

Not relevant



6 **Cabinet Notes for Discussion**

Not relevant



603 ENERGY RESOURCES OF AUSTRALIA TRANSPORT PLAN FOR URANIUM OXIDE FROM ERA RANGER MINE SITE TO PORT ADELAIDE (Paul Holloway) - NOTED

Not relevant



693

CABINET NOTE

TO: THE PREMIER FOR CABINET TO NOTE

RE: ENERGY RESOURCES OF AUSTRALIA TRANSPORT PLAN FOR URANIUM OXIDE FROM ERA RANGER MINE SITE TO PORT ADELAIDE

1 PROPOSAL

- 1.1 That Cabinet notes the intention to approve the 'Energy Resources of Australia Transport Plan for Uranium Oxide from ERA Ranger Mine Site to Port Adelaide', for a period of five years.

2 BACKGROUND

- 2.1 Uranium Oxide Concentrate ("UOC") is the partially refined product derived from processing ore containing uranium. It is mildly radioactive, chemically stable, water insoluble, non reactive, non flammable, heavier than lead and not prone to dusting. It has a slight 'heavy metal' chemical toxicity and is hazardous if inhaled or ingested in volumes over an extended period.
- 2.2 Energy Resources of Australia ("Energy Resources") is a publicly listed company majority owned (68.4 per cent) by the Rio Tinto Group. It is one of the largest uranium producers in the world, providing 11 per cent of the world's uranium production.
- 2.3 Energy Resources operates the open cut Ranger Mine in the Northern Territory and has been mining and producing UOC since 1980. Energy Resources recently announced its intention to extend the Ranger Mine's life until 2020.
- 2.4 Energy Resources identified an opportunity to reduce transit times as well as adopting a more cost effective method of shipping, by transporting UOC from the Ranger Mine to Port Adelaide. Early in 2007, Energy Resources approached the South Australian Government to seek advice about transport of UOC from Northern Territory via rail to Adelaide and then via road to Outer Harbour.
- 2.5 This is the first time a non-South Australian based company has approached the South Australian Government to transport UOC through South Australia.

- 2.6 Transport of UOC in South Australia is subject to the Radiation Protection and Control (Transport of Radioactive Substances) Regulation 2003 (SA) which imposes relevant portions of the Code of Practice for the Safe Transport of Radioactive Material (2001) Cth which in turn imposes the International Atomic Energy Agency Regulations for the Safe Transport of Radioactive Material.
- 2.7 Currently, Australia only exports UOC to countries that are signatories to the international Nuclear Non-Proliferation Treaty and have entered into separate bilateral safeguard agreements to ensure exported UOC is used for peaceful non-weapons purposes.
- 2.8 The Australian Government regulates the possession, transport and export of UOC via ASNO.
- 2.9 Part of ASNO's approval process requires the preparation of a detailed transport plan that addresses the regulatory requirements of state, Australian and international bodies.
- 2.10 At the request of the State Government, Energy Resources agreed to submit a transport plan for South Australian Government review and acceptance.

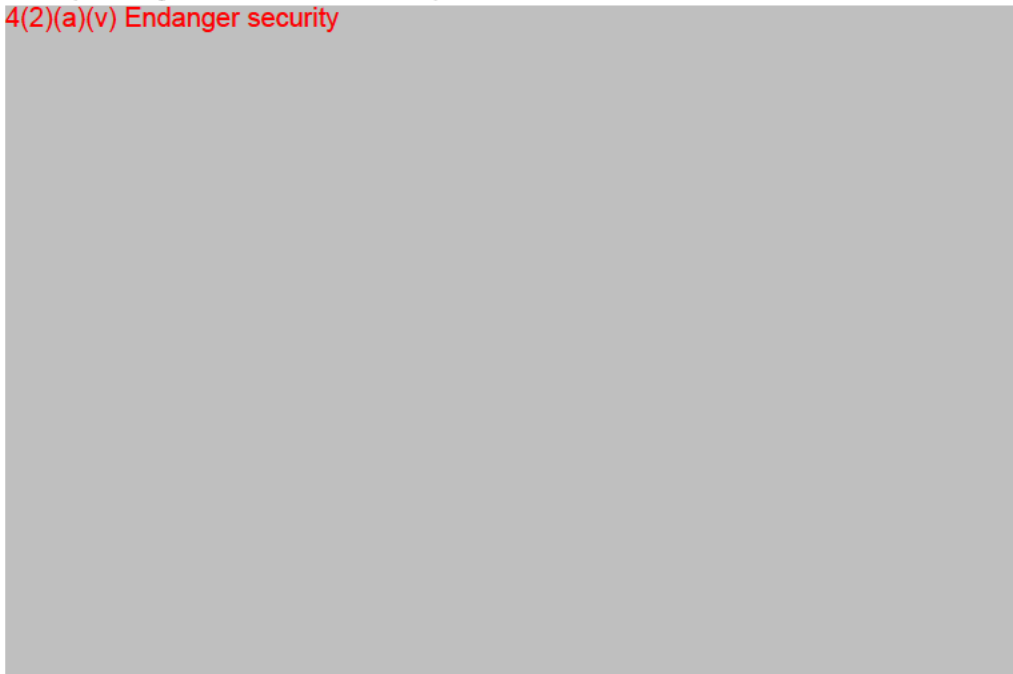
3 DISCUSSION

- 3.1 BHP Billiton and Heathgate Resources currently transport UOC in South Australia from Olympic Dam and Beverley respectively to the Adelaide Freight Terminal for freighting by rail to Darwin and to the Port of Adelaide for offshore shipping. Both have been keen to secure more reliable shipping services from Adelaide which has proved difficult in the past due to the number of lines who will carry UOC and the small quantities sometimes involved.
- 3.2 Energy Resources have advised their intention to transport approximately 10 containers of UOC on a fortnightly basis which will help secure future shipping transport requirements for South Australian based mining ventures.
- 3.3 Energy Resources expects to commence offshore shipping from the Port of Adelaide late October 2007.
- 3.4 Energy Resources has lodged its proposed transport plan: 'Energy Resources of Australia Transport Plan for Uranium Oxide from ERA Ranger Mine Site to Port Adelaide ("the Plan") with the Government of South Australia for acceptance addressing the following required criteria:
 - approvals and permits
 - planned transportation routes, timing and transport operator responsibilities
 - training for personnel involved in transportation

- communications equipment and protocols including reporting requirements during transportation
- packing, inspection and labelling of drums and load of shipping containers
- additional clean-up equipment accompanying transport
- detailed response plans for any disruptions to normal transport arrangements
- responsibility for security during all phases of the transportation of UOC.

A copy of the Plan is provided in Attachment A, and supporting documents to the plan in the attached CD Rom.

3.5 4(2)(a)(v) Endanger security



3.6 The Working Group, most notably DTEI and SAPOL, has assessed the specified transport routes and arrangements as suitable for the transportation of UOC.

3.7 4(2)(a)(v) Endanger security



3.8 Any request to alter the approved transport plan will be subject to assessment and review by the Working Group prior to any recommendation being forwarded to the Minister for Mineral Resources Development.

3.9 The Minister for Mineral Resources Development can refer alterations to Cabinet for acceptance at his absolute discretion.

3.10 The Working Group has assessed the risks associated with the Plan as low:

- The Plan comprises a comprehensive framework to ensure the State's transport requirements and environmental management and emergency management policies and procedures are followed, minimising any impact to the community and/or the environment.
- The likelihood of an incident occurring during the transportation of UOC by road is considered low. This likelihood is further reduced when transporting by rail.
- Emergency management procedures (developed in collaboration with SAPOL) specifically tailored to the transportation of UOC are in place, outlining the roles, responsibilities and actions that will occur in the event of an incident involving UOC whilst in transit.
- Dedicated 'Emergency Response Kits' containing clean up equipment will be carried with the transport vehicle during road transit and in a separate container on dedicated freight (non passenger) rail services for use in the event of any incident.
- ASNO and other Australian Government agencies with a particular focus on security of nuclear material will conduct audits and inspections as part of separate licensing arrangements.

3.11 The Plan was developed in consultation with the Working Group comprised of the following representatives:

- Mining Regulation, PIRSA
- Radiation Protection, EPA
- Transport Services, DTEI
- Operations Services, CFS
- Operations Planning, CFS
- SA MFS
- SES
- SAPOL
- SA Ambulance Service

3.12 The Working Group reviewed the plan and identified minor changes which have now been addressed by Energy Resources. The Working Group has assessed that the revised Proposed Plan addresses and satisfies the criteria for acceptance by the State Government.

3.13 The final draft was also reviewed and approved by SafeWork SA.

3.14 A communications plan has been drafted and a summary is attached as Appendix C.

4 RECOMMENDATIONS

4.1 That Cabinet notes the intention to approve the Energy Resources of Australia Ltd transport plan for the transportation of uranium oxide concentrate from the Ranger mine, from the Adelaide Freight Terminal to the Port of Adelaide for offshore shipping, for a period of five years from the date of the first shipment (currently anticipated in October 2007); and the following arrangements with respect to the plan:

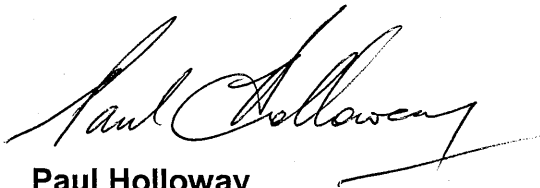
4.1.1 Any future requests to alter the plan will be subject to assessment and review by the 'Transport of UOC Working Group' comprising member(s) from PIRSA, DTEI, EPA, CFS, SAMFS, SAPOL and the SA Ambulance Service prior to any recommendation being forwarded to the Minister for Mineral Resources Development.

4.1.2 The Minister for Mineral Resources Development can refer alterations to transport plans to Cabinet for acceptance at his discretion.

4.1.3 The Minister for Mineral Resources Development will advise the Australian Safeguards and Non-Proliferation Office via the Minister for Foreign Affairs and Trade, the Northern Territory Government, and Energy Resources Australia in writing of the South Australian Government's acceptance of the transport plan.

In Cabinet

24 SEP 2007



Paul Holloway
Minister for Mineral Resources Development

NOTED

PREMIER

Date: 19/9/2007



Transport Plan

269 pages removed

Exempt clause 4(2)(a)(v) – endanger security