Defence and Aerospace Industry Development Fund 2020-2021

Frequently asked questions

Version 2: 3 February 2021

Queensland Government

1. What is the DAID Fund?

The Defence and Aerospace Industry Development (DAID) Fund is administered by the Queensland Government and designed to provide financial assistance to Queensland small and medium-sized enterprises (SMEs) to:

- pursue international and industry certification to assist with accessing national and international defence and aerospace industry supply chains, and

- access global defence, aerospace and space industry opportunities through participation at international trade shows, trade fairs, and expositions (NOTE: this funding stream is currently on hold due to the COVID-19 pandemic)

2. What is the definition of a small or medium sized enterprise (SME)?

For the purposes of the DAID Fund, the definition applied by the Australian Bureau of Statistics will apply; that is:

- a small-sized enterprise is one that employs less than 20 employees, and

- a medium-sized enterprise is one that employs between 20 and 199 employees.

3. What is the minimum and maximum grant amount a business can apply for?

Businesses can apply for between $5,000 and $30,000 (excluding GST) in DAID Fund assistance on a dollar-for-dollar basis (e.g. total eligible certification costs are $60,000 with at least $30,000 in eligible costs paid for by the applicant and a maximum of $30,000 paid from the DAID Fund).

Indigenous businesses may apply for up to 75% funding.

Applicants may only submit one application for assistance. All applicants will need to demonstrate the business is financially capable to support the activity and provide the necessary resources to undertake the activity.

4. What is the definition of an Indigenous Business?

For the purpose of the Defence and Aerospace Industry Development Fund, an Indigenous business is one that is at least 50% or more owned by an Aboriginal person/s or a Torres Strait Island person/s.

If you are considering applying for funding as an Indigenous business, you will be required to attach your Supply Nation Registration/Certification. Alternatively, businesses can include ownership structure along with confirmation of Aboriginality or Torres Strait Islander Heritage from a recognised entity or provide a Statutory Declaration: https://www.iba.gov.au/wp-content/uploads/2014/06/014-10-2018_COAform_editable.pdf

5. How do I apply for assistance from the DAID Fund?

To make an application under the DAID Fund, a business must complete the online DAID Fund Application Form available at: http://www.dsdmip.qld.gov.au/industry/defence-and-aerospace-industry-development-fund.html

6. What is the role of the departmental staff?

Departmental staff in Defence Jobs Queensland can provide general advice regarding the DAID Fund. Departmental staff at regional offices can also assist DAID Fund applicants in their region.

It is important to note that departmental staff are not responsible for developing the business's application for DAID Fund assistance.

7. Is there a file size limit that can be uploaded in the online application portal?

No.

8. How do I create a zip file?

To create a zip file in Windows:

Select the files you want to add to the zip file. **Right-click** one of the files. A menu will appear. In the menu, click **send to** and select **Compressed (zipped) folder**

A zip file will appear. If you want, you can **type a new name** for the zip file

In Windows, once you've created a zip file you can then **add more files to it** by dragging them onto the zip file's icon

For further assistance go to: https://support.microsoft.com/en-au/help/14200/windows-compress-uncompress-zip-files

To create a zip file in MacOS:

Select the files you want to add to the zip file. **Right-click** one of the files. If right-clicking is not enabled, you can hold the **Control** key and then click. A menu will appear.

In the menu, click **Compress 4 items** (the number will vary depending on how many files you have selected)

A zip file will appear. By default, the file name will be **Archive.zip**

If you want, you can **type a new name** for the zip file.

In macOS, once you've created a zip file you cannot add more files to it. If you need to add files, you will need to create a new zip file that contains all the files you want.

For further assistance go to: https://support.apple.com/en-au/guide/mac-help/mchlp2528/mac

9. What are the timeframes for completing activities supported by the DAID Fund?

Recipients of DAID Fund assistance must complete all approved activities within the timeframe stated on the funding agreement with the Department. The maximum timeframe within which applicants must complete approved activities is eighteen months from the commencement date specified in the funding agreement.

10. Do I need to have existing products and market presence to apply?

Yes. It's essential your business currently provides products and services or has the current capability to supply products or services to the defence and/or aerospace industries in order to apply for DAID Fund support.

11. Will activities already underway be considered eligible for DAID Fund assistance?

Certification activities that are already underway prior to opening of the International and Industry Certification Funding stream are not eligible to receive DAID Fund assistance. Only those certification activities, which are eligible and commenced following the opening of the funding stream round will be considered for reimbursement from the DAID Fund.

Costs for activities that are eligible for reimbursement under the International Market Engagement Funding stream, which have commenced prior to opening of the funding stream round, will be considered for DAID Fund assistance.

12. How will my application be assessed?

Applications will be assessed against the eligibility requirements of the program and against the DAID Fund assessment criteria listed in section 6 of the DAID Fund Program Guidelines for the *International Market Engagement*, and *International and Industry Certification Funding* streams. During the assessment process, applicants may be contacted and requested to clarify information, or provide further information, to enable full assessment of the application and a due diligence appraisal.

13. How will I know if my application is successful?

The department aims to notify applicants in writing of the outcome of their DAID Fund application within 12 weeks of the DAID Fund application closing date.

14. Will my application be treated as confidential?

Yes. The department is required to comply with all relevant Australian and Queensland laws, including the *Privacy Act 1988* and the *Right to Information Act 2009* by having appropriate processes in place to secure and protect the privacy of all personal and commercial-in-confidence information.

In the event your DAID Fund application is successful, you will be contacted by the Department and informed of the amount to be awarded and timing of funding provided. The business name of the recipient and a brief description of the funded activity may be made public by the Department.

15. What will not be considered as eligible sources of matched funding?

Matched funding cannot be sourced from 'in-kind' (i.e. non-cash) contributions, or other Commonwealth or Queensland Government programs targeting SMEs that subsidise international market engagement, market development, or certification activities.

Matched funding is an up-front requirement and it is the applicant's responsibility to ensure their business has adequate cash-flow available to accommodate all activity costs (i.e. eligible and non-eligible costs) at the time of application, and for the duration of the approved activities (i.e. tradeshows or certification).

16. Do I need to have the matched contributions available up front?

Yes. Payment from the DAID Fund will be made in arrears of eligible costs incurred and evidence of payment provided to the Department (i.e. copies of official receipts issued for payments made). Claims for payment must be accompanied by an official tax invoice addressed to the Department.

17. Is my business eligible for funding if it is not registered for GST?

No.

18. What are the GST obligations associated with receiving a DAID Fund grant?

Under Australian taxation law all government grants are treated as *financial assistance payments* and may constitute a *taxable supply* for GST purposes. The department strongly recommends applicants seek independent professional taxation advice regarding all business tax obligations. All grant payments made by the Department to approved applicants will not include GST.

19. Are professional fees considered eligible costs for reimbursement?

No. Professional fees such as legal and accountancy fees are not considered eligible expenditure. For further information, refer to the list of ineligible activities and costs under section 5.1 of the DAID Fund Program Guidelines.

20. Is my business eligible for funding if it is a Trust?

To be eligible, your company must be incorporated in Australia, or you must be an incorporated trustee on behalf of a trust.

21. Is my business eligible for funding if its head office is not located in Queensland?

Yes. SMEs with a head office located interstate are eligible to apply; however, interstate applicants are required to ensure their Queensland-based operations solely benefit from the activity for which they have applied for DAID Fund assistance. Where funding is provided for international market engagement, only those business operations located in Queensland are to be promoted at trade exhibitions, and approved applicants may be required to show evidence this has taken place.

Funding for certification purposes may only be applied for the purpose of ensuring Queensland based operations or systems, or products produced in Queensland meet international certification standards.

22. Is my business eligible for funding if less than five employees are employed in Queensland?

Yes. SMEs that have fewer than five employees located in Queensland, are eligible to apply. However, in this instance the funding application will need to demonstrate how certification activities will directly benefit the Queensland-based operations.

23. Is it necessary to show evidence of compliance with Queensland industry relations, and workplace, health and safety regulations with my funding application?

No. While compliance with the above regulations is required, it is not necessary to provide evidence of this with your application. However, you will need to ensure that evidence of compliance can be produced if requested by the Department during the application assessment process.

24. Can an applicant with less than 199 employees, still be deemed as an SME, if their facility is part of a larger company with greater than 199 employees?

A facility can be considered as an SME, and eligible under the DAID Fund, provided it is a separately listed business, i.e. the applicant could still be under the same parent company but needs to be separately incorporated.

If the applicant is simply a 'branch office' then they are not eligible. Note that the applicant would still need to meet all other criteria for eligibility as listed on Page 2, Section 4 of the DAID Fund Guidelines.

25. What other certifications not currently listed in the Guidelines, maybe eligible for DAID funding?

Section 5 of the DAID Fund Guidelines (pages 4-5) provides a list of eligible certifications, noting other potentially relevant standards may also be accepted. Queries about additional certifications are assessed on a case by case basis. Potential

applicants should seek advice from Defence Job Queensland (DJQ), prior to submitting their application, via DJQ@dsdmip.qld.gov.au.

In submitting a query applicants are asked to explain how the certification will assist their business to participate in one or more defence, aerospace and/or space supply chains. For example, if it is required or preferred for a specific tender opportunity which the applicant is pursuing.

As noted in the DAID Fund Guidelines, funded services must be provided by accredited service providers. This provides assurance to the department and grant applicants of the quality and scope of the funded services.

During Round 2 the following advice has been provided in relation to whether specific certifications and standards are eligible for consideration:

- **DISP Membership** – Defence Industry Security Program (DISP) Membership is not eligible under the DAID Fund. However, the DAID Fund does recognise DISP membership may be beneficial, or even mandatory for some businesses working with or seeking to work with Defence. As such, certifications which are relevant to DISP membership are eligible to be considered for funding under the DAID Fund. For example:

    o ISO/IEC 27001 and 27002 Information Security Management

- **DISP advisory and uplift services for SMEs** - there is no process to accredit service providers to undertake DISP membership assurance activities. In the absence of a specific accreditation related to DISP membership, such services do not meet the DAID Fund requirements.

- **SOC2 Certification** – An application for SOC2 Certification will be considered for DAID Funding if the application demonstrates the SOC2 report will assist the applicant to participate in one or more defence, aerospace and/or space supply chains. For example, if it is required or preferred for a specific tender opportunity which the applicant is pursuing. Please note a SOC audit can only be performed by an independent CPA (Certified Public Accountant) or accountancy organisation.

- **AS/NZS ISO 3834** – ISO 3834 Certification specifies the quality requirements expected for fusion welded products globally. This certification is eligible to be considered for funding if the application demonstrates it will assist the applicant to participate in one or more defence, aerospace and/or space supply chains. .

- **DIN 2303:2007 Standard for Welding and Allied Processes – Quality Requirements for Production and Maintenance Companies for Military Products** – this Standard is relevant to the defence, aerospace and space supply chains, and is eligible for consideration for funding under the DAID Fund.