

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Additional Estimates 2007-08

21 February 2008

**Question:** AR-6  
**Topic:** Royalty rate for uranium in South Australia  
**Proof Hansard Page:** E81-82

**Senator Johnston** asked:

**Senator JOHNSTON**—Beverley is the new one. Can you tell me what the royalty is in South Australia? Is it a percentage or is it per tonne with respect to uranium?

**Mr Hartwell**—I would have to take that on notice unless one of my colleagues knows. We obviously do not have responsibility for administering uranium royalties in South Australia. That is a matter for the South Australian government.

**Senator JOHNSTON**—Given we have only two states participating in the mining of that mineral, I am interested to know what the revenue lost to Western Australia and particularly Queensland would be. Do the department and your division ever analyse that? We have Kintore and Yalleroi. We know how many tonnes are in there. Have we looked at that?

**Mr Hartwell**—Not in the precise terms that you would put it. Obviously, we are aware of the Kintore and Yalleroi uranium deposits in Western Australia. The Western Australian government has a policy of no uranium mines at this point in time. Depending on your valuation of the resource you can make some judgment on the sorts of royalties that might accrue to the Western Australian government. You could do that, I suppose. It is not something that we have done.

**Senator JOHNSTON**—Could you take that question on notice for me on South Australia?

**Mr Hartwell**—On South Australia? I am not sure what that means. These deposits are in Western Australia.

**Senator JOHNSTON**—I am interested to know what South Australia is getting.

**Mr Hartwell**—I can take that one on notice.

**Answer:**

The royalty rate for uranium in South Australia is the same as for all other minerals except extractives. The royalty is 3.5% of the ex- mine gate value of the mineral which is determined by the contract sale price received less prescribed costs from the point of sale back to the mine gate. Prescribed costs are:

- (a) costs (including GST) genuinely incurred in transporting the minerals from the relevant tenement to a port (including, for example, packaging, storage, loading, permit, fees and insurance costs);
- (b) costs genuinely incurred in shipping the minerals from a port to a genuine purchaser in a sale at arms length; and
- (c) any other cost determined by the Minister to be a cost of a prescribed kind.

In 2006-07 South Australia received uranium royalties of \$9,345,000 from sales of uranium from the two operating mines, Olympic Dam and Beverley. This represents 11.8% of South Australia's total mineral royalties received for 2006-07.