

AMGC Annual Business Plan

1 July 2019 – 30 June 2020

Advanced Manufacturing Growth Centre
223 Liverpool Street
Darlinghurst NSW 2010

ABN: 36 607 316 441

A yearly Business Plan in accordance with the Programme Guidelines (refer to clause 77-79). The Business Plan will be an operational plan that will outline at a minimum:

A list of current Growth Centre Members as referred to in clause 6 of the Funding Agreement;

Attached is a complete list of AMGC's membership as of Tuesday 30 April 2019.



AMGC Members.xlsx

How the Growth Centre will address the Programme objectives;

1. improving capabilities to engage with international markets and global supply chains;

AMGC invests in co-funded projects with Australian manufacturing companies as a way to encourage commercialisation of local innovation. The intention of co-funding projects is to help bridge the 'commercialisation valley of death', usually between Technology Readiness Level 4-7, and deliver Australian products and/or services into the global marketplace.

Through its core project fund, and AMESRF project fund, AMGC is supporting the next generation of innovators to take on the world.¹ Crucially, each of these projects features the application of advanced characteristics or involves technologies with strong commercialisation and export potential. AMGC and industry have so far co-invested \$26.1 million in 32 projects that are expected to generate more than 1,100 in high-value jobs and \$244 million to \$253 million in revenue. Of this amount, \$10.9 million has been invested in projects in Queensland, \$7.7 million in Victoria, \$4.3 million in NSW, \$2.6 million in South Australia, and \$0.72 in Western Australia.

Through a strict evaluation process, manufacturers are approved of funding if their product or service has market viability to engage with international customers and markets and/or form part of the lucrative global supply chain process. There are many examples of successful AMGC co-funded projects, and the criteria to enter co-funded projects is available [here](#).

Over the next twelve to twenty-four months, AMGC will have an impressive portfolio of approximately 70 industry projects that have generated an additional \$100 million in export sales and hundreds of new high-paying jobs. These projects will serve as inspiring case studies for other firms, and in addition, provide AMGC with real-time analysis and rich level of data on industry performance, trends and potential issues.

Finally, improving engagement with international markets involves Australian manufacturers adopting a strategic export market focus. More companies must seek to expand into new export markets and

¹ AMESRF: Advanced Manufacturing Early Stage Research Fund, more information found [here](#).

contribute niche products, services and delivery models into global supply chains, including for intermediate goods.

AMGC's observation is that too many Australian manufacturers remain exclusively domestically focused. AMGC considers that the Australian Government's \$20 million SME Export Hubs initiative offers a promising delivery model to help more manufacturers adopt this approach.

To date, one manufacturing-focused export hub has been announced, located in Victoria. AMGC looks forward to working with AMTIL on the Road and Rail Haulage Supply Chain Export Hub.

2. enhancing management and improving workforce skills;

A part of AMGC co-investing with industry in projects is the expectation that skillsets will rise as a result of introducing new technology or advanced processes. As new skills develop, the flow-on effect through learning and training is expected within the manufacturer's business and more widely through shared stories and case studies.

Within the coming twelve months, AMGC expects to release a Skills policy paper. Thorough analysis and broad industry input are currently underway and shaping the discussion. The Skills piece will contain key recommendations for industry and government and is expected to inform policy decisions and manufacturing skills programs and packages.

In addition, AMGC is undertaking a barriers study to understand the reasons behind the uneven transformation of Australia's manufacturing industry. Coupled with the Skills policy paper, AMGC will deliver a comprehensive view of the skills (management level and workforce) landscape.

The outcome of AMGC's ongoing efforts in the advancement of Australian manufacturing skills will see the culture and debate around the industry shift toward enduring viability and progression. Manufacturing will be recognised as a prestigious career choice for young graduates, with women making up a good portion of recruits to the sector. There will be high-wage career opportunities and pathways in areas such as data analytics, virtual reality and robotics. In addition, existing manufacturing workers will be able to upgrade their skills by accessing on-the-job training and government-supported online courses. The education system will no longer simply channel high-achieving students into university qualifications. Instead, TAFEs and universities will offer Australians a mix of academic, vocational and practical training opportunities, consistent with industry's needs and proven outcomes of other manufacturing powerhouses.

3. encouraging collaboration and the commercialisation of new products; and

A cornerstone of an AMGC project is for the leading manufacturing partner to identify multiple manufacturing participants and research partner to collaborate on its program of work. This threshold is to encourage cross-industry and research co-operation. In addition, AMGC projects serve as a model for other manufacturers that by tapping into research and development with other companies and universities is a more cost efficient and effective way to lift competitiveness.

In addition to projects, each AMGC state director has facilitated hundreds of industry and research collaboration meetings and networking activities with many interactions resulting in commercial opportunities.

4. identifying opportunities to reduce regulatory burden.

AMGC has worked alongside its Industry Growth Centre partner, FIAL, to finance and build the Trade Barrier Register (TBR), due for launch in 2019.

TBR is an on-line portal available to all Australian businesses to lodge a query or complaint about an existing barrier that prohibits trade with another country, involving either export or import measures.

Milestones for the implementation and ongoing delivery of activities and services and targets for service usage; Must include performance criteria to assess the outcomes of the Activities;

In the coming twelve to twenty-four months, it is expected that AMGC's membership will have grown to 4,000 members, representing a significant number of businesses within the manufacturing ecosystem that will have engaged with AMGC either onsite or online through its communications initiatives. AMGC will have an impressive portfolio of approximately 70 industry-led projects that have generated an additional \$100 million in export sales and hundreds of new high-paying jobs. These projects will serve as inspiring case studies for other firms.

Broad communications and engagement: AMGC recognises there is a strong opportunity to further develop its communication channels and supporting tools based on its respected research findings. The introduction of a Learning Management System as an interactive digital platform (called, 'Manufacturing Academy') to carry these messages represents a further step in AMGC's value offerings from direction-setting research and demonstration via projects to providing value through practical tools and communication initiatives for its fast-growing membership base.

A major focus of Manufacturing Academy is to complement with physical on-site learning opportunities, making existing industry growth project sites part of an interactive knowledge gathering process. AMGC will leverage its current projects and voices from successful manufacturing leaders to provide proven examples for on-line participants. The on-site experience would provide robust stories and case studies that would inspire and guide other firms undertaking similar transformative projects.

Concurrently, AMGC will undertake research on barriers as to why the industry is not transforming faster or only in select pockets. This barriers study will include focus groups to deliver up-to-date and insightful views into current behaviours of manufacturers. The content from this research will be delivered to the department by mid 2019 and will be dovetailed into Manufacturing Academy.

AMGC Initiative	Description	Key Performance Indicator	Status
Projects	Industry led projects are the visible and tangible output of the Sector Competitiveness Plan and exemplify Advanced Characteristics	Up to 70 industry led AMGC approved	On track

	in the manufacturing sector. AMGC projects are geographically dispersed and reflective of industry output by state and territory.	projects under contract, or completed, by 30 June 2020.	
Hubs	<p>In addition to its existing Hub network, AMGC will support Export Hubs as a pathway for manufacturers with similar exporting needs or similar market demands to collaborate. For example, the AMTIL Road and Rail Haulage Supply Chain Export Hub, recently announced in Victoria.</p> <p>The hubs will facilitate the sharing of resources, research outcomes, capabilities and skills between firms what have similar needs due to their location in the value chain, sub-industry or technology priority.</p>	<p>5 AMGC hubs in 3 different states by 31 December 2018.</p> <p>No change by 30 June 2019</p>	On track
Membership	AMGC Membership experience includes a range of activities and events designed to stimulate transformational change and collaboration across industry and realise the SCP findings.	Up to 4,000 AMGC members by 30 June 2020	On track
Manu- facturing Academy	<p>AMGC aims to deliver sector wide impact by increasing the number of manufacturers that have access to its respected research.</p> <p>An online portal will be developed for companies to gain direct access to information, learning modules and case studies.</p> <p>The learning management system (LMS) is called Manufacturing Academy and will be launched during Manufacturing Week 2018.</p>	100 companies registered and completed training by 31 December 2019	Due for launch 15 May 2019
Communicat ions	<p>AMGC communications will continue its broad reach industry impact through a variety of channels:</p> <ul style="list-style-type: none"> • Online (website, EDM) • Traditional media (print, broadcast) • Social media (Twitter, LinkedIn, Facebook – DIIS) • Events (tier 1 industry events – National Manufacturing Week, 	<p>Increased impressions of AMGC website by 5% per quarter</p> <p>Increased followers on social media by 10 per month</p> <p>Reaching 300+ manufacturers by 31 December 2019</p>	<p>On track</p> <p>8% growth during Jan-Mar Quarter</p> <p>12 new followers per month (average)</p>

	<p>National Manufacturing Summit, Industry 4.0 Advanced Manufacturing Forum; Tier 2 events – Industry Leaders – Siemens, Amtil, CSIRO; Tier 3 events – AMGC workshops, member briefings)</p> <ul style="list-style-type: none"> Marketing Collateral (Member Hero pages, Project Profiles, Skills Policy Paper, Minister Briefings) 	A total of 500 manufacturers by 31 December 2019	during Jan - Mar Quarter
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A Budget for the Growth Centre in accordance with the requirements of Schedule 4 to this Agreement; and

Following is an indicative budget of AMGC administration funds including industry engagement through communication and marketing activities. Final budget approval is expected at the next AMGC Board Meeting 21 June 2019.

AMGC administration and retail level propagation budget		
DESCRIPTION	F20	F21
Overheads	790,000	800,000
Marketing/Comms/Hub Activity	150,000	150,000
Wages & Salaries	3,517,000	3,620,000
Industry Communication Engagement	300,000	300,000
Consulting	51,000	50,000
TOTAL	4,808,000	4,920,000

The expected outcomes to be achieved by the Project Fund in the coming year and the process for selecting, approving, developing and delivering projects that meet the requirements set out in Appendix B of the Programme Guidelines.

AMGC uses its project funds to engage with innovative manufacturers and research institutions across Australia to help businesses commercialise globally competitive solutions.

Each project acts as a 'lighthouse'. It is essential to note that each project is informed by AMGC's research findings and demonstrates manufacturing transformation by all project participants as well as manufacturers who are not directly involved.

AMGC carefully selects projects based on strict criteria developed under the guidance of its ten-year Sector Competitiveness Plan and in accordance with the Industry Growth Centres Initiative Programme Guidelines, including Advanced Manufacturing Early Stage Research Fund (AMESRF).

Project scoping, application, assessment, evaluation and approval is a methodical step-by-step process involving an independent third-party technical advisor and final Board authorisation. On average, an AMGC project takes approximately six months from concept to funding.

Once a project is approved, one of AMGC's five State Directors together with the Membership Director are responsible for tight, and regular, project milestone management, quality measurement processes and rigorous tracking and reporting against the transformative objectives set out and documented in the project agreement. This can be as frequent as weekly check ins and on-site involvement.

Core project fund

AMGC currently has 29 approved projects, of which four are complete and two are cancelled. There are 9 projects in the pipeline.

These projects account for an expected 1015 jobs and \$224 million in revenue.

AMESRF project fund

AMGC currently has three projects under management with six in the pipeline.

These projects account for an expected 89 jobs and \$26 million in revenue.

AMESRF project fund is carried forward on a four-year funding model from 2017-2021.

ACCUMULATIVE INDUSTRY PROJECT ENGAGEMENT

	FOUR YEAR PROGRAM				TWO YEAR EXTENSION		Total Projects	Total Funding
	2016	2017	2018	2019	2020	2021		
CORE	0	2	36	50	-	-	50	\$15.6M
AMESRF	0	0	4	10	20	-	20	\$4.0M

AMGC Annual business plan – additional information

- 1. The inclusion of KPIs – we understand these are not yet finalised, but maybe a statement that says there is a process underway with the department to develop a detailed performance measurement framework that will be added once it is finalised.**

AMGC is working closely with the Office of the Chief Economist on the Programme Logic Model. Data collection is underway and will be shared once approved.

- 2. Please expand the project fund sections to include: a list of all projects that are implemented in 2019-20 and how they relate to AMGC's key strategic objectives; the focus of future projects developed in 2019-20.**

Please find as per attached.



AMGC Projects with
Strategic Objectives

- 3. As the business plan will be published as a standalone document, please include the below:**

- *information on AMGC's board, management structure, organisation structure;*

All information can be found on AMGC website, including bios:

<https://www.amgc.org.au/our-purpose/leadership/>

- *communication and engagement strategy;*

The goal of AMGC's communications strategy is to lead the transformation of the manufacturing sector through delivering key objectives of the industry growth centre initiative, including:

- increasing collaboration and commercialisation
- improving international opportunities and market access
- enhancing management and workforce skills
- identifying opportunities for regulatory reform

AMGC's communications will encourage and drive innovation, productivity and competitiveness. AMGC will undertake various forms of industry-led engagement that provide the content for AMGC communications, including:

- Promotion of AMGC research findings via the Manufacturing Academy to industry, researchers and government. Manufacturing Academy is an online education platform that summarises AMGC research findings and is presented by Australian SME manufacturers. Key AMGC research reports include:
 - Sector Competitiveness Plan

- New Definition for a new era of Manufacturing
- Building resilience in Australian Manufacturing
- Promotion of industry-led collaborative projects and case studies on how to become more competitive and resilient. To date, AMGC has delivered over 40 industry led projects.
- Delivering the AMESRF in collaboration with emerging firms and new technologies.
- Events and expos to facilitate knowledge sharing and networking across the AMGC membership of over 700 industry organisations.
- *interaction with other organisations; and*

AMGC works collaboratively across federal and state organisations to deliver a consistent approach to industry transformation. Agencies and organisations include:

- Entrepreneurs' Programme
- Innovative Manufacturing CRC (IMCRC)
- Ausindustry regional representatives
- Austrade
- Efic
- CDIC
- DMTC
- CSIRO
- State government office of industry
- Regional Development Australia
- Industry Capability Network
- Export Hubs (e.g. Queensland Export Hubs)

In addition, AMGC works alongside industry bodies, such as:

- The Ai Group
- AMTIL
- Hunternet
- Southern Strength
- Geelong Manufacturing Council

AMGC has a membership base of over 730 members that span global manufacturers, national research institutions and local manufacturing SMEs.

- *a list of activities considered 'business as usual'.*

AMGC organises its priorities and business engagement through:

Direction

- Conducting research, e.g. Sector Informed Grant
- Member of Industry 4.0 Advanced Manufacturing Forum
- Participation in the German-Australia Chamber of Industry and Commerce

Demonstration

- Identifying and scoping of projects (core fund and AMESRF), milestone acquittals and project completions.
- Acquisition and retention activities to its membership base
- Collaboration with export hubs

Awareness

- Outreach to AMGC membership base through regular activities, event invitations, newsletters, enrollment in Manufacturing Academy
- Forming a road show of events in participation with government agencies and industry bodies
- Media relations and promotion of AMGC events and initiatives, such as, Manufacturing Academy

Impact

- Working with the Office of the Chief Economist on Programme Logic Model for measurement