

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Budget Estimates Hearing 2010-11
31 May 2010

AGENCY/DEPARTMENT: AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

TOPIC: PETNET

REFERENCE: Question on Notice (Hansard 31 May 2010, E12)

QUESTION No.: BI-2

Senator HEFFERNAN-Why did ANSTO need to form a joint venture with Siemens, given that I would have thought you were capable of running cyclotrons without assistance from the manufacturer? Why was there no tender in that process?

Dr Paterson—I will comment on the nature of the relationship with Siemens. It is more a franchise agreement rather than a joint venture, because we are the 100 per cent shareholder of the facility. As to the reason that we have gone with Siemens and the basis of that process, I will take on notice.

ANSWER

As noted below by the then acting Chief Executive Officer of ANSTO, Dr Cameron, at the Supplementary Budget Estimates hearing in October 2008 (Hansard, pages E47-48):

Dr Cameron—Can I give you just a little bit of background. We were the first in Australia to produce FDG, which is the main PET isotope you are talking about. We did that out of our national medical cyclotron at the Royal Prince Alfred Hospital. It was never really designed for that purpose, and it became increasingly uneconomic to do so, so we stopped supplying FDG some years ago.

However, there was still a big demand in the market for PET isotopes, and a number of hospitals and others approached us, so we decided to re-enter that market. We announced that we would build a cyclotron to produce that isotope.. The process was we had discussions with all the major players in the market. We had discussions about partnerships with a number of the local players as well. We had, essentially, estimates from the major manufacturers of cyclotrons as to what it would cost, but what we were looking for was really the best product for the Australian market. We took all that information to our board, and the board made the decision that PETNET, which is the major brand of PET isotope suppliers around the world and has the best reputation for reliability and innovation, was the right group for an innovative organisation such as ourselves to partner with.

Business planning and modelling for PET supply were presented to the ANSTO Board in the February and April 2007 Board meetings. In May 2007, an extraordinary board meeting specifically regarding resumption of PET production was held. After giving consideration to more than one commercial partner, the proposal to enter into a franchise arrangement with PETNET Solutions Inc (which is a wholly owned subsidiary of Siemens Ltd) was accepted at the June 2007 Board Meeting.

PETNET Australia Pty Ltd, a wholly owned subsidiary of ANSTO, operates at arms length, manages and operates the facility independently from Siemens.

ANSTO complied with all relevant Federal Government procurement guidelines in reaching its decision to partner with PETNET Solutions Inc.