The Iran Nuclear deal—facts, issues, stakeholders, and Australian policy: a quick guide

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Introduction
International concerns about Iran’s nuclear program date back decades, though it was not until 2006 that the first United Nations (UN) sanctions were imposed on Tehran. This followed the International Atomic Energy Agency’s (IAEA) official declaration that Iran was not meeting its obligations as a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons, 1970. By that time Iran had also resumed its uranium enrichment program, which had been halted in 2003.

While Iran had already been subject to a range of non-nuclear US sanctions, the subsequent international sanctions regime was progressively augmented though a variety of US, European Union (EU) and UN instruments to become the most comprehensive the world had ever seen. This also reflected a growing unity on the Iran nuclear issue among key international players, particularly on the part of the UN Security Council (UNSC) permanent members.

However, by 2013 Iran was still a nuclear threshold state, with its ‘break-out’ time to produce a nuclear weapon estimated to be a matter of months. As such, new emphasis was given to negotiations. The election of a new, ‘moderate’ president in Iran, and the growing impact of the sanctions regime on the civilian economic sector also created the conditions where talks could succeed.

The Joint Comprehensive Plan of Action (JCPOA) was signed in July 2015, following a complex two-year negotiation process, and multiple interim agreements. This was a significant effort by the five permanent members of the UNSC plus Germany, or the P5+1. Under the final deal, Iran agreed to restrict its nuclear program and allow a regime of ongoing inspections. In return, after a 12-month verification period, the P5+1 partners promised gradual sanctions relief through relaxation of both UN and national sanctions regimes.

This quick guide provides an outline of:
• the basic parameters of the deal
• key issues of contention
• major stakeholders’ positions and
• an overview of Australian interests and policy.  

1. Break-out time refers to the time required to produce enough weapons-grade uranium for one nuclear weapon.
2. For a comprehensive history of the Australia-Iran relationship to 2013, see: N Markovic, It's complicated: a timeline of Australia-Iran relations in a historical perspective, Background note, Parliamentary Library, Canberra, 9 May 2013.
The deal’s parameters and intent

The JCPOA is a multilateral agreement between the P5+1 (which includes the US, the UK, China, France, Russia and Germany) and Iran. As a multilateral instrument, the JCPOA cannot be bilaterally renegotiated—a point that EU foreign policy officials have stressed on multiple occasions.3

The EU’s High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini, has consistently emphasised the international nature of the agreement. In September this year, she also noted that if any country broke the deal, it would be in violation of UN Security Council Resolution 2231. This resolution enshrined the JCPOA in international law and ‘all member states are considered to be bound by its implementation’. However, Obama administration officials responsible for the deal, insisted that the JCPOA was not legally binding—they emphasised it was a set of ‘political commitments’ rather than a formal treaty or executive agreement. Many experts highlight that the provisions of the resolution that legally bind UN member states are those which continue the existing arms and missile technology embargoes on Iran.

The US Congressional Research Service (CRS) also notes that the agreement does not allow any one party to terminate the deal, even though any party could stop implementing their commitments under the deal. This would then leave it open as to whether the remaining parties maintain their commitments.

Former US President Barak Obama, who played a key role in negotiations, was clear from the outset about the limited aims of the JCPOA. It was not designed to address other aspects of Iranian policy or behaviour; rather, its singular goal was to cut off all avenues for Iran to obtain a nuclear weapon.4 The JCPOA’s architects also hoped it would be a foundation for rapprochement between Iran and the world, and that Iran’s interactions with the world would encourage other gradual changes in Iranian behaviour outside the nuclear program. In a July 2015 press conference, Obama addressed concerns that the deal was too limited in scope, noting:

> ... no one suggests that this deal resolves all the threats that Iran poses to its neighbours or the world ... But this deal is our best means of assuring that Iran does not get a nuclear weapon. And from the start, that has been my number one priority, our number one priority.

In a September 2017 op-ed published in the Washington Post, former US Secretary of State John Kerry highlighted that the deal was only possible because of its limited objectives:

> The world was united on one issue alone — Iran’s nuclear capability. We could not have achieved unity or held the sanctions regime together if we added other issues. But we believed it would be easier to deal with other differences with Tehran if we weren’t simultaneously confronting a nuclear regime.

The narrow scope of the agreement continues to be a key issue for opponents of the deal in the US, who argue that the deal does not go far enough to address Iran’s destabilising influence in the region, and empowers Tehran through the lifting of sanctions.

Key provisions of the deal

Table 1 below outlines some of the key provisions of the deal, including the controversial, oft-cited ‘sunset clauses’—these are the clauses with restrictions that sunset or end between 2026 and 2031 (see Figure 1).5 However, the JCPOA’s proponents emphasise that the most important aspects of the agreement remain in perpetuity. As such, the existence of these clauses does not mean Iran can or will build a nuclear weapon the moment these limits expire. Ongoing components of the deal include continuous, comprehensive inspections and a permanent prohibition on Iran having a nuclear weapons program.6

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3. The JCPOA itself is a political declaration, rather than a legally binding agreement or treaty.
4. It is worth noting that Iran still retains the right to have a peaceful nuclear program. As such, demands that restrict all nuclear activity would never have been acceptable.
5. Sunset clauses are a standard feature of most arms control agreements. The Strategic Arms Reduction Treaty (START) and the Nuclear Non-Proliferation Treaty (NPT) are two examples.
Iran also has to inform the IAEA when it decides to build a nuclear facility, and in 2023 it will ratify the IAEA’s additional protocol which allows short-notice inspections of undeclared facilities (until then, Iran is allowing these inspections voluntarily).⁷

Table 1: key provisions of the JCPOA

<table>
<thead>
<tr>
<th>Provision</th>
<th>Explanation</th>
<th>Issue</th>
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<tr>
<td>Inspection of Iranian nuclear facilities</td>
<td>Under the JCPOA the IAEA will have access to Iran’s supply chain for its nuclear program and has continuous surveillance of centrifuge manufacturing and storage facilities for 20–25 years. However, inspections will continue permanently to ensure Iran is in broad accordance with its general obligations as a NPT signatory.</td>
<td>US Ambassador to the UN, Nikki Haley, has called for inspection activities to include sensitive military sites, although there is a provision in the JCPOA that allows this if nuclear activity is suspected. This measure is popular with Republicans critical of the deal looking to curb Iranian influence more broadly.</td>
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<tr>
<td>Uranium Enrichment (including centrifuge technology)</td>
<td>Limits on Tehran’s enrichment of uranium include restrictions on centrifuge numbers, levels of enrichment, and facility (only at Natanz) and stockpile limitations. There is a ten-year sunset clause (to 2025) on the number of centrifuges Iran can maintain, as well as research and development of more advanced equipment. Surveillance of centrifuge production sites also continues until 2035, enabling the international community to monitor any activity once the 2015 clause expires.</td>
<td>Critics of the deal see the ten-year sunset clause on centrifuges as an issue and argue Iran can return to enrichment at that point.</td>
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<tr>
<td>Uranium Stockpiles</td>
<td>About 97 per cent of Iran’s stockpile was eliminated under the JCPOA, leaving less than 300 kg of low-enriched uranium—this cannot produce a nuclear weapon. The cap on Iran’s low-enriched uranium stockpile remains in place until 2030. International Crisis Group analyst Ali Vaez notes weaponisation would therefore be virtually impossible until then.</td>
<td>Critics of the deal also see the sunset clause on enrichment as an issue, as they see all such clauses as problematic.</td>
</tr>
<tr>
<td>Nuclear facilities</td>
<td><strong>Fordow</strong> was converted to a research facility under the deal—no more enrichment or R&amp;D.</td>
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<td>Plutonium plant at Arak</td>
<td>No <strong>heavy water reactors</strong> are allowed in Iran for 15 years, and Iran agreed to permanently cease production of weapons-grade plutonium.</td>
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<tr>
<td>Research and Development</td>
<td>The JCPOA prohibits research and diagnostic activities that could contribute to the design and development of a nuclear device in perpetuity.</td>
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Source: Parliamentary Library

Sanctions and sanctions relief

Since the Islamic Republic of Iran was established in 1979, it has been subjected to a steady stream of sanctions, many of which are unrelated to Tehran’s nuclear program. It was only in 2006—after the IAEA’s 2005 declaration that Iran was non-compliant with its NPT obligations—that the UNSC began to implement non-proliferation related sanctions binding on all member states. Many countries, including Australia, also instituted ‘autonomous’ sanctions beyond what was required by the UN.

While sanctions against Iran vary across different countries depending on their autonomous regimes, all UN member states were obliged to comply with the UNSC resolutions. US sanctions on Iran specifically pre-date nuclear non-proliferation concerns, and are related to a much broader set of issues that include terrorism, crime

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⁷ Ali Vaez notes in: *The Iranian nuclear deal’s sunset clauses*, Foreign Affairs, 3 October 2017, that no country has yet developed nuclear weapons while IAEA inspectors have been allowed access to facilities under the additional protocol, and the four most recent nuclear states (India, Israel, Pakistan and North Korea) never signed the NPT, or in North Korea’s case, withdrew prior to embarking on a nuclear weapons program.
and human rights. As such, not all these sanctions were lifted following the implementation of the JCPOA, leaving a large number in place. 8

**Post-JCPOA**

UN Resolution 2231 (2015) was adopted by the UNSC on 20 July 2015. This endorsed the JCPOA and terminated the sanctions imposed under earlier UNSC resolutions. 9 The CRS notes that the suspended sanctions were mostly those imposed under UN resolution 1929 (2010) which targeted Iran’s civilian economic sectors. However, there is considerable variation in what sanctions remain imposed on Iran by different partners. For example, virtually all EU sanctions were lifted in 2015, with the exception of an embargo on the sale of arms and missile technology and other proliferation-sensitive items and equipment that could be used for internal repression. Russia and China only ever had UNSC sanctions in place, and these are now lifted. The US sanctions regime is the most complex. Washington had a sweeping autonomous sanctions regime in place and maintains a ban on US trade and investment with Iran. Any direct deals between US companies and Iran—for example, Boeing’s aircraft deal—are made under waiver.

Many commentators note that expected sanctions relief for Iran has still not materialised. Ongoing uncertainty over the deal and the US approach, and the lack of transparency and ease of operation in Iran’s business environment both play a part. Iran’s reintegration into the global economy has been slow, and Iran still lacks normal international banking relations, according to the International Crisis Group. This has led to some criticism of the deal in Iran. For example, the Iranian embassy in London still could not open a UK bank account in October this year—more than 18 months after the JCPOA came into effect.

If the US chose to re-impose sanctions in the future without the support of the other P5+1 partners, many experts remain sceptical as to whether they would have the same impact as before. The effectiveness of the regime that led to the 2013 negotiations and eventual JCPOA depended on a substantial degree of international consensus and cooperation. A wide range of countries has also resumed energy trading with Iran, and signed a number of other key aerospace and technology deals that would be threatened by renewed sanctions—this also includes Boeing’s USD 20 billion deal, which will support 120,000 American jobs, and a similar deal for European aviation manufacturer Airbus, which uses American parts in its aircraft. 10 It is unclear how US secondary sanctions—those imposed on any other party doing business with Iran—would affect Iran if re-imposed broadly, but these previously had a marked effect on willingness to do business with Iran. 11

**Compliance and certification**

Before Iran could obtain sanctions relief under the JCPOA, the IAEA had to certify that Tehran had halted enrichment activities, removed centrifuges used for enrichment, eliminated most of its uranium stockpile, destroyed facilities related to weapons-grade plutonium and opened its program to intrusive inspections.

Under the terms of the deal, the IAEA continues to monitor and report, and since January 2016, it has verified eight times that Iran is abiding by the JCPOA’s terms. As such, the deal is working as it was intended when drafted. Iran’s progress toward a nuclear weapon has been halted, but the agreement’s provision that Iran give up its nuclear weapons program permanently would theoretically see this extended indefinitely. There have been several minor infractions, but they have been quickly discovered and rectified—an indication the mechanisms in place are working as planned. Iran’s ballistic missiles tests do not violate the deal under UNSC Resolution 2231 (2015). 12

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8. See The International Crisis Group’s ‘Interactive: the making and unmaking of Iran sanctions’ for an interactive representation of the convoluted international sanctions web that shows the scale, number and target of the various sanctions levied on Iran over the last several decades.


10. Non-US parties have paid a higher economic price than the US to institute the sanctions regime. Long-standing US prohibitions on dealing with Iran have effectively prevented business for decades.


12. As flagged, UNSC Resolution 2231 (2015) replaced a number of earlier UNSC Resolutions, including UN Security Council Resolution 1929 (2010). It specifically states that the Security Council ‘decides that Iran shall not undertake any activity related to ballistic missiles capable of delivering nuclear weapons, including launches using ballistic missile technology’. However, this definitive language was dropped following the JCPOA negotiations and UNSC Resolution 2231 (2015) only notes ‘Iran is called upon not to undertake any activity related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches using such ballistic missile technology’.
US certification
Certification is an issue particular to the US—it is not related to, or a requirement of, the JCPOA itself. This requirement was created by Congress under the Iran Nuclear Agreement Review Act 2015, also known as the ‘Corker-Cardin law’. The law was introduced by a Republican-controlled Congress and was meant to constrain the Obama administration’s outreach to Tehran by giving Congress the ability to review the final terms of the JCPOA and block the President from lifting US sanctions.  

UN Ambassador Nikki Haley described the requirements of the Act in an address to the American Enterprise Institute in September. She noted that the law states the President must certify not only that Iran is complying with the agreement, but also that the provision by the US of continued sanctions relief is ‘appropriate and proportionate to the specific and verifiable measures taken by Iran with respect to terminating its illicit nuclear program’ and ‘vital to the national security interests of the United States’. According to Haley, certification is therefore about more than just certifying Iran’s compliance with the deal; it is about the broader context of US security interests.

While President Trump has certified Iran’s compliance to Congress twice since assuming office, he has done so grudgingly, warning that he may not do so next time. If President Trump decides to decertify Iran’s compliance, under the terms of the Iran Nuclear Agreement Review Act 2015 the deal will go to Congress—this in itself does not mean the US withdraws from or breaks the terms of the JCPOA. Congress then has two months to decide whether to re-impose nuclear-related sanctions. If they decide to do so, then the US will be in violation of the deal. However, if the legislature makes no decision, the onus passes back to the President.

Policy positions
Although President Trump and his administration have been broadly and consistently negative about the JCPOA, the administration’s comments on the deal have been contradictory and varied. The Congressional Research Service notes that at times Trump has talked about abrogating the deal outright, seeking to renegotiate its terms, and at other times has also highlighted the need for stricter enforcement.

The UK and France share some US concerns over Iran’s regional activities, and note they would be supportive of further talks to address the issues not covered by the JCPOA, but they remain strongly committed to the deal, as do Russia and China.
The table below provides a brief summary of recent statements by major stakeholders (the US and Iran are covered in detail below).

**Table 2: key stakeholder positions**

<table>
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<th>Stakeholder</th>
<th>Position</th>
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<tbody>
<tr>
<td>UK</td>
<td>Highly supportive. Prime Minister Theresa May has spoken out in favour of the deal, and Foreign Minister Boris Johnson noted it was important for young Iranians to see benefit from the JCPOA, and that they could be ‘won over’. In September, the House of Lords International Relations Committee also called on the UK government to explicitly restate its support for the JCPOA. However, the UK is also concerned about Iran’s ‘adventurist and expansionist plans’ in the region.</td>
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<tr>
<td>France</td>
<td>Sees the deal as vital for international security, but has also suggested ‘new pillars’ should be added to the international community’s relationship with Iran.</td>
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<td>Germany</td>
<td>Has noted it will do all it can to help maintain the agreement, with the Foreign Minister urging the US to adhere to the agreement.</td>
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<tr>
<td>China</td>
<td>Supports the deal, with the foreign ministry noting it hopes it will continue to be implemented.</td>
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<tr>
<td>Russia</td>
<td>Supports the deal, and will continue to do so.</td>
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Source: Parliamentary Library

**The US position and role**

President Trump has variously pledged ‘to dismantle the disastrous deal’ and to ‘force the Iranians back to the bargaining table to make a much better deal’. He has considerable support for this among US Republicans as there has been longstanding opposition to the JCPOA. The Iran deal is seen in many quarters as facilitating provocative Iranian behaviour—the relaxation of sanctions and the billions in frozen assets is seen as funding that Iran can devote to its aggressive regional agenda. However, while the Trump administration has maintained a consistently negative approach to the deal, strongly suggesting it will be revised in some form, messages from his administration on how this might happen have varied, some examples of which are below. Trump’s re-certification of the agreement now on two occasions also suggests some level of uncertainty in the administration’s approach.

- UN Ambassador Nikki Haley recently noted in a presentation to the American Enterprise Institute that ‘the nuclear deal is a very flawed and very limited agreement’ ... ‘Iran has been caught in multiple violations over the past year and a half’.
- In August, Secretary of State Tillerson admitted he had argued in favour of keeping the Iran deal, saying he had ‘differences of views’ from the President, though he also noted Iran continued to support terrorism and was not complying with ‘the spirit’ of the agreement. In September, Tillerson emerged from a UN meeting with JCPOA partners conceding that Iran was abiding by the letter of the 2015 deal, but he still insisted Tehran was not fulfilling the ‘expectations’ of the agreement. He also confirmed that President Trump had already made a decision on whether to stick with the deal or walk away in October 2017, ahead of the next date he is due to certify Iran’s compliance to Congress.
- Defence Secretary Mattis told the Senate in October that the agreement was serving national interests, and that it was in US interests to stick with the deal. He described the deal as flawed during his January confirmation hearing, but also said that the US needed to live up to its word and work with its allies.

**Iran**

Iranian officials have consistently stated that they will not renegotiate the JCPOA, and that they have reinforced their willingness to continue adhering to its provisions, highlighting that they will not be the first party to violate the agreement. Bellicose statements from Iranian leaders reported in the media have often been taken out of context. Iran has continued to stress its adherence to the deal, although warning ‘Tehran will be prepared if anything changes’, with examples from key government figures below. This is also important for its domestic audience. 

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16. The last two US Congresses have introduced legislation with the stated purpose of redressing asserted weaknesses in the JCPOA and preventing any US sanctions relief beyond that explicitly stated in the agreement.

17. The regime in Tehran is far from a monolithic entity. There is an ongoing struggle between hard-line religious clerics (who also control the security forces) and moderates, with hard-liners opposed to the deal. Proponents of the deal therefore argue that US actions will strengthen the position of those opposed to further integration with the West. There are also concerns that Iranian opponents of the deal could paint any new US
• Addressing the UN in September this year, **Iranian President Rouhani said** ‘I declare to you the Islamic Republic of Iran will not be the first country to violate the agreement, but it will respond decisively and resolutely to its violation by any party’.

• The head of Iran’s Atomic Energy Agency, Ali Akbar Salehi, has also emphasised that protecting the nuclear deal is **Tehran’s first priority**, but noted Iran would not preserve the agreement at any price. He also warned that if others violated it, Iran could resume 20 per cent uranium enrichment within five days.

The International Crisis Group has also **noted** that ‘no Iranian politician would be in a situation to accept a deal that is worse for Iran and better for the United States’. As such, any additional concessions from Iran would require incentives—**some commentators** have suggested transfers for Iran through the US financial system, or cooperation on civil nuclear technology.

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**The arguments for and against the JCPOA: a summary of common points**

**FOR**

- **The deal is working and Iran is compliant.** Iran’s progress toward a nuclear weapon has been halted for the term of the agreement and since January 2016, the IAEA has verified six times that Iran is abiding by the JCPOA’s terms. And, if Iran becomes a nuclear power, the West loses what ability it may currently have to shape Iran’s behaviour and mitigate against its other activities.

- **Without a nuclear deal, Tehran can resume progress toward a nuclear weapon.** Without the deal, any restrictions that block Tehran’s path to a bomb would be gone and international monitoring of Iran’s nuclear activities would be lost. There is no other realistic achievable alternative to prevent a nuclear-armed Iran.

- **Only the US is looking to revisit the deal.** The other JCPOA partners (UK, France, China, Russia, Germany) vigorously oppose ending the deal, and have warned that if the US withdraws they would be isolated on the issue. There is little likelihood of UN sanctions being reimposed if the US does not recertify Iranian compliance. Therefore, sanctions would only be reimposed by the US, and would arguably be less effective.

- **Iran has little incentive or will to renegotiate the deal.** No Iranian leader will be able to support a deal where they get less in return for less, and the US is unlikely to support a deal that gives Iran further concessions. Experts also point to an erosion of the already limited trust which would make any new negotiations difficult.

- **Ending the deal would strengthen hard-liners in the Iranian state.** Moderates in the Iranian regime have tied their credibility to this deal and the limited opening it has created with the West. This has flow-on impacts for broader Iranian policies and activities in the region which, conversely, are the very things the deal’s principal detractors want to limit.

- **Ending the deal also would send a dangerous signal to North Korea**—diplomacy is not reliable and international partners cannot be trusted. EU foreign policy chief, Federica Mogherini, **noted in October 2017** that this is a ‘matter of credibility of international agreements’.

**AGAINST**

- **The deal does not go far enough to address the threat from Iran.** Destabilising Iranian activities in the region continue unabated—for example, Iran’s ballistic missile development, its involvement in Syria and Yemen, and its support for US-designated terrorist groups such as Hezbollah.

- **Iran’s increased revenues from the deal enable its destabilising activities in the region.** The CRS notes ‘critics of the JCPOA expressed concerns that the extensive sanctions relief provided under the accord gives Iran additional resources to extend its influence in the region and that that the accord does not contain any restrictions on Iran’s development of ballistic missiles’.

- **The sunset clauses in the JCPOA mean Iran will have a nuclear weapon in a decade.** US Secretary of State Tillerson and Israeli Prime Minister Netanyahu have both argued that the deal only ‘kicks the can down the road’.
The Australian Government approach

Australian sanctions

The Department of Foreign Affairs and Trade’s (DFAT) sanctions website notes that Australia has implemented successive rounds of UNSC and autonomous sanctions against Iran (see figure 2). Australia is required under international law to implement UNSC sanctions, and does so through the Charter of the United Nations Act 1945 and associated regulations. However, Australia has also implemented successive rounds of autonomous sanctions against Iran since October 2008, beyond what was required by the UN. Each new round of sanctions has added new proscribed organisations/individuals, or has expanded the sanctions to other areas of trade. For example, the last round of autonomous sanctions, imposed in 2012, restricted trade in the hydrocarbon sector and introduced limitations on the bilateral trade in precious metals.

Figure 2: The Australian sanctions regime

![Sanctions Diagram]

* Also includes UNSC sanctions in relation to the protection of cultural heritage in Iraq and Syria.

Source: DFAT

However, Australia’s sanctions regime never reached the extent of that imposed by the US, being more comparable to Europe’s. In 2012, Australian Foreign Minister Bob Carr addressed the difference between the different national sanctions regimes:

The sanctions regimes of Australia, the European Union or the United Kingdom are not directly comparable to US sanctions against Iran in terms of reach and restrictiveness, including provision under US law for imposing sanctions on third country persons who engage in specific kinds of trade and investment with Iran.

The Australian decision to remove economic and financial sanctions against Iran was made in accordance with the Autonomous Sanctions Act 2011 (introduced by the Labor Government at the time) and UN Resolution 2231 (2015) which instituted the provisions of the JCPOA once Iran met its obligations. The Foreign Affairs, Defence and Trade References Committee report from May 2016, Partial Suspension of Sanctions against Iran, notes:

The Australian Government’s decision to lift certain autonomous sanctions against Iran was announced by Foreign Minister, the Hon Julie Bishop MP, via media release on 17 January 2016. The Foreign Minister welcomed the announcement that Iran has met its commitments under the JCPOA nuclear deal, and stated that the easing of sanctions will ensure that Australian business is not disadvantaged in pursuing opportunities in Iran. Sanctions were removed on the financial, banking and insurance industries; oil, gas and petrochemical industries; shipping, shipbuilding and transport; gold and other precious metals; banknotes and coinage. Sanctions remain in force on arms and related materials, certain metals, software and nuclear-related equipment, as well as persons and entities related to these areas.

The Committee’s report also notes that The Autonomous Sanctions (Suspension of Sanctions—Iran) Instrument 2016 gives effect to the suspension of Australia’s autonomous sanctions, while the Autonomous Sanctions (Designated Persons and Entities and Declared Persons List—Iran) Amendment List 2016 (No. 2) provides the basis for the Foreign Minister to revoke certain designations and declarations in relation to certain entities on the Autonomous Sanctions (Designated Persons and Entities and Declared Persons—Iran) List 2012. There is less
clarity on how autonomous sanctions might be reimposed quickly if required; this was also a point of concern in the **Partial Suspension of Sanctions against Iran** inquiry report.\(^\text{18}\)

**Policy**

Since the establishment of diplomatic ties with Iran in 1968, Australia has attempted to balance its trade and economic objectives in the Middle East with its non-proliferation and global security objectives, aiming to keep trade and politics separate.\(^\text{19}\) Australia has also maintained a continuous diplomatic presence in Iran since the embassy opened in Tehran in 1968, and in the 1990s Iran was Australia’s largest trading partner in the Middle East.

Since 2002, successive Australian governments have expressed concern about Iran’s nuclear activities. Labor and the Coalition have consistently recognised the need to contain Iran’s nuclear ambitions (via diplomatic means). Calls for a tougher approach on Iran have not received bipartisan support.\(^\text{20}\)

In a speech on 26 September 2012, Prime Minister Julia Gillard said:

> A nuclear armed Iran would be a major threat to regional and global security ... There remains the opportunity for diplomacy, backed up by robust sanctions, to persuade Iran to change its course. Iran must take this opportunity for change.\(^\text{21}\)

However, Gillard refused to meet directly with Iran’s controversial President, Mahmoud Ahmadinejad, at the Bali Forum for Democracy in November 2012. The Rudd and Gillard governments also oversaw the imposition of Australia’s autonomous sanctions regime beyond the requirements mandated by the UN.

Since its election in 2013, the Coalition Government has been consistently positive about the nuclear negotiation process with Iran. Following the announcement of the framework agreement on 3 March 2013, Foreign Minister Julie Bishop said in a media release:

> The Australian government welcomes progress towards a comprehensive agreement over Iran’s nuclear program, following the establishment of a framework agreement between permanent members of the Security Council and Germany (P5+1) and Iran. This framework agreement is an important step towards a final agreement, which will address international concerns about Iran’s nuclear program.

> There remain many details that need to be addressed over coming few months and I encourage all parties to continue to engage constructively in these negotiations.\(^\text{22}\)

In November 2013, following the signing of the P5+1-Iran Joint Plan of Action, Foreign Minister Julie Bishop said:

> I welcome the efforts to come to some sort of peaceful negotiation with Iran. The onus will now be on Iran to come up with a program that satisfies the rest of the world that they are engaged in civilian nuclear purposes and not otherwise, the onus is now on Iran.\(^\text{23}\)

The August 2014 Australia-US Ministerial Consultations (AUSMIN) communique also contained policy statements on the nuclear program and the P5+1 negotiations:

> Australia and the United States called on Iran to continue engaging constructively with the P5+1 to negotiate a joint comprehensive plan of action to resolve international concerns about its nuclear program, and called on Iran to resolve all outstanding issues related to its nuclear program - particularly those concerning its possible military dimensions - and fully and urgently to implement Iran’s Framework for Cooperation agreed with the International

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\(^\text{18}\) More information on this is available on DFAT’s website and in Foreign Affairs, Defence and Trade References Committee, **Partial suspension of sanctions against Iran**, The Senate, Canberra, May 2016.

\(^\text{19}\) Deakin University academic, Professor Shahram Akbarzadeh, notes that ‘historically, Australia maintained a bipartisan consensus on keeping trade with Iran separate from other political considerations’. Successive Australian governments have pointed to the diplomatic and political advantages of maintaining strong trade ties.


\(^\text{21}\) J Gillard (Prime Minister of Australia), *Practical progress towards realising those ideals in the world*, speech at the 67th Session of the General Assembly of the United Nations, New York, 26 September 2012.

\(^\text{22}\) J Bishop (Foreign Minister), *Iran nuclear negotiations—framework agreement*, media release, 3 April 2015.

Atomic Energy Agency. They urged Iran to take tangible steps to improve the country’s human rights situation and to cooperate fully with the UN Special Rapporteur.\textsuperscript{24}

In early March 2015, Foreign Minister Julie Bishop was also asked about the Netanyahu/Obama dispute over a potential nuclear agreement with Iran, again highlighting the importance of the JCPOA process:

There are negotiations under way, the PS + I negotiations, and we believe those negotiations should continue to a conclusion which is meant to be at the end of this month. We understand Israel’s deep concerns about Iran’s nuclear program but we support the PS + I negotiations and we want to see what negotiated outcome can be achieved.

If there is no outcome then more time should be given to the process because we believe a negotiation is the best way to achieve peace in this regard. We understand the Israeli Prime Minister’s concerns but we believe that the negotiations should continue to their obvious conclusion by the end of the month.\textsuperscript{25}

The Foreign Affairs, Defence and Trade References Committee report, \textit{Partial Suspension of Sanctions against Iran}, notes that under the Abbott and Turnbull Coalition governments—and with the implementation of the JCPOA—there has been a change in Australia-Iran relations. DFAT also notes:

Australia has significant reasons for engaging Iran on issues of shared interest and concern, including the fight against terrorism in Syria and Iraq, as well as the common challenges of people smuggling and illegal migration.

The Foreign Minister has also indicated on multiple occasions that she regards Iran as an \textcolor{blue}{important element} of the fight against the Islamic State.

The change in the relationship has also been reflected in a series of high-level meetings between Australian and Iranian officials, beginning in 2015. In April 2015, Foreign Minister Julie Bishop visited Tehran (the first visit by an Australian Foreign Minister since Alexander Downer in 2003), in March 2016 Iranian Foreign Minister Javad Zarif visited Australia, and in September 2016 Trade Minister Steven Ciobo visited Iran—the first such visit by an Australian trade minister since 2002.\textsuperscript{26} Australia also opened a trade office in Tehran in 2016.

However, the Opposition has cautioned the Government over its re-engagement with Iran. In March 2016, former shadow foreign minister Tanya Plibersek, stated:

The Foreign Minister has been ... so prepared to turn a blind eye to the anti-American rhetoric of the Iranian government, the anti-Israeli rhetoric of the Iranian government, to the human rights abuses, where people are locked up for their sexuality, for following a religion that’s not approved of by the regime, and most particularly, for political organisation against an oppressive government.

There have been no more recent statements on the issue.

\textsuperscript{24} Minister for Foreign Affairs Julie Bishop, Minister for Defence David Johnston, Secretary of State John Kerry and Secretary of Defense Chuck Hagel, \textit{AUSMIN 2014 Joint Communique}, 12 August 2014.

\textsuperscript{25} J Bishop (Foreign Minister), \textit{Transcript of interview with Michael Rowland: ABC News 24 Breakfast: 5 March 2015: Mr Chan and Mr Sukumaran, withdrawal of ambassadors to Indonesia, and Israel’s PM Benjamin Netanyahu’s comments on Iran}, media release, transcript, 5 March 2015.

\textsuperscript{26} The only senior Western figure to visit Iran in the last decade was EU foreign policy chief Catherine Ashton, in early 2014.