



***Manufacturing Modernisation Fund***

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## *Overview of the Manufacturing Modernisation Fund*

- A \$50 million competitive, merit based grants program
- National program
- Supports manufacturers to modernise, adopt new technologies, become more productive and create more jobs by co-funding capital investments and associated reskilling.
- The program will run over 3 years and will be delivered through two streams of funding:
  - an estimated \$20 million for small scale technology and efficiency investments.
  - an estimated \$30 million for larger scale projects to support transformative investments in technologies and processes.





## *Overview of the Manufacturing Modernisation Fund*

### Modernisation

- Modernisation can include technology upgrades, efficiency upgrades, such as energy or process optimisation, or more transformative changes to your business, which will allow you to produce new products or diversify into new markets.





## *Overview of the Manufacturing Modernisation Fund*

### **Modernisation of the Manufacturing sector**

The program is part of the broader Government intent to support the modernisation of the manufacturing sector to incorporate advanced technologies to increase innovation and competitiveness.

The Advanced Manufacturing Growth Centre (AMGC) in its [Sector Competitiveness Plan](#) identifies certain strategic priorities for a successful manufacturing sector:

- **Advanced Knowledge:** including high R&D investment and STEM skill intensity
- **Advanced Processes:** including using state-of-the-art technology and managing energy use
- **Advanced Business Model:** including offering high value niche solutions, servitisation models and export competitiveness.



## *Funding Streams*

- There are two streams of funding:
  - an estimated **\$20 million for matched grants of between \$50,000 to \$100,000** for small scale technology and efficiency investments. Grantee contribution is 1:1
  - an estimated **\$30 million for larger grants between \$100,000 to \$1 million**, on a three to one funding basis, to support transformative investments in technologies and processes. Grantee contribution is 3:1
- The program will run over 3 years: 2019/20 – 2021/22
- The maximum grant period is 2 years.





## *Characteristics of the two Funding Streams*

### **Small scale technology and efficiency investments**

- Small scale projects that seek to adopt new manufacturing technologies that will deliver efficiency improvements. These may include next generation capital equipment/technologies and associated design and engineering innovations.

### **Transformative investments in technologies and processes**

- Transformative shifts to modernise manufacturing and processes at your business which may include next generation capital/technologies through to Industry 4.0.





## *Funding Streams*

- Applicants may submit one application under each of the two funding streams, however only one application can receive grant funding.
- If both applications are successful, you will be required to elect which project to progress to a grant agreement





## *Eligibility Criteria*

- The applicant must be an entity incorporated in Australia
- Engage in trading activities that:
  - form a sufficiently significant proportion of its overall activities; or
  - are a substantial and not merely peripheral activity of the corporation
- Be a manufacturing small and medium-sized enterprises (SMEs) with up to 199 employees (headcount)
- Clearly identify the level of job creation expected
- Provide evidence from your board (or CEO) that the project is supported and you can complete the project and meet the costs of the project not covered by grant funding.





## *An Applicant is not Eligible to Apply if you are:*

- An individual
- Partnership
- Trust (however, an incorporated trustee may apply on behalf of a trust)
- A Commonwealth, State, Territory or local government body (including government business enterprises).



## *Eligible Activities*

Projects must involve capital investments and associated skill-based training to modernise your manufacturing process.

Eligible activities may include:

- buying, constructing, installing or commissioning of manufacturing plant, equipment or software
- relevant training and skills development to assist you to integrate the new technology into your business, including upskilling and accreditation in advanced processes
- process design and engineering directly related to your capital investment
- fit-out, alterations and/or extensions to buildings directly related to your capital investment

We may also approve other activities.



## *Eligible Expenditure*

You can only spend grant funds on eligible expenditure you have incurred on an agreed project as defined in your grant agreement.

- For guidance on eligible expenditure, see appendix B.
- For guidance on ineligible expenditure, see appendix C.
- Not all expenditure on your project may be eligible for grant funding.
- You must incur the project expenditure between the project start and end date for it to be eligible unless stated otherwise.
- You may start your project from the date of your letter of offer.



## *Merit Criteria*

To be competitive you must score highly against all of the merit criteria.

### **Merit Criterion 1**

- The extent that your project will improve your manufacturing competitiveness and lead to job growth **(40 points)**

### **Merit Criterion 2**

- Capacity, capability and resources to deliver the project **(40 points)**

### **Merit Criterion 3**

- Impact of the grant funding on your project **(20 points)**



## Merit Criterion 1

The extent that your project will improve your manufacturing competitiveness and lead to job growth **(40 points)**

- support your business to adopt new manufacturing technologies that will deliver efficiency improvements (for grants up to \$100,000)
- support your business to adopt transformative manufacturing technologies and processes (for grants between \$100,000 and \$1,000,000)
- Maximise employment outcomes, such as increased jobs and a more highly skilled workforce
- Use design and engineering excellence, and innovative and efficient business processes
- Take advantage of a market opportunity in Australia and/or internationally
- Alignment with AMGC's strategic priorities for a successful manufacturing sector

**B**

**U S**

**I N E S S**

**C O M P E T I T I V E N E S S**

**U P S K I L L I N G J O B S & J O B C R E A T I O N**





## *Merit Criterion 3*

Impact of the grant funding on your project **(20 points)**

- The likelihood your project would not proceed without the grant
- The positive impact the grant will have on the size, scale or timing of your project.
- The total additional investment the grant will leverage and explain how this benefits your project.





## *Tips for presenting a strong application against the Merit Criteria*

Explain the Project	<ul style="list-style-type: none"><li>• Simple, clear description of project and outcomes</li><li>• Concrete statements of activities and milestones</li><li>• Sound basis and explanation of the project budget</li><li>• Address the merit criteria</li></ul>
Provide relevant evidence in your Project Plan	<ul style="list-style-type: none"><li>• Technical evidence and market research</li><li>• Competitor analysis</li><li>• Financial and job/upskilling projections</li></ul>
Provide relevant and factual attachments	<ul style="list-style-type: none"><li>• Project Plan and a Project Budget</li><li>• Board or CEO confirmation that the project is supported</li></ul>





## *Overview of the Application and Assessment Phase*

Application	<ul style="list-style-type: none"><li>• Review the program documents against the Guidelines</li><li>• Contact us to clarify any issue, by calling 13 28 46.</li><li>• Apply using the on-line form available at <a href="http://business.gov.au">business.gov.au</a></li><li>• Applications are due 5.00pm AEDT on <b>Thursday 31st October 2019</b></li><li>• <b>No extensions will be provided</b></li></ul>
Assessment	<ul style="list-style-type: none"><li>• We will review your application for completeness and eligibility.</li><li>• We will advise you in writing if your application will not proceed to merit assessment</li><li>• Eligible applications will be referred to the Assessment Committee</li><li>• The Assessment Committee will make funding recommendations to the Program Delegate.</li><li>• We will notify you in writing of the result of your application.</li></ul>



*Questions?*

