

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Budget Estimates Hearing 2009-10
01 June 2009

AGENCY/DEPARTMENT: AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

TOPIC: OPAL Reactor

REFERENCE: Written Question – Senator Eggleston

QUESTION No.: BI-7

What does ANSTO estimate was the total cost of the shutdown of the OPAL reactor? What are the breakdown amounts for:

- lost nuclear medicine production?
- halted neutron beam research?
- lost industrial irradiation services?

How much did the nuclear repairs total? How much has been recovered from the Argentinean constructor, INVAP? Has ANSTO recovered from INVAP for consequential loss? What losses were not met under warranty?

ANSWER

As stated in the response to parts 2.a) and b) of Senate Question 733 of 4 September 2008, ANSTO's current estimate is that the total cost of the rectification of the fuel assemblies and the extended shutdown in 2007-08 will amount to around \$14.4 million. That cost is broken up as follows:

- import of radio isotopes - approximately \$4 million
- reduced external income (predominantly from irradiation of silicon and lost export opportunities for molybdenum-99) - approximately \$6.1 million;
- fuel costs - approximately \$4.3 million.

It is not possible to put a dollar figure on the cost of loss of research time on the neutron beam instruments, which were themselves in different stages of commissioning during the period OPAL was shutdown.

The responsibility for the repair costs lies with the reactor vendor, INVAP but these costs have been discussed in conjunction with a range of other contractual issues. As stated by Dr Paterson at the Committee hearing of 1 June 2009, (Hansard page E11), the negotiations with INVAP have encompassed the costs of rectification of the fuel assembly problem, the costs of the remediation of the seepage into the reflector vessel and a number of other issues. Those negotiations have not encompassed the consequential losses from the shutdown in 2007-08. As Dr Cameron indicated to the Committee on 23 October 2008 (Hansard page E 53):

“[I]n the commissioning period that we are still in with the reactor there is no penalty for business losses. That is not unusual... [I]n that period of time, no reactor vendor will take any penalty for business losses. If they were to do it, they would simply add it to the contract price; we would end up paying for it anyway. So during the period of commissioning there is no compensation for business losses.