EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Defence

Customs Act 1901
Defence and Strategic Goods List Amendment Instrument 2015

The *Defence and Strategic Goods List Amendment Instrument 2015* updates the Defence and Strategic Goods List (DSGL) which is the document formulated and published under paragraph 112(2A)(aa) of the *Customs Act 1901* by the Minister for Defence.

Overview and purpose

In many ways, the DSGL is the centrepiece of Australia's export control system. The purpose of the DSGL is to list the defence and dual-use goods and technologies that are subject to export control regulation in Australia.

The DSGL is used by exporters and suppliers to identify which goods and technology are prohibited from being exported or supplied without a permit first being obtained.

The Defence Export Control Office (DECO) is responsible for administering Australia's export controls and regulates the following:

- the export of defence and dual-use goods;
- the supply of DSGL Technology; and
- the brokering of goods and technology that are listed in the DSGL.

DECO grants authorisations to export, supply and broker in the form of permits and licenses. DECO's mission is to ensure Australia exports responsibly and detailed information on its roles and functions is available on the DECO website: www.defence.gov.au/deco/

The DSGL is updated from time to time to ensure that it remains current.

The last amendment to the DSGL was made in December 2012.

Construct of the DSGL

The DSGL is comprised of listed goods and technology that are derived from the control lists developed by the multilateral non-proliferation and export control regimes of which Australia is a member.[1] It includes equipment, assemblies and components, associated test, inspection and production equipment, materials, chemicals, software and technology. It is divided into two Parts.

[1] Australia is a member of the Wassenaar Arrangement, the Missile Technology Control Regime, the Australia Group and the Nuclear Suppliers Group.

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 – Aerospace and Propulsion.

The amendments

This amending legislative instrument contains 101 amendments to the DSGL.[2] The majority of these amendments can be categorised as either new controls, deletions of previously existing controls, or modifications to existing controls.

Of these 101 amendments, 67 are assessed as having a positive impact on Australian industry because an approval will no longer be required for the export of the goods or technology. The remaining 34 involve either new controls or changes to existing controls that result in an expanded scope. Most of these additional controls reflect changes that were made to the Nuclear Suppliers Group (NSG) list after the regime

[2] This number does not include minor editorial or typographical changes, or changes that have no impact on the scope of control for a listed item.

conducted a comprehensive list review in 2012 and identified a range of new technologies relevant for the nuclear industry. It was necessary to incorporate these tighter export controls through this amendment of the DSGL.

The majority of the amendments to the DSGL are unlikely to affect Australian exporters as the goods are not known to be manufactured or exported from Australia. DECO has made this assessment by consulting DECO records, Customs and Border Protection export data and open-source searching.

Analysis of the changes in the *Defence and Strategic Goods List Amendment Instrument 2015*

The amendments do not substantially alter the nature or overall purpose of the DSGL.

The amendments that result in effective changes to the DSGL are discussed below. Minor editorial changes where the scope of the control has not changed are not discussed here.

Munitions List

ML11.c: New control on satellites and spacecraft specially designed for military use.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related software or technology.

ML8.c.5: Minor changes to the controls on energetic materials. However there is no actual impact as ML908 is a 'catch-all' for all energetic materials that are not listed in ML8.

Impact: No impact

ML10: Minor changes to the controls for accessories to military aircraft: airbourne refuelling equipment, ground equipment and aircrew life support equipment. However there is no actual impact as DECO already controls all equipment and accessories for military aircraft.

Impact: No impact

ML22.a: New Note 3 that decontrols technology for use of items listed in ML901 to ML905 and aligns the military technology controls with the *Defence Trade Controls Act 2012*.

Impact: Will remove the requirement for an approval.

ML908: Decontrol of thermite welding chargers and associated igniters

Impact: Will remove the requirement for an approval.

Category 0 – Nuclear Materials, Facilities and Equipment

0A001, 0B001-7, 0C005: Various amendments to items in these controls. However since Australia has a small nuclear industry, these changes are unlikely to have an impact, with no known Australian exporters.

Impact: No Impact

0C003: Amendment to the control for deuterium, heavy water and deuterated compounds. Only those materials for use in a nuclear reactor are now controlled, which is a significant change (DECO determines if a material is for nuclear reactor use).

Impact: Will reduce the requirement for an approval.

0C004: Amendment to the control on high-purity graphite. Only those materials for use in a nuclear reactor, and in quantities of higher than 1kg are controlled (DECO determines if a material is for nuclear reactor use).

Impact: Will reduce the requirement for an approval.

Category 1 – Materials, Chemicals, Micro-organisms and Toxins

1A002: Decontrol of composite structures and laminates for aircraft repair that are less than 1 m^2 in area or less than 2.5 m by 15 mm.

Impact: Will reduce the requirement for an approval.

1A005: Decontrol of body armour that is only designed to provide protection from knife, spike, needle or blunt trauma.

Impact: Will reduce the requirement for an approval.

1B001.b: Effective decontrol of tape-laying machines that operate with less than 5 axes.

Impact: Will reduce the requirement for an approval.

1B227: Deletion of controls on ammonia synthesis converters or ammonia synthesis units.

Impact: Will remove the requirement for an approval.

1B228: Increase in the controls for hydrogen-cryogenic distillation columns. Those that have internal diameters of less than 1 m and effective lengths of 4 m and greater are now controlled.

Impact: Will increase the requirement for an approval.

1C001: Decontrol of materials specially designed for absorbing electromagnetic waves, or intrinsically conductive polymers, that are specially designed for laser marking or welding of polymers.

Impact: Will reduce the requirement for an approval.

1C001 Note: Decontrol of intrinsically conductive polymeric materials with a 'bulk electrical conductivity' exceeding 10,000 S/m that are in liquid form.

Impact: Will reduce the requirement for an approval.

1C008.a.3: Effective decontrol of aromatic polyimides with a glass transition temperature of 232°C or below.

Impact: Will reduce the requirement for an approval.

1C008.f: Effective decontrol of Polybiphenylenethersulphone substances having a glass transition temperature of 290°C or less.

Impact: Will reduce the requirement for an approval.

1C010.b: Decontrol of carbon fibrous or filamentary materials for the repair of civil aircraft, that have either an area of less than 1 m^2, or have been mechanically chopped to sizes of 25mm or less.

Impact: Will reduce the requirement for an approval.

1C111.a.2: Effective decontrol of metal powders that have greater than 10% of the total particles of sizes greater than 60 μm.

Impact: Will reduce the requirement for an approval.

1C216: Modification to the control for maraging steel- the strength parameter has been lowered from 2050 MPa to 1950 MPa. This change will not result in more grades of maraging steel being controlled and is instead intended to address loopholes associated with the potential strength capability of maraging steel.

Impact: No impact.

1C236: Modification to the control on alpha-emitting radionuclides- only those radionuclides specified in the control are now controlled, instead of all those with a half-life greater than 10 days. The net result is the decontrolling of some radionuclides, such as 252-Californium.

Impact: Will reduce the requirement for an approval.

1C241: New control of rhenium and its alloys in cylindrical form and with a mass greater than 20kg, and technology therefor (1E001 and 1E201).

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

1C351.b: Decontrol of the rickettsiae: Bartonella quintana and Rickettsia prowasecki (Coxiella burnetii and Rickettsia prowazekii are now instead controlled in 1C351.c.19 and 1C351.c.20 respectively).

Impact: Will reduce the requirement for an approval.

1C351.c: Additional bacteria controls- Clostridium baratii, Clostridium butyricum and Shiga toxin-producing Escherichia coli serogroups.

Impact: Will introduce the requirement for approval to be obtained before exporting these biological materials or supplying related technology.

Category 2 – Materials Processing

2B001: Decontrol of some turning, milling and grinding machine tools- those machine tools with a positioning accuracy of 3 µm or greater are no longer controlled. In addition the testing method has been updated to ISO 230/2 (2006).

Impact: Will reduce the requirement for an approval.

2B006.b: Minor amendment to the control for linear variable differential transformer systems- no effective scope change.

Impact: No impact

2B206: Minor change to the controls of dimensional inspection machines.

Impact: Will reduce the requirement for an approval.

2B230: Minor change to the controls on pressure transducers capable of measuring absolute pressure and having a range of 0-13kPa. Those absolute pressure transducers with a sensing element of aluminium oxide or fully fluorinated hydrocarbon polymers are now controlled.

Impact: Will increase the requirement for an approval.

2B232: Expansion of the controls on high-velocity gun systems (including electromagnetic, gas and coil). Systems that can accelerate a projectile to 1.5 km/s or higher are now controlled. These systems have utility in nuclear weapon development activities.

Impact: Will increase the requirement for approval to be obtained before exporting these items or supplying related technology.

2B233: New control on bellows-sealed scroll-type compressors and bellows-sealed scroll-type vacuum pumps. These items have utility in nuclear programs.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

2B352.b: New controls on fermenter cultivation chambers and process control units. The fermenters themselves are already controlled.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

2B352.h: New control on spray-drying equipment capable of drying toxins or pathogenic organisms.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

2D001: Additional controls for software for the development or production of various special materials and materials processing equipment.

Impact: Will increase the requirement for approval to be obtained before exporting this software or supplying related technology.

2D001: Decontrol of software for the use of ball bearings and solid roller bearings with rolling elements made of Monel or beryllium.

Impact: Will reduce the requirement for an approval.

2D001: Decontrol of software for the use of numerically-controlled optical finishing machines.

Impact: Will reduce the requirement for an approval.

2D002: Decontrol of machine tool software that is the minimum necessary for operation.

Impact: Will reduce the requirement for an approval.

2D003: New control for machine tool software that converts optical design, work piece measurements and material removal functions into numerical control commands.

Impact: Will introduce the requirement for approval to be obtained before exporting this software or supplying related technology.

Category 3 – Electronics

3A001.a.5: Effective decontrol of analogue-to-digital and digital-to-analogue converter integrated circuits that have a resolution of between 8 and10 bits. Those circuits with an output of 1 billion words per second or less are no longer controlled.

Impact: Will reduce the requirement for an approval.

3A001.a.7: Change to the controls on field programmable gate arrays (FPGAs). Only those devices with greater than 500 single-ended digital input/outputs (I/O), or an aggregate one-way peak serial transceiver data rate of 200 Gb/s or greater are now controlled. The change introduces a relaxation of the I/O count criterion and use of a new control parameter that is more relevant for the FPGA performance.

Impact: Will reduce the requirement for an approval.

3A001.a.13: New control on high performance direct digital synthesizer integrated circuits, and technology therefor.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

3A001.b.2, 3A001.b.3. 3A001.b.4 and 5E001.d: Updating of the controls on microwave monolithic integrated circuit (MMIC) power amplifiers, transistors, solid state amplifiers and associated technology. The new control text introduces relaxation of the control and more precise definition of the frequency bands of military significance.

Impact: Will reduce the requirement for an approval.

3A001.b.11: Minor change in the controls on frequency synthesiser electronic assemblies. The new control text introduces relaxation of the control and more precise definition of the frequency bands of military significance.

Impact: Will reduce the requirement for an approval.

3A002.a.1-4: Decontrol of the following recording equipment: analogue instrumentation magnetic tape recorders, digital video magnetic tape recorders, digital instrumentation magnetic tape data recorders and equipment designed to convert digital magnetic tape recorders for use as digital instrumentation data recorders.

Impact: Will reduce the requirement for an approval.

3A002.a.7: New control for real-time oscilloscopes with a bandwidth of 60 GHz or greater per channel.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

3A002.c.1-4: Minor change to the controls on radio-frequency signal analysers. The new control text introduces relaxation of the control and more precise definition of the frequency bands of military significance.

Impact: Will reduce the requirement for an approval.

3A002.c.5: New control on radio frequency signal analysers having a frequency mask trigger.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related software or technology.

3A002.d: Minor change in the controls on frequency synthesised signal generators. The new control text introduces relaxation of the control and more precise definition of the frequency bands of military significance.

Impact: Will reduce the requirement for an approval.

3A002.e: Minor change to the control for network analysers. The new control text introduces relaxation of the control and more precise definition of the frequency bands of military significance.

Impact: Will reduce the requirement for an approval.

3A002.f: Updating of the control for microwave test receivers. Only those operating at greater than 110GHz are now controlled. The new control text introduces relaxation of the control and more precise definition of the frequency bands of military significance.

Impact: Will reduce the requirement for an approval.

3A225: Minor expansion in the controls on frequency changers, and associated software. Although those frequency changers with a frequency control higher than 0.1 % are no longer controlled, there is no longer an upper frequency requirement- the control is now potentially applicable to frequency changers that operate at or above 600 Hz. These items are considered critical for nuclear enrichment facilities.

Impact: Will increase the requirement for approval to be obtained before exporting these items or supplying related technology.

3A229.b: Minor change to the control for modular electrical pulse generators.

Impact: Will reduce the requirement for an approval.

3A229.c: New control for micro-firing high-current pulse units. Those units with a voltage of 1 kV or above and a capacitance of 100 nF or higher are now controlled. These units have utility in nuclear weapons development.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

3A231: New controls for neutron generator systems utilising electrostatic acceleration to induce deuterium-deuterium nuclear reactions.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

3A233: Minor amendment to the control for electron bombardment mass spectrometers. Limited scope change.

Impact: Limited impact.

3A234: New control for high explosive containment vessels designed to fully contain an explosion equivalent to 2 kg of TNT or greater, and capable of providing diagnostic or measurement information. These items have utility in nuclear weapons development.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

3A235: New control for striplines and technology therefor that can provide a low inductance path to detonators. These items have utility in nuclear weapons development.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

3B001.a.2: Minor change in the control for metal organic chemical vapour deposition reactors designed for semiconductor epitaxial growth. Very limited scope change.

Impact: No impact.

3B001.b: Updating of the control for equipment designed for ion implantation. The parameters are updated to reflect the current state of the art.

Impact: Will reduce the requirement for an approval.

3B001.d: Deletion of the control for plasma enhanced chemical vapour deposition equipment.

Impact: Will remove the requirement for an approval.

3B001.h: Updating of the control for multi-layer phase-shift masks. Only those masks that are either made from glass that has a birefringence of 7 nm/cm, or are designed for lithography equipment with a light source operating at less than 245 nm are now controlled.

Impact: Will reduce the requirement for an approval.

3C002: Updating of the control for resist materials and substrates coated with resists to better reflect the current state of the art.

Impact: Will reduce the requirement for an approval.

3D201, 3D202, 3D203 and 3E001: New controls for software for frequency changers, and the technology for that software. Software that enables the use of controlled frequency changers is now controlled, as is software that allows a non-controlled frequency change to be modified into a controlled frequency changer.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

Category 4 – Computers

4A003.a: Deletion of the control for computers designed or modified for fault tolerance.

Impact: Will remove the requirement for an approval.

4A003.b: Updating of the control for supercomputers. Only those computers with an adjusted peak performance exceeding 8 Weighted TeraFLOPS (WT) are now controlled.

Impact: Will reduce the requirement for an approval.

4A003.g: Updating of the control for supercomputer interconnection equipment. Only that equipment that enables data rates exceeding 2 Gbyte/s is now controlled.

Impact: Will reduce the requirement for an approval.

4A005, 4D004 and 4E001.c: New control for intrusion software, and systems, equipment and components for its generation, operation, delivery or communication.

Impact: Will introduce the requirement for an approval.

4D001.a: Deletion of the controls for software for the use of controlled computers.

Impact: Will remove the requirement for an approval.

4D001.b and 4E001.b: Decrease in the control for software and technology for the development or production of supercomputers. That software for the development or production of supercomputers with an adjusted peak performance of 0.6 or less Weighted teraFLOPS is no longer controlled.

Impact: Will reduce the requirement for an approval.

Category 5 – Telecommunications and Information Security

5A001.f: New control for mobile telecommunications interception equipment, and radio frequency monitoring equipment.

Impact: Will increase the requirement for approval to be obtained before exporting these items or supplying related software or technology.

5A001.h: New control for equipment that enables radio communications during the operation of IED-jamming equipment.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related software or technology.

5A001.j: New control for IP network communications surveillance systems or equipment, and specially designed components thereof.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related software or technology.

5B001.b.5 and 5E001.c.5: Decontrol of equipment and technology for the development of equipment employing common channel signalling.

Impact: Will remove the requirement for an approval.

5E001.b.4: Decontrol of spread spectrum technology for civil cellular radio communications systems, and fixed or mobile satellite earth stations for commercial civil telecommunications.

Impact: Will remove the requirement for an approval.

5E001.c.1: Updating of the technology controls for equipment employing digital techniques and designed for high transfer rates. Only that development technology for equipment with a total digital transfer rate above 120Gbit/s is now controlled.

Impact: Will reduce the requirement for an approval.

5E001.c.5: Decontrol of technology for the development of equipment employing common channel signalling operating in a non-associated mode of operation.

Impact: Will reduce the requirement for an approval.

All of Category 5 Part 2 (Information Security): Decontrol of equipment and software employing encryption that has all of the following: Is generally available to the public; the cryptographic functionality cannot be easily changed by the user; designed for installation by the user without support from the supplier; and is not designed or modified to specific customer specifications.

Impact: Will reduce the requirement for an approval.

5A002 Note k: Decontrol of mobile telecommunications Radio Access Network (RAN) equipment designed for civil use having an RF output power limited to 0.1W.

Impact: Will remove the requirement for an approval.

Category 6 – Sensors and Lasers

6A001.a.1.a.2.b: New control on underwater survey equipment designed to take measurements at greater than 20° (from the vertical), having compensation for sensor motion, and either operating below 350 kHz or having the ability to measure seabed topography at a range exceeding 200 m from the sensor.

Impact: Will increase the requirement for approval to be obtained before exporting these items or supplying related software or technology.

6A001.a.1.e: Increase in the scope of the control for active individual sonars that are specially designed to detect, locate and automatically classify swimmers and divers. The component acoustic arrays for those sonars are now controlled.

Impact: Will increase the requirement for approval to be obtained before exporting these items or supplying related software or technology.

6A001.a.2.a.3.d-e: New controls passive acoustic systems with sensing elements made from piezoelectric single crystals of lead-magnesium-niobate/lead-titanate or Lead-indium-niobate/lead-magnesium niobate/lead-titanate.

Impact: Will increase the requirement for approval to be obtained before exporting these items or supplying related software or technology.

6A001.a.2.b.8, 6A001.a.2.e and 6A001.a.2.g: New controls for high performance accelerometer-based hydro-acoustic sensors, and towed acoustic hydrophone arrays and bottom/bay cable systems that incorporate those sensors.

Impact: Will increase the requirement for approval to be obtained before exporting these items or supplying related software or technology.

6A005.a.6.a: Decontrol of lasers operating between 975-1150 nm with single transverse mode output, and having a power output of 200 W or below.

Impact: Will reduce the requirement for an approval.

6A005.d.2-4 and 6A005.e: Re-insertion of the controls on cooled mirrors for high power lasers, and the following very high powered lasers: carbon monoxide, carbon dioxide, excimer, chemical, Nd:glass, and specialised laser components. These controls have been in the DSGL for many years, but were unintentionally omitted from the DSGL Amendment 2012.

Impact: None. Editorial correction only.

6A005.a and 6A005.b: Effective decontrol of non-tunable continuous-wave and pulsed lasers operating in the wavelength range 510-520nm. Those lasers operating below 50W are no longer controlled.

Impact: Will reduce the requirement for an approval.

6A005.a.6 Note 2.a-i: Decontrol of various multiple-mode industrial lasers. The decontrols on these lasers are based on output power and Beam Parameter Product (BPP).

Impact: Will reduce the requirement for an approval.

6A005.b.4-6: Effective decontrol of high-power lasers operating between 540-975nm. Lasers meeting the new specifications are no longer controlled.

Impact: Will reduce the requirement for an approval.

6A008.k.2 Note: Decontrol of two dimensional marine radar and vessel traffic service radar. Those marine radars meeting the specifications in the Note are no longer controlled.

Impact: Will reduce the requirement for an approval.

6A008.l Note and 6A008.l.1 Note: Decontrol radar subsystems for 'vessel traffic services', and those that have automatic target tracking that is limited to 'conflict alert'.

Impact: Will reduce the requirement for an approval.

6A203.a-c: Updating of the controls on very high speed cameras (streak, framing, solid state or electron tube) that have utility in nuclear weapons testing.

Impact: Will increase the requirement for approval to be obtained before exporting these items or supplying related technology.

6A204: New control for radiation-hardened TV cameras and lenses therefore.

Impact: Will increase the requirement for approval to be obtained before exporting these items or supplying related technology.

6A205.g: New control for pulse carbon monoxide lasers with a pulse width of less than 200 ns, power greater than 200 W and operating between 5000-6000 nm.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

6A226.a: Change in the control of pressure gauges that can measure above 10 GPa and have nuclear utility. Gauges are no longer required to be made of Manganin (a copper alloy with manganese and nickel) to be controlled. Additional gauges that are of interest are those made from ytterium and polyvinylidene bifluoride.

Impact: Will increase the requirement for approval to be obtained before exporting these items or supplying related technology.

6C004: Updating of the controls for electro-optic and non-linear optical materials.

Impact: Will reduce the requirement for an approval.

6C005.b: Decontrol of synthetic crystalline alexandrite that has utility in lasers.

Impact: Will remove the requirement for an approval.

6D201, 6D202 and 6E002: New control for software or encryption keys for very high speed cameras, and production technology therefor, that is either for controlled very high speed cameras, or that that enables a non-controlled very high speed camera to meet the control threshold.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

Category 7 – Navigation and Avionics

7A001.a.2: Updating of the controls for linear accelerometers that can function at acceleration levels above 15g. Only those accelerometers that have a bias repeatability of less than 1250 micro g and a scale factor repeatability of less than 1250 ppm (both over a period of one year) are now controlled.

Impact: Will reduce the requirement for an approval. The new control metrics exclude some accelerometers with no military utility.

7A003: Effective decontrol on inertial measurement equipment, primarily those that derive their high accuracy from positional reference aids (such as GPS) instead of inertial components.

Impact: Will reduce the requirement for an approval. The new control metrics exclude some accelerometers with no military utility.

7A004: Change in the control for navigation equipment that tracks celestial bodies. This equipment is now referred to as ‘star trackers’ and the control applies to those with an azimuth accuracy of equal to or less than 20 seconds of arc. The control now includes the components: optical heads or baffles and data processing units.

Impact: Will reduce the requirement for an approval.

7D003.c: Decontrol of source code for integrated avionics/mission systems.

Impact: Will reduce the requirement for an approval.

7D004 and 7E004: Updating of the controls for flight control system software and technology to reflect the current state of the art. Includes the decontrol of control law compensation development technology for sensor location or dynamic airframe loads, and the decontrol of development technology for full authority digital flight control or multi-sensor mission management systems.

Impact: Will reduce the requirement for an approval.

7D005 and 7E001: New control on software designed to decrypt Global Navigation Satellite Systems (GNSS) ranging code, and development software therefor.

Impact: New requirement for an approval.

Category 8 – Marine

8A002: Re-insertion of the controls on diver deterrent acoustic systems. This control has existed for several years but was unintentionally omitted from the DSGL Amendment 2012.

Impact: None. Editorial correction only.

Category 9 – Aerospace and Propulsion

9A001 Note 2: Decontrol of gas turbine engine Auxiliary Power Units (APUs) that have been approved by a civil aviation authority in a Wassenaar Arrangement participating state.

Impact: Will remove the requirement for an approval.

9A009 and 9A109: Correction of the controls on hybrid rocket motors. The control references and control text for these two controls on hybrid rocket motors were incorrect in the DSGL Amendment 2012 and have been replaced to what they were in the 2011 List.

Impact: None. Editorial correction only.

9A012 Note: Decontrol of unmanned aerial vehicles that are assessed as model aircraft. Consultation with DECO will be required to make this assessment.

Impact: No estimated impact- DECO already utilises this Note for model aircraft.

9A121: New control for umbilical and inter-stage electrical connectors usable in missiles.

Impact: Will introduce the requirement for approval to be obtained before exporting these items or supplying related technology.

9B105: Decontrol of aerodynamic test facilities (wind tunnels) that operate at speeds of Mach 3 or less, and have a test cross section size of 250 mm or less.

Impact: Will reduce the requirement for an approval. Some Australian companies and university researchers operate such facilities and have previously provided consulting services (technology).

9D004.d: Decontrol of software for the use of active compensating systems for rotor blade tip clearance control.

Impact: Will reduce the requirement for an approval.

9E003.a.2: Updating of the technology controls for gas turbine engine combustors to better reflect the current state of the art.

Impact: Will reduce the requirement for an approval.

9E003.a.5: Updating of the technology controls for gas turbine engine cooled turbine blades, vanes and tip-shrouds to better reflect the current state of the art.

Impact: Will reduce the requirement for an approval.

9E003.c: Updating of the technology controls for the manufacturing of cooling holes in gas turbine engine components to better reflect the current state of the art.

Impact: Will reduce the requirement for an approval.

Sensitive List

The Sensitive List is made up of items in Categories 1-9 that are considered more sensitive.

2D001: Effective de-listing of some machine tool software.

2E001 and 2E002: Effective decontrol of some machine tool technology.

3B001.a.2: De-listing of metal organic chemical vapour deposition reactors.

3D001 and 3E001: De-listing of software and technology for the development or production of controlled electronics production equipment.

4D001 and 4E001: Effective de-listing of some software and technology for the development and production of controlled computers.

6A008.l.3: De-listing of controlled radar systems.

7D003.c: De-listing of source code for integrated avionics/mission systems.

7D003: De-listing of source code for some flight control systems.

Very Sensitive List

The Very Sensitive List is made up of items in Categories 0-9 that are considered very sensitive.

6A008.l.3: De-listing of controlled radar systems.

Consultation

The changes contained in this amendment to the DSGL reflect the changes made to the lists of items that are controlled for export by the international counter-proliferation regimes of which Australia is a member. As a participating member of these regimes, Australia is committed to controlling the export of the items listed by the regimes and regularly updates the DSGL to give effect to amendments to the international lists. The timing for stakeholder consultation on amendments to the DSGL is prior to Australia's participation in the international regime meetings. The *Defence and Strategic Goods List Amendment Instrument 2015* contains changes that were agreed in regime meetings held during 2012 and 2013. DECO did not consult industry or research/academic stakeholders on these amendments as DECO assessed that the proposed amendments to the regime lists were likely to have a minimal impact on Australian exporters.

With respect to future amendments of the DSGL, DECO is working towards establishing two-way communications through more formal mechanisms to engage with industry, research and academia stakeholders via their respective peak bodies. Through this framework DECO will seek technical and scientific expertise from its stakeholders, and will seek to represent the interests of these various stakeholder groups to the international export control regimes where appropriate. It is intended that this work will be undertaken with the oversight of the Strengthened Export Controls Steering Group and its successor once this Group disbands post full implementation of the *Defence Trade Controls Act 2012*.

DECO has identified registered exporters that may be minimally affected by the changes contained in this amendment to the DSGL, and has identified those sectors/stakeholder peaks most likely to represent future exporters who will need to be aware of these changes. DECO will inform affected parties via direct email communications, and via specific engagement with industry/academic peaks and government agencies.

Statement of Compatibility with Human Rights

The *Defence and Strategic Goods List Amendment Instrument 2015* is a disallowable legislative instrument and requires a Statement of Compatibility in accordance with the *Human Rights (Parliamentary Scrutiny) Act 2011*.

The Statement of Compatibility for the *Defence and Strategic Goods List Amendment Instrument 2015* is included in this Explanatory Statement on the following page (page 18).

The *Defence and Strategic Goods List Amendment Instrument 2015* is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Regulatory Impact Statement

The *Defence and Strategic Goods List Amendment Instrument 2015* has been assessed as not requiring a Regulatory Impact Statement as the regulatory impact of the

amendment is considered to be only of a minor nature (Office of Best Practice Regulation Reference No. 17540).

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Defence and Strategic Goods List Amendment Instrument 2015

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

This Legislative Instrument amends the Defence and Strategic Goods List (DSGL).

The amending instrument updates the DSGL so that it aligns with the changes that have been made to the international control lists for the non-proliferation and export control regimes to which Australia is a member.

The amendment to the DSGL ensures that Australia's regulatory framework for export controls is reflective of international best practice and continues to support the responsible export and supply of defence and dual-use goods and technologies.

The Legislative Instrument does not introduce any amendments that substantially alter the nature or purpose of the DSGL in any way.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

The Hon Kevin Andrews MP, Minister for Defence