
TERMS OF REFERENCE

- (1) That a select committee, to be known as the Select Committee for an Inquiry into the Contract for a New Reactor at Lucas Heights, be appointed to examine and report by 4 December 2000, on the following matters:
 - (a) the need for a new research reactor, including:
 - (i) the validity of science and industry enhancement claims of the Australian Nuclear Science and Technology Organisation (ANSTO) and the Commonwealth Government,
 - (ii) the adequacy of supply, and the cost, of radioactive sources and nuclear medicines used in diagnosis and treatment,
 - (iii) the opportunities for alternative sources of nuclear materials for medical applications, such as additional cyclotrons at appropriate locations,
 - (iv) the validity of nuclear expertise and national interest claims of the Department of Foreign Affairs and Trade, the Australian Safeguards and Non-Proliferation Office, ANSTO and the Commonwealth Government for the replacement reactor, and
 - (v) consideration of alternative approaches and means through which Australia's national interests in nuclear disarmament and non-proliferation and nuclear safety can be supported and advanced;
 - (b) the process leading up to the signing of a contract in June 2000 with INVAP of Argentina for the construction of a new nuclear reactor at Lucas Heights, with particular reference to:
 - (i) the quality and accuracy of information relied on in assessing the tenders, including a review of how the economic, environmental and public health impacts were considered,
 - (ii) the probity of the tender arrangements and the accuracy of the cost assessments,
 - (iii) the checks made of the record of the preferred tenderer, INVAP, and its capability to undertake the project safely and economically and its record in matching international best practice in other projects, and
 - (iv) public access to information about the proposal and the consideration of issues raised through the public consultation process;
 - (c) the nature of the contractual commitments entered into and the degree to which they are binding on the Commonwealth, including in the event that not all

approvals are obtained and all other preconditions met, or that a future Government decides not to proceed with the reactor, with particular reference to:

- (i) the timeframe and process to be followed by the Australian Radiation Protection and Nuclear Safety Agency in considering the issue of a construction licence and an operating licence, and the consequences under the contract if such licences are not issued,
 - (ii) any other requirements for approvals from the Commonwealth, state or local governments and the consequences if such approvals are not obtained,
 - (iii) the consequences if preconditions set in the Environmental Impact Statement and other previous inquiries are not met at the time of granting of a construction licence,
 - (iv) the nature of any provisions in the contract related to the ability of either party to terminate the contract prior to completion and the provisions in relation to compensation for termination, and
 - (v) whether all or part of the contract and other documents created during its consideration and approval should now be made public;
- (d) whether the preconditions set by previous inquiries and assessments into this proposal have been adequately met prior to the contract being entered into, with particular reference to:
- (i) fulfilment of each of the conditions for approval set out in the draft Environmental Impact Statement and its supplement report, including requirements for waste management,
 - (ii) whether the recommendations of the Economics References Committee inquiry into the Lucas Heights proposal which reported in September 1999 have been adequately responded to,
 - (iii) the adequacy of occupational and public safety protection procedures, and
 - (iv) the adequacy of nuclear incident plans and emergency procedures; and
- (e) the adequacy of proposed fuel and waste management provisions in the contract (or yet to be finalised), with particular reference to:
- (i) the specific fuel proposed to be used and its source, the type of fuel rods and where they will be manufactured,
 - (ii) the proposed spent fuel management arrangements during operation,
 - (iii) the arrangements made to ensure that spent fuel rods can be reprocessed, stored and ultimately disposed of safely,

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- (iv) whether the new reactor is subject to negotiation of satisfactory contracts for international reprocessing of spent fuel rods; and, if so, which countries will be involved and will these contracts be subject to a provision which requires the return of Australian waste as is the case with some of the existing Lucas Heights fuel rods, and
 - (v) the timing of any requirement for the provision of an Australian long-term waste storage facility for rods from a new reactor.

