

Supplementary Comments Pertinent to a Public Hearing on the Review of A Nuclear Material Transfer Agreement With China

By the Joint Standing Committee on Treaties, Parliament of Australia.

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Future Directions International (FDI) would like to thank the Chairman and the Joint Standing Committee on treaties for their consideration of our submission. Further to our initial Submission FDI would like to place on record additional points made at the public hearing.

FDI's mandate is to conduct comprehensive, integrated research and analysis of important medium to long-term issues facing Australia. We believe that Australia's future prosperity must be secured through strategic planning and foresight. The current treaties under consideration represent an opportunity for Australia to recognise, and shape, changing global energy patterns and requirements, thereby securing Australia's prosperity and security.

FDI supports the proposed treaties, in the context of Australia taking a leading role in global energy supply. FDI also supports assisting the People's Republic of China in maintaining strong economic growth by providing reliable energy supplies which also address environmental concerns. Secondly, inclusion of specific reference to thorium in the above mentioned treaties, would we believe, add value to the proposed arrangements.

- Thorium-based reactors, currently in the R & D stage, have the potential to sideline much of the debate with regard to uranium's potential weaponisation. Thorium technologies are envisaged to utilise spent fuel from uranium reactors as part of its

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² Future Directions International Pty. Ltd., Australia's Centre for Strategic Analysis, is a not-for-profit Approved Research Institute with Deductible Gift Recipient and Income Tax Exempt Charity status. It was established in 2000 under its founding Chairman, and now Governor-General of Australia, Major-General (rtd.) Michael Jeffery AC CVO MC (now Patron of FDI). Its current Chairman is Mr Jerry Ellis, Chancellor of Monash University, and former Chairman of BHP. FDI's head office is located at 18 King's Park Road, West Perth 6005, Western Australia. Tel. (08) 9486-8399; fax (08) 9486-7344. www.futuredirections.org.au.

own fuel cycle. This would minimise waste disposal problems, and also eliminate a potential fuel source for nuclear weapons development.

- By creating a “cradle to grave” modular system, Australia could spearhead a responsible, clean and efficient global energy paradigm. This would result in Australia administering all aspects of the energy process, including providing technological expertise, material aspects of the reactor and the thorium itself.
- Australia has the capacity to be a world leader in safe nuclear applications, and could be a model of excellence in the international energy arena. Australia is already a world leader in mining and energy extraction technology, as well as a leader in scientific excellence, and these skills could easily be applied to the international energy industry to the benefit of all parties.
- Inclusion of thorium in the proposed treaties would create opportunities for Australia to pursue thorium development in the near future, and allow Australia to react to rapidly changing global energy requirements.

A previous FDI study, entitled *Australia’s Energy Options*, provided much of the background to the current energy debate and has been used as a policy resource by a number of Federal politicians. *Australia’s Energy Options* highlighted new thorium-based — rather than uranium-based — nuclear technology, now in the R & D stage in the US, which has the potential to use spent fuel from existing and future uranium reactors as part of its fuel cycle, thereby eliminating the potential fissile source for nuclear weapons development. France and India are already evaluating thorium technology. Australia, like India, has approximately 25 percent of global thorium reserves, but no active research program.

Australia possesses a unique opportunity to shape the course and substance of global development, securing Australia’s rôle on the international stage.

FDI proposes that the Parliamentary Inquiry recognise the potential of Australia’s natural resource environment and scientific expertise to secure Australia’s future.