

FACT SHEET

THE SOVEREIGN INDUSTRIAL CAPABILITY PRIORITY GRANTS

What are the Sovereign Industrial Capability Priority Grants?

The Sovereign Industrial Capability Priority Grants, announced in the 2018 Defence Industrial Capability Plan, is a **dedicated annual grants program** supporting eligible Australian small to medium businesses. The grants program will help these businesses to invest in projects that build capabilities aligned to one of the initial ten Defence Sovereign Industrial Capability Priorities.

The **Sovereign Industrial Capability Priorities** are (in no particular order):

- Collins Class submarine maintenance and technology upgrade;
- Continuous shipbuilding program (including rolling submarine acquisition);
- Land combat and protected vehicles and technology upgrade;
- Enhanced active phased array and passive radar capability;
- Combat clothing survivability and signature reduction technologies;
- Advanced signal processing;
- Surveillance and intelligence;
- Test, evaluation, certification and systems assurance;
- Munitions and small arms research, design, development and manufacture; and,
- Aerospace platform deeper maintenance and structural integrity.

What type of activities will this grant fund?

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

- Buying, constructing, installing or commissioning of capital equipment - including specialist software to enhance cyber security

As they relate to the above activities, this may also include:

- Design, engineering and commissioning activities
- Workforce training and accreditation.

What are the funding conditions?

Ongoing funding of approximately \$17 million each year will be available from November 2018 through to June 2022. To support businesses during the COVID-19 pandemic, the Australian Government has increased its funding contribution ratio and committed an estimated additional \$24 million for the Sovereign Industrial Capability Priority Grant, Defence Global Competitiveness Grant and the Capability Improvement Grant programs over 2020-21 and 2021-22 to support this change.

Grants ranging from **\$70,000 to \$1.4 million** are available to fund the acquisition of capital equipment that enables small to medium businesses to contribute to at least one of the Sovereign Industrial Capability Priorities. Successful grant applications will need to contribute 30% of the eligible project value.

While there is no limit on the number of grants a business can apply for and receive over the life of the program, this dedicated grants program is capped at **\$4.2 million over a three year period per business**.

What is the purpose of the Sovereign Industrial Capability Priority Grants?

The 2018 Defence Industrial Capability Plan identified that Australia's industry base is mostly composed of small to medium businesses. The grants program reflects the Government's commitment to grow a robust and resilient Australian industrial base capable of providing a significant contribution to Sovereign Industrial Capability Priorities.

What is the eligibility criteria?

To be eligible to apply for a grant you must:

- be an small to medium business with less than 200 employees
- have an Australian Business Number, and be one of the following entities:
 - a company, incorporated in Australia
 - an incorporated trustee on behalf of a trust.

How will the applications be assessed?

Applications will be assessed against the following merit criteria:

- The extent to which the project will help contribute to Defence Sovereign Industrial Capability Priorities;
- The business's capacity, capability and resources to deliver the project
- Expected impact of the grant funding

How will the Sovereign Industrial Capability Priority Grants be administered?

Grants will be administered by the Business Grants Hub and funded by Defence.

Alternative defence industry funding options

Small to medium businesses seeking funding or grants for broader defence industry applications, may be able to access alternate funding avenues such as the Defence Innovation Hub, the Next Generation Technologies Fund, the Capability Improvement Grants and the Defence Global Competitiveness Grants.

Before applying

Businesses considering applying should read the grant guidelines and refer to other resources on www.business.gov.au/cdic, email cdic@business.gov.au, or call 13 28 46.

More information

For further information on the Defence Industrial Capability Plan, including the Sovereign Industrial Capability Priorities, please visit the Defence website: www.defence.gov.au/SPI/Industry/CapabilityPlan.

