



Cost Recovery Implementation Statement

Activity: Import and export permits for medical and non-medical radioactive sources

2025-26

Cost recovery involves government entities charging individuals or non-government organisations some or all the efficient costs of a specific government activity. This may include goods, services or regulation, or a combination of these. The Australian Government Cost Recovery Guidelines (the CRGs)¹ set out the overarching framework under which government entities design, implement and review cost-recovered activities.

¹ The CRGs are available on the <u>Department of Finance website</u>.

1. Introduction

1.1. Purpose

This Cost Recovery Implementation Statement (CRIS) provides information on how the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) implements cost recovery for import and export permits of medical and non-medical radioactive sources (permits). It also reports financial and non-financial performance information for permits and contains financial forecasts for 2025-26 and three forward years. ARPANSA will maintain the CRIS until the activity or cost recovery for the activity has been discontinued.

1.2. Description of regulatory charging activity

ARPANSA is the Australian Government's primary authority on radiation protection and nuclear safety. Our purpose is to protect the Australian people and the environment from the harmful effects of radiation, through understanding risks, best practice regulation, research, policy, services, partnerships and engaging with the community.

A permit issued by ARPANSA is required to import radioactive substances into Australia and to export high activity radioactive sources out of Australia. ARPANSA charges customers for both import and export permits to recover the costs associated with processing these applications.

The payers of these charges are:

- medical industry with flow on effects to the healthcare system in general
- non-medical industries such as oil, gas, non-destructive testing, education and research.

2. Policy and statutory authority to cost recover

2.1. Government policy approval to cost recover the regulatory activity

When ARPANSA was established in 1998 under the *Australian Radiation Protection and Nuclear Safety Act* 1998 (ARPANS Act) the Government required cost recovery arrangements to be established regarding regulatory costs. Cost recovery for import permits continued, having been established by ARPANSA's predecessor the Australian Radiation Laboratory and for export permits, commenced in 2017.

2.2. Statutory authority to charge

At the International Atomic Energy Agency (IAEA) General Conference in May 2004, the Australian Government gave a commitment to work towards implementing the guidance contained within the IAEA Code of Conduct on the Safety and Security of Radioactive Sources (consistent with the terms of GC (47)/Res/7.B). In November 2004 the Australian Government notified the IAEA Director General of its intention to act in accordance with the IAEA Guidance on the Import and Export of Radioactive Sources (consistent with the terms of GC (48)/Res/10.D).

Part of these commitments is the requirement for the regulatory body to establish procedures for the authorisation and control of imports of radioactive substances and the exports of high activity radioactive sources. The Customs (Prohibited Exports) Regulations 1958 and Customs (Prohibited Imports) Regulations 1956 were amended to give legal effect to Australia's international obligations to control the import of radioactive substances and the export of high activity radioactive sources.

The statutory authority for ARPANSA's charges is provided in the following Acts and Regulations:

Legislation	Section			
Australian Radiation Protection and Nuclear Safety Act 1998 (ARPANS Act)	Section 54 (ARPANS Act): The CEO may charge for services provided by the CEO in the performance of the CEO's functions.			
Australian Radiation Protection and Nuclear Safety Regulations 1999 (ARPANS Regs)	Section 3B (ARPANSA Regs): Functions of the CEO For the purposes of paragraph 15(1)(i) of the Act, the following are functions of the CEO: a. to grant permissions to export from Australia high activity radioactive sources under regulation 9AD of the Customs (Prohibited Exports) Regulations 1958 b. to grant permissions to import into Australia radioactive substances under regulation 4R of the Customs (Prohibited Imports) Regulations 1956.			
Customs (Prohibited Imports) Regulations 1956	Section 4R of the Customs (Prohibited Imports) Regulations 1956: 2. The importation into Australia of a radioactive substance is prohibited unless: a. a permission in writing to import the substance has been granted by the Minister or an authorised officer; and b. the permission is produced to a Collector. Authorised officer means: a. the CEO of ARPANSA, within the meaning of section 14 of the Australian Radiation Protection and Nuclear Safety Act 1998, appointed in writing by the Minister as an authorised officer for this regulation; or b. an APS employee assisting the CEO in accordance with section 58 of that Act appointed in writing by the Minister as an authorised officer for this regulation.			
Customs (Prohibited Exports) Regulations 1958	Section 9AD of the Customs (Prohibited Exports) Regulations 1958 2. The exportation from Australia of a high activity radioactive source is prohibited unless: a. a permission in writing to export the radioactive source has been granted by the Minister or an authorised officer; and b. the permission is shown to a Collector. Authorised officer has the same meaning as under the Customs (Prohibited Imports) Regulations 1956.			

3. Cost recovery model

3.1. Outputs and business processes of the regulatory charging activity

The assessment of permit applications and the subsequent issuing of permits are ARPANSA's primary control mechanisms to monitor the movement of radioactive substances into Australia and high activity radioactive sources out of Australia. This process provides ARPANSA with assurance that the activity is controlled. All permit applications are subject to a detailed assessment as well as the payment of a charge.

The underlying processes involved in the assessment of these permit applications do not vary from one application to the next; however, the time taken to reach a conclusion on an application will vary depending on the complexity of that application. For the purposes of this CRIS, an average permit assessment is used as the basis for the cost recovery of regulatory effort.

The fees for import and export permits are specified in the table below. Each fee is made of up both direct and indirect costs as outlined in the following sections.

Type of permit	2025-26 Fees* \$
Single shipment import permit - standard	195
Single shipment import permit - urgent	325
12 month import permit	2,257
Single shipment export permit	331

^{*2025-26} fees apply from 1 October 2025

3.2. Cost of the regulatory charging activity

The fees for import and export permits include the direct costs associated with issuing permits and an appropriate portion of corporate overheads (indirect costs) to support the function. ARPANSA aims to align the revenue and expenses as required for regulatory charging activities under the Australian Government's Charging Framework.

Each fee is made up of both direct and indirect costs.

Output	Direct costs \$	Indirect costs \$	Total \$
Single shipment import permit - standard	117	78	195
Single shipment import permit - urgent	185	140	325
12 month import permit	1,344	913	2,257
Single shipment export permit	198	133	331

Composition of direct and indirect cost

Process		shipment i mit - stand	•	_	shipment i rmit - urge	•	12 moi	nth import	permit	Single	shipment o	export
	Direct \$	Indirect \$	Total \$	Direct \$	Indirect \$	Total \$	Direct \$	Indirect \$	Total \$	Direct \$	Indirect \$	Total \$
1. Receive and record application	19	12	31	19	12	31	228	144	372	24	16	40
Check and acknowledge application	9	6	15	27	18	45	108	72	180	43	28	71
3. Regulatory authority clearance / threat assessment	11	7	18	44	28	72	132	84	216	24	17	41
4. Input from Australian Boarder Force, TGA, Customs	14	10	24	28	10	38	168	120	288	57	37	94
5. Assessment and approvals	42	27	69	42	54	96	444	301	745	38	26	64
6. Finalise assessment and advise applicant	22	16	38	25	18	43	264	192	456	12	9	21
Total	117	78	195	185	140	325	1,344	913	2,257	198	133	331

Direct costs are those costs that are directly attributed to the charging activity, in this case the processing of import and export permit applications. The direct costs associated with import export permits consist solely of the staff time taken to assess, approve and process the permit application.

The direct costs associated with the processing of each permit application represent the most efficient cost of performing that task, with tasks being undertaken by staff at the appropriate level.

Indirect costs represent all costs that cannot be directly attributed to a specific activity.

3.3. Design of regulatory charges

ARPANSA's import and export permit charges are calculated based on the time and associated costs allocated to each stage of the permit assessment and issuance process. The fee represents a simple and cost-effective way of passing on the cost of regulation.

Output	Туре	Rate \$	Estimated volume for 2025-26 Qty	Estimated total revenue for 2025-26 \$
Single shipment import permit - standard	Fee	195	660	128,700
Single shipment import permit - urgent	Fee	325	105	34,125
12 month import permit	Fee	2,257	30	67,710
Single shipment export permit	Fee	331	50	16,550

4. Risk assessment

The objectives of ARPANSA's risk management policy are to:

- Support organisation-wide strategic risk review annually, involving branch and office heads and their functional leaders.
- Provide guidance as required to support integration of risk management in the business plans for the branch and office.
- Promote a risk aware organisational culture through sound risk management practices throughout ARPANSA.

- Maintain records of the status of the implementation of risk controls.
- Facilitate a periodic assessment of risk management status, and review and adjustment of the control measures as required.
- Maintain and continuously improve the risk management policy and framework.

Analysis of issues and risks

- Failure to adequately regulate the import and export of radioactive materials poses significant safety and security risks to Australia and any other nation, particularly if radioactive material falls out of regulatory control.
- Several incidents have occurred nationally and internationally where radioactive material that is
 out of regulatory control has entered countries without regulation. (This has included radiologically
 contaminated semi-finished products, which have been subsequently sold to the community in the
 form of bowls, spoons and other products whilst contaminated). In these circumstances the public
 have been exposed to ionising radiation without knowledge. From a security perspective, if
 radioactive materials are brought into Australia and sold to persons or individuals outside
 regulation, the consequences of a malicious act could be very damaging.
- State and territory radiation regulators within Australia rely heavily upon ARPANSA's ability to
 monitor and control the import and export of radioactive material. This information provides
 jurisdictional regulators with confidence that entities importing, and exporting are adequately
 licenced to perform their activities.

In accordance with the cost recovery guidelines and as required by the Department of Finance, ARPANSA has also undertaken a charging risk assessment (CRA) that included consideration of the ARPANSA operating environment, including its:

- complexity: structure, processes, and implementation of cost recovery activities
- materiality: financial value of the cost recovery activities
- sensitivity: level of interest from key stakeholders in the cost recovery activities.

Using criteria established in the CRA - Existing Charging Activity template, the 2023-24 risk assessment review resulted in an overall risk rating of low.

The key attributes leading to the rating of low risk for costs recovery are:

- level of cost recovery revenue being less than \$10 million
- complexity in the type of cost recovery charges used, being fees only
- level of impact of cost recovery on payers assessed as low.

ARPANSA will address relevant risks by continued improvements in regulatory functions and ensuring charging practices are transparent and aligned to services provided.

5. Stakeholder engagement

The issuance of permits was established by ARPANSA's predecessor the Australian Radiation Laboratory. The Agency has continued this cost recovery arrangement along with commencing the issue of export permits in 2017.

ARPANSA will continue to review and update this CRIS annually.					
Should you wish to provide feedback, please contact the Agency via our <u>online contact form</u> .					

6. Financial performance

6.1. Financial estimates

	2025-26 estimate \$	2026-27 estimate \$	2027-28 estimate \$	2028-2028 estimate \$
Expenses	247,085	256,970	267,250	277,940
Revenue	247,085	256,970	267,250	277,940
Surplus/(Deficit)	0	0	0	0
Cumulative balance	0	0	0	0

Actual financial performance, including any material² variance, will be explained in updates to this CRIS each financial year, along with an explanation of how ARPANSA will balance the variance, if any.

6.2. Financial outcomes

	2021-22	2022-23	2023-24	2024-25 \$*			
	\$	\$	\$	\$ *			
Estimates							
Expenses	209,500	269,000	258,210	268,910			
Revenue	209,500	269,000	258,210	268,910			
Surplus/(Deficit)	0	0	0	0			
Cumulative balance	0	0	0	0			
Actuals	Actuals						
Expenses	263 988	255,703	272,916	ТВС			
Revenue	263,988	255,703	272,916	TBC			
Surplus/(Deficit)	0	0	0	0			
Cumulative balance	0	0	0	0			

^{*}ARPANSA will provide financial performance updates, including details of revenue and expenses relating to the import and export permits, on an annual basis following the end of each financial year.

² As defined by AASB1031 and Division 12 – Materiality and Disclosure of the Finance Minister's Orders.

7. Non-financial performance

ARPANSA measures non-financial performance by reporting against measures published on the <u>ARPANSA website</u> in the <u>Corporate Plan</u>. These measures are reported annually in the annual performance statement, which is published as part of the Annual Report.

ARPANSA has worked with the Australian Bureau of Statistics (ABS) and the Department of Immigration and Border Protection (DIBP) to harmonise the Integrated Cargo System used to manage the import and export of medical and non-medical radioactive sources at the border.

Stakeholder engagement is measured through feedback, which generally has been positive both about the helpfulness of staff and the timeliness of approvals.

8. Key forward dates and events

This CRIS will be reviewed periodically, and updated and available on ARPANSA's website following any pricing review or any other material changes.

9. CRIS approval and change register

Date	Change	Approver	Reason
30 June 2025	Financial estimates and fees	Chief Financial Officer	Periodic review
2 October 2024	Actual financial results	Chief Financial Officer	Periodic review
30 June 2024	Financial estimates and fees	Chief Financial Officer	Periodic review
24 October 2023	Actual financial results	Chief Financial Officer	Portfolio charging review recommendation
30 June 2023	Financial estimates and fees	Chief Financial Officer	Periodic review
1 August 2022	Financial estimates and fees	Accountable authority	Periodic review
20 August 2019	Agreement to the CRIS	Responsible Minister	Portfolio charging review recommendation
23 July 2019	Certification of the CRIS	Accountable authority	Portfolio charging review recommendation