

Note. This data is included in AFFA's Part I.

PART I

ALL AGENCIES ARE REQUESTED TO COMPLETE PART I.

If you cannot answer a question, please indicate whether the question is NOT APPLICABLE or if INFORMATION IS NOT AVAILABLE.

Section 1: Contact details

1.1 Agency

1.2 Reporting and financial arrangements are governed by:
(Please indicate with a 'X' whether one or more of the following Acts apply)

Financial Management and Accountability Act 1997

YES	NO
X	

Commonwealth Authorities and Companies Act 1997

YES	NO

Other

1.3 Contact Officer

Position

Phone

Fax

Email

Address

This section asks about your agency's total revenues, charges and expenses. All agencies should complete this section, whether or not you consider you undertake cost recovery.

Section 2: Agency revenues, charges and expenses

(Please indicate with a 'X' which response applies)

2.1 Has your agency charged any cost recovery fees, levies or other charges in the last five financial years?

YES	NO
X	

Relevant charges include any fees, levies, taxes (including some customs and excise duties earmarked for specific purposes) or other charges which arise from the services, programs or business activities of your agency, and which are collected by your agency or by another agency on your behalf. For example, application fees, processing charges, consultancy fees, publication sales, special industry duties, excises or levies other than general taxation.

2.2 Were any of the appropriations allocated to your agency in the last five financial years linked (hypothecated) to revenue collected from fees, levies or charges (for example, levies paid to the Consolidated Revenue Fund but earmarked for allocation to your portfolio)? (Whether the revenue was collected by your agency or by another agency on your behalf).

YES	NO
	X

2.3 Has your agency considered introducing any cost recovery arrangements in the past that were not implemented?
(Please attach any relevant reviews, analysis or other information.)

YES	NO
	X

2.4 Is your agency considering introducing any cost recovery arrangements in the future?
(Please attach any relevant reviews, analysis or other information.)

YES	NO

If you answered NO to questions 2.1 and 2.2, you need not answer any further questions. Thank you for your cooperation. Please return the questionnaire to the Commission (see front sheet for instructions).

If you answered YES to EITHER question 2.1 OR question 2.2 OR both, please complete section 3 below, and Part II on the following worksheet.

Section 3: Agency revenues and expenses

3.1 Does your agency classify revenues and expenses as agency and administered?

Agency revenues and expenses are those controlled by the department/agency (for example, employee and administrative expenses). Administered revenues and expenses are those which are controlled by Government and managed or oversighted by the department/agency on behalf of the Government (for example, social security payments).

YES	NO
	X

If your agency classifies revenues and expenses as 'agency' and 'administered' then please fill in both tables below. If your agency does not classify revenues and expenses as 'agency' and 'administered' then please put all revenues and expenses in the 'agency' table below.

AGENCY revenues and expenses (Please use \$'000)					
	1995-96	1996-97	1997-98	1998-99	1999-2000
Agency revenue from cost recovery (a)					
3.2 Cost recovery revenue retained by your agency					
3.3 Cost recovery revenue paid to CRF and appropriated to your agency (or another agency for a specific purpose (ie. annotated, hypothecated or earmarked revenues)	7192635	7882266	7428207	6382604	11234216
3.4 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)	1863	15501	7992	5690	0
3.5 Total agency revenue from cost recovery	7194498	7897767	7436199	6388294	11234216
Agency revenue from other sources					
3.6 Other appropriations	16903000	14935000	15335000	15249000	11521000
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)					
3.8 Total agency revenue from other sources	16903000	14935000	15335000	15249000	11521000
3.9 Total agency revenue	24097498	22832767	22771199	21637294	22755216
3.10 Total agency expenses	23683346	22172287	22973661	20997284	21984044
CRF Consolidated Revenue Fund					
(a) Include all revenue from fees, levies, excises and other charges which arise from the services or activities of your agency and which is paid to your agency to another agency or to the Consolidated Revenue Fund.					

ADMINISTERED revenues and expenses (Please use \$'000)

	1995-96	1996-97	1997-98	1998-99	1999-2000
Administered revenue from cost recovery (a)					
3.11 Cost recovery revenue retained by your agency					
3.12 Cost recovery revenue paid to CRF and appropriated to your agency (or another agency for a specific purpose (ie. annotated,					
3.13 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)					
3.14 Total administered revenue from cost recovery	0	0	0	0	0
Administered revenue from other sources					
3.15 Other appropriations					
3.16 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)					
3.17 Total administered revenue from other sources	0	0	0	0	0
3.18 Total administered revenue	0	0	0	0	0
3.19 Total administered expenses					

CRF Consolidated Revenue Fund

(a) Include all revenue from fees, levies, excises and other charges which arise from the services or activities of your agency and which is paid to your agency to another agency or to the Consolidated Revenue Fund.

End of Part I. Please complete Part II, which is on a separate worksheet.

PART II

If your agency operated any cost recovery arrangements in 1999-2000, please complete this part. Please fill out a separate form for each sub-unit, cost recovery program or activity, or output or outcome for which you are reporting. Similar cost recovery arrangements may be reported in groups.

PART II(a)

Name of sub-unit, agency, program or activity, output or outcome Australian Bureau of Agricultural and Resource Economics (ABARE)

Section 4: Cost recovery arrangements in 1999-2000

Descriptive material	
4.1	Nature of cost recovery arrangement (eg. licence fee, service charge, hypothecated excise tax or levy etc)
	Service charges for economic research, publications and data services
4.2	Basic description of arrangements: (Please attach any relevant documents.)
	Since October 1998 ABARE's cost recovery funding arrangements have been included in AFFA's S.31 funding arrangements with DoFA. The history of ABARE's cost recovery arrangements extends from 1989-90 and the details of this are provided under the Research Funding Section of ABARE's separate submission to this inquiry
4.3	Who pays the cost recovery charges?
	Research and Development corporations, primary producers, financial institutions, business and industry organisations, statutory authorities, marketing corporations, international organisations such as FAO, World Bank, WTO, international commodity organisations
4.4	Who benefits from the program or activity, output or outcome?
	The Minister, clients and stakeholders. The beneficiaries vary widely. The majority of the work is public policy or industry work with industry wide or economy wide benefits. Some work is privately funded with purely private benefit.
4.5	Do you attempt to measure these benefits? If YES, how?
	Benefits are measured by an Annual Client Satisfaction Questionnaire sent to ABARE's client feedback from ABARE's website and Research Quality Statement, and delegates surveys from National and Regional OUTLOOK conferences.

4.6 Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)	There are other providers of economic research in the market place. ABARE's cost recovered economic research operates in a contestable environment. Clients choose to use ABARE's services based on the outcomes of competitive tenders, submission of research proposals, and invitations to submit prices for particular work. For example, ABARE has been selected by DISR to provide economic research for the resource sector for 2000-01
4.7 When was this cost recovery arrangement introduced?	The first user charging commenced in ABARE in 1989-90

PART II(b)

Name of sub-unit, agency, program or activity, output or outcome Australian Bureau of Agricultural and Resource Economics (ABARE)

Program or activity, output or outcome cost recovery arrangements in 1999-2000 (continued)
(Please use \$'000)

Program or activity, output or outcome revenues			
4.8	Cost recovery revenue paid to CRF earmarked for appropriation to same agency	\$	11234216
4.9	Cost recovery revenue paid to CRF earmarked for appropriation to a third party	\$	
4.10	Cost recovery revenue paid to CRF and not earmarked for particular appropriation	\$	
4.11	Cost recovery revenue paid to CRF (subtotal)	\$	11234216
4.12	Cost recovery not paid into CRF	\$	
4.13	Total cost recovery revenue	\$	11234216
4.14	Appropriations not related to cost recovery	\$	11521000
4.15	Other sources (please specify)	\$	
4.16	Total program or activity, output or outcome revenues	\$	22755216
Program or activity, output or outcome expenses			
4.17	Direct expenses	\$	13512176
4.18	Indirect expenses (including corporate overheads)	\$	8471868
4.19	Third party expenses (a)	\$	
4.20	Total program or activity, output or outcome expenses	\$	21984044
Administration costs			
4.21	What costs are associated with administering the cost recovery arrangements?	\$	325000

CRF Consolidated Revenue Fund. Direct costs are those directly related to a particular program. Indirect costs include indirect agency overheads and general running costs. (a) Include third party costs where third parties are involved in a program or activity and their costs are being recovered as part of the cost recovery arrangements.

PART II(c)

Name of sub-unit, agency, program or activity, output or outcome	Australian Bureau of Agricultural and Resource Economics (ABARE)
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Section 5: Institutional arrangements

5.1 What was the rationale for introducing these cost recovery arrangements? (Please attach sources, eg. legislative objects clauses, press releases, second reading speeches.)	User charging was first commenced in ABARE in 1989-90. As a result of a budget decision in 1993-94 DoFA requested ABARE to institute a cost recovery target of approximately 30 per cent to be reached by 1996-97 to provide savings to government on a user pays basis. In 1996-97 ABARE's budget was cut further and the cost recovered activities were raised to approximately 40% to offset cuts in appropriation funding. Due to further budget cuts and the changes to the Administrative Orders in 1999-2000 (DPIE becoming AFFA and the Resources policy divisions moving to DISR) ABARE recovered 49 per cent of its budget from sources external to AFFA (this included 20 per cent from DISR). Also as a result of the changes to Administrative Orders in 1999-2000 ABARE ceased to have a separate Section 31 account with DoFA and now operates under AFFA's Section 31 arrangements.
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5.2 What was the legal basis for establishing these cost recovery arrangements: (Please name and attach relevant documents.)

Legislation (eg. s.31 of the Financial Management and Accountability Act, tax or levy acts)	1989-1997 annotated appropriation under Section 35 of the Audit Act 1901 1997-2000 annotated appropriation under Section 31 of the Financial Management and Accountability Act 1997 (from 1999-2000 ABARE has been included under AFFA's Section 31 Agreement with DoFA).
Subordinate legislation (eg. regulations, standards)	FMA Act 1997 and the Financial Orders derived from that Act DoF Guidelines For the Costing of Government Activities 1991 Commonwealth Procurement Guidelines 1997 AFFA Chief Executive Instructions There are several other Acts that impinge on the operation of cost recovered activities and these have been listed in Section 3 of ABARE's full submission.
Co-regulation or quasi-regulation	
Commonwealth/State/Territory agreement	

Voluntary arrangements (eg. codes of practice)	
Other	

5.3 Who was consulted about introducing these cost recovery arrangements? (Please name relevant bodies and describe the consultation arrangements.)

Commonwealth government (DOFA etc)	Department of Finance and Administration
Other governments (state, territory, local)	
Industry	
Consumers	
Other	

<p>5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)</p>	<p>Department of Finance Guidelines for the costing of government activities 1991</p>
<p>5.5 Which agency is responsible for the following activities? (Please name relevant agency)</p> <p>Policy setting</p> <p>Price setting</p> <p>Administration</p> <p>Revenue collection</p>	<p>AFFA/ABARE</p> <p>ABARE</p> <p>ABARE/AFFA</p> <p>ABARE within AFFA's Section 31 agreement</p>
<p>5.6 Is there any ongoing consultation about these cost recovery arrangements? With whom? (Please name relevant bodies.)</p> <p>Commonwealth government (DOFA etc)</p> <p>Other governments (state, territory, local)</p> <p>Industry</p> <p>Consumers</p> <p>Other</p>	<p>Section 31 arrangements with regard to cost recovered revenue are negotiated periodically with DoFA. Other Commonwealth government departments purchase ABARE services on the basis of competitive tenders or invitations to submit research proposals. Clients for 1999-2000 included DFAT, Department of Transport and Regional Services and the Australian Greenhouse Office.</p> <p>In 1999-2000 ABARE received funding from over 50 major research clients - these included other government, state and territory, for example, NSW Department of Land and Water Conservation, NSW Dairy Corporation, and the Western Australian Department of Energy among others. These services were provided on the basis of competitive tenders or invitations to submit research proposals.</p> <p>Several industry clients purchased ABARE's services in 1999-2000. These include, among others, the Grains Research and Development Corporation, Meat and Livestock Australia, the Rural Industries Research and Development Corporation, and Woolmark Australia. These services were provided on the basis of competitive tenders and research proposals.</p> <p>Sales of ABARE publications are made to over 5,000 clients, a selection of these clients are included in ABARE's annual client satisfaction survey. Some major clients include the Australian Bureau of Statistics, a number of book agencies, Western Power Corporation, Macquarie Bank, Commonwealth Bank, Ernst and Young, McKinsey and Co.</p> <p>ABARE received funds for research undertaken in 1999-2000 from universities and other educational institutions, for example the Queensland University of Technology, and The Centre for Water Policy Research, UNE.</p>

5.7 Please describe these consultation arrangements.

ABARE's annual client satisfaction questionnaire seeks feedback from a broad range of ABARE customers (including industry and other government departments) who have purchased ABARE consultancy services or publications, or attended ABARE's conferences in the preceding year. Feedback is sought on whether ABARE's services are considered value for money, and whether consumers consider ABARE maintains an appropriate balance between service, cost and value and other issues such as does ABARE research add value to their business.

5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)

Cost Recovery in ABARE and BRS: An evaluation - for Department of Finance February 1995

No fundamental changes were made to cost recovered arrangements as a result of this review

PART II(d)

Name of sub-unit, agency, program or activity, output or outcome

Australian Bureau of Agricultural and Resource Economics (ABARE)

Section 6: Price setting arrangements

6.1 How are these cost recovery charges determined? (Please attach any relevant documents)

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|--|--|
| (i) How are charges set? (eg. by formula in legislation or based on 'market prices') | Charges are calculated on a formula based on the Guidelines for Costing of Government Activities 1991 |
| (ii) Are charges directly related to the costs of particular activities, outcomes or outputs, or charged on some other basis? (eg. levies on users' turnover, profits or assets) | Charges relate directly to particular activities, and are calculated on base salaries, overheads and direct costs attributable to that activity. |

6.2 If charges are directly related to the costs of particular activities, outputs or outcomes:

- | | |
|--|--|
| (i) What costs do charges aim to recover? (eg. only direct costs or indirect costs such as overheads) | Charges aim to cover full costs incorporating base salaries, overheads and direct costs. |
| (ii) What proportion of these costs do charges aim to recover? (%) | 100% |
| (iii) Does the charging regime require assets to be valued? (eg. to allow the calculation of user cost of capital or return on assets) | The charging regime does not require assets to be valued. Assets are revalued periodically in line with standard accounting procedures |
| (iv) If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost) | |
| (v) Do charges include a user cost of capital? | No |
| (vi) If 'YES' to (iv), how is it calculated? | |
| (vii) Do charges include return on assets? (eg. profit) | No |
| (viii) If 'YES' to (vii), on what basis? | |
| (ix) Do charges discriminate between types of users? | Yes (see xi) below.
Individual contracts are negotiated on a case by case basis within the cost recovery framework |

(x) If 'YES' to (ix), on what basis?	If a project is jointly funded by appropriation and externally funded revenue, and is within the core research priorities of ABARE and AFFA and/or has a public benefit component, less than full cost recovery may be accepted in these situations. For example several research and development funding proposals do not allow for full cost recovery (eg. limit on costs to a particular percent of base salary).
(xi) Do charges allow for access and equity considerations (eg. waivers, discounts)?	Yes
(xii) If 'YES' to (xi), on what basis?	Discounts apply to particular purchasers of ABARE publications (eg farmers and students), there is also a free list for some publications, and all publications are accessible via the National Library or intra library loans through the AFFA/ABARE library
(xiii) Other (Please describe other significant features)	
6.3 How are indirect costs allocated for cost recovery arrangements? (eg. activity based costing, according to share of direct costs or other rule.)	Share of indirect costs
6.4 Are there any price controls on these charges?	No
6.5 How often is the level of charges changed?	Base salary rates are adjusted for significant increases throughout the year such as awarded pay rises, or changes in pricing regimes (eg. GST) otherwise the model is reviewed annually.
6.6 What happens if revenue recovered is greater than costs incurred?	Surplus revenue is governed by the Section 31 profit sharing arrangements agreed with DoFA

End of Part II. Thank you for your cooperation. Please return the questionnaire and attachments to the Commission (see front sheet for instructions)