



## **IAEA Board of Governors**

**5 June 2013**

### **Agenda Item 6 (d): Iran**

Mr Chairman

The Australian delegation thanks the Director General for his report on safeguards implementation in the Islamic Republic of Iran and has noted his remarks in his introductory statement on 3 June.

Mr Chairman

The Director General has once again had to report to the Board that it has not been possible to reach agreement with Iran on finalising the structured approach document. Since January 2012, the Agency has conducted 10 rounds of talks with Iran on the structured approach, most recently on 15 May here in Vienna. We note that the statement made by Mr Nackaerts following the talks that day makes no mention of any progress whatsoever.

As we have reminded Board members on several occasions, HE Mr Saeed Jalili, Secretary of the Supreme National Security Council of Iran said in May last year – over one year ago - that, although some differences between the Agency and Iran remained regarding the “structured approach”, these “were not obstacles to reaching agreement”.

Despite this declaration by Mr Jalili, there is still no progress after one and a half years and 10 rounds of an “intensified dialogue”. As such, we can only assume that there are, in fact, obstacles standing in the way of an agreement. In view of this situation, we wonder if the Agency, while respecting necessary confidentiality, could provide member states with some additional detail regarding what Iran cannot agree to in these discussions? Taking this step would assist member states in obtaining a better view of the obstacles involved. Perhaps some member states might even be in a position to provide advice or assistance regarding the removal of these obstacles.

Mr Chairman

At the same time that the Agency, despite patience and perseverance, cannot make progress with Iran on the structured approach, Iran continues to defy the 12 resolutions adopted by the Board of Governors during the decade that has

passed since 2003, and the six resolutions adopted by the United Nations Security Council since 2006.

Mr Chairman

In defiance of these resolutions, and the concerns of the international community, Iran continues to produce and stockpile 20% enriched uranium. Iran is currently producing around 15kg each month of 20% enriched uranium, or around 180kg a year at current production rates.

We have been told this production of 20% enriched uranium is for the Tehran Research Reactor and the production of medical isotopes, and for fuel for other thus far only planned research reactors.

We understand that the Tehran Research Reactor requires around 9-18kg of 20% enriched uranium every year. At its current production levels, Iran can produce approximately 10 years of fuel for the Tehran Research Reactor every year. And Iran is able to produce these quantities even though it is operating the underground Fordow Fuel Enrichment Plant at one-quarter of capacity.

The international community is entitled to ask just what is the purpose of this additional production and additional enrichment capacity.

Let me provide a point of comparison from Australia's own experience. When Australia's new medical isotope production facility reaches full production in 2016, it will potentially be able to supply one-quarter of global demand for molybdenum-99 isotopes, which is used for approximately 80% of nuclear medicine procedures. To produce that amount, Australia's OPAL research reactor would require 67.5 kg of 20% enriched uranium annually. Iran is already producing three times that amount of 20% enriched uranium every year, allegedly to fuel a reactor one quarter the size.

The evidence indicates that Iran's current production of 20% enriched uranium does not make scientific, medical or commercial sense. So what is it for?

Mr Chairman

We again register our serious concern about the installation of increasing numbers of more advanced IR2m centrifuges at the Natanz Fuel Enrichment Plant. These centrifuges, together with the seemingly relentless rise in numbers of IR1 models, allow Iran to produce more efficiently and in increasing quantities the enriched uranium for which – as I have just explained - it does not have any plausible use. Their installation does nothing to improve the confidence of the international community about the motives for, or transparency of, Iran's nuclear activities.

Mr Chairman

Iran continues to do nothing to address the concerns of the international community about the Possible Military Dimensions (PMD) of its nuclear program. Iran does not have to wait for a “structured approach” to be finalised in order to provide such assurances. It can do so now, in fulfilment of Board and Security Council resolutions.

The Agency’s concerns about PMD were clearly set out in the Annex to the Director General’s report of November 2011.

We reiterate that the Director General has assessed that, in relation to PMD, “prior to the end of 2003 the activities took place under a structured program; that some continued after 2003; and that some may still be ongoing.”

It is against this background that, in his latest report to the Board, the Director General has declared that the Agency considers it “essential and urgent” for Iran to engage with it on the substance of its concerns. The Director General has also stated that “Unless Iran addresses the Agency’s requirement to conduct effective verification, it will not be possible to resolve outstanding issues, including those relating to possible military dimensions to Iran’s nuclear programme”.

We again call upon Iran to engage substantively with the Agency on PMD and the structured approach. It must provide answers to the Agency concerning the issues raised by the Director General in the Annex to his report of November 2011.

Mr Chairman

We again read with serious concern the Director General’s assessment of the extensive activities undertaken at Parchin and particularly that “a significant proportion” of the site has now been asphalted. The Director General has reported that “The extensive and significant activities which have taken place since February 2012 at the location within the Parchin site have seriously undermined the Agency’s ability to undertake effective verification”. We note that the timeline for the extensive work at the Parchin site parallels the timeline of the Agency’s intensive but fruitless dialogue with Iran. We again call upon Iran to provide the Agency with access to Parchin without further delay.

We also continue to be seriously concerned by the Director General’s assessment concerning the IR-40 reactor that the “lack of up to date design information is having an increasingly adverse impact on the Agency’s ability to verify the design of the facility and to implement an effective safeguards approach.”

As the Director General's report makes clear, there continues to be significant progress in construction at this site, and the Agency requires up-to-date design information to conduct effective safeguards and to ensure the facility is not going to be misused.

Mr Chairman

Once again we place on record our frustration that, in addition to the serious concerns we have already raised, and contrary to Board of Governors and Security Council resolutions, Iran has not suspended work on heavy water related projects. Iran continues to conduct activities at the Uranium Conversion Facility, the Fuel Manufacturing Plant and the Fuel Plate Fabrication Plant at Esfahan, despite its obligation to suspend these. Iran continues to ignore the requirements of the modified Code 3.1 of the Subsidiary Arrangements. And Iran still refuses to implement its Additional Protocol.

Mr Chairman

The right to a nuclear fuel cycle comes with responsibilities and obligations. Iran must recognise its responsibilities and meet the obligations it has freely undertaken, for the sake of international confidence, and for the continued health and robustness of the global non-proliferation regime.

And as the Director General has declared, it is now "essential and urgent" that Iran cooperate fully with the Agency, and implement its Safeguards Agreement and other obligations, including its Additional Protocol.

If there is no concrete progress by the next Board, we will work with other Board members to consider further action as appropriate pursuant to the Statute.

Australia supports the public release of the Director General's report on Iran.

Thank you.