

Information Circular

INFCIRC/1079

Date: 14 March 2023

General Distribution

Original: English

Communication dated 14 March 2023 received from the Permanent Mission of Australia to the Agency

1. The Secretariat has received a Note Verbale dated 14 March 2023 from the Permanent Mission of Australia to the Agency.
2. As requested, the Note Verbale and its attachment are herewith circulated for the information of all Member States.



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

No. IA 23/20

The Australian Permanent Mission in Vienna presents its compliments to the International Atomic Energy Agency and has the honour to refer to the attached correspondence from the Prime Minister, the Hon Anthony Albanese MP, to Director General Rafael Grossi; and correspondence from the Minister for Foreign Affairs, Senator the Hon Penny Wong, to Director General Rafael Grossi, both of which were delivered to the IAEA on Friday 10 March 2023.

The Australian Permanent Mission requests that the Secretariat circulate this correspondence to all Member States as an Information Circular.

The Australian Permanent Mission avails itself of this opportunity to renew to the International Atomic Energy Agency the assurances of its highest consideration.

Vienna, 14 March 2023



International Atomic Energy Agency
VIENNA



PRIME MINISTER
The Hon Anthony Albanese MP

Reference: MS22-001636

Your Excellency

Thank you for your personal engagement with Australia, the United Kingdom and United States on the non-proliferation aspects of Australia's acquisition of conventionally armed, nuclear-powered submarines. I note this has occurred during a tumultuous period marked by Russia's illegal invasion of Ukraine and Iran's continued failure to resolve outstanding safeguards issues. I commend your leadership in the face of these significant challenges.

I appreciate the International Atomic Energy Agency's detailed engagement over many months to ensure our approach sets the highest non-proliferation standards and a strong precedent for the global non-proliferation regime. Australia strongly supports the Agency's independence, authority and mandate in the implementation and oversight of nuclear safeguards – fundamental underpinnings of the nuclear non-proliferation regime.

I wanted to write personally to advise you that Australia, the United Kingdom and the United States have agreed a plan to provide Australia with a nuclear-powered submarine (SSN) capability. Together, we intend to deliver SSN-AUKUS – a platform that will leverage technology from all three nations, based on the UK's next-generation SSN design. Recognising the multi-decade undertaking required for Australia to establish the capabilities needed to build and operate a fleet of SSNs, we intend to pursue a phased approach to our acquisition.

We'll begin that process from this year by increasing UK and US submarine port visits to Australia. Over time Australian personnel will spend more time aboard these submarines for training and development. As early as 2027, UK and US SSNs will begin forward rotations to Australia to accelerate the development of Australia's workforce, infrastructure and regulatory system. As soon as the early 2030s, pending US Congressional approval, the US intends to sell Australia a number of Virginia-class submarines. Australia's first SSN-AUKUS will be constructed in Australia, with all nuclear material to be provided by the UK or US in a complete, welded power unit. Australia's first SSN-AUKUS will be delivered in the early 2040s.

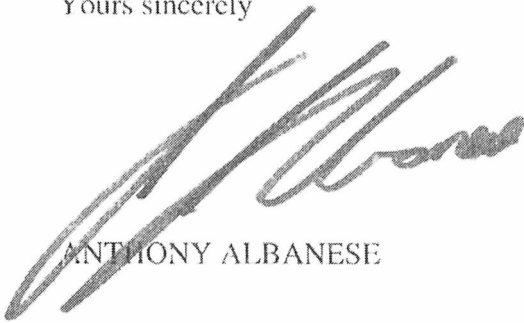
This plan will systematically build Australia's ability to safely and securely operate, maintain and sustain its nuclear-powered submarines. Australia understands this initiative is a serious undertaking: we will be responsible stewards of naval nuclear propulsion technology. Steadfast in our support for the global non-proliferation regime, Australia will continue to meet our safeguards obligations and nuclear non-proliferation commitments at all times. I

have asked my Minister for Foreign Affairs to write to you in relation to Australia's safeguards and verification approach, within the framework of Australia's Comprehensive Safeguards Agreement and Additional Protocol. The Director-General of the Australian Safeguards and Non-Proliferation Office will provide separate detailed advice to the Agency on relevant aspects of our plan, in line with Australia's safeguards reporting obligations.

My Government looks forward to working further with the Agency on next steps. With that in mind, I would welcome a visit to Australia by senior IAEA representatives in 2023 to continue consultations with Australian officials. I also look forward to you returning to Australia at a mutually convenient time in the future.

The Agency's vital role in implementing safeguards and promoting the safe, secure and peaceful use of nuclear technologies is key to our shared interests in non-proliferation. Australia remains committed to the global nuclear non-proliferation regime and its cornerstone, the Treaty on the Non-Proliferation of Nuclear Weapons.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Anthony Albanese', written over a light grey background.

ANTHONY ALBANESE

Mr Rafael Mariano Grossi
Director General
International Atomic Energy Agency
VIENNA, AUSTRIA



Senator the Hon Penny Wong
Minister for Foreign Affairs

MS23-000069

Mr Rafael Mariano Grossi
Director General
International Atomic Energy Agency
VIENNA, AUSTRIA

Your Excellency

I thank you and the International Atomic Energy Agency (IAEA) Secretariat for your extensive and productive engagement since September 2021 in relation to Australia's proposed acquisition of conventionally armed, nuclear-powered submarines. As you know, this initiative is taking place under the auspices of AUKUS, the enhanced trilateral security partnership between Australia, the United States and the United Kingdom.

I note that the Prime Minister has written to you in relation to the optimal pathway for Australia's acquisition of a nuclear-powered submarine capability. I also note Australia's reporting obligations and that the Director-General of the Australian Safeguards and Non-Proliferation Office (ASNO) has written to your Deputy Director-General and Head of the Department of Safeguards to provide more detailed advice, including preliminary design information.

I assure you that Australia remains committed to fulfilling our international nuclear non-proliferation obligations and commitments, including under the Treaty on the Non-Proliferation of Nuclear Weapons, our safeguards agreements with the IAEA, and the Treaty of Rarotonga.

Australia is consulting with the IAEA on a non-proliferation approach for our nuclear-powered submarine program that sets the highest non-proliferation standard and a strong precedent. This approach will occur within the framework of our Comprehensive Safeguards Agreement (CSA) and Additional Protocol (AP) with the IAEA.

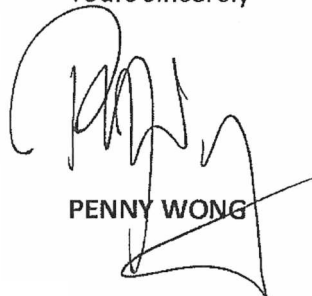
In accordance with that commitment, I am writing to advise you of Australia's intention to commence negotiation with the IAEA of an arrangement pursuant to Article 14 of Australia's CSA. Our approach, which will include a robust package of safeguards and verification measures, will enable the IAEA to continue to meet its technical objectives – confirming the non-diversion of nuclear material, the non-misuse of nuclear facilities and the absence of undeclared nuclear activities in Australia – throughout the course of Australia's nuclear-powered submarine program, while ensuring the protection of classified and controlled information.

I am pleased to note the progress of technical consultations between the IAEA and AUKUS partners since the AUKUS initiative was announced. Through these consultations, Australia has affirmed our view that Article 14 of Australia's CSA is the appropriate mechanism for the use of nuclear material in an activity such as naval nuclear propulsion, as you also noted in your public report in September 2022. Consistent with advice the then Director General Dr Sigvard Eklund provided Australia in 1978, it is my expectation that the Article 14 arrangement, once agreed between Australia and the IAEA, will be provided to the IAEA Board of Governors for appropriate action.

Strengthening the integrity of the global non-proliferation regime remains an abiding objective for AUKUS partners. Our consultations over the preceding 18 months provide a strong foundation as Australia and the IAEA begin negotiations on safeguards and verification arrangements for Australia's nuclear-powered submarine program. We respect and support the independence and authority of the IAEA in relation to the international nuclear non-proliferation regime.

I look forward to continuing our regular and transparent engagement with you and the IAEA Secretariat as formal negotiations commence.

Yours sincerely



PENNY WONG