

Senator Mathias Cormann  
Senator of Western Australia  
Chair  
Senate Select Committee on Fuel and Energy  
Parliament House ACT 2600

Dear Senator,

Thank you for the opportunity to speak to your Committee on fuel and energy policy on Monday December 14.

Upon reflection, I could have answered one of Senator Mary Jo Fisher's questions better and so take the opportunity to add to my answer here.

Senator Fisher asked about critics of certain uranium projects and its related water desalinisation infrastructure which will itself require large electricity generation capacity to operate. The critique, as I understand it, is that such large scale developments are designed to force acceptance of nuclear power in Australia.

My response is that such criticisms miss the point about global energy demand, uranium demand, the climate change challenge and the potential scale of the Australian industry. According to the International Energy Association's World Energy Report, released in November, in order for the world to limit concentrations of carbon dioxide equivalent emissions to an ambitious 450 parts per million an estimated 375 gigawatts of additional nuclear powered electricity generation capacity will be required. This represents a doubling of existing capacity by 2030. By comparison the entire Australian power generation sector is about 47 gigawatts. Australia produces 10,520 tonnes of uranium (uranium oxide  $U_3O_8$ ) about 18 per cent of global production. Production is projected to increase to 14,000 tonnes in 2014.

The challenge to meet global demand is a challenging opportunity and one that is focussed beyond the relatively smaller, though crucial energy demands of Australian minerals production. It could be argued that the scope for additional industries, such as processing and enriching of uranium ore, would be enhanced by the confidence of knowing that there is reliable, base load, low emissions energy generation options. Such an option is not planned at present and therefore is again not related to plans for desalinisation infrastructure.

I trust this is of use and of interest to you and your Committee.

Yours Sincerely,

Sid Marris  
Minerals Council of Australia  
15 December 2009.