Australian Government

Department of Industry, Science, Energy and Resources

Department of Defence

Grant Opportunity Guidelines

Joint Strike Fighter Industry Support Program – Sustainment Grants

Opening date:	9 December 2020
Commonwealth policy entity:	Department of Defence
Administering entity:	Department of Industry, Science, Energy and Resources
Enquiries:	If you have any questions, contact us on 13 28 46.
Date guidelines released:	9 December 2020; Updated 24 March 2022
Type of grant opportunity:	Demand driven

Contents

1. Joint Strike Fighter Industry Support Program - Sustainment Grants processes

The Joint Strike Fighter Industry Support Program - Sustainment Grants are designed to achieve Australian Government objectives
This grant opportunity is part of the above grant program, which contributes to the Department of Defence's Outcome 1.1. The Department works with stakeholders to plan and design the grant program according to the *Commonwealth Grants Rules and Guidelines.*

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The grant opportunity opens
We publish the grant guidelines on business.gov.au and GrantConnect.

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You complete and submit a grant application
You complete the application form, addressing all the eligibility criteria in order for your application to be considered

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We assess all grant applications
We review the applications against eligibility criteria and notify you if you are not eligible.

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Grant decisions are made
The decision maker decides which applications are successful.

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We notify you of the outcome
We advise you of the outcome of your application. We may not notify unsuccessful applicants until grant agreements have been executed with successful applicants.

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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 proportional to the risks involved.

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

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Evaluation of the Joint Strike Fighter Industry Support Program – Sustainment Grants opportunity
We evaluate the specific grant activity and Joint Strike Fighter Industry Support Program as a whole. We base this on information you provide to us and that we collect from various sources.

2.   About the grant program

The Joint Strike Fighter Industry Support Program (JSF-ISP) was established in conjunction with approval from the Australian Government to acquire the F-35 Joint Strike Fighter (JSF) under Project AIR 6000. This grant program is being funded utilising project funds from the Department of Defence under Project AIR 6000.

The JSF-ISP provides funding to Australian companies to support the development of new or improved capabilities that may enhance their ability to win work in the production, sustainment and modernisation phases of the Joint Strike Fighter Program.

We administer the program according to the *Commonwealth Grants Rules and Guidelines* (CGRGs)[1].

2.1.   About the JSF-ISP Sustainment Grants grant opportunity

These guidelines contain information for the JSF-ISP Sustainment Grants. There will be future grant opportunities for JSF-ISP production and modernisation as part of this program and we will publish opening and closing dates and any other relevant information when available on business.gov.au and GrantConnect.

The objective of this grant opportunity is to support Assigned-Product Support Providers (A-PSPs) to develop and implement their approved Depot Maintenance Activation Plan (DMAP) in order to become a Qualified F-35 Component Depot Source of Repair (DSOR) for maintenance and repair activities for existing components used in the JSF.

The primary purpose of a DMAP is to identify all the requirements needed for an A-PSP to establish a qualified F-35 component depot level maintenance capability. The DMAP provides a structured and comprehensive approach that ensures the integrated product support or logistics support elements are addressed in the activation process.

A-PSPs develop their DMAP with oversight from the Department of Defence to ensure it meets F-35 enterprise requirements. The DMAP must have United States government approval before implementation phases are executed.

This grant opportunity is only available to Australian companies provided an assignment by the United States Government as a regional or global DSOR capability for a specific repair technology group.

This document sets out:

▪ the eligibility 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.

The Department of Industry, Science, Energy and Resources (the department/we) is responsible for administering this grant opportunity on behalf of the Department of Defence.

We have defined key terms used in these guidelines in the glossary at section 13.

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

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[1] https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-guidelines

3.   Grant amount and grant period

For this grant opportunity, up to $60 million is available over seven years from 2020-2021 to 2027-28.

3.1.   Grants available

The grant amount will be up to 50 per cent of eligible project expenditure (grant percentage).

For A-PSPs that are developing their DMAP under phases 1 and 2 of the DSOR activation timeline:

- The minimum grant amount is $50,000 per Repair Technology Group (RTG)
- The maximum grant amount is $250,000 per RTG.

For A-PSPs that are implementing their Joint Program Office (JPO) approved DMAP under phases 3 and 4 of the DSOR Outside Continent of the United States (OCONUS) activation timeline, grant amounts, up to the value of total program funds, will be pre-determined in accordance with the amount outlined in the supporting Business Case by the Department of Defence.

You are responsible for the remaining 50 per cent of eligible project expenditure plus any ineligible expenditure.

Contributions to your project must be cash.

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.

3.2.   Project period

The maximum project period is four years.

The Program Delegate may consider an extension for additional years in exceptional circumstances.

4.   Eligibility criteria

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

4.1.   Who is eligible?

To be eligible you must:

- be an A-PSP developing and/or implementing a DMAP
- have an Australian Business Number (ABN)
- be registered for the Goods and Services Tax (GST).

and be one of the following entities:

- an entity, incorporated in Australia
- an incorporated trustee on behalf of a trust.

4.2.   Additional eligibility requirements

We can only accept applications where you can provide:

- the congressional letter from the United States Department of Defense awarding your part number assignment and/ or repair technology group

- evidence from your board (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding

- an Accountant Declaration that confirms you can fund your share of the project costs. An accountant declaration template is available on business.gov.au and GrantConnect. If you do not use this template, you must include equivalent information and the declaration in your own document.

We cannot waive the eligibility criteria under any circumstances.

4.3.   Who is not eligible?

You are not eligible to apply if you are:

- an organisation, or 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' (www.nationalredress.gov.au)

- an employer of 100 or more employees that has not complied with the *Workplace Gender Equality Act (2012)*

- income tax exempt

- an individual

- a partnership

- a trust (however, an incorporated trustee may apply on behalf of a trust)

- a Commonwealth, State, Territory or local government body (including government business enterprises).

5.   What the grant money can be used for

5.1.   Eligible activities

To be eligible your project must:

- develop DMAP in alignment with the requirements outlined in the Depot Maintenance Development Plan (DMDP) including:
    - gap analysis
    - certifications
    - travel
    - cyber security

- implement JPO approved DMAP and identify elements of support via projects including:
    - capital equipment acquisition
    - certifications
    - travel
    - training
    - cyber security
    - capability upgrades.

The Program Delegate may also approve other activities.

5.2. Eligible expenditure

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

- For guidance on eligible expenditure, see appendix A.
- For guidance on ineligible expenditure, see 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.

If your application is successful, we may ask you to verify project costs that you provided in your application. You may need to provide evidence such as quotes for major costs.

Not all expenditure on your project may be eligible for grant funding. The Program Delegate (who is an Australian Government official who has been authorised to make decisions) 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 a direct cost of the project
- be incurred by you for required project audit activities.

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

You may elect to commence your 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. How to apply

Before applying, you should read and understand these guidelines and the sample grant agreement published on business.gov.au and GrantConnect.

To apply, you must:

- complete the online application form via business.gov.au
- provide all the information requested
- address all eligibility criteria
- include all necessary attachments

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

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* (Cth). 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.

If we find an error or information that is missing, 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.

If you need further guidance around the application process, or if you are unable to submit an application online, contact us at business.gov.au or by calling 13 28 46.

6.1. Attachments to the application

You must provide the following documents with your application:

- the congressional letter from the United States Department of Defense awarding your part number assignment and/ or repair technology group
- evidence of support from the board, (or chief executive officer or equivalent if there is no board) that the project is supported, and that you can complete the project and meet the costs of the project not covered by grant funding
- accountant declaration (template provided on business.gov.au and GrantConnect)
- trust deed (where applicable).

You must attach supporting documentation to the application form in line with the instructions provided within the form. You should only attach requested documents. We will not consider information in attachments that we do not request.

6.2. Timing of grant opportunity

You can submit an application at any time while the grant opportunity remains open.

If you are successful, we expect you will be able to commence your project from the date you are notified that your application has been successful.

Table 1: Expected timing for this grant opportunity

Activity	Timeframe
Assessment of applications	4 weeks
Approval of outcomes of selection process	4 weeks
Negotiations and award of grant agreements	1-3 weeks
Notification to unsuccessful applicants	2 weeks
Earliest start date of project	From the date you are notified that your application is successful
End date of grant commitment	48 months from project commencement

7. The grant selection process

We assess applications on a continual basis. We review your application against the eligibility criteria.

If the selection process identifies unintentional errors in your application, we may contact you to correct or clarify the errors, but you cannot make any material alteration or addition.

7.1. Who will approve grants?

A senior executive within the Department of Defence decides which grants to approve taking into account the application assessment and the availability of grant funds.

The senior executive'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 senior executive will not approve funding if there is insufficient program funds available across relevant financial years for the program.

8. 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, we will give you an opportunity to discuss the outcome with us. You can submit a new application for the same (or similar) project, however, you should include new or more information to address the weaknesses that prevented your previous application from being successful.

9. Successful grant applications

9.1. Grant agreement

You must enter into a legally binding grant agreement with the Commonwealth. The grant agreement has general terms and conditions that cannot be changed. A sample grant agreement is available on business.gov.au and GrantConnect.

We must execute a grant agreement with you before we can make any payments. Execute means both you and the Commonwealth have signed the agreement. We are not responsible for any expenditure you incur 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 senior executive. We will identify these in the offer of grant funding.

If you enter an agreement under the JSF- ISP Sustainment grant, you cannot receive other grants for the same activities from other Commonwealth, State or Territory granting programs.

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

We will use a standard grant agreement for all projects.

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 senior executive.

9.2. Project/Activity specific legislation, policies and industry standards

You must comply with all relevant laws and regulations 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.

9.3.   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)
- any financial contribution provided by you or a third party.

We will make payments six monthly in arrears, based on your actual eligible expenditure. Payments are subject to satisfactory progress on the project.

We set aside ten 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 ten per cent of grant funding for the final payment.

9.4.   Tax obligations

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[2].

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.

10.   Announcement of grants

We will publish non-sensitive details of successful projects on GrantConnect. We are required to do this by the *Commonwealth Grants Rules and Guidelines* unless otherwise prohibited by law. We may also publish this information on business.gov.au. 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.

The Minister for Defence will have the first opportunity to publicly announce grant funding awarded under the JSF-ISP. The information in the public announcement may include:

- name of your organisation
- title of the project
- description of the project and its aims
- amount of grant funding awarded

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[2] See Australian Taxation Office ruling GSTR 2012/2 available at ato.gov.au

- business location
- your organisation's industry sector.

11. How we monitor your grant activity

11.1. 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.

11.2. 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
- project expenditure, including expenditure of grant funds

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.

11.2.1. Progress reports

Progress reports must:

- include details of your progress towards completion of agreed project activities
- show the total eligible expenditure incurred to date
- include evidence of expenditure where requested
- 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.

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

11.2.2. 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
- 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.

11.2.3. 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.

11.3. Independent audits

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 and GrantConnect.

11.4. 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 may also inspect the records you are required to keep under the grant agreement. For large or complex projects, we may visit you after you finish your project. We will provide you with reasonable notice of any compliance visit.

11.5. 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 5 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 grant agreement end date. We can provide you with a variation request template.

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.

11.6. Evaluation

We 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.

11.7. Grant 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.'

12. 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.

12.1. Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity or program. There may be a conflict of interest, or perceived conflict of interest, if our staff, any member of a committee 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
- 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))[3] of the *Public Service Act 1999* (Cth). Committee members and other officials including the decision maker must also declare any conflicts of interest.

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[3] https://www.legislation.gov.au/Details/C2019C00057

We publish our [conflict of interest policy](#)[4] on the department's website.

12.2. How we use your information

Unless the information you provide to us is:

- confidential information as per 12.2.1, or
- personal information as per 12.2.3,

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.

12.2.1. How we handle your confidential information

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.

12.2.2. When we may disclose confidential information

We may disclose confidential information:

- to 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.

12.2.3. How we use your personal information

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

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[4] https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/conflict-of-interest-and-insider-trading-policy.pdf?acsf_files_redirect

▪ to whom we give your personal information.

We may give the personal information we collect from you to our employees and contractors, 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[5] 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.

12.2.4. 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.

12.3. 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:

Chief Financial Officer
Corporate and Digital Network
Department of Industry, Science, Energy and Resources

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[5] https://www.industry.gov.au/data-and-publications/privacy-policy

GPO Box 2013
CANBERRA ACT 2601

You can also contact the Commonwealth Ombudsman[6] with your complaint (call 1300 362 072). There is no fee for making a complaint, and the Ombudsman may conduct an independent investigation.

13. Glossary

Term	Definition
Application form	The document issued by the Program Delegate that applicants use to apply for funding under the program.
Assigned Product Support Provider (A-PSP)	The private or public entity, which is assigned by the United States government as a regional or global DSOR capability for a specific repair technology group.
Components	Relating to the products and parts in the F-35 JSF Air System.
Department	The Department of Industry, Science, Energy and Resources.
Depot Maintenance Activation Plan (DMAP)	A document that identifies all DSOR logistics requirements needed to properly establish depot level maintenance capacity. The DMAP is structured to provide a comprehensive approach that ensures the integrated product support, or integrated logistics support elements are addressed in the activation process.
Depot Maintenance Development Plan (DMDP)	An evolving document owned by the United States Department of Defense describing the roles and responsibilities, processes, checkpoints and deliverables to activate component repair depots supporting the European and Asia/Pacific regions.
Depot Source of Repair (DSOR)	The certification and title that the A-PSP is trying to achieve as part of the DMDP process.
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.
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.

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[6] http://www.ombudsman.gov.au/

Term	Definition
Grant agreement	A legally binding contract between the Commonwealth and a grantee for the grant funding.
Grant funding or grant funds	The funding made available by the Commonwealth to grantees under the program.
GrantConnect	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 recipient of grant funding under a grant agreement.
Guidelines	Guidelines that the Minister gives to the department to provide the framework for the administration of the program, as in force from time to time.
F-35 Joint Strike Fighter (JSF)	The project and/or the fighter jet.
Minister	The Commonwealth Minister for Defence.
National Redress Scheme	The National Redress Scheme is in response to the Royal Commission into Institutional Responses to Child Sexual Abuse. Grant Connected Policy restricts access to Australian Government grant funding for non-government institutions that fail to join the Scheme. Further information on the National Redress Scheme can be found at: http//www.nationalredress.gov.au
Personal information	Has the same meaning as in the *Privacy Act 1988* (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	An manager with responsibility for managing the grant opportunity.
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.
Repair Technology Group	A grouping of specific Joint Strike Fighter technologies as defined by the United States Government. For guidance on Repair Technology Groups, see appendix C.

Term	Definition
Senior executive	An Australian Government official in the Department of Defence with responsibility for approving grants under this program.

Appendix A.   Eligible expenditure

This section provides guidance on the eligibility of expenditure.

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 (if applicable)
- meet the eligible expenditure guidelines
- be outlined in your approved DMAP for phases 3 and 4 of the DMAP process (for those phases).

A.1   How we verify eligible expenditure

If your application is successful, we will ask you to verify the project budget that you provided in your application when we negotiate your grant agreement. You may need to provide evidence such as quotes for major costs.

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 will be required to provide an independent financial audit of all eligible expenditure from the project.

A.2   Plant and equipment expenditure

We consider costs of acquiring, or construction of, plant and equipment, as well as any related commissioning costs as eligible expenditure. You must list commissioning costs as a separate item within the project budget in the application form, and on reports of expenditure during project milestones.

We cannot consider any expenditure paid before the project start date as eligible expenditure. Commissioning and installation costs of plant and equipment paid for before the start date is not eligible expenditure even if these costs are paid after the project start date.

You may purchase, lease (finance lease or operating lease under certain conditions) or build plant and equipment. In claiming the purchase price of capital items, you must take out any costs related to financing, including interest. You can claim related freight and installation costs on capital expenditure.

Eligible costs for plant and equipment will normally need to be on your balance sheet.

We will only consider costs for plant and equipment not on your balance sheet under certain circumstances. We will only consider project costs with an operating lease to be eligible if:

- you integrate the plant or equipment into your manufacturing process; and
- you cannot transfer the plant or equipment and the lease period is at least 4 years.

Where you need to pay in instalments to purchase capital items (for example deposits, payment on installation, or payment on commissioning), you can claim the grant amount for the items progressively across multiple progress reports up to the end of the project period. Alternatively, you can choose to claim the full amount in a single report, when you pay for the capital item.

For leased items, you will need to show an executed copy of the lease identifying the capital cost of the item and the lease period. We can pay you the full grant entitlement when:

- you have received the capital item
- you have entered into a formal lease agreement, and
- you make the initial payment.

You may show expenditure on plant and equipment by providing evidence of

- purchase price
- payments (e.g. tax invoices and receipts from suppliers confirming payment)
- commitment to pay for the capital item (e.g. supplier contract, purchase order or executed lease agreement)
- receipt of capital items (e.g. supplier or freight documents)
- associated costs such as freight and installation (e.g. supplier documents)
- the capital item on your premises (e.g. date stamped photographic evidence).

If you claim expenditure for the construction of plant and equipment, we limit this to

- the costs of materials
- direct construction labour salary costs
- contractor costs
- freight and establishment costs.

Evidence for construction expenditure may include purchase orders, invoices, payment documentation, photographic evidence (date stamped) of the capital item in your premises and details of labour costs.

Grant payments for capital items may affect your tax obligations. We recommend that you seek independent professional advice on tax related matters.

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 consider costs for technical, but not administrative, project management activities eligible labour expenditure.

We do not consider labour expenditure for leadership or administrative staff (such as CEOs, CFOs, accountants and lawyers) as eligible expenditure, even if they are doing project management tasks.

Eligible salary expenditure includes an employee's total remuneration package as stated on their Pay As You Go (PAYG) Annual Payment Summary submitted to the ATO. We consider salary-

sacrificed superannuation contributions as part of an employee's salary package if the amount is more than what the Superannuation Guarantee requires.

The maximum salary for an employee, director or shareholder, including packaged components that you can claim through the grant is $175,000 per financial year.

For periods of the project that do not make a full financial year, you must reduce the maximum salary amount you claim proportionally.

You can only claim eligible salary costs when an employee is working directly on agreed project activities during the agreed project period.

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 provision of computers.

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.

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 generally limited to 10 per cent of total eligible expenditure.

A.7   Other eligible expenditure

Other eligible expenditures for the project may include:

- costs of acquiring intellectual property and technology
- staff training that directly supports the achievement of project outcomes
- financial auditing of project expenditure
- contingency costs up to a maximum of 10 per cent of the eligible project costs. Note that we make payments based on actual costs incurred.

Other specific expenditures may be eligible as determined 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.

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:

- any costs that are not directly related to the repair and maintenance work outlined in your approved DMAP
- activities, equipment or supplies that are already being supported through other sources
- costs incurred prior to us notifying you that the application is eligible and complete
- any in-kind contributions
- financing costs, including interest
- 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
- business as usual activities such as wages, office expenses, maintenance costs, accounting, legal, compliance and government fees
- 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 maintaining existing software licences
- software licences which are predominantly off-the-shelf
- costs associated with software licences which extend beyond the duration of the eligible activity
- costs such as rental, renovations and utilities
- non-project-related staff training and development costs
- 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)
- debt financing
- costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations
- depreciation of plant and equipment beyond the life of the project
- routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges
- 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
- activity related to the preparation of grant applications or tender writing
- any skilling or training activity other than those that directly relate to developing managerial capability or are incidental to a project
- travel or overseas travel costs that exceed 10 per cent of total project costs except where otherwise approved by the Program Delegate
- sales activity such as advertising, representatives, printing and placement and trade shows
- costs associated with maintaining existing industry certifications and accreditations

- costs associated with security clearances
- creating or registering patents/intellectual property
- opportunity costs.

This list is not exhaustive and applies only to the expenditure of the grant funds. 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.

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

Appendix C.   Repair Technology Group Assignments

Repair Technology Group ID	Repair Technology Group	Repair Technology Definitions
A	Avionics (Not tested using LM Star ATE)	Repair technology "A - Avionics" represents a broad category of electrical and electronic components that do not require the use of LM Star Automatic Test Equipment to test and troubleshoot. These components include electronic control units, power supplies, sensors and some electro-mechanical devices. Many contain printed wiring assemblies of double-sided or multi-layer construction using axial lead and surface mount technologies.
B1	Avionics tested on digital LM Star	Repair technology B1 - Tested on Digital LM Star ATE" requires an LM Star test station configured to conduct digital circuitry analysis and troubleshooting. A Digital configured LM Star Test Station typically consists of a 3-bay rack console, with CPU and accommodations for attaching Interface Test Adapters (ITA). Some specific components may require a rack of ancillary equipment to support the testing. There is very little standardization if the ITA designs, so storage space for ITA that are not in use will be required. The items in this group include power supplies and printed wiring assemblies and repair capabilities include ability to repair the printed circuit assembly, remove and replace electronic components packaged using axial lead and surface mount technologies (e.g. ball grid assay surface mount technology).

Repair Technology Group ID	Repair Technology Group	Repair Technology Definitions
B2	Avionics tested on RF LM Star	Repair technology B2 - Tested on Radio Frequency (RF) LM Star ATE" requires an LM Star test station configured to conduct digital circuitry analysis and troubleshooting of RF components. An RF configured LM Star Test Station typically consists of a 4-bay rack console, with CPU and accommodations for attaching Interface Test Adapters (ITA). Some specific components may require a rack of ancillary equipment to support the testing. There is very little standardization if the ITA designs, so storage space for ITA that are not in use will be required. The items in this group include power supplies and printed wiring assemblies and repair capabilities required include ability to repair the printed circuit assembly, remove and replace electronic components packaged using axial lead and surface mount technologies (e.g. ball grid assay surface mount technology). RF LM Star ATE Stations can be configured to test both RF and Digital components. Final configuration of the LM Star stations will be dependent on the items selected for repair. A single "superstation" can be configured to test up to 71 RF and Digital components. (any of the components identified as either B1 or B2 repair technology).
B3	Avionics tested on EO LM Star	Repair technology B3 - Tested on Electro-Optic (EO) LM Star ATE" requires an LM Star test station configured for analysis and troubleshooting of EO components. An EO LM Star Test Station is configured to meet the specific test requirements of the EO component being repaired and consists of either a 2-bay or a 3-bay configuration with the component under test and alignment/test components on a stable granite optical bed. Some specific components may require a rack of ancillary equipment to support the testing. There is very little standardization if the ITA designs, so storage space for ITA that are not in use will be required. The items in this group include power supplies and printed wiring assemblies and repair capabilities required include ability to repair the printed circuit assembly, remove and replace electronic components packaged using axial lead and surface mount technologies (e.g. ball grid assay surface mount technology).

Repair Technology Group ID	Repair Technology Group	Repair Technology Definitions
C	Aircraft Composite Structure, Door, Panel, Cover, etc.…	Repair Technology C -Aircraft Composite Structure, Door, Panel, Cover, etc.… covers a class of components constructed of carbon fiber and epoxy resins. These items are usually sent to the depots to repair physical damage and not to repair wear caused by normal usage. Repairs may require the use of lay-up tables, vacuum systems, curing ovens (autoclave), specialized tooling to retain interchangeability and replicability features, bond forms to retain surface contours, etc.
D	Displays and Instruments	Repair technology D - Displays and instruments. This category consists of the Helmet Mounted Display System components that are not tested using LM Star ATE. These components will be tested on an AHOTS tester with the current repair strategy that relies on replacement of shop replaceable components.
E	Electric Component	Repair Technology E - Electric.This repair technology involves repair of electrical generation and distribution components, motors, power panels, lighting and batteries. Repairs of motors and generators may require rewinding of components.
EO	Electro Optic	Repair Technology EO - Electro-Optic Components. This component grouping represents EO components not tested using LM Star. These components are specialized windows mounted in frames and may not represent a substantial volume of work. Other components (e.g., cover, optical bed, interface structure and shroud are more closely associated with structural features of the EO system.
F	Valve	Repair Technology F - Valves. This category covers a wide variety of electrically operated valves used in a variety of systems (utilities sub systems) on the aircraft. Consequently, a variety of non-automated test equipment is required to address all components in this group, to include Air Test Stand, Fuel Test Stand, Refuelling Receptacle Test Stand, Demand Flow Test Chamber, and others.

Repair Technology Group ID	Repair Technology Group	Repair Technology Definitions
G	Auxiliary Power System (IPP)	Repair Technology G - Auxiliary Power Generation. This repair category encompasses most of the components associated with the Power and Thermal Management System and will require the capability to repair a wide range of valves, controllers, heat exchangers pumps and the IPP turbomachine. Repair activity will need to construct a test cell for the IPP Turbomachine.
H	Hydraulic, Pneumatic, Pneudraulic, Hydro-Mechanical	Repair Technology H - Hydraulic, Pneumatic, Pneudraulic, Hydro-Mechanical This grouping includes a wide variety of actuators, pumps, filters which will require a variety of electrical and/or hydraulic test stations, special tooling and measurement equipment
L	Landing Gear	Repair Technology L - Landing Gear
M	Munitions/Weapons delivery	Repair Technology M - Munitions Related All components in this group are associated with weapons pylons, weapons release, suspension, missile launchers. Most significant piece of support equipment is drop pit requirement to support repays of pneumatic release components.
P	Pumps	Repair Technology P - Pumps
S	Life Support	Repair Technology S - Life Support System Components
T	Canopy System	Repair Technology T - Transparency
U	Mechanical / Electro-Mechanical	Repair Technology U - Mechanical / Electro-mechanical
X	Egress	Repair Technology X - Egress Systems