriculture and sheep production, with bulk commodity producers strongly positioned to take advantage of growing global food demands. With increased seasonal volatility as a result of climate change is expected to impact on production certainty and there is potential for businesses offering solutions related to enhanced farm management to allow farmers to adjust practices to respond to seasonal changes and the impact on yield.

Northam's unique location on road and rail networks position it as a lucrative position on the east-west freight route, offering opportunities to logistics businesses looking for a competitive advantage, as well as heavy industrial activities, manufacturing and fabrication enterprises requiring reliable transport links. It is particularly attractive when considering Northam's centrality in relation to major mineral resource regions (Pilbara, Mid West, Goldfields and South West), coupled with its proximity to Perth with access to expanding markets in South East Asia.

With a range of industrial land available, businesses looking to take advantage of area's benefits may find a variety of suitable locations. The State Government's Regional Land Booster Program includes a range of support options for businesses establishing at the Avon Industrial Park, with lots ranging from 2.2ha to 11.9ha, as well as opportunities at the soon to be released Avon Logistics Hub.

Northam has an emerging tourism sector, with well-developed businesses focusing on hospitality, together with established and new accommodation providers and a range of unique attractions ranging from hot-air ballooning through to Aboriginal cultural experiences. With the impact of COVID-19 on

travel, Northam has seen a surge in interest as a tourist destination and there is scope for businesses to leverage this demand and sustain it into the future.

Of note in the tourism sector is the recent development by the Shire of Northam of the acclaimed Bilya Koort Boodja Centre for Nyoongar Cultural and Environmental Knowledge, quickly becoming recognised as a tourism drawcard. This is coupled with a recent significant investment by the Dome in transforming a heritage hotel into a Dome café, the prestige Farmers Hotel and associated Temperance Bar. Other recent developments have included the restoration of the Dukes Inn heritage pub and hotel complex, the recently opened Hotel 190, and the Brian Klopper architect designed Laura's Wine Bar. These businesses have demonstrated the opportunity in this emerging market with the Shire of Northam considering there is scope for further sustainable growth.

With access to the NBN and the same time zone as much of South East Asia, there is scope for professional services along with education and training providers looking to service a national or international market. Similarly, an establishing business may find synergies with the existing TAFE and Muresk Institute.

Climatically, the area not only benefits the agriculture sector – with 141 cloudless days annually, the Shire of Northam offers an ideal location for solar energy generation, with the potential to significantly reduce operating costs of businesses choosing to utilise solar power or to develop a concept centred on renewable energy generation. An example of this in practice, in 2017, Perdaman Industries constructed the [then] largest commercial property solar system in WA: a 665kW system distributed across the rooftop and carport at Northam Boulevard Shopping Centre, supplying 40% of the shopping centre's energy needs. Another example of investment in the renewables spaces has been the development of a 10 megawatt solar farm within the Shire in a partnership arrangement between Carnegie Clean Energy, Indigenous Business Australia and Bookitja PTY LTD.

Other townsites within the Shire of Northam offer some opportunities for development, of particular note being Wundowie. Traditionally known for its role in the steel production industry and located just 10km from the metropolitan area, Wundowie has an established townsite along with attractive rural lifestyle estates.

## **Who Can Apply?**

To be eligible for IAF funding, an applicant must:

- be a legal entity capable of entering into a legally binding and enforceable financial assistance agreement (Grant Agreement) with the Shire of Northam;

- have an Australian Company Number (ACN) or an Australian Business Number (ABN) and be solvent;
- have been operating for more than 2 years, or be able to demonstrate how risk of failure will be mitigated; and
- have an account with an authorised deposit-taking institution (an Australian financial institution or bank) registered with Australian Prudential Regulation Authority.

Priority will be given to proponents within the IAF priority sectors, with applications from other industries welcomed where the project can demonstrate the capacity to deliver on the IAF objectives. The IAF priority sectors are:

- Agriculture and Agri-Innovation
- Freight and Logistics
- Aviation
- Tourism
- Manufacturing & Professional Services
- Education & Training
- Utilities & Waste Services

You are not eligible to apply if you are a:

- State or Federal Government Agency; or
- Government Trading Enterprise.

## **Eligible Proposals**

To be eligible for IAF funding, the proposed development should:

- involve a minimum of \$5 million capital investment by the proponent (or a combination of proponent's contribution and leveraged funding from other grants, investors and other sources);
- create a minimum of 75 full-time equivalent jobs, with a plan to support 80% of the workforce to reside within the local government area;
- demonstrate proven commercial viability;
- identify how it will enhance the local economy.

The Shire of Northam is open to hearing from proponents about how the IAF could best support their development, with support available in a variety of forms including cash contributions, land provision or peppercorn lease, waiver of rates or other mechanism as negotiated, with a value of up to \$1 million per approved applicant. It is anticipated that any cash contribution would be associated with capital expenditure (including cost of acquiring fixed assets including plant and equipment, along with costs such as site preparation, construction materials and external labour costs such as design and project management). In some instances, consideration could be given to the cost of training where it relates to upskilling of employees to support the

implementation of new advanced technologies or the development of housing options for prospective staff.

Applicants should note that a number of activities have been identified as ineligible for IAF support. The following activities would be ineligible for funding from the IAF:

- developments that do not demonstrate a significant sustained increase in employment and economic activity within the Shire of Northam;
- recurrent costs (e.g. operating, maintenance and office costs including insurance, telephone, etc.);
- ongoing salaries/employment expenses of new or existing staff;
- requests for retrospective funding where activity/ies and/or expenditure have been undertaken prior to making an application to the IAF<sup>1</sup>;
- GST payments (where the applicant is registered for GST);
- activities that would be undertaken in the normal course of business such as maintenance and upgrades;
- routine replacement or upgrades of plant and equipment using standard technologies;
- developments that will require ongoing assistance from the Shire of Northam, Western Australian State Government or Australian Federal Government to remain viable; and
- developments requiring planning, pre-feasibility and feasibility work to be completed.

The following costs are considered ineligible as part of the applicant's contribution to the total budget, except in circumstances where the applicant's contribution exceeds \$5 million and these costs are included in the contribution over and above the minimum \$5 million:

- 'in-kind' contributions;
- any expenditure incurred prior to the project commencement date, unless agreed under the assistance agreement;
- project development costs including planning, pre-feasibility, feasibility studies, business cases, due diligence;
- costs associated with projects that have been completed or have commenced prior to the submission of the application;
- ongoing costs for business operations, including lease and hire purchase agreements.

Applicants are encouraged to demonstrate a commitment to local suppliers and contractors – from within the Shire of Northam in the first instance, then from within Western Australia. Significant expenditure outside of Western

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<sup>1</sup> Note that applicants may choose to proceed with the incursion of expense included in this application once the application process is complete, however Shire of Northam makes no commitment to funding applications and any expenditure would be at the risk of the proponent. If proponents are reliant on a commitment from the Shire of Northam to make the development viable, then they are advised to wait until the outcome of their application is known.

Australia should be minimised and where unavoidable, should be identified and explained within the application.

## **Funding Process**

### **Stage One: Expression of Interest**

Potential applicants complete Self-Assessment Checklist and submit to Shire of Northam. You will then be invited to participate in a preliminary meeting to discuss your development and nature of the support sought via the IAF. Following this meeting, the Shire of Northam may invite you to complete a formal application to the IAF.

### **Stage Two: Grant Application**

Following an invitation from the Shire of Northam, applicants will prepare and submit a grant application to the IAF.

### **Stage Three: Application Assessment**

Applications are evaluated by a Panel which meets to consider applications as they are progressively received. Further information may be requested during this assessment process.

Applications are assessed against their eligibility and the following criteria:

- Alignment with IAF objectives
- Organisation capability and capacity
- Value for money
- Viability and risk

To mitigate risk, a Risk of Failure report is obtained through Illion for recommended applicants.

### **Stage Four: Notification of Outcome**

Applicants will be notified on the outcome of their application via the email address provided on the application form.

### **Stage Five: Establishing Funding Relationship**

Approval of funding is subject to the applicant agreeing to reporting requirements and entering into a Financial Assistance Agreement with the Shire of Northam. In some instances, successful applicants may be required to erect signage acknowledging the Shire of Northam's contribution.

### **Stage Six: Payment of Funds**

The provision of support through the IAF depends on the nature of the support provided and the specific conditions will be dependent on the agreement.

Where a cash contribution is included as part of the approved support, payment will operate on a reimbursement basis. Successful applicants will need to pay for the activity before making a claim for the approved grant. A lump sum payment will be made as a single reimbursement of approved activity expenditure. Progressive payments for completed stages of an activity may be considered in some circumstances.

Payment will be made on submission of a Tax Invoice to Shire of Northam and must be accompanied by copies of suppliers' invoices and receipts as proof that the activity has been paid for in line with the application and the Financial Assistance Agreement. Shire of Northam must receive the claim for payment no later than the date specified within the Financial Assistance Agreement. If a claim for payment is not received by this date, the grant approval may lapse, and the funding agreement terminated.

### **Stage Seven: Reporting**

Dependant on the reporting arrangements agreed upon, it is expected that the proponent will report for up to three years after the completion of the development on their progress against the agreed outcomes. The frequency and nature of this reporting will be agreed upon prior to the establishment of the Financial Assistance Agreement.

### **Other Relevant Material**

Applicants are encouraged to review other relevant material related to economic development and the Shire of Northam and the Wheatbelt region more broadly. Where possible, the Shire of Northam will provide any further information on request.

#### **Wheatbelt Blueprint**

<https://www.wheatbelt.wa.gov.au/publications/wheatbelt-blueprint/>

#### **Avon Sub-Regional Economic Strategy**

[https://www.wheatbelt.wa.gov.au/files/8513/9711/0156/Avon\\_Sub-Regional\\_Economic\\_Strategy.pdf](https://www.wheatbelt.wa.gov.au/files/8513/9711/0156/Avon_Sub-Regional_Economic_Strategy.pdf)

#### **Northam Regional Centre Growth Plan**

<https://www.northam.wa.gov.au/profiles/northam/assets/clientdata/documents/content/supertowns/northam-regional-centre-growth-plan-final.pdf>

#### **Shire of Northam Strategic Community Plan**

<https://www.northam.wa.gov.au/documents/1223/strategic-community-plan-2017-2027>

### **Shire of Northam Investment Prospectus**

[https://www.northam.wa.gov.au/profiles/northam/assets/clientdata/document-centre/181210 shire of northam - business prospectus - final pages .pdf](https://www.northam.wa.gov.au/profiles/northam/assets/clientdata/document-centre/181210%20shire%20of%20northam%20-%20business%20prospectus%20-%20final%20pages.pdf)

### **Shire of Northam Local Planning Strategy**

<https://www.northam.wa.gov.au/documents/1234/local-planning-strategy>

### **Shire of Northam Local Planning Scheme**

<https://www.dplh.wa.gov.au/northam>

### **Northam Town Centre Development & Connectivity Strategy**

<https://www.northam.wa.gov.au/documents/1232/northam-town-centre-development-and-connectivity-strategy>

### **Avon Industrial Park Prospectus**

[https://www.northam.wa.gov.au/Profiles/northam/Assets/ClientData/Documents/Avon Prospectus 2017 - WEB download.pdf](https://www.northam.wa.gov.au/Profiles/northam/Assets/ClientData/Documents/Avon%20Prospectus%202017%20-%20WEB%20download.pdf)

### **Shire of Northam Business Redevelopment Fund**

<https://www.northam.wa.gov.au/develop-build/business-industry-support/business-redevelopment-fund.aspx>

### **Create298 Co-Working Space**

<https://www.northam.wa.gov.au/develop-build/business-industry-support/create-298-co-working-space.aspx>

### **Shire of Northam Pop-Up Shops**

<https://www.northam.wa.gov.au/develop-build/business-industry-support/shire-of-northam-pop-up-shop.aspx>