Manufacturing Collaboration Stream

Frequently Asked Questions

Date Last Updated: 7 September 2021

Document Updates

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2 July 2021	Initial publication
14 July 2021	Question 1.10 – Can projects occur across multiple sites? Question 3.3 – Additional information added to existing question on where to find the National Manufacturing Priority Road Maps Question 4.9 – Does revenue earned from a government procurement contract count towards the caps on government funding contributions? Question 7.1 – Additional information added to clarify relevant sections of the grant opportunity guidelines, Question 7.8 – Are there eligibility requirements for project partners? Question 7.9 – Can a government business enterprise apply?
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	Question 4.15 – Can I still apply for funding through Collaboration Stream if my total eligible project costs are less than $60.6 million?
	Question 6.8 – How do I calculate Gross Value Added (GVA)?
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	Question 11.4 – Can other components of the project funds (other than the Collaboration grant) cover ineligible expenses?
	Edits to:
	Question 1.16 – Is there a sample grant agreement available to review?
	Questions 1.12, 1.13 and 1.14, moved to Section 11 to become Questions 11.5, 11.6, and 11.7.
30 August 2021	Question 1.15 – Is there a sample version of the deed of guarantee available to review?
	Question 2.8 – Does a project partner have to be part of a joint application?
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1. General Questions

1.1. What funding is available?

For the Modern Manufacturing Initiative's Collaboration Stream - Grant Opportunity, a total of approximately $800 million is available from 2021-22 to 2023-24.

The minimum grant amount is $20 million and the maximum grant amount is $200 million.

You are responsible for the remaining eligible project expenditure. You do not need to have fully raised your share of funding when you submit your application.

1.2. What can I spend the funding on?

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 A of the Grant Opportunity Guidelines.

For guidance on ineligible expenditure, see Appendix B of the Grant Opportunity Guidelines.

If your application is successful, we may ask you to verify project costs that you provided in your application. You may need to provide evidence such as quotes for major costs.

To be eligible, expenditure must:

- be a direct cost of the project
- be incurred by you for required project audit activities.

You must incur the project expenditure between the project start and end date as defined in your grant agreement for it to be eligible unless stated otherwise.

You may elect to commence your project from the date of the letter of offer. However, we are not responsible for any expenditure you incur until your project has been approved for grant funding and a grant agreement is executed.

1.3. Are there rules or conditions around how I fund my contribution?

Total eligible project expenditure can be funded through non-Government and Government sources, subject to the following limitations:

- Contributions from Commonwealth Government sources (including this grant) cannot exceed 50% of the total eligible project expenditure. Other Commonwealth sources may include Commonwealth loans, for example from the Clean Energy Finance Corporation, or the Northern Australia Infrastructure Fund.
- Contributions from all government sources (including Commonwealth, State and Territory and local government sources and including this grant) cannot exceed 65% of total eligible project expenditure.
- You must have a minimum of 35% of total eligible expenditure from non-government sources.

Projects with a higher proportion of private sector funding will be more competitive, all else being equal (refer to Assessment Criteria 4). It is not a requirement to have funding from other Government sources.

Contributions can be in the form of cash or in-kind.

In-kind contributions are limited to 10% of total eligible project expenditure, capped at a maximum of $16 million. You can find further guidance on in-kind contributions at Appendix C.

You cannot use more than one Commonwealth Government grant to fund the same eligible activities you intend to undertake as part of your Manufacturing Collaboration Stream project. For example, if you are receiving funding through the Manufacturing Modernisation Fund to purchase a piece of manufacturing plant and equipment, you cannot use Manufacturing Collaboration Stream grant funds to purchase the same piece of plant and equipment. For clarity, this does not prevent a business from applying for grant funding under another stream of the Initiative, however the same activities cannot be funded more than once.

1.4. Are joint applications allowed?

You may choose to join as a group to deliver a project. In these situations, you can either appoint a lead organisation or agree to establish a new entity that meets the eligibility criteria outlined at section 4 of the Grant Opportunity Guidelines. Only one eligible entity can enter into the grant agreement with the Commonwealth and report on the outcomes of the project as specified in the grant agreement.

The application should identify all other members of the proposed group, the intended governance arrangements and include a letter of support from each of the project partners.

If your governance arrangements outlined in your application require formal arrangements between parties, you must provide evidence of significant progress of these being in place with all parties prior to execution of the grant agreement. Where there are project partners, the Commonwealth may require those partners to enter into agreements or other instruments imposing obligations on those parties in respect of the relevant project and funding.

You may secure additional projects partners or may substitute project partners during the period of the grant agreement.

1.5. Are there any geographical requirements for projects?

Projects funded under the Collaboration Stream Grant Opportunity must be located in Australia. There are no further eligibility requirements relating to location. However, decision making during the assessment process will, amongst other considerations, take into account the geographical spread of projects across Australia.

1.6.   What is the difference between the Collaboration Stream and the Translation and Integration streams?

The Modern Manufacturing Initiative is a key element of the Modern Manufacturing Strategy and unlocks private sector investment through three streams, the Manufacturing Collaboration Stream, the Manufacturing Translation Stream and the Manufacturing Integration Stream.

The Manufacturing **Collaboration** Stream encourages businesses to work together, addressing barriers to scale and capability, leverage the strength of the Australian research sector, through collaborative large-scale manufacturing projects that transform the National Manufacturing Priority areas under the Modern Manufacturing Strategy.

The Manufacturing **Translation** Stream supports projects that aid in the translation of high quality research and ideas into commercial outcomes.

The Manufacturing **Integration** Stream supports projects that integrate Australian businesses into domestic and international value chains, propelling their goods and services into new markets or improving their positions in these chains.

The **Collaboration** Stream is the largest of the streams and will provide co-funding grants of between $20 million to $200 million, up to 33% of eligible project expenditure.

The **Translation** and **Integration** Streams provide smaller grant amounts of between $1 million to $20 million, up to 50% of the eligible project expenditure.

1.7.   Are there penalties if my project does not commence or fails to get off the ground?

You will have 60 days from the date of a written offer to form or nominate a legal entity to lead this project and execute a grant agreement with the Commonwealth. During this time, we will work with you to finalise details.

The offer may lapse if both parties do not sign the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the Prime Minister.

You must advise us if anything is likely to affect your project or organisation before executing the funding agreement or during the life of the project (should you be successful in securing a grant).

We need to know of any key changes to your organisation or its business activities, particularly if they affect your ability to complete your project, carry on business and pay debts due.

You must also inform us of any changes to your:

- name
- addresses
- nominated contact details
- bank account details.

If you become aware of a breach of terms and conditions under the grant agreement, you must contact us immediately.

You must notify us of events relating to your project and provide an opportunity for the Minister or their representative to attend.

1.8. What do you mean by "transformative, industry-led proposals"?

Transformative projects (referenced on pages 6, 7 and 8 of the grant opportunity guidelines) under the Modern Manufacturing Initiative will involve manufacturers moving towards the ends of the manufacturing "smile curve", such as design, logistics, distribution, and after sales services. Projects that help manufacturers do more than just "business as usual" production will help them capture more value and ultimately should help them become more profitable and competitive. A transformative project may also include improved processes and practices, underpinned by the adoption of new technology, for example.

Transformative projects may solve challenging industry issues that are identified in the roadmaps for each national manufacturing priority. Transformative projects will drive growth, productivity and competitiveness within the National Manufacturing Priority sectors, and leverage investment to achieve these aims.

Transformative projects may include the development new products and processes (new to the company, new to Australia or new to the world). However, producing a new product does not in itself make the project transformative. Transformation will be viewed as the extent to which the project will enable long-term competitiveness of Australian manufacturing, as well as job creation, growth and scale.

Projects that create spill-overs such as knowledge diffusion, innovation, supply chain development, and support manufacturing networks and ecosystems may also be considered transformational.

1.9. Why has the applications process changed from a two-stage to a one-stage process?

A single stage application process will get money into the hands of successful applicants sooner, providing the boost the manufacturing sector needs to make important new investments as we continue our path to recovery in the wake of the COVID-19 crisis.

1.10. Can projects occur across multiple sites?

Yes, project activities can occur across multiple locations. The application form will ask you to provide the addresses of all project locations, including the estimated percentage of project value expected to be undertaken at each site.

1.11. Does my project need to have an export component?

No. Your project does not need to have an export component to it. Projects can be focussed on the domestic market provided they meet the objectives of the program.

1.12. Is a grant considered income for tax purposes?

Grants are assessable income for taxation purposes, unless exempted by a taxation law (see section 10.4 of the program guidelines). We recommend you seek independent professional advice on your taxation obligations or seek assistance from the Australia Taxation Office. We do not provide advice on tax.

1.13. Is there a sample grant agreement available to review?

A sample grant agreement is available to view at business.gov.au/mmic.

1.14. Do all projects need to demonstrate new job creation?

You should refer to Assessment Criterion 2b) which will require you to outline the anticipated employment outcomes of your project. This could include an increase in jobs and/or a more highly skilled workforce both during your project and into the future.

1.15. Is there a sample version of the deed of guarantee available to review?

The deed of guarantee, referred to in the sample grant agreement, will be issued to successful applicants.

2. Collaboration

2.1. Why are you focusing on Collaboration?

Collaboration has been proven in Australia to increase productivity growth. International experience demonstrates that investments designed to support business collaboration and networking helps to attract new investment and create "spillovers" such as additional research & development, innovation and knowledge diffusion, leading to increased growth, exports, and new jobs.

Despite these benefits, Australian businesses often struggle to collaborate. Australia ranks lower across a range of collaboration metrics for both business-to-business collaboration and business-to-research collaboration. It can be difficult for businesses to organise joint activities, potentially lacking the resources, time, or even the trust necessary to act in concert with other businesses. There may also be other barriers, such as a lack of information about the complementary capabilities that potential collaborators may have.

The Modern Manufacturing Initiative's Collaboration Stream – Grant Opportunity aims to help manufacturers overcome these barriers and catalyse long-term transformation in the National Manufacturing Priority (NMP) areas.

2.2. What do you mean by Collaboration?

Collaboration involves businesses and other organisations working together, drawing on each other's strengths and complementary capabilities to deliver a project. For the purpose of the grant opportunity, types of collaboration can include, but are not limited to, formal arrangements such as joint ventures, associations or consortia and more informal collaborative interactions such as networking and discussing and sharing ideas and information.

2.3. What types of collaboration are allowable and how can I demonstrate it?

The Collaboration Stream Grant Opportunity will encourage many forms of collaboration. This could include projects brought forward by groups, for example where the collaboration may be formalised through legal agreements and governance models, as well as projects brought forward by a single entity, for example to create shared use or multi-user facilities that generate informal collaboration.

Regardless of the form or type of collaboration, projects must demonstrate that they will establish real and meaningful collaborations that will allow manufacturing businesses to achieve scale, become more competitive, create new jobs and help to upskill the Australian manufacturing workforce.

However, collaboration excludes straight fee-for-service and franchising arrangements.

As outlined in the eligibility criteria in section 4.1.2 of the Grant Opportunity Guidelines, your application must provide a detailed governance plan outlining the arrangements for managing your project and relationships with partners and why the proposed arrangements are most suitable for your project.

2.4. Can I collaborate with overseas partners?

Yes. Projects with an overseas partner organisation(s) are acceptable, provided the project meets the objectives of the MCS, namely the transformation of and investment in Australian manufacturing. You should also give consideration to export controls and foreign ownership disclosure requirements. Refer to sections 10.2.1 and 10.2.2 in the guidelines for further information.

2.5. Can I partner with a public research organisation?

Yes. There are minimal eligibility requirements for project partners. This means you could partner with organisations such as CSIRO or a Cooperative Research Centre or a University.

2.6. Would you view cross-state collaborations more favourably than collaborations within one state?

Due to the competitive nature of the program we cannot comment specifically whether a cross-state collaboration is more favourable than within a single state.

Collaboration is at the core of the program and we take a broad view. Regardless of the form of collaboration, projects need to demonstrate that they will generate real and meaningful collaborations. Applications should focus on how the project will achieve the objectives and outcomes of the program.

2.7. What are acceptable governance structures for collaborations?

In general, the governance structure put forward should be the best fit for the project at hand. The application should identify all other members of the proposed group and the intended governance arrangements. As per section 7.2 of the Guidelines, only one entity can enter into the grant agreement with the Commonwealth. This entity must meet the eligibility criteria as specified in section 4 of the Guidelines.

2.8. Does a project partner have to be part of a joint application?

We recognise there are many ways you can establish collaborative arrangements between partners. For some collaborations, an eligible lead applicant may apply on behalf of a group and this entity will be responsible for managing the project on behalf of the group. In other circumstances, if your application is successful you may establish a new eligible entity to manage the collaboration that would enter into the grant agreement.

2.9. Does an entity have to be a project partner in order to formally recognise cash or in-kind contributions?

For the Collaboration stream, a project partner refers to all the different organisations you collaborate with as part of your project. This collaboration could, but is not required to, include financial contributions to the project.

As per Question 2.3, project partners do not include customer and supplier relationships, or straight fee-for-service and franchising arrangements.

2.10. If my project is successful, do I need to have a contract in place with my developer before I can execute the funding agreement?

There are no set requirements in the Guidelines around having the project developer formally in place at the application stage or prior to the agreement with the Commonwealth, if successful.

However, as Assessment Criterion 3 sets out, evidence on the capacity, capability and resources to deliver the project needs to be provided. The information and evidence provided on how the project will be delivered will inform the merit for this criterion.

In addition, you may also wish to consider section 7.2 of the Guidelines, which state "If your governance arrangements outlined in your application require formal arrangements between

parties, you must provide evidence of significant progress of these being in place with all parties prior to execution of the grant agreement".

2.11.   Are there any naming requirements around new entities established to operate successful projects?

The legal name of your entity needs to be compliant with Australian Securities & Investment Commission (ASIC) regulations as per registering your entity. We do not have any additional requirements for the name of lead organisations.

2.12.   Does the lead applicant have to have an ownership interest in a new entity formed to lead a successful project?

It is up to each applicant to determine what the best governance arrangement is for their project. The guidelines do not prescribe the need for the lead applicant entity to have any ownership in the project entity, noting however that the project entity must meet the eligibility criteria.

2.13.   Are state / territory governments eligible to be project partners?

State, territory and local governments can be project partners. They can also provide cash and/or in-kind support to projects, in line with the requirements listed in the guidelines.

Further relevant information on eligibility for project partners is in Question 7.8.

3.   National Manufacturing Priorities (NMPs) and Road Maps

3.1.   What are the NMPs?

The Australian Government's Modern Manufacturing Strategy outlines six NMPs. These are:

- resources technology and critical minerals processing
- food and beverage
- medical products
- recycling and clean energy
- defence
- space

It is an eligibility requirement that your project aligns with one or more of the six National Manufacturing Priorities.

Further information on the National Manufacturing Priorities can be found in section 2 of the Grant Opportunity Guidelines.

3.2. What are the NMP Road Maps and how do they link to the Modern Manufacturing Strategy?

Road maps have been developed with industry for each National Manufacturing Priority identified in the Modern Manufacturing Strategy.

Each priority area has been identified as having significant manufacturing growth opportunities with the potential to deliver long-term transformational outcomes for the Australian economy.

The National Manufacturing Priority road maps outline the vision, growth opportunities, actions, goals and key milestones for each priority area. The road maps set the direction for the future growth and expansion of these sectors and provide a way forward for both government and industry to work together to invest in new and exciting opportunities to grow jobs, scale-up activities and access global supply chains.

The road maps for each of the NMPs are available at industry.gov.au/manufacturing.

As part of assessment criterion 1, you are required to outline how your project aligns with and supports implementation of the relevant National Manufacturing Priority road map(s), and the growth opportunities and goals set out in the road maps.

3.3. How do I align my project with the NMPs?

You will need to identify the National Manufacturing Priority area(s) your project aligns with. You will be required to explain reasons for the selection of the priority area(s) within your application. Your case for alignment with a National Manufacturing Priority area is both an eligibility requirement and will be considered when assessing the merit of applications. Further information can be found in section 6.1 of the Grant Opportunity Guidelines.

Manufacturing Collaboration Stream projects must also involve a manufacturing element of the relevant National Manufacturing Priority.

For example, for the Food and Beverage National Manufacturing Priority, projects that are related only to primary production would not be eligible. Projects for Food and Beverage should relate to Food and Beverage processing or other related food and beverage manufacturing activities.

For example, under the Resources Technology and Critical Minerals Processing Priority, eligible projects relate to advanced processing of critical minerals or the design and manufacture of resources technologies that help companies to mine ores (not the mining of the ores themselves).

The road maps for each of the National Manufacturing Priorities are available at industry.gov.au/manufacturing.

3.4. If my application covers more than one NMP should I only align it to one?

This will depend on the nature of your project and is a decision for you to make. Projects can align to more than one National Manufacturing Priority area and you will be required to explain reasons for the selection of the priority area(s) within your application.

The road maps for each of the NMPs are available at industry.gov.au/manufacturing.

3.5. Will there be a set allocation of grant funding awarded between the NMPs?

There is no pre-determined allocation of grant funding between the six National Manufacturing Priorities. The distribution of projects across the National Manufacturing Priorities, the geographic distribution of projects and the extent to which projects fit together as a strategic and complimentary group will be a consideration during the decision making process.

3.6. Will mRNA manufacturing proposals be considered?

Due to the competitive nature of the program we cannot comment specifically on the eligibility of a project. It is up the applicant to determine if the project aligns to one or more of the NMPs and to determine if the project meets the eligibility requirements.

3.7. Is my project able to import and localise world-leading IP and knowledge eligible?

We cannot comment specifically on the eligibility of a project. This is in part due to the fact we do not know all of the details of all projects at this pre-application stage and to ensure the probity of the process, and ensure all potential applicants are treated fairly and equally.

To determine if your application meets the eligibility requirements, you should ensure you are familiar with section 4 of the Guidelines. In particular section 4.2 outlines that we can only accept applications "where your project aligns with one or more of the six National Manufacturing Priorities (NMPs)". Details of the NMPs are outlined in the relevant National Manufacturing Priority Road Map. Please ensure you have read the relevant Road Map.

4. Funding size and contributions

4.1. What is the minimum and maximum grant?

The minimum grant amount you can apply for is $20 million and the maximum grant amount is $200 million.

The grant amount will be up to 33% of eligible project expenditure.

There is no maximum project size or expenditure amount, however, the maximum grant funding a project can receive is $200 million.

4.2. Can state, territory or local government contributions be included as part of my contribution to eligible project expenditure?

Section 3.1 of the Grant Opportunity Guidelines states you can use funding from State, Territory or local government sources to fund part of your contribution to eligible project expenditure.

It is important to note that contributions from all Government sources (including Commonwealth, State and Territory and Local Government sources, and including this grant) cannot exceed 65% of total eligible project expenditure.

4.3.   How much non-government investment must I have in my project?

You are responsible for the non-grant component of your project, which is up to 67% of total eligible project expenditure. The non-government component can come from a variety of sources, however, you must have a minimum of 35% of total eligible expenditure contributed from non-government sources.

4.4.   Can Commonwealth loans or concessional finance fund a proportion of my contribution to eligible project expenditure?

Contributions from other Commonwealth sources (for example loans or concessional finance from the Northern Australia Infrastructure Facility or the Clean Energy Finance Corporation) can be used to fund a proportion of your contribution to eligible expenditure, subject to the rules of the other Commonwealth sources.

As outlined in section 3.1 of the Grant Opportunity Guidelines, contributions from Commonwealth Government sources (including this grant) cannot exceed 50% of total eligible project expenditure.

You cannot use more than one Commonwealth grant to fund the eligible activities outlined in your Manufacturing Collaboration Stream grant opportunity application.

4.5.   What are in-kind contributions and are there limits on it?

Up to 10% of total project expenditure can come from in-kind sources up to a maximum of $16 million.

In-kind contributions are eligible non-cash contributions. These can include access to facilities, equipment and services provided by project partners or labour contributions for research personnel or other specialist expertise.

In order for in-kind contributions to count towards your total eligible grant project value, they must directly relate to eligible activities.

In-kind contributions from research institutions such as universities, CSIRO, Cooperative Research Centres or Growth Centres do not contribute to the maximum 50% Commonwealth contribution.

Further details can be found in Appendix C of the Grant Opportunity Guidelines.

4.6. What are the allowable minimum and maximum total project expenditures?

Consistent with the minimum grant allowable ($20 million), the minimum eligible project expenditure is $60.6 million. The Commonwealth Government will fund up to 33% of eligible project expenditure.

There is no maximum project expenditure amount. However, the maximum grant funding a project can receive is $200 million, which equates to eligible project expenditure of at least $606 million.

4.7. What are the total funding allocations for the Collaboration funding stream?

As outlined in the Grant Opportunity Guidelines, there is approximately $800 million available for the Collaboration Stream's grant opportunity between 2021-22 and 2023-24.

4.8. When do I need to have my funding contribution ready? Do I need to have the entire amount available up front?

You do not need to have fully raised your share of funding when you submit your application, but it will be important to demonstrate the progress that has been made in this regard. The more evidence that you can provide that you will be able to fund your contribution of eligible project expenditure the more competitive your project will be.

If your application is successful and you are offered a grant under this program, you must provide an accountant declaration using the template available. This confirms you can fund your share of the project costs, including any ineligible expenditure. Your budget and financial model must also clearly demonstrate the sources of funding and a drawdown schedule for all sources of funds over the life of the project.

4.9. Does revenue earned from a government procurement contract count towards the caps on government funding contributions?

We do not consider revenue earned through a commercial arrangement where government is the customer and receives goods/services as contributing to the caps on funding from government sources. However, to be considered as an applicant's funding for eligible project expenditure this revenue must have already been received or will be received by the business during the course of the MCS project, and the applicant must have the funds on hand to be able to fund project expenditure according to the project milestones. For clarity, this means future arrangements such as offtake agreements that will not come into effect until after the MCS project is completed cannot be used as a funding source.

Applicants should also give consideration to Appendix B of the Grant Opportunity Guidelines which note that activities, equipment or supplies that are already being supported through other sources are ineligible expenditure.

4.10. Why is the minimum project size $60.6 million?

The Commonwealth will fund up to 33% of eligible project expenditure. As the minimum grant amount is $20 million, the minimum amount of eligible expenditure a project can contain is $60.6 million.

4.11. Are there other grants available if my project costs are less than $60.6 million?

To find out more about manufacturing funding provided through the Department of Industry, Science, Energy and Resources you can visit industry.gov.au/manufacturing.

Business.gov.au is also a great starting point to find information, grants, services and support from across all tiers of government to help your business succeed. You can also talk with business.gov.au directly by calling 13 28 46 or using the live chat function on the website between 8am and 8pm, Monday to Friday, across Australia.

4.12. Can we use funding from state government sources which has already been committed but not yet spent?

In line with Section 3 of the guidelines, you can use state government funds towards your share of project costs. As per section 5.2 of the guidelines, eligible project expenditure must be a direct cost of the project, incurred during the project start and end dates as defined in your grant agreement. If the state government funding has been committed to activities outside the scope of the project as per the grant agreement, those activities and associated expenditure would not be eligible.

4.13. Is funding from international government sources allowed?

Foreign government funding sources are not prohibited under the guidelines of the Manufacturing Collaboration Stream and this would not be counted against the government contribution. However, any international government funding would have to meet all relevant policies, regulation and legislation on foreign investment.

4.14. Do cash contributions from universities count towards the 65% government funding cap?

Universities that supply cash not supported by government funds to a project will not be counted towards the 65% government funding cap. It will be considered a non-government contribution.

See questions 7.3 and 7.10 for more information on university eligibility.

4.15. Can I still apply for funding through Collaboration Stream if my total eligible project costs are less than $60.6 million?

The Collaboration Stream is the largest of the streams of the Modern Manufacturing Initiative and will provide co-funding grants of between $20 million to $200 million, up to 33% of eligible project expenditure. Consistent with the minimum grant allowable ($20 million), the minimum eligible project expenditure is $60.6 million.

If your project does not meet the minimum size for a Collaboration Stream grant, you may still be eligible to apply for Modern Manufacturing Initiative funding under future rounds of the Translation and Integration Streams. The Translation and Integration Streams provide smaller grant amounts of between $1 million to $20 million, up to 50% of the eligible project expenditure.

4.16. Will you make any allowances for project contingencies, i.e. time and/or cost overruns?

It will be up to each applicant to identify if there are any project contingencies and how that should be included in the project plan and budget.

Assessment Criterion 4 – Access to finance and investment- includes reference to your ability to fund and manage and cost overruns.

4.17. One of our project partners is partly foreign owned. Does the proportional share of the partner's cash contribution need to be treated as foreign financial support?

Cash support from a foreign-owned partner should be disclosed, as well as and key board members or project personnel based overseas as part of the application.

If an application is successful, disclosures of all foreign influences will need to occur as a requirement of the funding.

4.18. Are contributions from TAFE Queensland considered state government contributions?

Cash or in-kind contributions from TAFE Queensland will count towards the government caps as it is considered state government contribution. This is due to the legislation that established TAFE Queensland and governs its operations.

This may differ for other TAFEs (or equivalent bodies) depending on their establishing legislation.

5. Key dates and timing

5.1. When will the program open and close for applications?

The application timeframe for the Collaboration Stream is set out below.

Please take account of time zone difference when submitting your application.

Guidelines and sample application form available	30 June 2021
Applicant Lodgement Open	11 August 2021
Applications Close	5:00pm AEST 9 September 2021

5.2. Can I submit a late application?

No. Late applications will not be accepted.

5.3. When does my project need to be completed?

You must complete your project by 31 March 2024.

Consideration may be given to projects that extend beyond 31 March 2024, on a case by case basis.

We understand the grant project you are applying to receive funding for may be part of a larger or longer-term, transformational project. In these circumstances, you should structure your grant project around activities that can be achieved by 31 March 2024.

5.4. Will there be future rounds for the program?

It is envisaged that there will only be one round of the Collaboration Stream.

5.5. How do I determine the best start date for my project?

In Section E of the application form, you are required to provide an indicative start date for your project. Please enter a date within 3 months of when you intend to submit the application. We will negotiate actual start dates with successful applicants.

6. Application process

Before applying, you should read and understand the Collaboration Stream Grant Opportunity Guidelines, the sample application form and the sample grant agreement published on business.gov.au and GrantConnect.

To apply, you must:

- complete the online application form via business.gov.au
- provide all the information requested
- address all eligibility and assessment criteria

- include all necessary attachments.

You can use the sample [application form](#) to begin work on your application. You must lodge your application via business.gov.au before the closing date which is 5:00pm Australian Eastern Standard Time (AEST) 9 September 2021. Please take account of time zone differences when submitting your application. You will be able to lodge your application on 11 August 2021.

You may choose to submit more than one application under the Manufacturing Collaboration Stream provided project activities in submitted applications are not substantively the same.

If you need further guidance around the application process, or if you are unable to submit an application online, contact us at business.gov.au or by calling 13 28 46.

The Collaboration Stream Grant Opportunity process is demonstrated in the figure below.
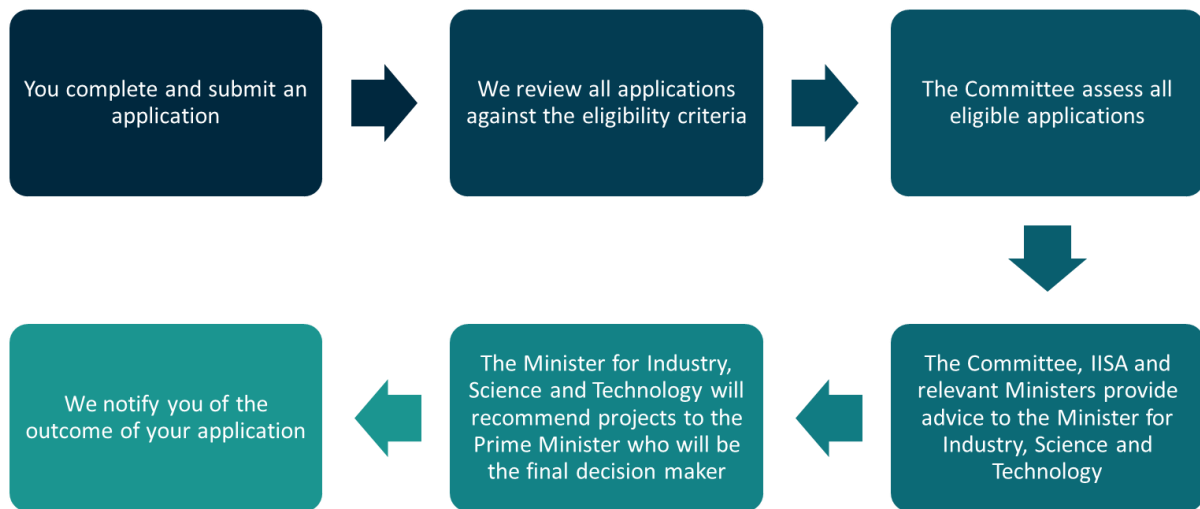
Figure 1. Manufacturing Collaboration Stream assessment process

6.1. How do I submit an application?

You must apply online. For details visit [business.gov.au/mmic](#)

You can begin working on your application with the sample [application form](#) via business.gov.au. You will be able to lodge your application from 11 August 2021 via the online application form on business.gov.au until the closing date 5:00pm Australian Eastern Standard Time (AEST) 9 September 2021. Please take account of time zone differences when submitting your application.

You will need to complete all questions asked in the online application form and include all mandatory documentation and attachments.

Both successful and unsuccessful applicants will receive notification in writing.

Applications must be submitted through the online application form before the closing date for this grant opportunity.

6.2. What attachments and/or letters of support are required as part of my application?

A number of attachments are required as part of your application process.

You should consult sections 7.1 and 7.2 of the Grant Opportunity Guidelines, for a detailed list of the attachments and what the attachments should cover or include.

If an attachment exceeds the 2MB or 20MB cumulative limit, you will not be able to submit successfully. We advise that, **before the application period closes**, you:

- Upload as many documents below the 2MB and 20MB threshold online

- For the remaining attachments, upload blank documents online

- Send an email **immediately** afterwards to MCS@industry.gov.au confirming that you have submitted online without all required documents due to file size limit, and attach the remaining documents to the email

    o Please note that emails over 20MB may bounce from the MCS inbox. If your email is close to or over 20MB in total, please consider splitting into multiple emails.

- Please include your application number in your email.

This must occur before the application period closes.

6.3. What if I make an unintentional error in my application?

If you have submitted your application and the application period is still open, you will have to withdraw your application and submit a new application.

Replacement applications will not be accepted once the closing date has passed.

If we find an error or information that is missing, we may ask for clarification or additional information from you that will not change the nature of your application. However, we can refuse to accept any additional information from you that would change your submission after the application closing time.

6.4. How do I withdraw my application?

You can withdraw your application through the customer portal, or with an email with your application number to MCS@industry.gov.au requesting that your application be withdrawn.

6.5. Can a government business enterprise apply?

A government business enterprise that meets the eligibility criteria may apply. For the purposes of determining eligibility for the MCS, the term 'government business enterprise' is not limited to Commonwealth entities prescribed in the *Public Governance, Performance and Accountability Act* (2013). It also includes equivalent commercial businesses which are owned by a state or territory government.

6.6. My submission includes sensitive information. What do I need to do?

You should refer to Section 13 of the Grant Opportunity Guidelines for details on how we use your information, including how we handle confidential information. You should only include information that is classified as "Official" according to the Australian Government security classification system.

If you have specific concerns you would like to discuss, you should contact AusIndustry on 13 28 46.

6.7. How do I provide evidence to support the economic benefits of my project, noting that only mandatory attachments can be provided?

Ultimately it is up to the applicant to decide how best to present their case for their project within the restrictions of the application form.

Section 7.1 of the guidelines states that as part of the detailed financial model attachment, "the model should also be consistent with the anticipated employment outcomes identified in response to Assessment Criterion 2. Any additional supporting information, studies and plans, in particular, offtake agreements, feasibility studies and cost/benefit analyses should also be included where appropriate to support the assumptions in the model."

6.8. How do I calculate Gross Value Added (GVA)?

The calculation to use for GVA is as follows:

$$GVA = (Annual\ Turnover\ (\$) - Material\ Costs\ (\$))$$

Material costs can be defined as materials, services (including but not limited to water and energy) and software, and excluding staff costs and capital costs, such as land, building and equipment.

6.9. How do you define terms such as "transaction costs", "new technology", and "design" in sections D and H of the application form?

We do not have set definitions for these terms. We encourage applicants to take plain English definitions.

6.10. Do the questions in Section H of the application form relate to partner's participation in the project, or their organisation's financial performance as a whole?

The project partner financial performance questions in Section H (e.g. employee numbers, net profit, gross value add, export revenue, and so on) should be filled out according to each partner's finances as a whole.

We appreciate that not all sections in the application form will fit each partner's individual circumstances exactly. It is up to the lead applicant and the project partners to determine how best to convey their information.

For example, it is not a requirement that the lead applicant or a project partner be actively exporting, thus this question on export revenue will be best answered in relation to the individual circumstances of each party.

As per the help text in the application form, entering $0 is acceptable if applicable for the project partner organisation.

6.11. Does 'pecuniary penalties' in the application form mean any pecuniary penalties, e.g. speeding fines?

Yes, the question related to any form of pecuniary penalties imposed by a Commonwealth, State or Territory court or entity.

6.12. Who is considered a 'person of authority' for reporting pecuniary penalties?

Please include the entire management team – board members and managers.

6.13. Can an organisation be involved in more than one application?

It is possible for organisations to be involved in more than one application, however they will need to consider how they will manage their involvement if all are successful. In addition, as outlined section 3.1 of the Guidelines, we will not fund the same project or the same activities more than once, so contributions to multiple projects by the one organisation should be discrete.

6.14. Can a consultant submit an application on behalf of the lead applicant?

Anyone who has the authority to submit an application on behalf of the lead applicant can do so. Generally this person will be within the applicant organisation. If you are outside the applicant

organisation, it is up to you and the organisation to determine if you have that authority and evidence of this authority if requested.

6.15. My GVA calculation came out to a negative result, which the application form doesn't allow. What do I enter?

If you end up with a negative number for your Gross Value Added (GVA) calculation, please enter 0 (zero) into the related field.

7. Eligibility requirements

7.1. Who is eligible to apply?

We cannot consider or assess your application if you do not satisfy all of the eligibility criteria.

Section 4 of the Grant Opportunity Guidelines outlines the eligibility criteria for lead applicants.

To be eligible you must:

- have an Australian Business Number (ABN)

In addition we can only accept applications:

- where your project aligns with one or more of the six National Manufacturing Priorities;
- with a minimum of $60.6 million in eligible project expenditure;
- where no more than 50% of your project is funded from Commonwealth funding sources;
- where no more than 65% of your project is funded from all government sources (including Commonwealth, State and Territory and local);
- where your project shows the potential to expand or promote interstate or international trade;
- where you can provide evidence from your board (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding. The evidence of support template must be used and is available on business.gov.au and GrantConnect;
- where you can provide letters of support from your project partners; and
- where you can provide a detailed governance plan including the governance model and arrangements for managing your project and relationships with partners and why the chosen model and arrangements are the most appropriate for your project.

We cannot waive the eligibility criteria under any circumstances.

In addition, as outlined in Section 10 of the guidelines, if you are offered a grant under this program you must:

- have an Australian Business Number (ABN)
- be registered for the Goods and Services Tax (GST)
- be an entity incorporated in Australia
- provide evidence of how you will provide your share of project costs using the accountant declaration template, which confirms you can fund your share of the project costs, including

any ineligible expenditure. You must use the accountant declaration template, available on business.gov.au and GrantConnect.

7.2. Who is not eligible to apply?

You are not eligible to apply if you are:

- An organisation, or your project partner is an organisation, included on the National Redress Scheme's website on the list of 'Institutions that have not joined or signified their intent to join the Scheme' (www.nationalredress.gov.au)
- an organisation or your project partner is an organisation that has been named by the Workplace Gender Equality Agency as an organisation that has not complied with Workplace Gender Equality Act (2012)
- a Commonwealth, state, territory or local government body (however a government business enterprise that meets the eligibility criteria may apply)
- a non-corporate Commonwealth entity.

7.3. Are universities eligible for funding?

Universities can participate in the MCS in a number of ways. This includes being an active collaborative partner in an MCS project and working with industry on business to research collaborative activities.

A university that is established under legislation is considered to be a "Commonwealth, state or territory body" and is therefore not eligible to submit an application. If a university is established through other means and it otherwise meets the eligibility requirements, it may be eligible to apply.

If a university is a "Commonwealth, state or territory body", this does not prevent it from being a project partner with another entity that is the lead applicant which meets the eligibility criteria.

You should refer to section 4 of the Grant Opportunity Guidelines which outline eligibility requirements.

7.4. Are SMEs eligible for funding?

Any business that satisfies the eligibility criteria can apply. There is no business size requirement, however, the minimum grant amount is $20 million and the grant amount for successful applications will be up to 33% of eligible project expenditure.

This means the minimum possible project size would be $60.6 million.

You should refer to section 4 of the Grant Opportunity Guidelines which outline eligibility requirements.

7.5. Do I need to have a research partner to be eligible for funding?

No, a research partner is not an eligibility requirement.

7.6.   Are overseas companies or entities eligible for funding?

You must be able to satisfy the eligibility criteria to apply. This also applies if you are an overseas entity.

Overseas entities may wish to participate in applications as a project partner.

You should also consider assessment criteria 2, which specifically requires applicants to address the benefits the project will have to Australia.

You should refer to section 4 of the Grant Opportunity Guidelines which outline eligibility requirements and section 6, which discusses the assessment criteria.

7.7.   Can I apply for funding if I have a project that is already underway?

If your proposed project activities form part of a larger suite of works, these may be eligible. These activities must not yet have commenced and be able to be described as a standalone project.

You may elect to commence your project from the date of the letter of offer. We are not responsible for any expenditure you incur until your project has been approved for grant funding and a grant agreement is executed.

The Commonwealth will not be liable, and should not be held out as being liable, for any activities undertaken before the grant agreement is executed.

You should refer to Appendix A – Eligible Expenditure, of the Grant Opportunity Guidelines.

7.8.   Are there eligibility requirements for project partners?

While joint applications are encouraged, applications can be from a single entity. There are minimal eligibility requirements for project partners, however section 4.3 of the grant opportunity guidelines outlines that they cannot be listed on the National Redress Scheme's website and they cannot be named by the Workplace Gender Equality Agency as an organisation that has not complied with the Workplace Gender Equality Act. You should refer to section 4.3 of the guidelines for further information.

7.9.   Can a government business enterprise apply?

A government business enterprise that meets the eligibility criteria may apply. For the purposes of determining eligibility for the MCS, the term 'government business enterprise' is not limited to Commonwealth entities prescribed in the *Public Governance, Performance and Accountability Act* (2013). It also includes equivalent commercial businesses which are owned by a state or territory government.

7.10. Can universities participate in MCS projects?

Yes. There are a number of ways universities can participate in an MCS project. This includes being an active collaborative partner in an MCS project and working with industry on business to research collaborative activities.

While many Australian universities are ineligible to submit an application to the MCS, this does not preclude them from participating in the MCS.

A university that is established under legislation is considered to be a "Commonwealth, state or territory body" and is therefore not eligible to submit an application. However, there are no limitations on the types of entities which can partner with an eligible lead applicant on their submission.

If a university is established through other means and it otherwise meets the eligibility requirements, it may be eligible to apply. You should refer to section 4 of the Grant Opportunity Guidelines which outline eligibility requirements.

Regardless of how a university is established, cash and in-kind contributions from universities do not contribute towards the caps on government funding sources. Appendix C provides further information on in-kind contributions.

7.11. If we propose a new eligible entity to manage a collaboration, would this need to be established before the application is submitted?

You do not need to have established the new entity at the time your application is submitted. However, this new entity needs to meet the eligibility criteria outlined in Section 4 of the guidelines. You will be asked to identify in the application form whether the ABN and entity you are applying with is likely to be the ABN and entity that you will enter into an agreement with the Commonwealth, if your application is successful.

7.12. Does a business need to be actively manufacturing now to be considered eligible?

No, the activity of a business is not an eligibility criteria for the Collaboration stream.

More information on eligibility criteria can be found in section 4 of the guidelines, as well as in Question 7.1 above.

7.13. Do I need to have my bank account details for the payment of the grant ready at application?

It is a mandatory requirement in the application form to enter in bank account details for the account that, if successful, the grant would be paid into. However, noting that these may not be known at the time of application, you may enter all zeroes into the relevant fields of the form. If your project is successful, you will be able to confirm the correct bank details during the agreement negotiation process.

7.14. I don't have an Australian bank account. Can I provide my international bank account details?

No. As Commonwealth grants are only payable within Australia, an international bank account is not allowed. All dollar amounts in your application form should also be represented as Australian Dollars. If you do not have an Australian bank account at the time of applying, you may enter all zeroes into the relevant fields. If your project is successful, you will need to have an Australian bank account to receive grant funds.

7.15. Could a university be considered a state government business enterprise and therefore be eligible to apply?

The term 'government business enterprise' is not defined in the program guidelines and it will be up to each applicant to determine if their situation meets the eligibility criteria as set out in section 4 of the guidelines.

Question 7.3 outlines in further detail eligibility in relation to universities.

7.16. Is a partnership with an ABN eligible to apply?

Partnerships (or any entity) that have an ABN and meet all the additional eligibility requirements set out in Section 4 of the Guidelines are eligible to apply for the Manufacturing Collaboration Stream. Please also be aware that additional eligibility requirements apply if your project is offered a grant, section 10 of the Guidelines.

8. Assessment process

8.1. How will my application be assessed?

Your application will be assessed against the assessment criteria and compared to all other applications submitted. You should refer to section 8 of the Grant Opportunity Guidelines for more detail.

8.2. Will I be required to present my project to the assessment committee?

The expert assessment committee may choose to invite you to an interview as part of the assessment process to clarify and ask questions about your application. This may not be required for all applications. If you are required to attend an interview, they are likely to be held at the end of October or early November 2021.

8.3. Who will approve grants?

The Prime Minister decides which grants to approve taking into account the advice from the Minister for Industry, Science and Technology and the availability of grant funds. The Minister for

Industry, Science and Technology will receive advice from the Committee, IISA and relevant Ministers.

The Prime Minister's decision is final in all matters, including:

- the grant approval
- the grant funding to be awarded
- any conditions attached to the offer of grant funding.

We cannot review decisions about the merits of your application.

The Prime Minister will not approve funding if there is insufficient program funds available across relevant financial years for the program.

8.4.   What are the assessment criteria?

As outlined in section 6 of the Grant Opportunity Guidelines, there are four assessment criteria which must all be addressed in your application:

1. Alignment of your project with the program objectives and Modern Manufacturing Strategy.

2. Benefits to Australia.

3. Capacity, capability and resources to deliver the project.

4. Access to finance and investment.

All criteria are equally weighted.

The application form asks questions that relate to the assessment criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. You should provide evidence to support your answers. The application form displays size limits for answers.

We will only consider funding applications that score highly (50 per cent or more) against all assessment criteria, as these represent best value for money.

8.5.   Do I need to respond to all assessment criteria?

Yes. All assessment criteria must be addressed in your application.

9.   Application Outcomes

9.1.   What if I am advised that my application is ineligible?

You will be notified in writing if your application is deemed ineligible. Contact details of program staff will be included as part of this notification.

9.2. Will there be announcements of successful applicants?

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the *Commonwealth Grants Rules and Guidelines* unless otherwise prohibited by law. We may also publish this information on business.gov.au.

9.3. What happens if I am successful in being awarded a grant?

As outlined in section 10 of the Grant Opportunity Guidelines, if offered a grant under this program you must:

- have an Australian Business Number (ABN)
- be registered for the Goods and Services Tax (GST)
- be an entity incorporated in Australia.
- provide evidence of how you will provide your share of project costs using the accountant declaration template, which confirms you can fund your share of the project costs, including any ineligible expenditure. You must use the accountant declaration template, available on business.gov.au and GrantConnect.

Where you are approved to receive $20 million or more in grant funding from the Commonwealth, you must develop a SmartForm Australian Industry Participation plan ('AIP plan') in accordance with the AIP policy. The AIP plan must be approved by the department prior to entering into a grant agreement with the Commonwealth.

You must enter into a legally binding grant agreement with the Commonwealth. The grant agreement has general terms and conditions that cannot be changed. A sample grant agreement is available on business.gov.au and GrantConnect.

We must execute a grant agreement with you before we can make any payments. Execute means both you and the Commonwealth have signed the agreement. We are not responsible for any expenditure you incur until a grant agreement is executed.

Where there are project partners, the Commonwealth may require those partners to enter into agreements or other instruments imposing obligations on those parties in respect of the relevant project and funding. Significant progress in finalising formal collaborative agreements is required prior to entering into a grant agreement with the Commonwealth.

The approval of your grant may have specific conditions determined by the assessment process or other considerations made by the Prime Minister. We will identify these in the offer of grant funding. These will include a requirement that individuals participating in the project have disclosed all foreign affiliations or membership of foreign government talent programs.

You will have 60 days from the date of a written offer to form or nominate a legal entity to lead this project and execute this grant agreement with the Commonwealth. During this time, we will work with you to finalise details.

9.4. If I am successful in being awarded a grant, what will the payment schedule look like?

The payment schedule in the grant agreement will be negotiated on a case by case basis for successful applicants, according to the needs and specific details of the project.

9.5. What are the standard payment terms of the grant?

If you are successful in being awarded a grant, you will need to submit reports in line with the grant agreement. Subject to the department accepting your progress report, our standard payment terms are 30 days. We will make payments according to an agreed schedule set out in the grant agreement.

9.6. If my application is unsuccessful how do I get feedback on my application?

If your application is unsuccessful, you will have the opportunity to discuss the outcome with AusIndustry. Your application notification email will include the contact details of a representative from AusIndustry.

10. Key documents and attachments

10.1. Where can I find the Grant Opportunity Guidelines and other key information?

The Manufacturing Collaboration Stream page on business.gov.au contains links to the Grant Opportunity Guidelines and other key pieces of information. Visit business.gov.au/mmic.

10.2. Where can I find any templates that must be used in my application?

The Manufacturing Collaboration Stream page on business.gov.au contains links to the Grant Opportunity Guidelines and templates for some of the mandatory attachments to your application. Visit business.gov.au/mmic.

10.3. What information should the financial model include?

The purpose of the financial model is to provide evidence of the long-term commercial viability of the project. Section 7.1 of the Grant Opportunity Guidelines outlines in detail the information you should include in your financial model. You should ensure your project budget, financial model and relevant information elsewhere in your application is consistent.

10.4. What information should a letter of support include?

If your project has formal project partners, you will need to include a letter of support from each project partner as an attachment to your application.

Each letter of support should include:

- Details of the project partner
- An overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
- An outline of the relevant experience and/or expertise the project partner will bring to the group
- The roles/responsibilities the project partner will undertake, and the resources it will contribute (if any); and
- Details of a nominated management level contact officer.

You can also include other letters of support or intent from other parties such as state, territory or local governments and/or customers. There is no set format for these letters.

10.5. How do I provide two years of financial reports if my entity hasn't existed for that long?

Audited financial reports for the past two years and management accounts year-to-date for the current financial year are required to be submitted by the lead organisation and project partners. If you or your project partner(s) entity has not existed for two years, we may request additional or other evidentiary requirements. The evidentiary requirements will support a detailed assessment of the lead organisation and partner's technical and financial capacity and ongoing viability. Your entity (or your project partner's entities) do not have to have existed for 2 years to be eligible for funding.

10.6. What is the accountant declaration for?

If you are offered a grant under the Manufacturing Collaboration Stream you will need to submit an accountant declaration using the template available on business.gov.au and GrantConnect. The accountant declaration confirms that you can fund your share of the project costs including any ineligible expenditure.

10.7. Why am I required to submit a draft Aboriginal and Torres Strait Islander Engagement and Participation Plan?

The grant opportunity guidelines include a requirement for applicants to submit a draft Aboriginal and Torres Strait Islander Engagement and Participation Plan (EPP). The department will work with successful applicants to finalise their EPP before the first milestone payment of the grant.

Encouraging participation of Aboriginal and Torres Strait Islander peoples in the MCS supports the Australian Government's agenda for economic participation of Aboriginal and Torres Strait Islander people as well as the target for strong economic participation and development of people and their

communities under the National Agreement on Closing the Gap. The MCS is an opportunity to demonstrate this commitment to economic development as the centrepiece of the Modern Manufacturing Strategy.

The EPP should be developed in consultation with Traditional Owners and other Aboriginal and Torres Strait Islander people with interests in the area in which the project will take place. It should outline ongoing activities that increase Aboriginal and Torres Strait Islander engagement and participation in the project across community consultation and collaboration, procurement and employment. It is not intended to set hard targets but instead foster a conversation and ensure consultation with Traditional Owners and other Aboriginal and Torres Strait Islander people with interests about how they can participate across the lifecycle of the project. Guidance on developing the EPP and a template can be found on business.gov.au/mmic.

10.8. How far out should projections in my financial model go?

There is no set period in which your financial model needs to provide projections to. The financial model should provide evidence of the long-term commercial viability of the project including a reasonable period in which the project will be operational. You should refer to section 7.1 in the guidelines for additional guidance on the mandatory attachments to your application, which includes the financial model.

10.9. Do financial reports have to be audited?

Yes. Audited financial reports for the past two years and management accounts year-to-date for the current financial year for the lead organisation and project partners are mandatory attachments to the application (refer to section 7.1 of the program guidelines).

However, if a business does not trigger ASIC audit requirements, it can provide financial statements that have been otherwise independently verified.

10.10. Are there file type and file size restrictions for attachments in the application portal?

Yes. Individual attachments can be up to a maximum of 2MB and be one of the following types: doc, docx, rtf, pdf, xls, xlsx, csv, jpg, jpeg, png, gif. There is also a cumulative file size limit of 20MB for each application.

If an attachment exceeds the 2MB or 20MB cumulative limit, you will not be able to submit successfully. We advise that, **before the application period closes**, you:

- Upload as many documents below the 2MB and 20MB threshold online

- For the remaining attachments, upload blank documents online

- Send an email **immediately** afterwards to MCS@industry.gov.au confirming that you have submitted online without all required documents due to file size limit, and attach the remaining documents to the email

    - Please note that emails over 20MB may bounce from the MCS inbox. If your email is close to or over 20MB in total, please consider splitting into multiple emails.

- Please include your application number in your email.

This must occur before the application period closes.

10.11. Do all industry partners need to be committed at the time of application?

Your application should identify all members of the proposed group, the intended governance arrangements and include a letter of support from each of the project partners. The letters must be included with your application when it is submitted. Late additions (either new or updated documents) will not be accepted.

Each letter of support should include:

- details of the project partner
- an overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
- an outline of the relevant experience and/or expertise the project partner will bring to the group
- the roles/responsibilities the project partner will undertake, and the resources it will contribute (if any)
- details of a nominated management level contact officer

Please review section 7.2 of the guidelines for further information.

10.12. What information is required as part of the stakeholder engagement plan?

As outlined in section 7.1 of the guidelines, you must provide a detailed plan for stakeholder engagement, along with the other required documents. The stakeholder management plan is separate to, and distinct from, the governance plan.

While it is up to each applicant to determine the content of its stakeholder engagement plan, based on the specifics of the project, you should note that the intent of the plan is to identify all stakeholders, analyse impacts, identify engagement activities and identify associated timelines. This should include stakeholders that may be impacted by the project, largely external to the project participants.

10.13. What letters of support do project partners that are also contributing funds have to submit?

Project partners that are also contributing funds to the project will need to submit two separate letters – the evidence of support from their board, CEO or equivalent using the mandatory template from business.gov.au/mmic, as well as the letter of support containing the information outlined in section 7.2 of the guidelines.

While this might seem duplicative, the letters address separate requirements for eligibility and merit and there is a risk that joint letter could miss important details. Given the wide range of collaborative arrangements allowed through the Collaboration Stream, where partners may only need to submit one or the other, it has been decided that both are required.

10.14. Do I have to attach a finalised Australian Industry Participation (AIP) Plan to my application?

You do not have to have a final, approved AIP Plan included with your application. However, if your application is successful, you will need to have an AIP Plan approved by the department before you can enter into a grant agreement.

More information on AIP plans can be found in section 10.5 "Australian Industry Participation (AIP) Plan" of the guidelines, and in above.

10.15. My project partners do not want to provide their financial statements to the grant preparation team for inclusion with the application. What can we do?

This is a matter for your project team to decide how to manage.

As per section 7.1 of the Guidelines, audited financial reports for the past two years and management accounts year-to-date for the current financial year for the lead organisation and project partners are mandatory attachments to the application. All attachments must be included at the time the application is lodged.

If you have sensitive information, you should refer to section 13 of the Guidelines for details on how we use your information, including how we handle confidential information.

10.16. Should attachments (for example, the detailed financial model and risk management plan) be project-based or entity-based?

All project-related attachments (such as the financial model, risk plan, stakeholder engagement plan, Aboriginal and Torres Strait Islander engagement plan, and so on) should be prepared for the project, not individual companies, organisations or partners.

10.17. Can the mandatory template for evidence of board/CEO or equivalent support be edited to indicate that the project partner can meet their share of project costs, not the entire project cost?

Each partner is responsible for its own contribution to the project. We do not expect any single party to state they can meet the cost of the whole project if they cannot.

10.18. Can I include diagrams in my responses to the assessment criteria?

The application form fields do not allow for diagrams, only plain text. Any relevant, necessary diagrams should be included within the mandatory attachments, for example the project plan.

10.19. Is the letter for evidence of board/CEO support filled out using the lead applicant's name or the individual project partner's name?

We have updated the template letter on to indicate the letter can be used for both the lead applicant and individual project partners. You can access the new letter now at www.business.gov.au/mmic and GrantConnect.

10.20. Can my Head of Operations sign the evidence of board support letter?

Section 7.1 of the Guidelines states that the mandatory attachment is "evidence of support from the board of proposed project partners, CEO or equivalent". It is up to applicants to determine the most appropriate signatory for the letter.

10.21. Can I submit a video as part of my application?

As per section 7.1 of the Guidelines, you should only attach requested documents to your application. We will not consider information in attachments that we do not request. The form only accepts files smaller that 2MB and the following types: doc, docx, rtf, pdf, xls, xlsx, csv, jpg, jpeg, png, gif. However, you may embed a link to a video within your application or attachments.

10.22. Can I provide attachments after I submit my application?

All mandatory attachments must be submitted with your application before 5pm AEST Thursday 9 September 2021. If your attachments exceed the size limit, please refer to the guidance in Question 10.10.

11. Eligible expenditure

11.1. Is the purchase cost of a greenfield site eligible expenditure?

As outlined in Appendix B of the Guidelines, costs of purchasing, leasing, depreciation of, or development of land are ineligible expenditure.

There are some exemptions outlined in section A.8 of Appendix A, which relate to construction activities.

11.2. What greenfield development costs are considered eligible expenditure?

Section A.8 of the guidelines states that we may consider for reasonable costs associated with the construction of new buildings or facilities directly related to manufacturing activities as eligible expenditure. This would be limited to costs of materials, direct construction labour salary costs, contractor costs, and freight and establishment costs, and evidence must be provided.

11.3. Is installation of an electrical line between a substation and my project site an eligible expense?

As per Appendix B, costs associated with development of connecting infrastructure, including development of road, rail, port or fuel delivery networks beyond the project site are ineligible. This includes electrical infrastructure.

11.4. Can other components of the project funds (other than the Collaboration grant) cover ineligible expenses?

Elements of a project that are ineligible expenditure can be covered by sources other than the grant funds.

11.5. Is rent an eligible expenditure item?

Routine operational expenses are not considered eligible expenditure (see Appendix B of the program guidelines). The Program Delegate may approve specific activities and expenditure where you can demonstrate they are directly linked to the manufacturing activities, necessary to the project achieving its outcomes and consistent with the objectives of the program.

11.6. Do goods purchased overseas contribute to the 10% cap on overseas expenditure?

Plant and other goods, including goods purchased for inclusion in a prototype, that are purchased overseas are not necessarily treated as overseas expenditure. Where plant is used, not where it is purchased, is the basis of treating plant expenditure as overseas or domestic expenditure (Refer to Appendix A, section A7 of the program guidelines). The Program Delegate makes the final decision on what is eligible expenditure.

11.7. Can I claim the costs associated with preparing my application as eligible expenditure if my application is approved?

No. Costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests are all considered ineligible expenditure (see Appendix B of the program guidelines) which grant funding cannot be used for.

11.8. Is expenditure incurred by our collaboration partners for activities directly related to the project considered eligible expenditure?

As per the Guidelines, to be eligible expenditure must:

- be a direct cost of the project
- be incurred by you for required project audit activities
- be incurred during the agreed project start and end dates
- meet the eligible expenditure guidelines (Appendix A of the Guidelines).

Do not consider the project budget as per whose balance sheet the costs will appear on, but rather whether it is eligible expenditure for the project. For example, if the equipment is already owned by the company and was purchased for a purpose other than the project at hand, that would likely not be eligible, whereas if the equipment is to be purchased within the project period specifically for the project, that is likely eligible.

The application, including the budget, should focus on the project at hand. It is up to the applicant to determine how best to structure the project budget across partners in line with the eligible expenditure guidelines in Appendix A.

11.9. Is the cost of raw materials used in the manufacturing process eligible expenditure?

Appendices A and B to the Guidelines set out eligible and ineligible expenditure for the Collaboration stream. To be eligible, expenditure must:

- be incurred by you within the project period
- be a direct cost of the project
- be incurred by you to undertake required project audit activities
- meet the eligible expenditure guidelines.

The Guidelines also note that the Program Delegate makes the final decision on what is eligible expenditure.