

## HOW DO I APPLY FOR A GRANT?

The Program will invite applicants to apply during an annual, competitive application round. The first round will open on 24 October 2011, and close on 6 January 2012.

Applicants should first read the Program Guidelines, available on the website, for an overview of the Program.

The Applicant Guidelines will provide further details on company and project eligibility.

The Applicant Guidelines, Application Form and sample Funding Agreement will provide comprehensive details on the Program, and will be made available on the website by 24 October 2011.

## HOW WILL MY APPLICATION BE ASSESSED?

If an application satisfies the applicant, project and application eligibility requirements, it will be subject to a competitive assessment. Applications will be assessed by an assessment panel against five merit criteria. The assessment panel members will have extensive knowledge and experience in Defence and in defence industry sectors as they relate to PICs.

## WHAT CRITERIA WILL MY PROJECT BE ASSESSED AGAINST?

This is a merit-based program. Only applications that demonstrate a high level of merit against each of the criteria listed below will be considered for a grant:

**Strategic benefit:** The project will provide a strategic benefit to Defence and the Australian defence industry in relation to the PIC it intends to support.

**Innovation:** The project is innovative in supporting one or more of the existing PICs.

**Commercial, exports and market development:** The project will have good prospects for driving additional commercial work, including in domestic and/or overseas markets.

**Management capability:** The project will be supported by an appropriate level of expertise and business management skills to successfully complete the project. Consideration will be given to the timeframe for completion of the project.

**Value for money:** The project will provide a value-for-money outcome to Defence and has a strong chance of being successfully commercialised. The project should also contribute to the Department of Defence's Strategic Reform Program.

## WHAT WILL HAPPEN IF I AM SUCCESSFUL?

Successful applicants will need to execute a Funding Agreement with the Commonwealth in order to receive a grant.

## HOW IS THE GRANT PAID?

Payments to grantees will be based on the receipt of progress reports including details on the progress made towards achieving milestones.

A portion of the grant may be paid upon execution of the Funding Agreement to help the grantee start the project. Subsequent grant payments will be made in instalments linked to milestones.

At the conclusion of the project, a final payment will be made based on the full acquittal of the project costs.

## WHERE CAN I FIND OUT MORE INFORMATION?

Information sessions will be held around Australia, from 30 September 2011, to provide further information on the application process. The schedule for information sessions is available on the website.

## CONTACT DETAILS

Day-to-day enquiries relating to the Program can be directed to:

**Industry Programs hotline:** 1800 651 292

**Email:** [Industry.PICIP@defence.gov.au](mailto:Industry.PICIP@defence.gov.au)

**Web:** [www.defence.gov.au/dmo/id/picip](http://www.defence.gov.au/dmo/id/picip)

**Postal address:** PIC Innovation Program  
Defence Materiel Organisation (BP25-03-44)  
P.O. Box 7938  
CANBERRA BC 2610



Australian Government

Department of Defence

Defence Materiel Organisation

DMO

# PRIORITY INDUSTRY CAPABILITY INNOVATION PROGRAM

## WHAT IS THE PRIORITY INDUSTRY CAPABILITY INNOVATION PROGRAM?

The Priority Industry Capability (PIC) Innovation Program (the Program) is an Australian Government initiative that will invest up to \$45 million in grants, over the next eight years, into Australia's defence industry to support innovative projects that will enhance or improve a PIC.

In particular, this funding will target defence industry projects that seek to develop, adopt or commercialise a new product, methodology, material or system that may support and enhance the sustainability, strategic advantage and self-reliance of the Australian Defence Force (ADF).

The grants will be multi-year, repayable, matched grants, which will require the recipient to match the funds provided by the Commonwealth on a dollar for dollar basis.

### WHO IS ELIGIBLE?

Grants will be available to Australian based defence industry companies, particularly small to medium enterprises. Applicants must currently have or support an Australian defence contract or subcontract; or be able to demonstrate, that it has the technical and corporate capacity to support a defence capability that has been publicly foreshadowed for tender within the Defence Capability Plan.

Applicants must also meet other eligibility requirements set out in the PIC Innovation Program Guidelines, available on the PIC Innovation Program website at [www.defence.gov.au/dmo/id/picip/](http://www.defence.gov.au/dmo/id/picip/).



### WHAT ARE PICs?

PICs are capabilities that are strategically important to the ADF, which confer an essential strategic advantage by being resident in Australia, and which, if not available, would significantly undermine defence self-reliance and ADF operational capability.

Innovative projects that improve particular aspects of the following PICs may be considered:

- » Acoustic technologies and systems;
- » Anti-tampering capabilities;
- » Combat uniform and personal equipment;
- » Electronic warfare;
- » 'High end' system and 'system of systems' integration;
- » High frequency and phased array radars;
- » Infantry weapons and remote weapons stations;
- » In-service support of Collins class submarine combat system;
- » Selected ballistic munitions and explosives;
- » Ship dry docking and common user facilities;
- » Signature management; and
- » Through-life and real time support of mission critical and safety critical software.

PICs are subject to change. Applicants are advised to check the PIC website at [www.defence.gov.au/dmo/id/pic/](http://www.defence.gov.au/dmo/id/pic/) for advice on any updates to the PICs prior to completing an application.

### WHAT TYPE OF PROJECT WILL THE GRANT SUPPORT?

The Program may fund projects that clearly support one or more of the current PICs.

Eligible projects may include:

- » The introduction of a new technology or equipment which will improve a pic;
- » The diversification of an existing technology and/or equipment relating to a PIC from one defence domain (land/maritime/air) to another domain or across industry sectors (for example, from a commercial sector to a defence sector);
- » The commercialisation of applied research to a pic; and
- » The enhancement of the ability to sustain and/or upgrade a PIC.

Support will be available for defence industry projects that have successfully demonstrated a solution in a relevant environment and are now moving closer to commercialisation and operational capability for the ADF.

Projects should have good prospects for driving additional work in Australian industry.



### HOW MUCH IS AVAILABLE?

Applicants may submit applications seeking grant funding up to a maximum of \$4 million (GST exclusive) for a budgeted project. Applicants must match the funding requested dollar for dollar.

Where a company successfully commercialises its innovation, the Commonwealth may seek payment of some funds from the company.

### WHEN IS THE GRANT REPAYED?

Companies that successfully commercialise a new capability from the grant may be required to repay some or all of the grant as a percentage of gross sales revenue.

The total maximum payment required will not exceed the grant funding provided.

The payment requirement ceases 10 years after the project end date or, as directed by the Commonwealth.

Please refer to the Funding Agreement, soon to be made available on the website, for full details on payment terms and conditions.

