

26 March 2025

Senator the Hon Penny Wong
Minister for Foreign Affairs
Parliament House ACT 2600

Dear Minister,

I am writing to acknowledge the Ministerial Statement of Expectations you provided me on 7 March 2025 and to provide you with my responding Statement of Intent for the Australian Safeguards and Non-Proliferation Office (ASNO), as required by Department of Finance's Regulator Performance Resource Management Guide (RMG 128) (July 2023).

The attached Statement of Intent outlines how ASNO—under my leadership—proposes to meet the expectations set out in your Statement of Expectations and the priorities ASNO will observe in conducting its operations. This includes contributing to the Government's regulatory reform agenda, displaying and progressing the principles of regulator best practice and demonstrating innovation and regulatory change.

The Statement of Expectations and Statement of Intent will be published on ASNO's website.

Thank you for acknowledging ASNO's important work.

Sincerely,



Geoffrey Shaw (Dr)
Director General

Encl. Regulator Statement of Intent

AUSTRALIAN SAFEGUARDS AND NON-PROLIFERATION OFFICE

STATEMENT OF INTENT

This Statement of Intent sets out my intentions as Director General of the Australian Safeguards and Non-Proliferation Office (ASNO) regarding how I will lead ASNO to meet the expectations outlined in the Ministerial Statement of Expectations of 7 March 2025.

Overview

ASNO is a multi-disciplinary nuclear and chemical regulator, and as Director General I have statutory responsibilities under the:

- *Nuclear Non-Proliferation (Safeguards) Act 1987 (Safeguards Act)*
- *Chemical Weapons (Prohibition) Act 1994 (CWP Act)*
- *Comprehensive Nuclear-Test-Ban Treaty Act 1998.*

I will lead ASNO in the effective operation of these Acts, to enable Australia to continue 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 Cooperation Agreements (NCAs)
- the South Pacific Nuclear Free Zone Treaty.

In addition to these, I will lead ASNO in maintaining the relevant regulatory and administrative responsibilities under the:

- 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*
- *The South Pacific Nuclear Free Zone Treaty Act 1986.*

ASNO's role

I will continue to lead ASNO's efforts 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, ASNO will advance work under three core pillars:

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

Under this pillar, ASNO will independently regulate its permit holders, and other regulated entities, to ensure Australia's treaty obligations are met, including completing national declarations and supporting international inspections.

2. Supporting regional non-proliferation implementation.

ASNO will look beyond Australia's borders to strengthen our national security through providing practical support and sharing knowledge with regional partners to enhance non-proliferation treaty implementation. This includes through bilateral engagement, supporting capacity-building activities on treaty implementation in our region, and through the Asia-Pacific Safeguards Network (APSN). The Director General of the IAEA has acknowledged that such regulatory support to the region is a priority due to the increase in interest in nuclear power in the region.

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

ASNO will continue its work shaping and strengthening the global non-proliferation and disarmament verification landscape. As part of this, ASNO will lead efforts to build safeguards expertise in Australia for the next generation. This includes through ongoing support to the Graduate Certificate of Nuclear Security and Safeguards jointly offered by the Australian National University and Charles Sturt University. ASNO will also continue to coordinate research and development of next generation safeguards techniques and technologies to ensure IAEA safeguards continue to serve Australia's national security interests in support of naval nuclear propulsion.

In supporting the Government to respond promptly to any challenges and opportunities arising from ASNO's regulatory remit, I will ensure you are sufficiently briefed by ASNO. We will provide accurate and timely advice on significant issues relating to these regulatory functions in accordance with the Government's policy priorities and objectives. ASNO will also work closely with the Department of Foreign Affairs and Trade (the Department) in contributing specialist expertise to relevant policy advice.

The Government's policies and objectives

Regulatory reform agenda

ASNO will continue to support the Government as it looks to boost productivity through reducing unnecessary or duplicative regulatory costs and works with international partners to identify opportunities to improve the quality of regulation. We will also continue to support the Government's focus on improving regulator performance, capability and culture through regulatory stewardship.

To support the Government's regulatory reform agenda, ASNO will:

- seek opportunities to reduce duplication and streamline processes to improve efficiency. In addition to internal reviews and continuous improvement initiatives, ASNO will continue to engage with peer-regulators both domestically and internationally, as well as other key stakeholders to identify opportunities for improved regulatory efficiency.
- act in accordance with regulator best practice in ASNO's decision-making, policies, processes and communication practices, including publishing the Ministerial Statement of Expectations and this Statement of Intent on ASNO's website for greater transparency and accountability, and
- embed 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 ASNO's 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 the *Public Governance, Performance and Accountability Rule 2014*, in order to support greater transparency and accountability of regulator performance.

Principles of regulator best practice

In leading ASNO, I will continue to ensure Australia's treaty obligations are implemented through an independent, robust domestic non-proliferation regulatory system that maintains the highest standards. Our work will continue to reflect the importance of our non-proliferation treaties to Australia's national security.

To embed the three principles of regulator best practice from RMG 128 into its work, ASNO will progress the following:

1. Continuous improvement and building trust

- Seek to minimise duplication and to harmonise activities with other relevant regulators and agencies to achieve a whole-of-system perspective and better regulatory outcomes. ASNO will mature regulatory governance frameworks as responsibilities and capacity expands, to ensure a sustainable level of technical expertise and maintain trust in ASNO's principal and operational policies.
- Lead Australia's negotiations with the IAEA on the safeguards and verification approaches for Australia's naval nuclear propulsion program, while collaborating with stakeholders and protecting classified and controlled information and assets. In negotiations, which are first-of-a-kind under a Comprehensive Safeguards Agreement with the IAEA, ASNO will seek to ensure that the Government's objective of highest non-proliferation standards is met.
- Continue to progress the Verify program, designed to drive new safeguards research and development for the next generation of IAEA safeguards techniques and technologies, and to build safeguards expertise in Australia for the next generation. Verify—undertaken through the Australian Safeguards Support Program (ASSP) with the IAEA—will be essential for meeting IAEA safeguards obligations for naval nuclear propulsion for the duration of the program.
- Work with stakeholders and within processes led by the Department's Information Management Division (IMD) to improve the digital regulatory systems, including ASNO's nuclear and chemical regulatory databases, to make them fit-for-purpose, able to meet future demands, and minimise regulatory burden 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 APSN.
- Work with domestic stakeholders to share experience and promote best practice in regulatory science, including through ASNO's leadership role in the Regulatory Science Network (RSN).

2. Risk-based and data-driven

- Continue applying ASNO's domestic non-proliferation regulatory system in a risk-informed way to minimise regulatory burden.
- Work within the processes led by IMD to improve the digital regulatory systems, including ASNO's nuclear and chemical regulatory databases, to support data-driven work both now and into the future.
- Make a meaningful and practical contribution through the implementation of domestic regulation, to ensuring Australia's compliance with treaty commitments. ASNO's measure

of success for implementing the highest, risk-informed standard for domestic safeguards and supporting IAEA safeguards will be for Australia to continue to receive a 'broader conclusion' safeguards assessment from the IAEA.

- In consultation with stakeholders, develop bespoke permits under the Safeguards Act that will enable ASNO to regulate nuclear material, associated items, and facilities relating to the naval nuclear propulsion program, to ensure risks are proportionately managed.
- Ensure Australia maintains effective risk-informed nuclear security arrangements domestically for all permit holders and for the transport of Australian uranium overseas.
- Track obligated nuclear material within Australia and globally for all prescribed international agreements under the Safeguards Act while ensuring that the associated implementing arrangements remain fit-for-purpose.
- Meet Australia's Chemical Weapon Convention commitments to the highest, risk-informed standard, including those verified by the Organisation for the Prohibition of Chemical Weapons during inspections of declared facilities.
- Ensure that Australia's CTBT International Monitoring System stations and National Data Centre are functioning effectively, and that Australia continues to provide technical expertise to improve the CTBT verification regime. ASNO will also continue to support civil access to CTBT data in our region in support of broader scientific and civil applications.

3. Collaboration and engagement

- Support practical efforts that shape and strengthen global non-proliferation and disarmament verification mechanisms including through the Verify program and the International Partnership for Nuclear Disarmament Verification.
- Strengthen Australia's security by looking beyond our borders and continuing work with our regional partners to enhance non-proliferation treaty implementation. In 2025–26 ASNO will chair APSN and in 2025 will deliver a second nuclear safeguards masterclass for countries with nuclear non-proliferation obligations in the region.
- Collaborate and engage with other Australian regulatory agencies, such as through the RSN, to increase interagency cooperation and improve the performance of Australian regulatory evidence-based decision making. In 2025, ASNO will chair the RSN to further this agenda.
- Review the Uranium Producers Charge and consider options for reducing the administrative burden of implementing this charge, during the scheduled portfolio charging review in 2025.
- Support current and future permit holders and other regulated entities to maintain their compliance by ensuring ASNO's website is easy to use and up-to-date, and that other communication channels are relevant and respond to permit holder needs.

Innovation and regulatory change

In keeping with Australia's international obligations, and to protect and advance Australia's national and foreign policy interests, I will ensure ASNO continually monitors the environment we operate in to ensure regulatory approaches keep pace with changes in technology, industry practices, international regulation, and community expectations. I will also ensure ASNO regularly reviews and, where necessary, adjusts policies and procedures, to ensure we can respond to the changing social, technological and commercial context in which we operate.

Relationship with Minister and portfolio

I recognise and respect my accountability to you, the Minister for Foreign Affairs, as the responsible portfolio Minister for nuclear and chemical non-proliferation. To maintain regulatory transparency, I will continue to publish the Director General's Annual Report outlining the activities and performance of ASNO, as required by legislation.

I will also lead ASNO to support the Secretary of the Department to meet its obligations under the *Public Governance, Performance and Accountability Act 2013*, including annual performance reporting.

I recognise and respect the enabling environment you provide as the responsible Minister, keeping me well-informed of the Government's policy direction.