



Frequently Asked Questions

Next Generation Manufacturing Investment Programme

General

1. What is the Next Generation Manufacturing Investment Programme?

The Next Generation Manufacturing Investment Programme is a competitive, merit based granting programme that supports capital investment in high value manufacturing.

The grants support capital investment projects that help manufacturing businesses in South Australia and Victoria establish or expand high value manufacturing activities.

2. How do I demonstrate that I am doing “high value” manufacturing”?

You will need to describe the nature of the activity that your business is introducing or expanding, and the basis on which it should be considered high value.

For example, this may include a focus on technological innovation, the use of advanced or highly specialised manufacturing processes, and the need for highly skilled workers.

The purchase of a more technically advanced piece of machinery would not, of itself, indicate the business was undertaking high value manufacturing.

3. What grant assistance is available?

Round 2 of the programme provides:

- grants ranging from \$500,000 to \$2.5 million
- grant funding up to one third of eligible project cost
- support for projects for up to a 3 year period.

4. Can I use other government assistance?

Projects supported by a Next Generation Manufacturing Investment Programme grant cannot receive any other Australian Government funding.

5. When can I apply?

You can only submit an application during a funding round. The opening and closing date for each round will be published at www.business.gov.au.

Eligibility

6. Am I eligible to apply?

To be eligible you must:

- be an entity incorporated in Australia under the *Corporations Act 2001 (Cth)* that is non-income tax exempt and where its trading activities:
 - form a sufficiently significant proportion of its overall activities as to merit it being described as a trading corporation; or
 - are a substantial and not merely peripheral activity of the corporation; and
- have an Australian Business Number; and

- be registered for the Goods and Services Tax (GST); and
- not be named by the Affirmative Action Agency as an organisation that has not complied with the *Workplace Gender Equality Act 2012* (Cth).

You are not eligible to apply if you are:

- an individual or partnership;
- a Commonwealth, State or Local Government agency or body (including government business enterprises);
- registered under the Automotive Transformation Scheme.

7. What is an eligible project?

An eligible project must include eligible activities and at least \$1.5 million in total eligible project expenditure.

8. What are eligible activities?

Eligible activities include:

- buying, installing and commissioning new machinery and equipment
- changing or extending your existing premises to accommodate the new machinery and equipment acquired through the project
- training in the use and maintenance of new machinery and equipment acquired through the project.

Other activities may also be approved if they support programme outcomes.

9. Can I relocate my current manufacturing business to either South Australia or Victoria?

No. A project must take place at a manufacturing site based in South Australia or Victoria, and cannot involve the movement of a business activity from other areas of Australia.

10. What is eligible expenditure?

Eligible expenditure must:

- be incurred by the grant recipient within the project period
- be a direct cost from the project

- meet the eligible expenditure guidelines.

11. What is not eligible expenditure?

Examples of ineligible expenditure include:

- depreciation of plant and equipment
- costs of purchasing, leasing, depreciation of, or development of land
- infrastructure development costs, including development of road, rail, port or fuel delivery networks beyond the manufacturing site
- site preparation activities which are not directly related to, or for the main purpose of, transitioning to high value manufacturing
- maintenance costs
- opportunity costs relating to any production losses as a result of allocating resources to the agreed grant project
- costs of manufacturing production inputs
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports) and preparing any project variation requests
- activities you paid for using non-cash considerations

Merit Criteria

Your application must score highly against each of the following merit criteria to be recommended for funding.

1. The level of net economic benefit that will be achieved by your project.
2. The extent to which your project represents a new or expanded high value activity by your business.
3. The value for money offered by grant funding for your project.

12.How are the criteria weighted?

The criteria are weighted as follows:

Merit Criterion 1: 40 points

Merit Criterion 2: 40 points

Merit Criterion 3: 20 points

From application to decision

13.Before you apply

If you are interested in applying you should read the programme documentation at business.gov.au. You may call the contact centre on 13 28 46 for more information and referral to a Customer Service Manager for guidance on the eligibility and merit criteria.

You must submit your application on the form provided at business.gov.au by the advertised closing date. You must provide all the information that is needed for us to assess your application.

14.Will AusIndustry acknowledge receipt of my application?

When you submit your online application, you will be provided with a receipt number and a link to a page where you enter your email address to receive an acknowledgement email which will include a copy of your completed application.

At a later date, we will advise you if your application is considered to be complete and eligible for merit assessment. We will also

advise you if your application is incomplete or ineligible.

15.What is the process for assessing my application?

AusIndustry will review all applications against the eligibility criteria. If your application is eligible, we will refer it to the programme Advisory Committee which will assess it against the programme merit criteria and compare it to other applications before recommending which projects are funded.

The Minister for Industry, Innovation and Science will make the final decision on which projects will be funded.

16.How will the merit criteria be assessed?

Merit Criterion 1: Net economic benefit

The merit assessment will take into account the business case for your project and how it supports the competitiveness and growth of your business, as well as the wider economic benefits it will create. For example, this may include creation of new markets or products, new job opportunities or supply chain benefits.

Also important is your proven capacity to undertake and complete the Project, and achieve the economic benefits including:

- the capability and track record of key staff and contractors
- the financial viability and sustainability of your business
- your proven ability to fund your share of the project costs not covered by the grant
- commercial viability of your project
- evidence of the market demand and a clear route to market for your products
- evidence supporting projections around jobs growth and supply chain benefits.

Projects that provide new job opportunities for workers from the automotive industry may receive additional points under this criterion.

Merit Criterion 2: High value manufacturing

The assessment will consider to what extent you have demonstrated that the project will

establish or expand your operations in an area of high value manufacturing.

Evidence of this may include how you have or will develop a distinct competitive advantage, for example through:

- a focus on technological innovation
- use of advanced or highly specialised manufacturing processes
- need for highly skilled workers.

Where the project is focused on expanding an existing high value manufacturing activity, you should provide evidence of realistic production increases (not just capacity expansion).

If transitioning into higher value activities, you should explain clearly how this will change the way your business operates and competes.

Note, however, purchase of a more technically advanced piece of machinery would not, of itself, be proof of high value manufacturing.

Merit Criterion 3: Value for money

The assessment will consider the likely impact of the grant on your ability to undertake the project and achieve the project outcomes. This may include:

- why the project would not reasonably proceed without grant support, or
- how the project outcomes will be improved with the assistance of the grant

The scoring of criteria 1 and 2 may also affect how criterion 3 is scored – as they indicate the extent to which grant funding for your project will achieve the overall programme objectives.

17. Will someone call me to discuss my application?

AusIndustry may call you to clarify an eligibility issue. Otherwise, the application will generally be assessed on its merits, without discussion. As such, it is very important to ensure that the application and supporting documents make the strongest possible case against the merit criteria.

18. What happens if my application is successful?

AusIndustry will send you a written offer of funding. You have 30 calendar days from the date of offer to execute a funding agreement with the Commonwealth.

The funding agreement is a legal contract between the grantee and the Commonwealth and provides details of the rights and obligations of both the grantee and the Commonwealth, including the agreed project, the agreed grant amount, the payment schedule, and the grantee's compliance and reporting obligations.

AusIndustry may withdraw the offer if the funding agreement is not executed within the 30-day timeframe.

19. Are the terms of the funding agreement negotiable?

The general terms of the funding agreement are not usually negotiable. The schedules, covering project details, milestones, payment schedule, reporting requirements etc, are specific to your project and will be negotiated with you if your project receives funding.

20. My application was unsuccessful, can I appeal that decision?

The Minister's decision is final in all matters regarding the approval of an application and the grant amount to be awarded. There is no review of decisions.

21. Can I resubmit an application to a later round?

Yes. If your application is unsuccessful, you may submit a new application for the same or similar project to any later round. You need to provide new or additional information to meet the eligibility criteria or strengthen your claims against the merit criteria.