

Engine and Emerging Industries Loan *Pilot*

Food and Beverage Manufacturing Program Guidelines



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1. Purpose and objective

The **Engine and Emerging Industries (EEI) Loan** pilot program will support regionally based businesses in food and beverage manufacturing industries to adopt advanced manufacturing capabilities. The fund offers eligible enterprises an opportunity to invest in capital that leverages growth opportunities aligned with NSW Government priorities.

This program is designed to improve the ability of small to medium enterprises (SMEs) in food and beverage manufacturing to access finance by reducing existing barriers such as approval times, underwriting security requirements and competitive interest rates.

The allocated funding for this program is \$5 million.

The availability of loans is subject to funds being available. No loans will be offered beyond the allocated funding and applications will be assessed in the order they are received

The program is jointly administered by the Department of Regional NSW (DRNSW) and the NSW Rural Assistance Authority (Authority).



2. Key dates

Applications

Applications open on 17 May 2024.

The program has limited funding, and will close when all funding has been allocated. You should visit the Authority website for the latest information regarding the close dates.

Claims

Successful applicants have 18 months from the date the loan is established (date of the signed letter of offer) to submit claims for eligible costs.

3. Assistance available

- 3.1. The program is offered to eligible enterprises for eligible activities that support regionally based business in existing food and beverage manufacturing industries as defined under Section 4 of these guidelines to adopt advanced manufacturing capabilities.

Loan value

- 3.2. A loan of up to 100% of the net, GST-exclusive cost of the eligible activity of between \$100,000 to \$1,000,000 per eligible enterprise.

Draw down

- 3.3. The loan must be fully drawn down within eighteen (18) months from the date the loan is established, that is, after receipt of the signed and dated letter of offer.

Interest rate

- 3.4. Interest is charged monthly at a fixed interest rate of 2.5% per annum applied for the life of the loan and compounds.
- 3.5. Interest accrues from the first draw down of the loan.

Term

- 3.6. The maximum loan term is seven (7) years.

Repayments

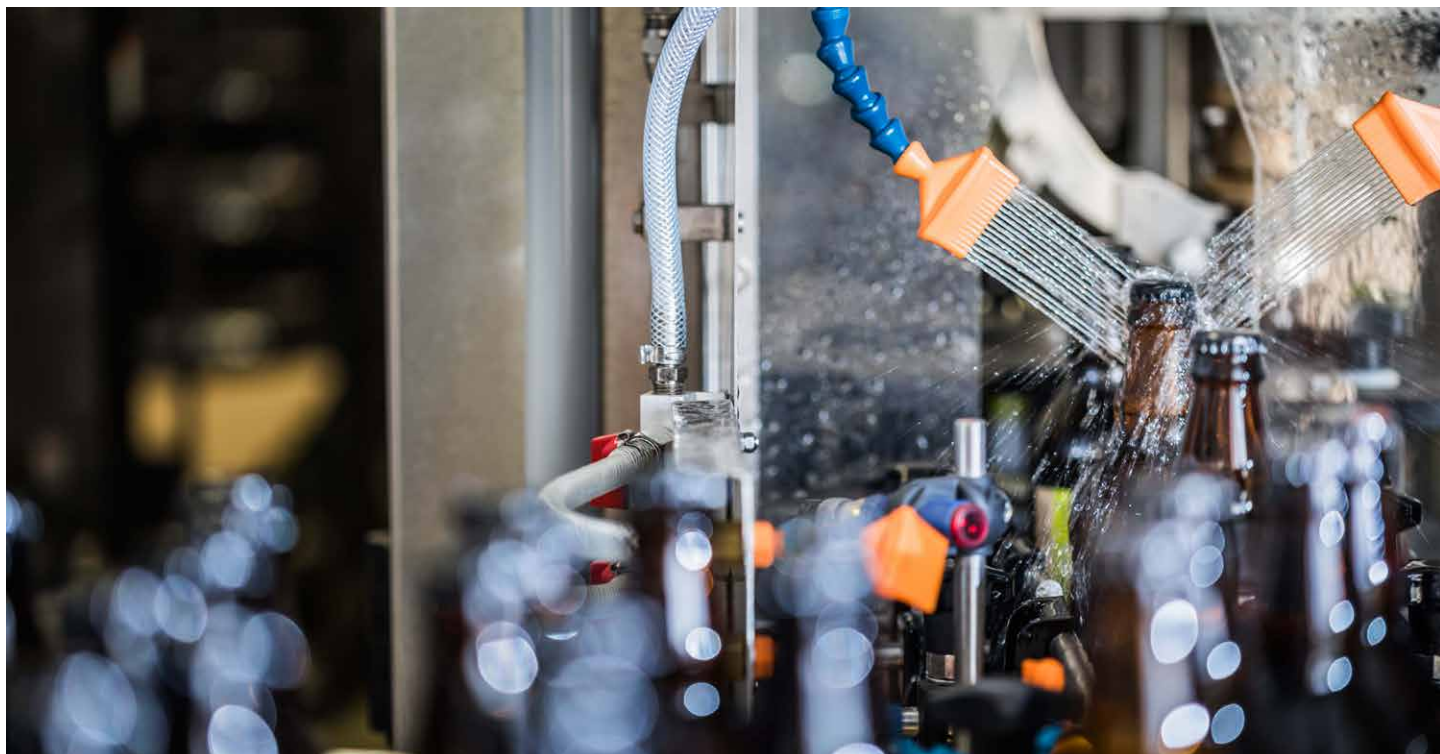
- 3.7. Loan repayments are interest only for the first two (2) years, commencing from the first draw down.
- 3.8. After the initial interest only period, principal and interest (P&I) repayments will commence for the balance of the loan term, being not more than five (5) years.
- 3.9. Principal and interest repayments can be either monthly, quarterly, bi-annually or annually, by agreement with the Authority.
- 3.10. The Authority will notify applicants in writing of loan instalments.

Security

- 3.11. The Authority will take security in the form of a Specific Security Deed over equipment and/or a general security Deed over equipment or personal property by way of registered PPSR (Personal Property Security Register).
- 3.12. The equipment and /or personal property used to secure the loan must be owned by the applicant. The Authority reserves the right to refuse the security nominated by the applicant and request alternative security. The Authority may request VIN numbers and insurance information if applicable.
- 3.13. Final approval of the loan will not be determined until all security requirements have been satisfied, including execution of letter of offer, loan documentation and funds will not be released until personal property security is registered against adequate security by the Authority.

Fees and charges

- 3.14. There are no establishment or account-keeping fees.



4. Eligible enterprise

4.1. An eligible enterprise:

- a. is any sole trader, partnership, trust or private company managed and operating in regional NSW; and
- b. has an active Australian Business Number (ABN) and is registered for GST; and
- c. is not a public company under the meaning of the Corporations Act 2011 (Cth); and
- d. has, in at least two of the last three financial years, fewer than 200 employees; and
- e. has, in at least two of the last three financial years, not had turnover greater than \$250 million; and
- f. operates in one of the following food and beverage manufacturing industries:
 - food product manufacturing (ANZSIC groups 111-119); or
 - beverage manufacturing (ANZSIC group 121); and
- g. has a Business and Project Delivery Plan for the project deemed suitable by the DRNSW and/or the Authority; and
- h. can demonstrate that the business has long-term viability and has the capacity to repay the loan sought; and
- i. can provide the Authority with satisfactory personal property security in accordance with the security requirements in Section 3.

Eligible enterprises also include any Aboriginal and/or Torres Strait Islander Corporation registered for GST in regional NSW that have a Business and Project Delivery Plan, deemed suitable by the DRNSW and/or the Authority.

5. Eligible activities

- 5.1. Activities that commenced (ordered, purchased or installed) on or after 1 April 2024.
- 5.2. The loan can be used to fund the activities in Section 5.3, if the activities support the enterprise to implement its Business and Project Delivery Plan and the investment in new technologies and equipment will increase efficiency and productivity.
- 5.3. The loan can be used to fund investments that will result in:
 - a. implementation of advanced manufacturing techniques and technology
 - b. expansion of existing advanced manufacturing capabilities
 - c. access to external expertise that is directly related to delivery of the project
 - d. purchase and/or installation of specialist equipment and/or infrastructure necessary to progress the project including mobile equipment
 - e. intellectual property protection or advice
 - f. increased capabilities/efficiencies of pre or post-production phases, for example, implementation of pre-market and/or after-market service activities.

6. Ineligible activities

- 6.1. Activities that cannot be supported by an EEI loan include:
 - a. activities that commenced (ordered, purchased or installed) prior to 1 April 2024
 - b. activities that do not support the enterprise to implement its Business and Project Delivery Plan
 - c. all residential premises/buildings and/or improvements to the residential premises /buildings
 - d. own labour costs and employee wages
 - e. passive investments such as commercial premises
 - f. activities that are considered to be general operating costs of the eligible enterprise.

7. Business and Project Delivery Plan

- 7.1. The DRNSW and or Authority will determine if the submitted Business and Project Delivery Plan meets the requirements for this program.
- 7.2. The plan should identify who prepared the plan and provide details of any consultation and advice sought (accountant, government advisor, education or professional development).
- 7.3. At a minimum, the Business and Project Delivery Plan must include:

About the business

- a. Business details – include details of business structure; ownership; management; plant, equipment, and property
- b. Current status/state of business and goals – including state of production and future goals and state of business and future goals
- c. A Project Plan for the project the loan is being requested for including indicative timelines.

The future of the business

- d. Financial plan – including:
 - Key financial objectives
 - Monthly cash flow budget for the next 12 months
 - Estimated return on investment
- e. Growth opportunity this investment has on the enterprise including:
 - Customer and market opportunities of the investment and strategies to achieve these
 - Employment growth and the regional impact and strategies to achieve these
 - Competitive advantage this investment will allow
 - Aboriginal outcomes
 - Export opportunities and growth
 - Actions already implemented (if any)

Productivity and deliverability criteria

- f. Productivity
 - Expected efficiency gains to the applicant – the following should be considered:
 - demonstration that the applicant is an advanced manufacturer, or has the potential to become an advanced manufacturer with the proposed project
 - future commercial outcomes and revenue generation or cost savings
 - increased complexity/quality of product and /or enhance sustainability
 - increases in product demand induced by greater competitiveness/quality through implementation of modern manufacturing techniques, including export potential
 - repurposing existing jobs to higher paid value-adding activities or increasing total jobs to support increases in production

- Intellectual property benefits – the following may be considered:
 - potential for invention of new intellectual property
 - past and current registration of patents, trademarks etc.
- Expected efficiency gains to the wider supply chain – the following may be considered:
 - potential for wider market adoption by NSW industry
 - potential for vertical supply chain improvement

g. Deliverability

- Undeliverable projects will not be eligible
- Consideration includes evidence of:
 - the applicant's past performance in delivering similar projects
 - the applicant's financial viability
 - the suitability of the staff and/or arrangements in place to deliver the project
 - the suitability of the detailed Business and Project Delivery Plan, technical plans and/or cost estimates supporting the project
 - feasibility of the project plan, noting projects will require clear and achievable milestones to support appropriate staging and monitoring
- Whether the total funding sought and provided through the loan, partners, participants and other funding sources is sufficient to undertake the initiative
- Why sufficient funding for the entire project cannot be accessed from alternative sources and why the project would not proceed in its current scale and timeline in NSW without government support.



8. Guidelines

- 8.1. These guidelines are correct at the time of publishing.
- 8.2. The DRNSW and the Authority reserve the right to amend, alter or change these guidelines at any time, and it is the responsibility of the applicant to ensure that they check the relevant website prior to application.

9. Submitting your application

Apply online at www.raa.nsw.gov.au/loans/eei.

If you need assistance with submitting your application, please contact the Authority:

Phone: 1800 678 593

Email: rural.assist@raa.nsw.gov.au

If you have difficulty understanding these guidelines or completing the application form, you should seek the assistance of a third-party professional such as a business advisor or accountant.

If you need assistance with interpreting or translating, please contact Multicultural NSW on 1300 651 500 or email languageservices@multicultural.nsw.gov.au.

If you have any questions regarding your eligibility for the program, please contact the Authority by phoning 1800 678 593, emailing rural.assist@raa.nsw.gov.au or visit www.raa.nsw.gov.au/loans/eei.

10. Application process

- 10.1. Applications for assistance under the program must be made via the online application form on the NSW Rural Assistance Authority website and should be accompanied by the documentation stated below.
 - 10.2. Applicants will be required to provide the following information to determine their eligibility for the program:
 - a. last three (3) years' eligible enterprise tax returns, balance sheets and financial statements of your enterprise (these include profit and loss statements, trading account and depreciation schedules); and
 - b. Local Government Area (LGA) rates notice where the business is registered and managed; and
 - c. Business and Project Delivery Plan; and
 - d. trust deed (if applicable); and
 - e. monthly cash flow budget for the next twelve (12) months.
 - 10.3. Completed applications will be assessed by staff within the Authority in order of receipt.
 - 10.4. If an application is missing information or is incomplete, the Authority may, in its sole discretion, work with applicants to clarify any missing or incomplete information. However, the application will not enter the assessment queue and the Authority will not start assessing the application until, in the Authority's sole opinion, the application is complete.
 - 10.5. If deemed eligible by the Authority, applicants will receive a letter of offer advising of the fixed interest rate and repayments applicable for their loan.
 - 10.6. If deemed eligible, applicants have thirty (30) calendar days to return their signed contract (letter of offer).
 - 10.7. Upon receipt of satisfactory signed contract (letter of offer) and loan documentation the Authority will make a final determination of the application.
- If you have all documentation ready, including the Business and Project Delivery Plan, the online application should take approximately 90 minutes for you to complete. We request supporting documentation to ensure these loans are only provided to genuine business enterprises who are deemed eligible.





11. Assessment

- 11.1. Applications will be assessed against the eligibility criteria by Assessment Officers in the Authority's Assessment Team, who are responsible for routine assessment against the criteria in these guidelines and recommend assessment outcomes.
- 11.2. Program Officers in the Authority's Assessment Team ensure the program is administered in accordance with the guidelines and the policy intent, and loans are approved in accordance with the Authority's financial delegations.
- 11.3. The Secretary of the DRNSW is responsible for ensuring the program is administered in accordance with approved criteria and policy intent.
- 11.4. Complete applications will be assessed in order of receipt.
- 11.5. The Authority may take into account your credit position and the status of any existing loans to help verify your intention to continue your business enterprise.
- 11.6. The Authority reserves the right to request further information from you, or from any business or individual you have engaged, to assist in assessing your application and to verify any information provided in your application. Failure to provide such information may result in the Authority refusing your application.
- 11.7. The Authority reserves the right to refuse an application where eligibility criteria are not met or where you do not or cannot provide sufficient information for the Authority to determine if eligibility criteria have been met.
- 11.8. The Authority can put an application on hold where the applicant is under investigation or has been charged in relation to the fraudulent receipt of grants or loans.
- 11.9. Applicants should note that past financial assistance under this program or any other program is not a reliable indicator of eligibility for future financial assistance under this program.
- 11.10. Applications submitted may be subject to audit by the Authority or its agents in order to determine compliance with scheme guidelines.
- 11.11. Before applying for financial assistance under this program, you should seek advice from your legal, business or financial advisers about the tax implications of this financial assistance.
- 11.12. Applications and claim forms must be submitted online.

12. Loan draw down

- 12.1. The loan must be fully drawn down within eighteen (18) months from the date the loan is established, that is, after receipt of the signed and dated letter of offer.
- 12.2. Payments will be made on receipt of valid tax invoice and the DRNSW (or an agent engaged by the DRNSW for this purpose) may inspect the works as per above to ensure it is eligible and compliant.
- 12.3. Invoices submitted in relation to this application may not be used, or must not have been used, to secure funding under any other NSW state government scheme. This includes past and future programs.

13. Important information

- 13.1. These guidelines are correct at the time of publishing.
- 13.2. The DRNSW and/or Authority reserves the right to amend, alter or change these guidelines at any time. It is the applicant's responsibility to ensure that they check the relevant website prior to application.
- 13.3. The guidelines that apply to your application will be the guidelines that are current at the time your application is received by the Authority.
- 13.4. Applicants should also review the Engine and Emerging Industries Loan 'Frequently Asked Questions' (FAQ) web page prior to submitting an application at:
www.raa.nsw.gov.au/loans/eei.
While the Authority has taken all care in preparing these guidelines, the Authority will not be liable in any way for any errors, omissions or variation to information in these guidelines or for not advising an applicant of any errors, omissions or variations to information in these guidelines.
- 13.5. Without limiting any rights, the Authority (or another NSW agency), in its sole discretion, may recover funds from the applicant and determine that a debt is due if evidence indicates that the applicant did not meet the eligibility criteria.

14. Fraudulent claims

- 14.1. The Authority takes fraud and corruption seriously. Suspected fraud will be assessed and investigated as appropriate, which may require the involvement of external parties such as the NSW Police Force or the NSW Independent Commission Against Corruption (ICAC).
- 14.2. By signing the application form, you declare that the information provided in the application form and supporting documentation is true and accurate.
- 14.3. Providing inaccurate, untrue or misleading information may be a breach of the Rural Assistance Act 1989 or criminal law for which serious penalties may apply.
- 14.4. The Authority reserves the right to refuse your application if, after internal investigation, it determines that your application, including any supporting documentation or loan documentation, is misleading.
- 14.5. The Authority responds to fraud by:
 - a. audit and site validation of applications and claims that are of concern
 - b. referral to the NSW Police Force or ICAC of suspected fraud
 - c. recovery of any assistance provided under a fraudulent application.
- 14.6. An application approval, or payment of a claim against an approved loan, may be delayed where the outcome of relevant legal or validation actions may impact the decision to grant further assistance.

15. Evaluation

The Authority is committed to providing excellent service that responds to your needs through well-targeted programs. For that reason, the Authority evaluates its programs. This includes surveys at various points of the application, approval and claim process. The Authority may also contact you to ask about your experience of the assistance you received. The Authority will always treat the responses you provide as confidential and use the information only for the purposes it was collected.

16. Government Information (Public Access) Act

Applicants should be aware information submitted in applications and all related correspondence, attachments and other documents may be made publicly available under the *Government Information (Public Access) Act 2009 (NSW)*. Information that is deemed to be commercially sensitive will be withheld.

The *Government Information (Public Access) Act 2009 (NSW)* makes government information accessible to the public by:

- requiring government agencies to make certain sorts of information freely available
- encouraging government agencies to release as much other information as possible
- giving the public an enforceable right to make access applications for government information
- restricting access to information only when there is an overriding public interest against disclosure.

17. Complaints

Any concerns about the Engine and Emerging Industries Loan should be submitted in writing to rural.assist@raa.nsw.gov.au.

18. Definitions

Advanced manufacturing: Includes capabilities that increase a manufacturer's competitiveness through advanced technologies, advanced knowledge or capital intensive inputs.

The Authority: The NSW Rural Assistance Authority.

Food and beverage manufacturing: Organisations categorised under the ANZSIC groups listed in section 4.1. For a full list of codes please refer to the [Australian Bureau of Statistics](#).

Regional NSW: Any part of New South Wales (whether described in terms of a local government area or areas or in other terms), other than the Sydney metropolitan area.

Research and development: Work directed towards the innovation, introduction and improvement of products and processes.

Small and Medium Enterprises (SMEs): Australian firms with fewer than 200 full-time equivalent employees.

Sydney metropolitan area: Local government areas including Bayside, City of Blacktown, City of Blue Mountains, Burwood, Camden, City of Campbelltown, Canada Bay, Canterbury-Bankstown, Cumberland, City of Fairfield, Georges River, City of Hawkesbury, Hornsby, Hunter's Hill, Inner West, Ku-ring-gai, Lane Cove, City of Liverpool, Mosman, North Sydney, Northern Beaches, City of Parramatta, City of Penrith, City of Randwick, City of Ryde, Strathfield, Sutherland Shire, City of Sydney, The Hills Shire, Waverley, City of Willoughby, Wollondilly and Woollahra.

Valid tax invoice: A paid invoice including the name, address and ABN (if applicable) of the entity that issued the invoice and a description of each item to which the invoice relates which is clearly identifiable as being related to approved eligible activity (Section 5) for the applicant. The Authority can ask for proof of payment of the invoice.

Rural Assistance Authority

Head office:

105 Prince Street, Orange NSW 2800

Postal address:

Locked Bag 23, Orange NSW 2800

Telephone:

1800 678 593

Email:

rural.assist@raa.nsw.gov.au

Website:

www.raa.nsw.gov.au

Facebook:

www.facebook.com/NSWRAA

Business Hours:

8:30am to 4:30pm, Monday to Friday

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