

Mr John Hawkins
Committee Secretary
Senate Economics Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

13 February 2009

Dear Mr Hawkins

Inquiry into the Uranium Royalty (Northern Territory) Bill 2008

I refer to your letter of 11 December inviting the Association to make a submission to the Committee's inquiry into the above Bill.

As background, I attach a copy of a report prepared in 2008 by Deloitte - Insight Economics for the Association.

The report models the economic impact of expanding uranium mining in the Northern Territory, among other things.

It shows that, under conservative assumptions about the growth of nuclear power overseas, the expansion of uranium mining in the Territory would have the following economic impact on the Territory to 2030, compared to a base case:

- Gross Territory Product would be \$2.3 billion higher
- Consumption in the Territory would be \$844 million higher
- Investment would be \$405 million higher
- Government revenues would be \$330 million higher.

In the Association's view, it would be prudent to settle the royalty arrangements for uranium in the Territory expeditiously, and on the same basis as the royalty arrangements for other minerals, to provide a stable investment climate for the industry.

On that basis, the Association supports the current Bill.

The Association supports a royalty regime for uranium that applies equally to projects on Aboriginal land and on non-Aboriginal land. The royalty regime for uranium should provide that royalty payments made by a mine operator should be passed to the Northern Territory and an equivalent amount paid into the Aboriginal Benefit Account.

The Northern Territory should administer the royalty regime on behalf of the Commonwealth.



If there are any issues or questions this submission raises for the Committee, the Association would be happy to respond.

Yours sincerely

(Signed)
Michael Angwin
Executive Director