Mr Chairman

Australia attaches great importance to the safeguards and verification arrangements established under the Treaty. My delegation wishes to put forward five propositions which think will be important for States Party to bear in mind in the context of the NPT review.

Firstly, States Party have a common interest in ensuring an effective IAEA safeguards system. The IAEA safeguards system provides the practical means for non-nuclear-weapon States to demonstrate their commitment to use nuclear energy only for peaceful purposes, while providing assurance that others are doing the same. The assurance the safeguards system delivers is not only essential to preventing nuclear proliferation, but also an essential foundation for nuclear trade and cooperation and an important factor in continuing progress on nuclear disarmament.

Secondly, it is important to work towards expanding the coverage of IAEA safeguards. Under Art III of the Treaty, each non-nuclear-weapon State undertakes to accept safeguards in accordance with the IAEA’s Statute and safeguards system. It is disappointing that a number of States Party have yet to fulfill this requirement. We urge those States Party which have not yet done so to conclude Comprehensive Safeguards
Agreements. Australia would also like to see the coverage of safeguards expanded through universalization of the Treaty. We urge those remaining states that have not acceded to the Treaty to do so as soon as possible. Ultimately, in a nuclear weapons free world, we would like to see safeguarding of all nuclear activities in all states.

Thirdly, States Party should recognize the evolutionary character of the safeguards system and support efforts to strengthen IAEA safeguards to meet contemporary challenges. The IAEA’s strengthened safeguards system was developed to address the problem of undeclared nuclear activities. In 1997 Australia became the first country to conclude an Additional Protocol with the IAEA. 120 States have now signed an Additional Protocol, and such protocols are in force for 91 States. The Additional Protocol is an integral part of the IAEA safeguards system. We believe a Comprehensive Safeguards Agreement together with an Additional Protocol represents the verification standard pursuant to Article III.1 of the Treaty. NPT parties should declare this standard unequivocally at the 2010 Review Conference. Australia encourages all states yet to sign and ratify an Additional Protocol to do so. It is of concern that several non-nuclear-weapon States with significant nuclear activities have yet to conclude an Additional Protocol. Signing an Additional Protocol should be seen positively, as a means of contributing to global security by enhancing the confidence of all parties in the peaceful nature of a state’s nuclear activities – not as a burden or a bargaining chip.

Fourth, the Review Conference should underline the importance of States Party’s compliance with their safeguards obligations. The integrity of the Treaty depends upon full respect by States Party of their obligations under the Treaty and those deriving from the Treaty. We need to reject any notion that IAEA safeguards for non-nuclear weapon States party the Treaty are voluntary in character. Non-nuclear-weapon States party to the Treaty are obliged to accept IAEA safeguards on all nuclear material. Safeguards agreements are treaties creating obligations that are binding in international law. NPT parties have undertaken to co-operate in facilitating the application of IAEA safeguards on their peaceful nuclear activities. It is important that States cooperate fully with the IAEA in implementing safeguards agreements and addressing any anomalies, inconsistencies or questions.

A key task for the NPT review process will be to ensure a firm and clear-eyed response to compliance challenges. It is important to deal with non-compliance issues squarely to guard against proliferation, and also to create an environment conducive to the full realization of other Treaty objectives.

- In this context, Australia is deeply concerned that Iran continues to act in violation of binding UNSC resolutions and IAEA Board requirements, and in a manner inconsistent with its safeguards obligations. While we acknowledge the IAEA has made some progress in clarifying the technical scope of Iran’s past and present nuclear activities, we are concerned that Iran has not cooperated with the Agency in addressing information from a number of sources which points to possible military dimensions to Iran’s nuclear program. We call on Iran to engage fully and openly with the IAEA in an examination of these serious outstanding issues. Australia concurs with the IAEA Director General that this is especially important in light of nearly twenty years of undeclared activities in Iran and the resulting confidence deficit. NPT parties should support the IAEA in its efforts to pursue
these issues. It is our hope that Iran will take the strategic decision to cooperate fully with the IAEA and engage purposefully in dialogue with the P5+1 on a long-term comprehensive solution to the Iranian nuclear issue.

- North Korea’s nuclear weapons program presents a serious challenge to the international nuclear non-proliferation regime. Australia profoundly regrets North Korea’s announcement of withdrawal from the NPT in January 2003. We recall the IAEA Board of Governors decision of 12 February 2003 to report the DPRK’s non-compliance with its NPT safeguards obligations to the UN Security Council. We strongly condemned the nuclear test carried out by the DPRK in October 2006. We have welcomed the progress that had been made in implementing agreements in the Six Party Talks, and are therefore deeply concerned about the recent announcement by the DPRK that it had abandoned this process. We call upon the DPRK to meet its Six Party Talks commitments, comply with relevant Security Council resolutions, and return to compliance with the NPT and IAEA safeguards.

- IAEA findings and assessments over the past year have increased our concerns about the likelihood that Syria was conducting undeclared nuclear activities, including construction of a reactor with North Korean assistance. If Syria was engaged in such activities it would be in breach of its safeguards agreement under the NPT. Australia was pleased that IAEA inspectors were able to visit the Dair Alzour site in June 2008, and regrets the physical circumstances in which it was found. We are concerned that analysis of the environmental samples has revealed that the uranium particles found were of a type not included in Syria’s declared inventory of nuclear material. Furthermore the IAEA assessed that there was a low probability the particles were introduced by missiles, an assessment which casts serious doubt on Syria’s assertion about the origins of the particles. Adding to our concerns is Syria’s continuing refusal to cooperate fully with the Agency in investigating these matters. It is imperative that Syria provides the IAEA with the access to all relevant information and sites to establish the truth of the matter.

Fifth, effective national laws controlling nuclear exports, and international coordination on export controls, should be recognized as a legitimate and necessary means for States to implement their obligations under Article III and relevant UN Security Council resolutions. Rather than impeding legitimate nuclear exchanges, export controls foster the environment of confidence necessary for such nuclear cooperation. We encourage all states to ensure their export controls are consistent with the major nuclear export control regimes, and are strictly enforced. Establishment of effective controls is a requirement under Security Council resolution 1540 (2004).

Australia’s uranium export policy recognizes the strategic significance which distinguishes uranium from other energy commodities. We export uranium only to NPT parties with which we have bilateral safeguards agreements setting strict conditions for using Australian material. We believe the Additional Protocol is an integral part of the verification standard pursuant to Article III.1 of the Treaty, and should be a condition of supply for nuclear transfers. Australia has made the Additional Protocol a condition of supply for Australian uranium to non-nuclear-weapon States. We urge other nuclear suppliers to apply a similar requirement for their exports.
Australia remains seriously concerned about the revelations that emerged in 2004 about illicit trade in sensitive nuclear technology, in particular the activities of the AQ Kahn network. These revelations underscore the importance of effective national controls on nuclear exports. They also underline the importance of international cooperation in identifying illicit networks’ supply routes and sources of technology, related equipment and nuclear and non-nuclear materials.

Mr Chairman

My delegation is confident that, with a proper understanding of our shared stake in the safeguards system and the tests it faces, States Party will reach the right conclusions about the action needed to strengthen the system, broaden its coverage and protect its integrity. The challenge will be to translate those conclusions into decisions at the 2010 Review Conference.

In this connection, my delegation wishes to draw the PrepCom’s attention to several working papers which have been tabled by the Vienna Group of Ten, including papers on compliance and verification and export control issues. This year, the group’s papers feature draft PrepCom recommendations which we hope will be reflected in the outcomes of this meeting and inform discussion at the Review Conference. As Chair of the group, Australia commends these working papers to States Party at this meeting.