

Made in Queensland Program

Guidelines for applicants

May 2017

The Department of State Development

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Copies of this publication are available on our website at www.statedevelopment.qld.gov.au and further copies are available upon request to:

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1. Introduction

The Made in Queensland (MIQ) program is an important initiative within the Queensland Government's \$200 million Jobs and Regional Growth package announced on 13 December 2016.

MIQ complements the Queensland Government's [Advanced Manufacturing 10-Year Roadmap and Action Plan](#) (the Roadmap) released on 14 December 2016.

MIQ is a state-wide program that will provide \$20 million in grant funding to support Queensland's small to medium enterprises (SME) in the traditional manufacturing sector to become more internationally competitive and adopt innovative processes and technologies. The program is aimed at supporting jobs in Queensland manufacturing businesses and growing Queensland's economy.

This document sets out the guidelines for MIQ.

2. Made in Queensland Program

2.1. Objectives

The objectives of MIQ are to:

- increase the productivity and international competitiveness of Queensland-based manufacturing SMEs
- encourage Queensland-based manufacturing SMEs to adopt innovative processes and technologies
- encourage more Queensland-based manufacturing SMEs to become advanced manufacturers
- support traditional manufacturing jobs and create the new high-skill manufacturing jobs of the future.

2.2. Relationship to the Advanced Manufacturing 10-Year Roadmap and Action Plan

MIQ complements the Queensland Government's Advance Queensland Advanced Manufacturing 10-Year Roadmap and Action Plan which was released on 14 December 2016.

There will be a strong focus on using the grants to improve the international competitiveness of Queensland manufacturing SMEs, consistent with the objectives of the Roadmap.

An important initiative of the Roadmap is the introduction of an Advanced Manufacturing Benchmarking Program. Benchmarking is a facilitated process which enables businesses to measure their performance against international best practice and identify business improvement measures to grow and innovate. The outcome of the benchmarking process is a Benchmarking Report which identifies a range of matters that need to be addressed in order to improve their businesses.

The undertaking of a benchmark (or similar) is the pre-requisite for access to the MIQ grants. The grant funding will be used to assist the business to implement the initiatives from the Benchmarking Report in order to improve the competitiveness of their business, leading to improved commercial outcomes and contributing to the creation of high-skilled jobs.

2.3. Overview

An MIQ grant will reimburse Queensland manufacturing SMEs for up to 50 per cent of the cost of implementing recommendations detailed in the Benchmarking Report (or similar).

Grants will range from \$50 000 to \$2.5 million in matched funding on a dollar for dollar basis. Individual businesses will be limited to a maximum of four grants. The total value of all MIQ grants received by any one business must not exceed \$2.5 million.

Applications may be made at any time up to 12 months after receipt of the Benchmarking Report.

The Department of State Development (the department) will provide assistance to businesses that participate in the program. This will include:

- arranging for businesses to undertake a benchmark
- assisting businesses to identify which recommendations in their Benchmarking Report (or similar) are eligible for an MIQ grant
- assisting businesses to apply for an MIQ grant
- supporting the implementation of MIQ-funded projects.

2.4. Eligibility criteria

To be eligible for an MIQ grant, a business must:

- complete the Advanced Manufacturing Benchmarking Program (or similar) tailored to the needs of the business
- be a Queensland based manufacturer and GST registered with an Australian Business Number (ABN)
- be an SME with between five and 200 full-time equivalent employees located in Queensland; or be able to demonstrate that, given the headcount and either turnover or balance sheet total, the business should be considered to be an SME
- provide three-year accountant-prepared financial statements including profit and loss and balance sheets. (If the business has been in operation for less than this time, a statement of viability and 'management accounts' report prepared by a chartered accountant will be accepted)
- contribute at least 50 per cent of the eligible project costs.

A manufacturer is defined under Division C of the Australian Bureau of Statistics' [*Australian and New Zealand Standard Industrial Classification \(ANZSIC\), 2006*](#).

Manufacturing operations undertaken by federal, state or local government entities including departments, statutory authorities and special purpose vehicles or not-for-profit organisations will be ineligible for funding under the MIQ Program.

2.5. Eligible projects

The project must:

- be directly related to a recommendation of the Benchmarking Report (or similar)
- focus on implementing business capability improvements to boost productivity and international competitiveness leading to improved commercial outcomes and contributing to the creation of high-skilled jobs.

Examples of these business capability improvement areas are outlined in the following table:

Business area focus	Example improvements
Strategy	Supply chain integration and management
	Product/service innovation plans for existing products
	Strategic advice on structuring and raising equity/attracting investment
Human Resource Management	Workforce planning
Internal systems	Developing and documenting processes in internationally recognised standards and training staff in meeting those standards
	Training to support implementation of a new software system, social media/digital strategy or ecommerce functionality.
Production and operational systems	Improved structure and factory layout
	Advice on investment in new equipment
	Advice on design and augmentation with current equipment
	Installation and testing of new equipment and associated training for staff and operators
	Value stream mapping (process flow)
	Inventory management
	Process improvements (lean auditing, reducing down time, error reduction)
Marketing, branding and communication	Undertaking strategic market research
	Sales team performance and management, customer relationships and retention, and creating a capability to respond to tenders
Financial management systems to support growth	Advice on planning, directing, monitoring, organising and controlling financial resources
Exploring new markets and market intelligence	Developing an export strategy
	Undertaking industry research and market appraisal
Environmental sustainability	Improving sustainability and reducing environmental footprint
	Waste stream identification, management and reduction
	Water and energy efficiency advice and strategies
Product and service development	Advice on developing commercial solutions to protect intellectual property of existing products and services
	Diversification and product/service innovation for existing products, including testing for market acceptability/product assessment and improvement to address non-compliance/quality issues
Mentoring/coaching	Engagement of an independent and skilled business coach or mentor to build management capability tailored to the needs of the business
	High quality, innovative or tailored training that may not yet be part of a training package or accredited course

2.6. Equipment

The applicant must be able to demonstrate that the proposed equipment purchases will support the findings in the Benchmarking Report (or similar) and are consistent with the objectives of the program.

Equipment proposed for funding must be recognised as industry-leading and/or 'first mover' adoption in Australia. Proposals for the purchase of equipment to bring a process in line with existing industry practice will not be supported.

Applications for equipment cannot be for replacement, duplication or upgrades of existing tools (e.g. drills, grinders, screwdrivers, hacksaws and hammers) or machinery (e.g. drill presses, lathes and other workshop machines).

Applicants will be asked to document how the equipment will significantly support or enable the development of advanced manufacturing processes, products or systems in the context of the available funding.

2.7. Ineligible project costs

Project costs not eligible for funding include:

- salaries for staff or the costs associated with recruitment activities
- normal operating costs (e.g. utilities charges, telecommunications charges)
- repair, maintenance or replacement of existing equipment
- modifications or extensions to existing infrastructure or construction of new infrastructure
- design and printing of promotional materials, website design and development, and advertising
- exhibiting at trade shows, visiting overseas trade events or study tours
- general on-the-job training and supervision
- vehicle repair, maintenance, purchasing or leasing
- equipment that is not considered to be specialised manufacturing equipment
- equipment to bring a process in line with existing industry practice
- ISO certification or fees and charges associated with registering domestic or international patents or other intellectual property
- general legal advice
- costs for consultants/contractors that are associated entities with the applicant
- research and development and commercialisation of new products
- any other project costs deemed ineligible by the department.

2.8. Funding arrangements

Successful MIQ applicants will be required to execute a Funding Agreement with the department.

This Funding Agreement will outline the terms of the proposed grant and detail the milestones to be achieved by the applicant.

A 20 per cent up-front payment will be made on signature of the Funding Agreement with the remainder to be paid, as detailed in the Funding Agreement, and on completion of the project to the satisfaction of the department.

Activities funded by the MIQ grant must be able to be completed or purchased within nine months of the grant being approved to receive eligible funding, unless agreed otherwise with the department.

For each milestone, the applicant must submit an invoice with a milestone/final report and financial acquittal report to provide evidence of the expenditure on the eligible project activities, including invoices from suppliers and bank statements showing project expenditure. After acceptance of the milestone/final report and the financial acquittal report, the invoice will be paid within 30 business days.

2.9. Application process

The business must submit a [registration of interest](#) for an MIQ grant prior to submitting a formal application. The registration of interest form is available on the department's website.

The registration of interest will be assessed by the department to determine the applicant's suitability for assistance and the applicant will be advised as to whether they meet the eligibility criteria for the MIQ Program.

The department will contact the business for a contextual interview where the program requirements and process will be explained to the business and arrangements made for a benchmark to be conducted.

The department will also advise the business on other government assistance that may also be of interest.

Following completion of a benchmark and discussions with a departmental officer the business, if eligible, can apply for an MIQ grant to implement at least one of the benchmarking report's recommendations.

Applications can be submitted to implement more than one recommendation from a business's Benchmarking Report. However, the applicant should give consideration to scheduling of actions to ensure that they can successfully implement the funded actions within the stated timeframes.

Applications must be submitted within 12 months of the receipt of the Benchmarking Report (or similar).

Unsuccessful applicants will be given an opportunity to discuss the outcome with a departmental officer. Unsuccessful applicants may amend their application for reconsideration. Alternatively, they can submit a new application for the same project (or a similar project) which addresses the weaknesses identified in the previous application.

2.10. How to apply

Applications can be completed and submitted electronically.

Your application consists of:

- a completed application form
- a copy of the business's Benchmarking Report (or similar)
- copies of quotes from suppliers, including the preferred provider/s for the proposed project (if applicable). (Multiple quotes for a product/service will assist in establishing value for money of the proposed project)
- three year accountant prepared financial statements including profit and loss and balance sheets. (If the business has been in operation for less than this time, a statement of viability and 'management accounts' report prepared by a chartered accountant will be accepted.)

2.11. Assessment criteria

The MIQ grant application will be assessed against the following:

- project aligns with the key aims and objectives of the MIQ Program
- project aligns with the Benchmark Report and (or similar) undertaken by the business
- project demonstrates how it will contribute to supporting manufacturing employment, including knowledge-based jobs
- project will build the capacity of the business to enhance productivity and profitability
- for equipment proposals only: the equipment must be recognised as industry-leading and/or 'first mover' adoption in Australia
- project demonstrates value for money
- project is achievable within the stated budget and timeframes.

Applications from manufacturers in the department's [priority industry sectors](#) are encouraged.

Applicants should also note that financial and other information will be requested to enable appropriate due diligence and probity checks to be conducted.

2.12. Assessment process

Applications will be assessed against the program's assessment criteria.

Applicants may be contacted during the assessment process to clarify information provided in the application and/or request further information to enable due diligence and probity assessment.

The department will notify applicants, in writing, of the outcome of their application within 28 business days of its receipt. Where an applicant is provided an opportunity to clarify its application, the response time above may not be adhered to or may be applied once a complete application is received.

Once funds are exhausted, no further applications will be accepted.

The department's decision in relation to the allocation of MIQ funds is final and cannot be appealed. If, however, an applicant believes that the assessment process outlined in this document has not been adhered to, a formal complaint may be submitted to the department via the [department's website](#).

2.13. Program evaluation

As a new initiative of the Queensland Government, MIQ will be continuously monitored and reviewed in order to ensure that the program effectively achieves its objectives. These Program Guidelines may therefore be updated to reflect future changes to the MIQ Program in response to operational experience.

The Program Guidelines will be formally evaluated after six months of operation.

2.14. Tax Obligations

Grants are subject to the Goods and Services Tax (GST). Grant payments are increased to compensate for GST payments.

Grants are treated as assessable income for income purposes, unless exempted by a taxation law. The department does not provide advice on tax and recommends applicants seek independent professional advice on their tax obligations.

3. Communications

3.1. Communication with the media

Letters of offer and funding agreements are commercial-in-confidence, so all media enquiries or public announcements relating to the MIQ Program must be coordinated and handled by the department's media team.

Where possible, all media and communications will be undertaken jointly with grant recipients.

Grant recipients will require the department's approval prior to contacting media to discuss any information regarding projects which have received MIQ funding.

3.2. Confidentiality

The Queensland Government will maintain strict controls in relation to the management of commercial information provided by applicants and all internal documentation produced in relation to administration of MIQ.

However, the overall quantum and timing of funding provided under MIQ, as well as the proponent's name and a brief description of the funded project, will be made public.

Non-public details of the grant will be treated as commercial-in-confidence and are not to be released to third parties by successful applicants or the department as a condition of the offer of funds.

Your personal information will not be disclosed to any other third party without your consent, unless required by law or for the purposes of the *Information Privacy Act 2009*.

For audit purposes, the Queensland Government is required to retain the applications and other supplied support material. Successful applications will be retained for seven years and unsuccessful applications retained for two years.

The provisions of the *Right to Information Act 2009* apply to documents in the possession of the Queensland Government.

4. Contact details

For inquiries or assistance, please contact your local Department of State Development Regional Office:

Region	Office Address	Telephone number
Far North Queensland	Ground Floor, Cairns Port Authority Building, Cnr Grafton and Hartley Streets, Cairns	07 4037 3209
North Queensland	Level 4, 445 Flinders Street, Townsville	07 4758 3400
North West Queensland	1/75 Camooweal Street, Mount Isa	07 4747 3900
Mackay Isaac Whitsunday	Level 4, 44 Nelson Street, Mackay	07 4898 6800
Central Queensland	Level 2, 209 Bolsover Street, Rockhampton	07 4924 2914
Wide Bay Burnett	Level 1, 7 Takalvan Street, Bundaberg	07 4331 5616
Darling Downs South West	128 Margaret Street, Toowoomba	07 4616 7306
South East Queensland (North)	Level 8, Mike Ahern Building, 12 First Avenue, Maroochydore	07 5352 9706
South East Queensland (West)	Level 4, 117 Brisbane Street, Ipswich	07 3432 2400
South East Queensland (South)	Level 1, 7 Short Street, Southport	07 5644 3202

Alternatively, you can contact the department via:

Web: <https://www.statedevelopment.qld.gov.au>

Email: MadeInQueensland@dsd.qld.gov.au

Phone: 13 QGOV (13 74 68)