

The Senate

Foreign Affairs, Defence and Trade
Legislation Committee

Budget estimates 2018–19

June 2018

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Committee Membership

Senator Linda Reynolds CSC, Chair	LP, WA
Senator Alex Gallacher, Deputy Chair	ALP, SA
Senator the Hon Eric Abetz	LP, TAS
Senator David Fawcett	LP, SA
Senator Claire Moore	ALP, QLD
Senator Rex Patrick	CA, SA

Senators in attendance

Senators Reynolds, Gallacher, Abetz, Fawcett, Moore, Patrick, Anning, Carr, Collins, Di Natale, Farrell, Ketter, Kitching, Leyonhjelm, Lines, McCarthy, Molan, Rhiannon, Rice, Singh, Sterle, Storer, Whish-Wilson, Wong

Secretariat

Ms Lyn Beverley, Committee Secretary

Ms Margaret Cahill, Research Officer

Ms Shannon Ross, Administrative Officer

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Budget Estimates 2018-19

Portfolio coverage

1.1 The committee has responsibility for examining the expenditure and outcomes of the following:

- Defence Portfolio (including Veterans' Affairs); and
- Foreign Affairs and Trade Portfolio.¹

Reference

1.2 On 8 May 2018, the Senate referred the following documents to the Senate Foreign Affairs, Defence and Trade Legislation Committee (the committee) for examination and report:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2019.
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2019.
- Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2019.²
- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2018.
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2018.³

1.3 The committee is required to report to the Senate on 26 June 2018 in respect of the 2018-19 Budget estimates.⁴

1.4 It is noted that the proposed supplementary additional expenditure as contained in Appropriation Bill (No. 5) 2017-18 included \$947,846,000 for the Defence Portfolio; and Appropriation Bill (No. 6) 2017-18 did not include proposed expenditure for either of the committee's portfolio responsibilities.

1 *Journals of the Senate*, No. 2, 31 August 2016, pp. 75-76. This order was subsequently amended on 12 February 2018 and 15 February 2018; however, the amendments did not relate to these portfolios. See *Journals of the Senate*, No. 84, 12 February 2018, pp. 2668-2669, and *Journals of the Senate* No. 87, 15 February 2018, p. 2740.

2 The Senate Finance and Public Administration Legislation Committee has responsibility for the oversight of the Parliament.

3 *Journals of the Senate*, No. 95, 8 May 2018, p. 3033.

4 *Journals of the Senate*, No. 70, 15 November 2017, p. 2228.

Portfolio Budget Statements 2018-19 and Portfolio Supplementary Additional Estimates Statements for 2017-18

1.5 The Portfolio Budget Statements for 2018-19 for the Defence Portfolio, Department of Veterans' Affairs and the Foreign Affairs and Trade Portfolio were tabled in the Senate on 8 May 2018.⁵ The Portfolio Supplementary Additional Estimates Statements for 2017-18 for the Defence Portfolio was also tabled on this date⁶ and provided an overview of the additional funding and adjustments since the 2017-18 Portfolio Additional Estimates Statements:

Government will provide additional funding to Defence and better align Defence's existing funding with Capability project requirements, including the Government's national naval shipbuilding program.

Within the 2017-18 PAES, the adjustment relating to Per-and Poly-Fluorinated Alkyl Substances — research and associated activities was recorded as an Other Budget Adjustment. This adjustment has subsequently been reclassified as a Departmental Budget Measure.

Defence funding has also been updated to reflect movements in foreign exchange which are funded on a no-win no-loss basis.

Within the 2017-18 PAES, Defence previously contributed \$12.0m in 2017-18 (\$12.3m across the Forward Estimates) to the Per-and Poly-Fluorinated Alkyl Substances — National Health Research Program led by the Department of Health. In 2017-18, the amount utilised by the Department of Health has been less than anticipated, resulting in \$0.3m being returned to Defence.⁷

Hearings

1.6 The committee conducted public hearings from 29 May to 1 June 2018. The Defence Portfolio (including Veterans' Affairs) was examined on 29 and 30 May; and the Foreign Affairs and Trade Portfolio on 31 May and 1 June 2018.

1.7 The committee received evidence from Senator the Hon Marise Payne, Minister for Defence and representing the Minister for Veterans' Affairs, and from officers from the relevant departments and agencies within the Defence Portfolio, including Veterans' Affairs.

1.8 The committee also received evidence from Senator the Hon Marise Payne, representing the Minister for Foreign Affairs; Senator the Hon Mitch Fifield, representing the Minister for Foreign Affairs; Senator the Hon James McGrath, representing the Minister for Foreign Affairs and Minister for Trade, Tourism and Investment; and Senator the Hon Concetta Fierravanti-Wells, Minister for International Development and the Pacific, and also representing the Minister for

5 *Journals of the Senate*, No. 95, 8 May 2018, p. 3033.

6 *Journals of the Senate*, No. 95, 8 May 2018, p. 3033.

7 *Portfolio Supplementary Additional Estimates Statements 2017-18 – Defence Portfolio*, p. 2.

Foreign Affairs. The committee also received evidence from officers from the Department of Foreign Affairs and Trade and portfolio agencies.

1.9 The committee expresses its appreciation for the assistance of the Ministers and officers who appeared.

1.10 The committee notes in particular its appreciation of the attendance of Mr Alastair MacGibbon, Deputy Secretary, National Cyber Security Advisor, Department of Home Affairs, and Head, Australian Cyber Security Centre; and Mr Mike Burgess, Director, Australian Signal Directorate, who were not scheduled to appear and attended during the committee's examination of the Department of Defence on 29 May 2018 at very short notice. Mr MacGibbon had already appeared before the Senate Legal and Constitutional Affairs Legislation Committee during its examination of the Home Affairs Portfolio in the previous week.⁸

1.11 Over the course of the hearings, the committee took evidence from the following departments and agencies:

Defence Portfolio (including Veterans' Affairs)

- Department of Defence
- Defence Housing Australia
- Australian War Memorial
- Department of Veterans' Affairs

Foreign Affairs and Trade Portfolio

- Department of Foreign Affairs and Trade
- Tourism Australia
- Australian Trade and Investment Commission
- Export Finance and Insurance Corporation

Questions on notice and Hansard transcripts

1.12 In accordance with Standing Order 26(9)(a), the committee has set 13 July 2018 as the due date for the return of answers to questions on notice.

1.13 The transcripts of these public hearings and answers and additional information are available on the committee's website at:

https://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/fadt/2018-2019_Budget_estimates

1.14 In this report references to Hansard are to the proof transcripts. Page numbers may vary between the proof and official Hansard transcript.

8 From 1 July 2018 the Australian Cyber Security Centre will become part of the Australian Signals Directorate (ASD) which will become an independent statutory body. Mr Burgess is the Director-General Designate of the ASD and Mr MacGibbon is the Deputy Director-General Designate. The ASD will appear under the Defence Portfolio at future estimates hearings.

Defence Portfolio, 29 May 2018

Department of Defence

1.15 Senator the Hon Marise Payne, Minister for Defence, Air Chief Marshal Mark Binskin AC, Chief of the Defence Force, and Mr Kim Gillis, Deputy Secretary, Capability Acquisition and Sustainment Group, Department of Defence, made opening statements.

1.16 Topics examined during the hearing included:

- Late answers to questions on notice from the previous estimates round (pp. 8-10)
- Appointment of the Hon David Johnston as the Australian Defence Export Advocate, including duties, remuneration arrangements, and whole of government approach (pp. 10-14, 51-53, 93-94)
- Ongoing investigation of an officer working at Defence's future submarine office in France for alleged misappropriation of funds (pp. 15-16)
- Review of the *Defence Trade Controls Act 2012* by Dr Vivienne Thom and the issue of non-compliance by Australian universities and research bodies (pp. 16-20)
- Australian National Audit Office *Report No. 39 2017-18 – Naval Construction Programs – Mobilisation*, (pp. 21-23) also including:
 - Offshore Patrol Vessel Project sustainment and build costs (pp. 24-27, 33-34)
 - Future Frigates program schedule and risk mitigations, including prototyping (pp. 27-31)
 - Future Submarines build and sustainment costs (pp. 32-33)
 - Workforce issues, establishment of the Naval Shipbuilding College and cost increases (pp. 38-45)
- Offshore Patrol Vessel Project, including contract with Lurssen, and the unsuccessful negotiations between Lurssen and Austal (pp. 33-37)
- Future Submarine program, including the Australian Industry Plan prepared by DCNS as part of its bid for the competitive evaluation process and proposal to partner with ASC in the build (pp. 45-50, 61-62)
- Process for appointing the Deputy Secretary for Naval Shipbuilding (pp. 53-54)
- Defence involvement in Naval Group Australia's recruitment processes (pp. 54-56)
- Submarine sustainment moving to Western Australia (pp. 58-60)
- Future Submarine Program milestone payments (pp. 60-61)
- Naval Shipbuilding Advisory Board and Submarine Advisory Committee (pp. 63-68)

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- Internal inquiry into the Defence Science and Technology Group regarding contracting processes in relation to the Future Submarine program (pp. 68-72)
 - Defence Export Facility and Defence engagement in Saudi Arabia and the United Arab Emirates (pp. 72-78)
 - Australian support to enforce the United Nations (UN) Security Council resolutions to maintain economic and diplomatic pressure on North Korea by the deployment of a P-8A Poseidon maritime patrol aircraft to Japan (p. 78)
 - Budget measure regarding re-profiling of Defence expenditure (pp.78-79)
 - Processes to verify the presence of combatants and civilians prior to the conduct of an air strike and payment of compensation to civilian victims of air strikes (pp. 79-80)
 - Defence operations across the Pacific (pp. 81-82)
 - Relationship between the Governor-General and the armed forces and call-out provisions (pp. 82-83)
 - Operation Manitou and *HMAS Warramunga* (p. 83)
 - Cyber security, including staffing, budget, portfolio responsibilities and new arrangements which come into effect on 1 July 2018, moving of the Australian Cyber Security Centre into the Australian Signals Directorate, Defence compliance with the 'essential eight', cloud certification process, and circulation of a draft cyber security manual (pp. 84-105)
 - Role of the Australian Defence Force's (ADF) Joint Cyber Unit and recognition of cyberspace as a war-fighting domain (pp. 105-106)
 - Global Supply Chain Program (p. 106)
 - Advisory bodies engaged in workforce development and skills needed for naval shipbuilding (pp. 107-109)
 - Credit card fraud and level of recovery (pp. 110-111)
 - Disparity in the level of use of Qantas compared to Virgin by departmental officials (pp. 112-113)
 - Land materiel maintenance contract between the Joint Logistics Command and Broadspectrum, and status of the enterprise agreement negotiations (pp. 113-115)
 - Investigation into allegations regarding the attendance of Mr Hugh Ochremienko of the company Hugh Element at Defence barracks to provide financial advice (pp. 116-118)
 - Recruitment of female infantry recruits (pp. 118-121)
 - Investigation into the cause of engine failure and subsequent fire in a Growler aircraft at Nellis Air Force base in the United States (pp. 122-123)

Defence Portfolio, 30 May 2018

Department of Defence (continued)

1.17 Topics examined during the hearing included:

- Australian Defence Export Advocate (pp. 7-8)
- Projects of concern (pp. 8-13, 18-20)
- Range of the F-35A combat aircraft and availability of spare parts (pp. 13-15)
- Acquisition of F-18s by Canada (pp. 15-16)
- Tender with Prepack for the supply of combat ration packs (p. 16)
- Decision on the anti-tank missile for the LAND 400 Phase 2 (p. 16)
- Estimation of sustainment costs for new acquisitions (p. 17)
- Industry as a fundamental input to capability (pp. 20-21)
- Implementation of the SmartBuyer program (p. 21)
- Defence estate, including property disposal and expansion, commercial utilisation of Defence property, and development of wharves (pp. 22-37)
- PFAS contamination, update on remediation processes, whole-of-government taskforce and expert panel, community engagement and support, and review of Defence's use of ansulite over Solberg RF6 foam (pp. 27-50)
- ServiceNow automated post-in, post-out system pilot for ADF personnel (pp. 50-52)
- Sexual misconduct in the ADF, including statistics, Sexual Misconduct Prevention and Response Office (SeMPRO) extension of services to cadets, training, support services in regional areas, and staffing (pp. 52-56, 62)
- Implementation of the *Australian Government Guidelines on the Recognition of Sex and Gender* (pp. 57-58)
- Use of antimalarial drugs by Defence, particularly Mefloquine (pp. 58-59)
- ADF transition processes (pp. 60-61)
- Changes to healthcare practitioners employed by Healthcare Australia at Lavarack Barracks (p. 62)
- Vacancies for social workers in the Defence Community Organisation (p. 63)
- New fleet directive restricting alcohol consumption by sailors in overseas ports (pp. 64-67)
- Security clearance for senior executives within Defence Science and Technology Group (pp. 69-70)

1.18 At the hearing, the committee and the Minister for Defence acknowledged the significant contributions of retiring officers from leadership positions in the ADF and the department. It was noted that it was the last estimates hearing at which Air Chief Marshal Mark Binskin AC, Vice Admiral Ray Griggs AO CSC, Vice Admiral Tim

Barrett AO CSC RAN, and Mr Kim Gillis would attend before their retirement later in the year. The committee thanked all officers for their assistance to the work of the committee over many years. (29 May 2018, pp. 4-5; 30 May 2018, pp. 70-72)

Defence Housing Australia

1.19 Topics examined during the hearing included:

- Upgrade to housing at Seaward Village in Western Australia (p. 72)
- On-base projects, including delivery of 80 properties at RAAF Base Darwin (p. 73)
- Development at Mount Lofty in Toowoomba (pp. 73-74)
- Process for board appointments (pp. 74-75)

Australian War Memorial

1.20 The Hon Dr Brendan Nelson, Director of the Australian War Memorial (AWM), made an opening statement.

1.21 Topics examined during the hearing included:

- Development of detailed business case for additional exhibition space (pp. 75-77, 83)
- Budget measure - Digitisation and sustainment program (p. 77)
- Staffing (p. 78)
- Sponsorship and financial contributions, particularly from military and defence firms (pp. 79-81)
- Donation from Dr Chau Chak Wing (pp. 81-82)
- Memorialising the conflicts between Europeans and First Australians (pp. 82-83)
- 75th anniversary of the sinking of the hospital ship *Centaur* (p. 83)
- Process for booking function space at the AWM (pp. 83-84)

Department of Veterans' Affairs

1.22 Ms Liz Cosson AM CSC, Secretary of the Department of Veterans' Affairs (DVA), made an opening statement.

1.23 Topics examined during the hearing included:

- Budget measure - Improved Dental and Allied health (pp. 85-89)
- Progress on the implementation of recommendations of the Senate inquiry into suicide by veterans and ex-service personnel (pp. 89-90)
- Australian Federation of Totally and Permanently Incapacitated Ex-Servicemen and Women Ltd budget submission for an additional \$240 million a year (pp. 90-91)
- Trial of post-traumatic stress disorder assistance dogs for veterans (pp. 91-92)

- Support for Maralinga veterans (p. 92)
- Medicare freeze and impact on the repatriation medical fee schedule (pp. 93-94)
- Non-Liability Health Care arrangements (pp. 95-96)
- ICT transformation (pp. 96-99)
- MyService online claims processing portal (pp. 99-100)
- Initiatives to reach veterans not currently in contact with DVA (pp. 100-101)
- Veterans' employment, including the budget measure – Support for Veterans' Employment Opportunities (pp. 101-103)
- Armistice Centenary Grants Program (pp. 103-106)
- Transport bookings in New South Wales (pp. 106-107)
- Use of Art therapy as part of rehabilitation programs (pp. 107-108)
- Long Tan bursaries (p. 108)
- Maintenance of the First Australian Imperial Force War Memorial at Mount Scopus Cemetery in Jerusalem (p. 109)

Foreign Affairs and Trade Portfolio, 31 May 2018

Department of Foreign Affairs and Trade (DFAT)

Non-trade programs

1.24 Topics examined during the hearing included:

- Australia's relationship with China, including:
 - Current state, challenges and future direction (pp. 5-10)
 - Public service arrangements reflecting a whole of government approach (pp. 14-15)
 - Expanded North Asia Division within the department (pp. 15-18)
 - Issues experienced by businesses in the areas of wine and beef exports (pp. 18-21)
 - Ministerial visits (pp. 36-37)
 - Timing of the next Australia Week in China event (pp. 41-43)
 - Chinese International Exporters Expo (p. 44)
- Australia's vote on the UN resolution on an independent investigation into alleged violations and abuses of international humanitarian law in relation to recent events in Gaza (pp. 21-25)
- Opening of the United States Embassy in Jerusalem and associated reception (pp. 25-26, 60-61, 71)

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- Media reports about the deployment of drones with tear gas canisters on the border by the Israeli border police (pp. 72-73)
 - Absence of a reference to 'Occupied Palestinian Territories' on the Smartraveller website (p. 74)
 - Cambodia, including Australian representations regarding human rights concerns and the repression of the opposition party, possible role of Paris Peace Accords, process for the forthcoming election, aid program, and an update on the case of Mr James Ricketson (pp. 26-30)
 - Myanmar, including the UN fact finding mission, imposition of sanctions, defence cooperation, aid program, Australian representations in regard to two Reuters journalists imprisoned since December 2017, current situation of the Rohingya refugees in Cox's Bazar and the immediate challenge of the coming monsoon, and the level of Australia's aid support (pp. 30-35)
 - Written representation from the Geneva Group to the Director General of the World Intellectual Property Organisation, Dr Francis Gurry, regarding a decision to pay staff an organisation-wide bonus of SwF200; the protection of whistleblowers who are DFAT employees working in the UN system; and comments made in the US Congress about the actions of Dr Gurry (pp. 37-39, 48-51)
 - Government response to the Joint Investigation Team findings into the downing of MH17 (pp. 40-41)
 - Official Development Assistance (ODA) funding (pp. 45-46, 106-108)
 - Configuration of military presence in the South Pacific, particularly in relation to media reports of China establishing a military base in Vanuatu (pp. 46-48, 98-99)
 - Level of aid funding in the Pacific, including the budget measures regarding undersea Cables for Papua New Guinea (PNG) and Solomon Islands and support provided to PNG for hosting APEC 2018 (pp. 51-59)
 - Aid funding to the Palestinian Territories, including funding to the UN Refugee and Works Agency for Palestine Refugees, and definition of Palestinian refugees (pp. 60-70)
 - Australian Government's support for the territorial integrity of Azerbaijan (p. 70)
 - DFAT recommendations on guests of Government visits (pp. 74-76)
 - Proposed new agricultural visa (p. 77)
 - Implementation of the Foreign Policy White Paper (pp. 78-82)
 - Progress on Article 6 of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and effect of the nuclear ban treaty on the NPT (pp. 82-85)
 - United States withdrawal from the Joint Comprehensive Plan of Action agreement in relation to Iran's nuclear program (pp. 85-87)

- Maritime treaty with Timor-Leste and engagement regarding the development of the Greater Sunrise area (pp. 87-88, 99)
- Progress on the negotiations between ASEAN and China for a Code of Conduct for the South China Sea (pp. 88-90)
- Dialogue with other capital importing countries around Australia's Foreign Investment Review Board processes (p. 90)
- India, including representations from non-quadrilateral countries in the region about the Quadrilateral Security Dialogue process, representations for Australia to join the Malabar Exercise, and the India Economic Strategy (pp. 90-93)
- Update on the situation in North Korea and prospects for denuclearisation (p. 94)
- ODA program with the Philippines and engagement in relation to human rights issues (pp. 95-97)
- Human rights issues in West Papua (p. 97)
- Review of shortwave broadcasting by DFAT and Department of Communications and the Arts (p. 101)
- Departmental travel costs and disparity of usage of Qantas over Virgin (pp. 102-103)
- Former Australian High Commissioner to the United Kingdom using official account to retweet tweets from Ms Georgina Downer (pp. 103-106)
- Consideration of an Australian version of the 'Magnitsky Act' (pp. 108-109, 111-113)
- Manus Island, including Australian assistance in developing tourism and PNG's visa policy for entry (pp. 113-114)
- Australian representations to China on the sentencing of Mr Tashi Wangchuck (p. 114)
- Update on the forthcoming election in Afghanistan and recent election in Iraq (pp. 115-116)
- Demolition and construction of the new Australian embassy in Washington, and lease of temporary accommodation (pp. 116-118)
- Australia's participation in Expo 2020 Dubai (pp. 118-121)
- Foreign Minister's Partner's travel (pp. 121-123)
- DFAT processes for receipt and declarations for official gifts received overseas (pp. 123-124)
- DFAT's consideration of the Montevideo Convention on Statehood in terms of advice on the question of statehood for Palestine (p. 127)
- Update on the situation in Syria, particularly in relation to the chemical weapon attack in Douma in April 2018 (pp. 128-129)

Foreign Affairs and Trade Portfolio, 1 June 2018

Department of Foreign Affairs and Trade (continued)

Non-trade programs

- Expenditure on international climate finance pledged by the Prime Minister under the 2015 Paris Agreement roadmap and process for tracking expenditure (pp. 5-6)
- Pacific Climate Change Action Program (p. 7)
- Australian advocacy and representations to the Sri Lankan Government in regard to communal violence against Muslim communities (pp. 7-8)
- Human rights issues in West Papua (pp. 9-10)
- Torricelli Mountain Range Protected Area, Papua New Guinea (p. 10)
- Disruption by China to one of the meetings of the Kimberley Process hosted in Australia in 2017 regarding the arrangements for Taiwan's involvement (pp. 10-11)
- Economic coercion by China of international companies in relation to the referencing of Taiwan as a country (p. 11)
- Level of persecution of religious minorities around the world, particularly in regard to Christians (pp. 12-13)
- Child protection within Australian aid programs, including notifications of child sexual abuse (pp. 14-16)
- China's role in assisting the UN Security Council to strengthen the international sanctions regime on North Korea (p. 16)
- Australian representations regarding women imprisoned in Iran as a result of participating in protests against the hijab (p. 17)
- Requirement under the Australian Public Service Code of Conduct for managing a potential conflict of interest for DFAT staff involved in a political campaign (pp. 18-20)
- Performance based bonuses for staff (pp. 21-24)
- Guidance to heads of missions about commenting on politics (p. 24)
- Update on the situation in Yemen and level of aid funding (pp. 25-26)
- DFAT input into the proposed modern slavery act for Australia (pp. 26-27)
- Access to medications in the PNG health system (pp. 29-30)

Trade programs

- Agreement with China to increase market access for Australian beef (pp. 32-33)
- Issues regarding Australian wine exports to China (pp. 33-38)

- Review of Memorandum of Understanding on an Investment Facilitation Arrangement (pp. 38-40)
- Budget measure regarding Foreign Policy White Paper implementation providing \$15 million over four years for a package of initiatives to support the Australian business community (pp. 40-42)
- Investor-state dispute settlement provisions in trade agreements (p. 43)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11), including World Trade Organisations dispute settlement processes (pp. 44-45)
- Tariffs applied to Australian steel exported to the United States (pp. 45-47)

Tourism Australia

1.25 Topics examined during the hearing included:

- Approach to domestic and international advertising, and budget (pp. 47-48)
- Relationship with the states (p. 48)
- Foreign exchange fluctuations impacting on agency budget (p. 49)
- Australian visa charge in Indonesia (pp. 49-50)
- Consumer demand project which looks at the perceptions of Australia as a destination and the experience of international tourists (p. 50)
- Number of flights between Australia and Asia (pp. 50-51)
- Wine tourism and tourism focussed on experiencing Indigenous culture (p. 51)
- Cradle Mountain Precinct (pp. 52, 59)
- Tourism related infrastructure (pp. 53-54)
- Business Events Bid Fund (p. 55)
- Youth and working-holiday marketing (pp. 55-57)
- Beyond Tourism 2020 (p. 57)
- Tourism Access Working Group (p. 58)
- Qantas Dreamliner service (p. 58)

Australian Trade and Investment Commission

1.26 Topics examined during the hearing included:

- Value of tax exports for Tasmania (p. 60)
- Australia Week in China event (pp. 60-63)
- Impact of funding cuts through efficiency dividend (pp. 63-64)
- Start-up landing pads program (pp. 64-68)

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- Development of the lithium and other rare earths and tech metals industries (pp. 68-69)
 - Mining Indaba (p. 69)
 - Support for Australian mining companies owning mining concessions in protected forest reserves and indigenous territories in Ecuador (pp. 69-70)
 - Update on implementation of recommendations from the Mortimer Review of Export Policies (pp. 70-71)
 - International business internships with overseas postings (p. 72)
 - Potential link between the COAG Ministerial Council on International Trade and Austrade (p. 72)

Export Finance and Insurance Corporation (Efic)

1.27 Topics examined during the hearing included:

- Cost of Christmas functions for clients and staff (pp. 73-74)
- Executive remuneration and payment of performance bonuses (pp. 74-77)
- Loan to Nyrstar (p. 77)
- Implementation of changes under the Export Finance Insurance Corporation Amendment (Support for Commonwealth Entities) Bill 2016 which included a requirement for certification of job creation (pp. 77-78)
- Efic contact with Adani, companies associated with the Carmichael project or other businesses associated with opening the Galilee Basin; and discussions with the Minister regarding using the National Interest Account (p. 79)
- Due diligence and risk assessment for the PNG LNG project (pp. 80-83)
- Involvement in projects covering mining or production of lithium, rare earth and tech minerals (pp. 84-85)
- Administration of the Defence Export Facility (p. 85)

**Senator Linda Reynolds CSC
Chair**

Appendix 1

Tabled documents

Defence Portfolio

Tuesday, 29 May 2018

- Mr Kim Gillis, Deputy Secretary Capability Acquisition and Sustainment Group, Department of Defence: Opening statement
- Air Chief Marshal Mark Binskin AC, Chief of the Defence Force, Department of Defence: Opening statement
- Senator Rex Patrick: Minister for Defence return to Senate Order of 12 February 2018 seeking the tabling of the Australian Industry Plan prepared by DCNS (now trading as Naval Group) which formed part of its response to the Future Submarine Competitive Evaluation Process, dated 10 May 2018

Wednesday, 30 May 2018

- Senator Rex Patrick: Extract from the Report of the US House of Representatives Committee on Armed Services on HR 5515 - National Defense Authorization Act for Fiscal Year 2019
- Major General David Coghlan AM, Head Land Systems, Department of Defence: Combat rations list with country of origin
- Ms Liz Cosson, AM CSC, Secretary, Department of Veterans' Affairs: Opening statement
- Ms Liz Cosson, AM CSC, Secretary, Department of Veterans' Affairs: Progress on implementation of recommendations of the Senate Committee report: Suicide by Veterans and Ex-service Personnel

Foreign Affairs and Trade Portfolio

Thursday, 31 May 2018

- Ms Frances Adamson, Secretary, Department of Foreign Affairs and Trade: Department of Foreign Affairs and Trade North Asia Division chart
- Mr Paul Wood, Chief Financial Officer, Department of Foreign Affairs and Trade: Funding for country and regional programs as at 17 May 2018
- Department of Foreign Affairs and Trade: Itinerary for Minister Ciobo's visit to Shanghai 17-20 May 2018
- Senator the Hon Penny Wong: Former Australian High Commissioner to the United Kingdom retweets of tweets by Ms Georgina Downer

- Mr Paul Wood, Chief Financial Officer, Department of Foreign Affairs and Trade: Table: Reconciliation of Official Development Assistance: Budget Paper No. 1, 2018-19 PBS and 2018-19 Orange Book

Friday, 1 June 2018

- Mr Paul Wood, Chief Finance Officer, Department of Foreign Affairs and Trade: Table: Australian Climate Finance Official Development Assistance, Type of Assistance by Region of Benefit, 2016-17 (a)