

LOW CARBON MANUFACTURING GRANT PROGRAM

Business Readiness Stream Program Guidelines
October 2022

Contents

1. Program Summary	3
2. Eligibility Criteria	4
2.1. The Applicant	4
2.1.1. Companies	4
2.1.2. Trust Structures	4
2.1.3. Partnerships	4
2.1.4. Ineligible Applicants	4
2.1.5. Joint Applications	4
2.1.6. Business Service Provider Engagement	4
2.2. The Project	5
2.2.1. Eligible Project	5
2.2.2. Ineligible Project	5
2.2.3. Eligible Project Expenditure	5
2.2.4. Ineligible Expenditure	5
3. Project Timelines	6
4. Grant Funding and Co-Contribution	6
4.1. Co-Contribution	6
4.2. Other Conditions of Applying	6
5. Application Process	6
5.1. Prepare an Application	6
5.2. Open and Close Dates	6
5.3. Project Plan	6
5.4. Evidence of Co-Contribution	7
6. Assessment Process	7
6.1. Assessment Criteria	7
7. Assessment and Recommendation for Approval	8
7.1. Approval Process	8
7.2. Discretion of Decisions	8
7.3. Due Diligence Assessments	8
7.3.1. Business regulator check	8
8. Conditions of Funding	8
8.1. Grant Agreement	8
8.2. Reporting	8
9. Acknowledgement of Support	9
10. Privacy and Information Management	9
11. Conflict of Interest	9
12. Other Information about this Program	9

1. Program Summary

Victoria's transition to net zero emissions will require components to be made at scale to support the shift to renewable energy and lower emission processes. This provides an opportunity for local manufacturers to grow, generating economic activity, securing well-paid jobs, increasing exports, and reducing Victoria's reliance on international supply chains.

The Low Carbon Manufacturing Grant Program – Business Readiness Stream (the program) assists small to medium size Victorian manufacturers to access business services, advice, or expertise in order to participate in low carbon and renewable energy supply chains. Funding could support technology adoption, the commercialisation or late-stage research and development of products for local and global supply chains in response to emerging market opportunities in the transition to a low carbon economy.

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

Objectives:

The program will utilise co-investment funding to support the investment readiness of Victorian manufacturers to:

1. introduce new low carbon component or product manufacturing capability
2. enter new local and global supply chains for renewable energy and low carbon components
3. leverage commercial and government investments and contracts.

Outcomes:

1. increase in capability and preparedness of Victorian manufacturers to make components or products to support the transition to net zero emissions
2. support Victorian manufacturers to capture government and commercial investments and contracts
3. support Victorian manufacturers to participate in local and global supply chains.

2. Eligibility Criteria

2.1. The Applicant

The program is open to small to medium sized manufacturers with an existing manufacturing presence in Victoria who are on a growth trajectory and require support to access business services, advice, or expertise to capitalise on emerging market opportunities associated with the low carbon economy.

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
- e. be currently engaged in manufacturing or the manufacturing supply chain or demonstrate a genuine commercial connection to the manufacturing supply chain in Victoria.
- f. attest that they:
 - i. agree to conduct the proposed activities in Victoria
 - 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 not procure services from a business services provider with the same parent company, shared governance, or have common directors.²

1. Eligible legal entities include:

i. 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); and

2. This includes business service providers that are:

i. subsidiaries or related bodies corporate within the meaning of the *Corporations Act 2001*; or
ii. share common directors, officers, or senior managers.

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
- 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
- b. comply with the criteria as set out for Companies under items b) to f) in **2.1.1**.

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
- f. community-based organisations.

2.1.5. Joint Applications

Joint applications are not permitted under the program.

2.1.6. Business Service Provider Engagement

Should the project involve the engagement of a third party to provide business advice, applicants may select a provider of their choice at their sole discretion.

The chosen service provider may be publicly funded, not-for-profit enterprises or privately owned.

2.2. The Project

Projects should respond to emerging market opportunities associated with the transition to a low carbon economy, specifically translatable to new or scaled manufacturing opportunities for the business.

2.2.1. Eligible Project

Funding may support but not be limited to:

- commercialisation of new products and components
- market research into local and global supply chains
- capability training for skills transition and uplift
- business case development for major investment or business diversification
- process innovation for low carbon manufacturing.

2.2.2. Ineligible Project

Projects that do not satisfy the eligibility criteria outlined in section 2 or that cannot demonstrate an aim of increasing the productivity and scale of production of renewable energy and low carbon components or products in Victoria are ineligible for funding.

2.2.3. Eligible Project Expenditure

Eligible project expenditure for funding includes project-related non-capital expenditure required to deliver the project and project-related costs of the business service providers. Applicants will need to meet the cost of any additional and ineligible expenditure that are outside the scope of the Project.

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
- be exclusive of Goods and Services Tax (GST).

2.2.4. Ineligible Expenditure

Funds may not be used to cover 'business as usual' expenses. Ineligible expenditure includes the following:

- capital expenditure
- internal costs, salaries, or resources of the Applicant
- software and hardware purchases outside of the project
- interpreting and translation (with the exception of branding or promotional translating associated with broader marketing campaigns)
- costs associated with minor or non-technical alterations of a product to suit a specific market
- costs associated with applying for government grants and funding programs
- basic professional services such as ongoing, routine accounting, tax and legal business requirements, licencing, costs associated with export documentation, legal/intellectual property costs, financing fees
- routine maintenance
- entertainment costs
- costs associated with group trade missions
- any amount paid on account of goods and services tax
- any administrative fees or surcharges for administering the expenditures listed above
- services relating to import activities
- projects where the purpose relates to offshore manufacturing
- intellectual property fees and charges associated with registering domestic or international patents or other intellectual property enforcement expenses
- land acquisition
- any other expenditure as determined by the Department of Jobs, Precincts and Regions (the department) that does not meet program conditions.

3. Project Timelines

Projects will be expected to commence within 60 days of execution of the grant agreement.

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 funding on a 1:1 basis (between the government and successful applicant). Grants of up to \$50,000, 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 receipt and acceptance of a letter of offer 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

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 business.vic.gov.au/lcmgp
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 7 October 2022 and close on 17 February 2023.
- applications must be submitted online in the application portal by 5pm (AEST) on the closing date. Please note that late applications will not be accepted.

5.3. Project Plan

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

- project description
- if engaging a business service provider:
 - a description of the services to be provided
 - a timeline
 - a final quotation for services to be provided
 - schedule of expenditure
- 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).

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

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 assets.³

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.

As the Victorian State election will be held on Saturday 26 November 2022, the Victorian Government will assume a caretaker role from 6.00pm on 1 November 2022 until such time that either it becomes clear that the incumbent government will be returned, or when a new government is commissioned. In line with the caretaker conventions, the incoming government will determine whether to proceed with this grant process and enter into grant agreements after the caretaker period.

Applicants should be aware that:

- all information about this grant process represents the position of the current government only, and is subject to change; and
- the incoming government may decide to not proceed with this grant process.

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

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.

CRITERIA	WEIGHTING
1. How will the project support your capacity to introduce new low carbon components or products to the existing manufacturing base and/or leverage commercial or government investments and contracts	40%
2. How will the project benefit Victorian manufacturing to reach longer term outcomes (e.g., increase sovereign supply chain capability and resilience, support Victorian manufacturing to participate in global supply chains, and contribute to Victoria's transition to net zero emissions)	30%
3. Demonstrate your capacity or capability to successfully implement the project or project findings (e.g., track record of company and resources to be allocated to the project)	10%
4. Why does the project need Government support to proceed? Detail the risks to the project without Government support.	20%
TOTAL	100%

7. Assessment and Recommendation for Approval

7.1. Approval Process

The Minister 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.

7.2. Discretion of Decisions

Decisions on all matters relating to the awarding of grant funding under this program are at the departments and Minister's absolute discretion. 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.

7.3. 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
- business regulator check.

7.3.1. 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 regulator.

8. Conditions of Funding

8.1. 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 30 calendar days from the date of the letter of offer to accept the offer in writing and 60 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 60-day timeframe. A sample grant agreement is available at business.vic.gov.au/lcmgp.

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.

8.2. 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 be limited to:

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

9. 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.

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.

10. Privacy and Information Management

Any personal information about the applicant or a third party in the application will be collected by the department 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 DJPR 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. DJPR is committed to protecting the privacy of personal information.

The department's privacy policy is available from:

Privacy Officer

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

Email: privacy@ecodev.vic.gov.au

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

Freedom of Information Manager

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

Email: foi@ecodev.vic.gov.au

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. 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/lcmgp
- phone the Business Victoria Help Line on **13 22 15**.

To receive this publication in an accessible format phone +613 9651 9999 using the National Relay Service 13 36 77 if required, or email lcmgp@ecodev.vic.gov.au

Authorised and published by the Victorian Government
1 Treasury Place, Melbourne.

© State of Victoria, October 2022
Department of Jobs, Regions and Precincts

