



Senator the Hon Penny Wong
Minister for Foreign Affairs

MS24-001248

07 MAR 2025

Dr Geoffrey Shaw
Director General
Australian Safeguards and Non-Proliferation Office
RG Casey Building
BARTON ACT 0221

Dear Dr Shaw

I am writing to acknowledge the important work of the Australian Safeguards and Non-Proliferation Office (ASNO) in performing its regulatory functions.

The attached Statement of Expectations outlines how I expect ASNO to contribute to the Government's regulatory reform agenda, display and progress the principles of regulator best practice and demonstrate innovation and regulatory change. Ministerial Statements of Expectations provide regulators with greater clarity about government policies and objectives relevant to the regulator in line with the relevant statutory objectives. This Statement of Expectations also sets out the priorities I expect ASNO to observe in conducting its operations.

I would appreciate your response to this letter in the form of a Statement of Intent outlining how ASNO proposes to meet the expectations set out in this Statement of Expectations. In addition, to ensure transparency and accountability, I ask you make this Statement and your Statement of Intent available on ASNO's website.

Thank you for your timely assistance with this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Penny Wong', written over a horizontal line.

PENNY WONG

Encl. Ministerial Statement of Expectations

AUSTRALIAN SAFEGUARDS AND NON-PROLIFERATION OFFICE
STATEMENT OF EXPECTATIONS

As the responsible Minister, this Statement sets out my expectations of the regulatory functions undertaken by the Australian Safeguards and Non-Proliferation Office (ASNO) and its Director General.

Overview

I recognise and respect the role of Director General ASNO as an independent statutory office holder with specific powers and functions, including fulfilling the role of the national authority for Australia's non-proliferation treaties.

I note the role of Director General ASNO incorporates the statutory responsibilities of:

- Director of Safeguards, under the *Nuclear Non-Proliferation (Safeguards) Act 1987* (Safeguards Act)
- Director of the Chemical Weapons Convention Office, under the *Chemical Weapons (Prohibition) Act 1994* (CWP Act), and
- Director of the Australian Comprehensive Test Ban Office, under the *Comprehensive Nuclear-Test-Ban Treaty Act 1998*.

The effective operation of these Acts enables Australia to meet international non-proliferation treaty obligations, including:

- the Treaty on the Non-Proliferation of Nuclear Weapons (NPT)
- Australia's Comprehensive Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency (IAEA)
- the Amended Convention on the Physical Protection of Nuclear Material (A/CPPNM)
- the Chemical Weapons Convention (CWC)
- the Comprehensive Nuclear-Test-Ban Treaty (CTBT)
- the International Convention for the Suppression of Acts of Nuclear Terrorism (ICSANT)
- multiple prescribed international agreements under the Safeguards Act, including those that form part of Australia's network of treaty level bilateral nuclear safeguards agreements
- the South Pacific Nuclear Free Zone Treaty.

In addition to these, ASNO has regulatory and administrative responsibility for:

- *Customs (Prohibited Imports) Regulations 1956* (with respect to regulation 5J)
- *Civil Nuclear Transfers to India Act 2016*
- *Nuclear Safeguards (Producers of Uranium Ore Concentrates) Charge Act 1993*
- *South Pacific Nuclear Free Zone Treaty Act 1986*.

ASNO's role

Australia has a proud legacy and commitment to preventing the spread of weapons of mass destruction. Our credentials on non-proliferation are grounded in decades-long leadership in establishing and strengthening international treaties, export control regimes and practical initiatives to advance non-proliferation and disarmament.

ASNO works to enhance Australian and international security through activities that strengthen the effectiveness of regimes against the proliferation of weapons of mass destruction.

To meet Australian Government priorities, including for naval nuclear propulsion, I expect ASNO to continue advancing work under its three core pillars:

1. Upholding Australia's international non-proliferation commitments through robust domestic regulation.

Under this pillar, it is important ASNO independently regulates its permit holders to ensure Australia's treaty obligations are met. These obligations are given effect in Australian law under legislation that ASNO administers and provides the basis for ASNO's domestic regulatory functions.

2. Supporting regional non-proliferation implementation.

Strengthening Australia's security by looking beyond our borders is a responsibility that ASNO should continue under this pillar. This includes knowledge sharing and practical support to our regional partners to enhance non-proliferation treaty implementation.

3. Shaping and strengthening the global non-proliferation and disarmament verification mechanisms.

Given the complex and challenging strategic environment, it is also important ASNO continues to shape and strengthen the global non-proliferation and disarmament verification landscape under this pillar. As part of this, ASNO should continue building the next generation of safeguards experts in Australia and continue coordinating research and development of safeguards techniques and technologies.

ASNO plays an essential role in ensuring the Government is well-placed to respond promptly to any challenges and opportunities arising from the administration of your regulatory functions. Accordingly, I expect ASNO Director General to provide accurate and timely advice on significant issues relating to these regulatory functions with the Government's policy priorities and objectives. I also expect ASNO to work closely with the Department of Foreign Affairs and Trade (the department) in contributing to relevant policy advice.

The Government's policies and objectives

Regulatory reform agenda

The Government is looking at ways to boost productivity through reducing unnecessary or duplicative regulatory costs and working with international partners to identify opportunities to improve the quality of regulation. The Government is also focusing on improving regulator performance, capability and culture through regulatory stewardship.

I expect ASNO to contribute to the regulatory reform agenda by:

- seeking opportunities to reduce duplication and streamline processes to improve efficiency
- acting in accordance with regulator best practice in its decision-making, policies, processes and communication practices in order to maximise transparency and minimise compliance costs, and
- embedding the Statement of Expectations, and the Department of Finance's Regulator Performance Resource Management Guide (RMG 128) (July 2023) and its three best practice principles into its work. This includes supporting corporate functions of the department as they relate to Corporate Plans and annual reporting required under the Public Governance, Performance and Accountability Act 2013 and Public Governance, Performance and Accountability Rule 2014, in order to support greater transparency and accountability of regulator performance.

Principles of regulator best practice

I expect that ASNO continues to ensure Australia's treaty obligations are implemented through an independent, robust domestic non-proliferation regulatory system, maintaining the highest standards, and reflecting the importance to Australia's national security.

I expect ASNO to draw on the principles of regulator best practice to develop tailored performance monitoring, reporting processes and performance measures, as outlined in the Regulator Performance Resource Management Guide.

I expect ASNO to display and progress the following:

1. Continuous improvement and building trust

- Continue to build and maintain ASNO's technical expertise to ensure a sustainable non-proliferation and regulatory governance capacity that can meet ASNO's expanded responsibilities and retain public trust.
- Lead Australia's negotiations with the IAEA to develop the first-of-a-kind safeguards arrangements for Australia's naval nuclear propulsion program under Australia's Comprehensive Safeguards Agreement and Additional Protocol, consistent with the Government's commitment to set the highest non-proliferation standards.
- Undertake, coordinate, and facilitate Australia's Verify program under the auspices of the Australian Safeguards Support Program (ASSP).
- Ensure that ASNO's supporting digital regulatory systems, such as its nuclear and chemical regulatory databases, are fit-for-purpose, meet future demands, and minimise the regulatory burden placed on industry wherever possible.

- Facilitate bilateral and multilateral activities with our regional partners to enhance non-proliferation treaty implementation, including through ASNO's leadership role in the Asia-Pacific Safeguards Network (APSN).

2. Risk-based and data-driven

- Develop and implement ASNO permits under the Safeguards Act to ensure nuclear safeguards and security measures are appropriate to the non-proliferation risks represented by the nuclear material, associated items, and facilities under Australian control.
- Work to ensure Australia continues to receive a 'broader conclusion' safeguards assessment from the IAEA based on Australia's commitment to meet the risk-informed, highest international nuclear safeguards standards.
- Ensure Australia maintains effective nuclear security arrangements domestically and for the transport of Australian uranium overseas.
- Account for obligated nuclear material within Australia and globally for all prescribed international agreements under the Safeguards Act while ensuring that associated implementing arrangements remain fit-for-purpose.
- Develop and implement ASNO permits and other regulatory activities under the CWP Act to ensure Australia's CWC commitments continue to meet the highest risk-informed standard of all CWC-relevant facilities and chemicals.
- Ensure that Australia's CTBT International Monitoring System stations and National Data Centre function effectively; that Australia continues to provide technical expertise to improve the whole CTBT verification regime; and support civil access to CTBT data in our region.

3. Collaboration and engagement

- Support practical efforts that shape and strengthen global non-proliferation and disarmament verification mechanisms including through the ASSP and Verify program.
- Support practical efforts to build non-proliferation related capacity in our region, including through APSN.
- Collaborate and engage with other Australian Government regulatory agencies, such as through the Regulatory Science Network, to increase interagency cooperation and improve the performance of Australian government regulatory agencies by strengthening evidence-based decision making.
- Remain transparent regarding ASNO's cost recovery activity by maintaining an up-to-date Cost Recovery Implementation Statement on your website. In 2025, the department is scheduled to undertake a portfolio charging review for financial year 2024-25. This will include a review of the Uranium Producers Charge that you administer. I expect you to consider all options for the future of this charge.

Innovation and regulatory change

I expect ASNO to ensure regulatory approaches keep pace with changes in technology, industry practices, international regulation, and community expectations and to regularly

review and, where necessary, adjust policies and operational procedures in response to those changes.

Relationship with Minister and portfolio

Director General ASNO is accountable to me as the responsible portfolio Minister. I expect ASNO and its Director General to continue to prepare an Annual Report outlining the activities and performance of ASNO, as required by legislation.

ASNO is also required to support the Secretary of the department to meet its obligations under the *Public Governance, Performance and Accountability Act 2013*, including annual performance reporting.

ASNO's regulatory functions are a critical enabler to uphold Australia's international obligations and protect and advance Australia's national and foreign policy interests. As the responsible Minister, I will provide an enabling environment for ASNO to consistently implement best practice by ensuring ASNO is well-informed of the Government's policy direction and will liaise with my ministerial colleagues when appropriate to support ASNO's work.