

01 February 2021

To: The Inquiry Secretary

*Customs Amendment (Banning Goods Produced by Uyghur Forced Labour) Bill 2020*

Foreign Affairs, Defence and Trade Legislation Committee

c/o [fadt.sen@aph.gov.au](mailto:fadt.sen@aph.gov.au)

Supplementary Public Submission No. 02.1 by David Noonan.

**The case to disqualify non-transparent China from receipt of Australian uranium supply:**

Dear Secretary

Please consider this Supplementary Submission as a public interest rationale and Recommendations (p.2) to respond to China's practice of Human Rights abuses, with Questions to DFAT & to ASNO.

In Sept 2014 PM [Tony Abbott banned uranium sales to Russia](#) over breaches of International Law and the downing of MH-17. China is in breach of International Humanitarian Law and UN Treaties.

A range of public interest reasons warrant action to disqualify China as a recipient of Australian uranium supply, including in response to Human Rights abuses, mass detention and forced labour.

'Trust' in China has proven to be misplaced. China is increasingly not accountable to Australia across a widening range of transparency, coercive trade, Human Rights abuses and strategic issues.

The routine practice of "*substitution*" of Australian uranium in China belies the Australian Safeguards & Non-Proliferation Office (ASNO in DFAT) claim that our nuclear materials are accounted for.

Claims by successive federal governments & DFAT to trust in and rely on China in uranium supply issues were never credible and are nonsense now in an era of an assertive and unresponsive China.

Public interest Questions on Australia's risk exposure in our relationship with China, and on Australian uranium sales to China, are provided for the Committee's consideration and use.

Why do we continue to sell uranium to China - which features Human Rights abuses, proliferated nuclear technology & weapons know how to Pakistan, and targets Australia in cyber-attacks?

China is modernising its nuclear arsenal and could attack US bases in Australia in a major conflict.

Australia has no leverage on China through our uranium sales and should exit that risky exposure.

The influence, \$ value and level of mine production of Australian uranium are in multi-year decline. ASNO gave a five-fold inflated projection of the \$ value and tonnage of Australian uranium sales to China. Mining interests in marginal uranium sales to China run counter to our public interests.

PM Tony Abbott showed leadership to ban uranium sales to Russia. Who will lead now on China?

Feel free for the Secretary, Members of the Inquiry & staff to contact on aspects of the submission.

If of interest to the Inquiry, I offer to provide evidence as a Witness in a Hearing across these issues.

Yours sincerely

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Independent Environment Campaigner and Consultant (ABN Sole Trader)

## Supplementary Public Submission No. 02.1 by David Noonan

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### Conclusion & Recommendations in [Public Submission No.02](#)

China's lack of transparency and Human Rights abuses, of the gravity of mass detention and forced labour of the Uyghur people in Xinjiang AND of the Tibetan people in Tibet, oblige Australia to act on our values and to instigate a range of decisive actions and measures in response.

- The Inquiry must address reports of Human Rights abuses and mass detention and forced labour of Uyghurs in the Xinjiang region AND of Tibetan people in the region of Tibet
- The Inquiry should invite the Australia Tibet Council to give evidence in a Hearing
- Require access to Xinjiang & to Tibet, or else decline entry to Australia to officials of China
- Ban the Australian import of goods produced by Uyghur or by Tibetan forced labour
- Investigate and engage a range of measures to support the Human Rights of both the Uyghur people and of the Tibetan people
- Disqualify non-transparent China as a recipient of Australian uranium sales supply
- Support Hong Kong people impacted by state repression of Human Rights and freedoms
- Accept refugees & others at risk of, or subject to, state repression in Xinjiang, in Tibet & HK
- Support Taiwan as a fellow democracy

### Supplementary Public Submission - further Recommendations:

- The routine "*substitution*" of Australian uranium in China, and the *Illusion of Protection* in ASNO safeguards, warrant disqualification of China as a recipient of Australia uranium (p.4)
- Australia should name China and explain its involvement in cyber-attacks on Australia (p.4)
- Australians have a right to know the extent of our risk exposure with China in peace and in war. Q: What are the risks and scenarios in which China could launch a nuclear attack on a US base in Australia during an escalating conflict with the US? (p.6-7 & Questions p.12)
- BHP had to accept an end to uranium sales to Russia and now has an onus to end uranium sales to non-transparent China in response to China's Human Rights abuses (p.9)

## **Claimed ‘safeguards’ on Australian uranium in China are an *Illusion of Protection*:**

***“Uranium ore concentrates transferred to China under this Agreement shall be substituted by an equivalent quantity of converted natural uranium”***

([Transfer of Nuclear Material Agreement](#) between Australia and the People’s Republic of China, Annex B, DELINEATED CHINESE NUCLEAR FUEL CYCLE PROGRAM, in force Feb 2007)

***“All Australian Obligated Nuclear Material was satisfactorily accounted for.”***

(Dr Robert Floyd, Director General, [ASNO Annual Report 2019-20](#), p.iii)

The routine practice of “*substitution*” of Australian uranium in China belies the claim that Australian nuclear materials are accounted for. This ‘flag swapping’ of Australian uranium renders Australian Safeguards and Non-Proliferation Office (ASNO) safeguards ineffective.

On arrival in China shipments of Australian uranium are “*substituted*” for other uranium material from other origins that are held at other locations at nuclear enrichment facilities. Actual Australian uranium then goes on to a nuclear conversion facility in China, which is outside of IAEA safeguards.

Australian uranium sales supply to non-transparent China contributes, directly or indirectly, to support and sanction China’s interlinked civil and military nuclear regime.

A range of public interest reasons warrant action to disqualify non-transparent China as a recipient of Australian uranium supply, including that:

*““Australian uranium will effectively disappear off the safeguards radar on arrival in China, a country whose military is inextricably linked to the civilian nuclear sector and where nuclear whistle-blowers and critics are brutally suppressed and jailed. This alone is reason to disqualify China from acquiring Australian uranium.”*

In: “[Uranium policy a hypocrisy](#)” Opinion by David Noonan, The Age & SMH newspapers, 5 Oct 2009.

“Who’s Watching the Nuclear Watchdog? [A Critique of ASNO](#)” (Energy/Science Coalition, Briefing Paper #19, Executive Summary p.2, University of Melbourne, August 2007) states:

*“This EnergyScience Briefing Paper raises serious concerns regarding the competence and professionalism of ASNO. ...*

*This paper details a large number of statements made by ASNO which are false or misleading. The evidence compiled raises critical questions of good governance, and leads inescapably to the conclusion that the safeguards on Australian uranium which ASNO is responsible for implementing are deeply flawed both in their design and in their execution. This situation requires redress. The authors of this paper believe there is a compelling case for major reform of ASNO as a matter of urgency. ...*

*The matters raised here go to the heart of Australia’s obligations as a major uranium exporting nation.”*

ASNO claims to account for Australian nuclear materials in China are an ‘*Illusion of Protection*’. ASNO conducts a book-keeping exercise in attempt to account for other ‘equivalent’ designated nuclear material which have been “*substituted*” for the original Australian uranium.

Export of Australian uranium to China was investigated by a major [report](#) (Oct 2006) prepared for the Medical Association for Prevention of War (MAPW) & Australian Conservation Foundation (ACF).

*“An Illusion of Protection. Full Report. The unavoidable limitations of safeguards on nuclear materials and the export of uranium to China”* concluded in Recommendation No.2 (p.11):

*“Australia should not export uranium to China. On such a serious matter as proliferation of nuclear weapons, China’s poor non-proliferation record and lack of transparency – and indeed active contribution to horizontal nuclear proliferation – warrants the disqualification of China as an appropriate recipient of Australian uranium on these grounds alone.”*

Lack of transparency was a key factor in the report’s findings to disqualify China. This is also a core serious concern regarding a range of contemporary unacceptable Human Rights abuses in China.

Australia has no leverage on China through our uranium sales and should exit that risky exposure.

PM Tony Abbott showed leadership to ban uranium sales to Russia. Who will lead now on China?

### **Recommendation:**

**The routine “*substitution*” of Australian uranium in China, and the *Illusion of Protection* in ASNO safeguards, warrant disqualification of China as a recipient of Australia uranium.**

### **Why do we sell uranium to China - while China targets Australia in cyber-attacks?**

***“Another certainty is that Australia will continue to be under full-on cyber assault, principally from China”***

(Peter Jennings, ED of ASPI, in The Australian, Insight, 23 Dec 2020, p.11)

Peter Jennings article “*2021 the year of the wolf warrior at the door*” has set out “*take-to-the-bank strategic certainties for 2021*” including the certainty of continued cyber assault by China:

*“The wider point is that Australia is constantly under sustained cyber attack from sophisticated and persistent state actors that have shown a determination to get into our networks, ranging from parliament to security and intelligence agencies, universities and businesses.”* (Peter Jennings, Australian Strategic Policy Institute)

Australia fails to identify the state actors who perpetrate cyber assaults on our interests. The public should not be left in the dark on such critical defence and strategic issues. We have a right to know.

“*What should Australia do about... its relationship with the PRC?*” by Dave Sharma, federal Liberal Party MP (In: [China Matters Explores views from across the aisle, Nov-Dec 2020](#)), says:

*“Among Western nations, Australia has the highest level of integration and exposure to the PRC. ... Be frank with the Australian public. ... This includes being more willing to disclose attempts by the PRC to interfere in Australia, from large-scale cyberattacks to attempts to intimidate Chinese Australian communities. ... Australia must clearly define our redlines. We must make it clear that certain elements underpinning our sovereignty and national character are not-negotiable and off limits to foreign actors.”*

**I submit the People’s Republic of China (PRC) has already crossed a number of Australia’s redlines:** Including egregious Human Rights abuses and “*large scale cyberattacks*” on Australia’s interests.

**Recommendation: Australia should act in response to China’s challenge to our values and interests, including by naming China over involvement in cyber-attacks on Australia.**

## China's proliferation record, nuclear arsenals and assertive military rise:

Australia should recognise China's record and take action to reduce our risk exposure with China.

China's Ambassador to Australia, Madame Fu Ying stated at a Melbourne Mining Club luncheon in Dec 2005 that China has insufficient uranium for both its civil and military nuclear program (In: JSCT Dec 2006, [Report No.81](#), Chapter 5.36). At best, the sale of Australian uranium frees up China to divert its own limited supply of uranium reserves to use in its military nuclear regime.

The sale of uranium to China involves Australia in acceptance of China's nuclear regime: its routine substitution of Australian uranium, its record of proliferation of nuclear & missile technology and weapons know-how, [modernisation of its nuclear arsenal](#), and an assertive military posture.

China's nuclear proliferation was central to Pakistan's nuclear weapons program ("[Deadly Arsenals](#)" Report 2<sup>nd</sup> Ed., J Cirincione et al, Carnegie Endowment for International Peace, July 2005).

China's state-run corporations trafficked illicit nuclear & missile technology to Pakistan, Iran, North Korea and Libya, despite China commitments to uphold non-proliferation regimes (Deadly Arsenals).

Chinese nuclear weapon designs were available from the [A Q Kahn nuclear smuggling network](#) out of Pakistan and are reported to have turned up in a number of countries.

China has also threatened to use nuclear weapons to destroy US cities over Taiwan ("[Chinese general warns of nuclear risk to US](#)", The Guardian, July 2005):

*A senior Chinese general has warned that his country could destroy hundreds of American cities with nuclear weapons if the two nations clashed over Taiwan. ... "If the Americans draw their missiles and position-guided ammunition on to the target zone on China's territory, I think we will have to respond with nuclear weapons." Major general Zhu Chenghu, a dean at the National Defence University, said. ... "Of course, the Americans will have to be prepared that hundreds of cities will be destroyed by the Chinese."*

The "[An illusion of Protection](#)" report by MAPW & ACF (Oct 2006) discussed China's flawed non-proliferation record to Pakistan and to Iran and the potential for nuclear conflict with the West.

Despite China's flawed record & risky profile, Australia signed up to sell uranium into China in 2006.

By 2007 China pushed nuclear supply deals to Pakistan in breach of NSG embargoes and continues to do so. Even the World Nuclear Association ([China's Nuclear Fuel Cycle](#), 2020) cites concern:

**Non-proliferation:** *China undertook nuclear weapons tests in 1964-96. Since then it has signed the Comprehensive Nuclear Test Ban Treaty, although it has not yet ratified it. In May 2004, it joined the Nuclear Suppliers Group (NSG).*

*The NSG membership gives rise to questions about China's supply of two small power reactors to Pakistan, Chashma 3&4. Contracts for Chashma units 1&2 were signed in 1990 and 2000, before 2004 when China joined the NSG, which maintains an embargo on sales of nuclear equipment to Pakistan. The agreement for units 3&4 was announced in 2007, and signed in October 2008. China argues that units 3&4 are 'grandfathered', under arrangements which are consistent with those for units 1&2.*

*In 2013 contracts were signed for two Hualong One reactors to be built near Karachi.*

**China is a destabilising influence in a number of potential conflict flash points, in India, in Hong Kong and Taiwan, and is considered a rising military threat to countries interests in the Pacific.**

China recently instigated destabilising military action against India "[India says trust with China 'profoundly disturbed'](#)" (Reuters, 12 Jan 2021):

*India's Foreign Minister Subrahmanyam Jaishankar said on Tuesday that trust with China had been deeply impaired after last summer's border clash which resulted in the first combat deaths in 45 years.*

China has recently threatened to use military force against a neighbouring democracy in Taiwan "[Chinese general threatens attack on Taiwan to stop independence](#)" (SMH, 29 May 2020):

*Taiwan's government denounced the comments, saying that threats of war were a violation of international law and that Taiwan has never been a part of the People's Republic of China.*

*"Taiwan's people will never choose dictatorship nor bow to violence", Taiwan's Mainland Affairs Council said. "Force and unilateral decisions are not the way to resolve problems."*

The military assertive rise of China across the South & East China Sea has lead [Japan to urge a boost in our naval presence](#) (Jan 2021). Defence analyst Hugh White urged Australia rethink our defence, to near double our military budget, and to *ill-advisedly* consider nuclear options ("[Australia may need to consider nuclear weapons to counter China's dominance, defence analyst says](#)", July 2019).

Concerns over China's interference, subversion and espionage feature in "[Australia to toughen export controls over fears technology could fall into hands of foreign armies](#)" (The Guardian, 2021).

### **US bases in Australia are nuclear targets in event of a war between China & US:**

Both China and Russia's priority & capacity to attack US bases in Australia has long been recognised.

The [Nautilus Institute for Stability and Security](#) has referenced key understandings that Australia is a nuclear target in war. "[Possibilities and effects of a nuclear missile attack on Pine Gap](#)" (2013) stated:

*"Pine Gap ... remains a likely priority target for a Chinese missile strike in the event of a major China – United States conflict, both because of its role as a remote ground station for early warning satellites ... and its larger role as a command, control, downlink, and processing facility for US signals intelligence satellites in geo-stationary orbit."*

(See Richard Tanter, [The "Joint Facilities" revisited – Desmond Ball, democratic debate on security, and the human interest](#), Special Report, Nautilus Institute for Security and Sustainability, 12 Dec 2012.)

Ex-PM Kim Beazley, a year after leaving office in 1996, told a parliamentary committee seminar that:

*"We accepted that the joint facilities were probably targets, but we accepted the risk of that for what we saw as the benefits of global stability."*

(Seminar on the ANZUS alliance, Joint Standing Committee on Foreign Affairs, Defence and Trade, Parliament of Australia, 11 August 1997.)



Paul Dibb, a former Deputy Secretary of Defence, (“America has always kept us in the loop”, *The Australian*, 10 Sept 2005) has stated:

*“We judged, for example, that the SS-11 ICBM site at Svobodny in Siberia was capable of inflicting one million instant deaths and 750,000 radiation deaths on Sydney. And you would not have wanted to live in Alice Springs, Woomera or Exmouth — or even Adelaide.”*

A classified Force Posture Review prepared prior to the 2009 Australian Defence White Paper, in [\*The Kingdom and the Quarry\*](#) David Uren’s 2012 book on our relationship to China (p.128), cites:

*“defence thinking is that in the event of a conflict with the United States, China would attempt to destroy Pine Gap.”*

[Pine Gap](#) (2020) is still a target in war. Richard Tanter’s “[The Joint facilities](#)” (2012, p.42) concluded:

*Consequently, attacking Pine Gap almost certainly remains a plausible and lucrative way of degrading or destroying the US geosynchronous signals intelligence capability – the “ears” of nuclear war-fighting capacity.*

China modernising its nuclear arsenal “[Chinese nuclear forces](#)” (Dec 2020) increases options for use.

The head of U.S. Strategic Command considers China could strike first in a war with the US “[Would China Use Nuclear Weapons First in a War with the United States?](#)” (The Diplomat, April 2020).

**Recommendation and key Questions to DFAT** (see 23 x Questions to DFAT at p.11-12):

Australians have a right to know the extent of our risk exposure with China in peace and in war. This Inquiry should call on DFAT to be transparent on the extent of this risk profile:

**Q: What are the risks and scenarios in which China could launch a nuclear strike on the Pine Gap US base in Australia during an escalating conflict with the US?**

[Australia banned uranium sales to Russia](#): “Australia has no intention of selling uranium to a country which is so obviously in breach of international law as Russia currently is,” said PM Tony Abbott.

**Q: Given China is in breach of International Humanitarian Law and UN Treaties, and a country likely to attack Australia with nuclear weapons in an escalating conflict with the US, why does Australia still sell uranium to China?**

**DFAT: Do not travel to China, at risk of arbitrary detention - yet uranium sales continue...**

DFAT advises that it is not safe for Australians to travel to China. DFAT acknowledges that: they cannot effectively help Australians who travel and who are at risk of arrest, jail and arbitrary detention in China; and DFAT is not allowed to intervene in the Chinese ‘legal system’ in response.

*“Australians may also be at risk of arbitrary detention.*

***We advise: Do not travel to China.** If you're arrested or jailed ... we can't get you out of trouble or out of jail. The Australian Government can't intervene in the Chinese justice process.”* (DFAT [China Travel Advice and Safety](#) accessed 16 Jan 2021)

However, in defiance of reality DFAT & ASNO claim that Australian uranium is accounted for in non-transparent China and Australia can trust in & rely on the conduct of the nuclear regime in China.

### **In decline: The influence, \$ value and level of production of Australian uranium**

Australian uranium production and exports are in long term decline. Rio Tinto's Ranger uranium mine in Kakadu closed in January 2021, leaving only two active uranium mines in SA: BHP's Olympic Dam copper-uranium mine and the General Atomics 'Beverley Four Mile' operation.

Uranium export values are projected to decline from \$688 million in 2019-2020 to \$547 million in 2021-22 as mine output declines ([Resources & Energy Quarterly, Depart of Industry, Dec 2020](#), p.91).

Production declined from 7,600 tonnes in 2018-19 to 7,349 in 2019-20 and is projected to fall to 6,486 in 2020-21 and to only 5,800 in 2021-22 (Depart of Industry, Table 9.1 Uranium Outlook, p.95).

Department of Industry estimates an over 10% fall in uranium production in both 2021 and in 2022.

This forecast of only 5,800 tonnes in 2021-22 will be the second lowest level of uranium exports cited in [ASNO Annual Reports](#) from 1998-99 on. The lowest level was in 2014-15 at 5,515 tonnes.

The forecast 2021-22 uranium export \$ value of only \$547 million will be equal lowest Australian uranium sales since before 1998-99, tying with the previous low in 2005-06 at \$545 million.

The [Resources & Energy Quarterly](#) (Dec 2020) reports the *"export earnings forecast for 2020-21 was revised down by \$74 million, ... with the 2021-22 forecast revised down in similar proportion. This reflects a weaker price outlook over the next two years"* (p.94).

Further, uranium exploration *"remains low due to ongoing weak prices"* (p.94). Only \$1.8 million was spent on uranium exploration in Australia in the September quarter of 2020.

Australia has been ranked in third place among uranium producer countries since falling from second place after 2008-09. Australia used to export approx. 10,000 tonnes of uranium per annum. The average over the last decade has been approx. 7,200 tonnes per annum. The 2008-09 year was also the only year in which the \$ value of our uranium exports has ever reached \$1 billion.

Australian uranium production continues to decline in global terms: From approx. 12% of world production in 2018-19, to a forecast of approx. 10.7% in 2020-21 and to only 9.6% in 2021-22 (p.91).

In comparison: First placed Kazakhstan produced 26,800 tonnes in 2019 and is expected to produce 26,300 tonnes in 2022. Second placed Canada produced 8,200 tonnes in 2019, is estimated to only produce 4,800 in 2020 (with temporary cutbacks), and 8,200 tonnes in both 2021 and in 2022 (p.95).

Australia is relegated to fourth place in terms of considering "combined African uranium production" (p.95), at 10,000 tonnes in 2019 and forecast to produce 9,400 tonnes in 2021 and 9,200 tonnes in 2022 – at levels higher than in Canada or in Australia.

Note: *"World uranium production has long been checked by large stocks of surplus supply and inventories"* (p.93), with world uranium usage far in excess of mine production over the long term. The Department of Industry says any potential rapid price rise *"will likely be stymied given the scale of world uranium inventories and the significant spare capacity of major producers"* (p.91).

Australian uranium exports now represent only 8.9% of world uranium usage ([ASNO Annual Report 2019-20](#), p23) and can be expected to continue to fall further over the next few years.

New uranium mines are uneconomic in Australia. In Nov 2019 Cameco, the world's largest uranium company, [cited](#) the long-term price needed to trigger investment in mines in WA at US\$55 - 60lb. However, the long-term uranium price is reported at US \$35lb and the spot price is below US\$30lb.



## **BHP Olympic Dam is the only outfit still selling Australian uranium to China:**

The BHP Olympic Dam copper-uranium mine in SA is the only outfit still selling Australian uranium into China since closure of Rio Tinto's Ranger mine in Kakadu in January 2021.

These is a case for 'The big Australian' BHP [to forego uranium sales](#) and an onus to end China sales.

China asked Australia to agree to export uranium in August 2004. BHP took over Olympic Dam mine in mid-2005 amidst a sales pitch for a major expansion in uranium output. By August that year Australia had sent agreement papers to China, with a required JSCT Inquiry yet to occur.

In Nov 2005 "[BHP plans to expand Olympic Dam](#)" (ABC AM, 04/11/05) BHP proposed converting the Olympic Dam mine at Roxby Downs into world's largest open pit mine operation:

*"The project is a \$5 bil expansion, doubling copper production, quadrupling uranium output, and converting the mine from a network of underground tunnels to a massive open pit." ...*

*But opponents like the Australian Conservation Foundation's David Noonan say there's much more at stake if the expansion does go ahead:*

*"This is to turn Roxby into the world's largest uranium mine. It's to turn SA into the uranium quarry for the world nuclear industry. It will make SA responsible for much of the nuclear risk, much of the potential nuclear accidents ... right across the globe."*

The "[An illusion of Protection](#)" report investigated the China uranium sales deal and its BHP links:

*"On 3 April 2006 the Government of Australia and the Peoples Republic of China signed a bilateral safeguards agreement that opened the door for the export of Australian uranium to China. ... Four days after the agreement was signed, the Governor of China's Development Bank toured BHP Billiton's Olympic Dam uranium mine in South Australia which is expected to become the primary source of uranium exports to China." (p.33)*

However, BHP abandoned the proposed open pit mine project as uneconomic in 2012 - after receiving full federal and SA government approvals. Costs had risen from \$5 to over \$20 billion.

Olympic Dam uranium production has declined rather than increase and the mine has struggled to produce copper at the rate of its late 1990's 'nameplate capacity' of 220 000 tonnes per annum.

Overall, uranium sales are a declining economic by-product of Olympic Dam copper mining. Since 2012 BHP has prioritised \$ returns on copper through access to areas of higher-grade copper ores.

BHP recently abandoned another Olympic Dam mine expansion plan: "[BHP shelves \\$3.7bn expansion plan for Olympic Dam mine in SA for a second time](#)" (The Advertiser, Business Editor, 20 Oct 2020). Having SA government "Major Project" status from Feb 2019, BHP abandoned this mine expansion:

*"just months after the colossal project was put on a Federal Government fast-track."*

BHP's claimed uranium expansion, touted with inflated figures, never occurred. The evidence from 2005 to 2020 is clear: BHP's Olympic Dam mine and vested interest in uranium, can't take a trick.

However, BHP Olympic Dam uranium sales did go on [to fuel the Fukushima nuclear disaster](#) in 2011.

**Recommendation:** BHP lobbied the Joint Standing Committee on Treaties (JSCT) to sell Australian uranium into China. **BHP had to accept an end to uranium sales to Russia and now has an onus to end uranium sales to non-transparent China in response to China's Human Rights abuses.**

### **ASNO's five-fold inflated projection of Australian uranium sales to China:**

Despite inflated projections of Australia's uranium mine production and export uranium sales potential, uranium sales tonnage has declined since 2008-09 and sales to China are small scale.

Australian uranium sales to China are only one fifth of ASNO's projected tonnage and \$ value.

BHP purported commercial interests joined with Chinese officials to lobby the Australian government to allow uranium sales to China ([JSCT Report No.81](#), Dec 2006, Background 4.5, p.22).

BHP sought new treaty agreements to sell uranium into China and into Russia to suit vested interests in a 2005-2012 Olympic Dam copper-uranium mine expansion proposal, which never eventuated.

The ASNO Director General gave evidence to the JSCT Inquiry in a Hearing in Sept 2006 on the claimed "*Value of Australian uranium exports*" to China (JSCT Report No.81, p.32)

*4.37 ASNO informed the Committee that the economic benefit of the Agreements would provide an estimated value of an additional A\$250 million per annum for Australia once they enter into force.*

*4.38 In 2005, Australia's uranium exports were worth A\$573 million. With the Agreements in place, uranium exports would be worth around A\$820 million per annum.*

Importantly, in the [Hearing](#) (TR p.22, 04 Sept 2006) the ASNO DG gave evidence projecting a 2020 Australian uranium export sale of "*in excess of 2,500 tonnes of uranium a year*" to China:

*Mr Carlson—The agreements will be in place for a considerable period, an initial period of 30 years. We have not attempted to calculate a value for the life of the agreements, but I can illustrate by reference to the 2020 projection when China hopes to have 40 gigawatts of installed nuclear capacity. The annual uranium requirements to fuel that number of reactors would be around 8,000 tonnes a year, which is almost as large as Australia's current uranium production. We assume that China will seek to diversify its supply so it will not be 100 per cent dependent on one country, but it would be a reasonable objective for Australia to secure around one-third of the Chinese market. That is a third of 8,000 tonnes so it is something in excess of 2½ thousand tonnes of uranium a year. That would be a reasonable expectation for us to be exporting to China.*

In contrast, the World Nuclear Association ("[Australian uranium](#)", updated Jan 2020) reports:

*"Customer countries' contracted imports of Australian uranium oxide concentrate – U<sub>3</sub>O<sub>8</sub> – may be summarised as follows:*

- China: about 500 tonnes per year."*

Australian uranium sales in the order of about 500 tonnes per year are valued at approx. A\$50 million (derived from Department of Industry, "[Uranium Outlook](#)", Dec 2020, figures p.95).

In evidence to the JSCT, ASNO projected Australian uranium sales to China in 2020 to be "*in excess of 2,500 tonnes of uranium a year*" and gave a uranium sales valuation at approx. \$250 million.

However, actual uranium sales to China are reported by the nuclear industry to be in the order of about 500 tonnes per year, giving an export value in 2020 of approx. A\$50 million.

**In a breach of transparency, ASNO and BHP fail to disclose the record of uranium sales to China.**

## Questions to the Department of Foreign Affairs and Trade:

### Topic: China's practice of Human Rights abuses of the Tibetan people.

Q 1: What inquiries has DFAT made over China's contemporary Human Rights abuses, forced re-locations, detention and forced labour of Tibetan people in the region of Tibet? And what are the findings of DFAT's inquiries?

Q 2: What is DFAT response to, and preparedness to act on, the UK Conservative Party Human Rights Commission report "[The Darkness Deepens. The Crackdown on Human Rights in China 2016-2020](#)", in particular: the Outline Summary Key Findings (p.7), and the ten Recommendations (p.12)?

- Including regarding the Tibet Chapter (p.64-69) and Summary points (p.64).

Q 3: What is DFAT response to, and preparedness to act on, the Findings of the report "[Xinjiang's System of Militarized Vocational Training Comes to Tibet](#)", by the Jamestown Foundation, a Global Research and Analysis Institute based in Washington DC (Publication: China Brief Volume: 20 Issue: 17, 22 Sept 2020, by Adrian Zenz)?

This reports findings of mass forced labour in Tibet are raised in Submission No. 02 at p.2-3, and are reported in "[China sharply expands mass labor program in Tibet](#)" (Reuters, 22 Sept 2020).

Q 4: What is DFAT's understanding of Australia's exposure to products made from or associated with forced labour in Tibet, including the reported forced labour of Tibetans in other areas of China?

Q 5: What is DFAT's understanding of China's limitations on third party access to Tibet?

### Topic: Australia's options to support the Human Rights of minorities in China.

Q 6: What range of options and measures is DFAT aware of that Australia could potentially take to support the Human Rights of the Uyghur people and of the Tibetan people in China?

Q 7: What range of options and measures is DFAT aware of that Australia could potentially take to support Hong Kong people impacted by state repression of Human Rights & freedoms in Hong Kong?

### Topic: Australia's options to support Uyghur people, Tibetan people and Hong Kong people who are outside of China.

Q 8: What programs, measures and options, is DFAT aware of for Australia to support Uyghurs, Tibetans and Hong Kong people who are outside of China?

Q 9: What is the status of Australia's program to accept refugees, and others at risk of - or subject to, state repression in Xinjiang, in Tibet and in Hong Kong?

### Topic: Australian support for Taiwan as a fellow democracy and Asia-Pacific economy.

Q 10: What options and measures is DFAT aware of that Australia could potentially take to support and engage with a fellow democracy and Asia-Pacific economy in Taiwan?

Q 11: What is DFAT's response to, and preparedness in regard to, the Recommendations of David Sharma MP: "*Australia should encourage the US to join the CPTPP and support efforts to include Taiwan.*" (In: [China Matters Explores views from across the aisle, Nov-Dec 2020](#), p.4);

Noting the stated position of Dave Sharma MP: "*Taiwan, in its capacity as an Asia-Pacific economy, should also be invited to join the CPTPP, regardless of Beijing's opposition.*" (p.3)

Q 12: What relationships and economic engagements does Australia already have with Taiwan?

**Topic: State actor cyber-attacks on Australia.**

Q 13: What is the record of cyber-attacks on Australia which are understood to have been carried out by, and required the capabilities of, state actors?

Q 14: Which state actors, or potential state-actors, have been named in these cases?

Q 15: What is DFAT's preparedness and options to name state actors in future cyber-attacks?

Q 16: What does DFAT consider to be the ramifications, for and against, of Australia potentially naming state actors and explaining their involvement in cyber-attacks on Australia?

Q 17: What is the record of our Western allies and Five Eyes partners naming state actors that have been considered to be involved in cyber-attacks on our allies interests?

**Topic: Australia's risk exposure to a nuclear strike by China in a conflict with the US**

Noting DFAT is aware of commentary by senior academics and by former senior Australian officials, including ex-PM Kim Beazley, that key US bases in Australia are a nuclear target in war:

Q 18: What are the risks and scenarios in which China could launch a nuclear strike on the Pine Gap US base in Australia during an escalating conflict with the US?

Q 19: What are the consequences for Australia in a nuclear strike on Pine Gap, by either Russia or by China?

Q 20: What civil defence preparations and health care responses – if any, has Australia made for the populations near Pine Gap and near any other potential target US bases in Australia?

Q 21: Has the Australian government ever made a serious attempt to explain to people living in towns close to target US bases the dangers they face in a potential nuclear strike by Russia or by China?

Q 22: In addition to Pine Gap, what other US bases or key infrastructure in Australia (potentially Darwin Harbour) is considered a potential target for China in an escalating conflict with the US?

Noting that Australia has stopped the sale of uranium supplies to Russia:

Q 23: Why does Australia still sell uranium to non-transparent China - the only other country likely to attack Australia with nuclear weapons in an escalating conflict with the US?

**Questions to the Australian Safeguards and Non-Proliferation Office:**

**Topic: Request for transparency by DFAT & ASNO on Australian uranium sales to China**

Q 24: What are the tonnage volumes and export dollar value of Australian uranium sales to China, in each year since ratification of the Agreement in Feb 2007, up to the end of 2020?

Q 25: What are the source companies & uranium mines of origin of these Australian uranium sales?

Q 26: In regard to the [Resources and Energy Quarterly, Dec 2020](#) (p.91-95) overall projection for sale of Australian uranium in the 2020-2021 and 2021-2022 years, what approx. proportion, tonnage and export dollar value does ASNO project to be made up from Australian uranium sales to China?

Q 27: What commercial contracts for sale of Australian uranium to China are ASNO aware of?

Q 28: What is ASNO's projection for future sales supply of Australian uranium to China, in tonnage and export dollar value?

Q 29: How do earlier ASNO Director General's projections of Australian uranium sales to China, projecting sales in 2020 to be "*in excess of 2,500 tonnes of uranium a year*" and giving a uranium sales valuation of approx. \$250 million a year, compare to the actual record of Australian uranium sales supply to China in 2020?

Given South Australia is now the only jurisdiction conducting uranium mining in Australia, since closure of Rio Tinto's Ranger uranium mine in Kakadu, and with General Atomics / [Heathgate Resources](#) owned Beverley Four Mile operation only selling to limited countries (mainly the US):

Q 30: Can ASNO confirm that BHP and the Olympic Dam copper-uranium mine in SA is the sole remaining company and mine involved in sale of Australian uranium supply to China?

Q 31: What uranium export permits exist for sale of Australian uranium to China?

Noting that the World Nuclear Association ("[Australian uranium](#)", updated Jan 2020) reports:

*"Energy Metals Ltd, an exploration company with majority Chinese ownership, has an export permit. In December 2011 it announced the sale of 68 tonnes of U<sub>3</sub>O<sub>8</sub> to its parent company, China General Nuclear Power, for shipment in 2012. (CGN's wholly-owned subsidiary, China Uranium Development Co., is Energy Metals' largest shareholder with a 60.6% stake. The company sources uranium from Australian producers.)"*

Q 32: On what basis did ASNO apparently issue a uranium export permit for sale of Australian uranium to China to a uranium exploration company with majority Chinese ownership?

Q 33: Which Australian producers sold uranium (as reported by the WNA) to Energy Metals Ltd?

Q 34: Have Australian uranium producers sold uranium to other companies to then 'on-sell' their uranium into China under ASNO uranium export permits?

Q 35: Where are "Australian Obligated Nuclear Materials" (AONM) held in China?

Q 36: What are the volumes and types of nuclear materials that comprise AONM held in China?

Noting the Australia-China "[Transfer of Nuclear Material Agreement](#)" **ARTICLE XII** states:

- 1. The supplier Party has the right to suspend or cancel further transfers of nuclear material and to require the recipient Party to take corrective steps if the recipient Party: ...*
- 2. The supplier Party has the right to require the return of nuclear material subject to this Agreement if corrective steps are not taken by the recipient Party within a reasonable time.*

Q 37: What capacity does ASNO have to potentially "*require the return of nuclear material subject to this Agreement*" to Australia, if exercised under the Agreement?

Q 38: What are the required legal authorities under which ASNO could do so, including for the required transport and storage of nuclear materials from China within Australia?

Q 39: Where in Australia does ASNO presume to potentially store nuclear materials from China?

**End of Submission.**