



Australian Government

Australian Government response to the
Senate Foreign Affairs, Defence and Trade Legislation
Committee report:

Export Finance and Insurance Corporation (Support for
Commonwealth Entities) Amendment Bill 2016 [Provisions]

April 2017

Response to Labor Senators' Recommendation

Recommendation 1

Any company wishing to access a loan or guarantee from Efic for an overseas project must demonstrate that the loan or guarantee will result in a growth of jobs in Australia. Such a test should be legislated in the Act.

- Noted. The Government is focused on encouraging jobs and growth, including through Efic's support to Australian exporters. It is already Efic policy that applicants for its Overseas Direct Investment financing product must not use it to fund the outsourcing of jobs.

Response to Senator Nick Xenophon's Recommendations

Recommendation 1

1.8 In the context of Australia's balance of trade deficit, Efic should and needs to remain tightly focussed on facilitating export trade, and the first amendment should be opposed.

- Noted. Efic already has the capability to levy a fee-for-service for the one external Government Agency it currently provides its services and capabilities (the Northern Australia Infrastructure Facility). It is already Efic policy to focus on supporting Australian businesses that facilitate export trade.

Recommendation 2

1.9 Removing the local content requirements attached to Efic support is not in the national interest and the second amendment should be opposed.

- Noted. The intention of this amendment is to permit Efic to support a broader range of Australian goods and services exports. This will help Australian exporters, especially SMEs, to draw on their innovation, design or intellectual property to access opportunities within global value chains. This is not intended to undercut Efic's support for Australian manufacturing.