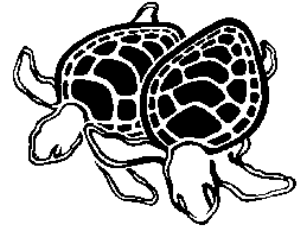


# The Environment Centre N.T. Inc

GPO Box 2120 Darwin NT 0801



**ATTENTION : Committee Secretary, Senate Economics Committee**  
**Re : Inquiry into the Uranium Royalty (Northern Territory) Bill 2008**

ECNT appreciates the opportunity to comment on the Bill.

It is very disappointing to see the new government pursuing the coalition's old aggressive strategy for uranium expansion, including the UIF and its charter to remove impediments to uranium mining.

We reject the assertion by the minister (Martin Fergusson, second reading speech) that uranium has a part to play in '*moving to a low-carbon future*'. We recognise the high carbon burden of uranium mining, milling and enrichment – a burden that will only grow if the industry is allowed to expand into lower grades of ore. We recognise the foolishness of trading one unwanted pollution – atmospheric carbon – for another – long lived high level nuclear waste. We see that nuclear reactors are too expensive and slow to build to have much impact on global emissions, and we see that known reserves of economically fisible materials are so low that, in a matter of decades this non-renewable resource will have expired, and we'd be looking for another source of energy. In short, nuclear power is a dangerous distraction from genuine renewable energy solutions to the climate intensity of global energy production.

There are over 26,000 conventional nuclear weapons in the world; more nations than ever have the bomb, and some of those nations who once spoke of disarmament are now building a new generation of weapons. The minister claims that '*exports of uranium are only allowed under very stringent conditions and only to countries which are members of the nuclear non-proliferation treaty*', tip-toeing around the fact that Australia's conditions have actually recently weakened, with the first shipment of ore to China, a nation which defies the Comprehensive Test Ban Treaty.

The minister's speech states that the UIF "*is one way the Australian government is working closely with state and territory governments, Indigenous and other stakeholders and the uranium industry to ensure the sustainable development of the uranium industry*". In fact, the UIF is far from a broad forum, but is rather an industry tool, focussed on the objectives of the uranium miners.

And so where the UIF has pursued 'certainty in fiscal arrangements' regarding uranium mining, this has clearly focussed on proposals that provide certainty for the miners, not Traditional Land Owners, the Northern Territory Government or the wider community.

In fact, the profit-based royalty regime that applies to other mineral operations in the NT has proven problematic. During negotiations over the controversial proposal to divert the McArthur River to allow expansion of X-Strata's zinc mine, it was revealed that the project had never paid a

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cent in royalties. By selling to a related company, the calculation of Net Value was distorted by an unnaturally low Gross Realisation, the mine was allowed to run for over a decade without paying royalties, despite representing a profitable concern for the owners.

While the Net Value formula offers more certainty to miners – if operational costs rise, royalties drop correspondingly – it offers no such certainty to Traditional Owners or the NT Government, who would be better served by royalties calculated on the price or value of resource. This much is true of any mineral, uranium or otherwise. It is therefore unsatisfying to consider replacing the existing irregular royalty structure for uranium in the NT with another which has proven to be broken and unsatisfactory, simply because that unsatisfactory option applies to all other minerals.

But we should also consider the reality that uranium is not like all other minerals. While all mines pose the likelihood of returning an environmental hazard to the surrounding environment, which must be rehabilitated and managed in a way that minimises the environmental impact, uranium mining has a further dimension. The large volumes of radioactive tailings which are left behind at conventional uranium mine sites, and the huge volumes of contaminated water left in the ground after in-situ leach extraction, pose a hazard that is distinguished by its unique longevity. These large volumes of easily dispersed toxic radioactive materials will remain an environmental hazard which must be managed long beyond the foreseeable future.

This unique challenge for environmental management makes mockery of the rehabilitation bond scheme that applies to other mines. The poor history of environmental impact of uranium mines in the NT, and the longevity of the hazard posed by radioactive mine wastes, leads to the conclusion that further mechanisms are needed to ensure ongoing management of abandoned mine sites. This Bill could be amended to add a further stream, a further percentage of the volume of ore payable to a fund that is dedicated to environmental management post mining.

ECNT staunchly opposes any uranium mining in the NT. However if we are to have a new mine, then the royalty regime should guarantee a fair payment to Traditional Land Owners, and should be augmented by the establishment of a fund for the ongoing management of radiological contaminants and other environmental impacts at the site.

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**References.**

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- NT Government refuses to disclose royalties , Alston Bevege, NT News 8<sup>th</sup> August 2008
- Uranium Royalty (Northern Territory) Bill 2008, Second reading speech, Mr MARTIN FERGUSON (Batman) (Minister for Resources and Energy and Minister for Tourism)