

## 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
	X

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.**

<b>AGENCY 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 agency	5546	7614	10786	10001	20182
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)					
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>	<b>5546</b>	<b>7614</b>	<b>10786</b>	<b>10001</b>	<b>20182</b>
<b>Agency revenue from other sources</b>					
3.6 Other appropriations					
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	573	2640	1888	6293	6252
<b>3.8 Total agency revenue from other sources</b>	<b>573</b>	<b>2640</b>	<b>1888</b>	<b>6293</b>	<b>6252</b>
<b>3.9 Total agency revenue</b>	<b>6119</b>	<b>10254</b>	<b>12674</b>	<b>16294</b>	<b>26434</b>
<b>3.10 Total agency expenses</b>	<b>159108</b>	<b>154570</b>	<b>160996</b>	<b>163505</b>	<b>202878</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.

**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,	16247	17791	16903	16610	13984
3.13 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)	1925	2014	1166	1167	1166
<b>3.14 Total administered revenue from cost recovery</b>	<b>18172</b>	<b>19805</b>	<b>18069</b>	<b>17777</b>	<b>15150</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)	12	9	45	15	3
<b>3.17 Total administered revenue from other sources</b>	<b>12</b>	<b>9</b>	<b>45</b>	<b>15</b>	<b>3</b>
<b>3.18 Total administered revenue</b>	<b>18184</b>	<b>19814</b>	<b>18114</b>	<b>17792</b>	<b>15153</b>
<b>3.19 Total administered expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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 Aviation Weather Services

**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)
	Meteorological Service Charge for aviation weather services - incremental cost of provision on a whole program basis.
4.2	Basic description of arrangements: (Please attach any relevant documents.)
	The Aviation Industry is charged using an internationally recognized pricing formula based on the "Ramsay pricing" principle. The total charge is attributed to some 3000 industry users. The individual charges are calculated on the basis of aircraft weight and distance flown and is collected on behalf of the Bureau by Airservices Australia (AsA). An MOU exists between BoM, CASA and AsA.
4.3	Who pays the cost recovery charges?
	International and domestic civil aviation agencies such Qantas, Ansett, etc.
4.4	Who benefits from the program or activity, output or outcome?
	Information provided satisfies Australia's international convention obligations for the safe, regular and efficient operation of international and domestic civil aviation. Commercial aviation agencies benefit from the availability of information for calculating flight information. The Australian public in general benefits from an air safety perspective.
4.5	Do you attempt to measure these benefits? If YES, how?
	As the primary benefit is "safety of life", the Bureau has not attempted to measure benefits. Some commercial aviation services have identified commercial benefits.

4.6 Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)	No. The Bureau provides these services as the 'Meteorological Authority' as stipulated under the 1944 International Civil Aviation (ICAO) Convention on International Aviation (the Chicago Convention) and via regulations under the Civil Aviation Act.
4.7 When was this cost recovery arrangement introduced?	From 1955 to 1975, the Bureau charged its two major specialised customers (Defence and Civil Aviation) for the services provided, on the basis of a fixed percentage of total Bureau costs. The 1976 Committee of Inquiry into the Bureau of Meteorology recommended the general thrust of the cost recovery system currently in place. In 1984, the Bosch Inquiry into Aviation Cost Recovery made a number of recommendations on Aviation Meteorological Services. The 1988 Government response to the House of Representatives Standing Committee on Expenditure (HRSCE) Inquiry into Aviation Services and subsequent 1988-89 Budget decisions further refined the cost recovery system.

**PART II(b)**

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

**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 agency	\$	11200
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)	\$	11200
4.12	Cost recovery not paid into CRF	\$	1900
4.13	Total cost recovery revenue	\$	13100
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>13100</b>
<b>Program or activity, output or outcome expenses</b>			
4.17	Direct expenses	\$	8870
4.18	Indirect expenses (including corporate overheads)	\$	3950
4.19	Third party expenses (a)	\$	280
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	<b>13100</b>
<b>Administration costs</b>			
4.21	What costs are associated with administering the cost recovery arrangements?	\$	70

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 Aviation Weather Services

**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 Meteorological Service Charge for aviation weather services is levied by the Director of Meteorology under the provisions of the Meteorology Act 1955. The Bureau recovers the incremental cost via a charging formula approved by government (Government response to HRSCE (1988) and 1988-89 Budget Decisions).
--	---

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)	Meteorology Act 1955 (Section 8) and Section 31 of the FMA Act
Subordinate legislation (eg. regulations, standards)	1944 International Civil Aviation (ICAO) Convention on International Aviation (the Chicago Convention) and Civil Aviation Act 1988. Annex 3 to the Chicago Convention.
Co-regulation or quasi-regulation	Technical Regulations of the WMO.
Commonwealth/State/Territory agreement	MOU with CASA and AsA
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, Cabinet, HRSCE
Other governments (state, territory, local)	Civil Aviation Safety Authority, Airservices Australia (CAA)
Industry	Australian Air Transport Association
Consumers	
Other	

5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)	Bureau of Meteorology Charging Manual and Cabinet decisions.										
5.5 Which agency is responsible for the following activities? (Please name relevant agency)	<table border="1"> <tr> <td data-bbox="416 612 853 639">Policy setting</td> <td data-bbox="907 612 1789 639">Bureau of Meteorology</td> </tr> <tr> <td data-bbox="416 644 853 671">Price setting</td> <td data-bbox="907 644 1789 671">Bureau of Meteorology (in consultation with the industry)</td> </tr> <tr> <td data-bbox="416 676 853 703">Administration</td> <td data-bbox="907 676 1789 703">Bureau of Meteorology</td> </tr> <tr> <td data-bbox="416 708 853 735">Revenue collection</td> <td data-bbox="907 708 1789 735">Airservices Australia as agent for Bureau of Meteorology</td> </tr> </table>	Policy setting	Bureau of Meteorology	Price setting	Bureau of Meteorology (in consultation with the industry)	Administration	Bureau of Meteorology	Revenue collection	Airservices Australia as agent for Bureau of Meteorology		
Policy setting	Bureau of Meteorology										
Price setting	Bureau of Meteorology (in consultation with the industry)										
Administration	Bureau of Meteorology										
Revenue collection	Airservices Australia as agent for Bureau of Meteorology										
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="416 804 853 831">Commonwealth government (DOFA etc)</td> <td data-bbox="907 804 1789 831">DoEH, DTRS, DoFA</td> </tr> <tr> <td data-bbox="416 836 853 863">Other governments (state, territory, local)</td> <td data-bbox="907 836 1789 863">Civil Aviation Safety Authority, Airservices Australia</td> </tr> <tr> <td data-bbox="416 868 853 895">Industry</td> <td data-bbox="907 868 1789 895">Australian Air Transport Association</td> </tr> <tr> <td data-bbox="416 900 853 927">Consumers</td> <td data-bbox="907 900 1789 927"></td> </tr> <tr> <td data-bbox="416 932 853 959">Other</td> <td data-bbox="907 932 1789 959"></td> </tr> </table>	Commonwealth government (DOFA etc)	DoEH, DTRS, DoFA	Other governments (state, territory, local)	Civil Aviation Safety Authority, Airservices Australia	Industry	Australian Air Transport Association	Consumers		Other	
Commonwealth government (DOFA etc)	DoEH, DTRS, DoFA										
Other governments (state, territory, local)	Civil Aviation Safety Authority, Airservices Australia										
Industry	Australian Air Transport Association										
Consumers											
Other											
5.7 Please describe these consultation arrangements.	The Bureau has established the Executive Steering Committee for Aviation Weather Services (ESCAWS) which meets 4 times a year.										
5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)	Meteorology Policy Committee (1988) and 1998-99 Budget Decisions										

**PART II(d)**

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

Aviation Weather Services

**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')	The charge is a service based charge. However, individual operators are charged via a formula which relates to the weight of the aircraft and the distance flown.
(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 determined to recover the incremental costs of the provision of the aviation weather services, above the basic service.
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 and overheads
(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)	Yes
(iv) If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	Replacement cost
(v) Do charges include a user cost of capital?	In 1999-2000 no user cost of capital was included as it was not applicable (industry provided capital). However in 2000-01 under accrual accounting, a user cost of capital charge will be included. Aviation also pays an upfront cost for some specialised capital, as a Third Party purchaser.
(vi) If 'YES' to (iv), how is it calculated?	Based on Government formula.
(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)	The charge attribution is based on the number of flights registered (mainly IFR), the weight of the aircraft and the distance travelled, as the AsA system will not register most VFR flights, planes flying under VFR may not be charged.
6.3	How are indirect costs allocated for cost recovery arrangements? (eg. activity based costing, according to share of direct costs or other rule.)	According to a share of the direct costs.
6.4	Are there any price controls on these charges?	No - Subject to industry consultation.
6.5	How often is the level of charges changed?	The charge is determined on an annual basis.
6.6	What happens if revenue recovered is greater than costs incurred?	In the past, overs and unders have been considered in negotiation of the following year's charge.

**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 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**

### PART II(a)

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

#### **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 charge for meteorological services in support of the Army, RAN and RAAF.
4.2	Basic description of arrangements: (Please attach any relevant documents.)	Administrative arrangements between BoM and Department of Defence
4.3	Who pays the cost recovery charges?	Department of Defence
4.4	Who benefits from the program or activity, output or outcome?	The Australian public through the Defence Force.
4.5	Do you attempt to measure these benefits? If YES, how?	No.
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)	No. The Bureau of Meteorology is the sole provider (in the public and national security interests).

Productivity Commission Cost Recovery Inquiry: Questionnaire

4.7 When was this cost recovery arrangement introduced?

From 1955 to 1975, the Bureau charged its two major specialised customers (Defence and Civil Aviation) for the services provided, on the basis of a fixed percentage of total Bureau costs. The 1976 Committee of Inquiry into the Bureau of Meteorology recommended the general thrust of the cost recovery system currently in place. The 1988 Government response to the House of Representatives Standing Committee on Expenditure (HRSCE) Inquiry into Aviation Services and subsequent 1988-89 Budget decisions further refined the cost recovery system.

**PART II(b)**

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

Defence Weather Services

**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	\$	2560		
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)	\$	2560		
4.12	Cost recovery not paid into CRF	\$		540	
4.13	Total cost recovery revenue	\$		3100	
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>3100</b>

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

4.17	Direct expenses	\$	2200
4.18	Indirect expenses (including corporate overheads)	\$	900
4.19	Third party expenses (a)	\$	
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	<b>3100</b>

**Administration costs**

4.21	What costs are associated with administering the cost recovery arrangements?	\$	10
------	--	----	----

CRF Consolidated Revenue Fund. Direct costs are those directly related to a particular program. Indirect costs include indirect agency

**PART II(c)**

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

Defence Weather Services

**Section 5: Institutional arrangements**

<p>5.1 What was the rationale for introducing these cost recovery arrangements? (Please attach sources, eg. legislative objects clauses, press releases, second reading speeches.)</p>	<p>The charge for Defence Weather Services is levied by the Director of Meteorology under the provisions of the Meteorology Act 1955. The Bureau recovers the incremental cost via a charging formula approved by government and introduced in 1988 (see Charging Manual).</p>
<p>5.2 What was the legal basis for establishing these cost recovery arrangements: (Please name and attach relevant documents.)</p> <p>Legislation (eg. s.31 of the Financial Subordinate legislation (eg. regulations, Co-regulation or quasi-regulation Commonwealth/State/Territory agreement Voluntary arrangements (eg. codes of Other</p>	<p>Meteorology Act 1955 and Section 31 of the FMA Act</p>
<p>5.3 Who was consulted about introducing these cost recovery arrangements? (Please name relevant bodies and describe the Commonwealth government (DOFA etc) Other governments (state, territory, local) Industry Consumers Other</p>	<p>DoFA, Department of Defence</p>
<p>5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)</p>	<p>Bureau of Meteorology Charging Manual.</p>



Productivity Commission Cost Recovery Inquiry: Questionnaire

5.5	Which agency is responsible for the following activities? (Please name relevant agency)	<table border="1"> <tr> <td data-bbox="259 217 741 244">Policy setting</td> <td data-bbox="748 217 1639 244">Bureau of Meteorology</td> </tr> <tr> <td data-bbox="259 248 741 276">Price setting</td> <td data-bbox="748 248 1639 276">Bureau of Meteorology in association with Department of Defence</td> </tr> <tr> <td data-bbox="259 280 741 308">Administration</td> <td data-bbox="748 280 1639 308">Bureau of Meteorology</td> </tr> <tr> <td data-bbox="259 312 741 339">Revenue collection</td> <td data-bbox="748 312 1639 339">Bureau of Meteorology</td> </tr> </table>	Policy setting	Bureau of Meteorology	Price setting	Bureau of Meteorology in association with Department of Defence	Administration	Bureau of Meteorology	Revenue collection	Bureau of Meteorology		
Policy setting	Bureau of Meteorology											
Price setting	Bureau of Meteorology in association with Department of Defence											
Administration	Bureau of Meteorology											
Revenue collection	Bureau of Meteorology											
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="259 411 741 438">Commonwealth government (DOFA etc)</td> <td data-bbox="748 411 1639 438">Department of Defence</td> </tr> <tr> <td data-bbox="259 443 741 470">Other governments (state, territory, local)</td> <td data-bbox="748 443 1639 470"></td> </tr> <tr> <td data-bbox="259 475 741 502">Industry</td> <td data-bbox="748 475 1639 502"></td> </tr> <tr> <td data-bbox="259 507 741 534">Consumers</td> <td data-bbox="748 507 1639 534"></td> </tr> <tr> <td data-bbox="259 539 741 566">Other</td> <td data-bbox="748 539 1639 566"></td> </tr> </table>	Commonwealth government (DOFA etc)	Department of Defence	Other governments (state, territory, local)		Industry		Consumers		Other	
Commonwealth government (DOFA etc)	Department of Defence											
Other governments (state, territory, local)												
Industry												
Consumers												
Other												
5.7	Please describe these consultation arrangements.	<table border="1"> <tr> <td data-bbox="748 603 1639 703">The Bureau of Meteorology negotiates with the Department of Defence (Headquarters Air Command) a level of service and an estimate of the charge is submitted for agreement.</td> </tr> </table>	The Bureau of Meteorology negotiates with the Department of Defence (Headquarters Air Command) a level of service and an estimate of the charge is submitted for agreement.									
The Bureau of Meteorology negotiates with the Department of Defence (Headquarters Air Command) a level of service and an estimate of the charge is submitted for agreement.												
5.8	Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)	<table border="1"> <tr> <td data-bbox="748 738 1639 847">Review of Meteorological Services required by the Australian Defence Force (1997-98)</td> </tr> </table>	Review of Meteorological Services required by the Australian Defence Force (1997-98)									
Review of Meteorological Services required by the Australian Defence Force (1997-98)												

**PART II(d)**

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

Defence Weather Services

**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')	Incremental cost of providing the service over and above the Basic Service.
(ii)	Are charges directly related to the costs of	Yes
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 and overheads
(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)	Yes
(iv)	If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	Replacement cost
(v)	Do charges include a user cost of capital?	A user cost of capital was not charged in 1999-2000. With the introduction of accrual accounting, a user cost of capital charge has been included in the 2000-01 charge. Also, Defence pays for capital upfront as a Third Party purchaser.
(vi)	If 'YES' to (iv), how is it calculated?	Based on Government formula.
(vii)	Do charges include return on assets? (eg. profit)	No

Productivity Commission Cost Recovery Inquiry: Questionnaire

(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)?	Not Applicable
(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.)	A share of direct costs of Bureau outputs.
6.4	Are there any price controls on these charges?	No
6.5	How often is the level of charges changed?	Every twelve months.
6.6	What happens if revenue recovered is greater than costs incurred?	Recovery and expenditure are matched and any excess is returned to Department of Defence or accounted for against the next years charge.

**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 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 operating cost recovery arrangements.**

**PART II(a)**

Name of sub-unit, agency, program or activity, output or outcome	Other weather and related services including Special Weather Services. Note: This does not include revenue received to support research etc.
--	---

**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>Service charge (product, access, service, etc.) for services provided in the public interest. Note: This does not include revenue received to support research etc.</p>
4.2	<p>Basic description of arrangements: (Please attach any relevant documents.)</p> <p>The Bureau charges for the cost of provision on the basis of available capacity. The charge is determined by the incremental costs incurred in providing the service over and above the costs of the basic service, where the service is provided in the public interest.</p>
4.3	<p>Who pays the cost recovery charges?</p> <p>The user of the service (generally, this is a commonwealth, state or local government agency or the general public (both urban and rural groups)).</p>
4.4	<p>Who benefits from the program or activity, output or outcome?</p> <p>The purchaser of the service, and the Government through a return of revenue.</p>
4.5	<p>Do you attempt to measure these benefits? If YES, how?</p> <p>Yes. There have been a number of cost-benefit studies which provide evidence of the value of meteorological and related services. There have been routine surveys of the uses and benefits of meteorological services</p>
4.6	<p>Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)</p> <p>Yes. These services are in the interests of safety of life or the public interest, and are provided to a readily identified users or group of users. They may be provided by independent service providers through agreements/arrangements with the Bureau (for example, telephone weather services).</p>

Productivity Commission Cost Recovery Inquiry: Questionnaire

4.7 When was this cost recovery arrangement introduced?

The thrust of the present policy on charges for meteorological services is based on the Committee of Inquiry into the Bureau of Meteorology (1976). However, this was further refined in 1988 by Government consideration of options for increased cost recovery for specialised meteorological services made in the context of the 1988-89 Budget. Further review occurred in 1996 by way of the Slatyer Review of the Operation of the Bureau of Meteorology and again in 1997 in "Capturing Opportunities in the Provision of Meteorological Services – A study of the scope to enhance revenue generation in the Bureau of Meteorology").

**PART II(b)**

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

Other weather and related services including Special Weather Services.  
Note: This does not include revenue received to support research etc.

**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	\$			
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	\$	670		
4.11	Cost recovery revenue paid to CRF (subtotal)	\$	670		
4.12	Cost recovery not paid into CRF			\$	4630
4.13	Total cost recovery revenue			\$	5300
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>5300</b>

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

4.17	Direct expenses	\$	3310
4.18	Indirect expenses (including corporate overheads)	\$	1990
4.19	Third party expenses (a)	\$	
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	<b>5300</b>

**Administration costs**

4.21	What costs are associated with administering the cost recovery arrangements?	\$	250
------	--	----	-----

CRF Consolidated Revenue Fund. Direct costs are those directly related to a particular program. Indirect costs include indirect agency

**PART II(c)**

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

Other weather and related services including Special Weather Services.  
Note: This does not include revenue received to support research etc.

**Section 5: Institutional arrangements**

<p>5.1 What was the rationale for introducing these cost recovery arrangements? (Please attach sources, eg. legislative objects clauses, press releases, second reading speeches.)</p>	<p>The Director of Meteorology, under the Meteorology Act 1955 has the authority to charge for services (Section 8).</p>
<p>5.2 What was the legal basis for establishing these cost recovery arrangements: (Please name and attach relevant documents.)</p> <p>Legislation (eg. s.31 of the Financial Management and Accountability Act, tax or levy acts)</p> <p>Subordinate legislation (eg. regulations, standards)</p> <p>Co-regulation or quasi-regulation</p> <p>Commonwealth/State/Territory agreement</p> <p>Voluntary arrangements (eg. codes of Other</p>	<p>Meteorology Act 1955, Section 31 of FMA Act</p> <p>WMO Resolution 40 Free international exchange of meteorological and related data and products.</p>
<p>5.3 Who was consulted about introducing these cost recovery arrangements? (Please name relevant bodies and describe the</p> <p>Commonwealth government (DOFA etc)</p> <p>Other governments (state, territory, local)</p> <p>Industry</p> <p>Consumers</p> <p>Other</p>	<p>DoFA, Cabinet, Budget cabinet considerations 1988/89</p>
<p>5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)</p>	<p>Bureau of Meteorology Charging Manual</p>

Productivity Commission Cost Recovery Inquiry: Questionnaire

5.5	Which agency is responsible for the following activities? (Please name relevant agency)	
	Policy setting	Bureau of Meteorology
	Price setting	Bureau of Meteorology
	Administration	Bureau of Meteorology
	Revenue collection	Bureau of Meteorology
5.6	Is there any ongoing consultation about these cost recovery arrangements? With whom? (Please name relevant bodies.)	
	Commonwealth government (DOFA etc)	DoFA
	Other governments (state, territory, local)	Consultation through Ministerial Councils and other committees
	Industry	Ad hoc consultation with major industry and other users, eg agriculture, power generation, etc.
	Consumers	Customer surveys
	Other	
5.7	Please describe these consultation arrangements.	The Bureau reviews its Charging Manual on a six monthly basis.
5.8	Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)	Slatyer (1996) and Slatyer (1997)



**PART II(d)**

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

Other weather and related services including Special Weather Services.  
Note: This does not include revenue received to support research etc.

**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')	Prices are set using the Bureau Charging Manual - formula based.
(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 incremental cost of provision, or cost of access to meteorological products/services provided in the interests of safety of life and in the public interest in general.
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)	Depending on the products: direct costs of access to basic service products, for provision via "non-standard" means; direct and indirect incremental costs for other specialised user products in the public interest.
(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)	Yes, but rarely.
(iv)	If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	Deprival cost
(v)	Do charges include a user cost of capital?	The 1999-2000 charges did not, but with the introduction of accrual accounting, the 2000-01 charge will include a user cost of capital.
(vi)	If 'YES' to (iv), how is it calculated?	It will be part of the overhead, calculated according the Government formula.
(vii)	Do charges include return on assets? (eg. profit)	No
(viii)	If 'YES' to (vii), on what basis?	

Productivity Commission Cost Recovery Inquiry: Questionnaire

(ix)	Do charges discriminate between types of users?	Yes
(x)	If 'YES' to (ix), on what basis?	Information provided to education, research groups and emergency services may be provided at a reduced cost at the discretion of the Director.
(xi)	Do charges allow for access and equity considerations (eg. waivers, discounts)?	Yes
(xii)	If 'YES' to (xi), on what basis?	See (x) above.
(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.)	According to a share of direct costs.
6.4	Are there any price controls on these charges?	No
6.5	How often is the level of charges changed?	The charges are reviewed on a six monthly basis.
6.6	What happens if revenue recovered is greater than costs incurred?	Any additional revenue recovered is provided to Government through the Consolidated Revenue Fund.

**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 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 Special Services Unit (SSU)

#### **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)	Commercially-based Service charge.
4.2	Basic description of arrangements: (Please attach any relevant documents.)	Cost recovery is used to fund the operations of the SSU. That is the charge covers the cost of provision of the service plus a discretionary component. The discretionary component is based on fair competition with the private sector.
4.3	Who pays the cost recovery charges?	The client of the service, usually a business or company requiring specialised meteorological services.
4.4	Who benefits from the program or activity, output or outcome?	The government benefits by the collection of additional revenue and the clients benefit through the access to services tailored to meet specified special needs.
4.5	Do you attempt to measure these benefits? If YES, how?	No. However, many studies have been undertaken that show the economic benefits of meteorological services to specialised users.
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)	Yes, there are providers of these services in the private sector.

Productivity Commission Cost Recovery Inquiry: Questionnaire

4.7 When was this cost recovery arrangement introduced?

The current arrangements were approved by Government in the context of the 1988-89 Budget. This recommended the establishment of the SSU.

**PART II(b)**

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

**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	\$	<input type="text"/>		
4.9	Cost recovery revenue paid to CRF earmarked for appropriation to a third party	\$	<input type="text"/>		
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="0"/>		
4.12	Cost recovery not paid into CRF		\$	<input type="text" value="9000"/>	
4.13	Total cost recovery revenue		\$	<input type="text" value="9000"/>	
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="9000"/>

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

4.17	Direct expenses	\$	<input type="text" value="5625"/>
4.18	Indirect expenses (including corporate overheads)	\$	<input type="text" value="3375"/>
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="9000"/>

**Administration costs**

4.21	What costs are associated with administering the cost recovery arrangements?	\$	<input type="text" value="400"/>
------	--	----	----------------------------------

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 Special Services Unit (SSU)

**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 charges are levied by the Director of Meteorology under the provisions of the Meteorology Act 1955. The Bureau recovers the commercial cost of operation of the SSU via a charging formula approved by government and introduced in 1988. The establishment of the SSU was a Government decision in the context of the 1988-89 Budget.
--	--

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)	Meteorology Act 1955 (Section 8) and Section 31 of the FMA Act
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, Government departments in the Budget context.
Other governments (state, territory, local)	
Industry	
Consumers	
Other	

Productivity Commission Cost Recovery Inquiry: Questionnaire

<p>5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)</p>	<p>Bureau of Meteorology Charging Manual.</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>Bureau of Meteorology</p> <p>Bureau of Meteorology</p> <p>Bureau of Meteorology</p> <p>Bureau of Meteorology</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>DoFA</p> <p></p> <p></p> <p></p> <p></p>
<p>5.7 Please describe these consultation arrangements.</p>	<p></p>
<p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p>	<p>Slatyer (1996) and Slatyer (1997)</p>

**PART II(d)**

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

Special Services Unit (SSU)

**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')	Market prices
(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 determined to recover the costs of the operation of the SSU, plus a discretionary component that is determined on the basis of fair competition with the private sector consistent with competitive neutrality requirements.

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, overheads and discretionary component.
(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)	Yes
(iv) If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprivation or replacement cost)	
(v) Do charges include a user cost of capital?	A user cost of capital was not included in 1999-2000, but will be included in 2000-01 as part of the overhead. Users pay for any specific capital purchases
(vi) If 'YES' to (iv), how is it calculated?	
(vii) Do charges include return on assets? (eg. profit)	Yes
(viii) If 'YES' to (vii), on what basis?	Fair competition with the private sector.
(ix) Do charges discriminate between types of users?	No
(x) If 'YES' to (ix), on what basis?	



Productivity Commission Cost Recovery Inquiry: Questionnaire

(xi) Do charges allow for access and equity considerations (eg. waivers, discounts)?	Yes
(xii) If 'YES' to (xi), on what basis?	At the discretion of the Director of Meteorology.
(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.)	According to a share of the direct costs.
6.4 Are there any price controls on these charges?	No. Market based in line with Competitive Neutrality requirements.
6.5 How often is the level of charges changed?	Services are charged for a service by service basis.
6.6 What happens if revenue recovered is greater than costs incurred?	Excess revenue is returned to Government as part of Consolidated Revenue Funds.

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