

The Senate

Foreign Affairs, Defence and
Trade Legislation Committee

Budget estimates 2005–06

June 2005

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Senate Foreign Affairs, Defence and Trade

Legislation Committee

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Senate Foreign Affairs, Defence and Trade Legislation Committee

Report to the Senate

Introduction

1. On 10 May 2005, the Senate referred to the Committee for examination and report, the following documents:
 - Particulars of proposed budget expenditure for the service of the year ending 30 June 2006; and
 - Particulars of certain proposed budget expenditure for the service of the year ending 30 June 2006 relating to the Defence portfolio and the Foreign Affairs and Trade portfolio.
2. The Committee has considered the proposed budget expenditure for the year ending 30 June 2006, and has received evidence from the Minister for Defence, Minister representing the Minister for Veterans' Affairs, the Minister for Foreign Affairs and the Minister for Trade, and officers of the departments and agencies concerned.
3. The Committee met in public session on 30 and 31 May, and 1 and 2 June 2005. Further written explanations provided by departments and agencies will be presented separately in volumes of additional information. This information will also be placed on the Committee's internet site (www.aph.gov.au/senate_fadt).

Questions on notice

4. The Committee has resolved, under Standing Order 26, that written answers and additional information should be submitted by close of business on Thursday, 21 July 2005.

Overview

5. Prior to this round of estimates the Committee was asked to provide statistics on the number of outstanding questions on notice. Due to an oversight, two agencies incorrectly had outstanding questions attributed to them. The correction has been made and a process is now in place to ensure a more methodical transfer of information.

6. The hearings are summarised in dot point in the respective portfolios.

Defence portfolio

Department of Defence

7. The Committee acknowledges the presence at the hearings, of Mr Ric Smith, AO, Secretary of the Department of Defence, and General Peter Cosgrove, AC, MC, Chief of Defence Force.

8. At the beginning of proceedings, General Cosgrove gave a comprehensive operational overview on ADF operations overseas and in Australia. These included its three major operations overseas—operations *Catalyst* in Iraq, *Anode* in the Solomons and *Spire* in East Timor.¹

9. Matters raised by the Committee included:

Portfolio overview and major corporate issues:

- Absorbed and offset budget measures by Defence: Australian Service Medal (30 May, pp. 7–14, 109), capability and technology demonstrator program; defence health services; joint combined training centre implementation; 'providing for Australia's security', Defence Capability Plan (30 May, pp. 14–21).²
- Administrative savings program: reduction in the civilian work force (30 May, pp. 22–27).
- Savings measures: reduced administrative overheads and efficiency dividend; Defence purchasing card and Defence travel card; late fees (30 May, pp. 27–29, 108–109).
- DMO. Stocktake program: ANAO involvement at defence sites; final error rate and its value; discrepancy count; remediation program; major assets; financial statements (30 May, pp. 29–38).
- Remediation plan: financial statements project board; Defence Materiel Organisation; consultation with ANAO; audit clearance (30 May, pp. 38–47). Chief finance officer; financial management training for senior staff (30 May, pp. 46–48).

1 *Proof Hansard*, Monday, 30 May 2005, pp. 5–7.

2 Transcript page numbers for each day begin at page 1. Department of Defence hearings are in *Proof Hansards*, 30 and 31 May, 2005. (See the transcript index at back of this report.)

- Other remediation activities; record keeping errors, consultant collaboration in Defence stock–take (30 May, pp. 49–53). Supply customer accounts; explosive ordnance; missing weapons and ordnance (30 May, pp. 54–56).
- Military and civilian leave records and record keeping; leave taking policy and practices; executive remuneration package (30 May, pp. 57–59; 31 May, p. 16).
- Land, building and infrastructure valuation (30 May, pp. 59–60).
- Correspondence to US Embassy, related in part to Mr Barton, in evidence before the references committee in February 2005; correspondence: a complaint by a ranking military officer about 'ghost detainees'. Definition, and, practice of, 'ghost detainees' or 'ghost prisoners' (30 May, pp. 109–114). Obligations of an officer under the Geneva Convention to report violations (30 May, pp. 114–116). Reporting the incident and subsequent action from superiors; disciplinary action taken against the officer (30 May, pp. 116–117).
- Current practices on taking detainees (30 May, pp. 117–118).
- Defence Capability Projects (DCP): update on additional and deleted projects (30 May, pp. 124–129).
- White paper (31 May, pp. 15–16).
- Increase in funding to Defence over ten years (31 May, p. 51).

Defence Materiel Organisation

- Project JP 2077—logistics information systems; The Get Well program; tri–service management of a logistics information system; expenditure and compliance (31 May, pp. 16–21).
- Seasprite helicopters: delivery to the services; weapons software development (31 May, pp. 21–22).
- Aerospace industry sector plan (31 May, p. 27).
- FFG upgrade; ADI; ANAO report and recommendation (31 May, pp. 35–41).
- ASPI report on use of civilian contractors to support ADF operations (31 May, pp. 41–42).

Capital Facilities projects

- Randwick disposal and rationalisation interim works (30 May, p. 61; 31 May, p. 57).
- Former HMAS Platypus site remediation; Lavarack Barracks redevelopment; capital facilities program (30 May, pp. 21–22).

Outcome 1—Command of operations

- Illegal fishing vessels entering Australian waters; rules of engagement for Navy and Customs; various types of operations; operational risks to Australian vessels and personnel (30 May, pp. 118–122; 31 May, p. 4). Number, type and location of arrests (30 May, p. 124).

- UNOTIL in East Timor (31 May, p. 35).
- 2005–2006 exercise program: cancelled programs (30 May, pp. 4–5; 31 May, pp. 43).

Outcome 2—Navy capability

- Armidale patrol boats: unit price; purpose of the vessels (31 May, pp. 27–28).

Outcome 3—Army capability

- Army vehicle replacement project: Project Overlander (31 May, pp. 23–24).
- MRH 90 helicopters: contracts and implementation phase (31 May, pp. 24–27).
- Increased funding for additional troop numbers; aspirational and actual programs to integrate various fighting systems (31 May, pp. 46–47).
- Combat readiness capability; deployment to Solomon Islands and East Timor. (31 May, pp. 47–48, 52).
- Company structure for battalions (31 May, p. 49).
- Availability of troops and resources during times of peak demand; contingency planning; current personnel and structures (31 May, pp. 49–50).
- Capital acquisitions for Army capability now and in future (31 May, pp. 50–51).
- Tank urban survival kits (TUSK); new costs and delivery of new tanks (31 May, p. 51).
- Status of the investigation into the incident at Lavarack Barracks in November 2004, when soldiers dressed as members of the Ku Klux Klan (31 May, pp. 70–71).
- Report of Australian SAS soldiers allegedly killing Afghani civilians (31 May, pp. 94–96).

Outcome 4—Air Force capability

- P3C Orion maritime aircraft patrols and their interaction with patrol boats. North West Shelf surveillance; refuelling aircraft, maintenance costs (31 May, pp. 29–31).
- Air combat capability: F111s, FA18s and the joint strike fighter; upgrade and renewal program; memorandum of understanding (31 May, pp. 42–46).

Outcome 5—Strategic policy

- Defence Cooperation Program: repairs to Solomon Islands patrol boats (31 May, p. 35).

Outcome 6—Intelligence

- Flood review recommendations on Australia's intelligence agencies as they affect the Defence agencies (31 May, pp. 66–69).

Business processes

Inspector General

- Request for ADF police and military services investigation manuals relating to standing orders, policy and procedures (31 May, p. 69).

Corporate services (including legal services)

- Electricity rationing at Lavarack Barracks; energy conservation strategy (31 May, pp. 52–53).
- Properties to be disposed of within three years (31 May, p. 54).
- Darwin waterfront development project (31 May, pp. 54–55).
- Special forces training facility at Holsworthy; Sydney Harbour foreshore (31 May, pp. 55–56).
- Business processing centres and account processing centre in regional Australia for 2005 (31 May, pp. 84–85).
- Introduction of a bill for the statutory establishment of the DMP and the IGADF (31 May, pp. 69–70).
- Case relating to two officers from *HMAS Stirling* Naval base; allegations; medical board of inquiry finding; fine; payment by Defence of a proportion of board's legal costs (31 May, pp. 71–74). Foundation for delegate to authorise payment of costs. Delegations in general: policy and procedures; scrutiny of the process (31 May, pp. 75–80, 85–88).

People

Defence personnel

- Report on recruitment and retention in the ADF; meeting operational requirements; recruitment packages; officer retention rates; separation rates (31 May, pp. 4–8, 11–12). Critical trades shortages; recruitment and retention strategies (30 May, pp. 8–11); survey of satisfaction; task force on recruitment and retention (30 May pp. 12–14).
- Reclassification in PBS of civilian employees across the services and the DMO (31 May, pp. 33–34).
- Child care services for families of ADF personnel; new contract to manage child care centres; tendering process (31 May, pp. 61–64).
- Services workforce access program for partners; overview of the program: cost of program to date and projected cost for the next year; participation rate; outcomes of program so far; program audit; feedback from participants; criteria for involvement (31 May, pp. 81–84).
- Air Vice Marshal Criss's departure from the RAAF; Blick inquiry finding; compensation for detriment arising from defective administration; mediation; payments under the defective administration scheme; legal costs (31 May, pp. 91–94).

- Health services: Medical services 'two–star' position; review of military health services; recommendations made by the review (31 May, p. 65).
- Compensation for RAAF and civilian aircraft workers exposed to toxic substances (31 May, pp. 31–33, 35).
- Beryllium: information service; official responsibility for further contact on the matter; use of beryllium across the services; OHS awareness of the hazard; claims lodged (31 May, pp. 57–61).
- Environmental risks, including depleted uranium at Al Muthanna province in Iraq; health assessment team; advice to ADF personnel deployed in Iraq; testing of personnel in assessment team (31 May, pp. 64–65).
- ADF members exposed to radiation at RAAF Base Pearce (31 May, pp. 61, 66).

Department of Veterans' Affairs

10. The Committee acknowledges the presence at the hearings of Mr Mark Sullivan, Secretary, and officers of the Department of Veterans' Affairs.

11. The Committee commented on the trend over the last couple of years toward a more 'straightforward and easy to read' format in the portfolio budget statements. However, it did request a return to the practice of including in the PBS, information on the detail of budget measures and savings, which had been removed in recent times.³

12. Issues that were discussed included:

Portfolio overview

- Budget measures: scheduled fee increases for health care providers; allied health care fee indexation (pp. 64–66).⁴
- Overpayment to health providers (pp. 66–67).
- Implications of the free trade agreement on the cost of health care to Australian veterans (pp. 67–68).
- Removal of calcium tablets from RPBS; RPBS prescription threshold per annum (pp. 68–69).
- Decline in appropriation for income support; future projections for pension recipients. Client population numbers (pp. 69–71, 105).
- Military Compensation and Rehabilitation Scheme (MCRS): adjustment of liability provision (pp. 71–73).
- Cost forecasts for veterans' health care (pp. 74–75).

3 *Proof Hansard*, 30 May, 2005, p. 64.

4 Transcript page numbers for each day begin at page 1. Department of Veterans Affairs hearings are in *Proof Hansard*, 30 May, 2005. (See the transcript index at back of this report.)

Outcome 1—Compensation

- Cost of legal services to MCRS; case reconsiderations by in-house legal staff (pp. 76–77). In-house reconsiderations under the VEA (p. 77).
- Six monthly review of claims processing under the MCRS; feedback from ESOs on the new MCRS; training of advocates (p. 78). Review of the permanent impairment guide by Comcare (pp. 78–80). Guidelines for the administration of the MCRS (p. 80).
- Korean health study: release of report (p. 81).
- Compensation for defence personnel involved in the F-111 tank de-sealing/re-sealing; medical screening programs (pp. 82–83).
- Disability claims made and accepted since the release of the *Study of health outcomes in aircraft maintenance personnel (SHOAMP)*; number of claimants under various acts (pp. 83–85).
- Repatriation Medical Authority (RMA); types of disabilities and statements of principles; scientific advisory committee (pp. 85–86).
- Progress of the atomic testing dosimetry report (pp. 86–87).
- Third Vietnam veterans mortality study and cancer incidence study (pp. 87–88).
- Study of the use of Dapsone to treat Vietnam personnel for malaria (p. 88).
- Children's health feasibility study (pp. 88–89).
- Complaint from claimant about an alleged adverse medical review (p. 89).
- Cessation of the Veterans' Affairs Financial Information Service (pp. 89–90).

Outcome 2—Health

- Veterans' hospital and health services: projected costs and policies on service provision; control of costs; cost of gold and white cards (pp. 73–75).
- State health agreements; average annual growth rate for cost of GP and specialist consultations (p. 75).
- Veterans' employment and training scheme; rehabilitation requirements under the MRCS (pp. 90–91).
- Austin Hospital: redevelopment to improve appearance of psychiatric ward; new food arrangements; gender issues (pp. 91–93).
- Gold card veterans in Tasmania and access to specialists for treatment; types of treatment required; funding for additional specialists (pp. 93–94).

Outcome 3—Commemorations

- Availability of grant money for Ballarat prisoner of war memorial (p. 94).
- Funding for the commemoration program: notional plan for 2006 (pp. 95–96).
- Electoral grants commemoration projects: timing of information sent and processing of applications (pp. 96–99, 100).
- War graves: commemoration care and maintenance; special projects (pp. 99–100).
- Estimated budget expenditure for Commonwealth War Graves for 2005–2006 (pp. 100–101).
- Gallipoli: responsibility for various aspects of organising Anzac services and related events (p. 101).
- Thai–Burma monument at Hellfire Pass: issues about upgrading language accessibility at the monument; focus of commemoration; Christian cross at the memorial (pp. 102–103).
- Papua New Guinea: remains of Australian soldiers allegedly on display as tourist attraction (pp. 103–104).
- Government response to a Senate Committee's report on the administrative review of veterans' and military compensation and income support (p. 104).
- Anzac Field: naming of a football field in Subiaco, WA; naming of Anzac Bridge in Sydney (pp. 107–108).

Output 6

- Unscheduled absences by staff; types of leave taken; absence management policy; certified agreements (pp. 62–64).
- Review of service delivery framework; strategy for managing dwindling workload and human resources (pp. 104–105).
- Claim processing; further amalgamation with Defence service distribution network in various states; changing way of doing business (pp. 104–106).
- Information technology: upgrade desk top operating systems. Review of operating systems and developing applications processing (pp. 106–107).

Foreign Affairs and Trade portfolio

Department of Foreign Affairs and Trade

13. The Committee acknowledges the presence at the hearings, of Dr Geoff Raby, Deputy Secretary, and officers of the Department of Foreign Affairs and Trade.

14. Matters raised by the Committee included:

Portfolio overview

- Staffing levels in the department; staffing trends over the past decade; how staffing levels are set; attrition rates of staff; the efficiency dividend (1 June, pp. 3–7).⁵
- Language proficiencies; identification of languages for priority training; language designated/language desirable positions at overseas missions (1 June, pp. 7–10).
- Cost of the investigation into a possible breach of the APS code of conduct by Mr Trent Smith; the Lackey leak; other officers under suspension, with, and without, remuneration; on-going inquiries into leaks; DFAT officers charged with breach of APS code of conduct (1 June, pp. 10–16).
- Issues relating to Australians serving sentences in prisons overseas were discussed under portfolio overview but fall within output 2.1.1 Consular Services. For more detail see below (1 June, pp. 16–38).

Output 1.1.1 and 1.1.7

- Representations made to Japan about Japan's whaling program since the meeting of the International Whaling Commission (IWC) in 2004 (1 June, pp. 39–43, 53).
- Whether legal advice has been sought by DFAT in relation to taking Japan to the International Court of Justice; action taken by the department to ensure that the scientific research quota is not increased at this year's IWC meeting (1 June, pp. 77–83).
- Senator Campbell's visit to the Pacific and Europe to encourage countries to vote for conservation; the basis of IWC membership; verbatim record of the 52nd annual meeting of the IWC in Adelaide in 2000 which publicly canvassed Australian initiatives in relation to the International Court of Justice; Professor Gillan Triggs' involvement with DFAT; voting processes at the IWC (1 June, pp. 77–83).

5 Transcript page numbers for each day begin at page 1. The Department of Foreign Affairs and Trade hearings are in *Proof Hansards*, 1 and 2 June 2005. (See the transcript index at back of this report.)

- Verbatim transcript of the 2000 International Whaling Commission meeting in Adelaide; intervention dealing with action on North Pacific minke whale; Dr Trigg's article; International Court of Justice (2 June, pp. 3–8).

Output 1.1.2

- Proposed ASEAN Treaty of Amity and Cooperation (1 June, pp. 43–45).
- Security situation in Afghanistan; preparations for general elections in Afghanistan; visits by Australian diplomatic officials to Afghanistan; representations to the provisional government of Afghanistan about the explosion in drug production; requests from the provisional government for military assistance; consideration of diplomatic representation in Kabul (1 June, pp. 45–48).
- Possible outbreak of bird flu in the region (1 June, p. 48).
- Engaging mainstream Islam in the region; Australia–Malaysia Institute; Australia–Indonesia Institute (1 June, pp. 49, 50).
- Australia–Indonesia Partnership for Reconstruction and Development (1 June, pp. 49–50).
- Representations about the plight of political prisoners, the re–detention of Aung San Suu Kyi and the security situation in Burma (Myanmar); the progress of the national convention in Burma; current status of our human rights engagement in Burma (1 June, pp. 50–51).
- *Also output 1.1.8:* Location and security of Australian Embassy in Jakarta; assistance program to families of those killed in the bomb attack on the Australian Embassy in Jakarta (1 June, pp. 51–52, 58).

Output 1.1.3

- Involvement by DFAT in the issue of the invitation to Prince Charles to the opening of the Commonwealth Games (1 June, p. 53).

Output 1.1.4

- Violent clashes in Morocco between the military and protestors over the occupied territories in the Western Sahara; Australian support for a referendum to allow a decision on self–determination by the people of the Western Sahara (1 June, p. 54).
- The establishment of an Australian diplomatic mission in Libya; developments in Australia's relationship with Libya since the restoration of diplomatic ties; Australian companies with commercial links; number of Australians in Libya; consular coverage (1 June, pp. 54–55, 71–72).
- Memorandum of understanding with Nauru (1 June, pp. 55–57).
- Progress on greater pooling of regional resources in the Pacific region (1 June, pp. 57–58).

- Whether Australia sent an official delegation to Iraq to observe the elections held in late January (1 June, pp. 58–59).
- Senator Lightfoot's visit to Iraq; departmental travel advisory on Iraq; travel on official and private passports; departmental guidelines in relation to travelling overseas with firearms; other parliamentary travel to Iraq; Minister for Foreign Affairs objecting to Mr Rudd's plan to visit Iraq (1 June, pp. 60–67).
- Whether the department has engaged the services of Dr John Gee as a consultant; DFAT contact with Dr Gee; concerns about the direction of the Iraq Survey Group; meeting between Minister for Foreign Affairs and Dr Gee; Dr Gee's resignation; when the department became aware of Dr Gee's intention to resign (1 June, pp. 67–71, 76–77). DFAT response to the release of the Iraq Survey Group's final report (1 June, pp. 72–73).
- Negotiations with Papua New Guinea in relation to the Enhanced Cooperation Program (1 June, pp. 73–74).
- Security problem at Brisbane airport during a visit by Sir Michael Somare; briefing on airport security practices and procedures for visiting dignitaries (1 June, p. 74).

Output 1.1.5 and Output 1.1.6 (evidence heard on 2 June 2005)

- Australia's trade performance from 2000–2001 to the present time (2 June, pp. 65–66).
- Export growth forecast; impact of the drought; major resource items—iron and coal; factors impacting on Australia's export performance; services performance (2 June, pp. 66–69).
- WTO: status of the Doha negotiations; ministerial meeting in Hong Kong and other meetings; long term settlement of the round and APEC (2 June, pp. 70–71, 74). Cairns group activity (2 June, pp. 71–73). New services offer; Bogor goals (2 June, pp. 73–75).
- Free trade agreements: ASEAN, China, Malaysia and the United Arab Emirates; United States–Australia FTA; departmental resources and staffing of the Asia Trade Task Force (2 June, pp. 75–81).
- US–FTA: screen producers association of Australia (2 June, p. 82).
- Vietnam's WTO accession negotiations with Australia (2 June, pp. 82–84).

Output 1.1.7

- United Nations: panel report; Human Rights Commission and Security Council (2 June, pp. 8–9).
- International Criminal Court: correspondence from US regarding proposed article 98(2) (2 June, pp. 9–10).

Output 1.1.8

- Possible underground nuclear testing in North Korea; protection of nuclear material, particularly in the Soviet Union (2 June, pp. 11–12).
- International projection of Australian policies and capabilities on counter-terrorism; definition of 'terrorism'; threat to Australia (2 June, pp. 12–13).

Output 1.2 and 1.3

- Assessment of a threat to Australian Embassy in Cambodia; assessment of the threat of Jemaah Islamiah; upgraded security for the embassy (2 June, pp. 14–15).
- Return to Israel of a diplomat (2 June, pp. 16–17).

Output 2.1

The following issues in *output 2.1 Consular Services*, were discussed under portfolio overview.

- The number of Australians serving sentences in prisons overseas; consular assistance provided to convicted prisoners; intervention in legal cases; access to legal representation; scheme for applying for financial assistance from the Attorney-General's department to fund legal representation (1 June, pp. 16–18, 22, 33).
- Government intervention to seek a pardon or clemency; Scanlon case in the Maldives (1 June, pp. 18, 19–22, 34).
- DFAT's role in the development of prisoner exchange agreements; status of prisoner exchange agreement with Indonesia (1 June, pp. 18–19).
- Whether the government has offered the assistance of two QCs for Schappelle Corby's appeal (1 June, p. 22).
- Talaal Adree case in Kuwait (1 June, pp. 22–26).
- The effectiveness of the department's anti-drug trafficking message for overseas travellers (1 June, pp. 27, 34).
- Travel warning for Australians travelling to Indonesia (1 June, p. 28).
- Deportation of Ms Alvarez Solon (1 June, pp. 28–38, 52).
- Preparation of travel advisories; evidence taken as the basis for content of a travel advisory; correspondence from justice minister to Minister for Foreign Affairs; investigation into alleged sexual assault on children in Bali; funding to Child Wise organisation; *Hints for Australian travellers* booklet (2 June, pp. 17–23, 29–30).
- Customs report detailing security problems at Sydney airport (2 June, pp. 23–24).
- Australian official passports lost or stolen; ordinary passports lost or stolen; tracking lost passports and replacement procedures; passport fraud; biometrics project; passport cancellation because of security risk (2 June, pp. 24–29).

AusAID (evidence heard on 2 June 2005)

15. Matters raised by the Committee included:

- The aid white paper; consultation in the drafting of the paper; seminars and discussion paper; cost of the white paper process (pp. 30–32, 36).
- OECD Development Assistance Committee (DAC) peer review; AusAID's forward strategies for country and regional programs (p. 32). Poverty reduction: implementation, monitoring and evaluation; increase and decline in aid expenditure for various programs; commitment to maintain or increase ODA (pp. 32–34).
- Health and education in Melanesia; funding of aid programs in the health and education and infrastructure sectors (p. 34).
- Varying emphasis in aid for rural development, infrastructure and governance (p. 35).
- Millennium development goals; Australia's report on goal 8 (pp. 36–37).
- Contributions to aid programs by other government departments and other organisations (p. 36).
- 'Harmonisation' processes in Asia and the Pacific region; collaboration between Australia, New Zealand and the Cook Islands (pp. 38–39).
- Enhanced Cooperation Program (ECP) with Papua New Guinea; aid component (pp. 39–41).
- Global fund contribution; Australia's level of participation; AusAID's relationship with the global fund; Australia's role in the constituency group; steering committee meeting (pp. 41–43).
- AusAID special representative on AIDS; budget on overseas development assistance to be spent on sexual and reproductive health (p. 43).
- Australia–Indonesia Partnership for Reconstruction and Development; women's reproductive health issues and; violence against women and children; church involvement in delivery of HIV/AIDS support services; UNFPA (pp. 43–45).
- East Timor: maternal mortality and malnutrition rates; audit on health services in Timor Leste (p. 45).
- Tsunami relief: management of expenditure; coordination of ongoing support (pp. 45–46).

Austrade (evidence heard on 2 June 2005)

16. Matters raised by the Committee included:

- Export Market Development Grant Scheme (EMDG): processing of applications where expenditure was incurred in 2003–04; allocation of funds for the program; average payment under the scheme (pp. 47–50).

- Review of EMDG under legislation; cost of, and report on, the review; annual budget target to double Australian exporting community; number of new and continuing Austrade clients in various years; scheme eligibility criteria; EMDG administration costs (pp. 51–57).
- Australia's export performance: rise in export values; Reserve Bank statement; options to improve Australia's trade performance; pressure on Austrade budgeting and staffing arrangements; survey on exporter confidence; the Gregory effect (pp. 57–61).
- Elaborately transformed manufactures (ETMs); EMDG grants classified as ETMs; report to the Manufacturing Industry Consultative Council by Centre for Strategic Economic Studies; ETM export to China (pp. 62–63).
- Austrade international resources in China; proposed China free trade agreement (p. 64).

Acknowledgements

17. The Committee expresses its appreciation of the assistance given during its hearings by Senator the Hon Robert Hill, Minister for Defence. The Committee also acknowledges the attendance and cooperation of departmental and agency officers and the services of various parliamentary staff involved in the estimates process.



Sandy Macdonald

Chair

**Foreign Affairs, Defence and Trade
Legislation Committee**

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