



SENATOR THE HON IAN CAMPBELL
Minister for the Environment and Heritage
Senator for Western Australia

Ms Libby Rogerson
Conference of Leaders of Religious Institutes in New South Wales
PO Box 259
ROSEBERY NSW 1445

30 JUN 2006

Dear Ms Rogerson

Thank you for your letter of 7 April 2006 concerning the export of Australian uranium and energy issues. I appreciate your letter and regret the time it has taken to reply.

Australia has a longstanding policy of only selling uranium to countries that are party to the Nuclear Non-Proliferation Treaty. Australian uranium is only sold to approved countries for the purposes of nuclear power under stringent safeguards arrangements. Before any sales of uranium can take place, customer countries must be covered by Australia's network of bilateral nuclear safeguards agreements which are binding under international law to ensure that Australian uranium is used only for peaceful purposes and accounted for at all times. These arrangements ensure Australian uranium is only used for peaceful non-explosive purposes. Compliance with these undertakings is verified by the application of safeguards by the International Atomic Energy Agency (IAEA). So far as Australian origin material is concerned, additional audit activities are carried out by the **Australian Safeguards and Non-Proliferation Office (ASNO)**.

The recently signed Australia-China Nuclear Material Transfer Agreement sets treaty-level conditions of supply of Australian uranium, known as Australian Obligated Nuclear Material (AONM) – as well as nuclear material derived from the use of AONM and includes that AONM must be covered by the state's safeguards agreement with the IAEA. Monitoring of AONM will be based on safeguards procedures applied at the facilities where AONM is handled, in accordance with China's safeguards agreement with the IAEA and procedures under the Australia-China Nuclear Material Transfer Agreement.

Australia has the right to suspend or cancel further transfers of nuclear material should China fail to comply with the provisions of the Nuclear Material Transfer Agreement or IAEA safeguards arrangements. More information on the Australia-China Nuclear Material Agreement can be found at the ASNO's website www.asno.dfat.gov.au.

The Australian Government is working with a range of countries, including China and India, through the *Asia-Pacific Partnership on Clean Development and Climate* on a range of energy related technological issues. This Partnership brings together key countries (Australia, China, India, Korea, Japan and the United States) to explore ways to develop, deploy and transfer cleaner, more efficient technologies that the world will need to make the required deep cuts in global greenhouse gas emissions. The importance of the Partnership is clear when you consider that between them these six partners account for almost half of the world's population, GDP, energy use and greenhouse gas emissions.

As a clear demonstration of Australia's commitment to the success of this Partnership, the Prime Minister, the Hon John Howard MP, has announced an additional investment of \$100 million over five years to support practical international cooperation projects. At least 25 per cent of the Australian Government's commitment is dedicated to renewable energy technologies.

The Australian Government recognises that renewable energy has an important role to play in continuing to work towards the sustainability of Australia's energy supply.

The Energy White Paper, *Securing Australia's Energy Future*, announced by the Prime Minister in June 2004, committed to a number of new measures to support renewable energy development. These measures include the \$75 million Solar Cities trial, which will demonstrate the economic benefits of solar photovoltaics in reducing energy demand during peak periods; a \$100 million Renewable Energy Development Initiative to support the development of renewable energy technologies with strong commercial potential; a \$20 million programme to support the development of Advanced Electricity Storage Technologies for renewable energy; and up to \$14 million to develop and install a Wind Energy Forecasting Capability, which will help electricity networks to more effectively utilise larger amounts of wind power. In addition to these measures, renewable energy technologies are eligible for consideration under the \$500 million Low Emissions Technology Demonstration Fund.

These new measures build on earlier renewable energy support initiatives such as the Photovoltaic Rebate Programme, the Renewable Remote Power Generation Programme, the Renewable Energy Commercialisation Programme, the Renewable Energy Equity Fund and the Renewable Energy Industry Development Programme which have provided funding of more than \$300 million for grant, equity and rebate programmes to boost the uptake of renewable energy and help the domestic industry to grow.

The Australian Government recognises that many countries may choose nuclear power as a cost effective pathway to a lower greenhouse signature. However, with access to abundant and relatively cheaper energy sources, it is unlikely that nuclear power could be cost competitive in the Australian electricity market in the foreseeable future.

Thank you for writing to me on these important issues.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Ian Campbell', written in a cursive style.

IAN CAMPBELL