



Beijing eyes our uranium

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URANIUM company bosses believe "the floodgates are starting to open", with Chinese state companies ready to pour into Australia once the two governments agree to safeguards on exports to China.

The state-run China National Nuclear Corporation, which sent a delegation to look at the Honeymoon uranium mine in South Australia in 2004, has confirmed it is discussing investing in the Australian industry.

A second South Australian explorer, Southern Uranium, has also said it is in advanced talks with several Chinese corporations, while Premier Mike Rann has given qualified support to exports to China.

The federal Government is to meet with Chinese government officials on Tuesday to agree to safeguards to prevent Australian uranium being used in China's nuclear weapons program.

Southern Uranium managing director Stephen Biggins said his company had exchanged confidentiality agreements with several Chinese companies with

various levels of links to the Chinese Government.

"My impression is that these are some of the early arrivals from China and the floodgates are starting to open in terms of investment into Australia when these bilateral agreements are in place," he said.

He said the Chinese were looking to secure future uranium exports and were prepared to invest in Australian exploration companies to achieve this.

Mr Rann said the federal Government bore responsibility for deciding whether uranium exports would comply with strict standards.

"That means ... they know exactly where the uranium is going, it doesn't go to military purposes, it has to (go to) power purposes," he said.

His deputy, Kevin Foley, said he would lobby to alter Labor's "bizarre" three mines uranium policy at the next ALP national convention.

While Mr Rann has thrown his weight behind next week's safeguards negotiations, other state leaders have been more critical of the talks.

West Australian Acting Premier Eric Ripper said he was

concerned that uranium sold to China might fall into the hands of terrorists.

"The point we have been making is that there should be no exports of uranium, not to China or any other country, because of the lack of safeguards," he said.

"Uranium should not be exported because there are no safeguards that stop terrorists or, in reality, to stop the production of nuclear weapons."

Late last year, the West Australian Labor Party conference rejected moves to overturn the Gallop Government's ban on uranium exploration.

A spokeswoman for federal Resources Minister Ian Macfarlane said China would have to agree to International Atomic Energy Agency oversight.

Acting Prime Minister Mark Vaile was confident of a resolution. "At all stages we've made very clear and continue to make very clear that we expect any of our trading partners that wish to buy uranium from Australia there are international safeguards and protocols that need to be met."

Additional reporting:
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