



Manufacturing Growth Program Round 2

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1. Program Summary

The Made in Victoria – Manufacturing Growth Program Round 2 aims to stimulate job creating business investment in sectors where Victoria has a significant competitive advantage to ensure industry is sustainable and thriving into the future.

Grants of between \$50,000 to \$250,000 are available. All grants must be matched by a minimum cash co-contribution of \$2 for every \$1 granted.

1.1 Objectives:

The program will assist small and medium manufacturers with an existing presence in Victoria to:

- expand their capacity and capability by implementing new manufacturing technologies as outlined in the Made in Victoria 2030 – Manufacturing Statement;
- improve productivity and competitiveness in local and global supply chains;
- create new jobs, upskill and reskill workers; and
- support Victoria’s transition towards net zero emissions.

1.2 Outcomes:

The outcomes of this program will be:

- strengthened Victorian manufacturing sector through the adoption and integration of advanced technologies in manufacturing and the creation of high value jobs;
- the development of sovereign manufacturing capability and more resilient supply chains in Victoria;
- greater capability for businesses to capture emerging opportunities in global supply chains; and
- to support projects which support Victoria’s transition toward net zero emissions.

2. Eligibility Criteria

2.1 The Applicant

The Made in Victoria – Manufacturing Growth Program Round 2 is open to small to medium sized enterprises (SMEs) that are on a growth trajectory and require support to expand their manufacturing operations.

2.1.1 Companies

Applicants must meet the following criteria to be eligible for assistance under the program:

- a. be an eligible legal entity¹; and
- b. hold an Australian Business Number (ABN); and
- c. be an employing business registered for WorkCover insurance with WorkSafe Victoria; and
- d. agree to meet any co-contribution requirements with eligible cash expenditure; and
- e. be currently engaged in manufacturing or the manufacturing supply chain or demonstrate a genuine commercial connection to the manufacturing supply chain in Victoria; and
- f. employ at least 20 FTE (full-time equivalent) staff or have an annual turnover of greater than \$1.5 million (preference will be given to applicants that have less than 200 employees and turnover of less than \$100 million)² attest that they:
 - i. agree to conduct the proposed activities in Victoria; and
 - ii. have met all industrial relations obligations as an employer in accordance with the National Employment Standards; and
 - iii. will participate in future program evaluation activity; and
 - iv. will provide financial reports as defined in section 5.5 of these guidelines to enable the Department of Jobs, Skills, Industry and Regions (the department) to conduct a Financial Risk Assessment (FRA).
 - v. Will comply with the requirements of the Fair Jobs Code if applicable

2.1.2 Trust Structures

An Incorporated Trustee can apply on behalf of a Trust provided that the Trustee:

- a. will remain sufficiently liable for the performance of any agreement it signs;
- b. has a right to be indemnified from the assets of the Trust;
- c. is indemnified from the assets of the Trust; and
- d. comply with the criteria as set out for Companies under items a) to f) in 2.1.1.

2.1.3 Partnerships

The individual Partners may apply on behalf of a Partnership provided that the Partners:

- a. will remain sufficiently liable for the performance of any agreement they sign; and
- b. comply with the criteria as set out for Companies under items b) to f) in 2.1.1.

¹ Eligible legal entities include:

Companies incorporated pursuant to the *Corporations Act 2001* and registered with the Australian Securities and Investment Commission (and including where the company is acting in its capacity as a trustee).

² Companies that employ fewer than 20 FTE may be considered for funding if employment will reach at least 20 FTE by the end of the proposed project. Companies with more than 200 employees and a turnover of greater than \$100 million must demonstrate that the project cannot be realised without government funding.

2.1.4 Ineligible Applicants

The following are not eligible to apply:

- a. individuals;
- b. Commonwealth, state and local government agencies or bodies;
- c. publicly funded research institutions;
- d. industry associations or business chambers;
- e. not-for-profit organisations; and
- f. community-based organisations.

2.1.5 Joint Applications

Joint applications are not permitted under the program.

2.2 The Project

Projects must clearly demonstrate how the funding will support:

- the creation of new jobs, and
- increased productivity through investment in new technologies and processes.

With the following highly desirable:

- transition to employment security or higher value jobs, and/or
- skills development and uplift.

Each application can only contain a single project proposal.

2.2.1 Eligible Projects

This grant will support the purchase and commissioning of capital equipment (recorded as fixed assets in the applicant's accounts) and associated project expenditure related to manufacturing product and process improvements, prototyping, evaluation and testing of new products and processes, and supply chain capability development.

2.2.2 Ineligible Projects

Projects that cannot demonstrate an increase in productivity through investment in new technologies and processes are ineligible.

2.2.3 Eligible Project Expenditure

Eligible project expenditure includes:

- capital expenditure (e.g., manufacturing machinery, equipment, and technology);
- other project-related non-capitalised expenditure (e.g., related to product and process improvements, evaluation and testing of new products and processes, technology development and supply chain capability development);
- minor building alterations and fit-out costs;
- training specific to the technology (external costs only); and
- labour and contractors related to the delivery of the project (but do not include internal salaries).

Eligible project expenditure must:

- be incurred by the grant recipient within 12 months of execution of the Grant Agreement;
- be a direct cost of the project; and
- be exclusive of Goods and Services Tax (GST).

2.2.4 Ineligible Expenditure

The program is not intended to support projects which involve:

- routine replacement or a minor upgrade of plant and equipment;
- purchase of vehicles;
- routine operational expenses, including, communications, accommodation, office computing facilities or software, printing and stationery, postage, legal and accounting fees, and bank charges;
- costs related to preparing the grant application, preparing any project reports, and preparing any project variation requests;
- projects where the primary purpose relates to offshore or interstate manufacturing;
- building websites, marketing, sales, and promotional activities;
- early-stage Research and Development (R&D) activities;
- expenditure that is incurred prior to the project commencing;
- internal salaries;
- entertainment cost;
- land acquisition; or
- expenditure where other grants or subsidies are available e.g. **Solar for Business Program** (solar.vic.gov.au/solar-small-business)

3. Project Timelines

Projects will be expected to commence within 30 days of execution of the grant agreement and evidence provided that the applicant has committed a minimum of ten per cent of eligible project expenditure by this date.

Successful applicants will need to complete the project activities within 12 months of the date of the grant agreement. Completion of the project within this timeframe will be a legally binding commitment in the grant agreement.

4. Grant Funding and Co-Contribution

The program provides grants on a 1:2 basis (between the government and successful applicant). Grants of between \$50,000 and \$250,000, excluding GST, are available on a competitive basis.

Applicants will be required to provide quotations and estimates in support of their applications. Funding will not be provided for retrospective activities, (i.e., where project expenditure is incurred prior to execution of a Grant Agreement and project commencement).

4.1 Co-Contribution

All grants require a cash co-contribution from the applicant. In-kind contributions are excluded (i.e., non-monetary resources).

Funds from other Victorian or Commonwealth Government programs cannot form part of the co-contribution (but can form part of total project value).

Full project expenditure, including grant funding and co-contribution funding, must be spent on eligible project activities detailed under section **2.2.3**.

4.2 Other Conditions of Applying

Applicants are only eligible to submit one application for consideration for funding under this program.

Submission of an application does not guarantee that an application will be supported for funding, or that the amount of funding requested will be offered.

5. Application Process

5.1 Prepare an Application

Potential applicants are encouraged to carefully consider their ability to meet the program requirements and how they will perform against the assessment criteria before committing significant resources to developing an application.

Applications are competitive, subject to evaluation against the eligibility and assessment criteria and consideration should be made as to whether the proposal is sufficiently strategic to be funded.

In order to proceed applicants must undertake the following steps to apply:

1. carefully read these program guidelines;
2. compile all necessary supporting documents as detailed in the program guidelines and application form;
3. submit an application online at the **Business Victoria programs webpage**; and
4. await email confirmation of application submission. Please check spam or junk mail if confirmation email cannot be seen in your inbox.

5.2 Open and Close Dates

- applications open at 9am on 31 October 2023.
- applications must be submitted online in the application portal by 5pm (AEDT) on Tuesday 19 December 2023. Please note that late applications will not be accepted.

5.3 Project Delivery Plan

Applicants will be required to provide as part of their application a project delivery plan which includes the following:

- project description;
- overview of the implementation timeline including timing of jobs to be created;
- evidence of sufficient internal resources to allocate to the project;
- preferred supplier(s) with quotations;
- any project risks and mitigation strategies;
- budget summary (detailing how grant funds and the applicant's contribution will be spent on eligible project expenditure, as GST exclusive); and
- evidence of energy efficiencies to be gained as a result of the investment.

Please utilise the project delivery plan template provided at business.vic.gov.au/mgp2.

5.4 Evidence of Co-Contribution

Applicants must provide evidence which demonstrates, to the satisfaction of the department, that the applicant has sufficient funds available for the required co-contribution amount for the project. This may include evidence of:

- written confirmation from the Board or business owner that the business can undertake the project and meet the required co-contribution amount, or
- an approved loan facility (including loan amount), or
- sufficient cash in a bank (current bank statement), or
- management accounts demonstrating satisfactory cash flow or liquid assets³.

³ The Applicant cannot rely on predicted cash flows generated from the project when operational.

5.5 Evidence of Financial Records

Applicants must provide evidence which demonstrates, to the satisfaction of the department, that the applicant is financially viable and what the expected revenue from the project will be. This requires at a minimum, the provision of the following:

1. Audited Financial Reports⁴ for the last three financial years⁵. This should be the 'final accounts' with Directors' Report and Declaration and should include:
 - Profit and Loss Statement
 - Balance Sheet
 - Cash Flow Statement
 - Notes to the accounts (if applicable)

Where the Audited or Accountant prepared financials for the most recent reporting period is more than 6 months⁶, the following are required:

- Profit & Loss Statement and Balance Sheet
 - In case of public listed corporations, half yearly financial report
2. Parent Company Financial Statements (if applicable)
 3. Ownership Structure (Corporate Tree)
 4. Current Business Plan or Project Proposal
 5. For project-based applications, the company's financial projections for the next three financial years, including:
 - Profit and Loss
 - Cash Flow

6. Assessment Process

All applications will be assessed against the eligibility and assessment criteria and their ability to meet the objectives of the program.

Applicants will be assessed on the information provided in their final submitted application by an assessment panel.

Applicants will be advised of the outcome by email and successful applicants will receive a letter of offer.

6.1 Assessment Criteria

Eligible applications will be assessed against the assessment criteria as outlined below. All supplementary attachments and information provided as part of the application will be taken into consideration during the assessment process.

This includes the Project Delivery Plan template which must adequately demonstrate that the project can be delivered within the timeframe, that sufficient and adequate resources have been allocated to the project and that the budget is sufficiently well developed to demonstrate the financial viability of the project.

4 If the applicant's financial reports are not audited, unaudited financial reports can only be accepted if they have been prepared by an accountant registered on the Tax Practitioner Board.

5 We do not accept comparative figures within another Final Report.

6 The cash flow projections should include project expenditure and project funding as separate items in cash outflow and inflow. The financial projections should cover the life of the project and should reflect the financial benefits expected to be generated from the project.

Criteria	Weighting	Considerations
Need for Government Support	10%	<p>Applications must demonstrate:</p> <ul style="list-style-type: none"> • why Government support is necessary for stated outcomes being realised or would lead to improved outcomes, including outlining other funding options that have been pursued. <p><i>Note: if the applicant's annual turnover is more than \$100 million, the applicant will need to demonstrate a compelling argument about why Government support is needed.</i></p>
Sustainable job creation and skills development	20%	<p>Applicants must demonstrate how the project will support:</p> <ul style="list-style-type: none"> • the creation of new jobs. <p>With the following being highly desirable:</p> <ul style="list-style-type: none"> • transition existing staff to employment security or higher value jobs, skills development and uplift.
Increased productivity and competitiveness	40%	<p>Applications must demonstrate how the project:</p> <ul style="list-style-type: none"> • adopts and integrates new manufacturing capacity/technologies in the business; and • increases productivity to enhance local and global competitiveness of the business.
Capacity and capability to successfully deliver the project	10%	<p>Applicants must:</p> <ul style="list-style-type: none"> • outline their track record of delivering similar projects on time (if applicable) and the resources, including skills and intellectual property to be allocated to the project; and • demonstrate how the project will be implemented to meet the project deliverables and milestones.
Contribute to sector capability	10%	<p>Applicants must demonstrate that the project will contribute to sector-wide benefits by:</p> <ul style="list-style-type: none"> • helping to create reliable and resilient supply chains (including beyond the applicants' direct benefits); and • the development of products or components for new or emerging markets.
Environmental benefits	10%	<p>Applicants must demonstrate that the project will have environmental benefits by:</p> <ul style="list-style-type: none"> • supporting the transition to net zero emissions, including but not limited to: <ul style="list-style-type: none"> – reducing energy use and carbon emissions and increasing efficiency; and – reducing waste generation, facilitating reuse and materials recovery.
Total	100%	

6.2 Approval Process

The Minister for Jobs and Industry will consider the advice received from the assessment panel and determine whether to approve the application.

Applicants will be advised of the decision relating to their application in writing. Successful applicants will receive a letter of offer outlining the funding obligations.

6.3 Discretion of Decisions

Decisions on all matters relating to the awarding of grant funding are at the absolute discretion of the Minister and the department. This includes approving and offering a lesser amount of funding than that requested. The department reserves the right to request the applicant provide further information should it be deemed necessary.

Nothing contained in these guidelines are to be construed as creating any obligation, commitment or undertaking by the department to provide additional or further assistance or funding beyond that provided in these guidelines.

6.4 Due Diligence Assessments

Applicants will be subject to due diligence assessments to enable the department to assess financial and other non-financial risks associated with the proposed project. Outcomes from such assessments may be taken into account in any decision to recommend or award a grant and in contracting with successful applicants.

Such checks may include:

- the potential for reputational risk to the State;
- the delivery performance of other grants contracted with the Victorian Government and whether the applicant has failed to meet key contractual obligations for previous grant agreements with the State;
- where the proposal has already been fully funded by the applicant through other means; and
- business regulator check.

6.4.1 Business regulator check

A business regulator check may be undertaken to verify business details provided with the Australian Business Register, Australian Securities and Investment Commission, Australian Charities and Not-for-profits Commissioner, Consumer Affairs Victoria and/or other applicable regulators.

6.4.2 Financial risk assessment

The department will undertake a financial risk assessment of the applicant to assess the ability of the applicant to deliver the proposed project.

7. Conditions of Funding

7.1 Grant Agreement

Successful applicants will be sent a letter of offer inviting them to enter into a legally binding grant agreement with the department. The grant agreement details all funding obligations and conditions.

Applicants will have up to 5 business days from the date of the letter of offer to accept the offer in writing and 30 calendar days from the date of acceptance to execute the grant agreement with the department. The offer may be withdrawn if the grant agreement is not executed within the 30-day timeframe. A sample grant agreement is available at business.vic.gov.au/mgp2-faqs.

If any information in the application is found to be false or misleading, or grant funds are not applied for the purposes of the program in accordance with the terms of funding as set out in these guidelines, the application form and the Grant Agreement, the grant will be repayable on demand.

7.2 Reporting

All recipients of grant funds must agree to report on the outcomes of the project under the terms and conditions of the grant agreement. This may include, but not limited to:

- progress reports associated with milestone payments;
- an outcome completion report;
- audited financial reports;
- face-to-face meetings; and
- participation in a formal evaluation of the program by the department or its agents.

8. Acknowledgement of Support

Successful applicants need to acknowledge the Victorian Government's support through the provision of a grant from the program. The Grant Agreement includes a requirement that all activities acknowledge Victorian Government support through logo presentation on any activity-related publications, media releases and promotional material in accordance with the department's guidelines.

A Victorian Government-endorsed sign may also be required to be placed at the site of infrastructure activities.

Successful applicants must not make any public announcement related to the activity without written permission from the department.

Successful applicants must agree to cooperate with the department in the promotion of the program. This may include involvement in media releases, case studies or promotional events and activities.

9. Privacy and Information Management

Any personal information about the applicant or a third party in the application will be collected by DJSIR for the purpose of grant administration. This information may be provided to other Victorian Government agencies for the purposes of assessing applications. If personal information about third parties is included in the application, ensure third parties are aware of the contents of this privacy statement and the contents of the DJSIR Privacy Policy available from the Privacy Officer (details below).

Any personal information about the applicant or a third party in correspondence will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the *Privacy and Data Protection Act 2014* (Vic) and other applicable laws. DJSIR is committed to protecting the privacy of personal information.

The department's privacy policy is available from:

Privacy Officer

Department of Jobs, Skills, Industry and Regions
GPO Box 2392
Melbourne, VIC, 3001

Email: privacy@ecodev.vic.gov.au

Enquiries about access to information about you held by DJSIR should be directed to:

Freedom of Information Manager

Department of Jobs, Skills, Industry and Regions
GPO Box 2392
Melbourne, VIC, 3001

Email: foi@ecodev.vic.gov.au

10. Complaints or feedback

For a specific complaint or feedback in relation to a decision, action or service provided by the department, please use this link business.vic.gov.au/contact-us/complaints

11. Conflict of Interest

A conflict of interest occurs when someone has competing professional or personal interests or duties. Applicants must advise the department of any real, potential, or perceived conflict of interest relating to a project for which it has applied for funding. To the extent that a Victorian Government staff member has a real, potential, or perceived conflict of interest will be dealt with as set out in the Code of Conduct for Victorian Public Service Employees (Section 61) of the *Public Administration Act 2004* (Vic) and any other relevant policies applying from time to time.

12. Amendments to guidelines

The Department reserves the right to amend these guidelines and the application terms at any time as it deems appropriate.

13. Other Information about this Program

The department reserves the right to amend these guidelines and the application terms at any time as it deems appropriate.

For more information:

- Business Victoria programs webpage business.vic.gov.au/mgp2
- phone the Business Victoria Help Line on 13 22 15.

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