

# Investing in Manufacturing Technology (IMT) Program Guidelines



## 1. Background

Investing in Manufacturing Technology (IMT) is an initiative under the Victorian Government's manufacturing strategy, *A More Competitive Manufacturing Industry: New Directions for Industry Policy and Manufacturing*.

Investments in new technologies provide a critical foundation for enhancing productivity and building a competitive edge. These investments can transform manufacturing businesses – from changing the way they design and produce products to how they acquire and use information, knowledge and resources.

## 2. Program Objectives

IMT assists manufacturers to purchase and integrate new technologies that will improve productivity and competitiveness, strengthen capability and have a transformative impact on their business by encouraging wider and ongoing innovation.

By supporting investment in new technologies, the IMT program aims to facilitate the growth of manufacturing businesses which are, or have the potential to become, high performing and internationally competitive. The program is primarily targeted at medium-sized manufacturers.

## 3. Eligibility

### 3.1 The Applicant

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

- > Possess an Australian Company Number (ACN)
- > Have a manufacturing presence in Victoria
- > Have at least three years trading history
- > Meet the co-contribution requirement with eligible project expenditure
- > Be willing to provide financial reports for the last three financial years to enable the Department of State Development, Business and Innovation (DSDBI) to conduct a risk assessment.

Businesses of all sizes are eligible to apply. Businesses may apply individually or jointly with other businesses.

### 3.2 The Project

Purchasing technology that is embedded in equipment and machinery should be central to proposed projects. The project should also involve integrating the technology into the business, which may also include some facility redesign and training.

IMT is not intended to support projects which primarily involve:

- > routine replacement or upgrade of plant and equipment using simple technologies
- > activities that would be undertaken in the normal course of business, such as capacity expansion, or
- > R&D and commercialisation.

Funding will not be provided for retrospective activities (i.e. where project expenditure is incurred prior to finalising the Grant Agreement). Project expenditure incurred between the date of Letter of Offer and signing of the Grant Agreement may be determined as eligible in very exceptional circumstances, subject to prior written Departmental approval.

Applicants are required to demonstrate the extent of the project's dependence on the grant, including the likelihood of the project proceeding if the application is unsuccessful.

## 4. Funding

### 4.1 Level of Funding

The program provides grants of up to \$250,000, allocated on a competitive basis. All grants require a minimum co-contribution from the business of 75% of total eligible project expenditure (i.e. \$3 for every \$1 granted).

### 4.2 Eligible Project Expenditure

Applicants must meet the co-contribution requirement with eligible project expenditure.

Eligible project expenditure includes capital expenditure and other project-related non-capitalised expenditure **but does not include internal costs, salaries or resources**. All project expenditure is to be incurred after finalising the Grant Agreement, except in very exceptional circumstances.

If applying jointly with another business, both businesses may contribute to project expenditure to meet the co-contribution requirement. Funds from other Victorian or Commonwealth Government programs cannot form part of the co-contribution.

Applicants will need to meet the cost of any ineligible expenditure associated with their project.

### 4.3 Duration of Funding

The project being undertaken is to be completed within 18 months of the date of the Grant Agreement. Completion of the project within this timeframe will be a legally binding commitment in the Grant Agreement.

## 5. Assessment Criteria

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

Applications are assessed against each of the following criteria:

Primary Criteria
<p><b>1. Impact of the project on business productivity</b></p> <ul style="list-style-type: none"> <li>&gt; How and to what extent will the project deliver significant, ongoing increases in productivity to the business?</li> <li>&gt; When are the productivity increases likely to be realised?</li> </ul>
<p><b>2. Impact of the project on business growth and competitiveness</b></p> <ul style="list-style-type: none"> <li>&gt; What evidence is there that the business is, or demonstrates the potential to become, high performing and internationally competitive?</li> <li>&gt; How will the project enable the business to capitalise on growth opportunities, such as improving export capability and global competitiveness?</li> <li>&gt; How does the project align with the broader growth plans of the business?</li> </ul>
<p><b>3. Degree of innovation of the proposed technology</b></p> <ul style="list-style-type: none"> <li>&gt; How 'new' is the technology, e.g. new to firm, new to industry, new to Victoria?</li> <li>&gt; How will the technology enhance the sophistication and technical expertise of the business?</li> <li>&gt; How will the project encourage wider and ongoing innovation in the business, such as process, product, organisational and market innovation?</li> </ul>
Secondary Criteria
<p><b>4. Benefits of the project to other Victorian businesses</b></p> <ul style="list-style-type: none"> <li>&gt; What benefits will the project generate for other Victorian businesses?</li> <li>&gt; Will the business support diffusion of information about the technology, for example through participation in networks?</li> <li>&gt; What consideration has been given to sourcing local suppliers, where appropriate, to implement the project and/or the ongoing manufacturing activities related to the project?</li> </ul>
<p><b>5. Capability of the business to successfully integrate the technology into its operations</b></p> <ul style="list-style-type: none"> <li>&gt; How will the project be implemented to ensure the benefits of the technology are realised?</li> <li>&gt; What evidence is there that the business has the capability to implement the project in this way?</li> <li>&gt; Is there a strategy for developing this capability if it does not already exist?</li> </ul>
<p><b>6. Impact of the project on employment and skills</b></p> <ul style="list-style-type: none"> <li>&gt; How many existing employees will be transitioned into higher value, higher skilled roles as a direct result of the project and what is the timeline?</li> <li>&gt; How many new jobs will be created as a direct result of the project and what is the timeline?</li> <li>&gt; What is the likely employment impact on other businesses?</li> </ul>
<p><b>7. The project's likelihood of proceeding without the grant</b></p> <ul style="list-style-type: none"> <li>&gt; Would the proposed project proceed without the grant?</li> <li>&gt; Why is the requested grant amount required, rather than a lesser amount?</li> <li>&gt; How would the incentive of the grant impact favourably on the scale or timing of the project?</li> <li>&gt; What other funding options have been pursued?</li> </ul>

## 6. Application Process

Businesses interested in applying for an IMT grant are required to make contact with a Victorian Government Business Development Officer regarding their intention to apply to the program and the proposed project. For contact details and further information please call Business Victoria on 13 22 15.

**Potential applicants are encouraged to carefully consider their ability to meet the program requirements and perform well against the assessment criteria before committing significant resources to developing an application.**

Applications are contestable, subject to evaluation against the eligibility and assessment criteria and consideration as to whether the proposal is sufficiently strategic to be funded.

Where a project involves multiple businesses, the lead business should submit the application and will be subject to a financial risk assessment. All participating businesses will be subject to probity checks.

### 6.1 How to Apply

There is a two-stage application process.

#### 6.1.1 Expression of Interest

In the first instance, applicants are requested to submit an Expression of Interest (EOI) via the electronic application form available on the Business Victoria website at [business.vic.gov.au/imt](https://business.vic.gov.au/imt). The EOI will determine the applicant's eligibility, advise the Department as to the principal activities of the Company and provide a brief description of the project to be funded. The EOI can only be made using this electronic form and must be submitted online. Printed, facsimile, posted or other methods of delivery of the EOI form will not be accepted.

All sections of the EOI form must be completed in full.

All EOIs will be considered by the Department and short-listed applicants will then be invited to formally apply for funding (stage two).

Irrespective of eligibility and merit, there is no guarantee that the applicant will be short-listed.

#### 6.1.2 Applications

DSDBI will provide an electronic link via email to those applicants whose Expressions of Interest have been short-listed. Applications can only be made using this electronic link and must be submitted online. Printed, facsimile, posted or other methods of delivery of the application form will not be accepted.

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

**All applications must be accompanied by the following supporting documentation:**

- > **Project Plan** (A template providing guidance about information to be included in the project plan is available at [business.vic.gov.au/imt](https://business.vic.gov.au/imt))
- > **Audited Financial Reports** for the past three years (including Profit & Loss, Balance Sheet and notes to the accounts)
- > **Management or interim accounts** for the current year, if the most recent Financial Report is more than 6 months old
- > **Business plan** incorporating financial projections (Profit & Loss and Cash Flow)

*The cash flow projections should include project expenditure and project funding as separate items in cash outflow and inflow.*

*The financial projections should cover the life of the project and should reflect the financial benefits expected to be generated from the project.*

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

## 7. Administration and Assessment

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

Shortlisted applicants may be contacted by a Business Development Manager to provide additional supporting documentation and confirm the performance targets and milestones. These agreed conditions will be documented prior to the application being submitted for further assessment and will form the basis of payment milestones in the Grant Agreement if successful.

Irrespective of eligibility and merit, there is no guarantee that an offer of funding will be made.

## 8. Approval and Grant Agreement

### 8.1 Approval

The relevant Minister is responsible for approval of the grants. A Letter of Offer signed by the Minister will be forwarded to approved applicants.

Businesses should expect to learn the outcome of their application within approximately 12 weeks of submission.

### 8.2 Grant Agreement

Subject to acceptance of the Letter of Offer by the grant recipient, a legally binding Grant Agreement will be prepared reflecting the project, proposed outcomes, milestones and conditions of payment.

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

## 9. Reporting

All grant recipients must agree to comply with the Department's performance monitoring and evaluation regime.

Grant recipients are required to report on the outcomes of the project. Reports are due prior to final payment of the grant and 12 months after completion of the project and/or as specified in the Grant Agreement.

Grant recipients must also agree to participate in any formal evaluation of the program by the Victorian Government or its agents.