

**Question on notice no. 110**

**Portfolio question number: 118**

**2018-19 Budget estimates**

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

**Senator Alex Gallacher:** asked the Department of Defence on 29 May 2018—

(1. On average, authorised exports range from \$1-2 billion annually. Can you explain the spike to \$4.2 billion reported in 2016?

2. What is the monetary value of actual defence exports from Australia?

**Answer —**

The values data is derived from the values that exporters advise when they apply for export permits. Exporters do not advise Defence whether they proceed to export after receiving their export permit. A defence export permit does not mean that an export has occurred.

The Defence Export Strategy assessed that Australia currently achieves in the order of \$1.5 billion-\$2.5 billion in defence exports per year. This estimate was informed by a number of inputs, including:

- export permit data, acknowledging both that the number of permits has increased over recent years, but permits don't equal exports;
- factual information available on current export achievement;
- survey responses from companies that are part of Australia's defence industry and achieving exports in defence and civil security areas;
- information from the Australian Bureau of Statistics; and
- an appreciation that a number of companies are achieving export success in areas not covered by export controls.

The Defence Export Strategy also recognised that properly measuring Australia's defence export values has been a challenge in the past. The Australian Defence Export Office will be developing a robust methodology to quantify the value of defence exports and to measure performance.