

Mr Jerome Brown
 Secretary
 Joint Standing Committee on Treaties
 PO Box 6021
 Parliament House
 Canberra ACT 2601

7 April 2009

Dear Mr Brown

During my evidence before the Committee on 26 March 2009, I was asked several questions by Committee Members. This letter provides responses to those questions.

Senator Birmingham asked me how many countries mined uranium. The table below, sourced from the World Nuclear Association, provides a more comprehensive answer than the one I gave.

Production from mines (tonnes U)

| Country | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------|-------|-------|-------|-------|------|------|
| Canada | 11604 | 10457 | 11597 | 11628 | 9862 | 9476 |
| Australia | 6854 | 7572 | 8982 | 9516 | 7593 | 8611 |
| Kazakhstan | 2800 | 3300 | 3719 | 4357 | 5279 | 6637 |
| Russia (est) | 2900 | 3150 | 3200 | 3431 | 3262 | 3413 |
| Niger | 3075 | 3143 | 3282 | 3093 | 3434 | 3153 |
| Namibia | 2333 | 2036 | 3038 | 3147 | 3067 | 2879 |
| Uzbekistan | 1860 | 1598 | 2016 | 2300 | 2260 | 2320 |
| USA | 919 | 779 | 878 | 1039 | 1672 | 1654 |
| Ukraine (est) | 800 | 800 | 800 | 800 | 800 | 846 |
| China (est) | 730 | 750 | 750 | 750 | 750 | 712 |
| South Africa | 824 | 758 | 755 | 674 | 534 | 539 |
| Czech Repub. | 465 | 452 | 412 | 408 | 359 | 306 |
| Brazil | 270 | 310 | 300 | 110 | 190 | 299 |
| India (est) | 230 | 230 | 230 | 230 | 177 | 270 |
| Romania (est) | 90 | 90 | 90 | 90 | 90 | 77 |

| Country | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Pakistan (est) | 38 | 45 | 45 | 45 | 45 | 45 |
| Germany | 212 | 150 | 150 | 77 | 50 | 38 |
| France | 20 | 0 | 7 | 7 | 5 | 4 |
| Total world | 36 063 | 35 613 | 40 251 | 41 702 | 39 429 | 41 279 |
| tonnes U ₃ O ₈ | 42 529 | 41 998 | 47 468 | 49 179 | 46 499 | 48 680 |

WNA Market Report data

I was also asked by Senator Wortley to comment on other submissions that had outlined some drawbacks to the proposal to confine the spread of sensitive nuclear technology by sponsoring internationally controlled facilities.

The Australian Conservation Foundation raised this issue. It submitted that 'Australia should not support and should withdraw from the GNEP'. The ACF says that 'the IAEA safeguards regime is failing and cannot effectively safeguard fuel cycle bulk handling facilities'.

The Association draws attention to what appears to be a view shared at least partly in common with the ACF, namely, that the resourcing of the IAEA to enable it to successfully undertake its role has to be agreed. The Association's view is that contention about whether the Agency has succeeded in its role in the past – and we acknowledge there is a range of views about that - is perhaps less important than ensuring that it succeeds in future.

It is for that reason the AUA has argued that the Committee should recommend to the Australian Government that it prompt debate by the IAEA Board of Governors on the role and resourcing of the IAEA into the future, drawing on the '2020 Report' commissioned and received by the IAEA in 2008. This should take into account the role of the IAEA in supervising internationally-controlled facilities.

The development of such facilities also appears to require agreement between the countries party to it about their respective roles in supervising the facilities and their obligations as partners in the facilities.

In other words, agreement about fit-for-purpose funding of the IAEA together with multi-lateral agreement between countries participating in the GNEP about its regulation are some ways of addressing the issue raised by the ACF.

The Medical Association for the Prevention of War also raised this issue. It says in its submission that 'The Australian Government should examine all the independent evidence on the capacity of the GNEP to be "proliferation resistant" and withdraw from the GNEP'.

The Australian Uranium Association agrees that the technological-basis for the anti-proliferation capability of the GNEP should be evidence-based. In that regard, a way of addressing the concerns raised by the MAPW would be for the Committee to seek the views of the Chief Scientist of Australia on two related questions: the anti-proliferation capability of what



is currently known about the technology for the international facility; and how the technology can be deployed to minimise proliferation risks.

The successful operation of such a facility will also depend on the 'rules' and agreements that govern participation in and use of the products of the facility. The Association recommends that the advice of the Chief Scientist include the implications for the rules of the GNEP of its technology and its technological possibilities; and that that advice guide Australia's policy contribution to the development of the rules and agreements for the GNEP.

The nuclear power industry is a permanent and growing feature of the world's energy portfolio. While there are clearly some organisations that would rather see the industry and Australia's uranium industry cease operating, that seems unlikely.

The arena of that reality is the arena where it is possible to develop shared views about ways to manage the proliferation risk in the nuclear fuel cycle.

In the Association's view, the development of internationally-controlled facilities is an option in that arena that recognises the permanence and growth of nuclear power and of the Australian uranium industry supplying it, as well as the concerns of those opposed to those industries.

The Association does not underestimate the difficulty of convincing sovereign nations in good standing under the Nuclear Non-Proliferation Treaty to forego their rights under the Treaty to develop the full civil nuclear fuel cycle; and we anticipate that some nations will proceed in that direction notwithstanding a global partnership to develop internationally-controlled facilities.

The Association has submitted that the proposals it advanced were not advanced as the complete suite of answers to anti-proliferation and disarmament. In particular, we do not argue that an internationally-controlled facility is the complete answer. We anticipate that there may be examples of illicit proliferation behaviour in future that will have to be addressed and that anti-proliferation and disarmament principles, policy, architecture and practice will require continuing attention by the global community.

On that basis, the Association also lends its support to Australian Government participation in furthering, and leadership of, the development of other anti-proliferation and disarmament proposals made to the Committee including:

- in global efforts to negotiate a verifiable treaty ending the production of fissile materials for weapons purposes
- to bring the Comprehensive Nuclear Test Ban Treaty into force and
- in promoting a Nuclear Weapons Convention.

The additional copies of the report prepared for the Association by Deloitte, *Outlook for the Uranium Industry*, asked for by Mr Briggs, have been forwarded under separate cover.

Yours sincerely

Michael Angwin
Executive Director