

Information Circular

INFCIRC/1037

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General Distribution

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Communication dated 14 September 2022 received from the Permanent Mission of Australia to the Agency

1. The Secretariat has received a communication dated 14 September 2022 from the Permanent Mission of Australia to the Agency, on behalf of Australia, the United Kingdom and the United States of America.
2. The Note Verbale and, as requested, its attachment are herewith circulated for the information of all Member States.



**AUSTRALIAN PERMANENT MISSION TO THE INTERNATIONAL
ATOMIC ENERGY AGENCY**

No. IA 22/63

The Australian Permanent Mission in Vienna presents its compliments on behalf of the Permanent Missions of Australia, the United Kingdom, and the United States of America to the International Atomic Energy Agency and has the honour to respectfully request the distribution of the attached non-paper to member states.

We are pleased to advise the Agency that the Permanent Missions of Australia, the United Kingdom, and the United States of America originally distributed the attached non-paper to all Permanent Missions in Vienna by email on 9 September 2022.

The Australian Permanent Mission, on behalf of the Permanent Missions of Australia, the United Kingdom, and the United States of America, avails itself of this opportunity to renew to the International Atomic Energy Agency the assurances of its highest consideration.

Vienna, Wednesday 14 September 2022



International Atomic Energy Agency

VIENNA

NON-PAPER: UPDATE ON COOPERATION UNDER THE AUKUS PARTNERSHIP

Summary

The AUKUS partnership seeks to support Australia's acquisition of a conventionally-armed, nuclear-powered submarine capability. AUKUS partners are committed to maintaining the highest possible non-proliferation standards. The program will be fully in line with our international obligations and we are consulting regularly and transparently with the International Atomic Energy Agency (IAEA), the technical authority on nuclear safeguards and verification measures. We encourage Member States to consider the Director General's report GOV/INF/2022/20 of 09 September 2022. We welcome opportunities to brief international partners on our progress to date and we will release further detail as decisions are made.

1. In a joint statement in April 2022, the leaders of Australia, the UK and the US reiterated their full commitment to establishing a robust approach to sharing naval nuclear propulsion technology with Australia in a way that sets the highest possible non-proliferation standards.
2. AUKUS partners are firmly committed to complying with our respective international obligations – including those under the Nuclear Non-Proliferation Treaty (NPT) and relevant agreements with the IAEA. Naval nuclear propulsion cooperation under AUKUS will be conducted in a manner that is fully consistent with these obligations. Australia has made it absolutely clear that it does not and will not seek nuclear weapons.
3. We are working closely with the IAEA to ensure that the precedent set by Australia's acquisition of conventionally-armed, nuclear-powered submarines strengthens the global non-proliferation regime. Like the NPT, the IAEA's model agreement for NPT safeguards and verification, the Comprehensive Safeguards Agreement (CSA-INFCIRC/153), permits naval nuclear propulsion activities. INFCIRC/153 is the basis for most countries' CSAs, including Australia's, and in conjunction with the application of an Additional Protocol, is the IAEA's current highest safeguards and verification standard. Australia's naval nuclear propulsion activities will occur within the framework of Australia's CSA and Additional Protocol. These agreements provide the firm legal basis on which the IAEA, through the Director General and the Secretariat, is engaging with Australia and AUKUS partners.
4. Australia's prospective acquisition and operation of naval nuclear propulsion would also be consistent with Australia's obligations under the Treaty of Rarotonga, which establishes the South Pacific Nuclear Free Zone. Australia remains fully committed to the maintenance of the South Pacific Nuclear Free Zone and will continue to comply with all its obligations under this treaty.

Our work to date

5. We are working in close consultation with the IAEA to determine an optimal pathway that is fully consistent with our non-proliferation obligations and commitments. While consultations are ongoing, we fully recognise the importance of providing information and assurances to the international community. For this reason, at the 2022 NPT Review Conference, AUKUS partners set out four key elements to our approach as we seek an optimal pathway to deliver this capability to Australia:
 - Australia has made it clear that it will not pursue uranium enrichment or reprocessing in relation to AUKUS, and has no plans to fabricate nuclear fuel for its nuclear-powered submarines.
 - It is proposed that Australia would be provided with complete, welded power units. These power units would be designed so that removal or diversion of any nuclear material would be extremely difficult and would render the power unit, and the submarine, inoperable. In addition, the nuclear material inside these reactors would not be in a form that could be directly used in nuclear weapons without further chemical processing, which would require facilities that Australia does not have and will not seek.
 - We are engaging the IAEA regularly with respect to the development of a suitable verification arrangement so the IAEA can meet its technical objectives and provide assurances of the non-diversion of nuclear material from Australian nuclear-powered submarines.
 - Australia will work with the IAEA to continue to explore additional safeguards and verification measures outside of the nuclear-powered submarine programme to maintain international confidence that there is no undeclared nuclear material or activity in Australia.
6. No decisions have been taken regarding the structure of our future cooperation under AUKUS, or a suitable verification arrangement for the IAEA to meet its technical objectives regarding Australia's nuclear-powered submarines. We expect to be able to announce further details following the consultation period, which concludes in March 2023.
7. The international community can have confidence in our approach. Australia's track record on nuclear non-proliferation is exemplary, as is its record on nuclear safety and security. Throughout the life cycle of the submarines, safety and environmental considerations will be paramount.

Engagement with the IAEA

8. AUKUS partners have been working closely with the IAEA to develop an arrangement which sets the highest possible verification standards for Australia's acquisition of conventionally armed, nuclear-powered submarines. The IAEA Director General has repeatedly welcomed the constructive and transparent approach undertaken by AUKUS partners. In previous IAEA Board of Governors' meetings, Director General Grossi has confirmed that AUKUS partners "are committed to ensuring the highest non-proliferation and safeguards standards are met" and he has expressed his "satisfaction with the engagement and transparency shown by the three countries thus far".
9. At the NPT Review Conference, Director General Grossi noted that there were countries "working on projects involving naval nuclear propulsion". Confirming that this development was "foreseen by the existing legal framework", he noted that it raised "important questions that require appropriate technical answers". In this respect, he highlighted that "the IAEA is seized of the matter and is working to arrive at arrangements that are in line with the NPT and the respective Safeguards Agreements".
10. All Member States have the right to confidential discussions with the IAEA. The IAEA must remain the competent, technical authority on the development and implementation of safeguards and verification measures. Some Member States have urged the IAEA to suspend engagement with AUKUS partners, and for the IAEA to establish a so-called 'special committee' open to all Member States to discuss all aspects of AUKUS cooperation on nuclear-powered submarines. We reject such efforts to undermine existing and long-standing safeguards agreements and protocols. The IAEA has a long-established mandate to engage with Member States on implementation of their safeguards agreements independently and impartially. To contradict this would establish a deeply harmful precedent, undermine the role of the IAEA and put at risk the system of international nuclear cooperation from which all states benefit.
11. AUKUS partners welcome Director General Grossi's report on AUKUS nuclear-powered submarine cooperation to the September meeting of the IAEA Board of Governors. Issuing such a report is his prerogative, consistent with established practice and the technical independence of the IAEA. We strongly support the Director General's right to report as and when deemed appropriate.
12. We would be deeply disappointed by a standalone resolution on AUKUS. Such a resolution would be highly inappropriate and clearly undermine efforts to depoliticise this issue in the IAEA.
13. AUKUS partners have demonstrated our ongoing commitment to transparent engagement with the international community on our trilateral consultations with the IAEA. We will continue to provide IAEA Member States with detailed updates at each IAEA Board of Governors' meeting, as we have since the original AUKUS announcement. All previous updates are available on the websites of our respective Vienna Missions.

14. We welcome further opportunities to meet with and brief international partners on how we are progressing in developing our non-proliferation approach.