

# uranium

## POLICY

### QRC policy on uranium

#### Policy objectives

To establish a QRC position on the mining and use of uranium and to convince the Queensland Government to rescind its current prohibition on uranium mining.

#### Background

The QRC does not usually advocate commodity-specific policies, preferring to focus on issues that affect the whole resource sector. However, the Queensland Government will not issue mining leases over uranium deposits, so in this case, a specific industry response is appropriate.

The Queensland Government has characterised uranium as a threat to the state's coal industry. However, the world's demand for energy is forecast to double over the next 30 years. In a growing market, the reality is that there is strong potential to increase Queensland's exports of all fuel commodities--coal, gas and uranium.

In a structural sense, uranium exports offer Queensland a valuable financial hedge--both for royalty and export revenues--against the risk of mandated carbon constraints dampening global demand for coal in the future.

The QRC recognises the role of non-fossil fuel energy sources, but by necessity, coal will continue to be an important contributor to global demand in the foreseeable future. QRC strongly supports the collaboration between Australian governments and industry (COAL21 Action Plan) to develop and promote technologies that pursue zero greenhouse gas emissions from coal-fired power stations. The Queensland Government's contribution to this goal includes funding for the Centre for Low Emissions Technology (cLET).

The QRC believes there is no justification for excluding Queensland uranium from the global energy mix. This position is supported by a March 2005 Roy Morgan research survey, which found that 61percent of people support Australia developing and exporting uranium for peaceful purposes.

The QRC notes the emerging bi-partisan support for expanding the export of uranium for peaceful purposes. Following on the initiatives from the Federal Government, including the proposed development of a Uranium Industry Framework, the QRC welcomes the recent supportive remarks by

the Federal Shadow Minister for Resources concerning the potential to expand Australia's uranium exports.

### **Issues**

The majority of Australia's uranium reserves were discovered before 1975. Since then only four new deposits have been added to the list of 50 or so previously identified.

With stock market interest in the uranium prospects consolidating, a change in Queensland's uranium mining policy could revitalise exploration for this mineral. Moreover, the current policy effectively guarantees that the neighbouring precincts of South Australia and the Northern Territory are best placed to capture the upswing in uranium interest.

Price increases in the order of 300 percent have focussed minds on the opportunity cost of leaving uranium un-mined, unexported and untaxed. Queensland's known uranium deposits include:

*Ben Lomond* an estimated recoverable resource of 4760 tonnes of uranium around 50km west of Townsville; lease owned by a subsidiary of Maple Minerals Corporation of Canada

*Valhalla* an inferred resource of 25,500 tonnes of uranium around 40km north of Mount Isa; lease is owned by Summit Resources. (Also in the Mount Isa region, Summit manages and jointly owns the Skal resource of 5000 tonnes and owns and manages the Anderson's resource of 4400 tonnes)

*Westmoreland* a series of deposits spread over about 50km straddling the Queensland-NT border around 400km north of Mount Isa; inferred resources are about 21,000 tonnes; Canadian company Laramide Resources owns some of the leases.

Tailored safety protocols cover every aspect of minerals and energy production in Queensland, confirming that occupational health and safety is of paramount concern to Queensland's resources sector operators. While other types of mining may involve managing risks of occupational exposure to background radiation, uranium mining requires a specific management regimen. Through comprehensive management, the industry's interstate operations have consistently recorded onsite exposure levels well below the international standards endorsed by Australian governments.

Materials stewardship is an increasingly valued, integrated approach to identifying and managing the social and environmental costs of the use of a material throughout its life cycle. Australia's Uranium Export Policy recognises some of these principles through stringent bilateral export agreements, under which International Atomic Energy Agency (IAEA) safeguards apply for the full life of the material covering material accountability, physical security and surveillance of nuclear materials.

### **Principles**

The QRC supports Australia's Uranium Export Policy, which permits the export of uranium for peaceful, non-explosive purposes under Australia's network of bilateral safeguard agreements.

The Queensland prohibition on uranium mining is at odds with the government's public aim of maximising the value of the state's endowments of all other minerals.

The QRC believes that any proposal to mine Queensland's uranium deposits should be considered on the objective merits of a full economic and environmental appraisal. The industry view is that legislative and regulatory requirements should ensure the highest possible standards of occupational and public safety and minimisation of environmental impact.

The QRC notes that nuclear power is, and will inevitably continue to be, part of the global energy supply/climate change response and Queensland uranium has a legitimate role to play in providing fuel for nuclear power.

Given Queensland's plentiful reserves of premium quality coal and ongoing investment in clean coal technology, Australia is unlikely to invest in nuclear power for decades to come. Nevertheless, any power generation investment decision should be transparently resolved on the grounds of rigorous cost-benefit analysis.