

**EXPLANATORY STATEMENT****ISSUED BY THE AUTHORITY OF THE MINISTER FOR DEFENCE*****CUSTOMS ACT 1901******Defence and Strategic Goods List - Amendment 2006***

The Defence and Strategic Goods List (the List) is the document formulated and published under paragraph 112(2A)(aa) of the *Customs Act 1901* by the Minister for Defence. The List identifies the goods which Regulation 13E of the *Customs (Prohibited Exports) Regulations 1958* prohibits from being exported from Australia unless a licence or permission has been granted by the Minister or an authorised person and that licence or permission is produced to a Collector of Customs before exportation.

The List embodies the export control guidelines developed by the multilateral non-proliferation and export control regimes of which Australia is a member. These regimes include the Wassenaar Arrangement, the Missile Technology Control Regime, the Australia Group and the Nuclear Suppliers Group. The List is therefore a complete, accurate and up-to-date collection of all the controls that Australia has agreed to implement.

The List was first published in 1996 when the *Customs (Prohibited Exports) Regulations 1958* were consolidated and revised. The List includes equipment, assemblies and components, associated test, inspection and production equipment, materials, software and technology. It is divided into two Parts.

Part 1 covers defence and related goods – those goods and technologies designed or adapted for use by the armed forces or goods that are inherently lethal. These goods include:

- Military Goods, that is, those goods or technology that are designed or adapted for military purposes including parts and accessories thereof; and
- Non-Military Lethal Goods, that is, equipment that is inherently lethal, incapacitating or destructive such as non-military firearms, non-military ammunition and commercial explosives and initiators.

Part 2 covers those goods that have a dual use. Dual-use goods comprise equipment and technologies developed to meet commercial needs but which may be used either as military components or for the development or production of military systems or weapons of mass destruction. Part 2 is further subdivided into 10 categories –

- Category 0 – Nuclear Materials;
- Category 1 – Materials, Chemicals, Micro-organisms and Toxins;
- Category 2 – Materials Processing;

- Category 3 – Electronics;
- Category 4 – Computers;
- Category 5 – Telecommunications and Information Security
- Category 6 – Sensors and Lasers;
- Category 7 - Navigation and Avionics;
- Category 8 – Marine;
- Category 9 – Propulsion Systems, Space Vehicles and Related Equipment.

The List is amended from time to time to reflect changes in multilateral non-proliferation and export control regimes. The DSGL is fully aligned with the current European Union Dual-Use List and the Wassenaar Arrangement Munitions List.

The last amendment to the DSGL was made in December 2004. The Defence and Strategic Goods List Amendment 2006 reflects technology, non-proliferation and export control variations introduced since 2004. These variations do not substantially alter the List's nature or overall content. The variations include:

- adjustment of control parameter thresholds to reflect technological advances;
- introduction of new controls in response to emerging technologies;
- removal of controls no longer relevant to non-proliferation aims; and
- changes to existing text to improve clarity.

The Defence and Strategic Goods List Amendment 2006 also incorporates minor stylistic and grammatical changes in accordance with current government drafting practice.

The List is a disallowable instrument for the purposes of section 42 of the *Legislative Instruments Act 2003*.

The List will commence on the day after it is registered and published on the Federal Register of Legislative Instruments.

There was no consultation in the making of this instrument as the instrument is required because of an issue of national security.