

ADVANCED MANUFACTURING
ECOSYSTEM FUND
GUIDANCE TO APPLICANTS

GUIDANCE TO APPLICANTS

Opening date:	20 September 2021
Closing date and time:	30 June 2026
Administering entity:	Advanced Manufacturing Growth Centre (AMGC)
Enquiries:	If you have any questions, then please contact us on applications@amgc.org.au
Date guidelines released:	September 2021
Type of grant opportunity:	Open, continuous, and competitive

¹ Department of Treasury and Finance (2021); ABS, Australian National Accounts: State Accounts, Cat. No. 5220.0, Labour Force, Australia, Cat. No. 6291.0.55.003

CONTENTS

1. FUND PROCESSES	4
2. ABOUT THE FUND	5
A. PURPOSE OF THE GRANT	5
B. ACTIVITY	5
PROJECT SCOPE AND DESCRIPTION	5
PROJECT OUTCOMES	6
3. GRANT AMOUNT AND GRANT PERIOD	6
3.1. PROJECT PERIOD	6
4. ELIGIBILITY CRITERIA	6
4.1. WHO IS ELIGIBLE?	6
4.2. ADDITIONAL ELIGIBILITY REQUIREMENTS	6
4.3. WHO IS NOT ELIGIBLE?	7
5. WHAT THE GRANT MONEY CAN BE USED FOR	7
5.1. ELIGIBLE ACTIVITIES	7
5.2. ELIGIBLE EXPENDITURE	9
6. THE ASSESSMENT CRITERIA	10
7. HOW TO APPLY	10
7.1. ATTACHMENTS TO THE APPLICATION	11
7.2. TIMING OF GRANT OPPORTUNITY	11
8. THE GRANT SELECTION PROCESS	11
8.1. WHO WILL APPROVE GRANTS?	12
9. NOTIFICATION OF APPLICATION OUTCOMES	12
10. SUCCESSFUL GRANT APPLICATIONS	12
10.1. PROJECT AGREEMENT	12
10.2. HOW WE PAY THE GRANT	13
10.3. TAX OBLIGATIONS	13

11. ANNOUNCEMENT OF GRANTS	13
12. HOW WE MONITOR YOUR GRANT ACTIVITY	13
12.1. KEEPING US INFORMED	13
12.2. REPORTING	14
12.2.1. PROGRESS REPORTS	14
12.2.2. END OF PROJECT REPORT	14
12.2.3. AD-HOC REPORTS	15
12.3. COMPLIANCE VISITS	15
12.4. PROJECT AGREEMENT VARIATIONS	15
12.5. EVALUATION	15
12.6. GRANT ACKNOWLEDGEMENT	15
13. PROBITY	16
13.1 HOW WE HANDLE YOUR CONFIDENTIAL INFORMATION	16
13.2 WHEN WE MAY DISCLOSE CONFIDENTIAL INFORMATION	16
APPENDIX A. ELIGIBLE EXPENDITURE	17
A.1 HOW WE VERIFY ELIGIBLE EXPENDITURE	17
A.2 CAPITAL EQUIPMENT EXPENDITURE – 50% MAXIMUM OF GRANT FUNDING	17
A.3 LABOUR EXPENDITURE	18
A.4 LABOUR ON-COSTS AND ADMINISTRATIVE OVERHEAD	19
A.5 CONTRACT AND GENERAL EXPENDITURE	19
APPENDIX B. INELIGIBLE EXPENDITURE	21

1. FUND PROCESSES



2. ABOUT THE FUND

A. Purpose of the Grant

The Fund seeks to:

- › build the advanced manufacturing ecosystem in the Northern Territory across the Territory's priority sectors;
- › grow advanced manufacturing capabilities in the Northern Territory across the Territory's priority sectors, including by introducing new firms where appropriate; and
- › increase investment in and output of advanced manufacturing activity in Northern Territory, and the number of advanced manufacturing jobs located in the Northern Territory.

The Fund will deliver on these objectives by providing grants to industry led advanced manufacturing projects located in the Northern Territory across the Territory's priority sectors where those projects:

- › commercialise new products and processes, including transitioning a new product or process from pilot/prototype stage to full commercial operations; and/or support early stage, small scale and pilot research projects in advanced manufacturing. These grants (minimum of \$25,000) will benefit smaller firms and early stage research, allowing them to quickly move to larger scale commercialisation.

B. Activity

Project scope and description

The Fund will provide grants to commercialise new products and processes in the Northern Territory based upon already existing or new IP.

The amount to grantees will be up to 50 per cent of eligible project costs.

- › The minimum grant amount is \$25,000, and
- › The maximum grant amount is \$500,000 although additional funding may be granted to project applications which can demonstrate an outstanding contribution to the NT manufacturing ecosystem.

Grantees will contribute a minimum of 50% of eligible project costs as cash contributions. Grantees cannot fund their contribution from other Commonwealth, State, Territory, or local government grant source, or use in-kind (non-financial) contributions to match Territory Grant funding. Grantees must provide evidence of their ability to fund their contribution in their application.

Consortia, partnerships, and other joint venture arrangements will be able to apply, however, AMGC must verify that these arrangements are made with NT based companies and that joint venture arrangements include at least one SME partner.

NT manufacturing industry projects funded through the Fund may include the following activities:

- › Collaboration and networking with other businesses to develop a product and establish market potential.
- › Collaboration with research and technology hubs/centres to test ideas and share knowledge.
- › Engagement with external professionals to provide commercialisation and market advice, such as identifying market opportunities and developing a market strategy.
- › Creation of distribution strategies, such as market entry pathway and identifying domestic supply chains.
- › Development of a product for commercialisation using high value manufacturing techniques or processes such as rapid prototyping or using state-of-the-art manufacturing plant.
- › Acquisition, construction, installation, and commission of new machinery and equipment to facilitate the project (limited to 50% of grant funding)
- › Approved production and post-production manufacturing activities related to commercialisation.

Project outcomes

The intended outcomes of the Fund are to increase the capability and competitiveness of NT manufacturers through the implementation of new technologies; and to increase productivity and create jobs in the NT manufacturing industry. In undertaking the activity, the Grantee must comply with the requirements of the grant opportunity guidelines (as in force at the time of application).

3. GRANT AMOUNT AND GRANT PERIOD

For this grant opportunity \$7,450,000 is available from 2021–22 to 2025–26.

The grant amount will be up to 50 per cent of eligible project expenditure (grant percentage).

- › The minimum grant amount is \$25,000
- › The maximum grant amount is \$500,000 although additional funding may be granted to project applications which can demonstrate an outstanding contribution to the NT manufacturing ecosystem.

You are responsible for the remaining 50 per cent of eligible project expenditure, plus any ineligible expenditure. Your contribution must be cash.

3.1. Project period

The maximum project period is 18 months.

We may approve a further extension provided you complete your project by two years after the commencement of the project.

4. ELIGIBILITY CRITERIA

We cannot consider your application if you do not satisfy all eligibility criteria.

4.1. Who is eligible?

To be eligible you must:

- › Have an Australian Company Number (ACN)
- › Have an Australian Business Number (ABN)
- › Be non-tax-exempt
- › Be registered for the Goods and Services Tax (GST)
- › and be an entity incorporated in Australia, including start-ups and a trading corporation, where the principal project activities occur in the NT.

4.2. Additional eligibility requirements

We can only accept applications:

- › From manufacturing small and medium-sized Australian enterprises (SMEs) with up to 199 employees (headcount) however larger organisations are eligible to apply and may be accepted due to the impact on NT manufacturing ecosystem.
- › With a minimum of \$50,000 in eligible project expenditure, with \$25,000 in co-funding from the lead participant
- › Where your application clearly identifies the level of job creation in NT expected from your project

- 】 Where your project aligns with one or more of the NT Manufacturing Priorities
- 】 Where you can provide evidence that you can complete the project and meet the costs of the project not covered by grant funding.
- 】 Where you can provide evidence of how you will provide your share of project costs using the accountant declaration template which confirms you can fund your share of the project costs, including any ineligible expenditure. The accountant declaration template must be used and is available on <https://www.amgc.org.au/wp-content/uploads/2021/02/Financial-viability-template.pdf>
- 】 From an AMGC member. AMGC membership is open to all industry partners. Applicants do not have to be a financial member, however they are required to have a guest profile which is free. Apply to become an AMGC member by visiting: [amgc.org.au/membership](https://www.amgc.org.au/membership)
- 】 Where the project's main applicant has at minimum two project collaborators, with at least one collaborator based in the NT, and other(s) from across Australia. For example, it can be a supplier, a potential customer, a research institution, etc.

We cannot waive the eligibility criteria under any circumstances.

4.3. Who is not eligible?

You are not eligible to apply if you are:

- 】 An individual
- 】 A partnership
- 】 A trust (however, an incorporated trustee may apply on behalf of a trust)
- 】 A Commonwealth, State, Territory, or local government body (including government business enterprises).

5. WHAT THE GRANT MONEY CAN BE USED FOR

5.1. Eligible activities

To be eligible, your project may involve capital investment (50% maximum of grant funding) and may include associated skill-based training to modernise and transform your manufacturing processes.

Eligible activities may include:

Carbon Reduction and Low Emissions

- 】 Development and manufacture of products and technologies that assist with avoiding, abating, and sequestering carbon
- 】 Development and manufacture of products and technologies that assist with lowering or reducing the greenhouse gas (GHG) emissions generated by an individual, organisation or country.

Construction

- 】 Development and manufacture of construction materials
- 】 Development and manufacture of new construction technologies and components
- 】 Development and manufacture of products capable of using new construction technologies

Critical minerals

- 】 Manufacturing of new critical mineral products in Australia e.g., lithium, cobalt, manganese, tantalum, tungsten, zirconium and rare earth elements and the manufacture of products using those refined materials and the manufacture of equipment and technology to carry out these processes
- 】 Development and manufacture of pre-cursor materials for battery components
- 】 Development and manufacture of battery powered mining equipment
- 】 Recovery and remanufacture of critical mineral products

Defence and Security

- 】 Development and manufacture of products providing sovereign capability for Australia's national defence and security requirements

Digital

- 】 Integration of computer systems in manufacturing products and processes along the supply chain
- 】 Development of digital technologies that improve manufacturing processes and supply chain efficiencies
- 】 Development and manufacture of products that can be used in computer systems.
- 】 Development of AI technologies

Energy

- 】 Development and manufacture of energy products (including renewable energy products)
- 】 Development and manufacture of new energy technologies and components
- 】 Development of energy services (including clean energy services)
- 】 Development and manufacture of products capable of using new energy technologies

Fabrication

- 】 Development of new processes and technologies for building and assembling products
- 】 Development and manufacture of new fabricated products
- 】 Development and manufacture of equipment and technology that can use these technologies and products

Food and Agriculture

- 】 Development and manufacture of innovative products used to process agricultural produce, from basic preparation to elaborately transformed food or beverages, across the food and beverage manufacturing value chain.
- 】 Development and manufacture of innovative products which enhance the competitiveness of the local food and beverage industry.
- 】 Development and manufacture of agricultural equipment used in food farming.
- 】 Development and manufacture of new fibre products for clothing or other purposes
- 】 Development and manufacture of equipment and technology to carry out processes required for manufacturing new fibre products

Maritime

- 】 Development of infrastructure for the local maritime industry
- 】 Development and manufacture of components required for the maritime industry (including communications equipment and sensors or consumables)
- 】 Development and manufacture of products or services that improve maritime industry sector technology, competitiveness, and sustainability
- 】 Development of technologies to assist automation in the maritime industry

Material Recovery/Recycling

- 】 Using advanced manufacturing processes for the recycling of waste plastic, paper, glass, food, water, and tyres etc
- 】 Development and manufacture of innovative machinery used for material recovery, material reprocessing and material remanufacture
- 】 Development of services that enhance recycling opportunities

Medical and Pharmaceuticals

- 】 Manufacture of medical or pharmaceutical devices
- 】 Development of medical or pharmaceutical services
- 】 Pharmaceuticals, medical technologies, and medical biotechnology

Petrochemicals

- 】 Refining of natural gas and the development and manufacture of products using the refined outputs
- 】 Development and manufacture of equipment and technology to carry out these processes

Resources technology

- 】 Development and manufacture of products or services that improve the resources sector technology, competitiveness, and sustainability
- 】 Development and manufacture of resources industry products or services suitable for export
- 】 Development of technologies to assist automation in the resources sector including autonomous mining, remote operations, and the use of digital technologies to provide greater safety and efficiency in the extraction and processing of resources.

Space

- 】 Development and manufacture of products providing sovereign capability for the local space industry
- 】 Development of infrastructure for the local space industry
- 】 Development and manufacture of items that are launched into space (rockets etc)
- 】 Development and manufacture of associated components (including communications equipment and sensors, as well as products such as solid fuel or other consumables)
- 】 Development and manufacture of associated products and infrastructure, such as launch facilities or mission control/relay subsystems
- 】 Development and manufacture of products or services that improve energy efficiency

5.2. Eligible expenditure

You can only spend grant funds on eligible expenditure you have incurred on an agreed project as defined in your project agreement.

- 】 For guidance on eligible expenditure, see appendix A.
- 】 For guidance on ineligible expenditure, see appendix B.

We may update the guidance on eligible and ineligible expenditure from time to time. If your application is successful, the version in place when you submitted your application applies to your project.

If your application is successful, we may ask you to verify project costs that you provided in your application. You may need to provide evidence such as quotes for major costs.

Not all expenditure on your project may be eligible for grant funding. The Program Delegate (who is an AMGC Projects Director within AMGC with responsibility for the program) makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- › Be a direct cost of the project
- › Be incurred by you for required project activities.

You may elect to commence your project from the date we notify you that your application is approved by AMGC Board.

6. THE ASSESSMENT CRITERIA

You must address all assessment criteria in your application. We will assess your application based on the weighting given to each criterion.

The application form asks questions that relate to the assessment criteria published on the AMGC website. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. You should provide evidence to support your answers. The application form displays size limits for answers.

We will only consider funding applications that score highly (50% or more) against each assessment criteria, as these represent best value for money. We will then work with you to verify details of your application. We will reject applications that cannot be verified to a commercial standard.

7. HOW TO APPLY

Before applying you should read and understand these guidelines, the FAQs, the sample application form, and the merit criteria published on AMGC website.

To apply, you must:

- › Complete the online application form via amgc.org.au
- › Provide all the information requested
- › Address all eligibility and assessment criteria
- › Include all necessary attachments

You will receive confirmation when you submit your application. You should retain a copy of your application for your own records. You can view and print a copy of your submitted application on the portal for your own records.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the Criminal Code Act 1995 (Cth). If we consider that you have provided false or misleading information, we may not progress your application. If you find an error in your application after submitting it, then please contact us at applications@amgc.org.au

You can apply for more than one project under this grant opportunity; however the first project must be completed before the second project can be approved.

If you need further guidance around the eligibility of manufacturing projects, you may contact the AMGC Territory Director listed on amgc.org.au (contact us). If you are unable to submit an application online, then please contact applications@amgc.org.au

7.1. Attachments to the application

You must attach supporting documentation to the application in line with the instructions provided within the form.

7.2. Timing of grant opportunity

You can only submit an application between the published opening and closing dates. We cannot accept late applications.

Table 1: Expected timing for this grant opportunity

ACTIVITY	TIMEFRAME
Assessment of applications	8 weeks
Approval of outcomes of selection process	4 weeks
Negotiation of project agreements	2 weeks
Notification to unsuccessful applicants	At the time of the grant decisions
Earliest start date of project	Date of notification that your project is approved by AMGC Board
End date of grant commitment	No later than 2 years after the commencement of the project

8. THE GRANT SELECTION PROCESS

We first review your application against the eligibility criteria. If eligible, we will then assess it against the assessment criteria. Only eligible applications will proceed to the assessment stage.

We consider your application on its merits, based on:

- › How well it meets the criteria
- › How it compares to other applications
- › Whether it provides value with relevant money
- › Whether it meets a commercial standard.

When assessing whether the application represents value with relevant money, we will have regard to:

- › The overall objectives of the grant opportunity
- › The evidence provided to demonstrate how your project contributes to meeting those objectives
- › The relative value of the grant sought.

We will establish a Review Committee comprised of independent industry experts. The committee may seek additional advice from independent technical experts. The committee will assess your application against the assessment criteria and compare it to other eligible applications before recommending which projects to fund.

8.1. Who will approve grants?

AMGC Board decides which grants to approve taking into account the recommendations of the Review Committee and the availability of grant funds.

AMGC's decision is final in all matters, including:

- › The grant approval
- › The grant funding to be awarded
- › Any conditions attached to the offer of grant funding.

We cannot review decisions about the merits of your application. AMGC Board will not approve funding if there are insufficient program funds available across relevant financial years for the program.

9. NOTIFICATION OF APPLICATION OUTCOMES

We will advise you of the outcome of your application in writing. If you are successful, we will advise you of any specific conditions attached to the grant.

If you are unsuccessful, we will give you an opportunity to discuss the outcome with us. You can submit a new application for the same (or similar) project if there is future funding availability. You should include new or more information to address the weaknesses that prevented your previous application from being successful. If a new application is substantially the same as a previous ineligible or unsuccessful application, we may refuse to consider it for assessment.

10. SUCCESSFUL GRANT APPLICATIONS

10.1. Project agreement

You must enter into a legally binding project agreement with AMGC. The project agreement has general terms and conditions that cannot be changed. A sample project agreement is available on AMGC website.

We must execute a project agreement with you before we can make any payments. Execute means both you and AMGC have signed the agreement.

The approval of your grant may have specific conditions determined by the assessment process or other considerations made by AMGC Board. We will identify these in the offer of grant funding.

If you enter in an agreement with AMGC under this Fund, you cannot receive grants from other Northern Territory Government grant programs. AMGC may recover grant funds if there is a breach of the project agreement.

You will have 30 days from the date of a written offer to execute this project agreement with AMGC. During this time, we will work with you to finalise details.

The offer may lapse if both parties do not sign the project agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by AMGC Board.

10.2. How we pay the grant

The project agreement will state the:

- › Maximum grant amount we will pay
- › Proportion of eligible expenditure covered by the grant (grant percentage)
- › Any financial contribution provided by you or a third party
- › We will make payments according to an agreed schedule set out in the project agreement. Payments are subject to satisfactory progress on the project.

10.3. Tax obligations

Where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the **Australian Taxation Office**. We do not provide advice on tax.

11. ANNOUNCEMENT OF GRANTS

We will publish non-sensitive details of successful projects on AMGC website.

This information may include:

- › Name of your organisation
- › Title of the project
- › Description of the project and its aims
- › Amount of grant funding awarded
- › Australian Business Number
- › Business location
- › Your organisation's industry sector.

12. HOW WE MONITOR YOUR GRANT ACTIVITY

12.1. Keeping us informed

You should let us know if anything is likely to affect your project or organisation.

We need to know of any key changes to your organisation or its business activities, particularly if they affect your ability to complete your project, carry on business and pay debts due.

You must also inform us of any changes to your:

- › Name
- › Addresses
- › Nominated contact details
- › Bank account details.

If you become aware of a breach of terms and conditions under the project agreement you must contact us immediately. You must notify us of events relating to your project and provide an opportunity for AMGC Board or their representative to attend.

12.2. Reporting

You must submit reports in line with the project agreement. We will provide the requirements for these reports as appendices in the project agreement. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

- › Progress against agreed project milestones, including jobs created and/or retained as a result of the project
- › Project expenditure, including proof of payment of project expenditure
- › Contributions of participants directly related to the project
- › Material changes in the nature of the activity or key personnel involved, including affiliations/links with foreign governments or companies, changes in the ownership of the company and/or its parent, and disclosure of any pecuniary penalty imposed by a Commonwealth, State or Territory court or a Commonwealth, State or Territory entity.

The amount of detail you provide in your reports should be relative to the project size, complexity and grant amount.

We will monitor the progress of your project by assessing reports you submit and may conduct site visits to confirm details of your reports if necessary. Occasionally we may need to re-examine claims, seek further information or request an independent audit of claims and payments.

12.2.1. Progress reports

Progress reports must:

- › Include details of your progress towards completion of agreed project activities and outcomes
- › Show the total eligible expenditure incurred to date
- › Include evidence of expenditure
- › Be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

We will only make grant payments when we receive satisfactory progress reports.

You must discuss any project or milestone reporting delays with us as soon as you become aware of them.

12.2.2. End of project report

When you complete the project, you must submit an end of project report.

End of project reports must:

- › Include the agreed evidence as specified in the grant agreement
- › Include the information required by AMGC for their project finalisation report
- › Identify the total eligible expenditure incurred for the project
- › Include a declaration that the grant money was spent in accordance with the grant agreement and to report on any underspends of the grant money
- › Be submitted by the report due date.

12.2.3. Ad-hoc reports

We may ask you for ad-hoc reports on your project. This may be to provide an update on progress, or any significant delays or difficulties in completing the project.

12.3. Compliance visits

We may visit you during the project period, or at the completion of your project to review your compliance with the project agreement. We may also inspect the records you are required to keep under the project agreement. We will provide you with reasonable notice of any compliance visit.

12.4. Project agreement variations

We recognise that unexpected events may affect project progress. In these circumstances, you can request a variation to your project agreement, including:

- 】 Changing project milestones
- 】 Extending the timeframe for completing the project but no later than 2 years from the commencement of the project
- 】 Changing project activities.

The program does not allow for an increase of grant funds. If you want to propose changes to the project agreement, you must put them in writing before the project agreement end date.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- 】 How it affects the project outcome
- 】 Consistency with the program policy objective, grant opportunity guidelines and any relevant policies of the department
- 】 Changes to the timing of grant payments
- 】 Availability of program funds.

12.5. Evaluation

We will evaluate the grant program to measure how well the outcomes and objectives have been achieved. We may use information from your application and project reports for this purpose. We may also interview you or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes.

12.6. Grant acknowledgement

If you make a public statement about a project funded under the program, this includes within a brochure or publication, then you must acknowledge the grant by using the following:

‘This project received grant funding from an NT Government initiative administered by AMGC.’

If you erect signage in relation to the project, the signage must contain an acknowledgement of the grant.

13. PROBITY

13.1 How we handle your confidential information

We will treat the information you give us as sensitive and therefore confidential if it meets all of the following conditions:

- › You clearly identify the information as confidential and explain why we should treat it as confidential
- › The information is commercially sensitive
- › Disclosing the information would cause unreasonable harm to you or someone else
- › You provide the information with an understanding that it will stay confidential.

13.2 When we may disclose confidential information

We may disclose confidential information:

- › To the Review committee and our Commonwealth employees and contractors, to help us manage the program effectively
- › To the Auditor-General, Ombudsman or Privacy Commissioner
- › To the responsible Minister or Assistant Minister
- › To a House or a Committee of the NT Parliament
- › To relevant NT agencies in the course of their normal functions.

We may also disclose confidential information if:

- › We are required or authorised by law to disclose it
- › You agree to the information being disclosed, or
- › Someone other than us has made the confidential information public.

APPENDIX A. ELIGIBLE EXPENDITURE

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time, so you should make sure you have the current version from AMGC website before preparing your application.

The AMGC Board makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- › Be incurred by you within the project period
- › Be a direct cost of the project
- › Be incurred by you to undertake required project audit activities
- › Meet the eligible expenditure guidelines.

A.1 How we verify eligible expenditure

If your application is successful, we will ask you to verify the project budget that you provided in your application when we negotiate your project agreement. You may need to provide evidence such as quotes for major costs.

The project agreement will include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure.

If requested, you will need to provide the agreed evidence along with your progress reports.

You must keep payment records of all eligible expenditure and be able to explain how the costs relate to the agreed project activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

A.2 Capital equipment expenditure – 50% maximum of grant funding

Examples of eligible capital expenditure are:

- › Prototype machinery and equipment
- › Data collection devices
- › Purchase of computing equipment and software
- › Sensors
- › iPads and mobile devices
- › Production machinery and equipment
- › Building modifications where you own the modified asset, and the modification is required to undertake the project; modifications to leased buildings may be eligible. You must use the leased building for activities related to your manufacturing process

We consider costs of acquiring, designing, engineering, automating, digitising or construction of, plant and equipment, as well as any related commissioning costs as eligible expenditure. This includes the cost of purchase of software directly related to the manufacturing activities, but only when the software is capitalised as an asset in your accounts. You must list commissioning costs as a separate item within the project budget in the application form, and on reports of expenditure during project milestones.

You may purchase or build plant and equipment. In claiming the purchase price of capital items, you must take out any costs related to financing, including interest. You can claim related freight and installation costs on capital expenditure.

Eligible costs for plant and equipment will normally need to be on your balance sheet.

Where you need to pay in instalments to purchase capital items (for example deposits, payment on installation, or payment on commissioning), you can claim the grant amount for the items progressively across multiple progress reports up to the end of the project period. Alternatively, you can choose to claim the full amount in a single report, when you pay for the capital item.

If you claim expenditure for the construction of plant and equipment, we limit this to:

- › The costs of materials
- › Direct construction labour salary costs
- › Contractor costs
- › Freight and establishment costs.

Grant payments for capital items may affect your tax obligations. We recommend that you seek independent professional advice on tax related matters.

A.3 Labour expenditure

Examples of labour expenditure are:

- › Software development and support
- › Project management
- › Training and change management
- › Use case development
- › Documentation
- › Data validation testing
- › Engineering
- › Design
- › Testing

Eligible labour expenditure for the grant covers the direct labour costs of employees you directly employ on the core elements of the project. We consider a person an employee when you pay them a regular salary or wage, out of which you make regular tax instalment deductions.

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants, and lawyers) as eligible expenditure, unless they are doing project management tasks.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the ATO.

The maximum salary for an employee, director, or shareholder, including packaged components that you can claim through the grant is \$175,000 per financial year.

For periods of the project that do not make a full financial year, you must reduce the maximum salary amount you claim proportionally.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

A.4 Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30% allowance to cover on-costs such as employer paid superannuation, payroll tax, and workers compensation insurance.

You should calculate eligible salary costs using the formula below:

$$\text{Eligible salary costs} = \text{Annual salary package} \times \frac{\text{Weeks spent on project}}{52 \text{ weeks}} \times \text{percentage of time spent on project}$$

You cannot calculate labour costs by estimating the employee's worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.

Evidence you will need to provide can include:

- › Details of all personnel working on the project, including name, title, function, time spent on the project and salary
- › ATO payment summaries, pay slips and employment contracts.

A.5 Contract and general expenditure

Examples of contract and general expenditure are:

- › Product design services for product optimisation
- › Engineering consultation to develop process engineering requirements and manufacturing processes
- › Industrial Internet of Things (IIoT) software development
- › Part identification technology
- › Cloud based applications for sensor data
- › Streaming analytics
- › Student assisting projects
- › Technical Specialist consultants
- › Commercialisation expert to establish relationships with manufacturers; establish reference sites; validate market for products with OEM and other manufacturers
- › Testing and validation of prototypes and of final commercialised products
- › Materials, consumables, and laboratory disposables
- › Travel and accommodation for field activities in Australia
- › Costs of acquiring intellectual property and technology
- › Costs related to recruiting or contracting specialist staff
- › Staff training and skills development that directly supports the achievement of project outcomes
- › Costs you incur in order to obtain planning, environmental or other regulatory approvals during the project period. However, associated fees paid to the Commonwealth, state, territory, and local governments are not eligible.
- › Overseas activities expenditure for the project activities is generally limited to 10 per cent of total project expenditure, exceptions may apply for the purchase or modification of capital assets related to the implementation or delivery of the project up to 50 per cent of total project expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

- 】 Another organisation
- 】 An individual who is not an employee but engaged under a separate contract.

Invoices from contractors must contain:

- 】 A detailed description of the nature of the work
- 】 The hours and hourly rates involved
- 】 Any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense. The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that include invoices and payment documents.

You must ensure all project contractors keep a record of the costs of their work on the project. We may require you to provide a contractor's records of their costs of doing project work. If you cannot provide these records, the relevant contract expense may not qualify as eligible expenditure.

APPENDIX B. INELIGIBLE EXPENDITURE

This section provides guidance on what we consider ineligible expenditure. We may update this guidance from time to time, so you should make sure you have the current version from AMGC website before preparing your application.

The AMGC Board may impose limitations or exclude expenditure, or further include some ineligible expenditure listed in these guidelines in a grant agreement or otherwise by notice to you.

Examples of ineligible expenditure include:

- 】 Research not directly supporting eligible activities
- 】 Activities, equipment or supplies that are already being supported through other sources
- 】 Costs incurred prior to us notifying you that the application is eligible and complete
- 】 Any in-kind contributions
- 】 Financing costs, including interest
- 】 Capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers, or photocopiers
- 】 Costs such as rental, renovations and utilities
- 】 Non-project-related staff training and development costs
- 】 Insurance costs (the participants must affect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- 】 Debt financing
- 】 Costs related to obtaining resources used on the project, including interest on loans
- 】 Depreciation of plant and equipment
- 】 Maintenance costs
- 】 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 required to support and/or accommodate the capital investment under the project
- 】 Opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- 】 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.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.



Australian Government
Department of Industry, Science,
Energy and Resources

Industry Growth Centres



AMGC
ADVANCED MANUFACTURING
GROWTH CENTRE LTD