**EXPLANATORY STATEMENT**

**Select Legislative Instrument 2011 No. 211**

Issued by the Authority of the Minister for Foreign Affairs

*Nuclear Non-Proliferation (Safeguards) Act 1987*

*Nuclear Non-Proliferation (Safeguards) Amendment Regulations 2011 (No. 1)*

Section 74 of the *Nuclear Non-Proliferation (Safeguards) Act 1987* (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. In addition section 70 of the Act provides that powers, discretions, duties or functions under the Act are to be exercised in accordance with specified international agreements identified in the Act, or prescribed in regulations.

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 in the *Nuclear Non-Proliferation (Safeguards) Regulations 1987* (the Principal Regulations).

The Regulations prescribe to the Principal Regulations the amount of charge payable by a producer of uranium ore concentrates as the lesser of $500,000 or 10.3077 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 by apportioning Australian Safeguards and Non-Proliferation Office general expenses to work categories related to uranium mining and export.

The then Office of Regulation Review (ORR) advised in 2006 that a Regulation Impact Statement (RIS) is not mandatory, as the direct effect on business is minor in nature, therefore an exception applies. ORR also advised that subsequent amendments to the charge per kilogram to uranium producers will not require a RIS. Also, uranium producers have been consulted of the increase to the uranium producers charge in 2011 and were provided with an opportunity to comment.

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 2011 (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 “9.4893” be omitted and “10.3077” be inserted.