

# CHAPTER ONE

## INTRODUCTION

### **Establishment of the inquiry**

1.1 Australia's only nuclear research reactor, HIFAR (High Flux Australian Reactor) commenced operating over 40 years ago. Since then it has been refurbished on a number of occasions but it must finally be shut down and de-commissioned by 2005. On 3 September 1997, the Government announced its intention to build a new 20 megawatt research reactor at Lucas Heights at a cost of \$286 million. This decision drew both praise and condemnation from various sections of the Australian community.

1.2 On this same day, the Government announced that \$88 million had been set aside to remove spent fuel rods from Lucas Heights and to meet the costs of reprocessing the rods offshore. Unimpressed by this proposal, many critics of nuclear reactors pointed to the nuclear waste that would be generated by the new reactor and raised concerns about the adequacy of the Government's nuclear waste management strategies.

1.3 Despite the disquiet expressed by a number of individuals and organisations at the proposal to build a replacement research reactor at Lucas Heights, the Government has proceeded with its plans to construct the new facility.

1.4 In June and July 1998, the Australian Nuclear Science and Technology Organisation (ANSTO) called for expressions of interest from companies wanting to participate in the Replacement Research Reactor Project (RRRP). Seven companies applied to be registered as 'reactor vendors' and after an initial selection process, four reactor vendors prequalified in December 1998. They were invited to bid for the main design and construction contract and tender documents were issued in July 1999. All tenders were received by 3 January 2000. Six months later, on 6 June 2000, the Government announced that the successful tenderer for the construction of the new facility at Lucas Heights was the Argentinian company, INVAP S.E. Again this decision attracted a mixed reception. Some Australians endorsed the decision while others held serious reservations about the tendering process and had doubts about the credentials of the successful tenderer.

1.5 It is against this background that the Senate decided to establish this Committee.

1.6 On 15 August 2000, the Senate resolved to establish a select committee to be called the Select Committee for an Inquiry into the Contract for a New Reactor at Lucas Heights. The Committee was required to examine and report by 4 December 2000 on the following matters:

- (a) the need for a new research reactor;
- (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;
- (c) the nature of the contractual commitments entered into and the degree to which they are binding on the Commonwealth;
- (d) whether the preconditions set by previous inquiries and assessments into this proposal had been adequately met prior to the contract being entered into; and
- (e) the adequacy of proposed fuel and waste management provisions in the contract (or yet to be finalised).

The complete terms of reference are set out at page v.

1.7 As the inquiry progressed the Committee became aware of the need to look more closely at particular issues, notably the waste management strategy. The reporting date was subsequently extended to 4 April 2001 and then to 24 May 2001.

### **Conduct of the inquiry**

1.8 The Committee advertised the inquiry in all Australian capital cities and in the *Weekend Australian* on 2 September 2000, calling for written submissions to be lodged with the Committee by 29 September. The Committee also wrote to relevant Commonwealth Government Ministers, State Premiers and Territory Chief Ministers and to the Argentinian Ambassador to draw their attention to the inquiry and to invite them to make submissions.

1.9 In addition, the Committee wrote to those who had made submissions to the previous inquiry undertaken by the Senate Economics References Committee, to the four prequalifying tenderers, to ATSIC, a number of trade unions and conservation groups, and individuals and organisations with an interest in nuclear research and the work being undertaken at the facility at Lucas Heights. The terms of reference and other information about the inquiry were also advertised on the Committee's internet homepage at [http://www.aph.gov.au/senate/committee/lucasheights\\_ctte/index/htm](http://www.aph.gov.au/senate/committee/lucasheights_ctte/index/htm).

1.10 A total of 178 submissions was received. The Committee received a number of pro-forma submissions and agreed to arrange them into groups and treat them as the one submission. For example, submission no. 95 represents over 80 separate submissions received by the Committee. A list of submissions is contained in Appendix 1. All but one of the written submissions were made public documents.

1.11 After initial consideration of the submissions, the Committee began public hearings on 9 October 2000 in Canberra. This hearing was followed by further hearings held in Sydney, Canberra and Adelaide. Details of the hearings and the witnesses who appeared at them are contained in Appendix 2. The Hansard transcript of evidence taken at the hearings was made available on the internet.

1.12 On 23 October 2000, the Committee inspected the facilities at Lucas Heights. Committee members took the opportunity to talk informally to staff at the facility and to view the design model for the new reactor. During the visit to Adelaide to attend a public hearing on 2 February 2001, some Committee members also visited the Department of Nuclear Medicine and Bone Densitometry at the Royal Adelaide Hospital. Dr Barry Chatterton, together with a number of colleagues, explained the work done at the hospital with the various imaging techniques using equipment such as the hospital's PET machine. Various procedures were demonstrated including how technetium-99m is milked from a molybdenum generator, which is supplied to the hospital from Lucas Heights on a weekly basis.

1.13 The Committee has continued to receive further submissions and supplementary submissions from ANSTO and from persons and organisations, such as the Sutherland Shire Council, who are opposed to the new reactor. These later submissions have generally been in response to views expressed in earlier submissions or to evidence given during the public hearings and are indicative of the ongoing nature of this debate.

### **Structure of the report**

1.14 The Committee decided to follow closely the terms of reference in structuring this report. It is divided into three broad but discrete parts—the need for a new reactor; the tendering process and the nature of the contract; and Australia's nuclear waste management strategy and public health and safety. There is a final chapter which brings together the major issues examined in the report.

### **Acknowledgments**

1.15 The Committee wishes to express its appreciation to everyone who contributed to the inquiry by making submissions, providing other information or appearing before the Committee at public hearings.

1.16 However, the Committee has been hampered in examining all matters in the terms of reference due to a lack of openness and a refusal by ANSTO and the Minister for Industry, Science and Resources to supply relevant information to the Committee. Too often ANSTO resorts to claims of cabinet-in-confidence or commercial confidentiality to deny information to the Parliament and the public.

