

## 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
	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: 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
<b>Agency revenue from cost recovery (a)</b>					
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)	\$17,009	\$1,557	\$2,422	\$2,018	\$1,720
3.4 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)					
<b>3.5 Total agency revenue from cost recovery</b>	17009	1557	2422	2018	1720
<b>Agency revenue from other sources</b>					
3.6 Other appropriations	\$411,391	\$490,713	\$497,371	\$537,680	\$558,591
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	\$0	\$15,033	\$5,858	\$11,599	\$20,438
<b>3.8 Total agency revenue from other sources</b>	411391	505746	503229	549279	579029
<b>3.9 Total agency revenue</b>	428400	507303	505651	551297	580749
<b>3.10 Total agency expenses</b>	\$465,232	\$473,703	\$527,185	\$544,593	\$565,820

**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)**

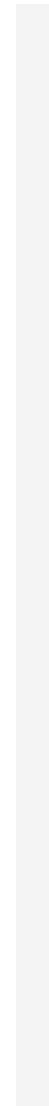
	1995-96	1996-97	1997-98	1998-99	1999-2000
<b>Administered revenue from cost recovery (a)</b>					
3.11 Cost recovery revenue retained by your agency					
3.12 Cost recovery revenue paid to CRF and appropriated to your agency (or another agency for a specific purpose (ie. annotated,		\$16,636	\$70,006	\$73,626	\$73,049
3.13 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)	\$147,700	\$174,600	\$189,000	\$200,100	\$226,100
<b>3.14 Total administered revenue from cost recovery</b>	<b>147700</b>	<b>191236</b>	<b>259006</b>	<b>273726</b>	<b>299149</b>
<b>Administered revenue from other sources</b>					
3.15 Other appropriations					
3.16 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	\$16,157,399	\$16,573,583	\$23,240,581	\$10,237,961	\$4,194,811
<b>3.17 Total administered revenue from other sources</b>	<b>16157399</b>	<b>16573583</b>	<b>23240581</b>	<b>10237961</b>	<b>4194811</b>
<b>3.18 Total administered revenue</b>	<b>16305099</b>	<b>16764819</b>	<b>23499587</b>	<b>10511687</b>	<b>4493960</b>
<b>3.19 Total administered expenses</b>	<b>\$1,235,877</b>	<b>\$1,469,142</b>	<b>\$1,446,016</b>	<b>\$313,303</b>	<b>-\$2,810</b>

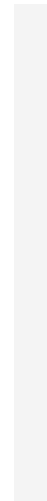
**CRF Consolidated Revenue Fund**

(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.**

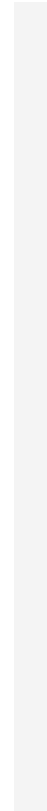












**PART II**

**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 Customs Cost Recovery Activities

**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;">Customs imposes cost recovery charges for all activities directly or indirectly related to processing imports. Customs also collects the Passenger Movement Charge on behalf of Customs and other agencies and recovers additional costs under Section 31.</span>
4.2	Basic description of arrangements: (Please attach any relevant documents.) <span style="border: 1px solid black; padding: 2px;">A description of the charges can be found within the submission provided to the commission.</span>
4.3	Who pays the cost recovery charges? <span style="border: 1px solid black; padding: 2px;">Importers and cargo reporters, passengers entering and leaving Australia via sea and air or other agencies and individuals to whom Customs provides services.</span>
4.4	Who benefits from the program or activity, output or outcome? <span style="border: 1px solid black; padding: 2px;">Beneficiaries of service are those who have charges imposed upon them.</span>
4.5	Do you attempt to measure these benefits? If YES, how? <span style="border: 1px solid black; padding: 2px;"></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;">No.</span>
4.7	When was this cost recovery arrangement introduced? <span style="border: 1px solid black; padding: 2px;">Import Processing charges were introduced from 1 April 1997. Prior to this is a lesser electronic charge applied. Passenger Movement Charge was introduced in 1978 with</span>

**PART II(b)**

Name of sub-unit, agency, program or activity, output or outcome Customs Cost Recovery Activities

**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	\$	74769	
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	\$	226100	
4.11 Cost recovery revenue paid to CRF (subtotal)	\$	300869	
4.12 Cost recovery not paid into CRF	\$	20438	
4.13 Total cost recovery revenue	\$	321307	
4.14 Appropriations not related to cost recovery	\$	558591	
4.15 Other sources (please specify)	\$	4194811	
<b>4.16 Total program or activity, output or outcome revenues</b>	<b>\$</b>	<b>5074709</b>	

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

4.17 Direct expenses	\$	407370	
4.18 Indirect expenses (including corporate overheads)	\$	87677	
4.19 Third party expenses (a)	\$	70773	
<b>4.20 Total program or activity, output or outcome expenses</b>	<b>\$</b>	<b>565820</b>	

**Administration costs**

4.21 What costs are associated with administering the cost recovery arrangements?	\$	198.3	
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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 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 Customs Cost Recovery Activities

**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.) Full details of the rational can be found in Customs submission to the Commission.

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)	Import Processing Charges Act 1997, Import Processing Charges Amendment Act 2000, Customs Amendment Act (No.1) 1997, Customs Depot Licensing Charges Act 1997, Customs Act 1901, Passenger Movement Charge
Subordinate legislation (eg. regulations, standards)	Customs Regulations, Passenger Movement Charge Collection Regulations
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)	Charges introduced through Parliament. All stakeholders were consulted.
Other governments (state, territory, local)	
Industry	Customs National Consultative Committee, Customs Brokers, Importers, Air
Consumers	
Other	

<p>5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)</p>	<p>The decision by Government was to impose full cost recovery. A detailed activity based costing project was undertaken which met all audit requirements.</p>					
<p>5.5 Which agency is responsible for the following activities? (Please name relevant agency)</p> <p>Policy setting Price setting Administration Revenue collection</p>	<table border="1"> <tr> <td>Government</td> </tr> <tr> <td>Government/ Australian Customs Service</td> </tr> <tr> <td>Australian Customs Service</td> </tr> <tr> <td>Australian Customs Service</td> </tr> </table>	Government	Government/ Australian Customs Service	Australian Customs Service	Australian Customs Service	
Government						
Government/ Australian Customs Service						
Australian Customs Service						
Australian Customs Service						
<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) Other governments (state, territory, local) Industry Consumers Other</p>	<table border="1"> <tr> <td></td> </tr> <tr> <td></td> </tr> <tr> <td>Industry Representatives</td> </tr> <tr> <td></td> </tr> <tr> <td></td> </tr> </table>			Industry Representatives		
Industry Representatives						
<p>5.7 Please describe these consultation arrangements.</p>	<p>Full details of the consultation arrangements can be found in Customs submission to the Commission.</p>					
<p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p>	<p>Import Processing Charges are formally reviewed on twice a year. Passenger Movement Charge has been recently reviewed by the ANAO and Parliamentary Committee.</p>					

**PART II(d)**

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

Customs Cost Recovery Activities

**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 set in legislation after detailed review of costs.
(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 directly related to costs incurred for import processing activities. The Passenger Movement Charge is set to recover the notional cost of Customs, Immigration and Quarantine processing more than 13 million incoming and outgoing passengers annually and the cost of issuing short-term visitor visas. Although the rationale for PMC is a cost recovery measure, in
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)	Import processing charges aim to recover the full cost of all activities directly or indirectly required to process imports. PMC is set to recover the cost of processing incoming and outgoing passengers and issuing short-term visitor
(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)	Amortisation costs are included in the full cost of activities when calculated.
(iv)	If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	Assets in Customs are valued on an historic basis.
(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)?	There are no exemptions to cost recovery charges contained within the legislation.
(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.)	Indirect Costs are allocated based on an activity based costing basis.
6.4 Are there any price controls on these charges?	Yes.
6.5 How often is the level of charges changed?	Import processing charges are reviewed bi-annually. Import processing charges have not changed since introduction on 1 April 1997. The PMC charge
6.6 What happens if revenue recovered is greater than costs incurred?	The additional revenue is factored into future reviews of charges.

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