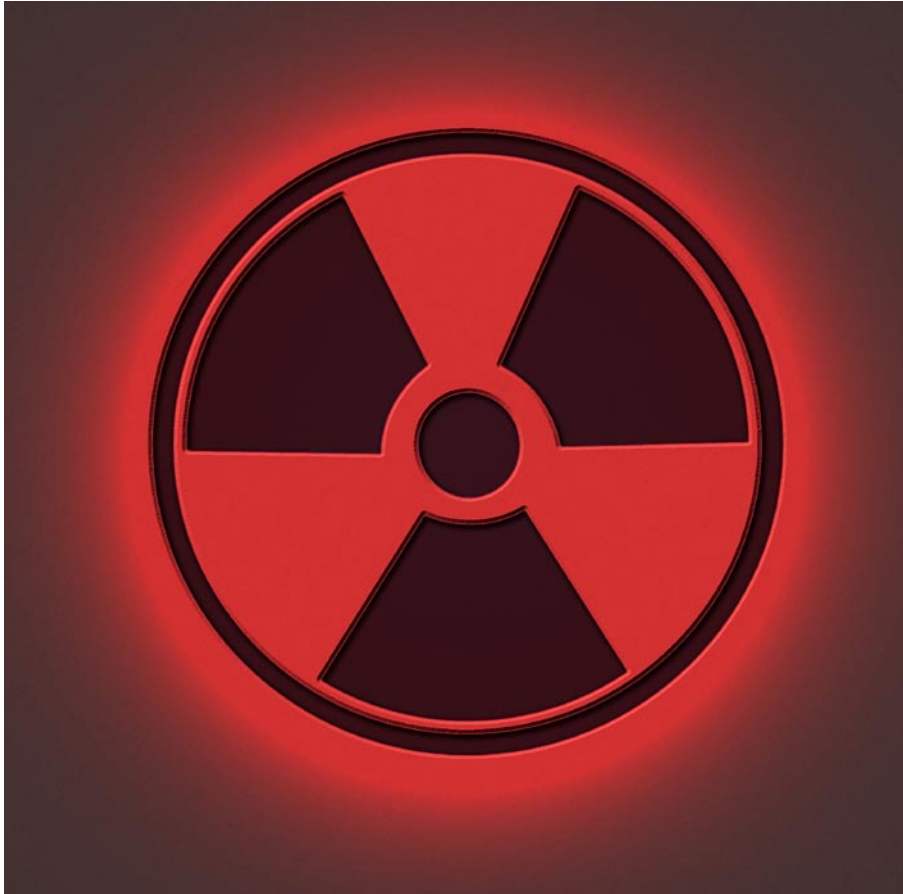


Nuclear Safeguards

fact sheet
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Australian safeguards have been eroded by successive governments.

The Director-General of the International Atomic Energy Agency has repeatedly pointed to numerous flaws and limitations of the safeguards system yet the Australian Government persists with the fiction that safeguards 'ensure' that uranium exports will not be used in nuclear weapons.

Can we really be sure that Australian uranium will not be used in nuclear weapons?

The Howard Government has concluded an unwise uranium export deal with China, appears to be selling uranium to Taiwan, and seems likely to export uranium to known nuclear state India. Let's take a look then at the claim that Australia's bilateral safeguards are among the best in the world, and that together with an effective international safeguards system, they will prevent Australian uranium from being diverted into nuclear weapons programs.

In July 1975, Prime Minister Gough Whitlam commissioned Mr. Justice Fox, senior judge of the ACT Supreme Court, to conduct what was and remains Australia's most comprehensive environmental report. The 'Fox Report' examined the effects of mining and exporting uranium from the Northern Territory. Fox gave highly conditional approval for mining and sales, subject to the strictest safeguards.

In August 1977, Prime Minister Malcolm Fraser announced these safeguards:

- Buying states must be signatories to the Nuclear Non-Proliferation Treaty (NPT);
- Government-to-government safeguards agreements must be finalised before commercial contracts are negotiated;
- Australian uranium must be in a form to attract the fullest International Atomic Energy Agency (IAEA) safeguards by the time it leaves Australian ownership, and all facilities using Australian uranium must be accessible to IAEA and Australian inspectors;
- There must be no transfer, enrichment beyond 20 per cent uranium-235, or reprocessing of any Australia uranium without specific, case-by-case Australian government consent; and
- Every commercial contract must acknowledge that the transaction is subject to the bilateral safeguards agreement.

They didn't last long.

Fraser adopted a moral position, declaring Australia was only selling uranium so Australia could influence peaceful nuclear technology and discourage the development of nuclear weapons. His Trade Minister, Doug Anthony, added that under the terms of the NPT, Australia had a legal obligation to sell it.

Neither claim was true. Commercial considerations governed the whole deal.

And, because of commercial considerations, Fraser's package of safeguards was gutted over the following ten years:

- In June 1977, sales were allowed to France, which had not signed the NPT;
- In October 1977, Australian uranium no longer had to attract IAEA safeguards when leaving Australian ownership (we started shipping it as uranium oxide, or U_3O_8 , which did not attract IAEA safeguards, rather than as uranium hexafluoride, or UF_6 , which did);
- By October 1977, we told Japan that we wouldn't insist that Australian uranium be subject to the prior case-by-case consent rule on transfer, enrichment or reprocessing;
- In January 1981, Australia abandoned the prior consent provision for other customer countries as well in favour of a much weaker 'programmatic' automatic prior consent system;
- In January 1979, the government, overriding the objections of Department of Foreign Affairs and Trade (DFAT), allowed contracts to be negotiated before bilateral safeguards agreements were in place;
- And by November 1982, we were even allowing uranium sales from offshore warehouses outside Australian jurisdiction and through offshore brokers.

Further Erosion

The Hawke government further relaxed the original system through a series of complex, cynical manoeuvres. For example, in May 1986, Hawke introduced the principle of 'equivalence'. This meant Australian uranium could in practice be used in unauthorised ways, provided that an amount of uranium equivalent to the original shipment from Australia could be seen to be used in approved activities.

The erosion of our safeguard standards increased the likelihood that Australian uranium would find their way into nuclear weapons, in a world where such weapons have increasing appeal to more and more countries and sub-national groups.

Consider first that thousands of tonnes of Australian uranium are now held around the world in various enriched and unenriched forms, and with various degrees of security or lack thereof.

Then consider:

- In March 2006, US President George Bush agreed to share nuclear technology with India, a nuclear weapons state, which refuses to sign the NPT;
- The US goaded North Korea into making its own nuclear weapons;
- Thus increasing the likelihood that Japan, South Korea and maybe Taiwan will soon build and declare the existence of their own nuclear weapons;
- All this against the background that the NPT Review Conference in New York in May 2005 failed to reach any substantial agreement about anything. In particular, no agreement could be found to implement Article VI of the NPT under which the five recognised nuclear weapons states promised to begin reducing and then abolishing altogether their nuclear arsenals in return for which the non-nuclear weapons states undertook never to develop or obtain nuclear weapons of their own; and
- Iran is insisting on completing its enrichment plant, which, it argues with some justification, is legal under the terms of the NPT of which it remains a signatory.

These are very dangerous times to flood the international market with fresh supplies of uranium. But like the Fraser, Hawke and Keating governments before it, the Howard government (and some elements in the Parliamentary Labor Party) seem seduced by the expectation of vast profits from Australian uranium exports.

China Update

In April 2006, the Howard Government and China's Premier Wen Jiabao agreed to a lucrative uranium export deal. By 2020, China plans to build up to 30 new nuclear power reactors. As well as importing uranium, China has indicated that it is interested in conducting its own exploration and mining ventures in Australia.

The Australian Government insists that Australian uranium will only be used for peaceful purposes. Madame Fu Ying, China's ambassador to Australia, told a Melbourne Mining Club luncheon in December 2005 that China has insufficient uranium for both its civil and military nuclear programs. Anthony Phillips, writing on Crikey.com.au says, "So shouldn't we ask 'if Australian uranium is not used to manufacture weapons, won't it free up other Chinese uranium for the same use?' This question was put to Premier Wen at a press conference on 3 April but he astutely evaded it."

As the deal was being negotiated the Taipei Times editorialised on January 21, 2006: "Whether or not Aussie uranium goes directly into Chinese warheads — or whether it is used in power stations in lieu of uranium that goes into Chinese warheads — makes little difference."

In the *Sydney Morning Herald*, Chinese writer and human rights advocate Yu Jie criticised Australian authorities "blithely planning to export uranium to this highly dangerous regime". The Chinese Communist Party regime continues to flout international conventions, persecute dissidents, and deny freedom of the press. Yu Jie concluded, "Australia should not export uranium ore to China. This short sighted behaviour can in the short term bring economic benefit. But in the long term it will inevitably endanger world peace."

Taiwan

In 1986, Prime Minister Bob Hawke considered selling uranium to Taiwan. The awkward fact was that as a province of China, Taiwan could not be the subject of direct government-to-government negotiations with Australia on safeguards. Options put to Cabinet to get around this awkward fact included leasing uranium, selling it to Taiwan direct with a safeguards agreement incorporated in a commercial agreement, negotiating a framework agreement with China embracing provisions for Taiwan, or shipping to the US, displacing an equivalent amount of US uranium for Taiwan.

Foreign Minister Bill Hayden rejected all options as either 'contrary to the law, or a blatant evasion of our legal obligations'. Yet Mr Howard is now either selling it or about to.

India - A Rogue Nuclear Weapons State

Proposed uranium exports to India should legally and morally be rejected because India is a nuclear weapons state and is one of just three nations which has not ratified the Nuclear Non-Proliferation Treaty. The sales would undoubtedly weaken the international non-proliferation regime and would increase the risk of other countries pulling out of the NPT and developing arsenals of nuclear WMD — and doing so with the expectation that uranium could still be procured.

The sale of Australian uranium to India would not just weaken our non-proliferation credentials — it would also signal to some of our major uranium customers, such as Japan and South Korea, that we do not take too seriously their own adherence to the NPT. They may as a result walk away from the treaty and develop nuclear weapons — against North Korea, China, or perhaps Russia — without necessarily fearing a cut-off of Australian supplies.” India and Pakistan both tested a series of nuclear weapons in 1998. It is unwise and irresponsible to be supplying WMD feedstock in the form of uranium to the subcontinent given the history of regional tension and the active nuclear weapons programs in India and Pakistan.

If Australia sells uranium to India, there will be pressure to sell uranium to other nations which refuse to sign and ratify the NPT, such as Pakistan and Israel.

Uranium Displacement. As with China, India has limited domestic reserves of uranium so in addition to the risk of direct use of Australian uranium in Indian nuclear weapons, there is the risk and the expectation that Australian uranium sales would free up India’s limited domestic reserves for the production of nuclear weapons.

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