Date Introduced: 3 May 1979
House: House of Representatives
Presented by: The Honourable R.J. Groom, Minister for Housing and Construction on behalf of The Honourable Kevin Newman, Minister for National Development

Short Digest of Bill

Purpose

To enable the Australian Atomic Energy Commission to borrow moneys and issue securities which are guaranteed by the Treasurer on behalf of the Commonwealth, and to provide certain other technical amendments.

Background

The Atomic Energy Act 1953 was amended in 1978 to enable the A.A.E.C. to participate, on behalf of the Commonwealth, in the Ranger Uranium Project in conjunction with Peko Mines Ltd and Electolytic Zinc Co. of Australian Ltd. On 9 January 1979 the Minister for Trade and Resources signed agreements with Peko/EZ giving effect to the principles established in a Memorandum of Understanding dated 28 October 1975 concerning arrangements for the joint venture. There are two comprehensive documents a Government Agreement with the joint ventures and a Management Agreement between them. They cover such matters as financial arrangements, operations, environmental control, aboriginal land rights, local administration etc. Subject to conditions and restrictions of an environmental nature, the Minister also, on 9 January 1979, authorized uranium mining to proceed in the Ranger Project Area in accordance with Section 41 of the Atomic Energy Act 1953.

The Agreements require that capital costs for the Project be provided on the basis AAEC 72-1/2%, Peko 13-3/4%, EZ 13-3/4%, and operating costs AAEC 50%, Peko 25%, EZ 25%.

In his Budget Speech for 1978/79 the Treasurer said: "The Commonwealth's share of the costs of developing the Ranger uranium deposits is estimated at $44 million in 1978-79; $20 million of this will be provided from the Budget, with the Australian Atomic Energy Commission raising the balance through borrowings"
The Act presently allows the AAEC to borrow money subject to the Treasurer's permission. However the Commission cannot give any security. The Bill will alter this situation so that the Commission, again subject to the Treasurer's consent, can issue securities. A loan may be guaranteed by the Commonwealth. This will ensure that it will be able to borrow within the maximum rates agreed by the Loan Council for statutory authorities.

Main Provisions

Clause 5 repeals Division 3 and substitutes a new Division 3 which brings staffing arrangements and conditions of service up to date and in line with those applying generally to statutory authorities.

Clause 6 repeals sections 25 to 30A (inclusive). These sections are in Division 4 - Finance. Briefly they provide for:

Banking arrangements to be with the Reserve Bank of Australia.

Application of moneys to be in connexion with the Commission's functions.

Borrowing subject to the Treasurer's permission.

Estimates to be in such form as the Minister directs.

Contracts over $50,000 to be approved by the Minister.

The keeping of proper accounts.

Inspection and auditing of accounts by the Auditor General, and his report to the Minister.

New Sections in Division 4 - Finance, 25 to 30D, cover substantially the same matters, but are redrafted for simplicity and clarity. In addition:

Section 30 authorizes the Commission to issue securities guaranteed by the Treasurer on behalf of the Commonwealth;

Section 30B raises the amount for contracts which require Ministerial approval from $50,000 to sums exceeding $200,000.