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1993

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

NUCLEAR SAFEGUARDS (PRODUCERS OF URANIUM ORE CONCENTRATES)
CHARGE BILL 1993

NUCLEAR NON-PROLIFERATION (SAFEGUARDS) AMENDMENT BILL 1993

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Resources,
the Hon Michael Lee, MP)

NUCLEAR SAFEGUARDS (PRODUCERS OF URANIUM ORE CONCENTRATES)
CHARGE BILL 1993

NUCLEAR NON-PROLIFERATION (SAFEGUARDS) AMENDMENT BILL 1993

GENERAL OUTLINE

1. The purpose of these bills is to provide for the costs of certain nuclear safeguards and related activities of the Australian Safeguards Office to be recovered from producers of uranium ore concentrates in Australia by imposing a charge on those producers.
2. The Director of Safeguards and the Australian Safeguards Office (ASO) are established by the *Nuclear Non-Proliferation (Safeguards) Act 1987*, section 13 of which provides for the granting of permits to persons to possess nuclear material. Nuclear material includes natural uranium ore concentrates, a product of the mining and processing of uranium ores.
3. In fulfilling the functions of the Director of Safeguards, the primary activities of the ASO include:
 - . Accounting for, controlling and reporting on nuclear material and administering physical protection arrangements in connection with such material.
 - . In accordance with Australia's bilateral nuclear safeguards agreements, accounting for and reporting on Australian obligated nuclear material (AONM) located overseas. (This material is, or is derived from, uranium exported from Australia).
 - . Contributing to the development of an effective international safeguards system and non-proliferation regime and applying them to AONM and other Australian nuclear material.
 - . Implementing a safeguards support program of research and development relevant, among other things, to the application of safeguards in Australia and in relation to AONM overseas.
4. Apart from the Government itself, Australian uranium companies are the major beneficiaries of the activities undertaken by the ASO. The bills provide a statutory basis for recovering the costs of these activities from the companies. The Government would continue to pay for the ASO activities undertaken in connection with relevant operations and requirements of the Government itself.
5. The *Nuclear Safeguards (Producers of Uranium Ore Concentrates) Charge Bill 1993* provides for a charge to be imposed on producers of uranium ore concentrates if they produced more than 1000 kilograms of uranium ore concentrates at a processing facility in the previous year and if at any time uranium ore concentrates have been exported from that processing facility.
6. The *Nuclear Non-Proliferation (Safeguards) Amendment Bill 1993* would amend the *Nuclear Non-Proliferation (Safeguards) Act 1987* to set the amount of the charge payable and when it is to be paid.

FINANCIAL IMPACT STATEMENT

7. The proposals put forward would shift from the Commonwealth to the uranium producers that part of the costs of ASO that are incurred (and are presently paid by the Commonwealth) in undertaking safeguards and physical protection activities in connection with the operations of the uranium producers. The Commonwealth would continue to pay for those activities of ASO directed towards the wider community.

NUCLEAR SAFEGUARDS (PRODUCERS OF URANIUM ORE CONCENTRATES)
CHARGE BILL 1993

NOTES ON INDIVIDUAL CLAUSES

Clause 1: Short title

8. Formal.

Clause 2: Commencement

9. Provides for the Act to commence on 1 November 1993.

Clause 3: Imposition of charge

10. Provides for a charge to be imposed on producers of uranium ore concentrates if:
- on 1 November in a financial year they held a permit to possess unlimited quantities of uranium ore concentrates under the *Nuclear Non-Proliferation (Safeguards) Act 1987*;
 - they produced more than 1000 kilograms of uranium ore concentrates at a processing facility in the previous financial year; and
 - at any time uranium ore concentrates produced at that processing facility have been exported.

NUCLEAR NON-PROLIFERATION (SAFEGUARDS) AMENDMENT BILL 1993

NOTES ON INDIVIDUAL CLAUSES

Clause 1: Short title, etc

11. Provides for the Act to be cited as the *Nuclear Non-Proliferation (Safeguards) Amendment Act 1993* and also provides that the "Principal Act" is the *Nuclear Non-Proliferation (Safeguards) Act 1987*.

Clause 2: Commencement

12. Provides for the Act to commence on 1 November 1993.

Clause 3: Insertion of new part

13. Provides for a new Part, Part IVA – Charges, consisting of three new sections, sections 69A – 69C, to be inserted after section 69 of the Principal Act as follows:
- Section 69A: Charge – producers of uranium ore concentrates.
Subsection (1) provides that the charge imposed on a producer of uranium ore concentrates under the *Nuclear Safeguards (Producers of Uranium Ore Concentrates) Charge Bill 1993* is payable on 1 December each year. Subsection (2) provides that the amount payable is \$500,000, or a lesser amount if the regulations so provide.

Section 69B: Extension of time to pay; and Section 69C: Payment by instalments. These would allow the Director of Safeguards, at his or her discretion, to grant an extension of time to pay a charge payable under section 69A, or to determine that the charge may be paid by instalments. If an instalment becomes overdue the whole amount outstanding becomes payable immediately.





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