

**Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Industry, Innovation and Science Portfolio  
2015-16 Supplementary Budget Estimates Hearing  
22 October 2015

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**DEPARTMENT:** DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

**TOPIC:** National Radioactive Waste Management Project

**REFERENCE:** Question on Notice (Hansard, 22 October 2015, page 97-99)

**QUESTION No.:** SI-36

**Senator LUDLAM:** There is a bit of a news that I found a bit curious. Tony McGrady, the mayor of Mount Isa, has made what I guess you could call an 11th-hour expression of interest to host the facility. I have not spoken to the mayor about it, but there was a little bit of media about that proposition. Could you clarify if that proposal has been or will be accepted and considered as a formal nomination. I preface that by pointing out that the nomination process is well and truly closed and has been for a while, which you would all be well aware of.

**Mr Wilson:** There are several layers to that. Firstly, we are aware of the comments by the mayor. We have not received in the department a nomination from Mount Isa. At this point there is nothing to consider. In terms of your point about the process being formally closed: that is true. The former minister did have a process inviting nominations, and that nomination process has closed. However, under the act a person may make a valid nomination at any point up to the point, as I understand it, that the minister has made a final decision on a preferred site. It is up to the minister then as to whether they want to consider that nomination.

**Senator LUDLAM:** I will take your word for the black-and-white reading of the act. One thing that you folks have set in motion which the previous government did not, for whatever reasons, was you have stood up a number of panels of people with various expertise to assist in making the decision on the kind of criteria that should be applied on shortlisting and then on the shortlists themselves. I do not understand how you could then accept somebody parachuting a late nomination into the process without needing to restart that short-list process. How does this work in terms of not just the ministerial decision and his discretion, but these reference groups that you have stood up that have spent months of their time doing these assessments? How does that work, if somebody can just turn up at the last minute with a brand-new idea?

**Mr Wilson:** You are asking me to speculate on a situation that has not occurred yet. There has not been a nomination, so we do not have a process in place for it.

**Senator LUDLAM:** But just to be clear: there is nothing in the act that would prevent the minister from accepting a late nomination either to be shortlisted, or to find itself back in the process at some stage?

**Mr Wilson:** In a technical, black-and-white reading of the act, that is correct, as far as I understand.

**Senator LUDLAM:** Okay.

**Dr Kennedy:** If I could give you some confidence around the process: both the former minister and the current minister are well aware of the many steps that we are going through in this process. They would, of course, be mindful of the integrity of the process that is in front of them, and we would provide advice around it. Just to provide some context around this general proposition: all parties, including the ministers that we are working with—former and current—are well aware of the importance of a very thorough process with independent advice.

**Senator LUDLAM:** It is good to be reminded of that and to hear that again on the record. But you can see where I am coming from: that process did not envisage late, completely random proposals for radioactive waste dumps to be parachuted into your process months after the formal nomination process has closed.

**CHAIR:** Senator Ludlam, your point has been made. You have been answered.

**Senator LUDLAM:** Maybe it has been made twice, Chair. I will move on. Could you please walk us through the broad terms and scope of the detailed business case. As somebody who is outside this formal process, could you tell me what it incorporates. I did have briefings from the former minister, so I have a very rough idea of why you are doing it this way—and I think it is better than what we were served up with under the previous government. But I am not in the room, so just walk us through the broad scope of what the detailed business case is after.

**Mr Sheldrick:** There is very clear guidance on the Department of Finance's website. What we are going through is a two-stage capital works process, and the detailed business case is one element of that two-stage capital works process.

The detailed business case, in a broad sense, will be looking at the design. You would recall that the initial business case—the first part of a two-stage process—identified a number of design options. The purpose of a detailed business case is to, now, further consider those design options and come up with a recommended—not sure if that is the correct word, in the DBC context—option that can be put to government for consideration. That will include activities such as the design, the costings and all of those things that go into being able to put a proposition to government for consideration. External to that but partly related to it would be the process of going through the regulatory requirements that would need to be met, the site-licensing requirements and the environmental requirements that we have talked about. There are those two parallel streams of the environment and nuclear regulatory processes.

**Senator LUDLAM:** From my recollection, the initial business case documents were released at the end of last year or maybe earlier. They have been in the public domain for a while, anyway. They kept live a fairly broad range of management options, including co-locating long-lived intermediate-level waste—that is, the reprocessing waste and spent fuel—with the shorter half-life low-level waste and a couple of other categories of material, either co-locating them in a remote location or splitting them up and applying different management solutions to the different categories of waste. Does the DBC keep those—there were more, actually; there were two or three, from my recollection—

**Mr Sheldrick:** Four.

**Senator LUDLAM:** Are all four of those options still live or have you started narrowing those down?

**Mr Sheldrick:** No, those options will be taken through the detailed business case. There is one option that is always the case of 'do nothing' or 'business as usual'.

**Senator LUDLAM:** That was one of the four, was it?

**Mr Sheldrick:** Yes. Then, there was an option around co-location, as you said. One of the options was also not to co-locate. There was a fairly broad range of options that were still available for assessment.

**Senator LUDLAM:** Have any of those four options been set aside for the purpose of the detailed business case?

**Mr Sheldrick:** Not at this point.

**Senator LUDLAM:** Is that DBC examining the issues of ownership and operation of any future national facility, no matter what category of material it ends up hosting?

**Mr Sheldrick:** The operational processes and ownership will be part of the broader—whether it is entirely in the DBC. I am just a little bit hesitant in that there are a number of processes that will be run at the same time, some of these other regulatory ones. In that overall process, we will need to look at operational arrangements as well for the facility.

**Senator LUDLAM:** The DBC, I guess, is where I would expect to find answers to these sorts of things; thanks for that. Is it envisaged, in the case that you are putting together, that the federal government or its various agencies would be responsible for ownership and operation, or are you contemplating some form of a public-private model or even a fully privatised model?

**Mr Wilson:** We have not ruled any of those in or out. We will be looking at the range of options, there.

**Senator LUDLAM:** In terms of final custodianship, under the proposed Muckaty dump that was live until a year or so ago, the idea was that a lease would be signed over for 300 years and that property would, then, pass—from recollection—back to the traditional owners of the area. Is that

what we are still considering or is it too early to be trying to pin down some of those kinds of arrangements?

**Mr Wilson:** Issues around traditional ownership and native title, it is too early to be considering—

**Senator LUDLAM:** Because you do not have a block yet.

**Mr Wilson:** because we do not yet have a serious set of options, a broad suite of options. As I understand it—Mr Sheldrick can correct me—under the act, the Commonwealth acquires the land as freehold title. That may involve, depending on the various ownership structures, other forms of compensation and negotiation.

**Senator LUDLAM:** It is probably unfair to try to pin you down now; I get that it is probably a little bit early to tell. In relation to the National Repository Capital Contribution Fund, there are two administrative models outlined. Do you have any further insight you can give us as to whether you have landed on one of the two?

**Mr Wilson:** No, we have not landed on either of them.

**Senator LUDLAM:** With any of these that you are not able to tell us, at the moment—where clarity will be provided when the detailed business case comes into the public domain—I ask that you take those questions on notice. ...

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Clarification of question:

Part one should be - basically - will the Department or Minister accept late nominations?

Specifically if we can ask on notice:

Is there a process for accepting late nominations for potential sites for a national radioactive waste management facility?

If yes, what is that process

If no, does that mean the Department / Minister will not accept any late nominations

(Part two seems like a set of questions on potential sites - that Senator Ludlam was asking in reference to the short listed sites to be announced )

Specifically if the Senator can ask on notice:

What land tenure arrangements would be developed for these sites (eg. 300 year lease returned back to traditional owners as was proposed at Muckaty?)

Which administrative model is preferred for the National Repository Capital Contribution Fund - and why is it preferred?

Have any of the four options for storage (being co-location of LLW and ILW, reprocessing, do nothing, and splitting the storage of ILW and disposal of LLW) been set aside for the purpose of a detailed business case?

## **ANSWER**

The department is focussed on assessing the six nominated sites which have already been put forward in accordance with the *National Radioactive Waste Management Act 2012*. There is no formal process for considering any subsequent nominations received following the close of the Minister's call for nominations on 5 May 2015.

The *National Radioactive Waste Management Act 2012* ('the Act') provides for the Commonwealth to acquire land nominated, in accordance with the process set out in the Act. The land once acquired would become Commonwealth property.

The Minister has indicated that the views of local communities will be paramount in determining how the National Repository Capital Contribution Fund is administered. The aim will be to identify projects for funding that will assist the long-term development, sustainability and viability of the community, such as through enhanced public services and infrastructure.

No. The Detailed Business Case will further assess each of the options identified in the Initial Business Case, including the 'business as usual' base case.