



# MEDIA STATEMENT

## MINERALS COUNCIL OF AUSTRALIA

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### AUSTRALIA-CHINA NUCLEAR “SAFEGUARDS” AND COOPERATION AGREEMENTS – A PLATFORM FOR GROWTH

STATEMENT BY MINERALS COUNCIL OF AUSTRALIA  
CHIEF EXECUTIVE, MITCHELL H HOOKE

The two nuclear Agreements between China and Australia, signed today, emphasise the integrity of Australia’s strict regulatory controls governing exports of uranium, and further strengthen a growing economic relationship with China. Though, Australia will be found wanting in meeting the trade and investment expectations created by the Agreements without change to the ALP’s restrictive “no new mines” policy currently effective in QLD, NSW, Victoria and WA.

The minerals industry welcomes the Agreements reached between Australia and China on Nuclear Material Transfer and Nuclear Cooperation. These Agreements are timely and opportune. They pave the way for exports of Australian uranium and related mining technology and services without compromising Australia’s strict uranium regulatory regime. They add impetus to the need for reform of Australia’s domestic arrangements governing exploration and development of uranium mines in Australia.

These Agreements:

- > **reassure the community of the integrity of Australia’s strict regulatory controls for the export and use of uranium** – Australia’s nuclear safeguards give objective assurance that Australia’s uranium is only used for peaceful non-military purposes – electricity generation. Australia’s safeguards are technical measures providing materials accounting and auditing procedures on the peaceful use of Australia’s uranium throughout the nuclear fuel cycle;
- > **complements the 19 existing Australian bilateral nuclear safeguard agreements** covering 46 countries (Euratom represents 28 countries of the EU);
- > **recognises the strength of Australia as a strategic location for the supply of minerals and energy** in an increasingly globalised industry with converging global supply – global markets are simply not there for the taking and there is no guarantee Australia will be a preferred source of supply – China has concluded nuclear cooperation agreements with 9 other countries competing with Australia for trade and investment opportunities;
- > **emphasise the growing trade and investment relationship between China and Australia** centred on mineral resources – China is seeking secure long term sources of energy to fuel its economic growth and Australia holds around one-third of the world’s economic demonstrated resources of uranium. China is currently the world’s second largest energy consumer behind the US and by 2030 is expected to be generating electric power equivalent to that currently generated by the US, Japan, Canada and Germany combined;
- > **focus on the capacity constraints of the ALPs “no new mines” policy** in restricting the Australian uranium industry from realising its economic potential – the policy is inherently flawed in that there are no production restrictions on existing operations, and it, obviously, places no limits on global supply given that other countries (notably Canada and Kazakhstan) will fill the vacuum created by Australia;
- > **enhance the potential of Australian mining technology and service industries** to build partnerships with Chinese technology firms in servicing the Chinese minerals industry. The Nuclear Cooperation Agreement stands to contribute to the mining technology and services sector’s goal of \$6 billion for exports by 2010 from the current level of around \$2 billion – the Agreement covers the transfer of nuclear related material, equipment or technology, building on the existing relationship between Geoscience Australia and the Chinese National Nuclear Corporation involving technical exchanges on geological and exploration techniques.

These Agreements are a necessary adjunct to Australia’s trade and investment relationship with China. Once ratified, they will pave the way for commercial negotiations for uranium to be part of a suite of growing exports of minerals and energy and related technology and services to China. The Agreements will add further weight to the conclusion of a free trade agreement between China and Australia deepening the strategic complementarity of the two economies.

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