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Nuclear Fuel Cycle Royal Commission
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Business SA
Chamber of Commerce
and Industry South Australia

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Dear Commissioner Scarce

I write in response to your request for feedback on the Royal Commission's
Tentative Findings.

Working for your business.
Working for South Australia

Executive Summary

- The Tentative Findings provide a thorough assessment of the realistic opportunities for South Australia to expand its role in the nuclear fuel cycle through quantifying the associated costs, benefits and risks involved.
- In terms of maximising benefit for local industry should South Australia pursue an expanded role in the nuclear fuel cycle, Business SA requests the Royal Commission provide an expanded analysis of the commercial opportunities for locally built and operated custom ships to transport nuclear waste from overseas destinations to South Australia.
- Considering the sentiment amongst Business SA's members to have both the Federal Government and Private Sector involved in developing any potential nuclear waste storage and disposal facility in South Australia, Business SA suggests the Royal Commission's final report clearly articulate how dividends accrue to the State Government, particularly to allay concerns about impacts to GST revenues.
- The Final Report, not just attachments, should include analysis of how high level nuclear waste has been managed above ground overseas, clearly delineating between risks associated with storing nuclear waste and generating nuclear power. Furthermore, notwithstanding site selection considerations, there should be more developed analysis of a potential local land based nuclear waste transport system.

Yours sincerely,

Nigel McBride
Chief Executive Officer





Why this matter is important to South Australian businesses

As South Australia's Chamber of Commerce and Industry, Business SA is the peak business membership organisation in the State. Our members are affected by this matter in the following ways:

- 79% of Business SA members who responded to our pre-State election survey, the basis of our 2014 Charter for a More Prosperous South Australia, supported a mature Government led debate on the costs and benefits of value adding to South Australia's vast uranium reserves.
- South Australia's economic growth rate remains well below the national average and we need to carefully consider all possibilities for future economic growth, weighing up the associated costs, benefits and risks.
- Based on the 'Tentative Findings', the majority of Business SA's members' surveyed support the Government pursuing development of a high level nuclear waste storage and disposal facility, but we must acknowledge there is still concern amongst some businesses around the perceived risk of all nuclear related activities and reputational damage to the State.
- The potential economic benefits to South Australia of pursuing a high level nuclear waste storage and disposal facility are considerable, but the business community also needs further assurance that South Australia will indeed be the primary beneficiary.

Key Policy Points

1. In Business SA's August 2015 submission to the 'issues papers', we argued that the Royal Commission's economic modelling should include options for a 'closed loop' supply chain which mandates the construction, operation and maintenance of Australian built and operated used fuel transport ships.

We acknowledge the 'Tentative Findings' did not specifically explore South Australia's role in transporting nuclear waste from overseas although there is detailed analysis of the commercial market available for this service in the attached consultant's report by Jacobs.

Business SA has since been advised by the Royal Commission that in consideration of the available commercial market for transporting nuclear waste, it did not model options for South Australia to build and operate nuclear waste transport ships but this could be a potential opportunity for an entrepreneurial South Australian business.

Feedback from our 2016 member survey suggests that the Royal Commission should be investigating how South Australian can build and operate transport ships if the State is to pursue a path of accepting nuclear waste which would most likely be transported through Australian and South Australian waters.

While Australia may not initially be as price competitive as the international market, akin to the argument for a State owned entity to develop a high level nuclear waste storage and disposal facility, there may be a broader case for Government to manage nuclear waste shipments through local waters. This would provide confidence to the broader public that each stage of South Australia's expansion into the nuclear fuel cycle is under State and Federal Government control.



2. Business SA recently surveyed its members to ascertain their views on the Royal Commission's 'Tentative Findings' and found the following¹:

- On the basis that South Australia can safely increase its participation in the nuclear fuel cycle through developing a used nuclear fuel and intermediate level radioactive waste storage and disposal facility to obtain the advised economic benefits, 58% of members were in favour, 11% were yet to decide but thought the State should seriously consider and 4% didn't have enough understanding of the risks, costs and benefits to make an informed decision.

Of the 27% of members opposed, there were a variety of reasons including perceived risk of all nuclear activities, perceived damage to South Australia's clean and green image, a distrust of the Royal Commission process and State Government and outright refusal to support under any circumstances or findings.

- When asked about the proposed process of liability for nuclear waste transferring from foreign interests to Government at an SA Port, 30% of members were against, 25% unsure and 45% in favour. There was a range of views on this process including concerns about the protection of local fisheries to ensuring South Australia value adds as much as possible to the process, including through transport of nuclear waste. There was also a desire for more information about how this works elsewhere and concerns about what level of sovereign risk there is for South Australia transporting nuclear waste across oceans.
- A clear majority of members, 74%, were in favour of a combined Government and Private Sector (PPP type) model to manage South Australia's move to developing a nuclear waste storage and disposal facility with only 4% suggesting the private sector manage alone, 9% the State Government alone and 13% the Federal Government alone.
- A slim majority of members, 52%, thought South Australia should take some responsibility for accepting nuclear waste considering we mine uranium. 36% did not accept that South Australia has responsibility while 12% were unsure.
- 63% of members thought South Australia's political, social and economic stability should be grounds for hosting a nuclear waste storage and disposal facility to ensure this activity is unlikely to occur in less stable countries. 30% did not believe this to be the case while 7% were unsure.
- If nuclear power became necessary in future to reduce greenhouse gas emissions, 63% of members were in favour with 27% against and 10% unsure.
- When asked to prioritise how the State Government should re-invest the dividends from developing a nuclear waste storage and disposal facility, members were provided a range of ten choices in areas of State spending, including for social outcomes. The top priority for members at 37% was to build economic infrastructure such as roads and ports with education and health infrastructure spending coming in second at 22%. Reducing the cost of utilities was the third highest priority at 17% followed by reducing Payroll Tax, 14%, and Land Tax, 5%.

¹ Business SA received 120 responses to this survey conducted over February and March 2016



- Two thirds of members, 67%, were in favour of South Australia at least accepting to host a site for the storage and disposal of low and intermediate level radioactive waste before moving further to pursuing a storage and disposal facility for nuclear waste from overseas power generation. 23% of members did not support this proposal while 10% were unsure.
3. Business SA acknowledges the attached consultant report by Jacobs provides substantial detail on how used nuclear fuel is transported via land in overseas countries. However, the actual 'Tentative Findings' report itself does not adequately explain the nature of the proposed domestic transport solution for a South Australian high level nuclear waste storage and disposal facility. The Final Report should be more explicit in explaining why rail is the land based transport mode best suited to enabling a high level nuclear waste storage and disposal facility in South Australia.

Business SA acknowledges that an actual site for a high level nuclear waste storage and disposal facility is yet to be determined but given the likelihood that nuclear waste will be transported inland, analysis of inland transport modes needs to be more easily accessible within the Final Report.

Additional information: Please see the following link for Business SA's previous submission to the Royal Commission.

[http://business-sa.com/assets/submissions/150731_FINAL_submission%20to%20Issues%20papers%20\(1-4\).docx.pdf](http://business-sa.com/assets/submissions/150731_FINAL_submission%20to%20Issues%20papers%20(1-4).docx.pdf)