



Australian Government

Department of Foreign Affairs and Trade
Australian Safeguards and Non-Proliferation Office

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
Mr Russell Broadbent MP
Chair
Joint Standing Committee on Treaties
Parliament House
CANBERRA ACT 2600

Dear Chair

On Monday 15 October 2018, I along with colleagues from the Department of Foreign Affairs and Trade (DFAT), the Australian Nuclear Science and Technology Office (ANSTO) and the Department of Industry, Innovation and Science (DIIS), appeared before the Joint Standing Committee on Treaties in relation to the proposed *Agreement between the Government of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland on Cooperation in the Peaceful Uses of Nuclear Energy*.

During the hearing the Committee asked two questions on notice which the secretariat directed to be answered by Monday 5 November 2018. Attached are the responses to those questions.

Yours sincerely,

 John Kalish
A/g Director General

Agreement between the Government of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland on Cooperation in the Peaceful Uses of Nuclear Energy

Question One:

Mr DANBY: ... Does the US Congress ask the Department of Defense or the Department of the Environment and energy about the sale of uranium to third countries once they've sold it to someone else? Are they specified in congressional testimony by country? (p. 3, proof transcript)

In the United States, the Department of Energy (DoE) is responsible for overseeing the status and movement of US Obligated Nuclear Material. It is the Australian Safeguards and Non-Proliferation Office's (ANSO) understanding that there is no statutory requirement for the DoE to report to Congress on the location of US origin material abroad.

While there is no statutory requirement for this reporting, the US Congress remains interested in the status of US origin and US obligated material abroad. DoE does respond to the enquiries from the US Government Accountability Office or members of Congress about the status of US material overseas.

Question Two:

Mr WALLACE: Okay, but that doesn't address my concerns about why the third-party countries can't be identified.

Dr Kalish: In relation to specific movement of uranium?

Mr WALLACE: From the UK—obtained and sold by Australia.

Dr Kalish: We can provide further written guidance on this if you would like, but my current understanding is that we are doing this predominantly for commercial in confidence reasons.

Mr WALLACE: All right. Can you undertake to provide that additional information to the committee? In the event that you are incorrect and that you can provide the information, would you please provide the information to the committee about what third-party countries are supplied uranium supplied by Australia to the UK.

Dr Kalish: I know that we do not provide the information, but we will provide a written indication of the detailed rationale. (p. 6, proof transcript)

Aggregate figures on Australian Obligated Nuclear Material (AONM) retransfers are provided in the ASNO Annual Report. The 2017-2018 Annual Report was tabled out of session in Parliament on 1 November 2018. However, as Euratom is considered as a single jurisdiction for these purposes, individual transfers among Euratom countries – which currently includes the United Kingdom – are not reported.

ASNO is informed of all retransfers between jurisdictions on a shipment-by-shipment basis. However, some details of AONM retransfers are considered commercial-in-confidence, as they are transactions between corporations and include information regarding location of nuclear materials within countries. They are also considered confidential between the Parties to the applicable Nuclear Cooperation Agreement's (NCA).

According to annual reporting provided by the United Kingdom to ASNO between 2015-2017, AONM has been retransferred from the United Kingdom to France, Germany, Republic of Korea, the Netherlands, Spain and Sweden.

Retransfers from all our nuclear cooperation agreement partners, including the United Kingdom can be made only with Australia's consent, and only to countries covered by an NCA. Australia requires NCA partners to be party to the Nuclear Non-Proliferation Treaty (NPT) (an exemption was provided for India which is not an NPT Party),¹ to have in place a safeguards agreement and Additional Protocol with the International Atomic Energy Agency (IAEA) and treaty level assurances that AONM will be used exclusively for peaceful purposes.

Australia currently has 25 bilateral nuclear cooperation agreements in force, covering 43 countries (including all EU 28). Below is a list of Australia's NCA's and the year they entered into force:

- Republic of Korea (1979),
- United Kingdom (1979),
- Finland (1980),
- Canada (1981),
- Sweden (1981),
- France (1981),
- Philippines (1982),
- Switzerland (1988),
- Egypt (1989),
- Mexico (1992),
- New Zealand (200),
- United States – covering cooperation on Silex technology (2000),
- Czech Republic (2002),
- USA covering supply to Taiwan, China (2002),
- Hungary (2002),
- Argentina (2005),
- People's Republic of China (2007),
- Russian Federation (2010),
- United States of America (2010),
- Euratom (2012),
- United Arab Emirates (2014),
- India (2015); and
- Ukraine (2017).

¹ Australia's exemption followed the 2008 decision by the Nuclear Suppliers Group (NSG) to grant India an exemption from rules restricting nuclear trade with non-nuclear-weapon State Parties to enable civil nuclear cooperation with India, including uranium supply. The relevant 2008 decision of the Nuclear Suppliers Group is noted in paragraph 10 of the National Interest Analysis for the 2014 Australia-India NCA ([2014] ATNIA 22).