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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CUSTOMS TARIFF (URANIUM CONCENTRATE EXPORT DUTY) AMENDMENT BILL 1987

EXPLANATORY MEMORANDUM

(Circulated by Authority of the Minister for Industry, Technology and Commerce, Senator the Honourable John N. Button)

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CUSTOMS TARIFF (URANIUM CONCENTRATE EXPORT DUTY) AMENDMENT BILL 1987

OUTLINE

This Bill proposes an increased duty on exported uranium concentrate mined in the Alligator Rivers Region, from $0.11 per kilogram to $0.80 per kilogram.

The proposal gives effect to the Government's Budget decision announced on 19 August 1986, and is effective from 8 PM on that date.

The duty, which has been imposed since 1980, is in recognition of the special costs of environmental monitoring and research activities related to uranium mining in the Alligator Rivers Region. The increased rate of duty (Clause 3) reflects the Government's decision, made within the 1986 budgetary context, to move closer to recovery of the costs of this monitoring and research.

Clause 4 provides for an exemption from the increased levy for, in particular, a quantity of Alligator Rivers Region uranium concentrate exported after 19 August 1986 under a contract between Queensland Mines Ltd (QML) and Electricite de France (EdF). The amount of uranium the subject of this exemption, about 800 short tones, represents the quantity of uranium concentrate purchased by the Commonwealth from Queensland Mines during the period of the embargo on exports of uranium to France. But for the embargo, this uranium would have been exported well before the new levy took effect, and it has therefore been exempted from the increase.

Financial Impact Statement

The increased levy is expected to raise an additional $2.6 million per year. The total levy will now recover approximately 50 per cent of the annual cost of the monitoring and research activities of the Office of the Supervising Scientist.

NOTES ON CLAUSES

Short Title

Clause 1 is a formal machinery clause.

Commencement

Clause 2 provides for the Act to be deemed to have commenced at 8 PM on 19 August 1986, the time of the Government's announcement of its Budg t decision.

Rate of Duty

Clause 3 provides for the rate of duty to be increased from $0.11 for each kilogram of uranium concentrate exported, to $.80 per kilogram.

Saving

Clause 4 is a savings provision, and provides that th increased rate of duty will not apply to uranium concentrate in 3 instances;

paragraph 4(a) exempts uranium concentrate loaded on to a vessel before the commencement of this Act (ie 19 August 1986);

paragraph 4(b) exempts uranium concentrate which, although loaded on to a vessel after the commencement of this Act, formed part of a consignment which commenced to be loaded before the commencement of this Act;

paragraph 4(c) specifically exempts a quantity of 728,930.42 kilograms of uranium concentrate exported after the commencement of this Act under a contract between Queensland Mines Ltd and Electicite de France. This amount of uranium represents the quantity which the Commonwealth purchased from Queensland Mines Ltd during the period of the embargo on exports of uranium to France (June 1983 - 19 August 1986), in order to protect the profit and cash flow of the company for the uranium deferred under its contract with the French company as a result of the embargo. With the lifting of the embargo the Commonwealth has resold the uranium back to Queensland Mines, which is now free to complete its contract with France. However, given that the uranium would have been exported well before the new levy took effect had there been no embargo, the Government decided to specifically exempt this quantity from the new levy.

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