



Beazley: WA is most open to attack by China

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Body

Former defence minister Kim Beazley says Western Australia is the part of Australia "most worthwhile attacking" in any future conflict with China or other adversaries.

Mr Beazley said basing nuclear submarines at Garden Island near Perth under the AUKUS security pact was essential to protecting resources, industry assets and land mass that would be prized under any major escalation of geopolitical tensions.

"WA is the AUKUS state. It is potentially the most vulnerable and potentially the most worthwhile to attack," he told a Diggers & Dealers mining conference audience that included Opposition Leader Peter Dutton.

The former Australian ambassador to the US said nuclear submarines were a "force multiplier" in comments that endorsed former prime minister Scott Morrison's decision to abandon a deal with France to supply conventional submarines.

Mr Beazley likened conventional submarines to funnel web spiders that could deliver a nasty bite but were not deterrent to entering your backyard.

He said nuclear submarines were more like having a "hungry panther" prowling around your backyard to keep people out.

Mr Beazley, who served in a variety of senior Labor roles during a 27-year career in federal parliament, urged the Albanese government to take an even harder line on blocking Chinese investment and off-take deals in critical minerals.

He suggested Australia should buy and stockpile certain materials essential to modern weapons systems at times when China used its near monopoly on processing technology to depress pricing.

Mr Beazley said his main concern was heavy rare earths materials dysprosium and terbium, which are essential for the permanent magnets used in weapons' systems to give them extreme accuracy.

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The federal Labor government has blocked Chinese investments in rare earths, intervening in a row over the control of potential heavy rare earths miner Northern Minerals and pumping more than \$2 billion of taxpayer money into rare earths projects free of links to China. Mr Beazley suggested the government should offer more funding, on top of the \$1.25 billion it has already provided **Iluka Resources**, to build a fully integrated rare earths refinery at Eneabba in WA.

Iluka has been locked in talks with Labor for months as it seeks more taxpayer support to finish building what would be Australia's first such refinery after the cost blowout to \$1.8 billion.

Mr Beazley backed claims by **Iluka** boss Tom O'Leary that China manipulated prices to further its stranglehold on the supply of rare earths materials.

Speaking on the sidelines of the conference, Lynas Rare Earths managing director Amanda Lacaze said China had built up inventories last year as prices fell but noted signs those stockpiles were now being reduced.

Mr Beazley said permanent magnets made using rare earths were found in 3400 US weapons systems and that the AUKUS partner was "totally vulnerable" if China cut off supply of dysprosium and terbium.

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