

1994

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

**CUSTOMS TARIFF (URANIUM CONCENTRATE EXPORT DUTY) ACT
REPEAL BILL 1994**

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Industry, Technology and Regional
Development, Senator the Hon Peter Cook)



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OUTLINE

This Bill proposes to repeal the *Customs Tariff (Uranium Concentrate Export Duty) Act 1980*. The repeal is part of a package of changes designed to streamline and refocus the Commonwealth's involvement in the Alligator Rivers Region of the Northern Territory.

The other main features of the package of reforms are:

- the incorporation of the Office of the Supervising Scientist into the Commonwealth Environment Protection Agency;
- refined mechanisms for consulting key stakeholders;
- allowing the Alligator Rivers Research Institute to undertake research on matters outside the Region on a commercial basis; and
- the conduct of an independent review of the research now needed to meet the Commonwealth's environment protection objectives in the Region.

The implementation of some of the above reforms was effected by the *Environment Protection (Alligator Rivers Region) Amendment Act 1993*.

In 1980 the Uranium Export Duty was imposed in recognition of the special costs of environmental monitoring and research activities related to uranium mining in the Alligator Rivers Region. However, with diminishing exports from the Alligator Rivers Region due to the closure of the Nabarlek mine, and declining exports from the Ranger mine due to the poor state of the market for uranium, levy collections have become uncertain. Ranger has become the only producer contributing to levy and as a result the uranium export levy has come to be seen as an inappropriate mechanism for collecting an industry contribution to the special costs of environmental protection required in the Region.

Under the new arrangements to apply in the Region, Energy Resources of Australia Ltd (ERA), who has the right to mine uranium in the Region, has undertaken to make an annual contribution to the Commonwealth for research into the environmental effects of mining uranium in the Alligator Rivers Region. The Commonwealth has undertaken to repeal the Uranium Export Duty in return for ERA's financial contribution to research.

This Bill removes the Uranium Export Duty by repealing the *Customs Tariff (Uranium Concentrate Export Duty) Act 1980*.

FINANCIAL IMPACT STATEMENT

The direct impact of this Bill is the loss of between \$1.2m and \$1.5m per annum in Export Duty based on the revenue received in 1992/93 of \$1.538m and 1993/94 of \$1.207m.

However, as the Export Duty is to be repealed on the condition that ERA agree to an annual contribution of \$1.5m to research in the Alligator Rivers Region, there is no net financial impact as a result of the measures contained in this Bill.

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NOTES ON CLAUSES

Clause 1 - Short title etc.

1. This is a machinery clause which provides for the Act to be cited as the *Customs Tariff (Uranium Concentrate Export Duty) Act Repeal Act 1994* (subclause (1) refers)
2. Subclause (2) provides that the term "Principal Act" means the *Customs Tariff (Uranium Concentrate Export Duty) Act 1980*.

Clause 2 - Commencement

3. Provides for the Act to commence 28 days after the day on which it receives the Royal Assent.

Clause 3 - Repeal

4. This clause provides for the Principal Act to be repealed.