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### COMMITTEES: Industry and Resources Committee: Report

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## COMMITTEES

### Industry and Resources Committee Report

**Mr PROSSER** (Forrest) (12.43 p.m.)—On behalf of the Standing Committee on Industry and Resources, I present the committee's report entitled *Australia's uranium: greenhouse friendly fuel for an energy hungry world*, together with the minutes of proceedings and the evidence received by the committee.

Ordered that the report be made a parliamentary paper

**Mr PROSSER**—This is a report of the committee's case study into the strategic importance of Australia's uranium resources—a most controversial issue. It is a particular pleasure for me to announce that the committee has produced a unanimous report. Australia possesses some 38 per cent of the world's low-cost recoverable uranium resources, and this immense resource endowment has an in-ground value of some \$270 billion. Australia's uranium represents a vast energy resource and is our second largest energy export.

I note that just one tonne of uranium contains the same amount of energy as 20,000 tonnes of black coal. This is of great importance given the prediction that the world's energy needs will double in the period to 2050—particularly in rapidly developing countries such as China, where one-quarter of the world's projected increase in electricity production to 2030 will occur. However, despite possessing almost 40 per cent of the world's uranium, and perhaps more, Australia accounts for only 23 per cent of world production and consistently lags behind Canada, which has

less than half of Australia's uranium resources.

The committee has identified a range of impediments to increased uranium production and urges that these be addressed. However, the main impediment to the growth of the uranium industry in Australia is, undoubtedly, the prohibition on uranium mining—and even uranium exploration in some states. The committee is unanimous in its belief that the present restrictions on uranium mining are illogical, inconsistent and anticompetitive. The committee concluded that state policies preventing development of new uranium mines should be reversed and laws restricting uranium mining and exploration should be repealed.

An underlying impediment not only to the growth of the uranium industry but also to Australia's participation in the nuclear fuel cycle more generally are widespread misconceptions of the risks associated with uranium mining and nuclear power. In breaking through the many myths and exaggerations surrounding three key issues of nuclear waste, safety and weapons proliferation, the committee hopes the report will aid in improving public understanding of uranium and the nuclear energy industries and will correct the widely held misconceptions which have for so long impeded the development of these industries in Australia.

The committee was asked to consider the potential greenhouse gas emission benefits from further uranium production. The evidence on this issue is clear: Australia's uranium exports currently displace some 395 million tonnes of carbon dioxide per year, relative to the use of black coal. This is an immense saving on greenhouse gas emissions that would otherwise contribute to global warming; moreover, Australia's total low-cost uranium reserves could displace nearly 40,000 million tonnes of CO<sub>2</sub> if they replaced black coal electricity generation.

If the world were not using nuclear power, CO<sub>2</sub> emissions from world electricity generation would be some 17 per cent higher and global emissions of CO<sub>2</sub> would be some 2.5 billion tonnes higher per year. In view of the projected growth in world energy demand and the imperative of large developing nations to reduce their reliance on fossil fuels, the committee is certain that, with the immense endowment of uranium, Australia is uniquely placed to make a significant contribution to emissions reduction through the increased production and supply of uranium. The committee believes that Australia should throw the world a climate lifeline. Australia's uranium is, as the title of the report states, a 'greenhouse friendly fuel for an energy hungry' country.

In turning from the past, where Australia consistently missed opportunities to add value to its uranium resource, a majority of the committee also recommended that the federal and state governments now prepare for the possible establishment of a fuel cycle industry in Australia: firstly, by establishing that no value-adding could occur domestically, while meeting nonproliferation objectives—for example by operating a uranium enrichment facility on a multilateral basis with countries in our region either using or proposing to use nuclear fuel; and, secondly, by developing an appropriate licence regulatory regime that meets world's best practice.

The committee is unanimous in its recommendation that the Australian government take decisive action to rebuild and expand the nation's nuclear skills base and expertise. While the committee recognises that nuclear power may not be immediately competitive in

the Australian context, a majority of the committee concludes that, subject to appropriate regulatory oversight, utilities that choose to construct nuclear power plants in Australia should be permitted to do so.

In closing, I thank my committee colleagues for their thought and input into this inquiry. I express my particular thanks to members of the committee from the opposition. I thank the committee secretary for this demanding report and I commend the report to the House. *(Time expired)*

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