

## Manufacturing Modernisation Fund (MMF)

In 2019, the Commonwealth Government announced the launch of the **Manufacturing Modernisation Fund (MMF)**. The focus of the Fund is on providing grants to companies seeking to modernise their operations by investing in transformative technologies.

The \$50M Fund will run over 3 years. It will support manufacturers to modernise, adopt new technologies, become more productive and create more jobs by co-funding capital investments and associated reskilling.

This can include technology upgrades, efficiency upgrades, such as energy or process optimisation, or more transformative changes which will allow businesses to produce new products or diversify into new markets.

The MMF is currently closed with the initial recipients announced in April 2020.

### Key Objectives

-  To support investment in efficient and transformative manufacturing processes by small and medium sized enterprises (SMEs)
-  To support jobs growth and a more highly skilled workforce in the manufacturing sector.
-  The intended outcomes of the program are to support:
  - Investment in efficient and transformative manufacturing processes by SMEs
  - Jobs growth and a more highly skilled workforce in the manufacturing sector

### Funding available

Two streams of Grants are available with different levels of matched funding:

Category	Grant Amount	Matched Contribution	Activities
Small Scale Investments	\$50k-\$100k	Up to 50%	For new technology and efficiencies improvements
Large Scale Transformative Investments	Up to \$1m	Up to 25%	Transformative investments in new technology such as 3D printing, robotics, automation, advanced materials, AI and machine learning

### Eligible Businesses

The MMF will open to businesses which:

-  Are incorporated in Australia
-  Are from manufacturing SMEs with up to 199 employees (headcount)
-  Can clearly identify the level of job creation expected from the project

## Eligible Activities

The project must involve capital investment and associated skill-based training to modernise manufacturing processes. Eligible activities may include:

- ▶ Buying, constructing, installing or commissioning of manufacturing plant, equipment or software
- ▶ Relevant training and skills development to assist with integrating the new technology into the business, including upskilling and accreditation in advanced processes
- ▶ Process design and engineering directly related to the capital investment
- ▶ Fit-out, alterations and/or extensions to buildings directly related to the capital investment

Projects must be completed within 2 years of obtaining the grant funding.

## Assessment Criteria

- ▶ Improved manufacturing competitiveness and lead to job growth
- ▶ Capacity, capability and resources to deliver the project
- ▶ Impact of the grant funding on the project

## Eligible Expenditure

### Plant and Equipment Expenditure

- ▶ Costs of acquiring, designing, engineering, automating, digitising or construction of, plant and equipment, as well as any related commissioning costs as eligible expenditure

### Labour Expenditure

- ▶ Direct labour costs of employees employed on the core elements of the project

### Contract Expenditure

- ▶ The cost of any agreed project activities contracted to others

### Other Eligible Expenditure

- ▶ Staff training and skills development
- ▶ Commissioning and building modifications
- ▶ Financial auditing of project expenditure
- ▶ Costs to obtain planning, environmental or other regulatory approvals
- ▶ Business diagnostics services (limited to 10% of the eligible project costs)
- ▶ Contingency costs (limited to 10% of the eligible project costs)