



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

BILLS

Civil Nuclear Transfers to India Bill 2016

Second Reading

SPEECH

Thursday, 24 November 2016

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date	Thursday, 24 November 2016	Source	House
Page	21	Proof	Yes
Questioner		Responder	
Speaker	O'Brien, Ted, MP	Question No.	

Mr TED O'BRIEN (Fairfax) (11:21): This Civil Nuclear Transfers to India Bill 2016, which enables uranium sales by Australia to India, with very strong safeguards in relation to the use of that uranium, is the culmination of what has been a near decade-long effort and mostly bipartisan, which—to support the words of those former members speaking in this chamber—is just fantastic to see.

It is nevertheless a very challenging issue we are dealing with. It was in 2006 that the then Prime Minister, John Howard, first signalled Australia was prepared to consider uranium sales to India subject to appropriate safeguards. Before that it was the policy of the Liberal Party and the Labor Party that uranium would not be sold to any country that was not a signatory to the Nuclear Non-Proliferation Treaty, and India is among the four nuclear weapon states that are not signatories to that treaty. So the statement by the then PM represented a significant change to the joint approach that had been in place since the treaty was developed in the 1960s.

Today, notwithstanding the treaty, there are nine nuclear powers. The original five—United States, Russia, United Kingdom, France and China—plus now Israel, Pakistan, quite possibly North Korea, and India. A qualified success for the treaty, some might say, with a near doubling of the number of nuclear armed powers but the general view is that, but for the NPT, that number would be significantly higher as would be the obvious dangers of a much larger nuclear club.

What the world has been grappling with since the outbreak, apart from maintaining pressure to ensure there is no further widening of the club, is how to deal with those states that have broken away from it. Very significantly, under the terms of the treaty, none of those states can access uranium or nuclear technology from signatory states even for totally peaceful purposes unless they forsake those weapons, and of course none of them will do that, for a variety of reasons. No doubt the central reason is the one ascribed to North Korea in just the past few weeks by the outgoing United States Director of National Intelligence, James Clapper, who said of North Korea that they regarded their nuclear weapons program as 'their ticket to survival'. Not that I in any way condone their activities in North Korea. Having lived and worked in that region for many years, including spending time in both South and North Korea, you would find me one of the last people in this chamber to be making excuses for North Korea. Nevertheless, as James Clapper articulated, each state has had what were clearly irresistible forces at play in establishing their nuclear arsenals, and that would fit the Clapper description.

The history of Israel is very well known and the forces at work in other breakaway states are just as obvious. India has had border issues with China—an early nuclear power—for many, many hundreds of years, and any interest in parity with China would of course be logical. And it is no secret that India has had a particularly tense relationship with Pakistan, such that both now have nuclear arsenals. Each in large part, no doubt, was prompted by the other's access. The bottom line, however, is that these nuclear states will not forgo their nuclear status, and we have to find ways of dealing with that reality. In the case of India, to which this bill relates, there are two large, interlocked issues that have led many states, over the past decade or so, to accept that, as long as safeguards exist—outside of but linked to the nonproliferation treaty and the several regional treaties that interlock with it—and as long as they can be met, there is a pressing case to foster the peaceful use of nuclear power in that country.

India is a democracy, the largest in the world. It is the second most populous country on the planet, only marginally behind China's 1.35 billion people, with 1.25 billion people. I have worked in India. I have seen the scale of the moral challenge and the economic challenge that that country faces to bring literally hundreds of millions of people out of poverty and, in the case of many, extreme poverty. Over 300 million Indians, around a quarter of the population—almost as many people as live in the United States—have zero access to electricity. This is a situation that obviously has to improve as quickly as is humanly possible, and India has embarked on that task with such tremendous determination that it now has the fastest economic growth—consistently over seven per cent—of all major economies, and that includes, notably, China.

A major part of the plan, a fundamental part of the plan, is to expand nuclear power from 5.3 gigawatts of capacity in 2014 to between 150 and 200 gigawatts by 2050. There is no real alternative to this growth in the nuclear share of its generation—expected to be from two to 25 per cent—any more than there is an alternative to continuing strong growth in the use of coal, such is the scale of the task and the viability of various alternative generation options. The suggestion from a prominent Green in the Senate that we should reject this bill because, by selling uranium to India, we would simply be contributing to an arms race with Pakistan and that instead we should be encouraging India to concentrate on solar power is just more of the garden-pixies stuff that we usually hear from our typical source of feel-good nonsense, the Greens.

India is in fact investing mightily in solar, but it will also have to continue to invest mightily in coal and in nuclear if it is to provide the people of India with what even the Greens take for granted: the ability to turn on some lights, to protect food in the fridge, to maybe run a washing machine or turn on a TV—things that we all take for granted but that would indeed be luxuries for so many millions and millions of people in India. In terms of coal, as disconcerting as it is to the Greens, the Adani coalmine in Queensland, which has had to run the gauntlet of Green opposition, will produce enough energy to power 100 million Indian homes for 90 years. Yes, India needs solar. It needs coal energy. And India needs nuclear energy.

It was the United States that first recognised the imperative of finding a way through the impasse created by the NPT and triggering a process that would ultimately enable India to tackle this enormous developmental task, thus taking us to where Australia is today with this bill.

In 2005, then President Bush said that, subject to the appropriate safeguards being in place, the United States wanted full cooperation with India on the peaceful use of nuclear power. That was followed in 2006 by a similarly qualified statement from John Howard. The Prime Minister was even more positive in 2007 that those safeguards could indeed be developed. But then Labor won office and overturned that position, and this remained the case for almost four years. To her qualified credit, Julia Gillard, in 2011, as Prime Minister and with support from the likes of the pragmatic Martin Ferguson—one of the very few good, sensible performers through that Rudd-Gillard-Rudd debacle—took a proposal for the reversal of that position to Labor's national conference and won a victory on the floor.

In a very real sense this was a catch-up measure; hence the qualification of credit due to Julia Gillard. It was clearly a catch-up measure because, during Kevin Rudd's first stint as Prime Minister in 2008, Australia did not stand in the way of a crucial step towards the deal that was subsequently struck. That step was approval by the Nuclear Suppliers Group—the 30 countries, including Australia, that, between them, provide uranium, the fuel rods and the technical expertise that is required by the nuclear fuel cycle—of a set of principles that could clear the way for access by India, subject to India agreeing to safeguards to be overseen by the International Atomic Energy Agency.

By enabling passage of that proposal to find a way through the NPT impasse via the Nuclear Suppliers Group, Kevin Rudd was of course being what Kevin Rudd always was: a politician who played both sides of the debate. Publicly he opposed the deal, because that is what the Labor Party wanted at the time, but he did not stand in the way of the process that set it in motion, the outcome of which was ultimately endorsed by his successor in 2011. Julia Gillard set in train the detailed negotiations to consolidate the safeguards agreed by the group, and that would have to be endorsed by the International Atomic Energy Agency. Tony Abbott, the member for Warringah, when he became Prime Minister in 2013 concluded that process and signed off in 2014 on the Australia-India bilateral agreement, which came into force last November. Indeed, what we have here now is a bipartisan effort.

What the US recognised, what the Nuclear Suppliers Group recognised and what John Howard, Julia Gillard and Tony Abbott recognised was that access to uranium for the peaceful purpose of power generation was and is so important to India that refusal to find a way through would be improper on moral grounds, while also representing an unnecessary risk to wider relationships. It was such an important foundational issue for India that, if we had failed to meet their needs, we would not really expect to be regarded as true supporters and worthy partners in the massive task that they have underway in that country to bring hundreds of millions of people out of poverty. And we have found a way to do it that preserves the spirit of NPT.

India has agreed to all the constraints that were demanded in terms of accountability—especially in relation to accountability in separating their civil nuclear program from their weapons program—to enable trade to begin. Its commitment to those constraints has been accepted by our own Australian Safeguards and Non-proliferation

Office in DFAT, the Department of Foreign Affairs and Trade, as well as by the United States, by all members of the Nuclear Supplier Group and, importantly, centrally, by the International Atomic Energy Agency, which will have oversight.

The benefits from the passage of this bill will be shared—it is good for both countries. India gets from Australia a reliable, secure source of uranium to help it meet its targets for a massive increase in the availability of energy for domestic and industrial wealth-generating use, and Australia gets a very significant economic and jobs boost. The Minerals Council estimates that the workforce in the uranium industry could double, from 4,000 to 8,000 people, as we provide around 30 per cent of India's growing uranium needs—with most of these jobs, it should be noted, in regional areas.

In 2013, the Australian uranium industry earned \$623 million. In 2030, it could be \$750 million and even double that, around \$1.5 billion, depending on India's progress in meeting its targets. What is more, this engagement will inevitably open up many more opportunities of mutual benefit—in agriculture, mining, infrastructure and the already very important education sector, and areas like water technology, health, legal services, financial services and more. India is already a top 10 market for Australia. It is our 10th largest trading partner and our fifth largest export market, led by coal and education services.

The opportunity to expand this already significant trade into a much more complex, deeper, more fruitful relationship is linked to this bill. If we do not pass it, these opportunities will be diminished. With passage of this bill, India will be convinced that we are a worthy partner in the massive job that they have underway in that great country to bring hundreds of millions of people out of poverty, and the benefits down the track could be greater than anything we now can imagine. I commend this bill to the House.