



**House of Representatives Parliamentary Uranium Inquiry**  
**Supplementary Submission by Friends of the Earth, Australia**

**PO Box 222, Fitzroy, Victoria, 3065.**

**March 14, 2006.**

**More misinformation from the so-called Safeguards Office**

This brief submission responds to submission 33.3 from the so-called Australian Safeguards and Non-proliferation Office (ASNO), posted on the internet at:  
<[http://www.aph.gov.au/house/committee/isr/uranium/subs/sub33\\_3.pdf](http://www.aph.gov.au/house/committee/isr/uranium/subs/sub33_3.pdf)>

In response to the January 18 front-page story in The Australian, the director general of ASNO (DG ASNO) states "I consider this article is misleading in two respects. First, it tries to convey the impression that the way nuclear material is identified and accounted for has previously not been publicised and has only now been brought to light by this reporter. In fact, Australian and international practice in this regard has been made clear from the beginning of Australia's uranium export policy in the late 1970s, and has been explained on many occasions, to Parliament and Parliamentary Committees, in various public statements, and in publications such as ASNO's Annual Reports."

DG ASNO is ignoring the countless occasions that ASNO has explicitly or implicitly put the opposite view, denying that Australian uranium could contribute to WMD proliferation either:

- 1) Directly - Australian-origin uranium atoms used in nuclear weapons.
- 2) Materially contributing to proliferation - Australian-origin uranium atoms used in nuclear weapons without an equivalent transfer from military to civil stockpiles.
- 3) Displacement - Australia's uranium exports are used for civil purposes but free up domestic/indigenous sources for use in WMD.

Some examples:

1. DG ASNO has said "All Australian-obligated nuclear material, including plutonium,

is fully accounted for." (15/11/02, Australian Financial Review.) In fact discrepancies are common and DG ASNO's statement is clearly false. His assertion in a previous submission that 'full accounting' is consistent with these frequent discrepancies is ridiculous.

The Committee should ask ASNO to provide a list of all discrepancies (Material Unaccounted For - MUF) involving Australian-obligated nuclear materials (AONM) over the past, say, 10 years.

2. The risk of diversion of AONM is not acknowledged in a document linked from the front page of ASNO's website, "Australia's Uranium Export Policy", <[www.dfat.gov.au/security/aus\\_uran\\_exp\\_policy.html](http://www.dfat.gov.au/security/aus_uran_exp_policy.html)>. That document asserts that "Australia's uranium export policy ... provides assurances that exported uranium and its derivatives cannot benefit the development of nuclear weapons or be used in other military programs."

In fact, as ASNO sometimes acknowledges, AONM can indeed be used in military programs and this is permitted so long as an equivalent amount of nuclear material is shifted in the other direction. Alternatively, uranium customer countries could violate bilateral agreements and/or withdraw from the NPT (as North Korea has done and Iran is threatening to do).

3. The above-mentioned document links to another, "Australia's Network of Nuclear Safeguards Agreements", <[www.dfat.gov.au/security/nuclear\\_safeguards.html](http://www.dfat.gov.au/security/nuclear_safeguards.html)>, which asserts that: "All of Australia's uranium is exported for exclusively peaceful purposes, and only to countries and parties with which Australia has a bilateral safeguards Agreement. These Agreements ensure that Australia's nuclear exports remain in exclusively peaceful use ..."

Again, the statement is both factually false and also misleading.

4. The above-mentioned document links to an excerpt from the ASO Annual Report 1998-99, <[www.asno.dfat.gov.au/annual\\_report\\_9899/25\\_years.html](http://www.asno.dfat.gov.au/annual_report_9899/25_years.html)>, which asserts that bilateral safeguards agreements "were established to ensure that nuclear items exported from Australia remain in exclusively peaceful use, and in no way enhance or contribute to any military purpose."

Again, the statement is both factually false and also misleading.

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DG ASNO notes in an earlier submission that: "... of course it is possible diversion might occur in the future ..."

But in this submission DG ASNO states that "there is no basis for believing there is any risk" that "Australian uranium will end up being used by China for nuclear weapons".

So there is a general risk of diversion but no risk of diversion in China? Why the confidence in China's Communist regime? Because of its record of whistleblower protection? Press freedom? Commitment to human rights? Its WMD programs and WMD exports? DG ASNO's position - that there is a general risk of diversion but not in China - is contradictory and illogical.

DG ASNO states that "Australian uranium will not be sold to China for unspecified purposes, but will be bought by Chinese power utilities for electricity generation."

Is DG ASNO implying that the Communist regime does not have the capacity to divert material from power utilities to its WMD program? If so, that is an odd and unlikely claim for which no evidence is provided.

DG ASNO states that China is no longer producing fissile material. However:

- \* It is impossible to have any confidence in such claims given the secrecy of the regime.

- \* If production of fissile material has indeed been suspended, there is of course no certainty that production will not resume, e.g. in response to the US missile defence program.

DG ASNO states that: "China is understood to have a sizeable stockpile of weapons-grade fissile material it is able to draw on if required."

Of course it is impossible to be certain as to the size of China's fissile material stockpile given the secrecy of the Chinese regime.

DG ASNO states that "... as little as five tonnes of natural uranium to produce one nuclear weapon". Such quantities of uranium are readily available in the nuclear weapon states."

But to take the other extreme, if the Chinese regime attempted to achieve nuclear parity with the US or Russia, it would require something of the order of 10,000 x 5 = 50,000 tonnes of uranium.

DG ASNO's claims about the climate change benefits associated with the Chinese nuclear program assume:

- \* that the highly ambitious target will be met. As DG ASNO would be well aware, there is a long history of such predictions and targets proving to be wildly

overoptimistic. For example, the IAEA estimated in 1974 that in the year 2000, nuclear output would be 4,450 GW. Output in the year 2000 was 352 GW. The IAEA estimate was out by a factor of 12.6 or 1260%.

\* It assumes that nuclear power is displacing fossil fuels but ignores the massive potential of renewables and energy efficiency. Renewable energy, mostly hydroelectricity, already supplies 19% of world electricity, compared to nuclear's 16%. The share of renewables is increasing, while nuclear's share is decreasing. Worldwide, there were only 26 nuclear reactors under construction at the end of 2004, with only one in Western Europe and none in the USA. Nuclear power capacity in Europe is falling and is expected to drop 25% over the next 15 years. The projected growth of nuclear power in a small number of countries, such as China and India, is unlikely to substantially change the global picture of stagnation and decline. By contrast, wind power and solar power are growing by 20-30% every year. In 2004, renewable energy added nearly three times as much net generating capacity as nuclear power.

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Below is a summary of the reasons why uranium sales to China should not be allowed to proceed:

### **CHINA — A SECRETIVE, REPRESSIVE STATE WITH ACTIVE WMD PROGRAMS.**

**Inadequate IAEA Safeguards.** The International Atomic Energy Agency's (IAEA) inspection program is chronically under-resourced, so it is highly unlikely that inspections would be sufficiently numerous or rigorous to provide confidence, let alone certainty, that Australian uranium was not being diverted to weapons production in China or India. IAEA Director-General Mohamed El Baradei described the inspection regime as "fairly limited" in a February 2005 speech.

As a nuclear weapons state, China is not subject to full-scope International Atomic Energy Agency. Nuclear facilities using Australian uranium would only be subject to voluntary inspections, but even this is no simple matter since Australian uranium is indistinguishable from, and mixed with, uranium from elsewhere.

**Australia's Meaningless Bilateral Agreements.** Provisions in bilateral uranium export agreements between Australia and uranium customer countries have been gradually and repeatedly weakened since the basic framework was established in 1977 by the Fraser government. The provisions certainly do not guarantee that there will be no diversion of nuclear materials to WMD production. The provisions are in some cases meaningless. For example, Australian consent is required before reprocessing spent nuclear fuel produced using Australian uranium. But consent to

reprocess has never once been withheld by any Australian government — even when it leads to the stockpiling of plutonium and the consequent regional tensions, as with Japan's enormous plutonium stockpile.

Nuclear technology is inherently dual use across so called 'civilian' nuclear power and nuclear weapons capabilities. Australia should rule out any new bilateral agreements for use of our uranium in uranium enrichment programs around the world, including in China or in India. Australia should not allow any of our exported uranium to be used by any country in the plutonium cycle, including reprocessing, MOX nuclear fuel, and breeder and proposed 'Generation 4' nuclear reactors that produce and rely on plutonium.

**China's Nuclear Weapons Program.** China's Communist regime maintains an active nuclear weapons program and refuses to ratify the Comprehensive Test Ban Treaty. The 2002 US Nuclear Posture Review refers to China's "ongoing modernization of its nuclear and non nuclear forces". Last year, Zhu Chenghu, a general in the Chinese People's Liberation Army, said: "If the Americans draw their missiles and position-guided ammunition onto the target zone on China's territory, I think we will have to respond with nuclear weapons. We Chinese will prepare ourselves for the destruction of all the cities east of Xian. Of course, the Americans will have to be prepared that hundreds of cities will be destroyed by the Chinese."

**China's WMD Exports.** The Chinese regime has a worrying record of military exports. In 2001, the CIA reported that China had provided missile technology to North Korea and Libya as well as "extensive support" to Pakistan's nuclear program. In 2003, the US government imposed trade bans on five Chinese firms for selling weapons technology to Iran.

**Regional Tensions in North-East Asia.** The Chinese regime promises military action in the event that Taiwan declares independence, and Washington promises a military reaction in which Australia could become embroiled. In those circumstances, it would be all but impossible to prevent Australian uranium (and by-products such as plutonium produced in power reactors) being used in Chinese nuclear weapons.

**Uranium Displacement.** China has insufficient uranium for both its civil and military nuclear programs, as the Chinese ambassador to Australia acknowledged in a December 2005 speech. Australian uranium sales would free up China's limited domestic reserves for the production of Weapons of Mass Destruction. As the Taipei Times editorialised on January 21, 2006: "Whether or not Aussie uranium goes directly into Chinese warheads — or whether it is used in power stations in lieu of uranium that goes into Chinese warheads — makes little difference. Canberra is about to do a deal with a regime with a record of flouting international conventions."

**Human rights violations.** China is not a signatory to many international human rights and labour protection conventions and treaties. According to Amnesty International, the Chinese regime is responsible for five out of every six executions carried out around the world. At least 2,468 executions were carried out in 2001 alone. Civil society safeguards such as whistleblower protection are absent. There are examples of persecution of nuclear industry whistleblowers, such as Sun Xiaodi, who was concerned about environmental contamination at a uranium mine in north-west China and was abducted in April 2005 immediately after speaking to a foreign journalist.

**Media Censorship.** The Chinese regime continues to tightly control the media. Of the 167 countries surveyed by Reporters Without Borders in 2005, China ranked 159th for press freedom, and China is the world's largest prison for journalists. If diversion of Australian uranium to China's WMD program took place, it is highly unlikely that the media would be able to uncover and report on the diversion.

**Adverse Precedent.** Uranium sales to China would set a poor precedent. Would Australia then sell uranium to *all* repressive, secretive, military states, or just some, or just China? Negotiations over uranium sales to China have already been used to justify proposed sales to India, and proposals to sell to India have led to suggestions that uranium might also be sold to other countries which have not signed the Nuclear Non-Proliferation Treaty (NPT), namely Pakistan and Israel.

**Public Safety & Environmental Concerns.** There are other serious concerns in addition to the potential use of Australian uranium in Chinese nuclear weapons. Wang Yi, a nuclear energy expert at the Chinese Academy of Sciences in Beijing, told the New York Times in January last year: "We don't have a very good plan for dealing with spent fuel, and we don't have very good emergency plans for dealing with catastrophe."