

# Defence Supplier Uplift Program Applicant Guidelines

These Applicant Guidelines have been prepared for South Australian suppliers who have participated in key defence supplier qualification pathways and are now seeking to apply for funding to implement capability uplift activities.

## Background

The trilateral partnership between Australia, the United Kingdom (UK), and the United States (US) (AUKUS) to deliver the Nuclear-Powered Submarine Optimal Pathway marks a transformative era for South Australia's defence industry. This collaboration requires an increase in South Australia's industrial capacity and capability and will position the state at the forefront of some of the most ambitious and technologically advanced naval shipbuilding and defence projects in Australia's history.

The uplift of submarine industrial capability is not only pivotal to supporting the Australian Government's continuous naval shipbuilding agenda but is also expected to drive the modernisation and expansion of Australia's two principal naval shipbuilding and sustainment precincts - Osborne in South Australia and Henderson in Western Australia.

Recognising these opportunities, the South Australian Government is taking proactive steps to ensure local suppliers are well-prepared to seize new business prospects and to maximize international supply chain connections, particularly in areas where the state holds a competitive

advantage. The Department of State Development (DSD) is leading the Defence Supplier Uplift Program (Program), working closely with industry partners to build the capabilities of South Australian suppliers.

Additionally, the Program recognises that the defence industry sector is evolving quickly, presenting further opportunities for South Australian suppliers within both Australian and international defence supply chains. Examples include (but are not limited to) Guided Weapons and Explosive Ordnance (GWEO), and military aircraft Manufacture, Repair, Overhaul and Upgrade (MRO&U).

The Program will open unprecedented commercial opportunities for South Australian industry, both within domestic and international markets, and through integration into US and UK major naval shipbuilding supply chains.

## Program Objectives

The objectives of the Program are to accelerate the qualification and onboarding of South Australian suppliers into the supply chains of large-scale defence companies (Participating Primes), enabling them to compete for domestic and international defence opportunities.

The Program supports the participation of South Australian suppliers in Australian Government defence industry Supplier Qualification Programs and Australian Industry Content requirements of Participating Primes.

Local suppliers who complete a Supplier Qualification Program assessment may apply for matched grant funding under the Program to address capability gaps before qualifying as a supplier. Suppliers already working with Participating Primes domestically may also receive funding for international product qualification to support new export opportunities.

The Program aims to generate the following outcomes:

- increase defence export opportunities for local suppliers;
- increase South Australian industry participation in defence supply chains; and
- increase confidence in the AUKUS trilateral partnership.

## Supplier Qualification Programs

To qualify for the Program suppliers must first participate in a Supplier Qualification Program with a Participating Prime.

Each Participating Prime independently determines and selects appropriate local suppliers for inclusion in their supplier and product qualification programs. DSD, Industry Capability Network SA, and Defence SA offer support to Participating Primes in identifying capable local suppliers; however, they do not participate in final selection decisions and admission into a Supplier Qualification Program.

Each Participating Prime utilises its own distinct, proprietary supplier assessment process, undertaken at the discretion of each Participating Prime. The assessment will typically include the identification and analysis of capability strengths and gaps, assessment of production capacity, and verification of the supplier's ability to meet specified performance, product specifications, commercial terms and quality standards.

The evaluation will pertain specifically to production activities at the supplier's South Australian facility.

Upon completion of the assessment, the Participating Prime will prepare and deliver a comprehensive Assessment Report (Report) to the supplier. The Report will contain recommendations for capability development and improvement initiatives directly applicable to the supplier. South Australian suppliers may apply for matched grant funding under the Program to address these identified capability gaps. As part of the application process, suppliers will be required to provide a copy of their Report.

Following satisfactory implementation of the recommended capability improvements, the supplier may be considered by the Participating Prime for progression to qualification and product qualification stages. This may enable them to receive and respond to Requests for Quote (RFQ) that may be issued in the future by the Participating Prime.



Refer to Figure 1 below illustrating how suppliers can progress from a Supplier Qualification Program, delivered by Participating Primes, to the Supplier Uplift Program funded by DSD.

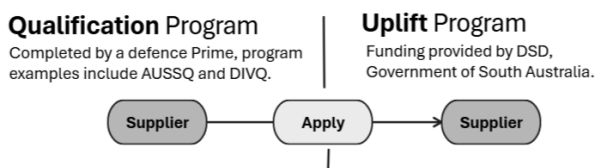


Figure 1, Supplier Qualification and Uplift Program.

## Program Overview

Suppliers who have completed a Supplier Qualification assessment and received a Report from a Participating Prime may apply for matched grant funding to implement recommendations detailed in the Report.

Eligible suppliers are required to develop an Uplift Plan that directly addresses these recommendations. Each Participating Prime may specify its own requirements, format, templates, and terminology for this plan.

The Uplift Plan should be comprehensive, including fully costed and scheduled activities, and must receive endorsement from the respective Participating Prime. This document will serve as the foundation for grant funding applications to DSD for the execution of uplift initiatives.

### Key Date

- June 2026 – program open for rolling grant applications from eligible suppliers.

## Funding

### Grant Funding Amount

The total amount of grant funding available to support the objectives of this Program is \$3.0 million:

- The maximum grant amount available is \$150,000 excluding GST per eligible supplier.

- Grant funding sought must be matched by a corresponding cash contribution from the applicant as set out below.

Matched funding on a 1:1 basis is available to eligible applicants which:

- have fewer than 200 full time equivalent (FTE) employees; and
- are majority Australian owned.

Matched funding on a 1:2 basis (\$1 Government to \$2 Applicant) is available to eligible applicants which:

- have 200 FTE employees or more; **or**
- are not majority (50 per cent or more) Australian owned.

Applicants may apply and be approved for funding more than once, provided:

- the total amount of grant funding across the applications does not exceed \$150,000 excl GST per eligible supplier.
- the new funding sought is for uplift activities not previously funded by the Program.
- the proposed uplift activities are documented in a revised Uplift Plan which is endorsed by the Participating Prime, or were flagged and adequately documented in the initial Uplift Plan for a future funding application
- address a new Uplift Plan following participation in a Supplier Qualification Program with a different Participating Prime; and
- all other eligibility and merit criteria are met as set out in these Guidelines.

DSD does not guarantee that subsequent applications will be approved. DSD may also consider the performance of the supplier in completing previously funded uplift activities when deciding whether to award subsequent funding which is entirely at its discretion.

DSD may offer different grant funding amounts to each applicant, and from that sought by applicants, with consideration given to:

- The specific funding requirements for each applicant, based on the Uplift Plan, required uplift activities, and other sources of available project funding; and
- The uplift activities most directly related to the ability to secure a purchase order from the Participating Prime.

Uplift Plans that require recurrent funding or are already or more appropriately funded by other sources of available project funding (including other Commonwealth or State government or industry initiatives) may not be considered for the Program.

## Eligibility

### Eligible Applicants

To be eligible to apply for grant funding under the Program suppliers (the Applicant) must have completed a Supplier Qualification Program, developed an Uplift Plan and received endorsement for that plan from a Participating Prime.

In addition Applicants must:

- be an organisation comprised of one or more legal entities (not a person);
- incorporated or established in Australia;
- have an Australian Business Number (ABN) and be registered for GST;
- be carrying on an active manufacturing business located in South Australia, demonstrated by undertaking manufacturing activities at a premises located in South Australia, and employing staff based in South Australia;
- have been carrying on a business for more than one full financial year;
- be able to enter into a legally binding Funding Agreement with the South Australian Government;

- be willing to provide information and data, including financial information as required;
- commit to the required financial co-contribution; and
- not have previously received grant funding from the State or Federal Government for the same Uplift Plan.
- The business must not engage in illegal or unlawful activity.

### Eligible Expenditure

Expenditure eligible for grant funding must be incurred following the completion of the Applicant's supplier assessment by the Participating Prime. Eligible activities include, but are not limited to, the following capability uplift initiatives:

- Development and enhancement of in-house capabilities, encompassing training, software, processes, procedures, and certifications;
- Procurement of new plant and equipment;
- Strengthening of physical and digital security measures;
- Engagement of specialist advisors on defence export controls and compliance matters;
- Engagement of specialist advisors on US/UK defence cybersecurity requirements; and
- Acquisition of other specialist services required to implement the recommendations outlined in the Report.

The DSD approved Uplift Plan must achieve defined outcomes within agreed timelines, milestones and KPIs as agreed to in the final Funding Agreement between DSD and successful Applicants.

### Ineligible Expenditure

Expenditure that will not be funded via a grant includes:

- Expenditure incurred prior to execution of a Grant Funding Agreement;



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- Salaries and wages;
- Routine business operations, including standard operating expenses, usual Work Health and Safety (WHS) requirements, and general overheads;
- Activities and costs not directly aligned with the recommendations of the Uplift Plan.
- Activities that are not performed at, or do not primarily and directly benefit, the supplier's South Australian operation;
- Activities that are already funded or under consideration for funding by another State or Commonwealth government agency.
- Any other documents if/when requested by DSD from time to time and at any time as part of the application process including, for example, evidence of FTE employees and extent of Australian ownership.

Applications for funding will open June 2026 and close when funding is fully allocated, or the Program is otherwise closed earlier at DSD's discretion.

Applications are assessed on a merit basis and DSD is not obliged to approve any application notwithstanding that an Uplift Plan is prepared with and may be endorsed by a Participating Prime.

### Assessment process

Applications will be assessed on a merit basis by an assessment panel convened by DSD.

Assessments are intended to be conducted continuously on a rolling basis and as promptly as possible.

### Merit criteria

The Uplift Plan will be evaluated based on how it addresses the identified capability gaps and the likely success of the business in securing a purchase order from the Participating Prime that conducted the assessment. Additionally, the evaluation will include the applicant's capacity and capability to implement the Uplift Plan and how appropriate it is (including, for example, the cost breakdown).

Applicants may be subject to due diligence assessments to enable the South Australian government to assess financial and other non-financial risks. Outcomes from such assessments may be considered in any decision to recommend or award a grant and in contracting with successful Applicants.

The assessment may include, but is not limited to:

- whether the Applicant has failed to meet contractual obligations for previous funding agreements with the South Australian government; or,

### Application Process

Applications to the Program are to be submitted online on the application site during the Application Period. The following supporting documentation is required to be attached to the online application:

- An Uplift Plan endorsed by the Participating Prime and addressing the recommendations of the Report, and at a minimum including:
  - Specific uplift actions proposed and how they relate to the Report recommendations;
  - Comprehensive cost breakdown inclusive of procurement quotations as required, including the company's contribution (matched funding), the capital source, and the grant amount requested from DSD;
  - An implementation plan including timing/schedule;
  - Identification and management of implementation risks; and
  - Maximum use of local suppliers/service providers, where practicable.
- The previous three years' accountant-prepared annual financial statements, including profit & loss, balance sheet and notes where applicable.



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- business regulator checks such as the Australian Business Register, Australian Securities and Investment Commission and/or another applicable regulator.

Final discretion on whether to award funding under this Program rests with the Minister for Industry, Innovation and Science (Minister) or their delegate.

## Funding Agreements and Reporting

To receive grant payments, an approved applicant must sign a Funding Agreement in the form of a formal written contract with the Minister. This agreement sets out the terms and conditions on which any grant funding will be provided, including the required deliverables/milestones and reporting obligations.

An approved Applicant cannot claim any grant payments until the Funding Agreement a formal written contract is signed by both parties. It should be noted that any expenditure incurred by the applicant prior to the execution of the contract is undertaken at the company's own risk and may not be eligible for reimbursement under the Funding Agreement once signed.

Payments will be provided at the times and in the manner specified in the Funding Agreement. A payment schedule will be negotiated based on the proposed project milestones and the applicant's financial plans but is ultimately at the discretion of the Minister or their delegate.

Payment of grant funds will be processed in accordance with payment milestones and other conditions set out in the Funding Agreement, and within fifteen (15) days of receiving:

- evidence relevant conditions and payment milestones have been met; and
- a valid tax invoice.

Applicants will be required to provide, as part of the conditions, payment milestones or otherwise, regular reporting in relation to the delivery of the approved Uplift Plan as well as post-funding outcomes and learnings.

DSD does not provide any advice on tax and recommends that grant recipients seek independent professional advice on their taxation obligations and any other matters relevant to them.

*Note: The standard payment terms for the South Australian Government are fifteen (15) days from receipt of a correctly rendered invoice, unless otherwise specified in the contract. For further information, refer to the South Australian Government's Supplier Payment Policy.*

## Privacy and Confidentiality

### Freedom of information

Applicants should be aware that all documents in the possession of the Government of South Australia, including those relating to this Program or any grant, are subject to the *Freedom of Information Act 1991 (SA)* (FOI Act). Information submitted in applications and all related correspondence, attachments and other documents may be made publicly available under the FOI Act.

The FOI Act gives members of the public a legally enforceable right to access documents – subject to certain exemptions – held by South Australian government agencies, local government authorities, statutory and regulatory bodies and South Australian universities.

### Privacy and Information Policy

DSD complies with the South Australian Government's [Information Privacy Principles](#) (IPPS). DSD collects information (including personal information) as reasonably necessary for the purposes and functions of:

- administering our grants and funding programs.
- keeping you informed about the Program, relevant upcoming events, grant funding initiatives and outcomes, our services, special events or client feedback surveys, as well as our activities in general; and
- improving our websites and other services.



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The collection and use of information extends to use of such information by the Minister for Industry, Innovation and Science for the purposes as outlined above.

If an Applicant believes that any information provided in their application is confidential or commercial-in-confidence, the applicant must clearly identify such information and the reason for its confidentiality.

Any information contained in or relating to an application, including information identified by an Applicant as confidential information for the purposes of applying for funding under this Program, may be used and/or disclosed by DSD:

- to any instrumentalities of the Government of South Australia or its or their employees, advisers or third parties to manage the Program, including but not limited to, for the purposes of evaluating and assessing the application (third parties will be required to sign a non-disclosure agreement or have similar obligations in place where information is confidential).
- for the purposes of verifying or validating any information contained in your application – DSD may provide it to the Prime(s) nominated in your application (where set out in these guidelines) or any other agencies or third parties including, but not limited to, your accountant, ASIC/ABR regulatory bodies.
- for due diligence, monitoring, reporting and audit purposes.
- within the government of South Australia where this serves the legitimate interest of the Minister and/or DSD.
- in response to a request by a House or Committee of the Parliament of the Commonwealth of Australia or South Australia.
- for training, systems testing and process improvement, including compiling statistics and reports.

- if an application is successful, for promotion of project activities and outcomes.
- where information is authorised or required by law to be disclosed; and
- where the information is already in the public domain.

It is the intent of the South Australian Government to be transparent with regards to financial assistance provided to industry and will publicly disclose details of all financial assistance provided by the Government for this Program (which will include, but is not limited to, the name of the successful applicant, details of the project activity and amount of grant funding).

### Program Monitoring and Evaluation

DSD will monitor and evaluate the Program's effectiveness throughout its operation. At any time, DSD may review performance to ensure objectives are met.

### Other Terms and Conditions

By applying to the Program, Applicants:

- acknowledge and agree that, should any information provide in an application or report (including an acquittal) be determined to be false or misleading, or if grants are not utilised in accordance with the Funding Agreement, the grant amount will become repayable;
- transfer ownership in the documents and any other materials constituting the application to the Minister other than any copyright or intellectual property right existing before the date of the application (Pre-Existing IP);
- license the State to reproduce for the purpose of this process, the whole or any portion of application, including any Pre-Existing IP, despite any copyright or other intellectual property right that may subsist;
- consent to sharing non-classified information about themselves, their application, funding agreements, and related reporting with DSD



staff, consultants, or other agencies for monitoring and evaluation;

- provide financial statements and other required data during the funding period and up to three years after project completion, as set out in the Funding Agreement; and retain all records required for assessment purposes under the Program for this period; and
- supply any other information or support requested by DSD for program monitoring, evaluation, and promotion, including demonstrating benefits and implementation progress.

## Contacts and Further Information

The Minister or their delegate may modify these guidelines and application terms, as necessary, at any time and has/have full discretion over the administration of the Program.

**For all Program and application enquiries, please contact:**

SA Manufacturing Team  
Department of State Development

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