

GUIDELINES

Manufacturing and Industry Development Fund

Business Competitiveness Program

1. Background

The 2020-21 State budget committed \$60 million to the **Manufacturing and Industry Development Fund**. The Business Competitiveness Program is a key initiative within the Fund. As Victoria recovers from the impacts of COVID-19, this fund aims to stimulate job creating investment by Victorian industry in sectors where Victoria has a significant competitive advantage to ensure Victorian industry is sustainable and thriving into the future.

2. Program objectives

The Business Competitiveness Program will assist small and medium manufacturers with an existing presence in Victoria to expand their manufacturing operations and implement new manufacturing technologies and processes that provide a critical foundation for generating sustainable new local jobs (including high-value jobs).

The program aims to create jobs, increase industry competitiveness, and help strengthen local supply chains in traditional and emerging manufacturing sectors where Victoria has competitive advantages.

The program also aims to contribute towards the Victorian Government's objective of zero carbon emissions.

3. Eligibility

3.1 The applicant

The Business Competitiveness Program is open to small to medium sized enterprises (SMEs) that are on a growth trajectory and require support to expand their manufacturing operations. Applicants may apply individually or jointly. Where a project involves more than one applicant, the lead organisation should submit the application, but both applicants may contribute to project expenditure to meet any co-contribution requirements.

3.1.1 Companies

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

- a) Be a legally structured business registered in Victoria with an Australian Business Number (ABN)
- b) Agree to meet any co-contribution requirements with eligible cash expenditure
- c) Agree to meet all industrial relations obligations as an employer in accordance with the National Employment Standards
- d) Have an operating presence in Victoria
- e) Be currently engaged in manufacturing or the manufacturing supply chain or demonstrate a genuine commercial connection to the manufacturing supply chain.
- 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 employ less than 200 people)
- g) Agree to conduct the majority of proposed activities in Victoria

- h) Provide financial reports for the last three financial years to enable the Department of Jobs, Precincts and Regions (the Department) to conduct a financial risk assessment (FRA).
- i) Agree to participate in future program evaluation activity.

3.1.2 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) Comply with the criteria as set out for Companies under items b) to i) in 3.1.1 above.

3.1.3 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 i) in 3.1.1 above.

3.2 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
- e) Not-for-profit organisations
- f) Community-based organisations.

4. Available funding

The program provides grants of up to 33 per cent of eligible project expenditure allocated on a competitive basis. The maximum grant amount is \$500,000 and the minimum grant amount is \$50,000. For example, a \$900,000 project where capital equipment is purchased and implemented may be eligible for a grant amount of \$300,000.

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. Applicants that commence their projects prior to execution of a grant agreement do so at their own risk.

4.1 Co-contributions

All grants require a minimum co-contribution from the applicant of 67 per cent of total eligible project expenditure. 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.

Full project expenditure, including grant funding and co-contribution funding, must be spent on eligible project activities detailed below.

5. Funded projects

Applicants must clearly demonstrate how funding the project activities will support the creation of new jobs.

5.1 Project timing

Projects will be expected to commence within 90 days of execution of the grant agreement and evidence provided, in the form of a purchase order and/or invoice from the supplier/s, 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 18 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. Project completion must not extend beyond June 2023.

5.2 Eligible project activities

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.

Any other activities will be considered on a case-by-case basis.

Eligible project expenditure includes the following activities relating to the proposed project:

- Capital expenditure (e.g. manufacturing machinery, equipment and technology)
- Other project-related non-capitalised expenditure (e.g. related to product and process improvements, prototyping, 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)
- Labour and contractors (but does not include internal salaries)

Eligible project expenditure must:

- Be incurred by the grant recipient within 18 months of execution of the grant agreement
- Be a direct cost of the project and
- Be exclusive of the Goods and Services Tax (GST).

5.3 Ineligible project activities

The Business Competitiveness 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, 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 manufacturing
- Building websites, marketing, sales and promotional activities, or
- Early stage Research and Development (R&D) activities.

6. Assessment criteria

This is a competitive program and successful applications will be required to rate highly against the program's assessment criteria compared to other applications.

Applicants are required to submit an online application. All questions in the application need to be completed to proceed to assessment.

Applications will be assessed against the following assessment criteria and scoring:

Assessment Criteria		Weighting %
1.	<p>Need for Government support</p> <ul style="list-style-type: none"> • Demonstrate why Government support is necessary for stated outcomes being realised, including outlining other funding options that have been pursued • 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. 	30
2.	<p>Job creation</p> <ul style="list-style-type: none"> • Outline the number of sustainable, new FTE jobs generated by the project and the timeline for job creation 	30
3.	<p>Other benefits</p> <ul style="list-style-type: none"> • Demonstrate that the activity will enhance the competitiveness of the business and/or • Activity will enhance the competitiveness of the sector or supply chain and/or • Activity will contribute to broader social and environmental objectives 	25
4.	<p>Capacity and capability to successfully implement the project</p> <ul style="list-style-type: none"> • Outline the track record of the applicant in delivering grant projects (if applicable) and the resources to be allocated to the project • Outline how the project will be implemented to meet the project deliverables and milestones. 	15

Further information may be sought from applicants if required.

To be competitive an application must address each assessment criterion and make the best possible case for funding. Claims made against each criterion must be substantiated and full details of all underlying risks and assumptions should be clearly stated.

7. Application process

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 contestable (or competitive), subject to evaluation against the eligibility and assessment criteria and consideration as to whether the proposal is sufficiently strategic to be funded.

7.1 Funding rounds

The Business Competitiveness Program is delivered in competitive funding rounds. There will be up to two funding rounds per calendar year, with opening and closing dates for the coming year publicised on the Business Victoria website at business.vic.gov.au/bcp. Applications will only be accepted when a funding round is open.

7.2 How to apply

The electronic application form is available on the Business Victoria website at business.vic.gov.au/bcp. Applications can only be made using this electronic form and must be submitted online. Printed, facsimile, posted or other methods of delivery of the application form will not be accepted.

All sections of the application form must be completed in full and all requested attachments provided.

For further information please call Business Victoria on 13 22 15. Please note that engagement with the Department or any Victorian Government representative does not constitute endorsement of any application for funding.

7.3 Supporting documentation

All applications must be accompanied by a project plan. A template providing guidance about information the project plan should include is available at business.vic.gov.au/bcp.

Applicants will be required to provide the following additional supporting documentation:

- Audited Financial Reports for the past three years (including Profit & Loss, Balance Sheet and notes to the accounts)
- Management or interim accounts for the current year, if the most recent Financial Report is more than 6 months old
- Business plan incorporating financial projections (Profit & Loss and Cash Flow)
- Evidence of co-contribution

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. A template providing guidance on the Profit and Loss and Cash Flow projections is available at business.vic.gov.au/bcp.

It is the applicant's responsibility to ensure all requested documentation is supplied to the Department within the required timeframes. Failure to do so may result in the application being deemed ineligible.

8. Assessment of formal applications

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

Applicants will be advised of the outcome by email and successful applicants will receive a letter of offer. The decision is final. There is no right of appeal.

Applicants may be contacted to provide additional supporting documentation and confirm the performance targets and milestones.

There is no guarantee that an application will be supported for funding, or that the amount of funding requested will be offered.

Businesses should expect to learn the outcome of their application within approximately sixteen (16) weeks of submission.

9. Grant agreement

Successful applicants will be sent a Letter of Offer inviting them to enter into a legally binding grant agreement with the Department of Jobs, Precincts and Regions (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/bcp.

9.1 Reporting

All recipients of grant funds must agree under the grant agreement to:

- Report on the outcomes of the project (six-monthly written milestone reports including progress towards job creation are required). Depending on the size of the grant there may be a requirement for audited reports.
- Complete a project completion evaluation report (before the final milestone payment is paid)
- Face-to-face meetings (as requested) and
- Participate in a formal evaluation of the program by the Department or its agents (as requested).

10. Publicity

Grant recipients must agree to cooperate with the Department in the preparation of materials used to promote the benefits of the program to industry, such as a media release or case study on the project, and consult with the Department prior to the publication of any project promotion materials.

11. Privacy

Information provided by the applicant for the purpose of this application will be used by the Department for the purposes of assessment of applications, program administration and program review. In making an application, the Applicant consents to the provision of their information to State and Commonwealth Government departments and agencies if required. If there is an intention to include personal information about third parties in the application, please ensure they are aware of and consent to the contents of this privacy statement.

Any personal information about the applicant or a third party 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.

The Department is committed to protecting the privacy of personal information. The Department's Privacy Policy can be found online at <https://djpr.vic.gov.au/>. Enquiries about access to information should be directed to the Department's Privacy Unit by emailing privacy@ecodev.vic.gov.au.

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. Contacts and further information

For more information:

- Business Victoria programs webpage (www.business.vic.gov.au/bcp)
- Phone the Business Victoria Help Line on 13 22 15.