



31 May 2018

Dr Vivienne Thom  
DTC Act Review Secretariat  
R1-3-A003B  
PO Box 7901  
CANBERRA BC ACT 2600

Dear Dr Thom,

The Export Council of Australia (ECA) is the leading industry body focused on Australia's international businesses, particularly small to medium-sized enterprises (SMEs). Our core activities include research, advocacy, skills development and events.

We welcome the opportunity to provide input into the review of the Defence Trade Controls Act 2012.

We note that defence-related exports require the Department of Defence (Defence) to walk a fine line between two contrasting objectives.

The first is to prevent trade and collaboration that unwittingly advances the military capabilities of potential adversaries. The Defence Trade Controls Act of 2012 ('the Act'), and its implementation by the Defence Export Controls Office, is the primary means of pursuing this objective.

The second is to achieve greater export success to build a stronger, more sustainable and more globally competitive Australian defence industry to support Australia's defence capability needs. The Defence Export Strategy released in January 2018 is the primary means of pursuing this.

The ECA does not take a position on whether the Act adequately safeguards national defence capability and prevents trade and collaboration that could unwittingly advance the military capabilities of potential adversaries.

But we wish to highlight two areas where Defence may be able to better facilitate defence trade in the operation of the Act while not compromising on its trade control obligations.

Firstly, we believe more could be done to help businesses, particularly SMEs, understand when and how to engage with defence trade controls.

Despite the importance of the Act, and the breadth of its application to Australian businesses, many SMEs simply do not know about it. We welcome Defence restarting its trade controls outreach program but are concerned that too few businesses are aware of the outreach or understand that it might be relevant to them.

For those businesses that are potentially affected by trade controls, Defence could ease their regulatory burden by providing advisory opinions about whether an application would be required. Defence could also be more proactive in notifying businesses about when there were changes in the goods and services subject to trade controls.

Secondly, we have received feedback from our members that interactions with government regarding defence trade is very manual and administratively intensive for the businesses. This is particularly the case where multiple agencies are involved, such as when an exporter also must obtain a sanctions permit from the Department of Foreign Affairs and Trade, and an Export Declaration from the Department of Home Affairs.

Exports, particularly defence-related ones, can be time-critical. Delays due to a lack of coordination and/or duplication between government agencies can have a real commercial impact on exporters (costing them in terms of time, reputation and potentially sales).

As well as the government taking immediate steps to better coordinate, we would like to see Defence trade controls eventually be included in the Single Window for Trade (that the government committed in the lead-up to the 2016 election).

Sincerely,

A handwritten signature in black ink, appearing to read "Heath Baker". The signature is fluid and cursive, with a long horizontal stroke at the end.

Heath Baker  
Head of Policy  
Export Council of Australia