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JOINT STANDING COMMITTEE ON TREATIES

**Reference: Nuclear nonproliferation and disarmament**

THURSDAY, 14 MAY 2009

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**JOINT STANDING  
COMMITTEE ON TREATIES**

**Thursday, 14 May 2009**

**Members:** Mr Kelvin Thomson (*Chair*), Senator McGauran (*Deputy Chair*), Senators Birmingham, Cash, Farrell, Ludlam, Pratt and Wortley and Mr Briggs, Mr Forrest, Ms Hall, Mr Murphy, Ms Neal, Ms Parke, Mr Simpkins and Ms Vamvakinou

**Members in attendance:** Senators Birmingham, Cash, Ludlam, McGauran, Pratt and Wortley and Mr Briggs, Ms Hall, Mr Murphy, Ms Parke, Mr Simpkins, Mr Kelvin Thomson and Ms Vamvakinou

**Terms of reference for the inquiry:**

To inquire into and report on:

- The international treaties involving Australia which relate to nuclear non-proliferation and disarmament.
- How these treaties advance Australia's objectives in this field.
- How the treaties might be made more comprehensive or effective.
- How inter-parliamentary action can assist in strengthening treaty-based aspects of the nuclear non-proliferation and disarmament regime.
- How the Committee and the Parliament can contribute to the work of the International Commission on Nuclear Non-proliferation and Disarmament.

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**Committee met at 8.03 am**

**PERKOVICH, Dr George, Vice President for Studies, and Director, Nuclear Non-Proliferation Program, Carnegie Endowment for International Peace**

**ROHLFING, Ms Joan, Senior Vice President, Programs and Operations, Nuclear Threat Initiative**

*Evidence was taken via teleconference—*

**CHAIR (Mr Kelvin Thomson)**—I now declare open this public hearing for the Joint Standing Committee on Treaties inquiry into nuclear nonproliferation and disarmament. Today the committee will conduct a roundtable hearing via teleconference with two expert witnesses from the United States based non-proliferation and disarmament non-government organisations. The committee will then take evidence from Ms Caroline Millar, Australia's Ambassador for Disarmament. The hearing will conclude with evidence from the Australian Safeguards and Non-Proliferation Office and the Department of Foreign Affairs and Trade. First we will conduct a roundtable hearing via teleconference with Dr George Perkovich and Ms Joan Rohlfing. On behalf of the committee, I would like to thank both of you for giving us some of your time today—especially as I understand that it is now after business hours in Washington, DC—and for agreeing to give evidence via teleconference.

As leading Washington-based experts working in the field of nuclear nonproliferation and disarmament, your insights and experience will be very valuable for the committee. I might mention, too, that a delegation of this committee will be visiting Washington in July and it is our hope that appointments can be arranged for us to meet with you in person.

As I understand has been explained to you, because you are outside Australia's jurisdiction, we cannot extend to you the usual parliamentary privilege that protects witnesses in Australia from legal action for any comments they make when giving evidence to Australian parliamentary committees. I emphasise that it is very unlikely to be an issue in this hearing. However, I should advise you not to make any potentially defamatory remarks about individuals in your testimony. Were you to make such remarks, you would be protected from any legal action in Australia but we could not guarantee that you would be protected from the possibility of legal action in the United States. A copy of the proof transcript will be sent to you.

Before we begin, I would like to introduce to you the committee and our inquiry. The principal role of the Australian parliament's treaties committee is to provide parliamentary scrutiny of proposed treaty actions before the Australian government moves to ratify those treaties. The committee has the responsibility for determining whether, in its judgment, proposed treaty actions are in Australia's national interest and we have the responsibility to report our findings to the parliament. The treaties committee is a joint standing committee of the federal parliament. It is comprised of members of both the House of Representatives and the Senate, 16 members in total, and it has members from all political parties represented in the Australian parliament.

I will also say a little bit about this particular inquiry. As I understand, our secretariat has explained to you that the committee has been asked by the Prime Minister, the Hon. Kevin Rudd, to inquire into nuclear nonproliferation and disarmament. Specifically, the terms of reference ask

the committee to examine five matters: the international treaties involving Australia which relate to nuclear nonproliferation and disarmament; how these treaties advance Australia's objectives in this field; how the treaties might be made more comprehensive or effective; how inter-parliamentary action can assist in strengthening treaty based aspects of the nuclear non-proliferation and disarmament regime and how this committee and the parliament can contribute to the work of the International Commission on Nuclear Non-Proliferation and Disarmament. I imagine you are familiar with the work of the international commission, which is being co-chaired by Australia's former Minister for Foreign Affairs, Gareth Evans, and the former Japanese foreign minister, Yoriko Kawaguchi.

I now invite each of you to make an opening statement of some five to 10 minutes duration before we move to questions and discussion.

**Ms Rohlfing**—Thank you for the opportunity to address the committee this morning. I am a co-director of a project at NTI called the Nuclear Security Project, which supports the four American senior statesmen—George Schultz, William Perry, Henry Kissinger and Sam Nunn—who have been working to advance the vision of a world free of nuclear weapons and the steps necessary to reach that vision.

I have submitted to the committee some remarks that were just sent within the last hour. As my statement makes clear, this kind of international dialogue and debate is absolutely essential to building the cooperation and consensus we will ultimately need to advance our collective non-proliferation and disarmament goals. I am not going to read the statement I submitted to the committee but would like to focus on a few key elements in it, starting with a brief overview of the project that we have underway at the Nuclear Threat Initiative, the Nuclear Security Project. I would also like to describe in a little bit more detail one of the analytic studies that we have underway that I think may be of interest to the committee.

The Nuclear Security Project was created out of the momentum of two *Wall Street Journal* opinion pieces that were written by George Schultz, William Perry, Henry Kissinger and Sam Nunn, the first in January 2007 and the second in January 2008. As you are probably aware, these two op eds were quite path-breaking in the US context, in particular in that four former Cold Warriors came out and basically stated clearly and unequivocally that they believed it was essential to work toward the vision of a world free of nuclear weapons and to work aggressively and urgently on the steps necessary to reach that vision in order to achieve the kind of security we need both in the US and globally against the nuclear threat. The response to those op eds was quite positive and overwhelming, both domestically and internationally. It gave the four an incentive to continue to work together cooperatively and in a coordinated way to advance the agenda that they laid out in those two op eds. That is how the Nuclear Security Project was born.

The project is led by the four and NTI serves as a secretariat to the four. Its focus is in two principal areas. One is in continuing to build the political momentum that is necessary to achieve the ultimate vision of a world free of nuclear weapons, and there is a suite of activities underway to help build that political momentum. It consists of outreach at various levels, including outreach by the four senior statesmen, and it facilitates outreach among experts and also with the public. There is also an analytic plank to the project. We have underway three separate analytic studies designed to help close gaps in our understanding of how to reach the ultimate objective of a world free of nuclear weapons. One of the particular analytic studies underway is a study

that I described in further detail in the statement that I submitted. We call it our base camp study. This study builds off of the imagery that Sam Nunn coined to describe the ultimate objective of a world free of nuclear weapons. He says:

... the goal of a world free of nuclear weapons is like the top of a very tall mountain. From the vantage point of our troubled world today, we can't even see the top of the mountain, and it is tempting and easy to say we can't get there from here. But the risks from continuing to go down the mountain or standing pat are too real to ignore. We must chart a course to higher ground where the mountaintop becomes more visible.

This base camp project that we have undertaken builds on that metaphor. The objective of the project is to help chart a course to higher ground, to develop a menu of alternative pathways to the summit of the mountain. The goal here is to try to visualise, develop and then debate these alternative pathways or milestones on the path to the summit. Even more important than just to develop a menu of alternatives is to try to develop a consensus around those milestones, so we have put together an international consultative process to help identify both potential base camps and paths from the base camp to the end goal.

I will make a couple of points coming out of the study to date. We have commissioned a series of papers from international experts, each laying out a different perspective on what would constitute a base camp in the minds of the authors that we have selected. We have now hosted several international workshops to discuss the ideas presented by the experts in their papers. For me, what is interesting about the dialogue and the analysis on the topic to date is not that there has of yet been convergence on a precise definition of 'base camp' or a precise set of elements constituting base camp but that there are, I would say, three emerging ideas that have come forward.

The first is that there is a high degree of buy-in to the concept of base camp and to its usefulness as an organising principle for a discussion on next steps internationally. Secondly, even though there is not agreement on exactly what elements should be included in a base camp scenario, there does seem to be some growing convergence on key themes or issues that a base camp scenario should include. Thirdly, there seems to be a sense that there is a value in establishing an international process to engage dialogue on what constitutes a base camp. There are different definitions of what constitutes a base camp. To illustrate I will cite a few. Some have described base camp as a point from which the summit is visible and achievable. Others have called this point a vantage point. Some have described base camp as a point at which basic consensus has been reached on the goal of a nuclear-weapons-free world. Others say base camp is a road map; it is a vision of what progress the world needs to make on key threat reduction tasks. Some have described it simply as a stable, safe, temporary stopping point on the ascent up the mountain. It is possible to imagine base camp meeting several of these definitions simultaneously.

Of the papers we have commissioned to date, several themes have emerged that I think are useful in guiding our discussion and helping to frame our global work plan. I will cite a few. I see about a half-dozen common themes or elements that are common to many of the papers—indeed, including in the paper that George Perkovich and Patricia Lewis have written for the International Commission on Nuclear Non-Proliferation and Disarmament. I will run through the six themes, and then I will stop.

First is on declaratory policy. There is a clearly perceived need to devalue or delegitimise nuclear weapons through clear and public changes to the declaratory policies of nuclear armed states. This can take different forms; I will not expand on this any more, but the key thing is a clear statement of policy. Secondly, in the area, of nuclear materials, it is essential that we work globally on securing all weapons-usable materials and also that we work to end production of any new materials or nuclear weapons programs, this principally through the fissile material cut-off treaty. The third theme has to do with fuel cycle capabilities, and here I say it is essential that we prevent the proliferation of new fuel cycle facilities around the world in a way that does not discriminate between states and does not disadvantage some states against others. In order to do this we are going to need to work to build a new global architecture for providing fuel and also for managing the back end of the fuel cycle. The fourth theme that emerged has to do with enforcement. It is clear we need to work on developing an enforcement mechanism or regime for these multiple layers of mechanisms, treaties and practices that are observed.

The fifth theme coming out of our study focuses on weapons. All states with existing arsenals must reduce and eventually eliminate their weapons. Some, most notably the Japanese in the recent statement proposed by Foreign Minister Nakasone, have suggested that states with smaller arsenals could commit to a freeze on further increases while the biggest nuclear states reduce their arsenals. In this category I would also note that CTBT is an essential brake or speed bump on the ability of states to further improve their nuclear weapons capabilities. The last theme I see coming out of our base camp study to date is the importance of the universality of the enterprise. All states are going to need to join this expedition to the summit. Reaching the end point is going to be possible only if both nuclear and non-nuclear states alike join together in building these mechanisms—building a new set of norms, regulations and practices. I think the last point is perhaps the most important and is coupled with the first point, that states need to clearly commit themselves. This idea is captured most eloquently in the text of the four statesmen from their second op-ed. They say:

Progress must be facilitated by a clear statement of our ultimate goal. Indeed, this is the only way to build the kind of international trust and broad cooperation that will be required to effectively address today's threats. Without the vision of moving toward zero, we will not find the essential cooperation required to stop our downward spiral.

I think there is tremendous international momentum that has been built over the last couple of years, and I would like to say that for the first time, perhaps, in the nuclear age, we have the wind at our backs and we ought to take advantage of this momentum before the weather changes. I conclude my remarks with that statement and turn over to George.

**Dr Perkovich**—It is a privilege to be speaking with you all. Depending on what the range of the committee's interests are, you can get a good sense of what we are working on here from our website [carnegieendowment.org](http://carnegieendowment.org). We have lots of free publications available there on abolishing nuclear weapons, including talking with a lot of non-nuclear weapons states to get their sense today of what kind of bargains—or what they want from the nuclear weapons states in order to help improve the non-proliferation regime. Pierre Goldschmidt works with us. He is a former Deputy Director General of the IAEA. He is in charge of the safeguards area, and has recently written on steps that could strengthen the IAEA and steps that the UN Security Council could take to help deter proliferation. These might be relevant to your committee also.

The International Commission on Nuclear Non-proliferation and Disarmament, which you mentioned, Chairman, and which is co-led by Gareth Evans, can really make an important contribution or, to use Joan's image, can really augment the momentum in favour of nuclear reductions, leading ultimately, we hope, to nuclear disarmament. So, many of us are grateful that the Australian government and the Japanese government have put resources and leadership behind this effort. My sense is that one of the commission's contributions will be to reinforce the logic, in essence, of what Joan was talking about—that is, to highlight, in the context of a commitment to eliminating all nuclear weapons, what are very concrete, substantial measures of progress that all states can take or contribute to in the relatively near term. In other words, just physically, the elimination of all nuclear weapons in the world would take decades. And that is if you decided today that you wanted to do it, and if you had achieved all of the verification and enforcement mechanisms that you would deem politically necessary. The eight or nine states with nuclear weapons would still take many, many years to physically accomplish the task.

And, of course, we are not there yet in terms of the political agreement and the agreement on enforcement and verification. But the logic, I think, of where Gareth Evans and others hope to take the commission is to say, okay, fine, those last steps—the actual implementation and the decision to take the last steps are very difficult. We may not know what kind of environment would be required to actually do that. But there are a number of substantial things that we can do, for which you do not need a significantly changed political environment. I think the commission will highlight some of those, and many of them are consistent with, if not nearly identical to, some of the elements that Joan mentioned earlier. In that regard, in my view—and I think it is in the paper that Joan alluded to and some of the works that NTI has commissioned—the absolute imperative in the next year to three years is for the US and Russia and the US and China to develop and then reinforce relationships that give each pair of those two relationships confidence in the strategic intentions of each other and where they are going.

I have a little bit of jet lag and that is why that was a roundabout way of saying it, but to put it in simpler terms, the US and Russia really need to advance both their arms reduction course and the sense of strategic harmonisation or cooperation—regarding, for example, ballistic missile defences and Russia's treatment of its neighbours, including the Ukraine and Georgia. The latter affects US and NATO postures in terms of tactical nuclear weapons in the region and missile defence. If that general relationship, of which the US and Russia are the core, is not put on a harmonious course, then it is very hard to see how you get to deep reductions, let alone to a vantage point or a base camp.

It is similar in terms of the US and China. If China perceives that the US is seeking the capacity to negate China's nuclear deterrent, China is not going to cooperate in reductions, in arms control and so forth. For example, China has concerns that the ambition of US ballistic missile defence—which the US acknowledges could never be sufficient to negate Russia's nuclear forces—could, in some fantasies or some plans, be sufficient to negate a much smaller Chinese arsenal; an arsenal that right now, in terms of its strategic capability, is several dozen. We need to reassure China on that. China has other US capabilities that it worries about, in terms of what the ultimate strategic intention of the US is. Similarly, there are those in the US and Japan—and I am sure in Australia—who look at China's qualitative and quantitative improvement or expansion of its nuclear arsenal and wonder what China's intentions are. The point being that, as long as both sides are taking steps that cause this doubt or concern with each other and neither side clarifies where it is intending to go and that there can be a strategic

cooperative relationship, then you are not going to get to the vantage point or a base camp from which you see zero.

These are absolutely two essential steps that have to be taken. I might focus a little bit more on the China piece because that also directly affects the potential to bring India and Pakistan into what must be a collective, cooperative and multilateral process of moving towards zero. I like to think that there is a triangle between the US, Russia and China which affects each other's capabilities. And there is also a triangle that involves China, India and Pakistan. China is the point at which these two triangles intersect. If China is building up capabilities largely in reaction to the US, India looks at that build-up and feels that it has to build up its capabilities or somehow account for what China is doing. And then Pakistan looks at what India is doing and has to build up accordingly. There has also been strategic cooperation between China and Pakistan. China helped Pakistan build its nuclear capability, partly as part of a strategic hedge. That relationship with the US and China affects not only the nuclear futures of the two bigger powers, but also of India and Pakistan. That is a huge element of what needs to be done.

I would like to highlight another area where I think Australia has a direct role to play, and that is the Comprehensive Nuclear Test Ban Treaty. As you all know, the US has not ratified the treaty, nor has China, and this is clearly important because they are two of the five established nuclear weapon states. They must do that if legally the treaty is to enter into force and also politically if other holdouts are to join. India and Pakistan have neither signed nor ratified the treaty. Israel has signed the treaty but not ratified it. Egypt has not ratified the treaty. Indonesia has not ratified the treaty, although I believe it is moving to—it is imminent, I think.

My point is that clearly the US and China must make the first move. An issue will arise in the US ratification process, I believe. Let me describe it and then suggest a role for Australia to play. Somebody in the Senate will ask Secretary Clinton or another administration witness: isn't it true that, even if we ratify this treaty, it will not go into force unless and until the other states—which I have just mentioned—also ratify? Secretary Clinton will have to say, 'Yes, that's true,' and then they will say, 'Do you have any indication that, if we do ratify it, all of the others will do so? Why should we go first and lock ourselves in? Do you have an indication that everyone else will follow?' At the current point, the Secretary of State would not be able to say with, I believe, any real confidence that we know what India, Pakistan or Egypt would do, for example. Those three countries—and we could go through the rest of the list, too—are absolutely pivotal.

I would argue that the point would be that friends of the CTBT, friends of nuclear arms control, could and should go to the other countries and privately—maybe the most tactically effective way—urge them and seek their commitment to you, the government of Australia, and to others like Japan, that, if the US and China ratify, these countries will do so as well—that they will not be the impediment to the treaty entering into force. I think that kind of diplomacy is worthwhile in its own right. I think it would greatly help the Obama administration in its efforts with the Senate and it would be a concrete way in which other states could show President Obama that they not only passively support the moves he is making but also support them in concrete and practical ways that would further enable him to go to the opponents of what he is trying to do in the US and demonstrate that it is producing international support and teamwork.

I will make one other point and then I will stop. This is another area where I think Australia can play a direct role: the question of extended nuclear deterrence. The US, as you know,

extends nuclear deterrence to its NATO allies and to Japan, South Korea and Australia. It is usually focused on that Japan and South Korea are dependent on this, but I understand that Australia is as well. Perhaps the strongest or most vehement argument now that critics of President Obama and critics of his interest in seeking a world without nuclear weapons make is to say that this will be abandoning our allies who are mortified by the idea that we would even consider eliminating all nuclear weapons. They feel that they will then be exposed to various forms of predation if we do that and that in the meantime states like Japan may well be driven to acquire their own nuclear weapons if they think that the US is devaluing the role of nuclear weapons in its policy. There is much that can be said about that in strategic terms, analytic terms and so forth. I am writing on this now. I think the argument is deeply flawed, but the point would be for allies, especially Japan and, for example, Australia, to consider this internally and work with the US on identifying the threats that we face in, say, your region and whether there are any that cannot be dealt with other than with nuclear weapons? In a world without nuclear weapons, what would such threats be? And what do we need to do now, cooperatively, to build up non-nuclear means of reassuring ourselves that we can deter and defeat whatever an adversary might pose to the regions of Australia, the US, Japan or South Korea.

In that context I would add that it tends to be forgotten that article 6 of the NPT, which is the article committing all parties to work towards a cessation of the armed race and eventual nuclear disarmament, binds not just the five nuclear weapons states, it binds all states, including the non-nuclear weapon states. In other words, even the states that are receiving an extended nuclear deterrent are actually obligated to contribute to nuclear disarmament, and so therein lies this obligation to start working through how to extend deterrence but not nuclear deterrence in this transition of going to zero. I think Australia has the intellectual and other resources to contribute to that discussion and it would be welcomed.

**CHAIR**—Thank you both very much for your opening statements. We will now move to questions and discussion. Our schedule requires us to finish by 7.15 pm Washington DC time, and 9.15 am here in Canberra. To maximise the prospects of everyone getting an opportunity to contribute, I limit my colleagues to one question with one provision for a follow-up or supplementary question.

**Mr MURPHY**—Thank you very much for your submissions today. I am very keen to get your view in relation to Ms Rohlfing's statement on page 2, identifying India, Pakistan and Israel and their unwillingness to participate. What would be the best mechanisms for those countries to come into the non-proliferation family and what can the world do to achieve that?

**Ms Rohlfing**—That is indeed a very difficult question and it is one that the international community has been struggling with for a period of decades. The answer is somewhat different for each of the three cases. I will offer a perspective on India and Pakistan, but there are several significant challenges with respect to Israel. The first and obvious one is that they do not acknowledge that they have a nuclear weapons program, but then also the politics of the Middle East make addressing this issue quite difficult which then link to other difficult problems. India and Pakistan have clearly asserted that they are not interested in becoming members of the non-proliferation treaty. We ought to begin exploring, through a more formal consultative process and of necessity outside of the NPT, what kind of parallel mechanism can be created to bring India and Pakistan into conformance with the essential obligations of the non-proliferation treaty and the additional obligations that we would hope for them to undertake, such as accession to the

CTBT, to the Fissile Material Cut-off Treaty, while even to participate in the negotiation of one. Frankly, I do not see that such a consultative process has really been developed yet. For many good reasons we still see within the context of the non-proliferation treaty member states continuing to insist that these three hold-out countries accede to the treaty. My personal view is that we are beyond the point where continuing to demand that is going to produce the kind of action or movement that is required. So I think we ought to engage each other creatively within the international community to start a dialogue around an alternative mechanism. I am interested to hear George's comments on this. I know it is something he has spent a good deal of time thinking about over the years.

**Dr Perkovich**—I will try to be brief. I agree with everything Joan said regarding India and Pakistan. I think it is important that we not think or demand that they are going to go to zero, which is what would be required if they joined the NPT right now, but rather acknowledge that they need to be part of the global disarmament process. That is an obligation they have more or less accepted, but which they ought to be held accountable to. That is the disarmament process; it is not the entry point of what they should do. I would highlight Joan's point: CTBT and ending fissile material production would be very significant gains in terms of international security and bringing India and Pakistan closer to the mainstream. That ought to be the focal point, and states like Australia can help.

Regarding Israel, just briefly, I think Israel's opacity—the fact that it has not declared that it has nuclear weapons—is an advantage. It is one of the reasons, for example, that you will not see Egyptian officials saying that Israel does have nuclear weapons, because if that were acknowledged it would put a lot of pressure on Egypt and other moderate Arab states to do the same, and they do not want to. So Egyptians talk about Israel having unsafeguarded fissile material and so forth.

Joan is absolutely right: in real terms, there will have to be much more progress in the peace process and so forth. But I think in terms of the non-proliferation treaty, Australia will be asked for views and others will, too, because the Israeli issue will come up. Israel ought to be pushed in the NPT context on settlements—not just freezing the growth of settlements, but freezing settlements. Steps that Israel has taken that violate Israeli law, international law, global norms, various pledges and that undermine the peace process therefore also set back the prospect down the road of nuclear disarmament. That kind of discussion is relevant it seems to me in the non-proliferation treaty context, which is not the same as saying Israel should disarm immediately.

Finally, I think Israel actually would be willing to ratify the test ban treaty and I believe did not do it at the request of the Bush administration, which opposed the treaty. But if others, including friendly states, were to encourage the Israeli government that it would help in the non-proliferation context for it to ratify the CTBT, I think there might be receptivity to that.

**Mr MURPHY**—Thank you very much.

**Senator LUDLAM**—Thank you both very much for your evidence this morning—this evening, your time. A couple of weeks ago in Sydney the committee heard evidence from a former US senator, Bob Graham, who spoke about the objective of the world signing up to a nuclear weapons convention with the objective of abolishing nuclear weapons entirely. He said that it would receive support around the world and that in the General Assembly it certainly had

received considerable support already. Do either of you have a view on the value of such a treaty as a way of linking together the base camps, I suppose, with the objective of getting to the summit?

**Ms Rohlfing**—I am sorry, your voice was cutting out just a little bit as you were making your statement about the question posed to Senator Graham. I missed, I think, a critical word and whether Senator Graham was supporting the conclusion of a nuclear weapons convention or not.

**Senator LUDLAM**—He was, indeed, yes.

**Ms Rohlfing**—He was. Thank you.

**Dr Perkovich**—My sense is that that is a distraction. Is this the defamatory part where I have liability issues?

**Senator LUDLAM**—Not at all.

**Dr Perkovich**—No, I think it is a distraction. To me the question is: how would you enforce it? Let us leave aside verification, because that is a whole other discussion and ultimately you cannot verify with 100 per cent certainty the complete abolition of nuclear weapons. So you are going to rely very heavily on enforcement—what do you do if somebody cheats? Look at the experience with Iran right now, where it is noncompliant with its IAEA obligations and so on. It took three years to get it to the Security Council. It has now been at the Security Council, and I believe there are four Security Council resolutions, and Iran just continues to laugh and conduct enrichment. So there is a question about enforcement.

There is a counter argument that says, ‘Well, if we all agreed to get rid of our nuclear weapons then we would all be much more vigorous and rigorous in enforcing such a prohibition if someone cheated.’ I think that is probably true, but I do not believe that a majority of the eight states that now have nuclear weapons are going to actually agree and take the steps to get rid of them without a lot more confidence in whatever enforcement mechanisms are out there. That is why I think it is a bit of a distraction.

**Ms Rohlfing**—If I could add to that, I share George’s concerns that it is a distraction, but to elaborate a bit more, I see value in a nuclear weapons convention at some point but down the line and perhaps significantly down the line. I see it as a culminating mechanism rather than a point of departure. I say that really for the same reason, which is that even if we could get all of the nuclear arms states to agree today to prohibit nuclear weapons, before we could have any confidence in our ability to achieve that goal we would need to go through a whole series of measures to design a new system for verifying the nonproduction of fissile materials—being able to measure and track those materials and have confidence that they were secure and they were not being diverted, being able to baseline nuclear weapons inventories and develop a system for verifying the dismantling of those inventories for creating a new system for managing the nuclear fuel cycle—there are a lot of very difficult problems. I think we need to get those building blocks in place in order to one day facilitate the ultimate capstone or culmination in some form of a legal prohibition.

But I agree with George first and foremost that trying to negotiate such a treaty at this particular point in time would expend enormous and precious political capital and not result in the kind of urgent, near-term, concrete steps that we need to take to make progress and one day reach that ultimate goal. So I would much rather see the world community focused on trying to achieve the near-term steps, developing consensus on those steps and a set of milestones that you can measure progress against over the next decade rather than starting at the end point.

**Senator LUDLAM**—All right. Thank you both.

**Ms PARKE**—I am Melissa Parke, the member for Fremantle. Thank you very much, Dr Perkovich and Ms Rohlfing, for your evidence to the committee today. I would like to hear your thoughts on the role of the International Atomic Energy Agency. It is known that the IAEA is not properly resourced to supervise existing nuclear enrichment facilities let alone the projected growth in civil nuclear energy sectors. What is your view of the dual role of the IAEA as both a regulator and a promoter of nuclear energy? Do you think that this should be revised so that its supervision role is increased and properly resourced and the promotion role is removed perhaps to a separate agency?

**Ms Rohlfing**—Let me take a stab at that. First of all, on the question of resources, I would strongly agree that it is not properly resourced. This is an agency that has an enormous set of tasks, very important tasks, and not nearly the budgetary or human capacity necessary to do its job. What that is emblematic of is something much more fundamental, and that is the lack of political will to build the resources necessary and to give the IAEA the authority they need to do their job. The same is true of many of the tasks we need to accomplish in the non-proliferation and disarmament arena.

I do not have a strong view on whether the promotion responsibilities of the agency should be separated out into an independent agency. I can imagine there would be ways to manage it under the same roof but, for me, the most important issue is building the authority and properly resourcing the agency to do its job. I think you are probably familiar with the findings of the Commission of Eminent Persons that was created by the director-general. They recommended that the budget be increased by at least 10 per cent over the next couple of years in order to begin to match the various obligations that the agency has, in addition to recommending a one-time, significant influx of almost a third of the budget to try to build some of the infrastructure that the agency needs to do its job. So yes is the answer.

**Dr Perkovich**—It is a great question and I agree with all that Joan has said about it. My sense about the idea of separating it is that it would cause such political rancour and tumult that it is probably not worth it. Somehow you need both roles to give all the necessary states an incentive to buy into the whole package.

It is true the United States might be very interested in a much more robust enforcement effort and an agency much more dedicated to enforcement but, in the international system, if you are not going to kick down the doors and invade countries—which we do sometimes—you need buy-in. You need others to accept rules. That happens—and it is frustrating and it is slow and it is too incremental—through the IAEA in part because you have a large number of diverse states that are willing to participate in that process because the agency is also doing dissemination and

assistance. If you separated out that role, then I do not see how you would get the necessary buy-in on the rules that you would need to do enforcement.

It works the other way around too. The potential of withholding cooperation on strengthening enforcement rules motivates states like the US to provide more peaceful nuclear cooperation as well. So I think it is kind of a package. While the agency has not, I think, performed nearly as well as it could have, and should have, on the non-proliferation side in the last few years, it is not always because it lacks authority. Some of that is at the discretion of the staff about how hard they want to push and what the staff think their, or the director thinks his, job is.

I am sympathetic about how this has evolved because the United States government treated the director-general horribly and abusively for a number of years and it would be inhuman if that person did not then sometimes doubt the wisdom and credibility of what the US wanted to do. I think that had unhelpful consequences. But one can hope, with the new change in leadership in the US—and soon in the agency—that some of the inadequacy on the monitoring and enforcement side can be repaired if we can put this historical chapter behind us.

**Ms Rohlfing**—I do not want to belabour it but I want to reinforce that George made a really important point on the linkage—and the politics of that linkage within the agency—between the promotion side of the house and the enforcement and safeguards side of the house. That has budgetary implications as well, because member states have been resistant to increasing the safeguards budget, and the budget for the nuclear security program, unless they are given an equivalent amount in the technical cooperation budget. So it is a fundamental point.

**Mr BRIGGS**—Dr Perkovich, in your opening remarks you talked about the three cornerstone relationships developing moving forward—US, Russia and China. Also, you referred to China, India and Pakistan. I wonder if you might comment on the difficulty with North Korea and, in particular, given that China has probably the most influence on North Korea, their seeming reluctance to prevent North Korea acquiring nuclear weapons, and the difficulty of moving forward while that sort of situation occurs.

**Dr Perkovich**—This is a very important point. First of all, in terms of moving forward on the overall strategic relationship and deep reductions, including getting China into the reductions, I think all that can be done with North Korea unresolved, because basically the level of military capability you need to deter North Korea to the extent that it is deterrable is much smaller than the level of force, including nuclear force, we have now. If it is not deterrable, then it does not matter. So I do not think North Korea should be an excuse to not go on with this agenda. Zero—absolutely, North Korea would be an excuse, but we have got a long way to go from there.

The gist of your question, the main element, is: how do we get cooperation to deal with North Korea? My sense actually is that the Chinese really, really, really are angry at the North Koreans. They have had it with the North Koreans. You go to Beijing and you talk to people and they bring it up. They are exasperated. They are humiliated by it and they are trying to press North Korea. But there is a limit. This is a fundamental issue that we have all failed to address. The Chinese absolutely do not want the North Korean state to collapse. They do not want a unified Korea. They do not want refugees. They do not want that kind of fundamental change. So that limits ultimately how much pressure they are willing to put on North Korea.

Guess what—South Korea does not want to them to collapse either. The US has not really thought it through and certainly would not want to pay for the consequences of a collapse and the unifying of Korea. What makes it even worse is that our governments cannot talk with each other about this and do planning and so forth because it is too sensitive. So I think that fundamentally puts a limit on how hard you can push—again on the tough side. On the positive inducement side, and the idea that, if we are just nice and generous enough, the North Koreans will get rid of all this stuff, maybe the politics of that—and you guys are all politicians—in the US or in any democracy, given North Korean behaviour, is extremely difficult. So it ends up being a mixture of inducement, coercion and so on, which always has a limit because of this not wanting North Korea to collapse.

**Senator BIRMINGHAM**—Thank you both for your evidence and time today. I would like to turn to the peaceful use of nuclear materials and ask you both what opportunities and threats you see from that peaceful use. What is the potential role for industry in the discussions that we are having and, related to that, what is the potential role for the fuel bank concept that I note has been discussed by the NTI and of course has been raised by many witnesses to this inquiry thus far?

**Ms Rohlfing**—I think that industry has an essential role and will need to be brought in as an essential player in any new architecture that we develop for managing the fuel cycle in the long term. I know that there are a number of fuel cycle proposals on the table. The one that the Nuclear Threat Initiative has put forward and has been developing in conjunction with the IAEA, while it would connect to industry in terms of the administration of elements of it, does not integrally require industry to play a new role. There are certainly some additional concepts for near-term fuel banks that the Russians have been developing at Angarsk. The Germans have put forward a conceptual approach which involves a public-private partnership. We need to continue to try and develop those models and bring industry into this discussion early to talk about their role.

I note parenthetically that, within our nuclear security project, we have another study underway that is attempting to do justice—to engage the nuclear energy industry in this discussion to talk about how their own role and responsibilities will need to evolve in the future world. We will need to be much more radical in our thinking about how we achieve a system from the perception of—

**CHAIR**—I will need to interrupt you at that point. The Australian democratic process has gone up a gear and the House of Representatives members will need to depart and vote. I will leave you in the capable hands of my deputy chair, Senator Julian McGauran, and the rest of the senators, who always assure us that they are perfectly capable of getting by without us. Thank you very much for your contributions this morning. I and the other members of the House of Representatives have benefited greatly from them.

**Dr Perkovich**—Thank you.

**Ms Rohlfing**—Thank you.

**ACTING CHAIR (Senator McGauran)**—Please feel free to continue your answer.

**Ms Rohlfing**—The fundamental point is that we need to engage industry in the fundamental dialogue about how we rework their role for the future. I will leave it at that.

**Dr Perkovich**—I would like to make three points. This is something that we have been working on a lot with nuclear reactor vendors around the world. The first point is that for the last 50 years the nuclear industry has basically avoided the proliferation and non-proliferation issue as not their business—governments do that; they build plants. That is not realistic or good business sense, especially for an industry that still has problems with political acceptability. The industry will have to engage more, get out the front and be proactive on non-proliferation issues.

The second point is that fuel assurance ideas, including the fuel bank and others, are very welcome, but we are avoiding a key issue in some ways. In other words, all the fuel assurance proposals are basically meant to guarantee a state that it would not be cut off from fuel for ‘political purposes’—that if it is in good standing with the IAEA, it would not be cut off. But we are avoiding in that the very difficult issue of: who decides whether a cut-off is for ‘political purposes’ and whether a state is in good standing with the IAEA? All of these things are still in dispute. You can see this in differing interpretations of the Iran case. It was clearly not compliant with the IAEA—it has been sanctioned—but the Iranians and others argue, ‘No, we’re fully compliant. We were set up by the US.’ That is an extreme example. I do not expect that that kind of example would come up, but the issue still needs to be worked through: who decides whether something would be cut off or not for a ‘political purpose’?

Finally, I go to the more ambitious approach of moving towards a world where all fuel cycle activity is done on a multinational or an international basis, which I think many people recognise is logically and technically a desired outcome. But all recognise that it is extremely difficult to figure out how to do it economically with all the different actors. My sense of that, from talking with people in Brazil and elsewhere, is that if we are going to move to that model it has to be done for everyone at the same time—in other words, no phasing, as people here in the US and others envision as we move incrementally to that model of multinational facilities. And the sense I get is that it has to be totally equitable and done all at once everywhere as a political condition and perhaps also as an economic condition for a ‘level playing field’. I do not know what that means. That is just a sense that I am reporting.

**Ms Rohlfing**—I would like to build on that for just a minute, too. George, you point out, quite appropriately, that the problem with the existing fuel assurance strategies is that they have not addressed the really thorny issue of who decides whether someone is in compliance or not with the use conditions for these mechanisms. But there is another really basic issue that we have been avoiding thus far in our discussions about strategies and in the specific fuel assurance ideas that are on the table—that is, we have not yet talked about the need. As you say, George, there is a sense that we need to work long term on some kind of multinational or international ownership of a facility, and that is absolutely essential because, unless and until we get to the point where all states are agreed that it is in no-one’s interest for new facilities to be created and the only way to stem that proliferation in a non-discriminatory way is to create some limited number of facilities that are under international control, we will only be taking incremental steps. So I think it is time for the international community to really begin to address these gap areas.

**Senator CASH**—Thank you both for your submissions today. I would like to explore further with you what you have been discussing with Senator Birmingham, Dr Perkovich, in particular in relation to page 14 of your article, which you have given us a copy of. You say:

Resistance to stronger non-proliferation measures is especially worrying given the expectation of a significant global expansion in nuclear-energy production.

Certainly there is a statement by the Prime Minister of Australia on 17 March 2009 in a speech given in London in which he said:

... whether we like it or not—we will not meet the challenges of climate change without the far wider use of civil nuclear power.

Can you further elaborate on how we get nuclear energy promoted and use it in a safe and secure manner without running the risk that we are increasing the possibility of the propensity to proliferate to nuclear weapons.

**Dr Perkovich**—That is a great question. There are different kinds of promotion. You can do it rhetorically and you can also subsidise things. In terms of how you try to minimise the risks of proliferation, Joan was just talking about one very important way. Let me put it this way: the main risk in the expansion of the nuclear industry globally is in the production of fuel to operate those new plants and the potential of using plutonium separation to take the spent fuel from those plants and put it into greater economic use or what have you. In other words, it is a fuel cycle issue not necessarily the plants themselves.

The optimal way to deal with that problem is what Joan was just alluding to: not to see additional fuel cycle capability in states that do not have them now—so minimise the expansion of the potential danger of proliferation—and, in order to do that and also to limit the potential risk within the states that would be operating these facilities, require them to be international, whether it is in ownership management or otherwise, so that it will be much harder to divert those facilities or know-how for nuclear weapons. That is an absolutely key element.

But there are other elements that are well known. For example, what is called the additional protocol, which is an enhanced standard of safeguards and inspections in countries for the IAEA. That is not yet mandatory as even a condition of nuclear cooperation. It is not mandatory in a general sense, but another way you could try to get there is to say that none of the technology-supplying states will do business with you if you do not accept the additional protocol. But the supplying states have not even agreed to do that yet. Moreover, most experts look at the additional protocol, which was the product of about seven years of compromise, and say that is insufficient. So we need even more than the additional protocol, but we cannot get agreement globally on the additional protocol. That overall process of strengthening safeguards would have to be enhanced.

I think that another element is to clarify the process by which a state can withdraw from the Nuclear Non-Proliferation Treaty. One of the worries that you have about expanding the nuclear industry is that over time a country develops the expertise, the know-how and the material with which they can make a nuclear bomb if they decide to drop out of the NPT. Right now a state can do that with three months notice, and the procedures by which they are legally allowed to

withdraw are not spelled out. This is another area where the international community needs not to deny the right to withdraw but to say if there is going to be a withdrawal, here are the procedures that ought to be followed. Those should be such that you would have much greater deterrence and also much greater confidence that it would not happen.

**Senator WORTLEY**—I came in late, as I was chairing another committee, so I apologise in advance if I ask something that you have already answered. The area I would like to turn to is the Middle East. There has been some discussion during the inquiry of a Middle East nuclear weapons-free zone, and I am wondering what you think the prospects are for agreement by the relevant states and also what the main barriers are to such a treaty?

**Dr Perkovich**—This is one I like to deal with. I think the US government has been way too defensive about this issue and has tried to avoid it for years. I think we ought to take it straight on. In order to reach a political agreement and to establish the security confidence that would make it feasible to have a zone free of weapons of mass destruction in the region, all the states in the region—as a minimum—ought to be able to sit around the same table. That is before you even start the discussion of the issues.

Right now, if we—or someone else—called the meeting to begin addressing this issue, and you had placards for all the states in the region, if Israel showed up then a number of the others would not show up: the seats would be empty. How then do you negotiate all the items that would have to be dealt with to assure that all weapons of mass destruction are out of the region and the verification procedures for that? The first step has to be the recognition by all the states in the region of each other's right to exist. Let me know when that is done!

Then, once you get them all together, you have to deal with chemical weapons, biological weapons and the declaration and verification of their existence. That is worth doing, but that would take time. Earlier, Joan alluded to the question of fissile material production. I think that in all likelihood in that region it would be a question of states not willing to accept fissile material production under the IAEA safeguards. I think they would actually want it to be a zone free of fissile material production, period. Israel's neighbours would not trust even the IAEA to verify that Israel is operating a reactor but there is no secret plutonium separation going on. And I do not think that Israel is that keen on Iran, for example, continuing to enrich uranium with safeguards. These are issues that one would have to go through and, obviously, that would be a very complex process. But the most important point is that process is not going to be undertaken until there are peace agreements and recognition between Israel and all the states in the region. I think that ought to be the focus.

**Senator WORTLEY**—In your paper *Abolishing Nuclear Weapons*, you outlined a number of steps that you thought need to be taken to progress the abolition of nuclear weapons. I was just wondering if you addressed that issue in your opening statement. Basically, I am seeking what you consider to be the most important first steps.

**Dr Perkovich**—We talked about the things that I think are the most important first steps earlier in the hearing. Just briefly, they have to deal with US-Russian and US-Chinese strategic relationships and building cooperation into those where it does not exist now. I would add to that the Comprehensive Nuclear-Test-Ban Treaty as the shorthand answer. I apologise because I think I went on too long about that earlier.

**Senator WORTLEY**—I am sure I can read it in the *Hansard*.

**ACTING CHAIR**—We will finish it there, on the agreed time. I thank you both for your evidence. I invite each of you, if you like, just for a minute or two, to give a finalising statement.

**Ms Rohlfing**—I want to start by thanking the committee again for your time this morning and for what I imagine is an earlier than usual starting time in order to accommodate us. It is a privilege to be able to address you today. I would like to make just one brief summary point. To achieve any of the very important steps—near term, mid term and long term—on this ambitious agenda, it is going to require political will. While we see some very positive momentum in that category on the vision of a world free of nuclear weapons and some of the essential and near-term steps necessary to get there, there is still a long way to go. I am grateful for the time and energy that you as committee members bring to this issue and I urge you to continue to help to build political will, both within your own country and elsewhere. Thank you very much.

**Dr Perkovich**—I agree with everything Joan said. I would just add directly to that that the degree to which Australia can help build coalitions of non-nuclear-weapons states, whether geographically or otherwise, to support concrete measures will have a disproportionate benefit in both the non-proliferation and disarmament realms. This is an area where Australia punches above its weight, and it would be great if it continued to do that.

**ACTING CHAIR**—Thank you very much for the time and insights that you have given us. On behalf of all the committee members and for those who will be travelling from Australia to the United States in July: I hope we can catch up with you. We will say goodnight.

**Ms Rohlfing**—Thank you very much. We look forward to seeing you here.

**ACTING CHAIR**—Thank you. We have to receive the submission. That is so moved by Senator Birmingham and seconded by Senator Wortley.

[9.24 am]

**MILLAR, Ms Caroline, Australian Permanent Representative to the United Nations; and Australian Ambassador for Disarmament**

**ACTING CHAIR**—Welcome. On behalf of the committee I would like to thank you for giving us your time. I should mention that a delegation of members of this committee will be visiting Geneva in July and we hope we will be able to meet with you in person. I now invite you to make an opening statement.

**Ms Millar**—As Australia's Ambassador to the United Nations in Geneva and Ambassador for Disarmament since 2006, I am responsible for, among other things, leading Australia's delegations to multilateral meetings on conventional, biological and nuclear disarmament, including as Permanent Representative to the Conference on Disarmament, the CD. I thought it might be helpful to the committee if I outlined briefly our broader disarmament responsibilities in Geneva and then addressed in more detail the two areas that intersect most directly with the terms of reference for your inquiry—that is, our work in the CD, notably on a fissile material cut-off treaty, an FMCT, and the state of play on nuclear nonproliferation, notably with respect to the Nuclear Non-Proliferation Treaty (NPT) preparatory meeting currently underway here in New York. I will also touch very briefly on some of the history of these negotiations to provide some context and, if it suits the committee, I will finish with some brief thoughts on the role of parliament, bearing in mind that Geneva is of course home to the International Parliamentary Union.

On the broader disarmament agenda in Geneva the key point is that, during a time when multilateral nuclear disarmament negotiations have stalled, the conventional weapons disarmament agenda has been dynamic and generally forward moving. Australia has been a strong and active player in driving this, notably in negotiating the Convention on Cluster Munitions in 2008, in implementing the mine ban convention, in supporting an arms trade treaty and in taking forward deliberations on small arms and light weapons. Of course, the picture is not universally rosy; there have also been setbacks in these areas. But the significant steps that have been taken demonstrate that it is possible for the international community to make progress on difficult security and disarmament issues if a sufficient number of states are determined to do so. I should add that the role of civil society in raising public awareness of these conventional weapons issues has been extremely important.

But on multilateral nuclear disarmament and nonproliferation, progress has been more mixed. I last worked on nonproliferation and disarmament in the exciting period after the end of the Cold War, when so much seemed possible given the significant international convergence, notably among the big powers, on global security issues. Australia was able to play an active and influential middle power role.

But since that period the traditional multilateral nuclear disarmament agenda has stagnated, although I should point out that there has been some progress on nuclear disarmament and nonproliferation in other ways and in other forums. The Conference on Disarmament has not negotiated a treaty since the Comprehensive Nuclear-Test-Ban Treaty, the CTBT, in 1996. It has

not agreed on a program of work since 1999—that is, it has done absolutely nothing—despite the strong efforts of many delegations, including Australia, to get it back to work. The 2005 NPT review was acrimonious and ended with no agreement and the CTBT, a treaty which Australia brought to the UN General Assembly to be open for signature, has not yet entered into force. But the past year or so has seen the reaffirmation of the goal of a nuclear-weapon-free world and a renewed focus on specific action to deal with the threat of nuclear weapons, initially by significant US commentators and former statesmen and, more recently and importantly, by current world leaders, notably President Obama, Russian President Medvedev and UK Prime Minister Brown. This has generated considerable political will and momentum. As a result there is now a real hope that the CD could recommence work on an FMCT and that the 2010 NPT review conference could deliver substantial outcomes on nuclear disarmament and nonproliferation. With the US administration's commitment to CTBT ratification, the prospect for further ratification by those states whose ratification is needed for the treaty's entry into force has improved significantly.

To turn to the Conference on Disarmament, the CD was established as the single multilateral disarmament negotiating forum and it operates solely on the basis of consensus. It has a limited membership, currently 65 states, which includes the five NPT nuclear weapon states, the three nuclear-capable states outside the NPT—India, Pakistan and Israel—and a cross-section of states from all regions. So the CD is a representative body including all the states whose agreement is needed for meaningful disarmament outcomes. In the past few years proposals have been put forward to get the CD back to work. These have essentially provided for negotiations on an FMCT and discussions on other key issues. While these proposals have attracted very broad support from CD member states, the consensus rule has meant that only one state has to disagree for no action to be taken. Things are now moving, reflecting the improved international atmosphere. Australia is one of the six CD presidents, the P6, for 2009. The current president, Algeria, has been consulting actively, with our help, on a new proposal, a variation of the earlier ones, which he intends to put to the CD for discussion on 26 May—next week. Depending on how the discussions proceed, the paper may then be put to the CD for decision sometime after that date and before the CD rises for the year in September. I should also note that Australia will assume the CD presidency for what may well be a critical period in the middle part of this year.

Agreement in the CD on this proposal is not yet assured but, encouragingly, key states which overtly withheld agreement on previous proposals have now said they can accept this one. This is partly because the paper provides specifically for the FMCT to be verifiable, reflecting policy shifts in Washington. The paper has also received support from some significant groups such as the non-aligned movement. And, importantly, no country has said it could not accept it. If the paper is adopted before the end of this year the CD will start negotiations on an FMCT in January 2009.

I now turn to the NPT and to the preparatory committee—PrepCom—meeting for the 2010 review conference that I am currently attending here in New York. Previous NPT meetings have been characterised by divisions over real or perceived lack of progress on nuclear disarmament, by the relative weight given to nonproliferation and compliance including safeguards and export controls and by developing countries' concerns about access to the peaceful uses of nuclear energy. Nuclear weapons states' reluctance to acknowledge commitments from past review conferences were also a major obstacle in the last review cycle. PrepComs have also

traditionally been rather slow and process-driven, with proxy debates on procedure used to stymie progress on substance.

This third PrepCom for the 2010 review cycle, which has been running over the past two weeks here and finishes on Friday, has exceeded expectations. Key procedural decisions for the review conference on its agenda and chair were adopted smoothly in the first week. We have had constructive and substantive debates on all aspects of the treaty's operation and we are now considering a paper prepared by the chair on substantive recommendations to forward to the review conference. If agreed, this will be the first time state parties will have been able to achieve this at a PrepCom.

Encouragingly, too, this PrepCom has been conducted in a spirit of cooperation and restraint. There seems to be increased recognition of the collective security benefits provided by the NPT. Moreover, the critical importance of nuclear disarmament has been reaffirmed, notably by the nuclear weapon states. Key nuclear weapon states have acknowledged commitments given during previous review cycles, including the 13 practical steps for nuclear disarmament agreed at the 2000 NPT Review Conference. Previously divisive issues have been broached more constructively, notably serious non-compliance issues that threaten international security and constitute serious challenges to the non-proliferation regime: Iran, Syria and North Korea. We have seen some useful discussions on strengthening measures to deal with withdrawals from the NPT. At the same time, it is clear that many of the key underlying issues remain, including concerns by developing countries that strengthened non-proliferation measures do not impede their 'inalienable right', NPT article IV, to use nuclear energy for peaceful purposes.

Australia has provided strong input into the PrepCom's deliberation. Our delegation comprises colleagues from our Geneva, Vienna and New York missions, as well as from DFAT in Canberra and two NGOs. We have made strong statements on all three pillars of the NPT, starting with the government's firm commitment to the goal of a nuclear-weapon-free world. We have suggested a number of practical disarmament steps the review conference could take. As chair of a group of like-minded countries in Vienna, we have helped produce working papers for the PrepCom on safeguards, export controls and the peaceful uses of nuclear energy. And we have provided the chair with additional specific suggestions for his paper on recommendations to the review conference. I should just add that we have received the latest iteration of his draft, which we were delighted to see takes up some of our suggestions. In addition, we have facilitated a side event to enable the cochairs of the International Commission on Nuclear Non-proliferation and Disarmament, Gareth Evans and Yoriko Kawaguchi, to brief NPT parties on the state of their deliberations. The commission's report should prove an important input into the 2010 NPT Review Conference.

Finally, briefly on the role of parliaments, in addition to scrutiny of international treaties, a key role can be public awareness raising through hearings of this kind. I would also draw attention to the work of the Inter-Parliamentary Union. At the 119th meeting of the IPU in Geneva last year, staff from the Australian mission assisted Australian parliamentarian Roger Price in presenting a report and drafting a resolution on nuclear nonproliferation and disarmament and the entry into force of the CTBT. The resolution was then adopted at the 120th IPU assembly meeting in Addis Ababa in April 2009. This shows the value of interaction between parliamentarians from different countries in exchanging ideas and building awareness of these important international security issues.

**CHAIR**—Thank you very much, Ms Millar. The House of Representatives members of the treaties committee have been absent due to divisions in the House, and I thank Senator McGauran for chairing proceedings in my absence. I fear that senators might be about to be detained by the proceedings of the Senate. Thank you very much for your opening remarks, which were very comprehensive and useful. You have made some comments on our statement to the preparatory committee.

**Ms Millar**—Yes.

**CHAIR**—That statement supported the idea of annual meetings of the NPT parties, rather than the current preparatory committee process which is followed by a five-yearly meeting. Could you tell the committee something about the benefits of such an arrangement? What are your views on the suggestion that controversial issues might be discussed at future conferences separately from the bulk of the issues, on which there is widespread agreement? That is, as I understand it, a suggestion designed to try to avoid a repeat of the failure of the 2005 review conference.

**Ms Millar**—Firstly, on what is actually a Canadian proposal for changing the process for looking at the treaty with annual meetings, as you mentioned, all we said in our opening statement was that we saw merit in exploring some of these ideas. There is merit in exploring some of these ideas, but they have quite a long way to track. We did not explicitly call for them or actively support them. It is just a little bit too early. Secondly, on matters to be handled separately, I am afraid I am not quite sure what you mean. The agenda for the review conference has been agreed. There are provisions for some issues to be dealt with in addition to the main committees, but I am not quite aware of exactly what you are referring to.

**CHAIR**—Perhaps I will ask a bit more broadly about the preparatory committee dynamics. You mentioned the 13-step action plan that came out of the 2000 NPT review conference. Is that a viable blueprint for future action?

**Ms Millar**—In our statement we suggested that we could look at something along those lines. It seems to us that we are at a point where states are going to have to have confidence that something will happen after the review conference. There needs to be some kind of blueprint, some kind of action plan. That is a fairly widely supported view. Also, to have that degree of confidence, states need to be equally confident that previous undertakings at review conferences—the 13 steps in 2000 and the package of decisions in 1995, when the treaty was extended indefinitely—will be taken forward by state parties, particularly the nuclear weapon states. We have been quite keen to see something like that move forward.

Some of the 13 steps are getting slightly out of date. They will probably have to be re-crafted and there may be some additional things that can be done that might not have been possible in 2000. At this stage we are just calling for the idea of some kind of blueprint for action to be considered seriously and a number of delegations have put forward some ideas on what they might comprise. But it is in a very early exploratory stage at this point. Over the next year, in the lead-up to the review conference, we will see a lot more work done on that, including, we hope, in the report of Gareth Evans's commission.

**CHAIR**—Your remarks this morning reinforced the perception that the current NPT Preparatory Commission session is progressing very well. We had the head of the British delegation saying in the media:

Amazing. We just agreed the agenda for the 2010 review conference ... we haven't done so for a decade.

Is it fair to say that there is increased international momentum on nuclear non-proliferation and disarmament issues?

**Ms Millar**—I think that is absolutely right. Of course, it is early days. What has really sparked this, I think, has been the strong commitments of President Obama. That has had an enormous positive impact on the general atmosphere internationally but in particular at this PrepCom. That has generated an enormous sense of goodwill and there is also a sense that there is real possibility. The US administration has only been in office for a short time. How some of these big, broad commitments that the President has made will be translated into practical policies is yet to be taken forward. They do not have all their senior people in place yet in the administration. There is a very positive atmosphere at the PrepCom. I have been at the seven of these things. I think I deserve a medal, actually! This is the most positive I have—

**CHAIR**—We will see if we can find one! I understand we have Senator Louise Pratt with us by phone. Is that right?

**Senator PRATT**—Yes, that is right, Chair. I am here.

**CHAIR**—Do you wish to ask any questions?

**Senator PRATT**—Early in your opening remarks you mentioned the role of civil society—the importance of this movement and the importance of civil society around recent other disarmament issues. Perhaps you were intimating that there should be a greater role for civil society around nuclear disarmament and that that debate needs to be re-engaged in some way.

**Ms Millar**—Yes. I think that is right. What has been very striking in the conventional weapons agenda has been the very strong commitment of civil society. You will have seen it in the huge drive on the Convention on Cluster Munitions. We also see it in the arms trade treaty process, where civil society again has been working really hand in hand with governments to get an arms trade treaty off the ground. One thing I have spoken to Australian NGOs about in the past—and I know they feel quite strongly about this—is that the nuclear disarmament push from civil society has sort of petered out in recent years. I think you are seeing a bit more interest now—you may have a greater sense than I do. I think that interest has been spurred by some of the things I mentioned earlier, including the articles by the so-called four horsemen and others, which have helped spur a renewed debate on nuclear disarmament. But it is true: civil society has not been engaged in the same dynamic way that it has been on conventional weapons in recent years.

**Senator PRATT**—What can we do to encourage and accelerate a reinforcement of that? I would expect that parliamentarians, with their networks internationally, might be in a good position to enhance that or encourage it.

**Ms Millar**—I think that is absolutely right. I mentioned briefly the role of the IPU and the work there. I think also, once something starts to get a bit of momentum, hopefully you will see greater engagement. In the NPT process, NGOs have been more involved in the last few PrepComs. This time we have two on our own delegation. With a sense of greater momentum internationally, you will probably get greater interest. But it has been interesting that the push that used to come from NGOs on nuclear weapons seems to have gone to issues like climate change and other issues that people are very focused on—very important issues, of course.

**Senator PRATT**—In terms of working with Australian NGOs, would you expect that we should, for example, be encouraging those NGOs to pursue relationships with the US? Are there particular countries where we will be able to logically enhance these relationships quickly in a strategic way?

**Ms Millar**—I think that is really up to the NGOs. We work quite closely with Australian NGOs, of course. In the context of meetings like the preparatory committee meeting here in New York, I, as many of my counterparts do, will brief international NGO groups on how progress is going in the PrepCom and how we see things happening. So we try and engage with them quite directly, but what they want to do with each other is really up to them.

**Mr BRIGGS**—Ms Millar, there are two issues I want to pursue with you. The first one relates to Australia's exporting of nuclear material—uranium. As you know, following your evidence, we will have ASNO before us. Before the committee in previous hearings, particularly in Melbourne, a view has been expressed by some concerning Australian nuclear material not being kept in check properly and potentially falling into the wrong hands. Is that something that you are concerned about or that other nations that you talk to on a regular basis are concerned about? Do you think we have got the right safeguards in place to ensure that material that we export for peaceful energy needs is not being used for not-so-peaceful purposes?

**Ms Millar**—There are two things there. Firstly, no, others have not raised with me those concerns. Secondly, not to be unhelpful, but those issues are actually handled, as you say, by ASNO and colleagues in Canberra and our mission to the IAEA in Vienna. So I would not want to say anything that might be unhelpful to you, simply because it is not the issue I directly focus on myself.

**Mr BRIGGS**—The second issue I wanted to pursue is something that is probably much more in your realm. It relates to the Middle East nuclear weapons free zone, which I understand is in our statement to the PrepCom meeting. We heard this morning about moving to base camp to get international agreement and so forth to move forward. I wonder whether this is potentially the most difficult of the issues, and whether this is the right one to take on first. We do not know—it has not been publicly acknowledged—that Israel has nuclear weapons, however it has been suspected for a long time that they do. Is it really practical to suggest that Israel reduce measures which they obviously consider important for their own security, given that there are countries around them that have yet to recognise their right to exist?

**Ms Millar**—They are extremely important points. Firstly, I would have to say that the resolution on the Middle East was adopted in 1995 as part of the package of agreement on the indefinite extension of the treaty. State parties are required to report every year on how they are implementing that. That is the first thing. Secondly, whether we would think it is wise or not, it

is going to be a big issue for the 2010 review conference. It is already becoming quite prominent at this PrepCom, being raised particularly by countries like Egypt. There has been a big call by some of these countries for a conference on the Middle East, which has been supported quite widely, including just today by the European Union. All countries voluntarily would turn up and discuss these big issues and it would take place after the 2010 NPT Review Conference.

**Mr BRIGGS**—I guess my point is that you do not think there are things that we should be focusing on, using our sphere of influence, that are more likely get some movement forward in the first instance? Do you think it is worthwhile us taking on the biggest issue upfront? You might disagree, but this would probably be the most difficult issue of the whole nuclear deterrence argument, wouldn't it?

**Ms Millar**—I think it is extremely difficult. I completely agree with all of your points. My only point was simply that it is not really in our gift because it is going to be a big issue at the review conference whether we want it to be or not. You are absolutely right about the degree of difficulty. But in terms of where Australia puts its efforts, we are doing a lot of work, particularly including through our mission in Vienna, into strengthening safeguards and export control regimes and securing nuclear materials. And those are going to be big issues that we will focus on in 2010. We are also very keen to see progress on nuclear disarmament, to encourage states to ratify the CTBT and to encourage its eventual entry into force, and to work very actively on the fissile material cut-off treaty. Those are big things that Australia is putting a lot effort into.

**Mr MURPHY**—I would like to pick up on the comprehensive test ban treaty comments that you have just made. I would like you to give the committee some insight into how Australia encourages support for and ratification of the comprehensive test ban treaty through diplomatic channels, such as the conference of disarmament?

**Ms Millar**—Sure. Again, it is not something I work on directly in Geneva, and probably colleagues in the department would be better placed to talk about it, but it is something that we call for regularly. We encourage the states that have signed but not ratified or not signed at all to do so, both bilaterally and in international meetings. Australia was also very involved in convening a conference on article XIV 'Entry into force' provisions of the CTBT. We continue to work pretty actively to promote it.

**Mr MURPHY**—Are you heartened by the meeting on 1 April between President Obama and Mr Medvedev?

**Ms Millar**—It seems like a very important step forward.

**Mr MURPHY**—I know it is only a bit over a month ago, but there seems to be a lot of cautious optimism about making some genuine progress. Finally, have you any views on the best mechanisms to bring Israel, India and Pakistan into the nuclear non-proliferation and disarmament family?

**Ms Millar**—That is the million dollar question. It is very tough. Like most parties to the NPT, Australia consistently calls on them to accede to the treaty as non-nuclear weapon states. At the same time, we know that is very unlikely to happen very soon. One of the issues I know Gareth Evans has been very focused on is trying to look at ways we can encourage those states to adhere

to NPT discipline, including through ratification of the CTBT, commitment to negotiating a verifiable FMCT and placement of facilities under safeguards, where they are not already under safeguards. Those are the kinds of initial steps that we are actively promoting. But that is a very tough set of issues you have identified there.

**CHAIR**—Thank you, Ambassador Millar. Once again, on behalf of the committee I very much appreciate you giving us some of your time and sharing your insights and experience with us today. Some members of the committee will be travelling to Geneva in July and we may be able to meet you in person. Once again, thank you very much for your evidence today.

**Ms Millar**—It is a pleasure, Mr Thomson.

[9.57 am]

**BIGGS, Mr Ian, Head of Secretariat, International Commission on Nuclear Non-proliferation and Disarmament**

**CARLSON, Mr John, Director General, Australian Safeguards and Non-Proliferation Office**

**SHAW, Dr Geoffrey, Assistant Secretary, Australian Safeguards and Non-Proliferation Office**

**RAWSON, Ms Jennifer, First Assistant Secretary, International Security Division, Department of Foreign Affairs and Trade**

**CHAIR**—I welcome witnesses from the Australia Safeguards and Non-Proliferation Office and the Department of Foreign Affairs and Trade. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and warrants the same respect as proceedings of the House and the Senate. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Thank you for your submissions. I invite you to make introductory remarks before we proceed to questions.

**Ms Rawson**—Mr Thomson, I do not have any introductory remarks other than to say that being here during the telephone appearance of Ambassador Millar has obviously provided a very good opportunity to be able to talk with the committee about the latest developments subsequent to our submission, including with regard to the NPT PrepCom that is underway at the moment.

**Mr Carlson**—Mr Thomson, I do not have any introductory remarks to make.

**CHAIR**—In that case, we will move to questions. Can I ask you first about Iran. How serious do you see the unresolved issues with Iran's nuclear program to be? What would be the implications for the non-proliferation regime were Iran to acquire nuclear weapons? I note that your submission states that Australia has been active in addressing the key proliferation challenges of Iran and North Korea and I invite you to detail something of that.

**Ms Rawson**—As you have noted, Mr Thomson, our submission does state that Iran presents one of the major non-proliferation challenges not of course just for Australia but for the whole international community. The measure of that challenge and the concern on the part of the international community I think have been expressed in the Security Council resolutions that have been passed in New York stating that Iran is in breach of its international obligations. There has been a lot of activity in the IAEA context—in the Board of Governors, where Australia is a member—expressing concerns about Iran's continued enrichment activity and reprocessing related activities. Iran continues to deny access to individuals, documents and information that it has been asked to—required to—provide to the IAEA to provide the international community with some assurance about what Iran claims to be the peaceful nature of its nuclear activities.

We have also supported the commitment of the five permanent members of the Security Council plus Germany to engage with Iran on a comprehensive, long-term solution to the impasse. Recently that offer was reiterated by the P5 plus 1. The United States has made clear publicly that it is prepared to engage fully with the other P5 plus one members in those discussions with Iran. My understanding is that they are still awaiting a response from Iran to that offer.

In terms of the consequences of those activities, it certainly is in breach of its obligations. There is concern about what its intentions are, given the history, given its failure to comply with Security Council resolutions. Not only would the acquisition of a nuclear weapons capability by Iran in itself be very destabilising, not only for its region but more broadly, but of course there are also issues around what the potential proliferation consequences of that might be in the region and how other states might respond to that. So I suppose in broad terms—and I will ask Mr Carlson to add to that if he wishes—it is clearly seen as one of the major challenges for international peace and security.

**Mr Carlson**—I do not think I have anything to add.

**CHAIR**—The public stance of Iran—I do not think I am doing them a disservice if I say this—is essentially, ‘We don’t care what anyone thinks.’ It is lots of sabre rattling, very uncooperative and so on. But sometimes the private reality is different from the public rhetoric. You can have countries that say they are being cooperative and they are not; you can even have countries that say they are being uncooperative but they are prepared to engage. What is your sense of dealing with Iran beyond that public sabre-rattling, uncooperative rhetoric? Do you think that the private reality is the same as that or different from that?

**Ms Rawson**—I cannot pretend to be qualified to speak on the broad spectrum of issues with Iran but, with regard to the nuclear question, Iran has consistently stated publicly that it intends to continue—it has an enrichment program, it is expanding it and it intends to continue expanding its program. It claims that it is for peaceful purposes and, as you say, it also claims to be working in cooperation with the IAEA and others. The reality is that the IAEA, the UN Security Council in terms of the resolutions and, I think, the international community more broadly have stated on a number of occasions that Iran is not cooperating to the extent that is required and that, as I mentioned earlier, it has not provided the access, the documentation and the broader information that has been required of it by the Security Council and in the IAEA context. So I think on an objective basis one can state that it is not cooperating, despite what its public statements might be.

**CHAIR**—Can I ask you about the fissile material cut-off treaty, which is described as an immediate disarmament priority for the Australian government. What do you see as the barriers to negotiation and entry into force of such a treaty?

**Ms Rawson**—As Ambassador Millar indicated, the FMCT has been debated in the Conference on Disarmament. The possibility of negotiating an FMCT has been talked about in the Conference on Disarmament over a number of years, without the ability to actually have the negotiation of the treaty included in a work program. I am not sure of all the issues that have bedevilled the FMCT, but certainly one of the issues in recent years has been a difference of views among states about whether the negotiation should be of a verifiable FMCT or an FMCT

that does not in itself deal with the verification issues. I would not say that has now been resolved, but there certainly has been significant progress made in that area, with the Obama administration having stated that it is prepared to negotiate on a verifiable FMCT.

I think there is—again as Ambassador Millar indicated—some optimism now that it will be possible to get agreement on negotiation on the basis of what is generally described as the Shannon mandate. If the committee does not have a copy of it, we can provide you with one, but essentially Ambassador Shannon of Canada reached agreement in the CD on the basis on which treaty negotiations might be taken forward. It is a very broad document. It certainly does not go into any of the detail, but one aspect of that mandate is verification. So there is a sense now that it will be possible to move ahead. It is not in the bag, but certainly things are looking much more prospective at this point than they were even six months ago.

**CHAIR**—I am glad you raised the issue of verification, because there is this issue, isn't there: do sufficient verification mechanisms exist to implement a fissile material cut-off treaty?

**Mr Carlson**—I am happy to answer that.

**Ms Rawson**—And I am very happy for Mr Carlson to answer it.

**Mr Carlson**—I am fairly well-known in specialist circles for having published a paper on the theme: yes, FMCT can be effectively verified. That was published in the journal *Arms Control Today*. I would be happy to provide the committee with a copy of that. Essentially, to verify the FMCT would start with existing, very well-established IAEA safeguards procedures and techniques. As with existing safeguards, the largest challenge is to be able to detect undeclared facilities and undeclared production. But the IAEA has been developing considerable expertise in that. When we come to the FMCT, where of course the weapons states will have a very considerable interest in keeping each other honest, we would imagine that there would be very substantial national intelligence capabilities that can be drawn on. So, yes, to verify the FMCT will be a challenge, but, yes, the methodologies for doing it are already well established and can be developed further.

**Mr BRIGGS**—Thank you for coming along today. I note you have answered a question on notice from Ms Parke from a previous hearing, which I have just had quick read through. It gets back to the question I asked Ms Millar. We have had no actual evidence but concerns put to the committee that Australian obligated material has fallen into—we are not sure that it has not fallen into, let me put it that way—the wrong hands. Can you talk us through why you are convinced that that is not the case?

**Mr Carlson**—Yes. We have agreements under which we supply Australian uranium with two groups of countries: those that are categorised as non-nuclear weapon states under the NPT; and those recognised as nuclear weapon states. The non-nuclear weapon states are subject to what are called comprehensive safeguards applied by the IAEA—what used to be known as 'full-scope safeguards'. That means that all their nuclear material and facilities are covered by IAEA safeguards. We have full confidence that there has been no diversion of Australian material in non-nuclear weapon states by virtue of the IAEA arrangements.

In the nuclear weapon states our starting point is that none of the weapon states has any reason to divert civil nuclear material. They have very longstanding military programs, and the military programs have produced very large quantities of fissile material. All the weapon states have stockpiles of fissile materials. In some cases they are enormous. A case in point is Russia, which is transferring 500 tonnes of high-enriched uranium from military programs to civil use and in fact fuels something like half the United States civil nuclear program at the moment by virtue of blending down the high-enriched uranium into low-enriched uranium for reactor fuel. So our starting point is that nuclear weapon states have no incentive, no reason, to divert material when they already have very substantial quantities in their military programs. Secondly, the nuclear weapon states have concluded treaty level agreements with the IAEA on how they will deal with nuclear material that is subject to safeguards obligations, and they have concluded agreements with suppliers such as Australia where they give treaty level undertakings. We have no reason to believe that these states do not take their international legal obligations seriously. We do our own analysis of civil programs in those states. We compare notes with our counterparts, particularly in the US and Canada—and also in Euratom—which all have very similar bilateral safeguards arrangements to ours. We have confidence that the countries we are supplying material to are abiding by their treaty commitments.

**Mr BRIGGS**—I support Australia exporting uranium to other countries. Obviously, as far as environmental concerns go, the power generators obviously uses less carbon—in fact, zero carbon—in generating power, so it is good from that respect. I guess the important issue is that people have made claims that there are some concerns that our uranium is being used, or is not being checked thoroughly enough, and those concerns have been answered so it reduces the questions about us exporting uranium. In that respect, do you think the IAEA is doing enough to ensure that that is the case? There has been some issues raised about resourcing, let alone their role. Do you have those concerns? Do you think they are doing enough? Could it be improved?

**Mr Carlson**—In the case of nuclear weapon states, the IAEA has a longstanding policy, which has been endorsed by its Board of Governors, that its priority is preventing the proliferation of nuclear weapons to additional states. So it concentrates on comprehensive safeguards applying in non-nuclear weapon states to ensure that no non-nuclear weapons state crosses the threshold and changes its practical status. I should explain that in terms of legal definitions, the nuclear weapons states are set at the five that are recognised in the NPT. In the nuclear weapon states the IAEA applies safeguards on a selective basis. It has various criteria for applying safeguards. One is to gain experience with particular facility types or to look at cooperation programs that involve non-nuclear weapon states. But the IAEA is not applying safeguards inspections generally across the nuclear weapon states. This situation is acceptable to the international community on the basis I mentioned before: that it is regarded that the nuclear weapon states have no incentive to misuse material supplied by other countries for civil programs.

On the matter of the IAEA's safeguards resources: of course the IAEA's workload has expanded very substantially over the years—the number of facilities, the quantities of material and so on. The budget is looked at very carefully by the Board of Governors. Increases to the safeguards budget have been made from time to time. It is something that obviously governments keep under very careful review, because we all have an interest in ensuring that the IAEA is adequately resourced. Ms Rawson might want to add to that.

**Ms Rawson**—I just echo that Australia and other countries who are committed to non-proliferation efforts certainly do want to see the agency adequately funded. Our policy across the board in terms of UN and other agencies has for a long time, I think, been real zero growth in budget for agencies such as the IAEA. But certainly we are open to looking at the possibility of restructuring the method by which IAEA activities are funded. Indeed, if there is a need for additional funding for some core activities—we have made voluntary contributions on an annual basis to the Technical Cooperation Fund and we have also made voluntary contributions to the Nuclear Security Fund. You might have noted a media release from Mr Smith that announced the recent contribution of \$450,000 to the IAEA's Nuclear Security Fund. That will be used to strengthen the ability of regional countries to secure nuclear and radioactive materials.

As I have said, there is a sort of base policy, but it is not one that is applied in a rigid way. The government does see the need to look at particular areas where additional resourcing may be required. It is necessary at the same time—and I think this was one of the reasons why we and a number of other countries adopted a zero real growth policy, with regard to not just the IAEA but other agencies too—to ensure that there is prioritisation, that the agencies are looking very closely all the time at the efforts they are undertaking, how efficiently and effectively they do that. So it is always something of a balance, but in the end certainly the work that the IAEA does is a high priority and we do want to see that it is adequately resourced.

**Mr Carlson**—I would like to add another couple of points, if I may. One is that, each year, the safeguards department of the IAEA publishes a safeguards implementation report. This is a classified document that is limited to governments, but it analyses its safeguards performance. In this document the agency reports that it is meeting its mandated responsibilities. There is no suggestion in the safeguards implementation report that there are resource constraints that are affecting its ability to do its job.

The other point that I would like to take this opportunity to address—it is not quite the same point, but it is related to your question, Mr Briggs—is that there is a quotation that is often used. It was used at one of your recent hearings. It quotes Dr ElBaradei, the head of the IAEA, as saying, 'The IAEA's inspection rights are fairly limited.' I think that should be corrected, because that is a quote that is taken out of context and is therefore misleading. What Dr ElBaradei actually said in an op ed in the *Financial Times* of 2 February 2005 was:

Without the expanded authority of this protocol—

by which he meant the additional protocol—

the International Atomic Energy Agency's rights of inspection are limited.

So Dr ElBaradei was arguing for the need to have all countries sign the additional protocol, which expands the authority and the information that is given to the agency. This is a very strong aspect of Australian policy. I personally played a prominent role in negotiating the additional protocol in the Board of Governors. Australia was the first country to conclude an additional protocol and to ratify it. We require an additional protocol as a condition of nuclear supply and we are urging others to do so.

**Mr BRIGGS**—That is an important clarification. Thank you.

**Mr MURPHY**—In reply to my question to Ambassador Millar about how Australia can encourage support for the ratification of the comprehensive test ban treaty through diplomatic channels, such as the conference on disarmament, you will doubtlessly recall that she thought that the department would be better placed to give the committee views about that. I would like to give you that opportunity to tell us what diplomatic efforts are made.

**Ms Rawson**—I note that Ambassador Millar, though, did mention our role from, I think, 2005 to 2007 in regard to article XIV of the CTBT entering into force. We had the international coordinator role on that. I do not know whether you have copies of our statements in the NPT PrepCom. If you do not, we can certainly make the full text of those available to the committee. That is, I suppose, just one example of where publicly, in talking in such forums, officials—and indeed the minister himself when he was at UNGA last year and participated in a CTBT ministerial event—in particular urge strongly those nine Annex II countries which are required to ratify to bring the treaty into force to act as soon as possible.

In talking with a whole range of countries in the lead-up to this PrepCom about matters to be addressed at the PrepCom, where it was relevant we encouraged those countries to ratify the CTBT. I remember in an informal discussion earlier this year we were asked about whether we had recently approached China bilaterally on the issue. I think we said at the time that I could not recall or that we had not recorded any recent discussions with China on that. I can confirm that, in the lead-up to the PrepCom, in our discussions in Beijing about the PrepCom issues the importance of CTBT ratification was certainly discussed. So it occurs in our bilateral discussions. It occurs in the multilateral forums. Mr Smith himself has put a great deal of importance on and effort into encouraging ratification.

**Dr Shaw**—To build on that: we also do a lot of work in the region to help countries ratify and implement the CTBT. For example, there is a regional workshop next week in Palau and we will be sending an officer to that to provide some technical assistance for regional countries to implement the CTBT.

**Ms Rawson**—That reminds me: we also participated in a workshop in Indonesia last November where the Indonesians were looking at the issues that surround the implementation. They are one of the Annex II countries that have yet to ratify. That went very well.

**Mr MURPHY**—Another question that I put earlier to Dr George Perkovich was about the mandate of the International Atomic Energy Agency as both a regulator and a promoter of nuclear energy. His response to me suggested that there would be a lot of political rancour if we tried to separate the functions. Do you have any views on that?

**Ms Rawson**—I think those of us in the room when Dr Perkovich was speaking were probably all nodding vigorously at that point. In a theoretical sense one can see the argument for separating, but in a practical sense there would be political and other issues that would mean it is just not possible. I think there was reference to the ‘package’ and ‘buy in to the package’, and in a sense that relates back to the NPT itself—that sense of there being a bargain done on the pillars of disarmament, nonproliferation and peaceful uses. Once you try to pull apart those elements it inevitably leads, apart from anything else, to the feeling of some states that their particular interests are not being addressed. So I think, while if one were starting from scratch you might look at the whole issue again, 50 years down the track we would say that it would be extremely

difficult, if not impossible, to move from that. I also would not want to give the sense that we think there is an inherent conflict in those two roles. They are to some extent different objectives but, looking at the peaceful purpose side, the non-proliferation aspects are very much a part of that. So even though one can make theoretical arguments for a separation you can also make some quite good arguments for them to be combined. I probably cannot go further than that.

**Mr MURPHY**—That leads to just one more question from me. Mr Carlson, you endorsed the establishment of the World Institute of Nuclear Security as an important complement to the IAEA and government agencies in promoting best practice in nuclear material security. Against that background, I would like you to tell the committee what you think the benefits of such an organisation are and how ASNO and other government agencies interact with or support WINS.

**Mr Carlson**—WINS is a non-government organisation, closely modelled on another non-government organisation which has been extremely helpful—WANO, the World Association of Nuclear Operators. WANO was established in the 1980s to provide peer review and information sharing in the area of nuclear safety. As I said, WANO has been extremely successful. Those of us who were involved in the foundation of WINS took that as a model.

At the moment, there is no international inspection service for nuclear security. One of the reasons for this is the sensitivity of security, of course. Many governments would be concerned at the possibility of foreign nationals seeing the specific details of how nuclear facilities are protected. My personal view is that that is a matter that can be addressed and overcome, but nonetheless that is a pretty strong sentiment for a lot of governments.

So what the IAEA has done is set up an advisory service, and it will send missions to countries that request them to review how they implement nuclear security and to make recommendations. WINS complements that by involving the operators themselves. WINS comprises nuclear operators and regulatory authorities, rather than governments as such, and it encourages operators to share experience, to provide peer review for what each of them is doing and to identify training needs and develop training or professional development programs that will meet those needs.

**Senator McGAURAN**—To date, this committee—and, as you say, the IAEA—have been rightly focusing on the rogue states, the dysfunctional ones, and the possibility of proliferation in other states. But the two main players are Russia and the United States. I wonder if you can give us a status report on the SALT agreement—if it is still in existence—which, as I understand it, is the agreement between the two countries to reduce their nuclear warheads.

**Ms Rawson**—Senator, I think you might be referring to the START agreement. SALT has expired.

**Senator McGAURAN**—I figured as much. I am a Cold War warrior. It has been that long! So it has now gone into START.

**Ms Rawson**—There is also a SORT. The START agreement is due to expire at the end of this year. One of the most encouraging developments on the disarmament front for a long time has happened in the last few months, and that is the commitment of both the United States and Russia, confirmed by the presidents of both those countries, to negotiate a successor agreement

to START before the end of this year. Uncertainty had previously existed about whether the United States and Russia would negotiate an agreement, although they had been talking about the need to do it. It is not until the last couple of months really that that very high-level, confirmed commitment of both countries to negotiate an agreement has been made. I think I am right in saying that they have already had one negotiating session. Also I think both President Obama and President Medvedev have made it clear that they want their negotiators to be able to have reported significant progress to them by the time the two presidents have their summit meeting in Moscow, in July, I think. So that has been, as I say, extremely positive.

Ambassador Millar was talking earlier about the dynamics at the moment at the PrepCom and how much more positive and constructive they are than they have been for a long time. It is fair to say that the commitment of the US and Russia to a START successor is one of the reasons for that much more positive atmosphere, because it reaffirms the commitment of both of them to continue to make significant reductions in their weapons arsenals. Both President Obama and President Medvedev have also made clear their commitment to a world free of nuclear weapons. Neither of them I think have suggested this is going to happen tomorrow, but just that reiteration of the commitment of both of them to that goal of a nuclear-weapons-free world has given a much more positive tone to the discussions.

**Senator McGAURAN**—If you have any background information for the committee on START II, I would be happy to get it. Surely under START I—or SALT I, II or III—there has been a progression of chopping warheads. Are you able to supply us with the numbers, probably from the point of SALT I under Ronald Reagan, I think that would be right, all the way through? Roughly speaking, I believe when Reagan and Gorbachev first met both committed to something like 6,000 warheads each. Under Bush, which would have been START I, I suspect, both countries agreed by 2012 to reduce warheads to around 1,500 to 2,000. What is the progress of that and what is START II saying it will reduce it to? There has been real progress. It is hugely optimistic. We are being bogged down in too much presentation—not by you, necessarily—of doom and gloom and the world is black when in fact the two major players have made significant progress in the last 30 years. We ought to focus on the rogue states, by all means—Iran and North Korea—but we ought to also instil into the inquiry serious, tangible progress.

**Ms Rawson**—We do not have figures with us, but I think there are some public figures, whether official or by authoritative sources, that do track the reductions—at least as they are stated in some way in the agreements themselves. We will seek to provide that information to the committee.

**Senator McGAURAN**—If not, we will get them out of Washington.

**Ms Rawson**—Certainly, I agree: there have been significant reductions and those have been welcomed. I cannot remember exactly when START was negotiated. But there has been a sense over the last decade that that commitment to really driving that agenda had, for a whole range of reasons, not been there as strongly as it was in the period certainly after the end of the Cold War. What is encouraging for us all now it is that sense of a renewed commitment and common objective.

**Senator McGAURAN**—Is that START treaty or agreement outside the United Nations? Is it just between the two countries or is it—

**Ms Rawson**—As far as I know, it is a bilateral agreement. I imagine it is registered with the UN, as most such agreements are. But it is a bilateral agreement.

**CHAIR**—We are getting close to our advertised closing time. I think Mr Briggs had the one question on the nuclear fuel bank.

**Mr BRIGGS**—Senator Birmingham is obviously caught up in the Senate. He has asked most witnesses this question and I thought, for his benefit, I would ask you what you thought of the concept of the international fuel bank.

**Ms Rawson**—The government has not taken a position with regard to any of what are now 20 or so proposals—there are 12, I am told by Mr Biggs—for fuel banks or fuel assurances of one kind or another. In a general sense we are interested—as are others—in exploring the potential of such proposals, particularly in terms of what is a key concern for us and others: sensitive nuclear technologies, enrichment and reprocessing, and how to ensure that those countries which choose to pursue nuclear power options or other peaceful uses of nuclear energy can do so in a way which does not contribute to proliferation potential by broadening the spread of those sensitive technologies which obviously are relevant for non-peaceful purposes, as well.

**Mr Carlson**—I will just expand on that. The point is that countries that have nuclear power programs at the moment, and a number of countries that are considering going down that path have raised the question of security of supply. They say that they have the choice, as they interpret the NPT, to develop the entire fuel cycle themselves—including enrichment and reprocessing—so that they become as far as possible self-sufficient. If they can accept what many governments are now saying, that it is essential for the future of the non-proliferation regime to limit the spread of those sensitive technologies, then how can they be certain that they will still have security of supply for fuel for their reactors? They say it would help them to take the decision not to keep the option open to proceed with the full fuel cycle if they were given what they regard as a cast iron guarantee that they would always have fuel when they need it. That is basically where these various schemes have come in.

**CHAIR**—Thank you very much for attending to give evidence today. If the committee has any further questions the committee secretariat may seek further comment from you at a later date. The committee has resolved to accept supplementary submission 86.2 supplied by the Australian Safeguards and Non-Proliferation Office and dated 13 May.

Resolved (on motion by **Mr Briggs**, seconded by **Senator McGauran**):

That the committee authorises publication of a proof transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 10.49 am**