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INFORMATION AND RESEARCH SERVICES

Bills Digest

No. 152 2000–01

Space Activities Amendment (Bilateral
Agreement) Bill 2001

ISSN 1328-8091

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Published by the Department of the Parliamentary Library, 2001

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Space Activities Amendment (Bilateral Agreement) Bill
2001

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21 June 2001

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Space Activities Amendment (Bilateral Agreement) Bill 2001

Date Introduced: 6 June 2001

House: House of Representatives

Portfolio: Industry, Science and Resources

Commencement: Royal Assent

Purpose

To permit the operation of an inter-governmental agreement between the Government of the Russian Federation and the Commonwealth that would facilitate the import of Russian space technologies for possible launch from Australia.

Background

On 23 May 2001 in Canberra, representatives of the Commonwealth and the Russian State signed the *Agreement between the Government of Australia and the Government of the Russian Federation on Cooperation in the Field of the Exploration and Use of Outer Space for Peaceful Purposes*. The signing followed a long saga of various proposals for the launch of foreign space rockets with satellite payloads from a number of proposed local facilities.

The import of sophisticated, foreign launch vehicle and other space-related technologies involves the agreement between governments for its release and access control, especially given the sensitive basis of some of the technologies involved. The key provisions include protection of intellectual and physical property and information.

The Agreement also provides for the exemption of imported specialised space-related goods and equipment from an Australian duty of up to 5 per cent. Note that the *Sales Tax Legislation Amendment Bill (No.1) 1998* passed through Parliament in early 1999. This involved an exemption for space objects such as any satellites launched from Australia.

Australia had already maintained a space agreement with the former Soviet Union. That *Agreement between the Government of the Union of the Soviet Socialist Republics and the*

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Government of Australia on Cooperation in the Field of Exploration and the Use of Outer Space for Peaceful Purposes of 1 December 1987 is replaced by the new Agreement. It is not clear whether any significant programs emerged or succeeded under the previous agreement.

Main Provisions

The Bill amends the *Space Activities Act 1998* to provide for new regulations to give effect to the provisions of the Agreement. Regulations made under section 79A should enable the Minister to nominate organisations to carry out specialised activities.

Item 4 of Schedule 1 of the Bill inserts a **new Part 5A** in the *Space Activities Act 1998*, the principal effect of which is to allow the making of regulations to give effect to the provisions of specified space cooperation agreements, in this case the new Agreement.

Item 6 of Schedule 1 of the Bill inserts a new Schedule 6 in the *Space Activities Act 1998* that contains an English text version of the inter-governmental agreement with Russia.

Concluding Comments

The effect of the legislation will involve an amendment to the *Customs Tariff Act 1995*, with the Minister to authorise project concessions under guidelines to be developed. This would occur through the Customs Tariff Proposal No. 5 (2001) during Winter 2001.

A recent Euroconsult 2000 report estimates that the US\$34.6 billion launch market for 657 satellites, over this decade, includes a 61 per cent allocation to commercial operators with 42 per cent open to tender.¹ However, according to a Canberra-based analyst, the projected supply of commercial space launches far exceeds estimates of demand over the decade.² Asia-Pacific Aerospace Consultants believes that the oversupply approaches 200 per cent. As well, two major launch vehicle operators have made large bulk purchases of their own vehicles to lower costs. It is hard then to see where new launch market opportunities lie.

The most advanced launch proponent appears to be Asia Pacific Space Centre with its proposal to launch Russian vehicles from Christmas Island and plans to commence construction of the space centre in September 2001. The company completed an Environmental Impact Statement for the proposed space facility and was given "Major Project Facilitation" status by the Australian Government. A company with the same managing director and street address, Soft Star Pty Ltd purchased the Christmas Island resort as a complementary element of the satellite launching facility proposed by the Asia Pacific Space Centre.

Meanwhile, the time for the presentation of the report of the Joint Standing Committee on the National Capital and External Territories on the sale of the Christmas Island resort has

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been further extended to 9 August 2001. On 8 November 2000, the following matters were referred to the Joint Standing Committee on the National Capital and External Territories for inquiry and report by 5 April 2001:

- (a) the development and implementation of the tender process followed in the sale of the Christmas Island resort; and
- (b) the outcome of the tender process, the current status of the resort and proposals for the resort's future development.

The Department of Industry, Science and Resources has separately prepared a draft Space Activities Regulations 2001 for launch vehicle licenses and launch permits.

Endnotes

- 1 Villian, R., 'To reach the stars', *Asia-Pacific Satellite* - April 2001, pp. 12–16.
- 2 Grose, S., 'Expert warns of oversupply in satellite-launch market', *The Canberra Times*, 13-03-01, p. 15.

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