



Frequently Asked Questions

Space Concession

1. What is the Space Concession?

The Space Concession is intended to increase the competitiveness of the space industry in Australia while ensuring that international obligations are met.

Under item 41 of Schedule 4 of the *Customs Tariff Act 1995*, the Space Concession allows eligible goods to be imported into Australia duty free for use in authorised space projects, subject to specific conditions being met.

2. Who may access the concession?

To access the Space Concession, applicants must satisfy a two-stage test:

Stage 1: Space Project Authorisation:

The project must be authorised as a “space project” for the purposes of Item 41 by the Minister for Industry and Science.

Stage 2: Eligible Goods Determination:

The goods to be imported must be for use in an authorised “space project”. A delegate of the CEO of Customs in AusIndustry determines whether the goods to be imported are for use in an authorised space project, and therefore fall within the scope of item 41.

3. What sort of project can become an authorised space project?

To be authorised as a space project a project must:

- Involve activities between parties from Australia and other countries involving joint investment, research or manufacturing, or

the supply of equipment or technologies by one party to another for the purpose of the joint activity; and

- Be in the field of the exploration of outer space, remote sensing, material processing in space, space medicine and biology, space communications and information technologies, satellite navigation systems and technologies, automated and manned space apparatus and systems and corresponding ground equipment, protection of the outer space environment, or space launch services.

When considering Space Project Authorisation Applications, the Minister will also have regard to a number of other key considerations as described in the *Space Concession Policy and Administrative Guidelines* (Guidelines).

4. What goods may be eligible?

To be eligible for access to the Space Concession, the goods must be dutiable and for use in an authorised space project.

Goods for the purposes of Item 41 cover a very broad range of items. Certain types of plant, equipment and materials used in the construction and operation of a commercial spaceport and other space-related activities may be eligible goods.

However for a good to be eligible where it is also capable of a non space-related application, the goods must be necessary for or integral to the development or operation of the authorised “space project”, and to be used solely in that project. Applicants seeking an

Eligible Goods Determination must therefore provide as much information as possible about the project and establish a clear and direct link between the particular goods for which the concession is being sought and the authorised project.

5. Who may apply?

An applicant for a Space Project Authorisation must be the project proponent. An applicant for an Eligible Goods Determination must be the project proponent or a person the project proponent declares in writing to be participating in the authorised project. Applications may be lodged by an agent authorised in writing.

6. How do I apply? – General Application Process

To obtain a Space Project Authorisation, applicants must submit a completed Space Project Authorisation Application, together with an Australian Industry Participation (AIP) Plan, in accordance with the criteria detailed in the Guidelines.

To obtain an Eligible Goods Determination, applicants must submit an Eligible Goods Application in accordance with the criteria detailed in the Guidelines.

7. Who can I contact for assistance with an application?

AusIndustry customer service managers (CSMs) are available to assist applicants to develop and focus their applications. Applications will be directed to a CSM in Canberra who will work with the applicant from the initial inquiry through to the completion of the project, including follow up compliance checks if required.

8. Customers should contact AusIndustry at the earliest possible stage of a project for information on the Space Concession and to provide details of the proposed project. When must applications be lodged?

A project must be authorised as a “space project” before an Eligible Goods Application will be assessed. However, an applicant may lodge applications simultaneously in respect of both Stages.

The Space Concession operates on a prospective basis only. Therefore, applications in respect of both Stages 1 and 2 must be lodged before the goods are imported into Australia. An application lodged after the goods have been imported may be refused.

9. How do I apply for the STAGE 1: Space Project Authorisation Application?

A Space Project Authorisation Application must be prospective and include an AIP Plan. The Application should address the eligibility criteria and other key considerations as described in the Guidelines. Applications should be submitted as early as possible.

The Minister will notify the applicant in writing of his or her decision to authorise the space project within approximately 40 days of receipt of the completed Application.

10. What is an AIP Plan?

The AIP Plan supports the principles of the Australian Industry Participation National Framework and should discuss plans to engage Australian industry in space projects and to actively facilitate the engagement of the Industry Capability Network Limited (ICNL) in the identification of Australian capability.

The AIP Plan does not mandate local content requirements; it merely seeks to outline the processes and procedures to be adopted to provide full, fair and reasonable opportunity to capable Australian producers to supply goods and services to the project.

In preparing the plan, consideration must also be given to complying with Australia’s international obligations, including multilateral and bilateral treaties and arrangements that impact on the project.

Applicants should be aware that not all criteria included in the AIP Plan will be relevant to their projects.

11. What is meant by the term full, fair and reasonable?

Full: Australian industry has the same opportunity as other global supply chain partners to participate in all aspects of an investment project (for example, design, engineering, project management, professional services, IT architecture);

Fair: Australian industry is provided the same opportunity as global suppliers to compete on investment projects on an equal and transparent basis, including being given reasonable time in which to tender; and

Reasonable: Tenders are free from non-market burdens that might rule out Australian industry and are structured in such a way as to provide Australian industries the opportunity to participate in investment projects. It also refers to ensuring that Australian suppliers are provided with sufficient information and time to tender for projects.

12. At what stage of the project is an AIP Plan required?

Applicants should submit an AIP Plan at the same time as a Space Project Authorisation is submitted.

13. What is the role of the Industry Capability Network (ICN) and the ICN Limited (ICNL)?

Applicants are encouraged to approach the ICN in their State/Territory (or the ICNL) before ordering goods. ICNs maintain extensive databases on Australian industry capability.

14. How do I apply for the STAGE 2: Eligible Goods Application?

The Eligible Goods Application must be prospective. The intended date or period that the goods will be entered for home consumption must satisfy the requirements of the *Customs Act 1901*. The goods must be identified in the application by reference to their normal tariff classifications, duty rates and statistical codes as set out in Schedule 3 to the Tariff Act. Applicants should indicate how each of the goods will be used in the authorised "space project".

Written notification of the Determination will be sent to the applicant:

- where an application is received and the space project has already been authorised - within 60 days of receipt of the completed application; or
- where a completed application is received and the space project has not already been authorised - within 60 days of the project being authorised.

15. What Australian Customs and Border Protection Service requirements must be met?

Applications for duty concessions must comply with Australian Customs and Border Protection Service (Customs and Border Protection) requirements and other requirements such as quarantine. Importers and brokers must verify that the goods are dutiable at a substantive rate at the time of lodging an application for a concession with AusIndustry and when entering the goods for home consumption.

It is the responsibility of importers to ensure that goods imported using the concessional item are, in fact, eligible imports. To monitor compliance, importers may be subject to post-clearance audits and are therefore required to retain all documentation relating to the imported goods for a period of up to 5 years. This is to ensure correct use of the concession.

Information on Customs and Border Protection related matters may be obtained by contacting the Customs Information Centre on 1300 363 263 or by visiting the Customs and Border Protection website at customs.gov.au.

16. What if I need to change the application?

Applicants are required to advise AusIndustry of major changes to their Space Project as soon as they become aware of possible changes. A project may become ineligible as a result of the change. Early contact with a CSM is advisable to ensure the project is still eligible for a concession.

17. Can I have a decision reviewed?

A decision to refuse an Item 41 concession may be subject to internal review. Requests to review a decision must be made to AusIndustry within 28 days of the date of the decision. An internal review will be undertaken by a delegate other than the delegate who made the original decision. Except where AusIndustry determines that extraordinary circumstances apply, decisions will only be internally reviewed once. Requests for internal review must be accompanied by reasons for the relevant decision to be changed and address the reasons given for the delegate's refusal.

Applicants should note that they are also entitled to seek judicial review of decisions regarding determinations for Item 41

concessions. Such decisions are subject to judicial review by the Federal Court under the *Administrative Decisions (Judicial Review) Act 1977*. Applicants should seek their own legal advice in this regard.

18. Need more information?

For more information, visit business.gov.au or call 13 28 46. More in depth face-to-face assistance is also available from AusIndustry's national network.