

INQUIRY QUESTION

(Question No. 4)

Senator David Shoebridge asked the Department of Defence the following question, upon notice, on 01 March 2024:

Senator SHOEBRIDGE: I'm going to ask you to produce as much as possible, if you can, of your modelling and the assumptions that it's based upon to arrive at that remarkable evidence, given the rest of the submissions, that you think this whole system will only require dozens of permits per year for the whole country. Is that your position too, Mr Nockels? Do you think this will require dozens?

Mr Nockels: I made the comment that it would be in the dozens, but we will go back and check on the workings, in terms of the assumptions, and we will come back on notice to the committee to give you a fuller sense of what those numbers are.

Senator SHOEBRIDGE: To be clear, what I'm asking for is: What are the assumptions upon which any such modelling is based? Who did the modelling? What will the resourcing requirements be? And, critically, I want to know whether or not your evidence today that this whole system will only require dozens of permits across the entire country per year to be operationalised is actually accurate.

Mr Nockels: As I said, we'll come back on notice. I've used the word 'dozens', but we just need to double-check on the assumptions and the workings which you've asked for, and we'll come back on that.

Mr Jeffrey: I'll just add that the questions you're going to are really about the impact analysis. We'll take on notice what we can provide about that publicly. I appreciate, actually, that the information you're seeking is to address these concerns as you've heard them. To the extent that we can get all of that and further publicise that, I think that is helpful. We'll look to come back on notice with as much information as we can, and, indeed, we continue to be happy to talk about how we are going to implement this reform should it be adopted by parliament.

The Department of Defence has provided the following answer to the above question:

The Department of Defence undertook an Impact Analysis, assessed by the Office of Impact Analysis as 'Good Practice', prior to the introduction of the Defence Trade Controls Amendment Bill 2023 into Parliament on 30 November 2023.

Defence engaged Ernst & Young to undertake an independent cost benefit analysis of the proposed reforms as part of the Impact Analysis. The assumptions underpinning the cost benefit analysis are outlined in the Impact Analysis. The cost benefit analysis is based off data from the Defence Export Controls ICT system, the Australian Border Force Integrated Cargo System, the Australian Bureau of Statistics, the Department of Education, the United States Department of State and the United States Department of Commerce.

The Impact Analysis notes that some of the data obtained to inform the cost benefit analysis cannot be released publicly due to the security classification of the information and the permitted legal reasons for using the data.

The Impact Analysis also outlines Defence's implementation approach and includes details on resourcing requirements.

Further information is available at: <https://oia.pmc.gov.au/published-impact-analyses-and-reports/defence-trade-controls-amendment-bill-2023>.