



**Australian Government**

**Department of Industry, Science and Resources**

**Defence**

## Grant Opportunity Guidelines

# Defence Industry Development Grants Program - Skilling Stream

<b>Opening date:</b>	<b>18 June 2024</b>
<b>Closing date and time:</b>	5pm Australian Eastern Standard Time on 30 June 2027 Please take account of time zone differences when submitting your application.
<b>Commonwealth policy entity:</b>	Department of Defence (Defence)
<b>Administering entity:</b>	Department of Industry, Science and Resources (DISR)
<b>Enquiries:</b>	If you have any questions, contact us on 13 28 46.
<b>Date guidelines released:</b>	12 June 2024 28 February 2025 (addition of NPS funding)
<b>Type of grant opportunity:</b>	Open competitive

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# 1. Defence Industry Development Grants Program - Skilling Stream processes

## **The Defence Industry Development Grants Program is designed to achieve Australian Government objectives**

This grant opportunity is part of the above grant program which contributes to Defence's Outcome 2.1: To deliver high-quality policy advice to Government, the Secretary and the Chief of the Defence Force, to protect and advance Australia's strategic interests. Defence works with stakeholders to plan and design the grant program according to the [Commonwealth Grants Rules and Guidelines \(CGRGs\)](#).



## **The grant opportunity opens**

We publish the grant guidelines on [business.gov.au](https://business.gov.au) and [GrantConnect](#).



## **You complete and submit a grant application**

You complete the application form, addressing all the eligibility and assessment criteria in order for your application to be considered.



## **We assess all grant applications**

We assess the applications against eligibility criteria and notify you if you are not eligible. DISR and Defence assess eligible applications against the same assessment criteria. Assessment of merit criteria will include an overall consideration of value with relevant money and we will compare applications to other eligible applications. We will only recommend applications that score at least 65 per cent against all criteria.



## **We make grant recommendations**

DISR refer eligible batched applications to an assessment panel comprised of representatives from DISR and Defence. Recommended applications will be ranked competitively according to the score for criterion 1. The panel considers your application on its merits and we provide advice to the decision maker on the merits of each application.



## **Grant decisions are made**

The decision maker decides which applications are successful.



## **We notify you of the outcome**

We advise you of the outcome of your application.



## **We enter into a grant agreement**

We will enter into a grant agreement with successful applicants. The type of grant agreement is based on the nature of the grant and will be proportional to the risks involved.



## **Delivery of grant**

You complete the grant activity as set out in your grant agreement. We manage the grant by working with you, monitoring your progress and making payments.



## **Evaluation of the Defence Industry Development Grants Program - Skilling Stream**

Defence will evaluate the specific grant activity and Defence Industry Development Grants Program - Skilling Stream as a whole. We base this on information you provide to us and that we collect from various sources.

## 1.1. Introduction

These guidelines contain information for the Defence Industry Development Grants Program - Skilling Stream which forms part of the Defence Industry Development Grants Program.

This document sets out:

- the purpose of the grant program/grant opportunity
- the eligibility and assessment criteria
- how we consider and assess grant applications
- how we notify applicants and enter into grant agreements with grantees
- how we monitor and evaluate grantees' performance
- responsibilities and expectations in relation to the opportunity.

This grant opportunity and process will be administered by the Department of Industry, Science and Resources (the department/DISR) on behalf of the Department of Defence (Defence).

We have defined key terms used in these guidelines in the glossary at Section 14.

You should read this document carefully before you fill out an application.

## 2. About the grant program

The Defence Industry Development Grants Program (the program) will award grants over four years from 2024-25 to 2027-28. The program was announced as part of the [Defence Industry Development Strategy](#) released by Government on 29 February 2024.

Through the Strategy, the Australian Government has committed to strengthening Australia's defence industry to build our sovereign capability, global competitiveness and technical superiority. The Strategy will also support national security through the provision of improved and enhanced Defence capability. The objective of the program is to build the industrial base Australia needs to achieve Defence outcomes in areas of strategic priority.

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The intended outcomes of the program are:

- develop a more capable, resilient and competitive Australian defence industry that supports Defence outcomes in areas of strategic priority
- support skilling the industry workforce to support priority defence capabilities now and into the future
- support exports to strengthen the resilience and competitiveness of the Australian defence industrial base
- uplift the security of the Australian defence industrial base to address the challenging strategic environment.

The Defence Industry Development Grants Program funds four distinct grant opportunity streams tailored to address the program outcomes: 1. Sovereign Industrial Priorities, 2. Skilling, 3. Exports and 4. Security.

There will be other grant opportunities as part of this program and we will publish the opening and closing dates and any other relevant information on [business.gov.au](https://business.gov.au) and [GrantConnect](#).

We administer the program according to the [Commonwealth Grants Rules and Guidelines \(CGRGs\)](#)<sup>1</sup>.

## 2.1. About the Defence Industry Development Grants Program - Skilling Stream

This grant opportunity was announced as part of the [Defence Industry Development Strategy](#) released by Government on 29 February 2024.

This opportunity under the Skilling Stream helps Australian defence industry to upskill and train their staff in priority trade, technical and professional skillsets to develop a workforce with the right mix of qualified and experienced personnel to meet Defence requirements. The program will enhance the capacity and capability of Australian defence industry workforce to deliver [Sovereign Defence Industrial Priorities](#) (SDIPs) articulated in the Defence Industry Development Strategy, these are:

- maintenance, repair, overhaul and upgrade (MRO&U) of Australian Defence Force aircraft
- continuous naval shipbuilding and sustainment
- sustainment and enhancement of the combined-arms land system
- domestic manufacture of guided weapons, explosive ordnance and munitions
- development and integration of autonomous systems
- integration and enhancement of battlespace awareness and management systems
- test and evaluation, certification and systems assurance.

For more information on the Sovereign Industrial Priorities, visit the Defence Industry Development Strategy website.

The objectives of the grant opportunity are:

- reduce barriers faced by small to medium enterprises (SMEs) in the defence sector when upskilling or retraining staff
- develop skills within SMEs in the defence sector relevant to defence capability priority areas as identified by the SDIPs.

The intended outcomes of the grant opportunity are:

- defence sector SME staff upskilled and trained in areas of identified current and future defence capability needs that align to the [Sovereign Defence Industrial Priorities \(SDIPs\)](#)
- increased short and long term workforce capability and capacity of defence sector SMEs
- increased ability of SMEs to attract, develop and retain appropriately skilled staff.

## 3. Grant amount and grant period

The Australian Government approved a total of \$169.1 million over four years for the Defence Industry Development Grants Program. Of this, \$15.5 million over two years is available from 2024-25 for applications which support Australia's Nuclear-Powered Submarine (NPS) program. For this Skilling Stream, approximately \$20.3 million (approximately \$5.3 million in 2025 and \$5 million per year from 2025-26 to 2027-28) will be available, however an authorised officer within Defence will have discretion to reprofile the funding between the streams to ensure the most meritorious applications are funded. Approximately \$300,000 of the total stream funds is available for projects that support the NPS program (approximately \$25,000 in 2024-25 and \$275,000 in 2025-26).

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<sup>1</sup> <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines>

### 3.1. Grants available

- The minimum grant amount is \$5,000.
- The maximum grant amount is \$250,000.

You are required to contribute towards the grant activities. The grant amount will be up to 50 per cent of eligible expenditure. You cannot use funding from other Commonwealth, state, territory or local government grants to fund the balance of project expenditure not covered by the grant.

The funding is capped at \$250,000 in a three-year period per recipient as identified by ABN. If you have received the maximum \$250,000 in a three-year period, you may apply for further funding within the three-year period but cannot start your new project until the three-year term has expired. The three-year period commences on the date on which the first grant agreement is executed.

You must clearly identify whether your application is supporting the NPS program to be considered for NPS funding under this stream and this can be addressed by the attachment of a Letter of Support issued by the Australian Submarine Agency (ASA). Successful applicants may be funded by either (but not both) the general Skilling stream funding or the NPS funding based on the same application.

You are responsible for the remaining eligible and ineligible project costs.

### 3.2. Project period

The maximum project period is 24 months.

You must complete your project by 31 March 2028.

If your project receives NPS funding, your project must be completed by 30 April 2026.

## 4. Eligibility criteria

We cannot consider your application if you do not satisfy all eligibility criteria.

### 4.1. Who is eligible to apply for a grant?

To be eligible you must:

- be an SME with less than 200 employees or a Defence Industry Association (DIA) (as defined in the Glossary)
- have an Australian Business Number (ABN)
- be registered for the Goods and Services tax (GST)
- have an account with an Australian financial institution
- be non-income-tax-exempt

and be one of the following entities:

- an entity, incorporated in Australia
- a company limited by guarantee
- an incorporated trustee on behalf of a trust.

Joint applications are acceptable, provided you have a lead organisation who is the main driver of the project and is eligible to apply. For further information on joint applications, refer to section 7.2.

### 4.2. Additional eligibility requirements

An application seeking support from NPS program funding must include a Letter of Support issued by the ASA. Applications which do not include a Letter of Support from ASA will be considered only for the general funding stream.

For applications for funding over \$50,000, we can only accept applications where you provide evidence of how you will provide your share of project costs, through the accountant declaration, that confirms you can fund your share of the project costs, including any ineligible expenditure. You must use the accountant declaration template form provided on [business.gov.au](https://business.gov.au) and GrantConnect as part of this grant opportunity.

We cannot waive the eligibility criteria under any circumstances.

#### 4.3. Who is not eligible to apply for a grant?

You are not eligible to apply if you are:

- any organisation not included in section 4.1
- an organisation, or your project partner is an organisation, included on the [National Redress Scheme's website](#) on the list of '[Institutions that have not joined or signified their intent to join the Scheme](#)'
- an employer of 100 or more employees that has [not complied](#) with the Workplace Gender Equality Act (2012).
- an individual
- a partnership
- an overseas organisation
- an unincorporated association
- a trust (however, an incorporated trustee may apply on behalf of a trust)
- a Commonwealth, state, territory or local government agency or body (including government business enterprises).

#### 4.4. What qualifications, skills or checks are required?

If you are successful, all relevant personnel working on the grant activity that interact with children must maintain the following registrations and checks relevant to their state or territory where the activity is being undertaken:

- Working with Children check
- Working with Vulnerable People registration.

All personnel working on the grant activity that are delivering training, apprenticeship supervision or on the job training must maintain the relevant qualifications, skills or accreditation relevant to the activity they are undertaking.

### 5. What the grant money can be used for

#### 5.1. Eligible grant activities

To be eligible your project must:

- include eligible activities
- have at least \$10,000 in eligible expenditure
- be aimed at increasing Defence related technical skills capacity or capability within your organisation (or an SME if you are a DIA) that is required to meet current or future defence capability needs that align to the [Sovereign Defence Industrial Priorities](#) (SDIPs) (for a definition of 'technical' please refer to the Glossary)



- be delivered by a registered training organisation (RTO), a tertiary education provider (University or TAFE), a professional training provider, an appropriately qualified employee in your business or an original equipment manufacturer (OEM)
- be undertaken in Australia.

Eligible activities must directly relate to the project and can include:

- technical and trade skills training, for example, design, engineering, project/program management that are Defence focussed, logistics, information technology and cyber security
- micro credentials courses, which may not yet be part of a training package or accredited course but are required to meet defence capability requirements. This can include different combinations of training modules to form new skill sets and training tailored to meet specific business needs
- apprenticeship supervision support to provide supervision, by an appropriately qualified employee in your business, to an apprentice who primarily spends their time on Defence projects according to the following scale per applicant, funding caps may apply:
  - Year 1 - \$4,000 per semester towards the costs of supervision
  - Year 2 - \$3,000 per semester towards the costs of supervision
  - Year 3 - \$2,000 per semester towards the costs of supervision
  - Year 4 - \$1,000 per semester towards the costs of supervision.
- on-the-job training supervision support where the supervisor providing the training is an appropriately qualified employee in your business, is purely technical in nature and directly supports Defence projects. Support may be funded at an hourly rate of \$80.00 (funding caps may apply) and you must demonstrate that the training:
  - is being supervised by a suitably qualified employee in your business
  - is of a purely technical nature (e.g. machine use)
  - is directly in support of a Defence contract or contracts
  - the level of competency attained can be verified
  - the trainee is not an apprentice
  - the training activity is not classroom based.
- Original Equipment Manufacturer (OEM) training where the training is not incorporated in the products purchase price for a maximum of three staff (you must provide evidence). You must supply, at the time of application submission:
  - a training plan/syllabus
  - an itemised quote for the proposed training
  - correspondence from the OEM that clearly states that the training costs were not incorporated in the product purchase price; and if applying for training to be undertaken overseas, correspondence from the OEM that clearly states that the training is not available in Australia.

The Program Delegate may also approve other activities.

## 5.2. Eligible expenditure

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

For guidance on eligible expenditure, refer to Appendix A.

For guidance on ineligible expenditure, refer to Appendix B.

We may update the guidance on eligible and ineligible expenditure from time to time. If your application is successful, the version in place when you submitted your application applies to your project.

Not all expenditure on your project may be eligible for grant funding. The program delegate (who is a Senior Responsible Officer within DISR with responsibility for administering the program) makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

You must incur the project expenditure between the project start and end date for it to be eligible unless stated otherwise.

You may elect to commence your grant project from the date we notify you that your application is successful. We are not responsible for any expenditure you incur until 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.

## 6. The assessment criteria

You must address all assessment criteria in your application ensuring you address each sub criteria under the criterion in your responses.

DISR will assess criterion 2 and Defence will assess criterion 1. Applications must score at least 65 per cent against each of the assessment criteria to be considered meritorious. Meritorious applications will then be ranked competitively according to the score for assessment criterion 1 as these represent best value with relevant money<sup>2</sup>. For more information see 8.1.

The application form asks questions that relate to the assessment criteria below. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested. You should provide evidence to support your answers. The application form displays character limits for each response.

### 6.1. Assessment criterion 1

#### **The extent to which your grant project develops the industrial workforce capacity and capability to service the defence industry sector in priority areas**

You should demonstrate this through identifying:

##### **For SME and DIA applicants:**

- a. the technical skills your grant project will develop in accordance with section 5.1 and why these skills are required to support and service the defence industry sector in areas of priority identified by the [Sovereign Defence Industrial Priorities](#). Include detail on your current challenges with regard to upskilling staff in the defence industry sector.

##### **For SME applicants only:**

- b. details of the defence opportunities that you are currently supplying, actively tendering, or being subcontracted to perform. Describe the maturity of your commercial participation in the defence sector and how your grant project assists by increasing Australia's capacity in defence capability priority areas as identified by the [Sovereign Defence Industrial Priorities](#).

##### **For DIA applicants only**

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<sup>2</sup> See glossary for an explanation of 'value with relevant money'

- c. what primary research has been conducted to validate market need and likely uptake by participants for the proposed training activity. Provide details of the minimum-viable (to proceed), target and maximum number of training participants, cost per participant under each scenario, and how this affects your budget. Describe how an appropriate spread of training participants across industry will be achieved to demonstrate value for money. Describe what entry criteria will be used to ensure that training is undertaken only by appropriate defence industry sector personnel who are employed by eligible defence sector SMEs, how this will be documented and reported, and how training completion will be verified and reported listing all successful participants.

DIA applicants should note that eligible projects must achieve and demonstrate training completion by the minimum-viable number of appropriate project participants which you propose.

## 6.2. Assessment criterion 2

### **Your capacity, capability and resources to deliver the grant project**

You should demonstrate this through identifying:

- a. your plan to manage the grant project. Include detail on the key risks and how these will be managed and timeframes for key deliverables:
- you must attach a project and risk management plan (limited to four pages) if your total project costs exceeds \$100,000 or where there are more than 10 proposed participants, that details your grant project scope, outcomes, implementation methodology, implementation timeframes (milestones), risk assessment and risk management
  - you must attach a project budget commensurate with the grant amount requested, clearly outlining your project expenditure, using the template provided.

DIA applicants should budget for the maximum participation level but also clearly describe how the budget will be affected by minimum-viable and target participation levels

- b. your access to resources to deliver the grant project. Include detail on:
- the relevant qualifications, skills and experience of your training provider(s)
  - personnel with right skills and experience, both management and technical staff, within your business, with track record for delivering similar projects on time and on budget

You must present a strong case that you are using appropriately skilled and experienced training providers to score 65 per cent or greater against this criterion.

- c. your strategy to measure the grant project's success, including any targets and metrics
- d. if you have previously received a grant under either the Skilling Australia's Defence Industry (SADI) grant program or the Defence Industry Development Program – Skilling Stream, explain what value was created, how the purpose of this grant project is different and why you need additional funding.

## 7. How to apply

Before applying you should read and understand these guidelines, the sample [application form](#) and the sample [grant agreement](#) published on business.gov.au and GrantConnect.

We encourage you to read the [Defence Industry Development Strategy](#) to understand the [Sovereign Defence Industrial Priorities](#) that your project may support.

Applicants should read all eligibility and assessment criteria closely and attach detailed evidence that supports the assessment criteria.

You will need to set up an account to access our online [portal](#).

To apply, you must:

- complete and submit the application through the online [portal](#)
- provide all the information requested
- address all eligibility and assessment criteria
- include all necessary attachments.

You are responsible for making sure your application is complete and accurate. Giving false or misleading information is a serious offence under the [Criminal Code Act 1995](#). If we consider that you have provided false or misleading information we may not progress your application. If you find an error in your application after submitting it, you should call us immediately on 13 28 46.

After submitting your application, 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.

You can view and print a copy of your submitted application on the portal for your own records.

If you need further guidance around the application process, or if you have any issues with the portal, [contact us](#) at [business.gov.au](http://business.gov.au) or by calling 13 28 46.

### 7.1. Attachments to the application

You should only attach requested documents. The total of all attachments cannot exceed 20MB. We will not consider information in attachments that we do not request.

You must provide the following documents with your application:

- itemised quotes that have been obtained in the last 12 months for proposed training activities
- itemised quotes that have been obtained in the last 6 months for domestic and international travel
- training plan/syllabus (OEM and internal training)
- letter/email from the OEM provider (OEM training)
- [project budget](#) (template provided on [business.gov.au](http://business.gov.au) and GrantConnect)
- project and risk management plan limited to four pages for any project where total project costs exceed \$100,000 or where there is more than 10 proposed participants.
- accountant declaration for applications for funding over \$50,000, we can only accept applications where you provide evidence of how you will provide your share of project costs, through the accountant declaration, that confirms you can fund your share of the project costs, including any ineligible expenditure. You must use the accountant declaration template form provided on [business.gov.au](http://business.gov.au) and [GrantConnect](#) as part of this grant opportunity.
- a letter of support from Defence or your defence industry customer (optional). If you are applying for NPS funding you must attach a letter of support from the ASA.
- trust deed (where applicable).

You must attach supporting documentation to the application form in line with the instructions provided within the form.

## 7.2. Joint (consortia) applications

We recognise that some organisations may want to join together as a group to deliver a project. In these circumstances, you must appoint a lead organisation. Only the lead organisation can submit the application form and enter into the grant agreement with the Commonwealth. The application must identify all other members of the proposed group and include a letter of support from each of the project partners. Each letter of support should include:

- details of the project partner
- an overview of how the project partner will work with the lead organisation and any other project partners in the group to successfully complete the project
- an outline of the relevant experience and/or expertise the project partner will bring to the group
- the roles/responsibilities the project partner will undertake, and the resources it will contribute (if any)
- details of a nominated management level contact officer.

You must have a formal arrangement in place with all parties prior to execution of the grant agreement.

## 7.3. Timing of grant opportunity processes

You can submit an application at any time while the grant opportunity remains open. Applications will be assessed approximately every 2 months in batches unless otherwise advised on the [business.gov.au](https://business.gov.au) website.

If you are successful we expect you will be able to commence your grant project approximately six weeks after the batch closing date.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	Applications are batched and assessed approximately every 2 months.
Approval of outcomes of selection process and notification of outcomes to all applicants	4 weeks from batch application assessment
Negotiations and award of grant agreements	2 weeks
Earliest start date of project	The date you are notified your application is successful
Project completion date	Maximum 24 months after the commencement of the grant agreement or by the date specified at 3.2 if no program extension has been made. For NPS funded projects the completion date is 30 April 2026.

## 7.4. Questions during the application process

If you have any questions during the application period, [contact us](#) at [business.gov.au](https://business.gov.au) or by calling 13 28 46.

## 8. The grant selection process

### 8.1. Assessment of grant applications

We first review your application against the eligibility criteria.

Only eligible applications will proceed to the assessment stage. If eligible, your application will be assessed against the assessment criteria and against other applications by an assessment panel comprising representatives from DISR and Defence. Applications must score at least 65 per cent against all criteria to be considered meritorious. Meritorious applications will then be ranked competitively according to the score for assessment criterion 1 by Defence.

The assessment panel considers your application on its merits, based on:

- how well it meets the criteria
- how it compares to other applications
- whether it provides value with relevant money.

When assessing the extent to which the application represents value with relevant money, we will have regard to:

- the overall objective/s of the grant opportunity
- the evidence provided to demonstrate how your project contributes to meeting those objectives
- the relative value of the grant sought

If applications are scored the same, the panel will consider value with relevant money and alignment to the program objectives to recommend applications for funding.

If funding to support Australia's NPS Program is exhausted, meritorious applications supporting the NPS program will be considered for funding from the Defence Industry Development Grants Program.

### 8.2. Who will assess applications?

We will establish an assessment panel composed of representatives from DISR and Defence to assess applications. DISR will assess your application against selection criterion 2. Defence will assess your application against selection criterion 1.

We also consider any national interest, financial, legal/regulatory, governance or other issue or risk that we identify during any due diligence process that we conduct in respect of the applicant or proposed grant project. This includes its directors, officers, senior managers, key personnel, its related bodies corporate (as defined in the *Corporations Act*) or its application that could bring the Australian Government into disrepute if it were to fund the applicant. Such issues and risks include where we consider that funding the application under this grant opportunity is likely to directly conflict with Australian Government policy.

The assessment panel may also seek additional advice from independent technical experts or advisors to inform the assessment process.

The assessment panel will assess your application against the assessment criteria and compare it to other eligible applications within the batch before recommending if your project should be funded. The assessment panel, and any independent technical experts or advisors, will be required to perform their duties in accordance with the CGRGs.

### 8.3. Who will approve grants?

The program delegate (who is a Senior Responsible Officer within DISR with responsibility for administering the program) decides which grants to approve taking into account the recommendations of the assessment panel and the availability of grant funds.

The program delegate's decision is final in all matters, including:

- the grant approval
- the grant funding to be awarded
- any conditions attached to the offer of grant funding.

We cannot review decisions about the merits of your application.

The program delegate will not approve funding if there are insufficient program funds available across relevant financial years for the program.

## 9. Notification of application outcomes

We will advise you of the outcome of your application in writing. If you are successful, we advise you of any specific conditions attached to the grant.

If you are unsuccessful, you can submit a new application for the same (or similar) project in any future funding batches. You should include new or more information to address the weaknesses that prevented your previous application from being successful.

### 9.1. Feedback on your application

If you are unsuccessful, we will give you an opportunity to discuss the outcome with us. Feedback provided regarding an unsuccessful application may be incorporated into a new application in any future funding batches.

## 10. Successful grant applications

### 10.1. The grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. We use two types of grant agreements in this program. Our selection will depend on the size and complexity of your project. Each grant agreement has general terms and conditions that cannot be changed. A sample [grant agreement](#) is available on [business.gov.au](http://business.gov.au) and GrantConnect.

We will manage the grant agreement through the online portal. This includes issuing and executing the grant agreement. Execute means both you and the Commonwealth have accepted the agreement. You must not start any Defence Industry Development Grants Program - Skilling Stream activities until you have been notified your application is successful. We are not responsible for any expenditure you incur and cannot make any payments until a grant agreement is executed.

The approval of your grant may have specific conditions determined by the assessment process or other considerations made by the program delegate. We will identify these in the offer of grant funding.

The Commonwealth may recover grant funds if there is a breach of the grant agreement.

We will use a [simple grant agreement](#) where we consider your project to be relatively simple.

We will use a [standard grant agreement](#) for medium or larger projects where we consider your project to be more complex. You will have 30 days from the date of a written offer to execute this grant agreement with the Commonwealth. During this time, we will work with you to finalise details.



The offer may lapse if both parties do not sign the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application. We will review any required changes to these details to ensure they do not impact the project as approved by the program delegate.

## 10.2. Specific legislation, policies and industry standards

You must comply with all relevant laws, regulations and Australian Government sanctions in undertaking your project. You must also comply with the specific legislation/policies/industry standards that follow. It is a condition of the grant funding that you meet these requirements. We will include these requirements in your grant agreement.

In particular, you will be required to comply with:

- state/territory legislation in relation to working with children
- state/territory legislation in relation to working with vulnerable people
- state/territory legislation in relation to Workplace Health and Safety.

## 10.3. How we pay the grant

The grant agreement will state the:

- maximum grant amount we will pay
- proportion of eligible expenditure covered by the grant (grant percentage).

We will not exceed the maximum grant amount under any circumstances. If you incur extra costs, you must meet them yourself.

We will make an initial payment on execution of the grant agreement. We will make subsequent payments approximately six monthly, as you achieve milestones or complete courses, in arrears, based on your actual eligible expenditure. Payments are subject to satisfactory progress on the project.

DIA applicants should consider describing Milestone 1 as the achievement of the minimum course registrations with fee payment that appropriately exceeds the minimum-viable participation level proposed in your application.

We set aside a minimum of 10 per cent of the total grant funding for the final payment. We will pay this when you submit a satisfactory end of project report demonstrating you have completed outstanding obligations for the project. We may need to adjust your progress payments to align with available program funds across financial years and/or to ensure we retain a minimum 10 per cent of grant funding for the final payment.

## 10.4. Grant Payments and GST

If you are registered for the Goods and Services Tax (GST), where applicable we will add GST to your grant payment and provide you with a recipient created tax invoice. You are required to notify us if your GST registration status changes during the project period. GST does not apply to grant payments to government related entities<sup>3</sup>.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office](#). We do not provide advice on tax.

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<sup>3</sup> See Australian Taxation Office ruling GSTR 2012/2 available at [ato.gov.au](#)



## 11. Announcement of grants

If successful, your grant will be listed on the GrantConnect website 21 calendar days after the date of execution.

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the [Commonwealth Grants Rules and Guidelines](#), Section 5.3,. We may also publish this information on [business.gov.au](http://business.gov.au). Defence, including relevant Ministers, may also choose to publish a media release. This information may include:

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded
- Australian Business Number
- business location
- your organisation's industry sector.

## 12. How we monitor your grant activity

### 12.1. Keeping us informed

You should let us know if anything is likely to affect your project or organisation.

We need to know of any key changes to your organisation or its business activities, particularly if they affect your ability to complete your project, carry on business and pay debts due.

You must also inform us of any changes to your:

- name
- addresses
- nominated contact details
- bank account details.

If you become aware of a breach of terms and conditions under the grant agreement, you must contact us immediately.

You must notify us of events relating to your project and provide an opportunity for the Minister or their representative to attend.

### 12.2. Reporting

You must submit reports in line with the grant agreement. We will provide the requirements for these reports as appendices in the grant agreement. We will remind you of your reporting obligations before a report is due. We will expect you to report on:

- progress against agreed project milestones and outcomes
- project expenditure, including expenditure of grant funds (i.e. invoices and remittances)
- contributions of participants directly related to the project.
- evidence of completion of approved activities
- staffing changes or participant swaps
- inability to complete activity/activities.

The amount of detail you provide in your reports should be relative to the project size, complexity and grant amount.

We will monitor the progress of your project by assessing reports you submit and may conduct site visits to confirm details of your reports if necessary. Occasionally we may need to re-examine claims, seek further information or request an independent audit of claims and payments.

#### 12.2.1. Progress reports

Progress reports must:

- include details of your progress towards completion of agreed project activities
- evidence of completion of approved activities
- show the total eligible expenditure incurred to date
- include evidence of expenditure (i.e. invoices and remittances)
- provide evidence of completion of approved activities (i.e. confirmation of attendance or certificate of completion)
- be submitted by the report due date (you can submit reports ahead of time if you have completed relevant project activities).

We will only make grant payments when we receive satisfactory progress reports and, where applicable, supporting evidence is provided.

You must discuss any project or milestone reporting delays with us as soon as you become aware of them.

#### 12.2.2. Ad-hoc reports

We may ask you for ad-hoc reports on your project. This may be to provide an update on progress, or any significant delays or difficulties in completing the project.

#### 12.2.3. End of project report

When you complete the project, you must submit an end of project report.

End of project reports must:

- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred for the project (i.e. invoices and remittances)
- provide evidence of completion of approved activities (i.e. confirmation of attendance or certificate of completion)
- include a declaration that the grant money was spent in accordance with the grant agreement and to report on any underspends of the grant money
- be submitted by the report due date.

### 12.3. Audited financial acquittal report

We may ask you to provide an independent audit report. An audit report will verify that you spent the grant in accordance with the grant agreement. The audit report requires you to prepare a statement of grant income and expenditure. The report template is available on [business.gov.au](https://business.gov.au) and GrantConnect.

## 12.4. Grant agreement variations

We recognise that unexpected events may affect project progress. In these circumstances, you can request a variation to your grant agreement, including:

- changing project milestones
- extending the timeframe for completing the project but within the maximum time period allowed in program guidelines year period
- changing project activities.

The program does not allow for an increase of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the project grant agreement end date. You can submit a variation request via our online portal.

If a delay in the project causes milestone achievement and payment dates to move to a different financial year, you will need a variation to the grant agreement. We can only move funds between financial years if there is enough program funding in the relevant year to allow for the revised payment schedule. If we cannot move the funds, you may lose some grant funding.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- how it affects the project outcome
- consistency with the program policy objective, grant opportunity guidelines and any relevant policies of the department
- changes to the timing of grant payments
- availability of program funds.

## 12.5. Compliance visits

We may visit you during the project period or at the completion of your project to review your compliance with the grant agreement. We will provide you with reasonable notice of any compliance visit.

## 12.6. Record keeping

We may also inspect the records you are required to keep under the grant agreement.

## 12.7. Evaluation

Defence will evaluate the grant opportunity to measure how well the outcomes and objectives have been achieved. We may use information from your application and project reports for this purpose. We may also interview you, or ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes.

We may contact you up to two years after you finish your project for more information to assist with this evaluation.

## 12.8. Acknowledgement

If you make a public statement about a project funded under the program, including in a brochure or publication, you must acknowledge the grant by using the following:

‘This project received grant funding from the Australian Government.’

## 13. Probity

We will make sure that the grant opportunity process is fair, according to the published guidelines, incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct and is consistent with the CGRGs.

These guidelines may be changed from time-to-time by DISR. When this happens, the revised guidelines will be published on GrantConnect.

### 13.1. Enquiries and feedback

For further information or clarification, you can contact us on 13 28 46 or by [web chat](#) or through our [online enquiry form](#) on business.gov.au.

We may publish answers to your questions on our website as Frequently Asked Questions.

Our [Customer Service Charter](#) is available at business.gov.au. We use customer satisfaction surveys to improve our business operations and service.

If you have a complaint, call us on 13 28 46. We will refer your complaint to the appropriate manager.

If you are not satisfied with the way we handle your complaint, you can contact:

General Manager  
External Programs Branch  
Business Grants Hub and Integrity Division  
Department of Industry, Science and Resources  
GPO Box 2013  
CANBERRA ACT 2601

You can also contact the [Commonwealth Ombudsman](#) with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

### 13.2. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity and/or program. There may be a conflict of interest, or perceived conflict of interest, if our staff, any member of a panel or advisor and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer or member of an external panel
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives a grant under the grant program/grant opportunity.

As part of your application, we will ask you to declare any perceived or existing conflicts of interests or confirm that, to the best of your knowledge, there is no conflict of interest.

If you later identify an actual, apparent, or perceived conflict of interest, you must inform us in writing immediately.

Conflicts of interest for Australian Government staff are handled as set out in the Australian [Public Service Code of Conduct \(Section 13\(7\)\)](#) of the [Public Service Act 1999](#). Panel members and other officials including the decision maker must also declare any conflicts of interest.

We publish our [conflict of interest policy](#)<sup>4</sup> on the department's website. The Commonwealth policy entity also publishes a conflict of interest policy on its website.

### 13.3. Privacy

Unless the information you provide to us is:

- confidential information as per below, or
- personal information as per below

we may share the information with other government agencies for a relevant Commonwealth purpose such as:

- to improve the effective administration, monitoring and evaluation of Australian Government programs
- for research
- to announce the awarding of grants.

We must treat your personal information according to the Australian Privacy Principles (APPs) and the *Privacy Act 1988* (Cth). This includes letting you know:

- what personal information we collect
- why we collect your personal information
- to whom we give your personal information.

We may give the personal information we collect from you to our employees and contractors, the panel, and other Commonwealth employees and contractors, so we can:

- manage the program
- research, assess, monitor and analyse our programs and activities.

We, or the Minister, may:

- announce the names of successful applicants to the public
- publish personal information on the department's websites.

You may read our [Privacy Policy](#)<sup>5</sup> on the department's website for more information on:

- what is personal information
- how we collect, use, disclose and store your personal information
- how you can access and correct your personal information.

### 13.4. Confidential information

Other than information available in the public domain, you agree not to disclose to any person, other than us, any confidential information relating to the grant application and/or agreement, without our prior written approval. The obligation will not be breached where you are required by law, Parliament or a stock exchange to disclose the relevant information or where the relevant information is publicly available (other than through breach of a confidentiality or non-disclosure obligation).

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<sup>4</sup> <https://www.industry.gov.au/publications/conflict-interest-policy>

<sup>5</sup> <https://www.industry.gov.au/data-and-publications/privacy-policy>

We may at any time, require you to arrange for you; or your employees, agents or subcontractors to give a written undertaking relating to nondisclosure of our confidential information in a form we consider acceptable.

We will treat the information you give us as sensitive and therefore confidential if it meets all of the following conditions:

- you clearly identify the information as confidential and explain why we should treat it as confidential
- the information is commercially sensitive
- disclosing the information would cause unreasonable harm to you or someone else
- you provide the information with an understanding that it will stay confidential.

We may disclose confidential information:

- to the assessment panel and our Commonwealth employees and contractors, to help us manage the program effectively
- to the Auditor-General, Ombudsman or Privacy Commissioner
- to the responsible Minister or Assistant Minister
- to a House or a Committee of the Australian Parliament.

We may also disclose confidential information if:

- we are required or authorised by law to disclose it
- you agree to the information being disclosed, or
- someone other than us has made the confidential information public.

### 13.5. Freedom of information

All documents in the possession of the Australian Government, including those about the program, are subject to the *Freedom of Information Act 1982* (Cth) (FOI Act).

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

If someone requests a document under the FOI Act, we will release it (though we may need to consult with you and/or other parties first) unless it meets one of the exemptions set out in the FOI Act.

## 14. Glossary

Term	Definition
Accountable authority	See subsection 12(2) of the <a href="#">Public Governance, Performance and Accountability Act 2013</a> .
Administering entity	When an entity that is not responsible for the policy, is responsible for the administration of part or all of the grant administration processes.
Application form	The document issued by the program delegate that applicants use to apply for funding under the program.
Assessment criteria	The specified principles or standards, against which applications will be judged. These criteria are also used to assess the merits of proposals and, in the case of a competitive grant opportunity, to determine application ranking.
Assessment panel	The body established by the program delegate to consider and assess eligible applications and make recommendations to the decision maker for funding under the program. The panel comprises representatives from DISR and Defence.
Australian defence industry	The Australian defence industry is comprised of businesses with an Australian-based industrial capability and an Australian Business Number (ABN), providing products or services used in, or which can be adapted to be used in, the Defence supply chain and/or an international defence force supply chain.
Australian Submarine Agency	The Australian Submarine Agency is a non-corporate Commonwealth entity established on 1 July 2023 to safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia's conventionally armed nuclear-powered submarine capability for Australia, via the AUKUS partnership.
Commencement date	The expected start date for the grant activity.
<a href="#">Commonwealth Grants Rules and Guidelines (CGRGs)</a>	Establish the overarching Commonwealth grants policy framework and articulate the expectations for all non-corporate Commonwealth entities in relation to grants administration. Under this overarching framework, non-corporate Commonwealth entities undertake grants administration based on the mandatory requirements and key principles of grants administration.
Completion date	The expected date that the grant activity must be completed, and the grant spent by.

Term	Definition
Defence Industry Association	<p>Defence Industry Associations for the purposes of these guidelines are member-based organisations, which exist primarily for the purpose of supporting companies operating in the Australian defence industry.</p> <p>Australian Defence Industry Associations consist of businesses with an Australian-based industrial capability and an Australian Business Number (ABN), providing products or services used in, or which can be adapted to be used in, the Defence supply chain and/or an international defence force supply chain.</p>
Defence	When capitalised, Defence refers to the Department of Defence
Department	Department of Industry, Science and Resources (DISR).
Decision maker	The person who makes a decision to award a grant.
Eligible activities	The activities undertaken by a grantee in relation to a project that are eligible for funding support as set out in 5.1.
Eligible application	An application or proposal for grant funding under the program that the program delegate has determined is eligible for assessment in accordance with these guidelines.
Eligibility criteria	Refer to the mandatory criteria which must be met to qualify for a grant. Assessment criteria may apply in addition to eligibility criteria.
Eligible expenditure	The expenditure incurred by a grantee on a project and which is eligible for funding support as set out in 5.2.
Eligible expenditure guidance	The guidance that is provided at Appendix A.
Grant	<p>For the purposes of the CGRGs, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:</p> <ul style="list-style-type: none"> <li>a. under which relevant money<sup>6</sup> or other <a href="#">Consolidated Revenue Fund</a> (CRF) money<sup>7</sup> is to be paid to a grantee other than the Commonwealth; and</li> <li>a. which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.</li> </ul>
Grant activity/activities	Refers to the project/tasks/services that the grantee is required to undertake.

<sup>6</sup> Relevant money is defined in the PGPA Act. See section 8, Dictionary.

<sup>7</sup> Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.



Term	Definition
Grant agreement	A legally binding contract that sets out the relationship between the Commonwealth and a grantee for the grant funding, and specifies the details of the grant.
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
Grant opportunity	Refers to the specific grant round or process where a Commonwealth grant is made available to potential grantees. Grant opportunities may be open or targeted, and will reflect the relevant grant selection process.
Grant program	A 'program' carries its natural meaning and is intended to cover a potentially wide range of related activities aimed at achieving government policy outcomes. A grant program is a group of one or more grant opportunities under a single entity Portfolio Budget Statement Program.
<a href="#">GrantConnect</a>	The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs.
Grantee	The individual/organisation which has been selected to receive a grant.
Non-income-tax-exempt	Not exempt from income tax under Division 50 of the <i>Income Tax Assessment Act 1997</i> (Cth) or under Division 1AB of Part III of the <i>Income Tax Assessment Act 1936</i> (Cth).
Nuclear-Powered Submarine Program	The Optimal Pathway identified to achieve the construction and delivery of SSN-AUKUS as an enduring nuclear-powered submarine capability for Australia.  <a href="#">Optimal Pathway   Australian Submarine Agency</a>
Personal information	Has the same meaning as in the <i>Privacy Act 1988</i> (Cth) which is:  Information or an opinion about an identified individual, or an individual who is reasonably identifiable:  a. whether the information or opinion is true or not; and  b. whether the information or opinion is recorded in a material form or not.
Program delegate	A Senior Responsible Officer within DISR with responsibility for administering the program.
Program funding or Program funds	The funding made available by the Commonwealth for the program.
Project	A project described in an application for grant funding under the program.

Term	Definition
Registered Training Organisation (RTO)	RTOs include TAFE colleges and institutes, adult and community education providers, private providers, community organisations, schools, higher education institutions, commercial and enterprise training providers, industry bodies, and other organisations that meet registration requirements.
Selection criteria	Comprises of eligibility criteria and assessment criteria.
Selection process	The method used to select potential grantees. This process may involve comparative assessment of applications or the assessment of applications against the eligibility criteria and/or the assessment criteria.
Small to Medium Enterprises (SMEs) in the defence sector	Small to Medium-sized Enterprises currently supplying to, or intending to supply to, the defence sector: <ul style="list-style-type: none"> <li>▪ micro to small businesses (1-19 employees)</li> <li>▪ medium businesses (20 to 199 employees).</li> </ul>
Technical	Technical when used in reference to skills and training refers to training activities and outcomes which are concerned with applied and industrial sciences, creating special and practical knowledge of a mechanical nature, or expertise required to operate specialised tools and equipment.
Value with relevant money	A judgement based on the grant proposal representing an efficient, effective, economical and ethical use of public resources and determined from a variety of considerations. When administering a grant opportunity, an official should consider the relevant financial and non-financial costs and benefits of each proposal including, but not limited to: <ul style="list-style-type: none"> <li>▪ the quality of the project proposal and activities;</li> <li>▪ fitness for purpose of the proposal in contributing to government objectives;</li> <li>▪ that the absence of a grant is likely to prevent the grantee and government's outcomes being achieved;</li> <li>▪ and the potential grantee's relevant experience and performance history.</li> </ul>

## Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure. We may update this guidance from time to time; check you are referring to the most current version from the [business.gov.au](https://business.gov.au) website before preparing your application.

The program delegate makes the final decision on what is eligible expenditure and may give additional guidance on eligible expenditure if required.

To be eligible, expenditure must:

- be incurred by you within the project period
- be a direct cost of the project
- be incurred by you to undertake required project audit activities (where applicable)
- meet the eligible expenditure guidelines.

### A.1 How we verify eligible expenditure

The grant agreement will include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure.

If requested, you will need to provide the agreed evidence along with your progress reports.

You must keep payment records of all eligible expenditure, and be able to explain how the costs relate to the agreed project activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

At the end of the project, you may be required to provide an independent financial audit of all eligible expenditure from the project.

### A.2 Skilling stream specific expenditure

We consider the costs to deliver the skills training to employees within your organisation (or an SME if you are a DIA) as eligible expenditure. This may include:

- staff training costs and on-the-job training fees including TAFE, University, online training courses, and OEM training
- costs incurred on instructors to deliver the training
  - for internal instructors – refer to guidelines in A.3 Labour Expenditure and A.4 Labour on-costs and administrative overhead
  - for external instructors – refer to guidelines in A.5 Contract Expenditure.
- costs incurred in conducting training activities, including training materials, textbooks, external venue hire and audio visual equipment hire
- domestic and overseas travel – refer to Guidelines in item A.6
- up to 10% project administration costs (DIA applicants only).

### A.3 Labour expenditure

Eligible labour expenditure for the grant covers the direct labour costs of employees you directly employ on the core elements of the project. We consider a person an employee when you pay them a regular salary or wage, out of which you make regular tax instalment deductions.

We do not consider labour expenditure for staff participating in training as eligible expenditure.

Where an internal instructor conducts your training, you may claim the costs/wages on a cost recovery basis for the duration of the training. The instructor must be qualified to deliver the training. You will be required to provide evidence of the hourly wage and hours worked of the qualified instructor (together with a copy of the instructor's qualification documentation), and a detailed course outline, for invoicing and reporting purposes. Commercial charge out rates cannot be used for instructors who are employees.

We consider costs for technical, but not administrative, project management activities eligible labour expenditure. However, we limit these costs to 10 per cent of the total amount of eligible labour expenditure claimed.

#### A.4 Labour on-costs and administrative overhead

You may increase eligible salary costs by an additional 30 per cent allowance to cover on-costs such as employer paid superannuation, payroll tax, workers compensation insurance, and overheads such as office rent and the purchase or provision of computing equipment directly required or related to the delivery of the project.

You should calculate eligible salary costs using the formula below:

$$\text{Eligible salary costs} = \text{Annual salary package} \times \frac{\text{Weeks spent on project}}{52 \text{ weeks}} \times \text{percentage of time spent on project}$$

You cannot calculate labour costs by estimating the employee's worth. If you have not exchanged money (either by cash or bank transactions) we will not consider the cost eligible.

Evidence you will need to provide can include:

- details of all personnel working on the project, including name, title, function, time spent on the project and salary
- ATO payment summaries, pay slips and employment contracts.

#### A.5 Contract expenditure

Eligible contract expenditure is the cost of any agreed project activities that you contract others to do. These can include contracting:

- another organisation
- an individual who is not an employee, but engaged under a separate contract.

All contractors must have a written contract prior to starting any project work—for example, a formal agreement, letter or purchase order which specifies:

- the nature of the work they perform
- the applicable fees, charges and other costs payable.

Invoices from contractors must contain:

- a detailed description of the nature of the work
- the hours and hourly rates involved
- any specific plant expenses paid.

Invoices must directly relate to the agreed project, and the work must qualify as an eligible expense. The costs must also be reasonable and appropriate for the activities performed.

We will require evidence of contractor expenditure that may include:

- an exchange of letters (including email) setting out the terms and conditions of the proposed contract work
- purchase orders
- supply agreements
- invoices and payment documents.

You must ensure all project contractors keep a record of the costs of their work on the project. We may require you to provide a contractor's records of their costs of doing project work. If you cannot provide these records, the relevant contract expense may not qualify as eligible expenditure.

## A.6 Travel and overseas expenditure

Eligible travel and overseas expenditure may include:

- domestic travel limited to the reasonable cost of accommodation and transportation required to conduct agreed project and collaboration activities in Australia
- overseas travel limited to the reasonable cost of accommodation and transportation required in cases where the overseas travel is material to the conduct of the project in Australia.

Eligible air transportation is limited to the economy class fare for each sector travelled; where non-economy class air transport is used only the equivalent of an economy fare for that sector is eligible expenditure. Where non-economy class air transport is used, the grantee will require evidence showing what an economy airfare costs at the time of travel.

Accommodation is capped at \$200 per night (GST exclusive).

We will consider value for money when determining whether the cost of overseas expenditure is eligible. This may depend on:

- the proportion of total grant funding that you will spend on overseas expenditure
- the proportion of the service providers total fee that will be spent on overseas expenditure
- how the overseas expenditure is likely to aid the project in meeting the program objectives.

Overseas travel must be at an economy rate and you must demonstrate you cannot access the service, or an equivalent service in Australia.

Eligible overseas activities expenditure is limited to 10 per cent of total eligible expenditure.

## A.7 Other eligible expenditure

Other eligible expenditures for the project may be determined as eligible by the Program Delegate.

Evidence you need to supply can include supplier contracts, purchase orders, invoices and supplier confirmation of payments.

## Appendix B. Ineligible expenditure

This section provides guidance on what we consider ineligible expenditure. If your expenditure is ineligible under this grant opportunity stream, you can also consider other Defence Industry Development Grants Program Grant Opportunity Streams for your expenditure. We may update this guidance from time to time; check you are referring to the most current version from the [business.gov.au](https://business.gov.au) website before preparing your application.

The program delegate may impose limitations or exclude expenditure, or further include some ineligible expenditure listed in these guidelines in a grant agreement or otherwise by notice to you.

Examples of ineligible expenditure include:

- 'New to Defence' or similar introductory level courses
- project administration fees above 10% (DIA applicants)
- purchase of land
- capital expenditure for the purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings and laboratories
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project)
- costs associated with the use of an applicant's own equipment during training or onsite training facility costs
- costs associated with maintaining existing industry certifications and accreditations
- costs such as rental, renovations and utilities
- insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities)
- 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
- fees for technical or professional certifications where no associated training has been delivered (e.g. where a professional certification has been awarded solely on recognition of prior learning)
- course development
- courses that have been covered by other funding schemes (e.g. HECS, HELP etc.)
- marketing and promotions
- wages – with the exception of eligible supervisory activities outlined at 5.1
- major capital expenditure
- the covering of retrospective costs
- subsidy of general ongoing administration of an organisation such as electricity, phone and rent
- major construction/capital works
- overseas travel – with the exception of travel directly required to undertake training activities as outlined at 5.1
- travel or overseas costs that exceed 10 per cent of total project costs except where otherwise approved by the Program Delegate

- activities for which other Commonwealth, state, territory or local government bodies have primary responsibility
- costs incurred prior to us notifying you that the application has been successful
- any in-kind contributions
- activities, equipment or supplies that are already being supported through other sources
- costs related to obtaining resources used on the project, job advertising and recruiting, and contract negotiations
- conference fees
- government and union fees
- ground transport costs (e.g. taxi, ferry or car hire)
- catering, meals and refreshments
- operational program software licenses (e.g. Microsoft, CAD Design, etc.)
- personal protective equipment (PPE)
- evaluation, gap analysis and course development activities
- delivery of business training in areas such as leadership, management, business administration, law, finance, accounting, marketing, procurement, recruitment, contracting, probity and negotiations.
- project/program management courses that are not Defence focussed
- forklift licence or training
- auditor training
- certificate IV in Training & Assessment
- ground transport costs (e.g. taxi, ferry or car hire)
- catering, meals and refreshments
- creation of inventory or stock
- research activities
- financing costs, including interest
- non-project-related staff training and development costs
- depreciation of plant and equipment
- maintenance costs
- costs of purchasing, leasing, depreciation of, or development of land
- infrastructure development costs, including development of road, rail, port or fuel delivery networks beyond the manufacturing site
- site preparation activities
- opportunity costs relating to any production losses due to allocating resources to the agreed grant project
- costs of manufacturing production inputs.

This list is not exhaustive and applies to all eligible expenditure (both grant funds and contribution). Other costs may be ineligible where we decide that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program stream.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the grant project.