

Defence and Aerospace Industry Development Fund 2024

Frequently asked questions

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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 certifications to assist with accessing national and international defence, aerospace and space industry supply chains.

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 are eligible to apply for DAID Fund assistance ranging from \$5,000 to \$30,000 (excluding GST) on a dollar-for-dollar basis. For example, if the total eligible certification costs are \$60,000, the applicant must pay at least \$30,000 in eligible costs, with the remaining \$30,000 being the maximum amount paid from the DAID Fund.

Indigenous businesses may apply for up to 75% funding.

Applicants may only submit one application. 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:

<https://www.statedevelopment.qld.gov.au/industry/defence-and-aerospace-industry-development-fund>

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 SmartyGrants system?

There's a maximum of 25 MB for each file. However, SmartyGrants recommends keeping files to a maximum of 5 MB. The larger the file, the longer the upload time.

8. 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 and submit an invoice to the department is twenty-four months from the commencement date specified in the funding agreement.

9. Do I need to have existing products/services and market presence to apply?

Yes. It's essential your business currently provides products and services or has AUKUS Pillar II capability to supply products or services to the defence, aerospace and/or space industries to apply for DAID Fund support.

10. What are AUKUS Pillar II capabilities?

AUKUS Pillar II specifically refers to one aspect of the AUKUS partnership. It aims to jointly develop and provide advanced military capabilities among the three nations. This includes collaboration in areas such as technology research, interoperability, and bolstering their strategic competition against adversaries.

The AUKUS Pillar II advanced capabilities are:

- undersea capabilities

- quantum technologies
- artificial intelligence and autonomy
- advanced cyber
- hypersonic and counter-hypersonic capabilities
- electronic warfare

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

Pre-certification and 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 pre-certification and certification activities, which are eligible and commenced following the opening of the funding stream round, will be considered for reimbursement from the DAID Fund.

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 8 of the DAID Fund Program Guidelines. 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. If requested, you must provide all clarifications within 5 business days.

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. If successful, you will be contacted by a Departmental representative to finalise funding arrangements and to sign a Funding Agreement.

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. If I do not complete the certification process, can I still receive a part payment for eligible costs incurred?

No. Recipients of DAID Fund assistance must complete all approved activities within the timeframe stated on the funding agreement with the Department.

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

No.

19. 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, the finalised invoice supplied to the Department for remuneration MUST be GST exclusive.**

20. Are professional fees and staff training considered eligible costs for reimbursement?

No. Professional fees such as legal and accountancy fees and training for staff (in auditing or other information technology programs) are not considered eligible

expenditure. For further information, refer to the list of ineligible activities and costs under section 7 of the DAID Fund Program Guidelines.

21. 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.

22. 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 demonstrate how certification activities will directly benefit the Queensland-based operations.

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.

23. 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.

24. 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.

25. Can an applicant with less than 200 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 in section 6 of the DAID Fund Guidelines.

26. What is considered evidence of supplying into the defence, aerospace and space supply chains?

Evidence of supply in the defence, aerospace and space sector includes documentation such as:

- Email from the client specifying supplier relationship/ongoing negotiations
- Letter of intent
- Purchase order
- Contract
- A Statutory Declaration - see https://www.iba.gov.au/wp-content/uploads/2014/06/014-10-2018_COAform_editable.pdf for the template.

27. What certifications are ineligible?

Please refer to section 7 of the Program Guidelines.

28. What are considered eligible certifications?

Please refer to section 7 of the Program Guidelines.

29. What other certifications not currently listed in the guidelines may be eligible for DAID funding?

Additional certifications will be assessed on a case-by-case basis by Defence Job Queensland (DJQ). Potential applicants should seek advice from DJQ via DJQ@dasilqp.qld.gov.au prior to submitting their application.

The applicant will be required to demonstrate 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 section 7 of the DAID Fund Guidelines, certification 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.

30. Can DISP membership and DISP advisory and uplift services be considered eligible?

DAID Fund assistance cannot be applied towards the costs of Defence Industry Security Program (DISP) Membership including DISP membership assurance activities.