

## **EXPLANATORY STATEMENT**

### **Select Legislative Instrument 2005 No. 270**

Issued by the Authority of the Minister for Foreign Affairs

*Nuclear Non-Proliferation (Safeguards) Act 1987*

*Nuclear Non-Proliferation (Safeguards) Amendment Regulations 2005 (No. 1)*

The *Nuclear Non-Proliferation (Safeguards) Act 1987* (the Act) gives effect to certain of Australia's obligations under international agreements relating to the peaceful use of nuclear material and facilities, including the Safeguards Agreement between Australia and the International Atomic Energy Agency (IAEA) pursuant to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), and various bilateral safeguards agreements.

Section 74 of the Act provides, in part, that the Governor-General may make regulations, not inconsistent with the Act, prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Section 3 of the *Nuclear Safeguards (Producers of Uranium Ore Concentrates) Charge Act 1993* imposes a charge on producers of uranium ore concentrates (the charge) under certain circumstances. Section 69A of the Act specifies that the charge is due on 1 December each year and that the amount of the charge payable by a producer is \$500,000 or an amount prescribed by the regulations, whichever is the lesser. The amount of the charge, expressed in cents per kilogram of uranium in the uranium ore concentrate produced, is set each year in the *Nuclear Non-Proliferation (Safeguards) Regulations 1987* (the Principal Regulations).

The Regulations prescribe the amount of charge payable by a producer of uranium ore concentrates as the lesser of \$500,000 (the maximum charge, set in the Act) or 5.1131 cents per kilogram of uranium in the uranium ore concentrates produced in the previous financial year.

There is a level of cost-recovery involved in setting the rate for calculating the charge. The rate is arrived at according to a formula comparing relevant operating costs of the Australian Safeguards and Non-Proliferation Office (ASNO) with the quantity of uranium exports and uranium produced in Australia. The costs of safeguarding material produced in 2004-05 were similar to those for 2003-04. Taking into account a higher level of production for 2004-05 and the similar costs, the rate per kilogram does not need to be as high as for 2003-04. Taking into account a higher level of production for 2004-05 and the similar operating costs, the rate per kilogram does not need to be as high as for 2003-04. Therefore, the rate for calculating the charge due on 1 December 2005 is reduced from 5.8192 cents per kilogram of uranium in the uranium ore concentrates produced in the previous financial year to 5.1131 cents per kilogram.

Details of the Regulations are attached.

The Regulations commenced on the day after they were registered on the Federal Register of Legislative Instruments.

ATTACHMENT

**DETAILS OF AMENDMENTS TO THE *NUCLEAR NON-PROLIFERATION  
(SAFEGUARDS) REGULATIONS 1987***

Regulation 1 provides that these amendment regulations should be known as the *Nuclear Non-Proliferation (Safeguards) Amendment Regulations 2005 (No. 1)*.

Regulation 2 provides that the Regulations commence on the day after they are registered on the Federal Register of Legislative Instruments.

Regulation 3 provides that Schedule 1 amends the *Nuclear Non-Proliferation (Safeguards) Regulations 1987* (“the Principal Regulations”).

Schedule 1

Item [1] provides that within Paragraph 6(a) of the Principal Regulations “5.8192” be omitted and “5.1131” be inserted.