

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2016 - 2017 Additional Estimates
2 March 2017

AGENCY: AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

TOPIC: Isotope Production

REFERENCE: Question on Notice (Hansard, 2 March 2017, page 55-56)

QUESTION No.: AI-5

Senator LUDLAM: Thanks for coming in, Dr Paterson. It is nice to see you again. This time last year you and I were trying to establish what percentage of current isotope production is for domestic use, strictly within Australia, and what percentage is for the global market, including near neighbours like New Zealand and South Korea. I am trying to establish what percentage of our current isotope production is used domestically and what percentage is sold overseas.

Dr Paterson: The production of isotopes as it leaves the facility at Lucas Heights allows us to determine the relative amounts that go to different jurisdictions but, because of the different travel times, different amounts are actually finally deployed in those jurisdictions, because of the decay effect. We would be very happy to provide you with an end-of-production number for the facility as a whole but, because of the fact that this is a real market with real prices and real volumes, we would really not be in a position to disaggregate that into too much detail, because it would have implications for the market.

Senator LUDLAM: Is it because you do not know—that is, you are selling to third parties who then may or may not export it—or is it because you do know and are unwilling to put that to this committee?

Dr Paterson: We make estimates but we do not publish those estimates, because those estimates have got market relevance for other actors.

Senator LUDLAM: I thought markets required all participants to have a reasonable amount of information so they could function properly and set prices.

Dr Paterson: When we meet in the High-level Group on the Security of Supply of Medical Radioisotopes in Paris, that is the position that ANSTO takes. Unfortunately, that transparency has not yet come through to this market. But we are firm believers that, as that transparency comes forward and as there is agreement about how those proportions are disclosed, we will be in a position to disclose them. So we share a common view that there should be more transparency in this market.

Senator LUDLAM: Sorry, I might have missed a step. Who is it in Paris who says that we cannot do this?

Dr Paterson: The High-level Group on the Security of Supply of Medical Radioisotopes is a multi-country negotiating forum that looks at how we move this from being a subsidised market to being a true market with the appropriate rules of market transparency.

Senator LUDLAM: How can we be sure that cartel-like behaviour is not occurring if we are not given any information about how prices are set?

Dr Paterson: There is a voluntary disclosure process. At the moment, two countries fully disclose where they are with the production side. One is South Africa and the other is Australia.

Senator LUDLAM: So we do know or we do not know how much is exported? It feels like I could find this out for iron ore—uranium is obviously a bit of a separate example, but I could find this out for bauxite or iron ore or any other commodity or any other manufactured product.

Dr Paterson: We do not know formally for—if one takes the Dutch, the Belgian, the small amounts from Poland, the ANSTO contribution, the South African contribution, it is not possible at the moment to determine in a clear way with one set of rules what the export volumes are in a way that

would truly be transparent.

Senator LUDLAM: I was not expecting to be hung up on this, so apologies that I am dwelling here because I have a few other questions. Are you saying that it is not possible or that it is not part of the agreement? They feel like two different things.

Dr Paterson: At the moment full agreement has not been reached as to how that information is disclosed.

Senator LUDLAM: Got it. And, therefore, 'it is not possible in a commercial sense', rather than 'it is not physically possible'. It could be done.

Dr Paterson: Yes. In principle, one can do the calculation and link it back to universal time and then you know how much you have got at a certain second of the day. Yes.

Senator LUDLAM: We do not need to be quite that precise; I am just looking for rough orders of magnitude. Is there anything you are able to provide us on notice that would give us some understanding. I think the taxpayers who are funding your plant deserve to know how much is exported and how much is not. It sounds like we are of the same view.

Dr Paterson: We will seek to do that. We will also, I think, be able to find publicly available information about the size of the market as a whole. And we can take the rest on notice.

ANSWER

Currently, approximately 28 per cent of molybdenum-99 (Mo-99) produced by ANSTO is used domestically. Approximately 72 per cent of Mo-99 produced by ANSTO is exported, meeting a global need for access to life-saving nuclear medicines.

Importantly, ANSTO's international sales of Mo-99 are priced to ensure full cost recovery. This pricing includes the cost of manufacture, the cost of treatment and final disposal of wastes resulting from the manufacturing process, and future decommissioning costs of the manufacturing plant.