



Australian Government



Australian  
Space Agency

# *International Space Investment (ISI) initiative*

Consultation paper on the program's design  
12 June 2019

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# 1. Introduction

The Australian Space Agency (the Agency) aims to transform and grow a globally respected Australian space industry that lifts the broader economy, inspires and improves the lives of Australians – underpinned by strong international and national engagement. Under the *Australian Civil Space Strategy 2019-28* (the Strategy), Australia is seeking to significantly grow its market segment from around 10,000 jobs and a market size of \$3.9 billion to up to another 20,000 jobs and \$12 billion by 2030, with further jobs and economy growth from spill-over effects.

The Australian Government announced the International Space Investment (ISI) initiative in the 2018-19 Budget under the measure *Australian Technology and Science Growth Plan – growing the Australian space industry*. Under this measure, the Government committed to providing \$15 million over three years from 2019-20 to establish the ISI, which will provide grants to strategic space projects that generate employment and business opportunities for Australians. Projects will target a minimum of 80 per cent of the investment being made in Australia for the benefit of Australian space industry firms.

**Table 1: Profile of ISI funding**

2019-20	2020-21	2021-22	Total
\$3 million	\$5 million	\$7 million	\$15 million

The Agency is undertaking public consultation on the program design of the ISI. The consultations aim to ensure that the ISI will deliver real outcomes for the Australian space sector by successfully opening doors to international space agencies and providing tangible support to expand the capability and capacity of Australian organisations delivering space products, services, research and technology.

The Agency is seeking your consideration of the proposed objectives and delivery framework for the ISI, and welcomes your comments and feedback during the consultation phase.

**Table 2: Proposed delivery timeline for the ISI (indicative only)**

What?	When?
Stakeholder consultations	June – July 2019
Program design finalised	July - August 2019
ISI launched and opens for applications	September 2019
Applications submitted and assessed	From October 2019
Applicants notified; successful applicants enter into funding agreements with the Australian Government	From October 2019 – January 2020
Projects undertaken, with regular reporting	From November 2019 – 30 June 2022

## 2. Policy and program objectives for the ISI

- 2.1. The Australian space sector is growing – in the last five years at 10.1 per cent, and forecast for up to 7.1 per cent per year<sup>1</sup> over the next five years, outpacing GDP. With lower costs for market entry and clear benefits to participation in space activities (such as the provision of essential data for everything from weather forecasting to online banking), the number of new start-ups is increasing. All Australian market sectors get direct or spill over benefits from space-enabled services and practical applications of space capabilities, including finance, agriculture, mining, health and tourism.
- 2.2. Australia is entering a rapidly growing and fiercely competitive international market. There are a growing number of global participants vying for market share of the space sector. As outlined in the Strategy, Australian space businesses face a range of market barriers that limit growth (e.g. physical distance from markets, limited or incomplete local value chains, and limited connections into established international space economies like the USA and Europe). They also face challenges accessing investment and venture capital markets. Australian space businesses will need to build capability and capacity to enter international supply chains.
- 2.3. Nevertheless, the Strategy also highlights there are opportunities that the Government can leverage to help Australian space businesses succeed and grow. For example, Australia is a trusted supplier in international markets, and has a good reputation internationally as a country that punches above its weight in technology fields. Australia has a unique geographical advantage, which supports areas such as space communications, space situational awareness and remote asset management. Opportunities for global partnerships in the space sector for Australia are also growing.
- 2.4. In light of these challenges and opportunities, Australia needs to open doors internationally to access opportunities. Opening doors internationally for industry and researchers requires national coordination led by government. In the absence of support, Australian businesses may miss out on opportunities to develop capability and increase capacity by participating in international space programs and global space supply chains, diminishing Australia's ability to develop the domestic space industry at a pace commensurate with the industry's global opportunities for growth.
- 2.5. The ISI is one mechanism to facilitate international engagement. To support this outcome, it is proposed that the ISI should have the following program objectives:
  - Unlock international space opportunities for the Australian space sector
  - Expand the capability and capacity of the Australian space sector, and support jobs creation
  - Demonstrate the Australian space sector's ability to successfully deliver space-related products and services internationally
  - Support projects which contribute to building a vision and an Australian space sector that inspires businesses, the Australian community and the next generation of space workforce, researchers and entrepreneurs.
- 2.6. The ISI is also an important mechanism with which to realise the ambitions of the Strategy. Grants made under the ISI should also therefore reflect the investment principles of the Strategy, namely:

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<sup>1</sup> IBISWorld Industry Report OD5545 Satellite Communications and Astronauts in Australia November 2018

- Align, and be consistent with, the Strategy, the Australian Space Agency’s purpose, government policy priorities and Australia’s economic and national interest.
- Align with Australia’s National Civil Space Priorities.<sup>2</sup>
- Target a gap in the market, market failures and inefficiencies, including enabling infrastructure that will bring industry to scale.
- Leverage contributions from other sources, for example from academia or research organisations, industry, state and territory governments, and international counterparts.
- Have the potential for significant impact in Australia’s space sector or the use of space in the broader economy.

2.7. Over time, the ISI should directly contribute to the measures of success outlined in the Strategy. These are:

- a. Stimulate at least \$1 billion pipeline in inward capital investment in Australia’s space industry between 2019 and 2025, including R&D investment and infrastructure investment.
- b. Achieve year-on-year growth of the Australian space industry that exceeds 8.5 per cent per annum.
- c. Achieve year-on-year growth of direct and indirect jobs that would meet a target of 20,000 additional jobs by 2030.
- d. Create a regulatory framework that ensures effective, efficient, and safe space activities.
- e. Increase awareness of space activities and the impact on the Australian economy, cumulatively reaching at least 10 million Australians per year.

### 3. Grant opportunities and funding rounds

3.1. The Agency proposes that the ISI would have two streams of activity:

- 3.1.1. Under the *Open doors* stream, grants would target international space agency projects which will unlock opportunities for the Australian space sector.
- 3.1.2. Under the *Expand capability* stream, grants would be awarded competitively to build the capability and capacity of the Australian space sector and support jobs creation, and demonstrate the Australian space sector’s ability to successfully deliver space-related products and services internationally.

3.2. Within each stream, there would be scope for priority areas or themes, for example drawn from the National Civil Space Priority Areas.

3.3. Successful projects would need to demonstrate:

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<sup>2</sup> The National Civil Space Priorities are listed in the Strategy and include: Position, Navigation and Timing (PNT); Earth observation; Communications technologies and services; Space situational awareness and debris monitoring; Leapfrog R&D; Robotics and automation on Earth and in space; and Access to space.

- 3.3.1. alignment with the program objectives
  - 3.3.2. alignment with the Strategy's investment principles, including leveraged funding or co-investment
  - 3.3.3. that the project can meet the requirement that a minimum 80% of the investment is to be made in Australia for the benefit of Australian space industry firms
  - 3.3.4. involvement or commitment of a priority international space agency (as identified in the Strategy, this includes CNES, UK, Canada, UAE, NASA, ESA, DLR, JAXA, New Zealand, and the Indo Pacific region)
  - 3.3.5. IP arrangements benefit Australia's space industry.
- 3.4. The Agency proposes that grant funding awarded under the ISI could be used to support the following activities:
- a. Research and development (R&D)
  - b. Collaborative R&D
  - c. Commercialisation
  - d. Activities that expand Australian space industry capability and capacity
  - e. Avenues that involve Australian businesses or Australian products and services
- 3.5. The Agency proposes that the application process would involve a single stage application, to be lodged online. Depending on the number of applications received, and subject to sufficient quality against the merit criteria, only one funding round (with both streams) may be required to allocate the funding available.

## 4. Governance and decision-making

- 4.1. Applications for grants will be assessed against merit criteria outlined in the relevant stream's Grant Opportunity Guidelines. The Agency proposes that the merit assessment criteria would include alignment with the program objectives and the Strategy's investment principles (including leveraged funding or co-investment). Eligible projects would also need to demonstrate that they can meet the requirement that a minimum 80% of the investment is to be made in Australia for the benefit of Australian space industry firms.
- 4.2. An expert panel would be formed to provide advice on ISI applications. The expert panel would comprise around 4-5 representatives with relevant expertise relating to the ISI program. The panel would assess eligible applications and make recommendations for funding to the program delegate. The Agency would ensure that any actual, perceived or potential conflicts of interest are appropriately managed, through Conflict of Interest guidelines.
- 4.3. Successful applicants to the ISI will need to enter into a funding agreement with the Commonwealth, which will confirm milestone, payment and reporting arrangements.
- 4.4. It is proposed that the Agency may undertake evaluations of each grant and the Initiative as a whole. The Agency would need to collect some information from ISI participants to assist with monitoring the progress of projects and with the evaluation of the Initiative. The Agency would ensure that the specific information required will be appropriate, involve a minimal administrative burden for the

program participants and the Agency, and respect the confidentiality and privacy of firms and international agencies.

## 5. Conclusion

- 5.1. The Agency values your feedback and comments during consultation and is seeking written comments. Submissions can be uploaded into the Department of Industry, Innovation and Science consultation portal at <https://consult.industry.gov.au/space/international-space-investment-initiative-design/>. You may wish to respond to any or all of the following questions which are of particular interest to the Agency:
- a. Are there design features of the ISI that may restrict projects that could meet the program objectives? Do you do you consider there are additional requirements applicants should need to address to access grant funding under the program?
  - b. What international agencies and organisations do you work with, or would like to work with? Are you aware of projects that could be supported under the ISI?
  - c. Can you suggest any other ways that the ISI could support your organisation or other Australian organisations to gain better access to international space agency programs, projects or activities?