

Program to Support Domestic Manufacturing of Personal Protective Equipment NSW

Introduction

The Covid-19 crisis has placed significant pressure on existing Personal Protective Equipment (PPE) supply chains both domestically and internationally. The unprecedented international demand for PPE has highlighted the State's exposure to global price fluctuations, material shortages and supply chain issues associated with procuring critical supplies for the NSW government. There is an opportunity for NSW companies to supply PPE products to the entire domestic Australian market and to consider international markets, especially given Australia's leading global reputation for high-calibre products meeting global healthcare standards.

This Program to Support Domestic Manufacturing of Personal Protective Equipment has been established to stimulate the manufacturing sector and support job creation across NSW during both the immediate crisis and recovery phase.

Program Details

Objective

The Program seeks to assist manufacturers or businesses that currently manufacture and can increase production or are looking to 'retool' and pivot their existing manufacturing lines to produce specified PPE products, including materials used to make those specified PPE products. The intent of this support is to stimulate the manufacturing sector and support job creation (and retention) across NSW, while reinvigorating NSW sovereign capability in the production of PPE products.

The Program to Support Domestic Manufacturing of Personal Protective Equipment will facilitate the supply of PPE for industry, private health care, non-government organisations (NGOs), government and the community more broadly, thereby enabling industry to restart in a 'COVID-safe' manner without relying on disrupted and volatile international source markets.

Scope of Program

The Program will fund manufacturers that can demonstrate an ability to increase or pivot their manufacturing capability to produce critical PPE in the near-term, ultimately resulting in the improvement to NSW sovereign capability in the supply of PPE products as well as the creation (and retention) of sustainable jobs.

The amount of funding applied for by applicants should range between \$100,000 and \$500,000.

Permitted use of funds include:

- purchase of equipment related to the manufacture of specified PPE products (including retooling costs and factory fitouts)
- purchase of raw materials and other costs directly linked to the manufacture of the specified PPE products
- securing skills related to the manufacture of the specified PPE products.

Applicants can still be considered for this program where funding through other government grant funding programs has been awarded for a different purpose.

Prototype development costs are specifically excluded.

Specified PPE, including the inputs, components and materials used to manufacture these products, comprises:

- face masks
- gloves
- gowns

- disinfectant
- medical grade handwash and soap.

The inputs, components and materials used to manufacture these products could include, but are not limited to, machinery, packaging, ingredients, and appropriate fabric.

Eligibility Criteria

To be eligible to apply for this program, businesses must be able to meet the following eligibility criteria:

- be an incorporated company (an incorporated company is anything other than a sole trader or partnership)
- have a registered Australian Business Number (ABN)
- have proposed operations located in NSW
- either currently manufacture specified PPE or materials used in the manufacture of specified PPE or be able to clearly demonstrate their ability to pivot production to manufacture specified PPE or PPE materials. Specified PPE, including the inputs, components and materials used to manufacture these products, comprises:
 - face masks
 - gloves
 - gowns
 - disinfectant
 - medical grade handwash and soap
- have a business plan that demonstrates at a minimum a plan to pivot to or increase production of specified PPE and PPE materials within three to six months from the time of application but no earlier than 1 May 2020
- hold current TGA, ISO or other required regulatory certifications, or be able to demonstrate a plan to achieve relevant TGA, ISO or other required regulatory standards for their final product
- have a minimum of three (3) years' trading history at the time of application with minimum annual operating revenue of \$1,000,000 in the most recent financial year ending 30 June 2020
- be solvent and not under external administration.

Proposals submitted through the Program that do not meet the eligibility criteria, or the permitted use of funds, will not be considered for funding under the Program. Decisions made by NSW Treasury will be final.

Funds can only be used for expenditure incurred from 1 May 2020. As part of the funding deed, proponents may be provided with an upfront payment at the discretion of NSW Treasury.

Assessment Process

Stage 1: Eligibility Assessment



Applications for the Program will be made through a dedicated webpage for companies to address the program eligibility criteria. Applications will be accepted for a period of 14 days from the launch date.

Following an initial eligibility assessment, applicants considered eligible, and who meet program ‘use of funds’ requirements, will be invited to complete a detailed application form.

If the application is deemed ineligible, the intention is to advise applicants in writing within 15 working days of the submission date that their the application will not proceed. Should a large number of applications require assessment, this timeframe may be extended.

Once an application is deemed to have successfully met the Eligibility Criteria set out in 1.4., the applicant will be invited to submit a detailed application form that will form the basis of the Assessment in Stage 3.

Stage 2: Application



Invited applicants will have 21 days to complete and submit their applications from the date of invitation. Should an applicant not submit a completed application within this timeframe, their late and incomplete applications will not be eligible for assessment.

Applicants will be required to upload supporting documentation as part of this application form. Required supporting documentation includes but is not limited to:

- business plan
- financial statements and cash flow projections
- regulatory certifications
- management profiles.

Stage 3: Assessment



Proposals seeking funding from the Program to Support Domestic Manufacturing of Personal Protective Equipment that have successfully submitted the detailed application form in Stage 2 will progress to Stage 3 for assessment. Proponents may be requested to provide clarification or additional information relating to the submitted documentation at this stage.

The assessment for this stage of the process will be undertaken by a Proposal Review Team, led by NSW Treasury. Subject matter, commercial and policy experts with relevant knowledge and experience may also be enlisted to support this process.

Applications will be assessed against the criteria below, which are not indicated in order of significance or equal weight. All criteria should be addressed by applicants in their application submission.

Assessment Criteria:	Weighting
Compliance with Eligibility Criteria set out in 1.4	Needs to be met
Benefits to NSW; this can include, but is not limited to <ul style="list-style-type: none"> ○ supply chain security ○ benefits from the increased production ○ job creation and/or retention ○ development of skills ○ regional impact ○ distribution channels ○ participation of Aboriginal-owned business 	25%
Alignment with NSW government priorities Information on these can be found at: <ul style="list-style-type: none"> ○ https://www.nsw.gov.au/premiers-priorities ○ https://www.treasury.nsw.gov.au/nsw-economy/nsw-2040-economic-blueprint ○ https://www.nsw.gov.au/regional-nsw ○ https://www.business.nsw.gov.au/industry-sectors/industry-opportunities/advanced-manufacturing 	10%

Location of Operations, including headquarters	5%
Strength of business plan, including: <ul style="list-style-type: none"> ○ how the applicant intends to pivot to or increase specified PPE or PPE materials manufactured within three to six months. This includes the capability to demonstrate a meaningful increase in manufacturing capacity ○ how the applicant will achieve relevant TGA, ISO or other required regulatory certifications if not already in place ○ addressing of market demand ○ identification of several potential customers ○ a sales and marketing strategy ○ use of Industry 4.0 processes and other innovative technologies 	25%
Financial Standing of business, including: <ul style="list-style-type: none"> ○ being able to substantiate ongoing viability without government contracts for the PPE products; ○ financial sustainability of business - assessment of the business' size and existing equity contributed by owners; debt, assets ○ demonstrating the business' ability to meet its short-term obligations and provide 12 -month cash flow forecast 	20%
Experience in manufacturing therapeutics goods/PPE or materials thereof will be highly regarded.	15%

Applications that are unsuccessful will be notified in writing within 10 days of the assessment being concluded.

Stage 4: Approval



Following the outcomes of the assessment stage, the Program to Support Domestic Manufacturing of Personal Protective Equipment proposals may be recommended to the relevant decision-making body for approval. This will be in line with NSW Treasury delegations.

The final pool of applicants will be based on how well their applications meet the eligibility and assessment criteria. The successful applications will be selected on a comparative basis with the total value of grants to be awarded being \$4.7 million.

Successful Applicants

The grant amount, terms and conditions and project deliverables will be detailed in the funding agreement provided to successful applicants. Successful applicants may receive a portion of the grant upon execution of the Funding Agreement, and the remainder upon meeting agreed performance-based milestones. This includes an assessment of all agreed deliverables, which will be outlined in the Funding Agreement.

All funding is to be allocated by 30 June 2021.