



Australian Government
**Department of Resources,
Energy and Tourism**

GPO Box 1564, Canberra ACT 2601
Phone (02) 6276 1000
www.ret.gov.au

ABN 46 252 861 927

Dr Kathleen Dermody
Committee Secretary
Senate Foreign Affairs, Defence and Trade Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Dr Dermody

**RE: Inquiry into the provisions of the Export Finance and Insurance Corporation
Amendment (New Mandate and Other Measures) Bill 2013**

The Department of Resources, Energy and Tourism (RET) has been a participant in an interdepartmental process to consider the recommendations of the Productivity Commission (PC) Inquiry report into Australia's Export Credit Arrangements. RET's particular concern in this process has been to ensure that any changes to the Export Finance and Insurance Corporation (EFIC) mandate and EFIC Act would continue to enable all companies, regardless of sector and size, to apply for EFIC support for export-related activities.

Mining in Australia is overwhelmingly an export industry, and is heavily reliant on infrastructure and other services to provide a national benefit. Resources sector projects tend to be higher cost than export-related projects developed in other industries, and a 'small' resources sector company is likely to exceed small to medium sized enterprises (SME) caps relevant to other industries. These companies are, however, likely to face similar problems to other industries with regard to market access and access to capital, including suffering from information-based market failures which mean that they are unable to access export related financing – a situation which EFIC is tasked to assist in resolving.

RET therefore supports the proposed changes to the EFIC Act provided that no company is excluded by virtue of its size or sector. In order to ensure that EFIC focusses the majority of its attention on SMEs, RET is comfortable with EFIC needing to seek Ministerial approval to provide services to the largest few businesses in any sector provided that such approval add no more than an additional two weeks to the current processing time, to ensure that companies do not miss a window of opportunity due to Government red tape. RET is also happy that EFIC be enabled to extend its reach to support establishment of offshore operations.

I would be happy to support these comments with further information should this be useful.

Yours sincerely

Chris Stamford
A/g Head of Division
Resources Division
18 April 2013