

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Innovation, Industry, Science and Research Portfolio
Budget Estimates Hearing 2008-09
2-3 June 2008

AGENCY/DEPARTMENT: AUSTRALIAN NUCLEAR SCIENCE AND TECHNOLOGY ORGANISATION

TOPIC: OPAL Reactor

REFERENCE: Question on Notice (Hansard, 3 June 2008, Page E18, E19, E24)

QUESTION No. BI-100

Senator MILNE—Can we just go to the OPAL reactor. What has been the capital cost of the OPAL nuclear research reactor in current dollars?

Dr Cameron—I am not sure of the exact number but it is approximately \$400 million.

Senator MILNE—Would you be able to provide a breakdown of the costs for each financial year since the project was given the go-ahead by the government?

Dr Cameron—That information is available. It is also worth pointing out that we are funded for depreciation on our current OPAL research reactor. The decommissioning restoration relates to the other assets on our site.

Senator MILNE—When you gave me a figure back then of what has been the capital cost of the OPAL nuclear reactor in current dollars, I understood that the initial amount that was projected in 1997 was \$286.4 million and in the 2006-07 Annual Report the reactor cost was cited at \$474.817 million. I asked a little while ago what was the capital cost in current dollars and I got approximately \$400 million. It cannot have reduced \$74.817 million in the last two years, so can you perhaps give me a more accurate figure as to what has been the capital cost?

Dr Cameron—It might be better if we provided it, because the budget was made up of three different sections. When we talk about the reactor, there was the reactor construction itself, but then there are the neutron beam instruments that were going to be attached to it and they were considered separately. Sometimes the costs are given with the instruments and sometimes they are not, and that is why there is that variation.

Senator MILNE—I would appreciate if you could provide me with the full capital cost in current dollars breaking down all the component parts so we get a sense of what the cost is in real dollars.

ANSWER

The previous Government announced in 1997 that it would set aside \$286.4 million for the construction of a replacement research reactor. That amount was increased over the years by the former Department of Finance and Administration to account for inflation and currency movements, using standard escalation parameters. Extra project funding of \$26.2 million was provided in the 2004-05 Budget to meet additional requirements specified by the project regulators, the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) and the Australian Safeguards and Non-Proliferation Office (ASNO) and to meet additional project costs arising from the discovery of a geological anomaly at the site at the commencement of construction in 2002 (see Portfolio Budget Statements, Education, Science and Training portfolio, p 185).

Apart from that injection of extra funding, caused by factors outside the Australian Nuclear Science and Technology Organisation's (ANSTO) control, government funding for the construction of OPAL remains consistent with the 1997 announcement.

Since its inception, the project has been broken into two components: the reactor itself, and the neutron beam instruments. The following table sets out expenditure by year on each of those projects. Given the minimal scope of activities prior to contract award in July 2000, project expenditure prior to 2000-01 has not been broken down into component years. In order to maintain consistent reporting, all reporting is provided in 1999 dollars, which was when funding for the project was actually provided to ANSTO.

	OPAL	Neutron Beam Instrument Project
1997-2000	\$9,200,000	-
2000-01	\$44,419,000	-
2001-02	\$39,231,000	\$1,240,000
2002-03	\$36,230,000	\$1,770,000
2003-04	\$123,721,419	\$3,838,528
2004-05	\$54,331,574	\$3,010,000
2005-06	\$22,180,500	\$10,121,154
2006-07	\$5,696,866	\$6,235,214
2007-08	\$13,000,000	\$1,852,000
Total	\$347,740,359	\$28,067,896

In historical dollars (that is, actual dollars spent), those totals equate to \$391,900,000 and \$40,190,000 respectively.

The \$474 million figure appearing in ANSTO's 2006-07 Annual Report is a replacement cost, and includes provision for decommissioning of the facility in some decades' time.