

The following notes formed the basis of a brief address made by Wendy Tubman at the Anti-Uranium Rally held in Townsville on 29 November 2012.

### **STACKING THE NUMBERS**

Whichever way you look at it, even without the environmental and the health and safety costs, the economics of uranium mining do not add up.

### ***JOBS***

On 22 October, Premier Campbell told the ABC's PM "there is no earthly reason why Queenslanders should miss out on the economic opportunities and the jobs from uranium mining". On 22 November, ABC News reported Deputy Premier Seeney telling a Brisbane conference the industry in Queensland "...could generate some 40,000 jobs".

But, let's look at those job numbers.

The number of jobs in the highly capital-intensive Australia uranium industry varies with who you talk to:

IBISWorld, the largest independent publisher of US industry research, puts it at 650; the World Nuclear Association says it is 1760 people. However, the Federal Department of Resources, Energy, Tourism (possibly including 'flow-on' jobs) claims it is 4200.

But even the Departmental figure (4200) represents only 3/100th of 1% (0.03%) of total employment in Australia (~11.5m).

To put it in perspective, the Great Barrier Reef tourism industry accounts for 60,000 jobs -- and even Bunnings in 2012, with 32,000 employees, is virtually 8 times bigger than the uranium industry.

So, where does Mr Seeney's figure of for 40,000 new jobs for Queensland come from? And how realistic is it?

### ***VALUE OF EXPORTS***

Deputy Premier Seeney also ventured on ABC radio (22 Nov) that "the uranium industry will be the next strong export earner for Queensland".

He said it "could ... contribute to the local economy's coffers by as much as \$78 billion". \$78 billion?

The Queensland government's Office of Economic and Statistical Research notes that the value of ALL commodities exported from Queensland in 2011-12 was just \$53 billion.

Furthermore, the Australia Uranium Association has stated "Uranium exports could add between \$14.2 billion and \$17.4 billion (in 2008 net present value

terms) to Australian (not just Queensland's) GDP between September 2011 and 2030" – and puts it on a par with cheese exports.

Where does Mr Seeney's \$78 billion come from?

### ***ROYALTIES***

The Queensland Resources Council (QRC) has stated that the known deposits of uranium in Queensland have a total value of \$18 billion, and that this would result in \$900 million being paid to the State in royalties.

However, the World Nuclear Association puts Queensland's reserves at about half that claimed by the QRC – \$7.4b worth (at 2011 prices).

It is unlikely that all of these reserves will be economic to mine. For example, in WA, of the 11 known deposits, only one is seriously pushing ahead. So if even half of Queensland's reserves could be economically mined, we are looking at half of \$7.4b or \$3.7 billion.

And if the Queensland royalty rate stays at 2.5%, royalties would deliver to the state 2.5% of \$3.7b or \$92.5m – not the \$900m suggested by QRC.

### ***DISTRIBUTION OF RETURNS***

So who benefits from uranium mining? As with coal, Australia's uranium interests are very heavily foreign-owned.

For example, Olympic Dam (SA) is owned by BHP Billiton (which is 76% foreign-owned); Ranger (NT) is owned by ERA Ltd (which is 68% owned by Rio Tinto, which is itself 83% foreign-owned); Honeymoon (SA) is owned by Uranium One (a Canadian/Russian conglomerate); Ben Lomond (QLD) is owned by Megauranium (a Canadian company).

When it comes to export earnings from uranium, we could be looking at a situation very similar to that of coal, where 83% of profits go straight overseas.

How typical is the uranium mining industry?

In summary, the uranium industry is typical of the mining sector, which is:

- A very small employer
- A mega-exporter of profits
- A low tax-payer (mining industry average corporate tax paid is just 13.9%)
- A driver of the high exchange rate, which has a negative impact on returns and jobs in other Australian industries
- Typified by FIFO and all the community and social problems that entails.

However, the uranium-mining is unlike any other mining industry the cost of ongoing safeguards.

The Federal government's Agreement with Ranger Uranium in the NT required final disposal of tailings to be undertaken "...in such a way as to ensure that:

i) the tailings are physically isolated from the environment for at least 10,000 years;

ii) any contaminants arising from the tailings will not result in any detrimental environmental impacts for at least 10,000 years".

This is deemed by many to be best practice.

What would the cost of such safeguards be? And what about the cost of an accident sometime during that 10,000 year period?

Whichever way you look at it, even without the environmental and the health and safety costs, the economics of uranium mining do not add up.

Please note, references can be provided for the data presented in this address