

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.

AGENCY revenues and expenses (Please use \$'000)					
	1995-96	1996-97	1997-98	1998-99	1999-2000
Agency revenue from cost recovery (a)					
3.2 Cost recovery revenue retained by your agency					
3.3 Cost recovery revenue paid to CRF and appropriated to your agency (or another agency for a specific purpose (ie. annotated, hypothecated or earmarked revenues)					
3.4 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)					
3.5 Total agency revenue from cost recovery	0	0	0	0	0
Agency revenue from other sources					
3.6 Other appropriations			89761	209	
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)			1609721	1726395	1678713
3.8 Total agency revenue from other sources	0	0	1699482	1726604	1678713
3.9 Total agency revenue	0	0	1699482	1726604	1678713
3.10 Total agency expenses			1744935	1757491	1683648

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

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

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

CRF Consolidated Revenue Fund

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

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

PART II

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

PART II(a)

Name of sub-unit, agency, program or activity, output or outcome Outcome 1 - Effective Service Delivery of Commonwealth Services to eligible customers

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)	Business partnership agreements: Centrelink is a service provider operating under purchaser/provider arrangements. These arrangements are governed by business partnership agreements(BPAs). Centrelink has BPAs with FaCS, DEWRSB, DETYA, HAC, and AFFA. Centrelink also provides services to government entities outside the BPA
4.2	Basic description of arrangements: (Please attach any relevant documents.)	Copy of FaCs BPA supplied at meeting between Productivity Officers and Centrelink recently.
4.3	Who pays the cost recovery charges?	The purchasers/client departments
4.4	Who benefits from the program or activity, output or outcome?	Government and Centrelink customers
4.5	Do you attempt to measure these benefits? If YES, how?	Yes - key performance indicators
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?	With the establishment of Centrelink in 1997

PART II(b)

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

Outcome 1 - Effective Service Delivery of Commonwealth Services to eligible customers

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

Program or activity, output or outcome expenses

4.17	Direct expenses	\$	
4.18	Indirect expenses (including corporate overheads)	\$	
4.19	Third party expenses (a)	\$	
4.20	Total program or activity, output or outcome expenses	\$	0

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 Outcome 1 - Effective Service Delivery of Commonwealth Services to eligible customers

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.) It was a government initiative to separate the policy and purchasing development function from the service delivery function. The aim was to clearly define the roles and responsibilities and generate efficiency gains for government, as proposed through the "Commission of Audit".

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)	CSDA Act 1997; Section 31 of the FMA Act and more recently Section 20 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)	Arrangments authorised by the House of Reps and Senate. Administrative
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>Initial base funding was determined by separating the cost of service delivery from policy development under previous arrangements. Under the purchaser/provider model, Centrelink was to charge 100% of it's service delivery. Also included was the government requirement of a 10% efficiency</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 data-bbox="904 608 1798 639">Client department (purchaser)</td> </tr> <tr> <td data-bbox="904 639 1798 671">Centrelink, in consultation with DoFA and client departments</td> </tr> <tr> <td data-bbox="904 671 1798 703"> </td> </tr> <tr> <td data-bbox="904 703 1798 735"> </td> </tr> </table>	Client department (purchaser)	Centrelink, in consultation with DoFA and client departments			
Client department (purchaser)						
Centrelink, in consultation with DoFA and client departments						
<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 data-bbox="904 804 1798 836">Client departments, DoFA and Centrelink jointly review annually the funding an</td> </tr> <tr> <td data-bbox="904 836 1798 868"> </td> </tr> <tr> <td data-bbox="904 868 1798 900"> </td> </tr> <tr> <td data-bbox="904 900 1798 932"> </td> </tr> <tr> <td data-bbox="904 932 1798 963"> </td> </tr> </table>	Client departments, DoFA and Centrelink jointly review annually the funding an				
Client departments, DoFA and Centrelink jointly review annually the funding an						
<p>5.7 Please describe these consultation arrangements.</p>	<p>Centrelink and Client departments have BPAs outlining funding arrangements and service delivery levels which are annually reviewed. Budget initiatives are</p>					
<p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p>	<p>Pricing Review to be undertaken in 2000-01</p>					

PART II(d)

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

Outcome 1 - Effective Service Delivery of Commonwealth Services to eligible customers

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')	Base funding established with the separation of policy and delivery functions at the time Centrelink was established. This funding is adjusted for the return of required efficiency dividends to government, new business, and customer
(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)	Funding is provided to support the achievement of Centrelink's outputs with the outcome being "effective delivery of Commonwealth services to eligible customers"

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 of operation are covered.
(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. Required to calculate depreciation.
(iv) If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	Under current arrangements, Centrelink values assets at historic cost after which assets are revalued at depreciated 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.)	share of direct costs
6.4	Are there any price controls on these charges?	Fixed (except for customer number changes) under the BPAs and reviewed annually
6.5	How often is the level of charges changed?	annually
6.6	What happens if revenue recovered is greater than costs incurred?	contributes to the overall operating result. Any sustained surpluses may trigger pricing review.

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