



March 2026 – Version 1.0

Future Drought Fund policy instructions

International expenditure

Important

Future Drought Fund (FDF) funds should be used within Australia wherever possible. In some cases, delivery partners or project leads may need to spend FDF funding internationally to access goods and services. All FDF funds spent internationally must be a direct cost of the project and be incurred for project activities. FDF funding cannot be spent on international travel, unless explicitly agreed to as part of the project.

This document does not provide advice on requirements outside of international expenditure of FDF funds. Delivery partners and project leads must consider all other Australian requirements and laws regarding spending funding internationally and importing goods into Australia, for example the Customs Act 1901 and the Biosecurity Act 2015.

Accessing international goods and services

FDF delivery partners may access goods and services internationally to achieve project outcomes, where appropriate. Some examples include equipment or products, access to international research and facilities such as specialist archives, collections, databases, and expertise.

(see also Appendix A: International expenditure examples)

International expenditure

When expending funds on international goods and services for the delivery of FDF activities, delivery partners must consider the following principles. These principles also serve as a helpful guide when accessing international goods and services for FDF activities where no funds are being used, for example unpaid expert advice.

- 1) **Compliance with program guidelines and legislative requirements**
 - a) All expenditure must comply with the FDF program guidelines such as Grant Opportunity Guidelines, and the conditions of the grant agreement or arrangement. This includes ensuring that expenditure is classed as ‘eligible expenditure’ and/or is not listed as ‘ineligible expenditure’ as outlined in the Grant Opportunity Guidelines, Agreement or Arrangement.
 - b) Expenditure decisions made by delivery partners must be consistent with project documentation provided to the FDF, including the Project Implementation Plan and Activity Work Plan.
 - c) Expenditure decisions must be compliant with the [Future Drought Fund Act 2019](#), and the [Future Drought Fund \(Drought Resilience Funding Plan 2024-2028\) Determination 2024](#).

- d) Activities and expenditure must align with the principles relating to decisions about arrangements and grants (s 6(3)) set out in the Drought Resilience Funding Plan.

(See also Funding Principles relating to decisions about arrangements and grants)

2) Alignment with public benefit and resilience objectives of the FDF

- a) International expenditure must support the program, project, or initiative's contribution to public good outcomes. Where an individual expense is minor or incidental, it must still demonstrate a clear link to the broader project objectives and not solely deliver private or commercial benefit.
- b) If collaborating with international entities, the output must primarily benefit the Australian delivery partner's activities.

3) Ethical and transparent use of public money

- a) International expenditure must uphold high standards of integrity, transparency, and accountability expected when using Australian Government funding, including:
 - i) acting honestly and fairly in financial decisions.
 - ii) avoiding conflicts of interest and any arrangements that could lead to fraud, corruption, or misuse of funds.
 - iii) applying appropriate due diligence when engaging international suppliers or consultants, including verifying credentials and ensuring compliance with relevant laws.
 - iv) maintaining clear records to demonstrate that expenditure decisions are justified, reasonable, and in line with the program objectives.

4) Value for money and cost-benefit consideration

- a) International expenditure can only occur if it represents value for money, including efficient, effective, economical and ethical use of public resources.
- b) If similar goods or services are available in Australia, even at a slightly higher cost, preference should be given to domestic suppliers to support local capability and resilience.
- c) Delivery partners must consider the relevant financial and non-financial costs and benefits of activities and goods, including factors such as:
 - i) the quality of the goods or service and the value it adds
 - ii) whether it is fit for purpose in contributing to project outcomes and the FDF's objectives
 - iii) (for expertise) the entities' relevant experience and performance history.

5) Risk management

- a) Assess risks associated with international expenditure, including delivery risks, currency fluctuations, and supply chain vulnerabilities.
- b) Document decisions and maintain audit trails to demonstrate compliance with FDF requirements.

6) Intellectual property

- a) Goods and services accessed using FDF funding must respect intellectual property rights.
- b) Where appropriate outputs of overseas services such as expertise must be able to be shared publicly, in line with FDF's commitment to public good and open access.

- c) International goods and services must not restrict Australia's ability to use or adapt project outputs for future drought resilience activities.

Engagement of an international entity in an FDF project

Any international entity collaborating on a proposal must provide a letter of support as part of the mandatory application documentation. This letter should outline their proposed contributions, including any cash or in-kind co-contributions.

The application or letter of support must clearly describe:

- the goods and services to be provided
- the role of the international entity
- how their involvement contributes to the public good by building drought and climate resilience for Australian farmers, landscapes, and communities, rather than delivering private or commercial benefit.

If any grant funding is to be paid to the international entity it must be clearly listed in the mandatory budget template and justification of the purpose provided.

FDF selection processes

International entities cannot be engaged for grant opportunity selection purposes, as an assessor or a Selection Advisory Panel member.

Funding Principles relating to decisions about arrangements and grants

Principles relating to decisions about arrangements and grants (s 6(3)) set out in the FDF Drought Resilience Funding Plan are mandatory requirements which all arrangements and grants must meet, including devolved arrangements and grants. All partners that deliver FDF activities must ensure that their activities, including expenditure, align with these principles. Arrangements and grants are to:

- a) be consistent with the vision, aim and strategic objectives (to build economic, environmental and social resilience) outlined in this Plan
- b) ensure activities deliver a public good
- c) not provide in-drought assistance to directly address hardship
- d) actively encourage participation of a diverse range of people, businesses and landscapes involved in the agricultural sector and rural, regional and remote communities, including First Nations people
- e) foster collaboration to improve integration, coordination, communication, planning and implementation of drought resilience activities, and avoid unnecessary duplication
- f) be designed to deliver efficient and effective outcomes for stakeholders
- g) ensure data and knowledge obtained from activities under the fund is shared and freely made available in the public domain
- h) ensure planned monitoring, evaluation, and learning activities are efficient, robust and in alignment with fund level monitoring, evaluation and learning (MEL) expectations.

Questions to ask delivery partners about any international expenditure

The following questions provide an indication of the type of information the FDF may request regarding any international expenditure. These have been developed to guide decision making and documentation.

- What are the goods or services that the international expenditure relates to? (Provide a description.)
- What is the reason for sourcing international instead of in Australia?
- What is the name of the provider?
- Is the provider a wholly international entity, or do they have an Australian subsidiary? (Provide names and specifics if possible.)
- Will the provider be paid for the goods or services? If yes, specify whether payment will be in AUD or another currency.
- Will the provider of the international goods or services supply any co-contributions (cash or in-kind)? (Provide detail on the nature and estimated value of these contributions.)
- Does this arrangement involve any international travel? (Note: FDF funding can only be used for international travel where it has been explicitly agreed to by the FDF as part of the original project proposal/design and specified in the contract between the delivery partner and DAFF.)
- If defined in program documentation (e.g., Grant Opportunity Guidelines, grant agreement, or arrangement), do the international goods or services being provided fall within the description of eligible expenditure?

Appendix A: International expenditure examples

The following examples are provided to help understand what constitutes eligible and ineligible overseas expenditure. These are examples only, the principles set out in this document should be used to guide international expenditure decisions and advice.

Eligible expenditure examples

- A delivery partner purchases soil moisture sensors from a manufacturer in Germany because equivalent sensors are not available in Australia. The sensors are essential for delivering measurable outcomes under the project's monitoring plan.
- A drought resilience expert based in Canada provides technical advice on climate modelling. The advice directly supports Australian project activities and outcomes.
- A delivery partner imports drought-tolerant crop seeds from an international research facility for trials in Australia, as these seeds are not commercially available domestically.
- An international laboratory is engaged to conduct soil or plant genetic testing that cannot be performed domestically.

Ineligible expenditure examples

- A delivery partner uses FDF funds for flights to attend a conference overseas without prior department approval.
- A delivery partner purchases irrigation equipment from an overseas supplier even though similar equipment is available in Australia at the same price.
- A delivery partner engages an overseas consultant for general project management support when similar expertise is readily available in Australia.
- A delivery partner funds advertising in overseas markets to promote Australian drought resilience products. This does not deliver a public good for Australian farmers and communities.

Glossary

Term	Definition
Delivery partner	The legal entity other than the Commonwealth specified in the Agreement or Arrangement and includes, where relevant, its officers, employees, contractors and agents. The delivery partner is responsible for managing, overseeing and reporting on the delivery of an FDF-funded project.
Economical (in relation to the proper use of FDF funds)	The extent to which the proposed use avoids waste and sharpens the focus on the level of resources that the Commonwealth applies to deliver results. This generally relates to approving the best cost option to deliver the expected results. Economical considerations must be balanced with whether the use will also be efficient, effective and ethical.
Effective (in relation to the proper use of FDF funds)	The extent to which an intervention has attained its major relevant objectives. Effectiveness considerations must be balanced with whether the use will also be efficient, economical and ethical.
Efficient (in relation to the proper use of FDF funds)	The extent to which an activity's inputs are minimised for a given level of activity outputs, or the extent to which outputs are maximised for a given level of inputs. Efficiency considerations must be balanced with whether the use will also be effective, economical and ethical.
Eligible expenditure	Costs that meet the requirements outlined in the grant agreement or arrangement and comply with FDF guidelines.
Ethical (in relation to the proper use of FDF funds)	The extent to which the proposed use is consistent with the core beliefs and values of society. Where a person behaves in an ethical manner it could be expected that a person in a similar situation would undertake a similar course of action. For the approval of proposed commitments of relevant money, an ethical use of resources involves managing conflicts of interests, and approving the commitment based on the facts without being influenced by personal bias. Ethical considerations must be balanced with whether the use will also be efficient, effective and economical.
Expenditure	Payments for expenses, acquiring assets or paying liabilities.
International expenditure	Spending on goods, services, or expertise sourced from outside Australia to support FDF project outcomes.
Public good	The benefits generated from the funding under the FDF should be able to be accessed and or shared by many rather than be captured solely by individual businesses or industries for private commercial gain. The benefits achievable from the funding should also outweigh the costs. Public good may be established where there are significant spill over benefits for society and the economy, well beyond those derived by private beneficiaries
Value for money	Efficient, effective, economical and ethical use of public resources, considering both financial and non-financial factors

Acknowledgement of Country

We acknowledge the continuous connection of First Nations Traditional Owners and Custodians to the lands, seas and waters of Australia. We recognise their care for and cultivation of Country. We pay respect to Elders past and present, and recognise their knowledge and contribution to the productivity, innovation and sustainability of Australia’s agriculture, fisheries and forestry industries.

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