

Note. These data includes ABARE, BRS and AQIS.

**PART I**

**ALL PORTFOLIOS 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 Portfolio

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 portfolio’s total revenues, charges and expenses (but not including the revenues, charges and expenses of agencies that will be completing separate responses to this questionnaire - see Attachment A). All portfolios should complete this section, whether or not you consider you undertake cost recovery.**

**Section 2: Portfolio revenues, charges and expenses**

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

2.1 Has your portfolio 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 portfolio, and which are collected by your portfolio, 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 portfolio 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 portfolio or by another agency on your behalf).

YES	NO
X	

2.3 Has your portfolio 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 portfolio considering introducing any cost recovery arrangements in the future?  
(Please attach any relevant reviews, analysis or other information.)

YES	NO
	X

**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: Portfolio revenues and expenses**

**Please do not include the revenues and expenses in this section of agencies that will be completing separate responses to this questionnaire (see Attachment A).**

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

<b>AGENCY portfolio revenues and expenses (Please use \$'000)</b>					
	1995-96	1996-97	1997-98	1998-99	1999-2000
<b>Agency revenue from cost recovery (a)</b>					
3.2 Cost recovery revenue retained by your portfolio	143941	134329	152019	147914	176051
3.3 Cost recovery revenue paid to CRF and appropriated to your portfolio (or another agency for a specific purpose (ie. annotated, hypothecated or earmarked revenues)	n/a	n/a	n/a	n/a	n/a
3.4 Cost recovery revenue paid to CRF and not specifically appropriated to your portfolio (or another agency)	n/a	n/a	n/a	n/a	n/a
<b>3.5 Total agency revenue from cost recovery</b>	<b>143941</b>	<b>134329</b>	<b>152019</b>	<b>147914</b>	<b>176051</b>
<b>Agency revenue from other sources</b>					
3.6 Other appropriations	242909	265890	274609	173062	151674
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	9702	2080	440	982	1311
<b>3.8 Total agency revenue from other sources</b>	<b>252611</b>	<b>267970</b>	<b>275049</b>	<b>174044</b>	<b>152985</b>
<b>3.9 Total portfolio agency revenue</b>	<b>396552</b>	<b>402299</b>	<b>427068</b>	<b>321958</b>	<b>329036</b>
<b>3.10 Total agency expenses</b>	<b>403113</b>	<b>402518</b>	<b>385066</b>	<b>346107</b>	<b>346617</b>
<b>CRF Consolidated Revenue Fund</b>					
(a) Include all revenue from fees, levies, excises and other charges which arise from the services or activities of your portfolio, and which is paid to your portfolio, to another agency or to the Consolidated Revenue Fund.					

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

	1995-96	1996-97	1997-98	1998-99	1999-2000
<b>Administered revenue from cost recovery (a)</b>					
3.11 Cost recovery revenue retained by your portfolio					
3.12 Cost recovery revenue paid to CRF and appropriated to your portfolio (or another agency for a specific purpose (ie. annotated,					
3.13 Cost recovery revenue paid to CRF and not specifically appropriated to your portfolio (or another agency)					
<b>3.14 Total administered revenue from cost recovery</b>	0	0	0	0	0
<b>Administered revenue from other sources</b>					
3.15 Other appropriations	n/a	933573	946769	1754443	1415381
3.16 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	n/a	120314	112619	62645	10513
<b>3.17 Total administered revenue from other sources</b>	0	1053887	1059388	1817088	1425894
<b>3.18 Total portfolio administered revenue</b>	0	1053887	1059388	1817088	1425894
<b>3.19 Total administered expenses</b>	1432330	1445179	1447704	993376	886308

**CRF Consolidated Revenue Fund**

(a) Include all revenue from fees, levies, excises and other charges which arise from the services or activities of your portfolio, and which is paid to your portfolio, 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 portfolio 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 AWRAP cost recovery

**Section 4: Cost recovery arrangements in 1999-2000**

Descriptive material	
4.1	<p>Nature of cost recovery arrangement (eg. licence fee, service charge, hypothecated excise tax or levy etc)</p> <p>Certain costs incurred by AFFA relating to the privatisation of the Australian Wool Research and Promotion Organisation (AWRAP) are reimbursed by AWRAP.</p>
4.2	<p>Basic description of arrangements: (Please attach any relevant documents.)</p> <p>AFFA raises invoices to AWRAP to recover costs for the following activities (related to the privatisation process: a) salaries and salary on-costs (super, leave) for two employees; b) travel expenses (airfares, TA including accomodation, taxi fares); c) other expenses such as mobile phone call costs, legal advice and printing. Whilst all members of the section (of 5 people) carry out duties in relation to the project, a decision was taken to cost-recover the salaries of only two staff members reflecting the additional workload for the section and the view that the activities, at least in part, form part of the core business of the section.</p>
4.3	<p>Who pays the cost recovery charges?</p> <p>Australian Wool Research and Promotion Organisation</p>
4.4	<p>Who benefits from the program or activity, output or outcome?</p> <p>Australian woolgrowers</p>
4.5	<p>Do you attempt to measure these benefits? If YES, how?</p> <p>Broadly - in terms of the success of the privatisation process and the level of industry support for the new arrangements.</p>

4.6 Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)	No
4.7 When was this cost recovery arrangement introduced?	21 June 2000 (by Ministerial Direction).

**PART II(b)**

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

**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 portfolio	\$			
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)	\$	0		
4.12	Cost recovery not paid into CRF	\$		0	
4.13	Total cost recovery revenue	\$		0	
4.14	Appropriations not related to cost recovery	\$			
4.15	Other sources (please specify)	\$			
<b>4.16</b>	<b>Total program or activity, output or outcome revenues</b>	\$			<b>0</b>

**Program or activity, output or outcome expenses**

4.17	Direct expenses	\$	18,277.39
4.18	Indirect expenses (including corporate overheads)	\$	
4.19	Third party expenses (a)	\$	
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	<b>18277.39</b>

**Administration costs**

4.21	What costs are associated with administering the cost recovery arrangements?	\$	0
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CRF Consolidated Revenue Fund. Direct costs are those directly related to a particular program. Indirect costs include indirect agent 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

AWRAP cost recovery

**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.)

At the time of the Government's decision to privatise AWRAP, the Government also decided it was appropriate for AWRAP to fund the reform process. This policy is consistent with the Government's general policy in agriculture to divest itself of direct involvement in industry commercial affairs. As a result of this decision, the Minister issued a Direction to AWRAP under Section 6(1D) of the Australian Wool Research and Promotion Organisation Act 1993, which directs AWRAP to reimburse the expenses or liabilities incurred by AFFA during the reform process (see attached).

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)
- Subordinate legislation (eg. regulations, standards)
- Co-regulation or quasi-regulation
- Commonwealth/State/Territory agreement
- Voluntary arrangements (eg. codes of practice)
- Other

Section 6 of the Australian Wool Research and Promotion Organisation Act 1993 (see attached).

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

- Commonwealth government (DOFA etc)
- Other governments (state, territory, local)
- Industry
- Consumers

Government (Cabinet) considered cost recovery as part of their overall consideration of the privatisation process

Industry were advised of the Government's policy regarding privatisation processes in the Information Voting Kit for the WoolPoll 2000 grower ballot held in March 2000 (see attached).

Other	
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<p>5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)</p>	<div style="border: 1px solid black; height: 85px;"></div>					
<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>	<table border="1"> <tr><td>AFFA</td></tr> <tr><td>AFFA</td></tr> <tr><td>AFFA</td></tr> <tr><td>AFFA</td></tr> </table>	AFFA	AFFA	AFFA	AFFA	
AFFA						
AFFA						
AFFA						
AFFA						
<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>	<table border="1"> <tr><td>No</td></tr> <tr><td></td></tr> <tr><td></td></tr> <tr><td></td></tr> <tr><td></td></tr> </table>	No				
No						
<p>5.7 Please describe these consultation arrangements.</p>	<div style="border: 1px solid black; height: 45px;"></div>					
<p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p>	<div style="border: 1px solid black; padding: 5px;"> <p>Independent auditor (employed by AWRAP) has reviewed the administrative approach taken to cost recovery and will also certify all invoices raised by AFFA prior to sending to AWRAP.</p> </div>					

**PART II(d)**

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

AWRAP cost recovery

**Section 6: Price setting arrangements**

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

- |  |   |
|--|---|
| (i) How are charges set? (eg. by formula in legislation or based on 'market prices')   | Charges are based on the costs incurred (with GST applied as applicable). |
| (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) | Directly related to the costs of particular activities.                   |

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)                                  | Direct costs   |
| (ii) What proportion of these costs do charges aim to recover? (%)   | 100% of those activities being cost recovered (except in the case of salaries for which wages and salary on-costs only are recovered). |
| (iii) Does the charging regime require assets to be valued? (eg. to allow the calculation of user cost of capital or return on assets) | Not relevant to this project.  |
| (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?   | Not relevant to this project.  |
| (vi) If 'YES' to (iv), how is it calculated?   |  |
| (vii) Do charges include return on assets? (eg. profit)  | Not relevant to this project.  |
| (viii) If 'YES' to (vii), on what basis?   |  |
| (ix) Do charges discriminate between types of users?   | Not relevant to this project.  |
| (x) If 'YES' to (ix), on what basis?   |  |

(xi) Do charges allow for access and equity considerations (eg. waivers, discounts)?	Not relevant to this project.
(xii) If 'YES' to (xi), on what basis?	
(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.)	Not relevant to this project.
6.4 Are there any price controls on these charges?	Not relevant for this project.
6.5 How often is the level of charges changed?	Not relevant to this project.
6.6 What happens if revenue recovered is greater than costs incurred?	Not relevant to this project.

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

**PART II**

**If your portfolio 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

**Section 4: Cost recovery arrangements in 1999-2000**

Descriptive material	
4.1	<p>Nature of cost recovery arrangement (eg. licence fee, service charge, hypothecated excise tax or levy etc)</p> <p>Costs recovered from the Dairy Structural Adjustment Fund administered by the Australian Dairy Corporation. The source of funding for the Fund is an 11 cent per litre levy on fresh milk.</p>
4.2	<p>Basic description of arrangements: (Please attach any relevant documents.)</p> <p>Costs of developing and implementing measures in relation to the Commonwealth Dairy Industry Adjustment Package</p>
4.3	<p>Who pays the cost recovery charges?</p> <p>The Australian Dairy Corporation</p>
4.4	<p>Who benefits from the program or activity, output or outcome?</p> <p>The Australian Dairy Industry</p>
4.5	<p>Do you attempt to measure these benefits? If YES, how?</p> <p>Program monitoring and evaluation measures are built into programs provided under the Commonwealth Dairy Package</p>
4.6	<p>Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)</p> <p>No.</p>
4.7	<p>When was this cost recovery arrangement introduced?</p> <p>With passage of the Dairy Industry adjustment Bill in March 2000</p>

**PART II(b)**

Name of sub-unit, agency, program or activity, output or outcome Dairy sub-unit (Contact: Greg Williamson, 6272-5628)

**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 portfolio	\$	<input type="text"/>	
4.9	Cost recovery revenue paid to CRF earmarked for appropriation to a third party	\$	<input type="text" value="585,000"/>	
4.10	Cost recovery revenue paid to CRF and not earmarked for particular appropriation	\$	<input type="text"/>	
4.11	Cost recovery revenue paid to CRF (subtotal)	\$	<input type="text" value="585000"/>	
4.12	Cost recovery not paid into CRF	\$	<input type="text"/>	
4.13	Total cost recovery revenue	\$	<input type="text" value="585000"/>	
4.14	Appropriations not related to cost recovery			\$ <input type="text"/>
4.15	Other sources (please specify)			\$ <input type="text"/>
<b>4.16</b>	<b>Total program or activity, output or outcome revenues</b>			\$ <input type="text" value="585000"/>

**Program or activity, output or outcome expenses**

4.17	Direct expenses	\$	<input type="text" value="335,718"/>
4.18	Indirect expenses (including corporate overheads)	\$	<input type="text"/>
4.19	Third party expenses (a)	\$	<input type="text"/>
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	<input type="text" value="335718"/>

**Administration costs**

4.21 What costs are associated with administering the cost recovery arrangements? \$

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 a 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 Dairy sub-unit (Contact: Greg Williamson, 6272-5628)

**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.) Legislation required that subordinate legislation be established and an independent authority be formed to administer the Dairy structural Adjustment Program.

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)	Federal Legislation Section 79(c) of the Dairy Industry adjustment Act 2000 (excerpt attached)
Subordinate legislation (eg. regulations, standards)	
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)	DOFA
Other governments (state, territory, local)	
Industry	Australian Dairy Industry Council
Consumers	
Other	



<p>5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)</p>	<p>Commonwealth contract tendering processes complied with in terms of consultancies (most costs were incremental staff costs to AFFA for development of legislative arrangements).</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>	<table border="1"> <tr> <td>AFFA</td> </tr> <tr> <td>Cost recovery only</td> </tr> <tr> <td>Dairy Adjustment Authority, Centrelink, DEWRSB</td> </tr> <tr> <td>AFFA</td> </tr> </table>	AFFA	Cost recovery only	Dairy Adjustment Authority, Centrelink, DEWRSB	AFFA	
AFFA						
Cost recovery only						
Dairy Adjustment Authority, Centrelink, DEWRSB						
AFFA						
<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>	<table border="1"> <tr> <td>Authorised in Government decision.</td> </tr> <tr> <td></td> </tr> <tr> <td>ADC</td> </tr> <tr> <td></td> </tr> <tr> <td></td> </tr> </table>	Authorised in Government decision.		ADC		
Authorised in Government decision.						
ADC						
<p>5.7 Please describe these consultation arrangements.</p>	<p>Agreement with ADC on basis of AFFA incremental cost recovery.</p>					
<p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p>	<p>Limited duration (2 years) and cost recovery will be reduced as workload declines.</p>					

**PART II(d)**

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

Dairy sub-unit (Contact: Greg Williamson, 6272-5628)

**Section 6: Price setting arrangements**

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

(i) How are charges set? (eg. by formula in legislation or based on 'market prices')	No charges are set. Only direct costs incurred are recovered.
(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)	Only direct costs incurred in respect of the activity are recovered.

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)	Only direct costs incurred are recovered.
(ii) What proportion of these costs do charges aim to recover? (%)	All direct costs incurred are recovered.
(iii) Does the charging regime require assets to be valued? (eg. to allow the calculation of user cost of capital or return on assets)	No
(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?	All direct costs incurred are recovered.
(x) If 'YES' to (ix), on what basis?	

(xi) Do charges allow for access and equity considerations (eg. waivers, discounts)?	All direct costs incurred are recovered.
(xii) If 'YES' to (xi), on what basis?	
(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.)	Only direct costs incurred are recovered.
6.4 Are there any price controls on these charges?	N/a
6.5 How often is the level of charges changed?	N/A
6.6 What happens if revenue recovered is greater than costs incurred?	Only direct costs incurred are recovered.

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

**PART II**

**If your portfolio 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 Levies And Revenue Service (contact Steve Maxwell, 6272-4411)

**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)	Recovery of full costs for the collection and administration of agriculture levies.
4.2	Basic description of arrangements: (Please attach any relevant documents.)	Legislation is in place authorising the Commonwealth to recover costs incurred in collecting and administering agriculture levies. The provides LRS with the authority to charge levy recipient bodies for the full costs associated with this function.
4.3	Who pays the cost recovery charges?	Levy recipient bodies listed at Attachment A.
4.4	Who benefits from the program or activity, output or outcome?	Agriculture Industries and more broadly the community.
4.5	Do you attempt to measure these benefits? If YES, how?	An annual report of activity is prepared and distributed to all clients (Attachment B).
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)	Legislation allows for other providers to collect levy but only allows officers of the APS to enter premises and check records.
4.7	When was this cost recovery arrangement introduced?	In 1988

**PART II(b)**

Name of sub-unit, agency, program or activity, output or outcome Levies And Revenue Service (contact Steve Maxwell, 6272-4411)

**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 portfolio	\$	2168000	
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)	\$	2168000	
4.12	Cost recovery not paid into CRF	\$		
4.13	Total cost recovery revenue	\$	2168000	
4.14	Appropriations not related to cost recovery	\$		
4.15	Other sources (please specify)	\$		
<b>4.16</b>	<b>Total program or activity, output or outcome revenues</b>	\$	<b>2168000</b>	

**Program or activity, output or outcome expenses**

4.17	Direct expenses	\$	1541000
4.18	Indirect expenses (including corporate overheads)	\$	627000
4.19	Third party expenses (a)	\$	
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	<b>2168000</b>

**Administration costs**

4.21	What costs are associated with administering the cost recovery arrangements?	\$	27500
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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 a 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 Levies And Revenue Service (contact Steve Maxwell, 6272-4411)

**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.) In May 1988 the then Government decided to introduce legislative changes to enable the commonwealth to recover its costs associated with collection and administering levies. It was considered that the absence of cost recovery represented a small hidden subsidy to agriculture industries who benefit from such levies. (May Economic Statement 1988)

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)	Recovery of Levy Expenses Act 1988
Subordinate legislation (eg. regulations, standards)	
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)	When industries are thinking about levies they make preliminary enquiries about how much it will cost for the LRS to do the work. Industry bodies are given an informal/indicative quote which is then followed up by a quote for costs based on the requirements of the industry. All representatives of peak industry bodies and recipient bodies who receive levy funds are consulted.
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>Records unavailable to current staff.</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</p> <p>AFFA</p> <p>AFFA</p> <p>AFFA</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>Only when new levy arrangements are implemented those industries are made aware the Commonwealth recovers levy collection costs.</p> <p></p> <p></p> <p></p>
<p>5.7 Please describe these consultation arrangements.</p>	<p>Refer Above</p>
<p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p>	<p>Cost recovery arrangement have been subject to internal and external audits and are currently being looked at as part of National Competition Policy. A copy of a June 2000 ANAO performance audit is at Attachment C and a Centre for International Economics review of relevant legislation under the NCP agreement is at Attachment D.</p>

**PART II(d)**

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

Levies And Revenue Service (contact Steve Maxwell, 6272-4411)

**Section 6: Price setting arrangements**

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

(i) How are charges set? (eg. by formula in legislation or based on 'market prices')	Charges are determined by identifying and taken account of all costs, direct and indirect in delivering the service.
(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)	As above

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)	Full recurrent 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)	NO
(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?	No
(x) If 'YES' to (ix), on what basis?	



(xi) Do charges allow for access and equity considerations (eg. waivers, discounts)?	No
(xii) If 'YES' to (xi), on what basis?	
(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.)	For 1999/200 according to share of direct costs but moving to activity based costing in future years
6.4 Are there any price controls on these charges?	No
6.5 How often is the level of charges changed?	The LRS determines costs based on the number of collection points, the frequency of compliance audits required, based on a risk assessment of the
6.6 What happens if revenue recovered is greater than costs incurred?	It is adjusted from the next years charges.

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

**Recipient Corporations**

Animal Health Australia  
Australian Dairy Corporation  
Australian Dried Fruits Board  
Australian Horticulture Corporation  
Australian Pork Corporation  
Australian Wheat Board  
Australian Wine and Brandy Corporation  
Australian Wool Research & Promotion Organisation  
Brucellosis and Tuberculosis Eradication Council  
Cotton Research and Development Corporation  
Dairy Research and Development Corporation  
Dried Fruits Research and Development Corporation  
Fisheries Research and Development Corporation  
Forest and Wood Products Research and Development Corporation (Levies Only)  
Forest and Wood Products Research and Development Corporation (Forest Import)  
Grains Research and Development Corporation  
Grape and Wine Research and Development Corporation  
Horticultural Research and Development Corporation  
Meat and Livestock Australia  
National Residue Survey  
Pig Research and Development Corporation  
Rural Industries Research and Development Corporation  
Sugar Research and Development Corporation  
Tobacco Research and Development Corporation  
Wool Stock Australia  
Trust Fund RMAC

**PART II**

**If your portfolio 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 Market Access - Quota Administration (Contact: Peter Ferguson 6272-5168)

**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) <span style="border: 1px solid black; padding: 2px;">Direct recovery from red meat industry of costs of operation of AFFA's Quota Administration (QA) Unit. This arrangement is to be changed to reflect a user pays cost recovery regime at the request and recommendation of the industry. To be applied by a fee for grant of meat export quota.</span>
4.2	Basic description of arrangements: (Please attach any relevant documents.) <span style="border: 1px solid black; padding: 2px;">AFFA's QA Unit manages meat export quotas applied by third countries. Costs for this Unit are invoiced to the Australian Meat Processor Corporation. Under new arrangements AFFA will apply a fee for the grant of quota directly to meat exporters.</span>
4.3	Who pays the cost recovery charges? <span style="border: 1px solid black; padding: 2px;">Recipients of meat export quotas</span>
4.4	Who benefits from the program or activity, output or outcome? <span style="border: 1px solid black; padding: 2px;">Licensed meat exporters; beef producers and processors</span>
4.5	Do you attempt to measure these benefits? If YES, how? <span style="border: 1px solid black; padding: 2px;">No. Quotas imposed by importing countries. The orderly management of quotas is necessary to ensure maximum value/benefit is extracted from the markets.</span>
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe) <span style="border: 1px solid black; padding: 2px;">Yes. No quota system, ie first come/first serve basis of access. This is not supported by the Australian export industry. Independent consultant supported by industry has validated the commercial efficiency of the Unit (attached).</span>
4.7	When was this cost recovery arrangement introduced? <span style="border: 1px solid black; padding: 2px;">Current arrangements in place from July 1998. New regime not yet implemented (to Commence December 2000)</span>

**PART II(b)**

Name of sub-unit, agency, program or activity, output or outcome Market Access - Quota Administration (Contact: Peter Ferguson 6272-5168)

**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 portfolio	\$		
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	\$	255	
4.11	Cost recovery revenue paid to CRF (subtotal)	\$	255	
4.12	Cost recovery not paid into CRF	\$		0
4.13	Total cost recovery revenue	\$	255	
4.14	Appropriations not related to cost recovery	\$		
4.15	Other sources (please specify)	\$		
<b>4.16</b>	<b>Total program or activity, output or outcome revenues</b>	\$		255

**Program or activity, output or outcome expenses**

4.17	Direct expenses	\$	255
4.18	Indirect expenses (including corporate overheads)	\$	
4.19	Third party expenses (a)	\$	
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	255

**Administration costs**

4.21	What costs are associated with administering the cost recovery arrangements?	\$	
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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 a 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

Market Access - Quota Administration (Contact: Peter Ferguson 6272-5168)

**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.)

In July 1998, AFFA assumed responsibility for the Quota Administration function, with industry agreement to fund the process until a cost recovery regime could be implemented. This was reinforced by an industry review in July 1999 of the quota allocation process and, after further consultation, the process is to commence in December 2000.

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)
- Subordinate legislation (eg. regulations, standards)
- Co-regulation or quasi-regulation
- Commonwealth/State/Territory agreement
- Voluntary arrangements (eg. codes of practice)
- Other

Sub section 6 (2) (a) of the Australian Meat and Live-stock (Quotas) Act 1990

Australian Meat and Live-stock (Quotas) Regulations 2000

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

- Commonwealth government (DOFA etc)
- Other governments (state, territory, local)
- Industry
- Consumers
- Other

Red Meat Advisory Council (RMAC); Australian Meat Processor Corporation

5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)	RMAC Review of Beef and Sheepmeat Quota Allocations dated 2 July 1999; Karridale Report on Industry Funded Cost Recovery of Quota Administration Unit (attached).										
5.5 Which agency is responsible for the following activities? (Please name relevant agency)	<table border="1"> <tr> <td data-bbox="416 612 568 639">Policy setting</td> <td data-bbox="907 612 1789 639">AFFA (Meat and Livestock)</td> </tr> <tr> <td data-bbox="416 644 560 671">Price setting</td> <td data-bbox="907 644 1789 671">AFFA (Meat and Livestock in consultation with RMAC)</td> </tr> <tr> <td data-bbox="416 676 577 703">Administration</td> <td data-bbox="907 676 1789 703">AFFA (Quota Administration)</td> </tr> <tr> <td data-bbox="416 708 633 735">Revenue collection</td> <td data-bbox="907 708 1789 735">AFFA</td> </tr> </table>	Policy setting	AFFA (Meat and Livestock)	Price setting	AFFA (Meat and Livestock in consultation with RMAC)	Administration	AFFA (Quota Administration)	Revenue collection	AFFA		
Policy setting	AFFA (Meat and Livestock)										
Price setting	AFFA (Meat and Livestock in consultation with RMAC)										
Administration	AFFA (Quota Administration)										
Revenue collection	AFFA										
5.6 Is there any ongoing consultation about these cost recovery arrangements? With whom? (Please name relevant bodies.)	<table border="1"> <tr> <td data-bbox="416 804 875 831">Commonwealth government (DOFA etc)</td> <td data-bbox="907 804 1789 831"></td> </tr> <tr> <td data-bbox="416 836 882 863">Other governments (state, territory, local)</td> <td data-bbox="907 836 1789 863"></td> </tr> <tr> <td data-bbox="416 868 510 895">Industry</td> <td data-bbox="907 868 1789 895">RMAC, AMPC</td> </tr> <tr> <td data-bbox="416 900 546 927">Consumers</td> <td data-bbox="907 900 1789 927"></td> </tr> <tr> <td data-bbox="416 932 483 959">Other</td> <td data-bbox="907 932 1789 959"></td> </tr> </table>	Commonwealth government (DOFA etc)		Other governments (state, territory, local)		Industry	RMAC, AMPC	Consumers		Other	
Commonwealth government (DOFA etc)											
Other governments (state, territory, local)											
Industry	RMAC, AMPC										
Consumers											
Other											
5.7 Please describe these consultation arrangements.	Jointly engaged consultant to identify appropriate cost base and charging regime, together with agreement on review requirements.										
5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)	Yes. Reviewed during recent consultancy and revised cost recovery regime will be reviewed in 12 months.										

## PART II(d)

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

Market Access - Quota Administration (Contact: Peter Ferguson 6272-5168)

### **Section 6: Price setting arrangements**

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

(i) How are charges set? (eg. by formula in legislation or based on 'market prices')	See 6.2 below. Prescribed fee for the grant of quota authorised in Act and rate confirmed by regulation. Rate is set on the basis of cents per kilogram of quota granted to meat exporters.
(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)	Fee is set against fixed levels of export quotas applied by third countries and related to identified costs associated with provision of the quota administration process.

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)	Full 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)	No
(iv) If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprivation or replacement cost)	N/A
(v) Do charges include a user cost of capital?	No
(vi) If 'YES' to (iv), how is it calculated?	N/A
(vii) Do charges include return on assets? (eg. profit)	No
(viii) If 'YES' to (vii), on what basis?	N/A
(ix) Do charges discriminate between types of users?	No
(x) If 'YES' to (ix), on what basis?	N/A

(xi) Do charges allow for access and equity considerations (eg. waivers, discounts)?	No
(xii) If 'YES' to (xi), on what basis?	N/A
(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.)	Costs estimated on equivalent costs incurred elsewhere in AFFA, eg rent, IT services, and pro-rated against the average staffing level numbers.
6.4 Are there any price controls on these charges?	No
6.5 How often is the level of charges changed?	N/A
6.6 What happens if revenue recovered is greater than costs incurred?	N/A

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



**PART II**

**If your portfolio 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 Product Integrity, Animal and Plant Health (excluding NRS & APLC)

**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) <span style="border: 1px solid black; padding: 2px;">Service Charges</span>
4.2	Basic description of arrangements: (Please attach any relevant documents.) <span style="border: 1px solid black; padding: 2px;">Provision of scientific and technical advice, training programs and secretariat services.</span>
4.3	Who pays the cost recovery charges? <span style="border: 1px solid black; padding: 2px;">Generally other government agencies. Some work performed for agricultural industry bodies, this work supports PIAPH core functions.</span>
4.4	Who benefits from the program or activity, output or outcome? <span style="border: 1px solid black; padding: 2px;">The services provided ultimately benefit the rural community.</span>
4.5	Do you attempt to measure these benefits? If YES, how? <span style="border: 1px solid black; padding: 2px;">No</span>
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe) <span style="border: 1px solid black; padding: 2px;">Yes. However, some technical skills within PIAPH are not widely available</span>
4.7	When was this cost recovery arrangement introduced? <span style="border: 1px solid black; padding: 2px;">1993 by the BRS</span>

**PART II(b)**

Name of sub-unit, agency, program or activity, output or outcome Product Integrity, Animal and Plant Health (excluding NRS & APLC)

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

<b>Program or activity, output or outcome revenues</b>			
4.8	Cost recovery revenue paid to CRF earmarked for appropriation to same portfolio	\$	606
4.9	Cost recovery revenue paid to CRF earmarked for appropriation to a third party	\$	0
4.10	Cost recovery revenue paid to CRF and not earmarked for particular appropriation	\$	0
4.11	Cost recovery revenue paid to CRF (subtotal)	\$	606
4.12	Cost recovery not paid into CRF	\$	
4.13	Total cost recovery revenue	\$	606
4.14	Appropriations not related to cost recovery		\$ 6991
4.15	Other sources (please specify) - Internal AFFA client		\$ 628
<b>4.16</b>	<b>Total program or activity, output or outcome revenues</b>		<b>\$ 8225</b>
<b>Program or activity, output or outcome expenses</b>			
4.17	Direct expenses	\$	7723
4.18	Indirect expenses (including corporate overheads)	\$	n/a
4.19	Third party expenses (a)	\$	n/a
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	<b>7723</b>
<b>Administration costs</b>			
4.21	What costs are associated with administering the cost recovery arrangements?	\$	n/a

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 a 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 Product Integrity, Animal and Plant Health (excluding NRS & APLC)

**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.) The decision to commence cost recovery arrangements came about as a result of a reduction of appropriation revenue flowing to BRS. The decision was made that in order to support a critical mass of scientific expertise alternative funding sources would be sought.

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)	Section 31
Subordinate legislation (eg. regulations, standards)	
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)	DoFA
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>Commonwealth government publications. Please add any statements from the BRS return the areas undertaking commercial activity were part of the BRS when the decision was made to pursue external funding.</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</p> <p>AFFA in consultation with client</p> <p>AFFA</p> <p>AFFA</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>Discussions take place with the relevant client agencies regarding the cost of service provision, ie working to a cost formula established by the client or in some cases providing a quote for work. In the main these are Ausaid and Environment Australia</p> <p>Provision of services to agricultural industry bodies.</p>
<p>5.7 Please describe these consultation arrangements.</p>	<p>Discussed as and when contracts become available</p>
<p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p>	<p>The arrangements have not been formally reviewed</p>

## PART II(d)

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

Product Integrity, Animal and Plant Health (excluding NRS & APLC)

### Section 6: Price setting arrangements

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

- |  |  |
|--|--|
| (i) How are charges set? (eg. by formula in legislation or based on 'market prices')   | No charges are based on legislation formulae. For training contracts, the client advises the rates which they are willing to pay for service provision. The client provides an advance for the cost of service which is acquitted by the department and any excess funds returned. Other charges are set based on direct cost with varying degrees of overhead costs included depending to some extent on the value of the project to the department. Where there is a high level of correlation this might take the form of a secondment arrangement whereby AFFA officers work at the client's offices, in these cases the client organisation is billed for full salary costs (including superannuation contributions). In other charges are based on negotiation and the use an assessment of full cost. |
| (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 are related to costs   |

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)                                  | Combination of between full cost recovery and direct cost recovery where the work supports an AFFA core function. |
| (ii) What proportion of these costs do charges aim to recover? (%)   | At least 100% of direct cost  |
| (iii) Does the charging regime require assets to be valued? (eg. to allow the calculation of user cost of capital or return on assets) | No however, PIAPH has few assets, the majority of assets being leased.  |
| (iv) If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)                     | N/A   |
| (v) Do charges include a user cost of capital?   | N/A   |

(vi)	If 'YES' to (iv), how is it calculated?	N/A
(vii)	Do charges include return on assets? (eg. profit)	N/A
(viii)	If 'YES' to (vii), on what basis?	N/A
(ix)	Do charges discriminate between types of users?	PIAPH charges discriminate between internal AFFA clients such as AQIS and external clients.
(x)	If 'YES' to (ix), on what basis?	
(xi)	Do charges allow for access and equity considerations (eg. waivers, discounts)?	No
(xii)	If 'YES' to (xi), on what basis?	
(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.)	Assessment of the indirect cost of service provision to cost centres based on staff numbers
6.4	Are there any price controls on these charges?	No
6.5	How often is the level of charges changed?	As agreed with clients.
6.6	What happens if revenue recovered is greater than costs incurred?	Depending on the agreement in some cases excess funds are returned to clients, in others the excess is transferred to the Department's reserves to support overhead costs.

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