

Report 81

Treaties tabled on 8 August 2006 (2)

Agreement between the Government of Australia and the Government of the People's Republic of China on the Transfer of Nuclear Material (Canberra, 3 April 2006)

Agreement between the Government of Australia and the Government of the People's Republic of China for Cooperation in the Peaceful Uses of Nuclear Energy (Canberra, 3 April 2006)

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ISBN 0 642 78862 6 (printed version)

ISBN 0 642 78863 4 (HTML version)



Contents

Foreword	vi
Membership of the Committee	viii
Resolution of appointment.....	x
List of abbreviations	xi
List of recommendations	xiii
1 Introduction	1
Purpose of the report.....	1
Briefing documents	2
The Committee's review	2
2 Agreement with the People's Republic of China on the Transfer of Nuclear Material.....	3
Purpose of the Nuclear Material Transfer Agreement.....	3
Benefits of the Nuclear Material Transfer Agreement.....	5
Australia's obligations under the Nuclear Material Transfer Agreement	6
The Australian Government's consultation	8
Costs of implementation	10
Implementing legislation	10
Entry into force and withdrawal.....	10
Further discussion on the Nuclear Material Transfer Agreement.....	11
3 Agreement with the People's Republic of China for Cooperation in the Peaceful Uses of Nuclear Energy	13
Purpose of the Nuclear Cooperation Agreement	13
Benefits of the Nuclear Cooperation Agreement	14

Australia's obligations under the Nuclear Cooperation Agreement.....	16
The Australian Government's consultation.....	17
Costs of implementation.....	19
Implementing legislation.....	19
Entry into force and withdrawal.....	20
Further discussion on the Nuclear Cooperation Agreement.....	20
4 Impact of the Agreements.....	21
Introduction.....	21
Background.....	22
The economic impact of the sale of uranium to China.....	23
Environmental and social concerns arising from the sale of uranium to China.....	34
Energy alternatives to nuclear power.....	43
5 Safeguarding the use of Australian Uranium.....	47
Introduction.....	47
The IAEA's nuclear safeguards system.....	48
Australia's network of nuclear safeguards agreements.....	51
Monitoring China's AONM and nuclear technology use.....	54
6 Committee comment and recommendations.....	67
Inquiry timeframe.....	67
Impact of the Agreements.....	68
Safeguarding the use of Australian uranium.....	69
Recommendations.....	70
Dissenting Report by Senator Andrew Bartlett, Joint Standing Committee on Treaties, China Australia Uranium Agreement.....	73
Recommendation 1:.....	74
Nuclear Proliferation.....	75
Safeguards.....	80
Recommendations:.....	90
China: Trust and Accountability.....	91
Environmental Case.....	94

Economic case.....	96
Conclusion	97
Recommendations:.....	98
Appendix A - Submissions.....	101
Appendix B - Exhibits	107
Appendix C - Witnesses	109
Monday, 4 September 2006 - Canberra.....	109
Thursday, 5 October 2006 - Adelaide	110
Friday, 6 October 2006 - Perth.....	110
Monday, 16 October 2006 - Canberra.....	110
Wednesday, 25 October 2006 - Melbourne.....	111



Foreword

The Joint Standing Committee on Treaties was established to review all treaty actions tabled in Parliament, assessing whether these treaties are in Australia's national interest and recommending whether the Australian Government should undertake binding treaty action or ratification of these treaties.

In this report, the Committee has reviewed two topical treaties:

- *Agreement between the Government of Australia and the Government of the People's Republic of China on the Transfer of Nuclear Material* (Canberra, 3 April 2006)
- *Agreement between the Government of Australia and the Government of the People's Republic of China for Cooperation in the Peaceful Uses of Nuclear Energy* (Canberra, 3 April 2006)

The Committee advertised its inquiry in the national press, on its website and wrote to uranium and mining companies and their industry representatives, State and Territory Governments, Parliaments, indigenous land councils and communities and individuals with an interest in the treaties. The Committee received 33 submissions from across Australia both in favour of and against the treaties. These included submissions from: uranium mining industry representatives, environmental organisations, anti-nuclear organisations and private individuals. The Committee also received 84 form letters all against the treaties. The Committee then conducted public hearings where there was the most interest in the treaties, namely: Canberra, Adelaide, Perth and Melbourne.

In addition to the Committee's review, the House of Representatives Standing Committee on Industry and Resources inquired into developing Australia's non-fossil fuel energy industry: Case study into the strategic importance of Australia's uranium resources, and the Prime Minister's uranium taskforce inquired into nuclear energy and uranium mining and processing in Australia.


The Committee believes its review has highlighted the main issues surrounding the sale of uranium to China and its broad estimated impact on Australia. This includes the issue of safeguarding Australian uranium and nuclear technology once it reaches China and ensuring it is used only for peaceful purposes and in

accordance with the International Atomic Energy Agency's nuclear safeguards system.

The Committee has weighed up the evidence it has received through its inquiry and concluded that the sale of uranium to China is in Australia's national interest and that the safeguards agreement offers adequate assurance that China will use Australian uranium and technology for peaceful purposes only. The Committee has made recommendations to strengthen some aspects of the safeguards arrangements.

The Committee sincerely thanks all the community and national organisations, peak industry organisations, State Governments and individual citizens who committed their time and effort to provide submissions and appear at public hearings for this inquiry.

Dr Andrew Southcott MP
Chair



Membership of the Committee

Chair Dr Andrew Southcott MP

Deputy Chair Mr Kim Wilkie MP

Members Hon Dick Adams MP

Senator Andrew Bartlett

Mr Michael Johnson MP

Senator Carol Brown

Mr Michael Keenan MP

Senator Brett Mason

Mrs Margaret May MP

Senator Julian McGauran

Mrs Sophie Mirabella MP

Senator Glenn Sterle

Mr Bernie Ripoll MP

Senator Russell Trood

Hon Bruce Scott MP

Senator Dana Wortley

Committee Secretariat

Secretary	James Rees
Inquiry Secretary	Stephanie Mikac
Research Officer	Serica Mackay
Administrative Officer	Heidi Lushtinetz



Resolution of appointment

The Resolution of Appointment of the Joint Standing Committee on Treaties allows it to inquire into and report upon:

- a) matters arising from treaties and related National Interest Analyses and proposed treaty actions presented or deemed to be presented to the Parliament;
- b) any question relating to a treaty or other international instrument, whether or not negotiated to completion, referred to the committee by:
 - (i) either House of the Parliament, or
 - (ii) a Minister; and
- c) such other matters as may be referred to the committee by the Minister for Foreign Affairs and on such conditions as the Minister may prescribe.



List of abbreviations

AA	Administrative Arrangements
ACF	Australian Conservation Foundation
AMEC	Association of Mining and Exploration Companies
ANAWA	Anti-Nuclear Alliance of Western Australia
ANSTO	Australian Nuclear Science and Technology Organisation
AONM	Australian Obligated Nuclear Material
ASNO	Australian Safeguards and Non-Proliferation Office
AUA	Australian Uranium Association
CAEA	China Atomic Energy Authority
CTBT	Comprehensive Nuclear Test Ban Treaty
CO ₂	Carbon Dioxide
DFAT	Department of Foreign Affairs and Trade
FDI	Future Directions International
FOEA	Friends of the Earth Australia
GDP	Gross Domestic Product
GNEP	Global Nuclear Energy Partnership
HLW	High-Level Waste
IAEA	International Atomic Energy Agency

kWh	Kilowatt hours
MAPW	Medical Association for Prevention of War (Australia)
MCA	Minerals Council of Australia
MUF	Material Unaccounted For
NGO	Non Government Organisation
NIA	National Interest Analysis
NMTA	Nuclear Material Transfer Agreement
NPP	Nuclear Power Plant
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
NSG	Nuclear Supplier Group
OECD	Organization for Economic Cooperation and Development
OPAL	Open Pool Australian Lightwater Reactor
PNDWA	People for Nuclear Disarmament Western Australia
RIS	Regulation Impact Statement
SF	Spent Fuel
UK	United Kingdom
UNSW	University of New South Wales
US	United States of America
WILPF	Women's International League for Peace and Freedom (Australian Section)



List of recommendations

6 Committee comment and recommendations

Recommendation 1

The Committee recommends that the Australian Government provide funding for intensive research and development in the area of energy generation using thorium reactors with the purpose of comparing its waste and energy generation capacity to conventional nuclear reactors.

Recommendation 2

The Committee recommends that the Australian Government through its membership of the International Atomic Energy Agency (IAEA) calls for an urgent review of the IAEA's funding requirements and that Australia sets a lead by increasing its voluntary contributions and lobbies other governments to do likewise.

Recommendation 3

The Committee recommends that the Australian Government lobbies the IAEA and the five declared nuclear weapons states under the NPT to make the safeguarding of all conversion facilities mandatory.

Recommendation 4

The Committee recommends that the Australian Government increases funding allocated to the Australian Safeguards and Non-Proliferation Office's safeguards support and international outreach programs to ensure that effective safeguards are being applied in regard to the treaties.

Recommendation 5

The Committee recommends that the Australian Government continue its dialogue with the Chinese Government about governance and transparency issues with a view to the Australian Government offering practical support where appropriate.

Recommendation 6

The Committee supports the *Agreement between the Government of Australia and the Government of the People's Republic of China on the Transfer of Nuclear Material* and recommends that binding treaty action be taken.

Recommendation 7

The Committee supports the *Agreement between the Government of Australia and the Government of the People's Republic of China for Cooperation in the Peaceful Uses of Nuclear Energy* and recommends that binding treaty action be taken.

