



**Australian Government**

**Department of Industry, Science,  
Energy and Resources**

# Modern Manufacturing Initiative - Translation and Integration Streams – Round 2

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Frequently Asked Questions

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# Document Updates

Date Updated	Frequently Asked Questions added
<b>13 December 2021</b>	Initial publication
<b>10 January 2022</b>	1.12 How do I calculate Gross Value Added (GVA)?  1.13 How do you define the term transaction Costs?  7.5 Do I have to provide evidence of domestic and international value chains for my translation stream application?  8.3 How do I record negative taxable income, as I'm only able to enter positive amounts?

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# 1. General Questions

## 1.1. What funding is available?

For the second round of the Modern Manufacturing Initiative, Translation and Integration Streams, a combined total of approximately \$280 million is available across all the National Manufacturing Priorities.

- The grant amount can be up to 50 per cent of eligible project expenditure (grant percentage).
- The minimum grant is \$1 million and the maximum grant amount is \$20 million.

## 1.2. Which National Manufacturing Priorities (NMPs) will be supported through Round 2?

All six NMPs will be supported through Round 2:

- Medical Products
- Resources Technology and Critical Minerals Processing
- Space
- Defence
- Recycling and Clean Energy
- Food and Beverage

## 1.3. What is the difference between the Manufacturing Translation and Manufacturing Integration streams?

Projects under the Translation Stream will support commercialisation activities for new products or processes. This stream is about translating good ideas into commercial outcomes rather than undertaking early stage research and development. Successful projects under the Translation stream will be able to demonstrate a clear advancement in Technology Readiness Level (TRL).

Projects under the Integration Stream will support Australian businesses to enter into domestic or global value chains, or upgrade their existing position in a value chain. This stream is about modifications to existing products and processes to facilitate access to domestic and global value chains and new markets and secure new customers rather than the commercialisation of new products and services.

## 1.4. My project has activities that I think cut across both the Integration and the Translation streams. Under which stream should I apply?

The Australian Government cannot provide funding for the same activity twice. This includes across the funding streams of the Modern Manufacturing Initiative.

If your project has activities that you think could fall under the Translation and Integration streams, you should apply for the stream that you think has the greatest relevance to your project.

For example, if the key outcome of your project is the commercialisation of a product or process the Translation stream may be for you. However, if you already have a product or process that is close to commercialisation and the key outcome of your project is to access new domestic and global value chains, and to secure new customers, then the Integration stream may be more appropriate.

You may choose to submit more than one application under the Manufacturing Translation and/or the Manufacturing Integration stream, or if you have activities you think span both streams you may submit applications for both, provided there is no overlap of project activities in submitted applications.

If an application is substantially the same as another already submitted under either of the streams or both streams, we may refuse to consider it for assessment.

### 1.5. Are there rules or conditions around how I fund my contribution?

Total eligible project expenditure can be funded through non-Government and Government sources, subject to the following limitations:

- Contributions from Commonwealth Government sources (including this grant) cannot exceed 50 per cent of the total eligible project expenditure. Other Commonwealth sources may include Commonwealth loans, for example from the Clean Energy Finance Corporation, or the Northern Australia Infrastructure Fund.
- You can use funding from State, Territory or local government grants to fund up to 25 per cent of your contribution to eligible project expenditure.  
By way of example, a project with total eligible project expenditure of \$4 million, where the Commonwealth grant sought is 50 per cent (\$2 million) your contribution to eligible project expenditure would be \$2 million. State, Territory or local government grants could be used for up to 25 per cent of your \$2 million contribution – i.e. up to \$500,000.
- This means that contributions from all government sources (including Commonwealth, State and Territory and local government sources and including this grant) cannot exceed 62.5 per cent of total eligible project expenditure
- You must have a minimum of 37.5 per cent of total eligible expenditure from non-government sources.

You cannot use more than one Commonwealth Government grant to fund the same eligible activities you intend to undertake as part of your Translation or Integration Stream project. For example, if you are receiving funding through the Manufacturing Modernisation Fund to purchase a piece of manufacturing plant and equipment, you cannot use Manufacturing Translation or Integration Stream grant funds to purchase the same piece of plant and equipment. For clarity, this does not prevent a business from applying for grant funding under another stream of the Initiative, however the same activities cannot be funded more than once.

### 1.6. Can projects occur across multiple sites?

Yes, project activities can occur across multiple locations. The application form will ask you to provide the addresses of all project locations, including the estimated percentage of project value expected to be undertaken at each site.

### 1.7. Is a grant considered income for tax purposes?

Grants are assessable income for taxation purposes, unless exempted by a taxation law (see section 10.4 of the program guidelines). We recommend you seek independent professional advice on your taxation obligations or seek assistance from the Australia Taxation Office. We do not provide advice on tax.

### 1.8. Is there a sample grant agreement available to review?

A sample grant agreement is available at [business.gov.au](https://business.gov.au) for each grant opportunity.

### 1.9. Do all projects need to demonstrate new job creation?

You should refer to Assessment Criterion 1 under which you will have an opportunity to outline the anticipated employment outcomes of your project. This could include an increase in jobs and/or a more highly skilled workforce both during your project and into the future. Separately in the application form, you will be required to identify the total number of jobs you expect your project to create, as well as how

many jobs you expect to be retained at the end of the project. The level of job creation will be assessed in relation to grant size.

### 1.10. What are the key changes to the Assessment Criteria from Round 1 of the program?

If you submitted an application for the Manufacturing Translation or Integration Streams through Round 1 and intend to apply for Round 2, you should review the new Grant Opportunity Guidelines as we have made some changes. These include:

- Further clarification of the primary objective of each stream
- Additional guidance on what we consider to be the key elements of a meritorious project, such as demonstrating considerable advancement in the maturity level of ideas or products according to the Technology Readiness Level scale or advancing your position and market presence to enter, expand and operate in new and existing local and global value chains
- Additional guidance on how to address each Assessment Criterion, and in particular the need to demonstrate the additional activities the grant would allow you to undertake, and the spill over benefits of your project under Assessment Criterion 3. The weightings of Assessment Criterion 2 and 3 have been amended to reflect their equal importance.

### 1.11. Can I reapply if I was unsuccessful in Round 1?

Yes, applicants from Round 1 are eligible to apply for funding in Round 2. It is advisable to take on board any feedback received as part of Round 1 to improve chances of success in Round 2.

Applicants may also wish to utilise the grant readiness checklist available on the Business.gov.au website to better understand the grant application process.

<https://business.gov.au/grants-and-programs/check-if-youre-ready-to-apply-for-a-grant>

### 1.12. How do I calculate Gross Value Added (GVA)?

The calculation to use for GVA is as follows:

$$\text{GVA} = (\text{Annual Turnover (\$)} - \text{Material Costs (\$)})$$

Material costs can be defined as materials, services (including but not limited to water and energy) and software, and excluding staff costs and capital costs, such as land, building and equipment.

### 1.13 How do you define the term transaction Costs?

AusIndustry does not have set definition for transaction costs however, we encourage applicants to take plain English definitions.

## 2. Eligible Expenditure

### 2.1. What can I spend the funding on?

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

For guidance on eligible expenditure, see Appendix A of the Grant Opportunity Guidelines.

For guidance on ineligible expenditure, see Appendix B of the Grant Opportunity Guidelines.

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.

To be eligible, expenditure must:

- be a direct cost of the project; or
- be incurred by you for required project audit activities.

You must incur the project expenditure between the project start and end date as defined in your grant agreement for it to be eligible unless stated otherwise.

You may elect to commence your project from the date of the letter of offer. However, we are not responsible for any expenditure you incur until your grant agreement is executed.

## 2.2. Is rent an eligible expenditure item?

No. Routine operational expenses are not considered eligible expenditure (see Appendix B of the program guidelines).

## 2.3. Can I claim the costs associated with preparing my application as eligible expenditure if my application is approved?

No. Costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports we require) and preparing any project variation requests are all considered ineligible expenditure (see Appendix B of the program guidelines) which grant funding cannot be used for.

# 3. Eligibility Requirements

## 3.1. What is a non-tax-exempt organisation?

For the purposes of this grant round, we define non-tax-exempt as an organisation that pays income tax on their earnings. An income tax-exempt organisation (as endorsed by the Australian Taxation Office) is not eligible to apply for funding under this grant round.

## 3.2. Are overseas companies or entities eligible for funding?

You must be able to satisfy the eligibility criteria to apply. This also applies if you are an overseas entity.

Overseas entities may wish to participate in applications as a project partner.

You should also consider assessment criteria 1, which specifically requires applicants to address the benefits the project will have to strengthen and grow the Australian manufacturing sector.

You should refer to section 4 of the Grant Opportunity Guidelines which outline eligibility requirements and section 6, which discusses the assessment criteria.

## 3.3. Can I apply for funding if I have a project that is already underway?

Yes, however, we are not responsible for any expenditure you incur prior to your project being approved for grant funding and a grant agreement is executed.

The Commonwealth will not be liable, and should not be held out as being liable, for any activities undertaken before the grant agreement is executed.

If your proposed project activities form part of a larger suite of works, these may be eligible. These activities must not yet have commenced and be able to be described as a standalone project.

You should refer to Appendix A – Eligible Expenditure, of the Grant Opportunity Guidelines.



# 4. National Manufacturing Priorities (NMPs) and Road Maps

## 4.1. What are the NMPs?

The Australian Government's [Modern Manufacturing Strategy](#) outlines six NMPs. These are:

- resources technology and critical minerals processing
- food and beverage
- medical products
- recycling and clean energy
- defence
- space

It is an eligibility requirement that your project aligns with one of the National Manufacturing Priorities.

Further information on the National Manufacturing Priorities can be found in Section 2 of the Grant Opportunity Guidelines.

## 4.2. What are the NMP Road Maps and how do they link to the Modern Manufacturing Strategy?

Road maps have been developed with industry for each National Manufacturing Priority identified in the Modern Manufacturing Strategy.

Each priority area has been identified as having significant manufacturing growth opportunities with the potential to deliver long-term transformational outcomes for the Australian economy.

The National Manufacturing Priority road maps outline the vision, growth opportunities, actions, goals and key milestones for each priority area. The road maps set the direction for the future growth and expansion of these sectors and provide a way forward for both government and industry to work together to invest in new and exciting opportunities to grow jobs, scale-up activities and access global supply chains.

The road maps for each of the NMPs are available at [industry.gov.au/manufacturing](http://industry.gov.au/manufacturing).

As part of assessment criterion 1, you are required to outline how your project aligns with and supports implementation of the relevant National Manufacturing Priority road map(s), and the growth opportunities and goals set out in the road maps for the priority area you are applying for.

## 4.3. If my application covers more than one NMP should I only align it to one?

This will depend on the nature of your project and is a decision for you to make. As there are separate application forms for each NMP, you will need to decide which NMP you are able to make the strongest case under. Where your project aligns to more than one National Manufacturing Priority area, you should identify this within your application and explain how it aligns to each.

The road maps for each of the NMPs are available at [industry.gov.au/manufacturing](http://industry.gov.au/manufacturing).

## 4.4. Will there be a set allocation of grant funding awarded between the NMPs?

There is no pre-determined allocation of grant funding between the National Manufacturing Priorities.

## 5. Funding size and contributions

### 5.1. What is the minimum and maximum grant?

Minimum eligible project expenditure is \$2 million. The Commonwealth Government will fund up to 50 per cent of project expenditure with \$1 million being the minimum amount of grant funding that can be sought.

There is no maximum project expenditure amount. However, the maximum grant funding a project can receive is \$20 million. Projects with over \$40 million in expenditure are still able to apply, but can only receive a maximum of \$20 million in grant funding.

### 5.2. When do I need to have my funding contribution ready? Do I need to have the entire amount available up front?

You will need to provide documentary evidence of your ability to fund your share of project costs. You do not need to have your share of funding fully available when you apply. However, you must be able to demonstrate that you can fund your share of project costs at the rate incurred on the project.

## 6. Key dates and timing

### 6.1. When will the program open and close for applications?

Each of the National Manufacturing Priorities (NMP) has its own set of Grant Opportunity Guidelines.

The application timeframe for each of the NMPs are set out below.

#### Translation and Integration streams (Round Two)

National Manufacturing Priority	Program open for applications	Program closes to applications
Space	13 December 2021	14 January 2022
Medical Products	13 December 2021	14 January 2022
Resources technology and critical minerals processing	13 December 2021	14 January 2022
Food and beverage	17 December 2021	14 January 2022
Defence	17 December 2021	14 January 2022
Recycling and clean energy	17 December 2021	14 January 2022

### 6.2. Can I submit a late application?

No. Late applications will not be accepted.

### 6.3. When does my project need to be completed by?

Projects may be of any length or duration, however, all expenditure related to the grant proposal must be completed by 31 March 2024.

## 7. Application process

Before applying, you should read and understand the relevant Translation / Integration Stream Grant Opportunity Guidelines, the sample application form and the sample grant agreement published on [business.gov.au](http://business.gov.au) and GrantConnect.

To apply, you must:

- complete the online application form via [business.gov.au](http://business.gov.au)
- provide all the information requested
- address all eligibility and assessment criteria
- include all necessary attachments.

You may choose to submit more than one application under the Manufacturing Integration and Translation Streams provided project activities in submitted applications are not substantively the same.

If you need further guidance around the application process, or if you are unable to submit an application online, contact us at [business.gov.au](http://business.gov.au) or by calling 13 28 46.

### 7.1. How do I submit an application?

You must apply online. For details visit [business.gov.au](http://business.gov.au).

You can begin working on your application with the sample application form via [business.gov.au](http://business.gov.au). You will be able to lodge your application from the date that applications open via the online application form on [business.gov.au](http://business.gov.au) until the closing date at 5:00pm Australian Eastern Daylight Time (AEDT) 14 January 2022. Please take account of time zone differences when submitting your application.

You will need to complete all questions asked in the online application form and include all mandatory documentation and attachments.

Both successful and unsuccessful applicants will receive notification in writing.

Applications must be submitted through the online application form before the closing date for this grant opportunity.

### 7.2. What attachments are required as part of my application?

A number of attachments are required as part of your application process.

You should consult sections 7.1 and 7.2 of the Grant Opportunity Guidelines, for a detailed list of the mandatory attachments and what the attachments should cover or include. Please note that a failure to attach these documents or complete them properly may result in your application being deemed ineligible.

### 7.3. What if I make an unintentional error in my application?

If you have submitted your application and the application period is still open, you will have to withdraw your application and submit a new application.

Replacement applications will not be accepted once the closing date has passed.

If we find an error or information that is missing, we may ask for clarification or additional information from you that will not change the nature of your application. However, we can refuse to accept any additional information from you that would change your submission after the application closing time.

## 7.4. How do I withdraw my application?

You can withdraw your application through the customer portal, or with an email to [MIS@industry.gov.au](mailto:MIS@industry.gov.au) (for the Integration Stream) or [MTS@industry.gov.au](mailto:MTS@industry.gov.au) (for the Translation Stream) with your application number requesting that your application be withdrawn.

## 7.5. Do I have to provide evidence of domestic and international value chains for my translation stream application?

Translation Stream applications are not required to provide evidence of domestic and/or international value chains.

Please note this is will not be taken into account when assessing your application.

You will, however, need to upload a document (we suggest with the following text – Translation Application evidence of domestic and/or international value chain not required) so that you can submit the application.

# 8. Application form troubleshooting

## 8.1. I'm having issues with the budget page on the application form. How do I resolve this?

If you have amended your project start date, the budget page may have hidden data you have previously inserted for previous financial years.

Amend your start date back to the original date allocated and delete the expenditure listed on the budget page for financial years prior to your new start date.

Change the start date to your new start date and populate the budget page appropriately.

## 8.2. My attachment files are too big to upload. What do I do?

If an attachment exceeds the 2MB or 20MB cumulative limit, you will not be able to submit successfully. We advise that, **before the application period closes**, you:

- Upload as many documents below the 2MB and 20MB threshold online
- For the remaining attachments, upload blank documents online
- Send an email **immediately** afterwards to [MIS@industry.gov.au](mailto:MIS@industry.gov.au) (for the Integration Stream) [MTS@industry.gov.au](mailto:MTS@industry.gov.au) (for the Translation Stream) confirming that you have submitted online without all required documents due to file size limit, and attach the remaining documents to the email
- Please include your application number in your email.
- This **must occur** before the application period closes.

## 8.3 How do I record negative taxable income, as I'm only able to enter positive amounts?

As per the sample application form, the recent trading performance section of the application fields are mandatory and entering \$0 is acceptable if applicable for your organisation. As your organisation does not have taxable income it would be appropriate to enter \$0.

## 9. Application Outcomes

### 9.1. What if I am advised that my application is ineligible?

You will be notified in writing if your application is deemed ineligible. Your application notification email will include the program email address to request feedback.

### 9.2. Will there be announcements of successful applicants?

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Guidelines](#) unless otherwise prohibited by law. We may also publish this information on [business.gov.au](http://business.gov.au).

### 9.3. If I am successful in being awarded a grant, what will the payment schedule look like?

The payment schedule in the grant agreement will be negotiated on a case by case basis for successful applicants, according to the needs and specific details of the project.

### 9.4. What are the standard payment terms of the grant?

If you are successful in being awarded a grant, you will need to submit reports in line with the grant agreement. Subject to the department accepting your progress report, our standard payment terms are 30 days. We will make payments according to an agreed schedule set out in the grant agreement.

## 10. Key documents and attachments

### 10.1. Where can I find the Grant Opportunity Guidelines and other key information?

Links to each Grant Opportunity can be found via [business.gov.au](http://business.gov.au).

### 10.2. What is the accountant declaration for?

The accountant declaration, 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 [business.gov.au](http://business.gov.au) and [GrantConnect](#).

When completing the accountant declaration, applicants are reminded to ensure their Accountant has completed **all** sections of the form including:

- the Applicants name,
- ABN,
- source of funding and
- the required project and grant amounts.

These details must align with your application and the form must be signed and dated before uploading. Caveats **must not** be included on the accountant declaration form as this may impact your eligibility.