

ADVANCED MANUFACTURING GROWTH CENTRE

WIND ENERGY MANUFACTURING CO-INVESTMENT PROGRAM

GUIDANCE TO APPLICANTS



Department of
**Jobs, Tourism, Science
and Innovation**

GUIDANCE TO APPLICANTS

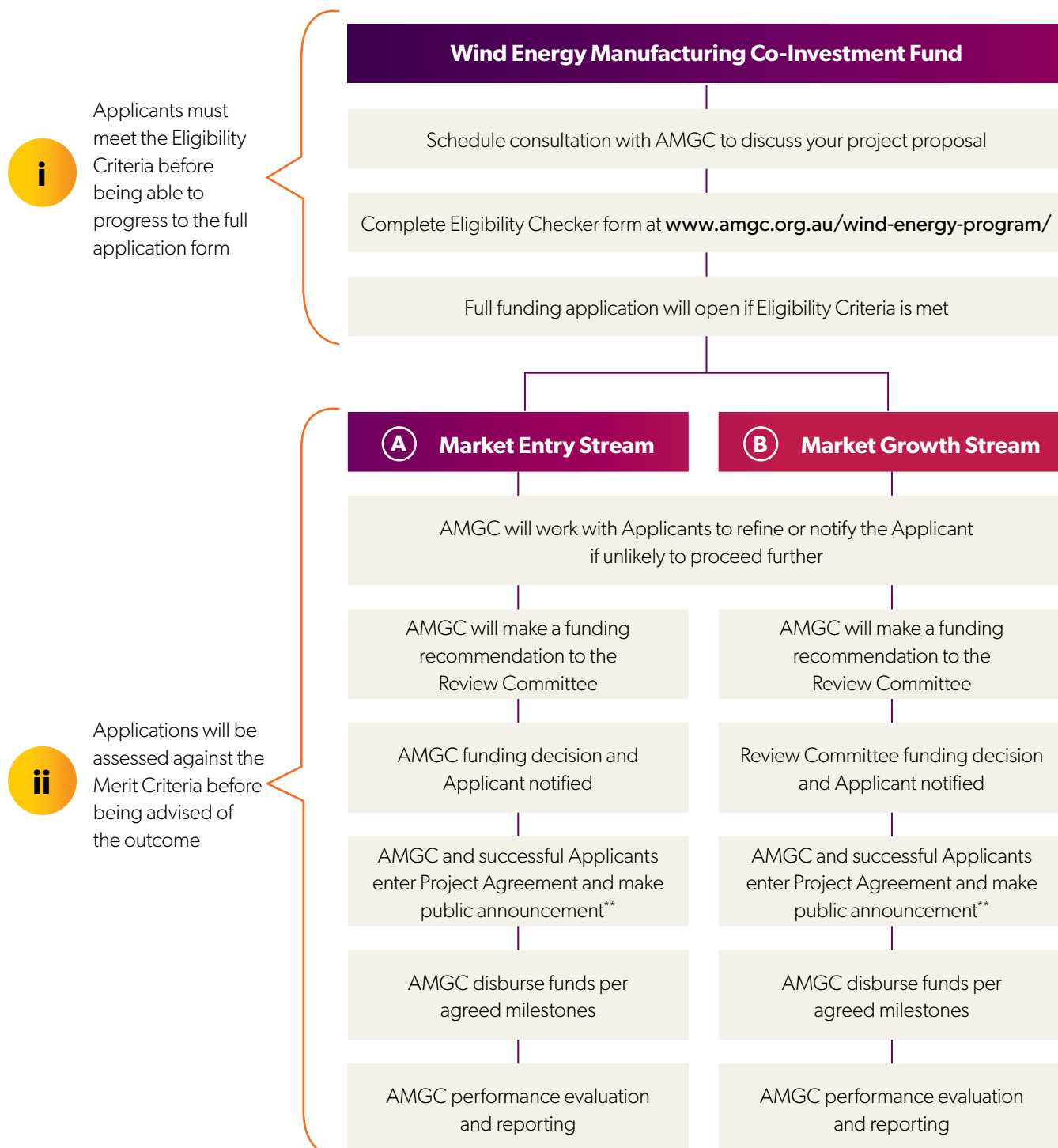
Opening date:	3 December 2024
Closing date and time:	20 May 2027
Administering entity:	Advanced Manufacturing Growth Centre (AMGC)
Enquiries:	If you have any questions, please contact us on applications@amgc.org.au
Date guidelines released:	December 2024
Type of funding opportunity:	Open, continuous, and competitive

CONTENTS

1. CO-INVESTMENT PROCESSES	5
2. ABOUT THE CO-FUNDING PROGRAM	6
2.1. PURPOSE OF FUNDING	6
2.2. ACTIVITY	6
2.3. PROJECT OUTCOMES	6
3. FUNDING AMOUNT AND TERM	7
3.1. PROJECT PERIOD	7
4. ELIGIBILITY CRITERIA	7
4.1. WHO IS ELIGIBLE?	7
4.2. ADDITIONAL ELIGIBILITY REQUIREMENTS	7
4.3. WHO IS NOT ELIGIBLE?	7
5. WHAT THE FUNDING CAN BE USED FOR	8
5.1. ELIGIBLE ACTIVITIES	8
5.2. ELIGIBLE EXPENDITURE	8
6. THE ASSESSMENT CRITERIA	9
7. HOW TO APPLY	12
7.1. ATTACHMENTS TO THE APPLICATION	12
8. THE FUNDING SELECTION PROCESS	13
8.1. WHO WILL APPROVE GRANTS?	13
9. NOTIFICATION OF APPLICATION OUTCOMES	13
10. SUCCESSFUL FUNDING APPLICATIONS	14
10.1. PROJECT AGREEMENT	14
10.2. HOW WE PAY THE FUNDS	14
10.3. TAX OBLIGATIONS	14
11. ANNOUNCEMENT OF FUNDING	15

12. HOW WE MONITOR YOUR FUNDED ACTIVITY	15
12.1. KEEPING US INFORMED	15
12.2. REPORTING	15
12.3. COMPLIANCE VISITS	16
12.4. PROJECT AGREEMENT VARIATIONS	16
12.5. EVALUATION	17
12.6. FUNDING ACKNOWLEDGEMENT	17
13. PROBITY	17
13.1. HOW WE HANDLE YOUR CONFIDENTIAL INFORMATION	17
13.2. WHEN WE MAY DISCLOSE CONFIDENTIAL INFORMATION	17
13.3. HOW AMGC WILL HANDLE CONFLICT OF INTEREST	17
APPENDIX A. ELIGIBLE EXPENDITURE	18
A.1. HOW WE VERIFY ELIGIBLE EXPENDITURE	18
A.2. OPERATING EXPENDITURE	18
A.3. CAPITAL EQUIPMENT EXPENDITURE – TYPICALLY CAPPED AT 25% OF TOTAL PROJECT COSTS	18
A.4. LABOUR EXPENDITURE	19
A.5. LABOUR ON-COSTS AND ADMINISTRATIVE OVERHEAD	20
A.6. CONTRACT AND GENERAL EXPENDITURE	20
APPENDIX B. INELIGIBLE EXPENDITURE	22

1. CO-INVESTMENT PROCESSES



* Timelines are subject to change dependant on a number of factors including how long applicants respond to feedback from AMGC.

** Announcements may be made by the WA Government and AMGC following a project agreement being entered.

2. ABOUT THE CO-FUNDING PROGRAM

2.1. Purpose of Funding

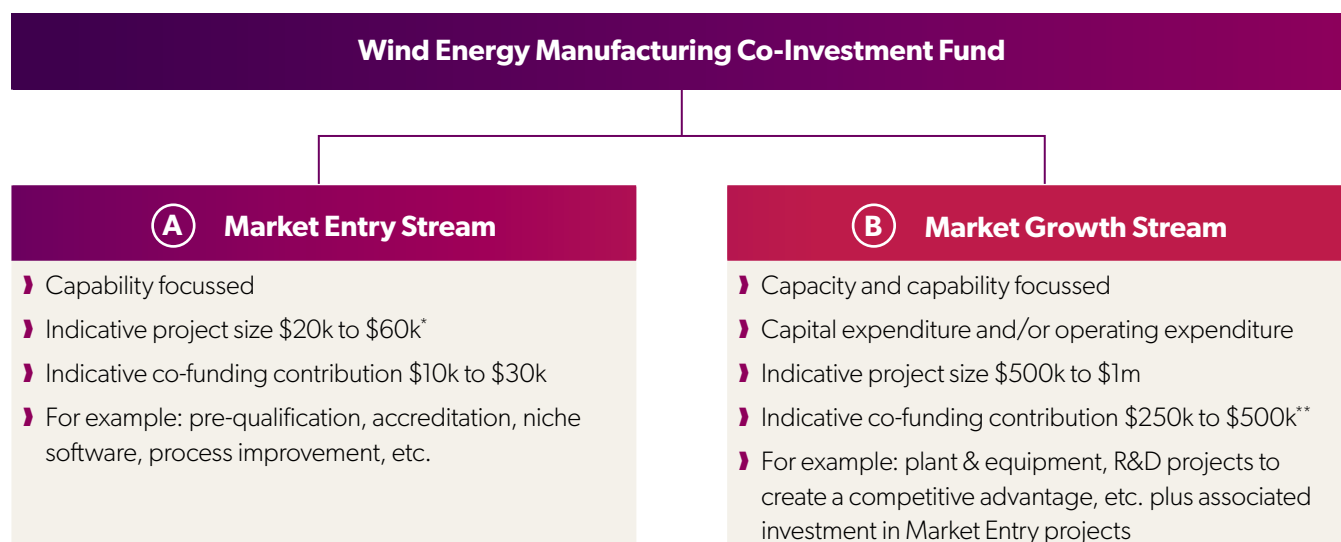
This Program seeks to enhance the capacity and capability of Western Australia (WA) businesses to participate in wind turbine manufacturing and servicing supply chains.

2.2. Activity

Project scope and description

The Program will provide co-funding to build capability and capacity of WA businesses to participate in wind turbine manufacturing and servicing supply chains, based on existing or the development of new Intellectual Property.

The amount funded will be up to 50 per cent of eligible project costs and matched the Applicant:



* Project size and co-funding amounts are indicative only, with projects to be considered between \$20k and \$1m (\$10k and \$500k co-funded).

** Capital expenditure is typically capped at 25% of total project costs, noting that co-funding greater than 25% and/or \$500k may be considered if there are demonstrated benefits to the State of Western Australia.

Successful applicants will contribute a minimum of 50 per cent of eligible project costs as cash contributions. Applicants cannot fund their contribution from other Commonwealth, State, Territory, or local government funding source, or use in-kind (non-financial) contributions to match funding. Applicants 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 WA-based companies and that joint venture arrangements include at least one SME partner.

2.3. Project outcomes

The intended outcomes of the Funding Program are to increase the capability, capacity and competitiveness of WA manufacturers through the implementation of new technologies and to increase productivity and create jobs in the WA wind energy supply chains.

In undertaking the activity, the successful Applicant must comply with the requirements of the funding opportunity guidelines (as in force at the time of application).

3. FUNDING AMOUNT AND TERM

The WA State Government has made \$8,000,000 available until May 2027.

The Applicant is 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.

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 and operations are based in WA.

4.2. Additional eligibility requirements

We can only accept applications:

- ▶ Where your application clearly identifies the level of job creation in WA expected from your project.
- ▶ Where your project goals align with wind energy supply chains in WA.
- ▶ Where you can provide evidence that you can complete the project and meet the costs of the project not covered by 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/2024/11/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.

4.3. Who is not eligible?

You are not eligible to apply if you are:

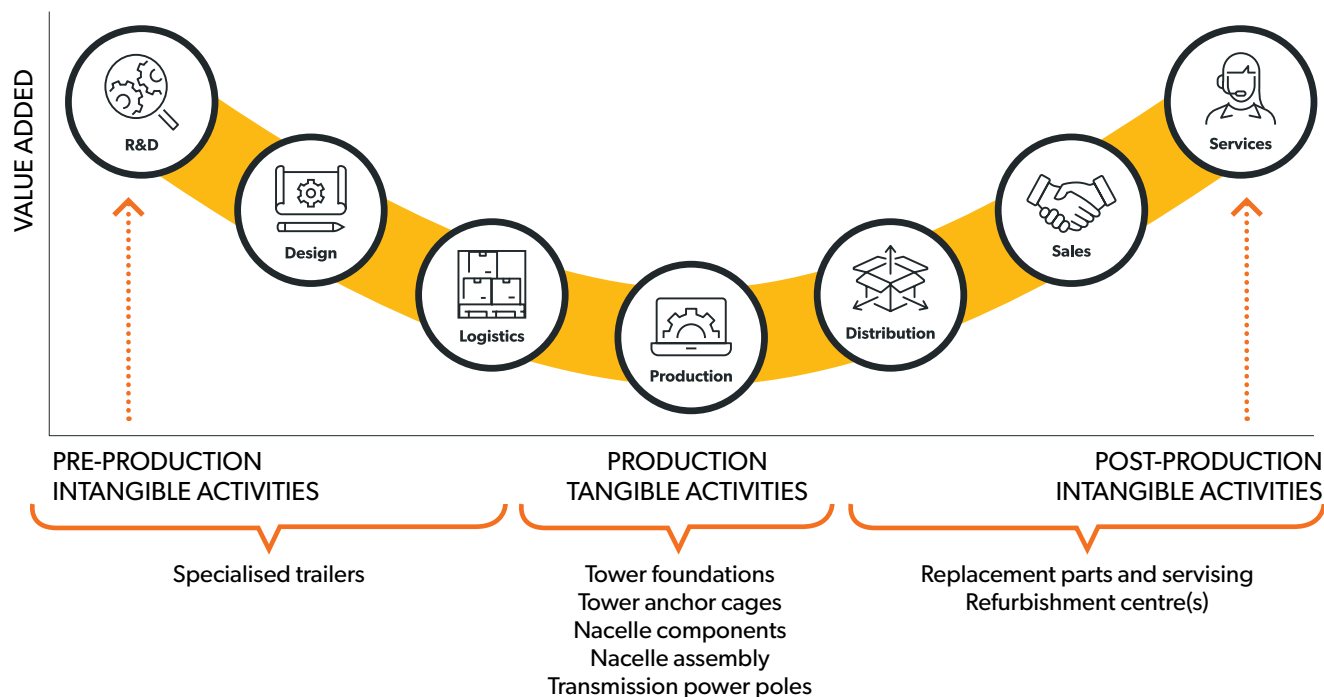
- ▶ An individual
- ▶ A partnership
- ▶ A trust (however, an incorporated trustee may apply on behalf of a trust)
- ▶ A Commonwealth, State, Territory, or local government body (including government business enterprises).

5. WHAT THE FUNDING CAN BE USED FOR

5.1. Eligible activities

To be eligible, your project may involve capital investment (25% of total project costs¹) and may include associated skill-based training to modernise and transform your manufacturing processes.

Eligible activities are illustrated below:



5.2. Eligible expenditure

You can only spend funding 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 funding. The Program Delegate (who is an AMGC State Director 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:

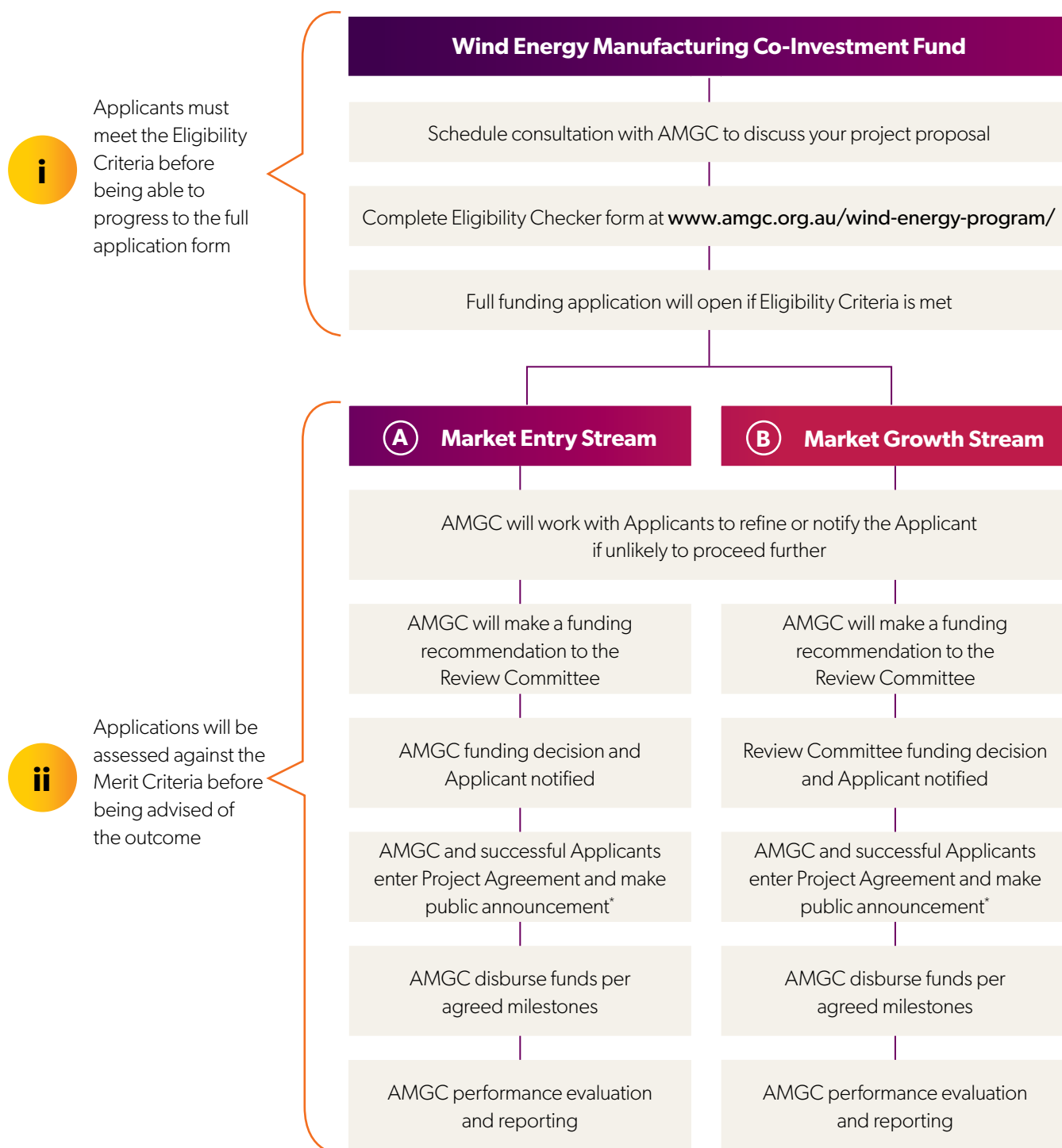
- ▶ Be a direct cost of the project
- ▶ Be incurred by you for required project activities.

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

¹ Noting that co-funding greater than 25% and/or \$500k may be considered if there are demonstrated benefits to the State of Western Australia.

6. THE ASSESSMENT CRITERIA

The first step is to undertake a self-assessed 'Eligibility Check', following which the Applicant will gain access to the full Application Form and assessed against a set of Merit Criteria:



* Announcements may be made by the WA Government and AMGC following a project agreement being entered.



ELIGIBILITY CHECKER

PROJECT'S ALIGNMENT WITH FUND OBJECTIVES AND WESTERN AUSTRALIA PRIORITIES	Response
Will this project enhance the capacity and/or capability of your company to enter or grow its participation in the wind energy supply chain?	Yes/No
Are there aspects of the wind turbine manufacturing and servicing supply chains your project focuses on?	Yes/No
Does your strategic plan or business plan demonstrate your intentions to seek engagement with the wind energy supply chain e.g., identified strategy, business and financial modelling, market research, risk assessment?	Yes/No
Can you describe anticipated increases in jobs, apprenticeships or upskilling of existing roles that will result from your project?	Yes/No
In addition to the wind turbine manufacturing and servicing supply chains, will this project enable your business to diversify its products, services, markets or customers?	Yes/No
Will this project change your current manufacturing processes, licensing, accreditations and/or plant & equipment requirements?	Yes/No
I understand the program focuses on manufacturing into supply chains for Western Australia wind energy projects to take advantage of WA's vast onshore natural wind resources. Project applications relating to the offshore wind industry will be considered on a case-by-case basis, and I will contact AMGC to discuss my application's eligibility.	Yes/No
I understand that projects focusing on technology, including software, would need to be an integral part of the manufacturing smiley curve, for a manufacturing company based in Western Australia, and stand-alone technology would not fit the purpose of the program.	Yes/No
DEMONSTRATED ABILITY TO SUCCESSFULLY IMPLEMENT PROPOSED PROJECT	Response
Can you describe the history of the Lead Applicant, demonstrating a track record in managing similar projects with the required skills and describe contributions to the project?	Yes/No
Can you detail the financial viability of the Lead Applicant, including details of access to capital to fund the project?	Yes/No
Can you describe your continuing IP strategy going forward for products developed during this project or the protection of your customers' IP?	Yes/No
Are you able to complete a Budget Table and Project Milestones including names of suppliers and detailed activities?	Yes/No
Can you provide details of Project Collaborators and their roles in the project? You must collaborate with at least one industry partner.	Yes/No
Applicants must answer 'Yes' to all questions to pass the Eligibility Check phase	

ii MERIT CRITERIA FOR FORMAL EVALUATION

PROJECT'S ALIGNMENT WITH FUND OBJECTIVES AND WESTERN AUSTRALIA PRIORITIES	Weighting
How will this project enhance the capacity and/or capability of your company to enter or grow its participation in the wind energy supply chain?	20 points
Which aspects of the wind energy supply chain will your project focus on?	5 points
Which parts of your strategic plan or business plan demonstrate your intentions to seek engagement with the wind energy supply chain e.g., identified strategy, business and financial modelling, market research, risk assessment?	15 points
Describe anticipated increases in jobs, apprenticeships or upskilling of existing roles that will result from your project.	5 points
In addition to the wind sector, how will this project enable your business to diversify its products, services, markets or customers?	5 points
How will this project change how you manufacture?	10 points
DEMONSTRATED ABILITY TO SUCCESSFULLY IMPLEMENT PROPOSED PROJECT	Weighting
Describe the history of the Lead Applicant, demonstrating a track record in managing similar projects with the required skills and describe contributions to the project.	10 points
Detail the financial viability of the Lead Applicant, including details of access to capital to fund the project.	5 points
Describe your continuing IP strategy going forward for products developed during this project or the protection of your customers' IP.	5 points
Complete the Budget Table and Project Milestones including names of suppliers and detailed activities.	10 points
Provide details of Project Collaborators and their roles in the project – you must collaborate with at least one industry partner.	5 points
In addition to your own matched financial contribution to the project, are there additional external funds or in-kind support that you can leverage as part of your project?	5 points
Maximum number of points available (minimum of 50 points required to pass Merit Criteria)	100 points

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 funding 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.

To assist in assessing financial viability and risk of financial failure, Applicants will need to:

- ▶ Answer some key questions relating to the business's and office bearers' financial history; Provide a declaration of solvency;
- ▶ Provide copies of prior years and current years (interim) financial statements; and
- ▶ Provide cash flow projections for the business for the next 12 months, highlighting key assumptions underlying these projections and the impact of the Project on the business.

Please note that AMGC may engage the services of a financial expert to review these and/or obtain a Risk of Failure report through Illion (formerly Dun & Bradstreet).

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 <https://www.amgc.org.au/wind-energy-program/>
- › 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 funding 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 State 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, for example:

- › Letter from your accountant confirming financial viability (required)
- › P&L Statement (required), ideally three complete financial years
- › Balance Sheet (required), ideally three completed financial years
- › Strategic or Business Plan (if available)
- › Investor Deck (if available).

8. THE FUNDING SELECTION PROCESS

We first review your application against the eligibility criteria. If eligible, we will then assess it against the merit 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 funding opportunity
- › The evidence provided to demonstrate how your project contributes to meeting those objectives
- › The relative value of the funding sought.

We will establish a Review Committee comprised of members from AMGC and the Department of Jobs, Tourism, Science and Innovation. The committee may seek additional advice from independent technical experts. The committee will assess your application against the merit criteria and compare it to other eligible applications before recommending which projects to fund.

8.1. Who will approve grants?

The AMGC Board decides which funding to approve taking into account the recommendations of the Review Committee and the availability of funding.

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

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

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

If you enter in an agreement with AMGC under this Program, you cannot receive funding from other Western Australian Government grant or funding programs. AMGC may recover funding 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 funding 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 funds

The project agreement will state the:

- › Maximum amount we will pay
- › Proportion of eligible expenditure covered (funding 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 funding 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.

Funding is considered 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 FUNDING

We will publish non-sensitive details of successful projects on the AMGC and potentially WA Government websites. This information may include:

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

12. HOW WE MONITOR YOUR FUNDED 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 funding 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 funding 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 funding 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 funding was spent in accordance with the funding agreement and to report on any underspends of the funding amount
- › 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 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 funding. 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, funding opportunity guidelines and any relevant policies of the department
- › Changes to the timing of funding payments
- › Availability of program funds.

12.5. Evaluation

We will evaluate the funding 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 interview you or ask you for more information to help us understand how the funding impacted you and to evaluate how effective the program was in achieving its outcomes.

12.6. Funding 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 funding by using the following:

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

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

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 WA Parliament
- › To relevant WA 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.

13.3. How AMGC will handle conflict of interest

Applicants will be contacted by AMGC’s State Director to assist with the process, and applications are processed in the order in which they are received.

- › AMGC will treat all applications in a fair and consistent manner
- › Members of the Review Committee will declare if there is a personal conflict of interest.

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 as scoped out in the project milestones
- › 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. Operating expenditure

- › Purchase or upgrade of computing software and systems
- › Pre-qualification, accreditation, licensing and training costs

A.3. Capital equipment expenditure – typically capped at 25% of total project costs²

Examples of eligible capital expenditure are:

- › Prototype machinery and equipment
- › Data collection devices
- › 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.

² Noting that co-funding greater than 25% and/or \$500k may be considered if there are demonstrated benefits to the State of Western Australia

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 funding 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.

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

A.4. 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 funding 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 funding 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.5. 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.6. 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 OEMs 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 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 25 per cent of total project cost.

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 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 funding 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 funded 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 funding application, preparing any project reports, and preparing any project variation requests.

This list is not exhaustive and applies only to the expenditure of the funding. Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes of 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.



Department of
**Jobs, Tourism, Science
and Innovation**