Submission No 62

Review of Australia's Relationship with the Countries of Africa

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Organisation: Australian Uranium Association

Australian Uranium Association

Mr John Carter
Secretary
Joint Standing Committee on Foreign Affairs, Defence and Trade
Parliament House
Canberra ACT 2600

3 May 2010

Dear Mr Carter

Inquiry into Australia's Relationship with the Countries of Africa

I write to make a submission to this Inquiry on behalf of the Australian Uranium Association.

The Association is aware of the submission made on behalf of the Australia Africa Mining Industry Group (AAMIG), welcomes the formation of the Group and supports its submission.

The Association's membership encompasses all Australia's uranium mining capacity, the main projects currently in development and many uranium exploration companies.

Six Members of the Association also have operations in African countries: Tanzania, Malawi, Namibia, Burkina Faso.

While the step up in Australian interest in the uranium industry in Africa may be relatively recent and while uranium expansion in Africa may also be recent, Africa has had a long record of uranium development.

Australian activity in uranium development in Africa involves exploration, resource definition and project development and two operating mines.

The main point of the Association's submission is to draw attention to the operational standards expected of Members of the Association in the course of their exploration, development and mining activities.

All Members of the Association agree to adopt and apply the Association's *Charter* and its *Code of Practice*. A copy of each is attached for the information of the Committee.

The *Charter* is a commitment by Members of the Association to operate in ways that reflect the best standards of overall corporate behaviour. The *Charter* gives broad commitments in the areas of

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sustainable development, uranium stewardship, anti-trust behaviour, regulation and resource reporting.

The *Code*, which explicitly applies to Members of the Association wherever in the world they conduct operations, sets standards of operational practice in areas related to the specific properties of uranium as well as standards in other areas of resource industry practice.

The *Code* builds on the International Council on Mining and Metals' (ICMM) *Sustainable Development Framework and Principles* and the Minerals Council of Australia's sustainable development statement, *Enduring Value,* and adopts the Uranium Council's *High Level Framework for Engagement with Indigenous Communities.*

The purpose of the *Code* is to provide a basis for the continuous improvement in the operational performance of the industry with a view to revising the *Code* as operational practice changes.

The *Code* commits AUA Members to continuous improvement in their operations, the safe and secure management of hazardous materials, mine closure and rehabilitation best practices, radiation control best practices, adherence to regulatory obligations and provision of information about uranium to stakeholders.

The Association annually surveys Member performance under the *Code*. There have been two such surveys with the results of the second one currently being prepared. The AUA publishes the survey results.

The second survey specifically requests information from AUA Members operating overseas. The responses indicate that they meet or exceed the operating requirements of the host nation and had regard to and complied with AUA and other standards models (for example, the World Nuclear Association's standards).

Of course, self-assessment surveys have some limitations though they are a reasonable guide to how performance is changing and a reasonable basis on which to consider changes to the *Code*.

The points the Association wishes to make to the Committee are as follows:

- Investment and operation by Australian uranium companies in Africa are perhaps moderate by the standards of other industries though AAMIG's submission suggests growth possibilities
- Australian uranium company investment appears to be welcomed by the African countries in which it occurs, as the AAMIG submission also indicates.
- The Australian uranium companies operating in Africa are fully aware of the obligations to operate to high standards, are committed to doing so and are doing so
- The standards to which they work are those that apply to them and to their peers in Australia.

The Association also wishes to make some comments on the submission of the Australian Conservation Foundation.

The main point we make is that while uranium has specific properties that require specific management action, as do most minerals, the development of the uranium industry in Africa poses no greater nor lesser challenge than the development of any other mineral.

With respect to the themes identified by and the recommendations made by the ACF, we make the following points:

- The ACF submission and its proposals lack an analytical or evidential basis. In the main, there is little to connect the ACF recommendations to identified problems or issues
- The ACF provides no independent analysis to show that African countries lack a robust regulatory regime for uranium
- There is no basis for the assertion that small and mid-tier uranium companies necessarily have limited capacity and operational experience. Small does not mean incapable. If, as the ACF implies, lack of a proven track record of compliance should be a criterion for a licence to operate, no new business would ever get off the ground
- It is not clear what the ACF means by its assertion that the Australian uranium industry is characterised by 'lack of the requisite governance and capacity to fulfil social licence expectations'. The industry is regulated by Federal and State laws, adheres to a variety of statutory codes and guides (including a self-regulatory *Code of Practice*), meets formally with Federal and State Governments and regulators through the Uranium Council and engages with its stakeholders and civil society in much the same ways as the other sectors in the resources industry. This is evidence of a substantial governance framework and an authentic effort by the industry to meet its social licence expectations
- The ACF gives no indication that it has sought or taken into account the potential reaction of sovereign African countries to its proposal that an Australian regulator make assessments of uranium industry performance in those countries. An appropriate question for the ACF to answer is whether it has consulted any African governments on that point and, if so, what the responses haves been
- The ACF has not made out any case for Australian uranium companies operating in Africa to be excluded from receiving support from Australian Government programs that are generally accessible by Australian companies operating overseas
- In calling for independent scrutiny of the economic, employment and social benefits of uranium development in Africa, the ACF does not make clear what problem it is seeking to address by such a submission.

The Association is available to answers any questions the Committee has about this submission.

Yours sincerely

Michael Angwin
Chief Executive Officer

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CHARTER

The Members of the Australian Uranium Association work cooperatively to enable the Australian uranium exploration, mining and exporting industry to operate, expand and thrive safely and efficiently.

We will achieve this by:

A Commitment to Sustainable Development

Members will seek to balance the protection of environmental values in the areas that we explore and mine with the social and cultural needs of the communities within which we operate and the people we employ and with the business and economic imperatives of our shareholders.

Uranium stewardship

Through our commitment to the development and implementation of uranium stewardship principles, Members will contribute to actions to support the safe and peaceful use of nuclear technology. In our operations, we aim to protect individuals, society and the environment from any harmful radiological effects. We will engage others in the nuclear fuel cycle to support their efforts to do likewise.

Avoiding Anti Trust Behaviour

Members will avoid questions or discussions that could create the appearance of an attempt to set prices or engage in other anti-competitive behaviour. Members will not discuss terms of specific contracts, specific prices for products or services (whether current or projected), allocation of markets, customers or territories, refusals to deal with particular suppliers or customers or any similar matters that might impair competition within the uranium industry.

Supporting Fit-for-Purpose Regulatory Arrangements

Members will work with governments, industry and other stakeholders to achieve fit-for-purpose public policy, laws, regulations and procedures that facilitate the contributions of uranium exploration, mining, processing and exporting to sustainable development within Australia's sustainable development strategies.

Members will, as a minimum, adhere to the applicable international and national laws, regulations and codes that govern the industry.

Transparent Reporting

Members will implement effective and transparent engagement, communication and independently verified reporting arrangements with their stakeholders.

Members will report exploration results, mineral resources and ore reserves in accordance with the JORC Code or other national or international codes of similar stature and relevance.

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INDUSTRY CODE OF PRACTICE

Preamble

The Australian Uranium Association's *Code of Practice* defines principles of behaviour and standards of best practice to guide improvements in performance in the Australian uranium industry.

The industry's behaviours and practices are already very good and aim for excellence. However, there is never room for complacency and the community's expectations about our industry continue to rise. The code is intended to be a living document that can be renewed and revised as the industry's performance improves, with a view to aiming for new, higher standards of best practice over time.

The Association intends that the *Code* exemplify its Members' aim of always seeking to improve industry practice in every facet of operations and in regard to every obligation that they are required to meet in Australia or elsewhere.

In developing the *Code*, the Association has been mindful of the International Council on Mining and Metals' (ICMM) *Sustainable Development Framework and Principles* which sets a context for the code.

In addition, the Association endorses and adopts the Minerals Council of Australia's sustainable development statement, *Enduring Value,* as the benchmark that applies to the larger Australian minerals industry of which the uranium industry is part.

This *Code* builds on and extends the coverage of existing mining industry standards in recognition of the need to manage specific properties of uranium, particularly its mild radioactivity and its characteristics as a heavy metal.

Uranium carries some risks not present in other forms of mining, although these risks have been well known and successfully managed for many years and are shared with the mining of minerals sands, in particular.

Many extractive and other industries also are required to manage risks of radiation from Naturally Occurring Radioactive Material (NORM).

The *Code* is intended to encourage continuing improvement in the practice of managing radioactivity and its risks and to encourage the industry to continue its work in sharing its experience and knowledge in this area.

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The Association also endorses and adopts the *High Level Framework for Engagement with Indigenous Communities* of the Indigenous Working Group of the Uranium Industry Framework with a view to maximising the benefits to indigenous communities from their engagement with the uranium industry.

The *Code* is intended to apply to

- All Members of the Australian Uranium Association. All intending Members of the Association must agree to apply the *Code* as a condition of membership. The Members of the Association must apply the *Code* wherever in the world they operate.
- All activities associated with the uranium industry including
  - Exploration
  - Mine and processing planning and design
  - Mine and processing construction and development
  - Mine and processing operations
  - Management of product including storage and transport
  - Mine and processing decommissioning and rehabilitation
- The management of the interaction between those activities and the human and physical environments in which they take place
- The relationships between Members of the Association and the communities, especially the indigenous communities, in which they operate

The Code of Practice

1. Continuous improvement to best practice in management

- Seek continuous improvement in performance
- Support continuous improvement to quality assurance approaches
- Identify leading practices and apply them where they will improve the performance of the business
- Identify, characterise, assess and manage risks that can impact upon health and safety
- Mitigate risks to safety by appropriate controls in engineering, management and other relevant measures of protection commensurate with risk
- Monitor, review and act on assessments of safety and environmental performance
- Train employees and, where necessary, contractors in safety and environmental issues to prevent and actively reduce risks to themselves and others. Update this training when indicated by review and feedback
- An Association commitment to provide information and facilitate activities to enable Members to pursue best practice measures

2. Safely manage, contain and transport all hazardous material, tailings and other wastes

- Build radiation management, waste management and environmental management plans into the business planning cycle
- Use best practice and technologies to minimise risk to people and the environment over the life of a project and after closure
- Use site-specific risk analysis to account for current and long-term stability of waste and waste containment
- Put in place systems to secure radioactive sources and substances
- Develop and implement site-specific water management practices which meet defined water quality objectives for surface and ground waters
- Develop and implement site-specific air and dust management practices
- Minimise the amount of hazardous waste and contaminated material
- Continue to improve where possible security and safety for radioactive sources and substances during their transport
- Re-cycle and re-use wastes and materials, to keep waste disposal to a minimum

3. Provide adequately for mine closure and rehabilitation

- Ensure sufficient funds are allocated for mine closure and site rehabilitation and integrate into project planning to effectively manage the close-out of a project.
- Apply best practice procedures on project closure programmes

4. Continuous improvement in best practice in radiation control

- Aim to minimise occupational and public dose limit exposures by applying the principles of Justification, Optimization and Limitation in radiation control
- Monitor radiation doses to employees and contractors and monitor radioactive discharges, emissions, environmental concentrations and exposure rates
- Determine potential radiological impacts on the public and the environment
- Provide stakeholders, freely and transparently, with information about radiation control performance
- Cooperate with government initiatives to measure and monitor the impact of radiation doses

5. Regulatory obligations

- As a minimum, adhere to the applicable international and national laws, regulations and codes that govern the industry
- Notwithstanding this commitment, the Members will adopt continuous improved practices to increase standards of operation where possible

6. Provide information about uranium and its properties to stakeholders

- Provide accurate and current scientific information about uranium, its properties and risks and its impact in site-specific, activity-specific or community-specific circumstances
- Share the information with stakeholders in forms that best meet their needs
- Explain how those properties which generate risks are to be managed in the specific circumstances
- Provide new information as it becomes available