Date introduced: 6 November 1985
House: Senate
Presented by: Senator the Hon. Gareth Evans, Minister for Resources and Energy

DIGEST OF BILL

Purpose

To establish the Australian Nuclear Science and Technology Organisation (ANSTO) which will replace the Australian Atomic Energy Commission (AAEC).

Background

The AAEC was established in 1953 to oversee the exploration for, and exploitation of, uranium, to introduce nuclear energy to Australia and to conduct research into nuclear matters. AAEC is situated at the Lucas Heights Research Laboratories in NSW and operates two nuclear reactors, HIFAR and the smaller Mooba research reactor.

The work performed by AAEC has changed considerably since its establishment. In the early days, AAEC was principally concerned with the proposed introduction of nuclear power to Australia and the exploitation of uranium reserves. These functions became less important in the 1960s and 1970s for a number of reasons. The discovery of large amounts of conventional fuel, such as the Bass Strait oil fields and the Cooper Basin gas reserves, made it increasingly apparent that Australia could rely on fossil fuel. In addition, the cost of nuclear power began to rise relative to that of fossil fuels and nuclear power became a less attractive economic proposition. The mining of uranium became increasingly more a private function and AAEC's role gradually moved to being concerned with environmental and safety standards. These alterations occurred against a background of changing public opinion which moved from the 1950s' view of nuclear power and the nuclear fuel cycle being clean, cheap and limitless to today's views where even the mining of uranium, the least dangerous part of the nuclear fuel cycle, is opposed by a number of groups.
Today, AAEC is principally concerned with the medical and industrial use of nuclear products, the environmental impact of uranium mining, the disposal of nuclear waste and general research into the nuclear fuel cycle. AAEC is the sole Australian supplier of radioisotopes for use in medicine and industry. Medical uses include chemoradiotherapy and body scanning while industry uses the isotopes for such diverse projects as tracing termites and estimating wear on coal pulverisers. As well, radiation is used for sterilising certain items and for food preservation. Radioisotopes valued at $2.24 million were supplied by AAEC in 1983/84.[1]

AAEC is not directly involved in the regulation of uranium mining but provides advice on safety and environmental matters to the Government and other bodies. The principal method of advice is through involvement in working groups of the Commonwealth/State Consultative Committee on Nuclear Codes which drafts guidelines for safe mining operation. The guidelines are based on the International Atomic Energy Agency's (IAEA) 1976 Code of Practice which deals with the management of wastes from the mining and milling of uranium ore.

AAEC's involvement in nuclear waste disposal is centred on its involvement in the SYNROC program namely, in the development of a SYNROC fabrication process and research into SYNROC's properties and behaviour (SYNROC is an artificial rock which may be used to dispose of high-level radioactive waste). As well, AAEC conducts general research into the nuclear fuel cycle as part of Australia's obligations under IAEA agreements.

Legislation to replace the Atomic Energy Act 1953 (the Principal Act), which established AAEC, has been anticipated for some time. The 1983-84 Annual Report of the AAEC states that 'the proposed new legislation is expected to re-define the Commission's functions in line with contemporary national priorities'.[2] This Bill forms part of a package of Bills and will establish the ANSTO. The AAEC is to be terminated by the Atomic Energy Amendment Bill 1985 while the Australian Nuclear Science and Technology Organisation (Transitional Provisions) Bill 1985 will provide for the transfer of AAEC, property, finances, staff etc. to the ANSTO.
Outline

The Bill will establish the ANSTO and outline its functions. It will also establish ANSTO's governing body and an advisory council to advise the Minister and the governing body.

Main Provisions

Clause 4 establishes ANSTO as a corporate body to take over the AAEC.

ANSTO's functions are listed in clause 5. They include research and development in relation to nuclear science and technology, the production and use of radioisotopes and to advise on nuclear matters. The Minister may direct that research be undertaken. The guidelines for such directions are contained in sub-clause 5(4).

The power of ANSTO to hold property, form companies or partnerships etc. are contained in clause 6. However, ANSTO is not to form a subsidiary company or to take shares or securities in another company without Ministerial consent. Details of the purchase of shares or securities in another company and the reason for their acquisition must be tabled in Parliament (clause 7).

Part III of the Bill (clauses 8 to 17) deals with the Executive of ANSTO. The major features are:

- the Executive is to consist of the Chief Executive Officer of ANSTO, a Chairperson, Deputy Chairperson and up to 4 other members. A majority of the Executive must be from outside ANSTO (clause 9);

- the Executive is to be responsible for the proper and efficient performance of ANSTO's functions and its policies. It is to have regard to Government policy (clause 10);

- the Minister may direct the Executive as to how to perform its functions where he is satisfied that it is desirable to do so in the public interest (clause 11);

- remuneration is to be fixed by the Remuneration Tribunal (clause 12);

- members of the Executive are bound to disclose any relevant interests (clause 15);
the method of calling and procedure at meetings is contained in clause 16.

Part IV of the Bill (clauses 18 to 22) deals with the Chief Executive Officer (CEO) of ANSTO. The CEO, who is to be appointed by the Executive (clause 18), will be responsible for the management of ANSTO (clause 19) and appointed for a maximum of 5 years with eligibility for re-appointment (clause 20). An acting CEO may be appointed for a maximum of 12 months where the position is vacant or the CEO is absent or unable to perform the functions of the office (clause 22).

The CEO is to be empowered to appoint staff that the Executive thinks necessary and to arrange for the secondment of officers of the Australian Public Service (clause 23).

A Nuclear Safety Bureau (NSB) is to be established by the Executive to be responsible to the Minister for monitoring and reviewing the safety of nuclear plants operated by ANSTO. In addition, the Executive may assign other functions to the NSB. This body will replace the Regulatory Bureau established by AAEC (clause 24).

ANSTO's finances are dealt with by Part VII of the Bill (clauses 25 to 35). The main features are:

- ANSTO's finances are to be appropriated by Parliament (clause 25);
- Division 3 of Part XI of the Audit Act 1901, which requires bodies to keep proper accounts and to prepare an annual report containing financial statements, will apply (clause 27);
- ANSTO will be exempt from taxation (clause 28);
- Ministerial approval will be required for contracts in excess of $200,000 (clause 29);
- the Minister of Finance may lend money to ANSTO (clause 30), while it may borrow from sources other than the Commonwealth with the Treasurer's approval (clause 31);
- ANSTO may use its assets as security for borrowings (clause 33);
revenue raised through commercial operations is to be paid into Consolidated Revenue unless the Ministers for Resources and Energy and Finance approve its retention by ANSTO (clause 35).

A number of matters are dealt with by the Miscellaneous Part of the Bill (clauses 36 to 44). The major provisions are:

- an advisory council, to be known as the Australian Nuclear Science and Technology Advisory Council, is to be established to advise the Minister and the Executive on the performance of ANSTO's functions. The advisory council is to consist of up to 11 members with at least one from ANSTO staff. A majority of members are to be drawn from outside ANSTO (clause 38). The Minister is also to be given power to establish advisory committees where it is thought necessary (clause 39).

- the Governor-General will be able to make regulations to carry out the Bill (clause 44).

For further information, if required, contact the Science, Technology and Environment Group.

24 December 1985

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LEGISLATIVE RESEARCH SERVICE

References

2. Ibid., p.9.

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