# Cost Recovery Implementation Statement

Cost Recovery for Safeguards and Security Activities related to Uranium Ore Concentrates Production and Export 2023-24

**October 2024**



## Introduction

### 1.1 Purpose of the CRIS

This Cost Recovery Implementation Statement (CRIS) explains how and why the Australian Safeguards and Non-Proliferation Office (ASNO) implements cost recovery for its nuclear safeguards and security activities from Australian producers of uranium ore concentrate (UOC).[[1]](#footnote-1),[[2]](#footnote-2) The Uranium Producers Charge is imposed on holders of a permit to possess an unlimited quantity of UOC granted under section 13(1)(a) of the *Nuclear Non-Proliferation (Safeguards) Act 1987* if, on 1 November in a given financial year, the following conditions are met:

* more than 1,000 kilograms of UOC was produced at a processing facility during the previous financial year, and
* at any time (whether during the previous financial year or earlier) UOC produced at that processing facility was exported.

The CRIS also reports financial and non-financial performance information for nuclear safeguards and security activities associated with the production and export of UOC and contains financial forecasts for 2023-24 plus three forward years. ASNO will maintain the CRIS until the activity, or cost recovery for the activity, has been discontinued.

### 1.2 Description of activity

In 1993, the *Nuclear Safeguards (Producers of Uranium Ore Concentrates) Charge Act 1993* was entered into law to recoup the costs incurred by ASNO for undertaking nuclear safeguards and nuclear security activities in relation to the production and export of UOC.[[3]](#footnote-3) As there is no domestic market for UOC, there is a close relationship between UOC production and export (see Figure 1), with minor differences in annual amounts occurring when production and exports occurring in different years.

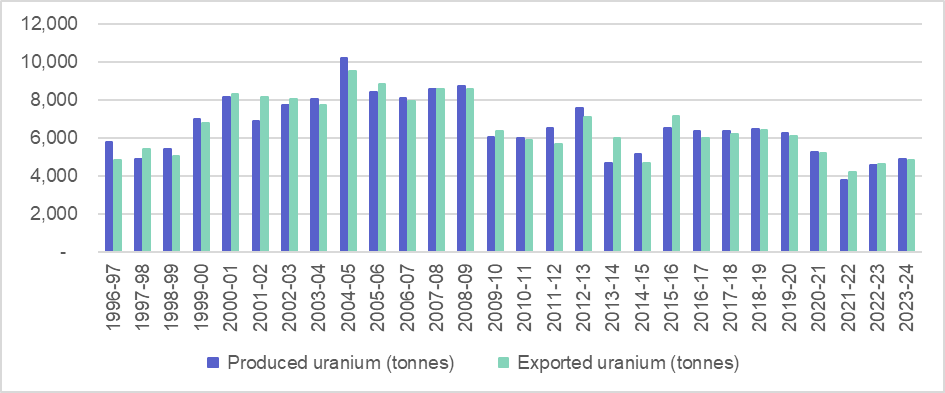


Figure 1 – Annual uranium production and export from Australia are closely linked. Values provided are elemental uranium weight, not compound weight.

Like most countries with active nuclear industries, Australia has domestic safeguards and security standards for nuclear material and associated technology that are framed in legislative requirements.[[4]](#footnote-4)

Under *the Nuclear Non-Proliferation (Safeguards) Act 1987* (the Safeguards Act), ASNO is responsible for ensuring that Australia's international obligations are met under the Nuclear Non-Proliferation Treaty (NPT), Australia's two safeguards agreements with the International Atomic Energy Agency (IAEA), the International Convention for the Suppression of Acts of Nucleal Terrorism, the Amended Convention on the Physical Protection of Nuclear Material and Australia's various bilateral safeguards agreements. The Safeguards Act also forms the legislative basis for Australia’s domestic nuclear safeguards and security activities, including establishing a system for control over nuclear material and associated technology items, through the requirements for permits for possession and transport.

Key terms in Australia’s nuclear regulations relevant to the Uranium Producers Charge are:

**Nuclear Material:** any source material or special fissionable material as defined in Article XX of the IAEA Statute.[[5]](#footnote-5) In practice, it means uranium, plutonium and thorium in certain forms, as these are the unique elements required for the nuclear component of a nuclear weapon. Based on IAEA definitions, UOC produced at mines counts as nuclear material when it is exported from Australia, directly or indirectly, to a non-nuclear-weapon state. Australia has obligations to report these exports to the IAEA under Article 35(a) of Australia’s Comprehensive Safeguards Agreement.

**Nuclear safeguards:** the system of policies, procedures and technical measures developed to deter the spread of nuclear weapons by the early detection of the misuse of nuclear material or technology. Safeguards are the means by which the IAEA verifies States’ legal commitments under their respective safeguards agreements with the IAEA.

**Nuclear security:** the integrated set of measures, including but not limited to physical security and protection, intended to prevent unauthorised access to, or malicious acts against, nuclear material and associated infrastructure, including during transport.

Australia’s uranium export policy (see below) builds upon the IAEA's safeguards regime with a network of bilateral nuclear cooperation agreements (NCAs) that establish treaty-level conditions on the use of all nuclear material exported from Australia.[[6]](#footnote-6) The network of NCAs allows Australia to track exported nuclear material (predominantly UOC) and to apply conditions to its use and/or transfer to a third country. The nuclear material tracked by ASNO is referred to as Australian Obligated Nuclear Material (AONM) because UOC transforms significantly as it moves through the nuclear fuel cycle.[[7]](#footnote-7)

The method used to calculate the value of the Uranium Producers Charge each year recognises that the cost of some of ASNO’s activities are only relevant in the year that activity occurs, such as administering domestic nuclear permits. However, other activities incur recurrent costs on ASNO, such as tracking AONM to ensure the long-term application of safeguards and security measures.[[8]](#footnote-8) Consequently, a future liability is included in the calculation of the Uranium Producers Charge.

**Summary of Australia's uranium export policy**

* Australian uranium may only be exported for peaceful, non-explosive purposes under Australia's network of NCAs, which provide for:
  + AONM to be covered by IAEA safeguards
  + fallback safeguards will apply in the event that IAEA safeguards no longer apply for any reason
  + prior Australian consent is required for any transfer of AONM to a third party, for any enrichment beyond 20 per cent of 235U and for reprocessing of AONM, and
  + physical security requirements will apply.
* Australia retains the right to be selective as to the countries with which it concludes safeguards arrangements.
* A customer country must be a party to the NPT. In the case of India, an exception has been granted on the basis of the 2008 decision of the Nuclear Suppliers Group, the application of IAEA safeguards to India's civil nuclear facilities and the separation of India’s civilian and military nuclear programs.
* Customer countries that are Non-Nuclear Weapon States under the NPT must, at a minimum, have concluded a Comprehensive Safeguards Agreement with the IAEA.
* Customer countries that are Nuclear Weapon States under the NPT (China, France, Russia, the UK and the US) must ensure that AONM will not be diverted to non-peaceful or explosive uses and must accept coverage of AONM by IAEA safeguards.
* Commercial contracts for the export of Australian uranium should include a clause noting that the contract is subject to the relevant bilateral NCA.
* The Australian Government’s export policy requires the highest standard of nuclear safeguards by making an Additional Protocol with the IAEA a pre-condition for the supply of AONM.

## Policy and Statutory Authority to Cost Recover

### 2.1 Government policy approval to cost recover the activity

Australia ratified NPT[[9]](#footnote-9) on 23 January 1973. The NPT defines Australia as a Non-Nuclear Weapon State, and commits Australia to not build, acquire or control a nuclear explosive device. In addition, the NPT obligates Australia to conclude and implement a safeguards agreement with the IAEA; signed in July 1974. The Australian Safeguards Office (ASO, later to become ASNO) was established as Australia’s national safeguards authority, responsible for the implementation of obligations established under Australia’s agreement with the IAEA and the facilitation of IAEA safeguards activities in Australia.

The Uranium Producers Charge was first introduced in the 1992-93 Budget Papers. On 26 May 1993, the Nuclear Non-Proliferation (Safeguards) Amendment Bill and the Nuclear Safeguards (Producers of Uranium Ore Concentrate) Charge Bill 1993, were introduced into Parliament.[[10]](#footnote-10) The bills were passed through Parliament on 31 August 1993.[[11]](#footnote-11),[[12]](#footnote-12)

The initial cost of the Uranium Producers Charge was set in the Nuclear Non-Proliferation (Safeguards) Regulations 1987 (Safeguards Regulations) on the 9 June 1994 as a flat fee of $234,000 per producer based on a costing of ASO safeguards activity for 1993-94.[[13]](#footnote-13)

In June 1996, a review of the Uranium Producers Charge was undertaken as part of a comprehensive Government review of all Commonwealth legislation that could restrict competition, impose costs or confer benefits on business. The review made 14 recommendations, of which the Government adopted 13, including that uranium producers should be charged on a pro-rata basis using a Charge Rate (in cents per kilogram of uranium produced) that is calculated every year, and that a future liability cost for tracking exported Australian uranium should be incorporated into the calculation.

In 2020-21 a further review of the fees and charges associated with Uranium Producers Charge was undertaken. Some efficiency improvements were made in the cost recovery model, but no significant changes were made to the current arrangements.

### 2.2 Statutory authority to charge

The statutory basis for imposing the Uranium Producers Charge levy is provided by Part IVA of the Safeguards Act and the associated Regulations. The related enabling legislation is the *Nuclear Safeguards (Producers of Uranium Ore Concentrates) Charge Act 1993*.

The current Safeguards Act and Regulations, and the *Nuclear Safeguards (Producers of Uranium Ore Concentrates) Charge Act 1993* can be found on the Federal Register of Legislation website (see [www.legislation.gov.au](http://www.legislation.gov.au)).

## Cost Recovery Model

### 3.1 Output and business processes of the regulatory charging activity

ASNO has identified six Outputs, described in Table 1, that are used to calculate the Basic Charge (the total cost over a year of ASNO’s activities relevant to Uranium Producers Charge). Only the portion of ASNO’s activities that are relevant to the production and export of UOC are included in the calculation.

**Table 1 – Outputs and business processes that contribute to the Uranium Producers Charge**

|  |  |
| --- | --- |
| Outputs | Business Processes |
| Output 1: Administer NCAs – liaise with foreign counterparts | * Prior to departure, ensure the country receiving Australian UOC agrees to place Australian obligations on the material, in accordance with the NCA * Track transfers of AONM through the NCA network * Conduct annual reconciliation of AONM Inventories * Support of best practice regulatory activities |
| Output 2: Physical protection of AONM overseas | * Ensure effective implementation of physical protection measures applied to AONM overseas * Engage with the international community and IAEA for the continuous development and promotion of international best practice in physical protection of all nuclear material |
| Output 3: Physical protection of nuclear material in Australia | * Prescribe and ensure effective implementation of physical protection measures at Australian uranium mines and during transport domestically and to overseas destinations |
| Output 4: Operation of the permit system | * Operation of the ASNO permit system relevant to UOC production and transport, and corresponding compliance activities * Maintain accurate records of UOC production, export and use in Australia * Conduct bi-annual reconciliation of total UOC production and exports with each producer |
| Output 5: Reporting to the IAEA and complementary access inspections | * Provide Additional Protocol reporting relevant to uranium mining and production to the IAEA * Facilitate IAEA inspections at any UOC-related facility and undertake any follow-up activity if required * Contribute to the development and strengthening of an effective international safeguards system |
| **Output 6: Government reviews and inquiries, administrative support, and industry outreach relevant to the Uranium Producers Charge** | * Conduct industry outreach and contribute to developments of safeguard and security requirements that affect UOC production and export in Australia * Negotiate new or updated NCAs and supporting administrative arrangements |

The business processes in Output 1 and 2 relate to UOC export and AONM tracking through the international fuel cycle. Consequently, a portion of the cost for Output 1 and 2 (as shown in Table 2) are used to calculate ASNO’s future liabilities cost of tracking AONM. Outputs 3 to 6 relate only to nuclear safeguards and security activities in Australia; and do not contribute to the future liability’s component of the charge calculation.

The future liabilities calculations are split into two time periods, the first 20 years after export and the next 21-200 years after export. This takes into account the higher cost for tracking AONM in the first 20 years after export when the UOC is most likely to be transferred between nuclear fuel cycle facilities and changing form.[[14]](#footnote-14) More than 20 years after export the AONM is more likely to be in long-term storage (e.g. as depleted uranium or as spent nuclear fuel), requiring less effort to track.[[15]](#footnote-15)

**Table 2 – The division of costs for each Output towards new material produced that year and as a basis to calculate the cost of tracking the AONM in the future.**

|  |  |  |  |
| --- | --- | --- | --- |
| Output | New Material  portion of costs only incurred in the year of production | Existing AONM <20 years  portion of costs contributing to the future liability of tracking the exported UOC as AONM | Existing AONM 21 – 200 years  portion of costs contributing to the future liability of tracking the exported UOC as AONM |
| Output 1 | 30% | 60% | 10% |
| Output 2 | 70% | 25% | 5% |
| Output 3 | 100% | 0% | 0% |
| Output 4 | 100% | 0% | 0% |
| Output 5 | 100% | 0% | 0% |
| Output 6 | 100% | 0% | 0% |

### 3.2 Cost of the regulatory charging activity

ASNO uses an Activity Based Costing (ABC) model to calculate the Basic Charge and the Charge Rate (the cost per kilogram of uranium produced). Costs such as salaries, travel, overheads (ICT and rent) are determined for the six Outputs described in Table 1. Three cost drivers have been identified.

1. Cost of regulating new UOC produced in that year

The domestic safeguards and security cost applied to UOC produced in Australia during the financial year, including a portion of ASNO’s costs related to the export of UOC.

This accounted for 64 per cent of the Basic Charge in 2023-24.

1. Future cost of tracking UOC exported that year, in the first 20 years after export

The cost to ASNO over the next 20 years for safeguards and security activities on material exported during the period (tracking AONM as it moves through the nuclear fuel cycle).

This accounted for 31 per cent of the Basic Charge in 2023-24.

1. Future cost of tracking UOC exported that year, for the period of 21-200 years in the future

The cost to ASNO over the next 21-200 years for safeguards and security activities on material exported during the period (tracking AONM, most likely in long-term storage).

This accounted for 5 per cent of the Basic Charge in 2023-24.

In 2023-24 the distribution of ASNO’s expenses has returned to more typical pre-COVID-19 values, with salaries accounting for approximately 63 per cent of the Uranium Producers Charge, travel accounting for 29 per cent, and ICT and rent the remaining 8 per cent.

The Uranium Producers Charge calculations incorporate a 5-year rolling average of ASNO’s costs (Basic Charge) to smooth out fluctuations. Consequently, the impact of COVID-19 on the total Charge will be spread out over several years and will produce some variations in estimates for the Charge for the next three years (Table 3) and the performance for the last five years (Table 4). In 2023-24, the number of operating uranium mines in Australia increased from two to three. This will not affect the total Charge, but the impacts on the Charge Rate will similarly be spread out over several years.

ASNO’s activities are funded by the DFAT budget. The Uranium Producers Charge is payable to the Consolidated Revenue Fund, rather than directly to ASNO. In a situation where UOC production ceased in Australia, ASNO funding would still be required to meet the legislated requirement of tracking AONM and to verify it remains in peaceful use.

The charge for each UOC producer is determined using the Charge Rate set in the Safeguards Regulation which is updated as needed. While the Basic Charge is not based on UOC production, the amount of UOC produced does have a significant effect on the Charge Rate (the higher the UOC production, the lower the Charge Rate).

Some variables impacting Australian UOC production will typically affect all producers in a similar way. These variables include variations in the UOC market price, exchange rate, and other fluctuations in the international market. Other variables will be specific to a producer, such as maintenance or upgrades at a producer’s mine site.

### 3.3 Design of regulatory charges

The fundamental design of the Uranium Producers Charge model was developed during the 1997 review, with minor changes to that have minimal affect on the result but improve efficiency in its implementation.

**Step 1: Determine the Basic Charge - the cost to ASNO to undertake Outputs in table 1**

A flow diagram for the Basic Charge calculation for a particular year is given in Figure 2. The calculation is performed at the completion of the financial year (referred to as the ‘previous year’) and is based on actual costs. The method for calculating the base expenditure for each Output is as follows:

* An assessment of the time (per cent full time equivalent, or FTE) that each ASNO staff member has spent on each Output. Derived from this is:
  + the total cost of salaries per Output,
  + the total cost of overheads per Output.
* An assessment on the cost and purpose of travel undertaken. As work travel frequently has multiple goals, an evaluation is made on what proportion of each trip is relevant to the production and export of UOC.

A proportion of the costs from Outputs 1 and 2 are used to calculate the future liabilities, using a Future Cost Multiplier. The Future Cost Multiplier is a simplification of the calculation, which previous used a trend analysis of UOC exports to determine a value for the future liability. However, the annual increase of AONM being tracked has stabilised as the total quantity of AONM has increased, justifying a simplification to the calculation.[[16]](#footnote-16)

The Future Cost Multiplier for the first 20 years after export is 10%, and 5% for the next 21-200 years. Combining present and future costs gives the Basic Charge for the previous financial year.

Flow chart which shows a visual representation of how the uranium producers charge is calculated as described in section 3.3.Figure 2 – Flow diagram outlining the calculation of the Basic Charge in a particular year.

**Step 2: Five-year rolling average of the Basic Charge**

To provide a degree of stability and predictability in the Charge Rate and ultimately the charge for each producer, a five-year rolling average of the Basic Charge is calculated. This is defined as the Basic Charge (average).

**Step 3: Determine the Charge Rate (in cents per kilogram uranium produced)**

At the end of the financial year the total amount of UOC produced and exported from each uranium producer is reconciled with ASNO.[[17]](#footnote-17) The Charge Rate (calculated) is determined by dividing the Basic Charge (average) by the total amount of UOC produced.

Given the administrative cost to the government of amending the Safeguards Regulations, the value of the Charge Rate is only updated in the Safeguards Regulations if the calculated Charge Rate is at least 1% less or 4% more than the Charge Rate currently in the Safeguards Regulations, or if there is a policy decision not to amend the charge rate due to exceptional circumstances. If the Safeguards Regulations are not amended, the value of the Charge Rate already in the Safeguards Regulations will be used to calculate the charge for each UOC producer for that year. This criterion seeks to minimise the cost of administering the charge while ensuring cost recovery proceeds as required.

**Step 4: Calculate the charge for each producer**

The charge for each UOC producer is determined by multiplying the Charge Rate by the amount of UOC produced by each producer in the previous financial year. The Safeguards Regulations put a cap of $500,000 a year per producer for the Uranium Producers Charge.

Before the charge for each producer is settled, ASNO provide each UOC producers with an opportunity to comment on the Charge Rate that ASNO intends to use, and the fee the producer will incur for UOC production in the previous financial year.

In 2023-24, the calculated Charge Rate was deemed to be sufficiently close to the Charge Rate already in the Safeguards Regulations based on the tolerances outlined in Step 3. Therefore, the Safeguards Regulations were not amended and the Charge Rate of 15.1953 cents/kg UOC produced used to determine the charge for each producer.

## Risk Assessment

The most likely risks and how they have been addressed are outlined below:

**The additional cost of the Uranium Producers Charge could be a potential barrier to new UOC mines entering the export market.**

This risk has been addressed in several ways:

* New UOC producers will not be subject to the Uranium Producers Charge until they have produced more than 1000 kg of UOC and UOC has been exported from the processing facility at some time.
* The amount of the Uranium Producers Charge for each producer is determined annually on a pro-rata basis so the financial burden is less on producers that have produced less UOC.

**There is an ongoing cost to Australia to maintain the safeguards and security of exported UOC.**

This risk has been addressed in several ways:

* A future liability component is factored into the Uranium Producers Charge to cover the ongoing costs of ASNO’s future safeguard and security activities.
* As few UOC producers are likely to remain in business indefinitely, it is reasonable that the costs associated with these recurring activities are collected in the year the UOC is produced.

**Inherent risks in implementing complex cost recovery arrangements.**

The method for calculating the Uranium Producers Charge is well documented each year. Information tables and rationales for decisions used to provide a consistent interruption of the activities to that should be included in the Uranium Producers Charge calculation.

**The resources required to implement the Uranium Producers Charge detract from ASNO’s ability to perform its regulatory activities.**

This risk has been addressed in several ways:

* ASNO is a small organisation and implementing the Uranium Producers Charge, particularly updating the Safeguards Regulations, is a non-trivial task. Criteria have been put in place so that minor changes to the Charge Rate do not require an amendment of the Safeguards Regulations.
* Simplifications to the Uranium Producers Charge calculations are considered if they will have a minimal effect on the cost recovery principle, while making the calculations easier and more consistent.

**With so few UOC producers in Australia, transparency of ASNO’s regulatory activity needs to be balanced against industry confidentiality.**

This risk has been addressed in several ways:

* ASNO remains as transparent as possible, while remaining alert to any industry concerns and responding appropriately.
* Information related to contracts and sales is not required to be provided to ASNO, this information is required under the Export Permissions administered by the Australian Department of Industry, Science and Resources.
* ASNO Annual Report figures on export and transfers are published at aggregate levels.

## Stakeholder Engagement

ASNO works closely with each of Australia’s current and prospective UOC producers. This includes consulting with the UOC producers prior to revising the Charge Rate under the Safeguards Regulation and the proposed charge for the previous financial year. Producers were consulted on ASNO’s proposed charge for 2023-24 and did not express a concern with ASNO’s proposal to use the charge rate currently in the Safeguards Regulations.

In addition, ASNO regularly engages with Australia’s UOC producers on a range of topics, including:

* UOC exports processing and approvals
* maintenance of their permits with ASNO
* security of the facility and transportation of UOC
* information exchanges on UOC export avenues and customers
* IAEA inspections and safeguards
* updates on international nuclear regulatory developments, or other developments related to the industry.

ASNO organises regular information exchange discussions with its bilateral international counterparts, to facilitate efficient international regulatory processes. ASNO also participates in joint industry-government working groups and forums to contribute to the effectiveness of the sector.

Australia’s UOC producers support ASNO’s role in maintaining Australia’s strong non-proliferation record and adherence to high security and safeguards standards. The producers are aware that this contributes to their ‘social licence’ which helps maintain community support for their continued operation. The application of high safeguards and security standards by Australia can also be attractive to customers aiming to promote non-proliferation credentials.

## Financial Estimates

The table below outlines the financial estimates for the 2023-24 financial year and the three years forward.

**Table 3 – Financial estimates for the Uranium Producers Charge for the next three years.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Measurement | 2023-24  **$’000**  **(actual)** | 2024-25  **$’000** | 2025-26  **$’000** | 2026-27  **$’000** |
| Expenses = X | 1,079 | 1100 | 1122 | 1145 |
| Revenue = Y | 743 | 821 | 946 | 1063 |
| Balance = Y – X | -336 | -279 | -176 | -82 |
| Cumulative balance | -336 | -615 | -791 | -873 |

Explanation of material variance:

1. Expenses are the costs incurred by ASNO for that year, i.e. the Basic Charge.
2. Revenues are the amount to be received by The Consolidated Revenue Fund, i.e. the 5-year average Basic Charge.
3. Future estimates assume a 2 per cent annual increase in expenses on current year costs.
4. The estimate assumes constant UOC production and export values which are based on a 5 year average of the production and export of current uranium mines.

## Financial Performance

The table below outlines the historical performance of ASNO’s cost recovery activities.

**Table 4 - Financial performance of the Uranium Producers Charge for the last five years.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Measurement | 2019-20  **$’000** | 2020-21  $’000 | 2021-22  $’000 | 2022-23  $’000 | 2023-24  $’000 |
| Expenses = X | **695** | **154** | **559** | **871** | **1079** |
| Revenue = Y | 495 | 219 | 715 | 697 | 743 |
| Balance = Y – X | 849 | 154 | 156 | -174 | -336 |
| Cumulative balance | 714 | 373 | 529 | 355 | 19 |

Explanation of material variance:

1. Expenses are the costs incurred by ASNO for that year, i.e. the Basic Charge.
2. Revenues are the amount received by The Consolidated Revenue Fund, i.e. the 5-year average Basic Charge.
3. In 2019-20 and 2020-21, 2023-24 the Charge Rate was not updated in the Safeguards Regulations and the pre-existing Charge Rate was used. This was because there was no significant change in the calculated Charge Rate (as described in step 3) or an increase in the charge rate was not considered appropriate during COVID-19. This slightly reduced the total charge collected in those years.

## Non-Financial Performance

To meet legislative requirements, ASNO’s Director General provides an Annual Report on ASNO’s performance to the Foreign Minister. The Foreign Minister tables ASNO’s Annual Report in Parliament and includes:

* the Charge Rate used to calculate the Uranium Producers Charge in the preceding financial year[[18]](#footnote-18)
* the quantity and value of Australian UOC exports each year
* the total quantity of nuclear material in Australia at the end of the year
* the net accumulated AONM by category, quantity and location at the end of the year
* updates on nuclear safeguards and security developments, both domestically and internationally
* IAEA Statements of Conclusion and other inspection findings for Australia.

The DFAT Annual Report includes DFAT’s transfer of the received Uranium Producers Charge to Consolidated Revenue Fund under notes on administered income.[[19]](#footnote-19)

ASNO conducts annual nuclear material accounts reconciliation with the IAEA (for domestically held nuclear material), and with our bilateral NCA counterparts. Through this reconciliation process, ASNO can report that all AONM was satisfactorily accounted for, enabling Director General ASNO to meet legislative requirements.

## Key Forward Dates and Events

* In the first half of every financial year, ASNO will calculate the Charge Rate based on the UOC production figures of the previous financial year. Based on the value of the calculated Charge Rate, ASNO will determine if the Safeguards Regulations will be amended.
* ASNO will then seek feedback from the UOC producers regarding the Charge Rate value ASNO proposes to use, and the resulting fee the producer would incur.
* If the Safeguards Regulations are not being amended, ASNO will notify the UOC producers of their fee for the previous financial year.
* If the Safeguards Regulations are being amended, ASNO will undertake the required approval processes. In parallel, ASNO will review and published a revised Cost Recovery Implementation Statement (this document).
* After the Safeguards Regulations have been amended, UOC producers will be notified about their charge for uranium produced in the previous financial year.
* In accordance with the Australian Government Charging Policy Framework, the Uranium Producers Charge will be reviewed when the Department of Foreign Affairs and Trade undertake its next Portfolio Charging Review. The work for this Review is scheduled to be undertaken in 2025.

## CRIS Approval and Change Register

|  |  |  |  |
| --- | --- | --- | --- |
| Date of CRIS change | CRIS change | Approver | Basis for change |
| 1/9/2021 | Certification of the CRIS | Foreign Minister | Initial CRIS |
| 1/10/2022 | Charge Rate updated | Foreign Minister | Charge Rate amended in the Safeguards Regulations |
| 1/10/2023 | Charge Rate updated | Foreign Minister | Charge Rate amended in the Safeguards Regulations |
| 13/11/2024 | Amended description of the cost recovery model | Foreign Minister | Minor amendment to the calculations of the future liabilities for tracking export uranium |

1. The term ‘nuclear security’ is used in this document and encompasses activities referred to as ‘physical security of nuclear material’ and ‘physical protection of nuclear material’ in other documents. [↑](#footnote-ref-1)
2. Uranium ore is mined and processed into uranium ore concentrate (UOC), typically in the from U3O8 (1 kg of U3O8 contains 0.848 kg of uranium). UOC is chemically and physically stable, requiring additional processing before it can be used as fuel in a nuclear power plant. The term UOC is preferentially used in this document to avoid confusion with other forms of uranium that ASNO regulates but which are not subject to the Uranium Producer’s Charge. [↑](#footnote-ref-2)
3. ASNO is an independent federal regulatory authority with jurisdiction in all states and territories and its principal focus is international and domestic action to prevent the proliferation of nuclear and chemical weapons. [↑](#footnote-ref-3)
4. ASNO is one of two nuclear regulators in Australia. The Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) has regulatory charge of the safety of all radioactive material, of which nuclear material is a small component. [↑](#footnote-ref-4)
5. https://www.iaea.org/sites/default/files/statute.pdf [↑](#footnote-ref-5)
6. Currently Australia has 25 NCAs covering 43 countries (the Australia-European Union NCA covers all members of the European Union). [↑](#footnote-ref-6)
7. For example, almost all exported Australian UOC will be used as fuel in a nuclear power reactor. In the reactor some of the uranium will be converted to plutonium which, as a nuclear material, ASNO will also continue to track as AONM. [↑](#footnote-ref-7)
8. ASNO currently tracks 238,741 tonnes of AONM – about five times the quantity of being tracked when the Uranium Producers Charge was introduced. [↑](#footnote-ref-8)
9. The NPT has become the cornerstone of the international nuclear non-proliferation regime and is among the United Nations’ most successful multilateral treaties, with 191 Parties. India, Israel, Pakistan and South Sudan have never joined the NPT. The Democratic People's Republic of Korea (North Korea) purported to withdraw from the NPT in 2003 according to the United Nations Office for Disarmament Affairs (see http:/disarmament.un.org/treaties/t/npt). [↑](#footnote-ref-9)
10. https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=CHAMBER;id=chamber%2Fvotes%2F1993-05-26%2F0035;query=Id%3A%22chamber%2Fvotes%2F1993-05-26%2F0008%22 [↑](#footnote-ref-10)
11. https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=CHAMBER;id=chamber%2Fhansardr%2F1993-08-31%2F0037;query=Id%3A%22chamber%2Fhansardr%2F1993-08-31%2F0044%22 [↑](#footnote-ref-11)
12. http://www.austlii.edu.au/au/legis/cth/bill\_em/nsouoccb1993604/memo\_0.pdf [↑](#footnote-ref-12)
13. https://www.legislation.gov.au/Details/C2004H02490 [↑](#footnote-ref-13)
14. See Australia’s Uranium Transhipment Security Policy in ASNO’s Annual Report https://www.dfat.gov.au/sites/default/files/asno-annual-report-2020-21.pdf [↑](#footnote-ref-14)
15. While the future liability cost is calculated over 200 years, there is no intention that safeguards and security requirements would stop 200 years after export. [↑](#footnote-ref-15)
16. The amount of UOC exported in 1996-97 equated to approximately 10% of the ANOM being tracked by ASNO. In 2023-24, the amount of UOC that was exported equated to approximately 2.5% of the ANOM being tracked. [↑](#footnote-ref-16)
17. This reconciliation enables ASNO to fulfil Australia’s reporting obligations to the IAEA under the Additional Protocol, as well as provide a reliable basis for the tracking of AONM in the future. [↑](#footnote-ref-17)
18. https://dfat.gov.au/international-relations/security/asno/Pages/annual-reports.aspx [↑](#footnote-ref-18)
19. https://www.dfat.gov.au/sites/default/files/minisite/static/6923df7e-0194-4770-97d1-00faf01334d2/annual-report-2020-21/wp-content/uploads/2019/10/FS-2.2.pdf [↑](#footnote-ref-19)