

## Concluding remarks

- 7.1 The evidence presented before the Committee as part of this inquiry depicts an international community of specialists attempting to preserve a highly successful international framework of non-proliferation in a newly developing multi polar world. The views expressed reflect the differing hopes and concerns of this community.
- 7.2 The Committee has attempted to weave a path through the complex cartography of issues presented by the *Agreement between the Government of Australia and the Government of India on Cooperation in the Peaceful Uses of Nuclear Energy* (the proposed Agreement). It has taken some time, and the Committee appreciates the cooperation and patience of the Australian Government and those who participated in the inquiry.
- 7.3 It would be fair to say that, in this debate, there are no small risks or benefits. Every issue the Committee has dealt with in this inquiry bears significant potential benefits and risks.
- 7.4 To begin with, the quantum of uranium involved could easily double the size of the uranium mining industry in Australia, bringing significant export revenue, and business and employment opportunities at a time when commodity prices for other mining exports are slowing the pace of growth in Australia's mining industry.
- 7.5 For India, the significance of the proposed Agreement is possibly even greater. As an emerging world power with a considerable shortfall of generating capacity, nuclear powered electricity generation will grow as one of a number of generating sources selected because of their low carbon emissions.
- 7.6 The question for the Committee is, then, given the benefits for Australia and India from the proposed Agreement; can the risks be tolerated and ameliorated?

- 7.7 The Nuclear Non-Proliferation Treaty (NPT) is performing well in limiting the proliferation of nuclear weapons. However, with India as an emerging world power the NPT faces a significant challenge. The problem lies in the arbitrary date that separates those parties to the NPT who are nuclear weapons states and those who are not. India is on the wrong side of that date.
- 7.8 Forty years of isolation from the non-proliferation community have not prevented India from developing and deploying nuclear weapons.
- 7.9 The Nuclear Suppliers' Group has attempted to find a way to bring India into the non-proliferation mainstream by permitting the sale of uranium if India adopts the standards expected of nuclear armed states under the NPT.
- 7.10 The bulk of signatories to the NPT appear to oppose this approach on the grounds that they have sacrificed the right to possess nuclear weapons in order to participate in the non-proliferation mainstream and benefit from access to nuclear generated electricity if they so wish. This is a reasonable argument.
- 7.11 The Committee believes that if signatories to the NPT are going to accept India back into the non-proliferation mainstream, the Indian Government is going to have to act expeditiously to prove its non-proliferation credentials as an emerging world power.
- 7.12 To this end, the Committee has recommended the Australian Government consider facilitating the negotiation of a nuclear arms limitation treaty in the subcontinent region.
- 7.13 For the Committee, the highest standard of safety in the use of Australian nuclear material is a central requirement for the export of that material. Should Australian nuclear material be sold to India, the Australian public will want to be assured that the nuclear material is being used safely.
- 7.14 Recent examinations by a number of reputable institutions indicate that safety standards are not as high as they should be, particularly in the areas of the independence of the nuclear regulator, and the quality and quantity of safety inspections.
- 7.15 Because of this, the Committee has recommended that Australian uranium not be sold to India until the Indian Government has established a nuclear regulator with statutory independence and safety inspections of Indian nuclear facilities that meet best practice standards.

- 7.16 In relation to the specific issues associated with the proposed Agreement itself, the bulk of these have been resolved to the Committee's satisfaction. In particular, the Committee is as assured as it can be that Australian nuclear material will be tracked and accounted for, and so will not be diverted into military applications.
- 7.17 On a couple of issues: the terminology used in the consent mechanism for the refinement of nuclear materials; and the question of whether the proposed Agreement breaches the Treaty of Rarotonga, the Committee is faced with opposing interpretations presented by very reputable sources.
- 7.18 As the Committee has noted previously, it does not have the expertise, or the power, to determine which of these views is correct. In line with the Committee's previous recommendation, the Committee recommends that the Australian Government outline the legal advice it has received in relation to the Treaty of Rarotonga.

### **Recommendation 5**

- 7.19 **The Committee recommends that the Australian Government outline the legal advice it has received concerning whether the proposed *Agreement between the Government of Australia and the Government of India on Cooperation in the Peaceful Uses of Nuclear Energy* breaches Australia's obligations under the *South Pacific Nuclear Weapons Free Zone Treaty*.**
- 7.20 Overall, the Committee believes that, conditional on the recommendations relating to nuclear safety, the proposed Agreement represents a prudent and balanced approach to dealing with the nuclear material needs of an emerging and energy hungry world power.
- 7.21 The Committee also believes that the proposed Agreement will make a measurable contribution to reducing greenhouse gas emissions and preventing damaging climate change into the future.

**Recommendation 6**

- 7.22 **Subject to the above recommendations, the Committee supports the *Agreement between the Government of Australia and the Government of India on Cooperation in the Peaceful Uses of Nuclear Energy* and recommends that binding treaty action be taken.**

Mr Wyatt Roy MP

Chair