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Background

The Tasmanian Government's Advanced Manufacturing Action Plan which was publicly released in June 2016 includes as a key initiative, the establishment of an Advanced Manufacturing Innovation and Growth Voucher System (AMIG).

Funding of \$150 000 is available this current financial year, and \$100 000 in 2019-20.

The **Program** provides up to a 50% contribution to Tasmanian manufacturers who wish to undertake innovation and growth initiatives, subject to the applicant contributing at least half of the **project costs** in cash (i.e. not in kind). Minimum grant assistance is \$5 000 (\$10 000 project value). Maximum grant assistance is \$15 000 (\$30 000 project value or more).

Program objective

The objective of the **Program** is to support **advanced manufacturing enterprises** to undertake innovation and growth initiatives.

Definitions

Advanced manufacturing enterprises are those manufacturing businesses that utilise continuous improvement, enhanced skills, new technologies, and design and systems integration in order to drive innovation and growth throughout the value chain. Advanced manufacturers ensure that customers receive the best quality, cost and delivery (QCD) in products and services. Small to medium advanced manufacturers aim to deliver high value, niche and customised premium products and services in low to medium volume supply chains.

Grant Agreement means a Grant Agreement entered into between an approved applicant and the Crown in Right of Tasmania.

Project means a project which is the subject of a funding application under the **Program**.

Project Costs includes costs incurred by an applicant directly attributable to the **Project**, but excludes ongoing running costs associated with a **Project**.

Program means this Advanced Manufacturing Innovation and Growth Voucher System.

Applicant and program eligibility

To be eligible for financial assistance from the **Program** the applicant:

- must demonstrate that they operate an advanced manufacturing enterprise, as defined by this program, to the satisfaction of the department;
- must have an Australian Business Number and be registered for GST;
- cannot receive in excess of \$15 000 per financial year under this **Program**;
- must have annual sales turnover greater than \$300 000 and less than \$20 million;
- applications must be lodged a minimum of one calendar month prior to the commencement of the planned activity;
- must not be a consultant or intermediary; and
- must not be subject to any legal disability, including bankruptcy or liquidation.

Selection criteria

All applications are subject to a merit process, based on the following criteria;

- demonstration that the enterprise meets the definition of an advanced manufacturing enterprise;
- the specific growth opportunity needs to be clearly identified and substantiated;
- the nature and the quality of the initiative to assist the specific growth opportunity;
- the applicant's previous experience; and
- applications for collaborative activities are encouraged.

Eligible expenditure

The **Program** provides a reimbursement of up to half of approved expenses for undertaking innovation and growth initiatives, supporting enterprises to adopt “cutting edge” technology or practice for the advanced manufacturing sector in Tasmania to a maximum of \$15 000. Activities will only be supported if it can be clearly demonstrated that the activity is directly linked to a specific growth opportunity. Eligible expenditure cannot be retrospective.

As a guide, by way of example, but not limited to, the following expense items are eligible for **up to half** reimbursement, to a maximum of \$15 000 in total, per activity:

- **Quality Assurance Systems**
 - For example: ISO 9000, 1401, 1345, HACCP, AusDefCon.
 - The systematic measurement, comparison with a standard, monitoring of processes and associated feedback loop that facilitates error prevention. It differs from quality control which is focused on process outputs. A suitable quality system is determined by product users, clients or customers.

- **Designers in industry – industrial product design, design for manufacturing**
 - Allows companies to have a specialised expert in their business for a period of time to identify poor or outdated design which has been proven to be one of the most costly issues for businesses, not just in market share, but also internal cost to manufacture. Designers could work with key external customers to value add the supply chain capability of the enterprise and could also include technical specifications around products/guidance materials.
- **Disruptive technologies**
 - Specialised expertise to assist the implementation and adoption of disruptive technologies, including automation, robotics, simulation, rapid prototyping, 3D modelling additive manufacturing and sensor networks. While highly specialised, much of these concepts are intuitive with very advanced front ends which allow ease of use and integration into business. It is critical to work with key external customers to add value to them as well as capability into the enterprise.
 - The business must demonstrate that this technology is not currently used in Tasmania, for a similar purpose.
- **Engineering and applied research**
 - A suitably qualified technologist with fresh eyes to assist manufacturers to identify embedded innovation within their firms through redesign and/or application of machinery to open up opportunities for potential new products or services which could generate other sources of income.
 - Further assist manufacturers with new product development which requires significant resources such as finite element analysis (FEA), vibration analysis, material science, new generation digital interfaces, corrosion management, whole of life management, systems integration, etc.
- **Internal Strategic projects**
 - Including supply chain integration and management, product/service innovation plans for existing products, strategic business reviews.
- **Production and operational system projects:**
 - Including process improvements (lean auditing, error reduction), inventory management, value stream mapping, improved structure and factory layout,

Application process

For an enterprise's application to be approved, the application must be submitted and assessed before the activity takes place. Steps in the process are as follows:

1. An enterprise is briefed on the AMIG by the Business & Trade Tasmania Division in the Department of State Growth. At this stage the enterprise should review the application form in detail to ascertain eligibility. See contact details under Administration section.
2. The application is submitted to the Business & Trade Tasmania Division for assessment.
3. The enterprise will be advised of the outcome by the Business & Trade Tasmania Division.
4. A **grant agreement** will be prepared for execution by the successful enterprise.

Applicants are encouraged to discuss their application with the Department of State Growth prior to submitting their application.

Successful applicants

1. If successful the enterprise will need to submit the following in order for the reimbursement to be processed:
 - a) Satisfactory proof of expenditure (with original receipt document to be sighted upon request);
 - b) A detailed written report on the activities undertaken and outcomes achieved; and
 - c) Tax Invoice.
2. Additional reports on the outcomes of the activity may be requested up to 24 months after reimbursement.

N.B. No AMIG assistance is available to enterprises failing to comply with the application process.

Taxation and financial implications of grant funding

Grants under the **Program** attract GST. Grant payments to grantees are increased to compensate for the amount of GST payable.

The receipt of funding from this **Program** may be treated as income by the Australian Taxation Office (ATO). While grants are typically treated as assessable income for taxation purposes, how they are treated will depend on the grantee's particular circumstances.

It is strongly recommended that the potential applicants consider seeking independent advice about the possible tax implications for receiving a Grant under the **Program** from a tax advisor, financial advisor and/or the ATO, prior to submitting an application.

Administration

The **Program** will be administered by the Department of State Growth on behalf of the Crown in Right of Tasmania.

Any person requiring further advice or information of the **Program** is asked to direct enquiries to Business Tasmania on 1800 440 026

Confidentiality

The relevant parties will use and disclose the information provided by applicants for the purposes of discharging their respective functions under the Program Guidelines and otherwise for the purposes of the **Program** and related uses. The Department may also:

1. use information received in applications in any other Departmental business; and

2. use information received in applications and during the performance of the **Project** for reporting.

Publicity of grant assistance

The Department of State Growth disburses public funds and is therefore accountable for the distribution of those funds. As part of the accountability process, the Department may publicise the level of financial assistance, the identity of the recipient, the purpose of the financial assistance, and any other details considered by the Department to be appropriate.

Right to Information

Information provided to the Department of State Growth may be subject to disclosure in accordance with the *Right to Information Act 2009*.

Personal Information Protection

Personal Information will be managed in accordance with the *Personal Information Protection Act 2004*. This information may be accessed by the individual to whom it related, on request to the Department of State Growth. A fee may be charged for this service.

Disclaimer

Although care has been taken in the preparation of this document, no warranty, express or implied, is given by the Crown in Right of Tasmania, as to the accuracy or completeness of the information it contains.

The Crown in Right of Tasmania accepts no responsibility for any loss or damage that may arise from anything contained in or omitted from or that may arise from the use of this document, and any person relying on this document and the information it contains does so as their own risk absolutely.

The Crown in Right of Tasmania does not accept liability or responsibility for any loss incurred by any applicant that are in any way related to the **Program**.



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