

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 | 233240 | 238124 | 244682 | 246753 | 250417 |
| 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) | 0 | 0 | 0 | 0 | 0 |
| 3.4 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency) | 0 | 0 | 0 | 0 | 0 |
| 3.5 Total agency revenue from cost recovery | 233240 | 238124 | 244682 | 246753 | 250417 |
| Agency revenue from other sources | | | | | |
| 3.6 Other appropriations | 417597 | 444502 | 466837 | 475390 | 617093 |
| 3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies) | 8753 | 6544 | 4940 | 6199 | 27708 |
| 3.8 Total agency revenue from other sources | 426350 | 451046 | 471777 | 481589 | 644801 |
| 3.9 Total agency revenue | 659590 | 689170 | 716459 | 728342 | 895218 |
| 3.10 Total agency expenses | 693451 | 693802 | 702522 | 747722 | 775330 |
| 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 | 0 | 0 | 0 | 0 | 0 |
| 3.12 Cost recovery revenue paid to CRF and appropriated to your agency (or another agency for a specific purpose (ie. annotated, | 0 | 0 | 0 | 0 | 0 |
| 3.13 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency) | 0 | 0 | 0 | 0 | 0 |
| 3.14 Total administered revenue from cost recovery | 0 | 0 | 0 | 0 | 0 |
| Administered revenue from other sources | | | | | |
| 3.15 Other appropriations | 0 | 0 | 0 | 0 | 0 |
| 3.16 Other sources (eg. asset sales, dividends, interest, funding from other government agencies) | 0 | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 | 0 | 0 |

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 CSIRO

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) |
| | Revenue received from contract and collaborative research and development, fees for technical and consulting services, grants, royalties and license fees, subscriptions, sale of publications and other products. |
| 4.2 | Basic description of arrangements: (Please attach any relevant documents.) |
| | Variety of commercial arrangements tailored to the type of product or service, type of client and CSIRO's objective for marketing a particular service or entering a commercial arrangement. Please refer Attachment A. |
| 4.3 | Who pays the cost recovery charges? |
| | A variety of Australian and international private and public sector clients. |
| 4.4 | Who benefits from the program or activity, output or outcome? |
| | Private and public sector users of CSIRO research, with economic, social and environmental spillover benefits to Australia; and the community through the advancement of knowledge and educational outputs. |
| 4.5 | Do you attempt to measure these benefits? If YES, how? |
| | Yes. Examples compiled for 'Adoption and Impact of CSIRO Research and Advice' performance indicator and . Occassional benefit:cost studies. Refer Attachment A. |
| 4.6 | Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe) |
| | In some fields, universities and other public sector research agencies could provide similar R&D services. There are some private providers for certain technical and consulting services. In general, CSIRO provides services and products which are not readily available from other enterprises in Australia. Refer Attachment A. |
| 4.7 | When was this cost recovery arrangement introduced? |
| | Depending on definitions, cost recovery has always been part of CSIRO's activities. An external earnings target was introduced in 1988. Refer Attachment A |

PART II(b)

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

CSIRO

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 | \$ | 0 | |
| 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) | \$ | 0 | |
| 4.12 | Cost recovery not paid into CRF | \$ | 250417 | |
| 4.13 | Total cost recovery revenue | \$ | 250417 | |
| 4.14 | Appropriations not related to cost recovery | \$ | | 617093 |
| 4.15 | Other sources (please specify) | \$ | | 27708 |
| 4.16 | Total program or activity, output or outcome revenues | \$ | | 895218 |

Program or activity, output or outcome expenses

| | | | |
|------|--|----|---------------|
| 4.17 | Direct expenses | \$ | 775330 |
| 4.18 | Indirect expenses (including corporate overheads) | \$ | NA |
| 4.19 | Third party expenses (a) | \$ | NA |
| 4.20 | Total program or activity, output or outcome expenses | \$ | 775330 |

Administration costs

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

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 CSIRO

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.) To encourage stronger links with industry and other research users. Refer Attachment A.

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) | Science and Industry Research Act |
| Subordinate legislation (eg. regulations, standards) | Commonwealth Competitive Neutrality Policy (Competition Principles Agreement 1995) |
| 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) | Refer Attachment A. |
| 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>CSIRO Commercial Practice Manual was developed in-house based on industry best practice. Costing and pricing policy complies with Commonwealth Competitive Neutrality (CN) Policy and the specific Government decision on application of CN to CSIRO.</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>CSIRO</p> <p>CSIRO</p> <p>CSIRO</p> <p>CSIRO</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>Yes. Refer Attachment A.</p> <p></p> <p></p> <p></p> <p></p> |
| <p>5.7 Please describe these consultation arrangements.</p> | <p>Consultation as part of the CSIRO performance indicator on customer satisfaction. Please refer attached notes.</p> |
| <p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p> | <p>Yes. Refer Attachment A.</p> |

PART II(d)

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

CSIRO

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 pricing of commercial activities must be based on the perceived value to the client and an estimate of their full costs. Refer CSIRO Costing and Pricing Policy at Attachment B. |
| (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 based on full costs of activity. Refer Attachment B. |

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 direct and indirect costs (including corporate and divisional overheads). Refer Attachment B. |
| (ii) What proportion of these costs do charges aim to recover? (%) | 100% for technical, consulting and other services. For research services only, national interest considerations may be taken into account. |
| (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, to allow depreciation to be included as an indirect cost. To ensure competitive neutrality (CN), CSIRO prices also include a rate of return factor (currently based on 10% of full costs) to reflect cost of capital/borrowings. Refer Attachment B. |
| (iv) If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost) | Deprival methodology approved by DoFA. |
| (v) Do charges include a user cost of capital? | Yes |
| (vi) If 'YES' to (iv), how is it calculated? | A flat rate of 10% of full costs used to reflect cost of assets / borrowings. |
| (vii) Do charges include return on assets? (eg. profit) | Yes. In addition to rate of return factor (as above) prices reflect perceived value to client so in some cases profits are earned. |
| (viii) If 'YES' to (vii), on what basis? | A flat rate of 10% of full costs used and what the market will bear. |
| (ix) Do charges discriminate between types of users? | No |
| (x) If 'YES' to (ix), on what basis? | CSIRO's purpose to assist Australian industry and bring national benefit. |

| | | |
|--------|--|--|
| (xi) | Do charges allow for access and equity considerations (eg. waivers, discounts)? | No. |
| (xii) | If 'YES' to (xi), on what basis? | Not applicable. |
| (xiii) | Other (Please describe other significant features) | Please refer the summary of CSIRO's Costing and Pricing Policy at Attachment B. |
| 6.3 | How are indirect costs allocated for cost recovery arrangements? (eg. activity based costing, according to share of direct costs or other rule.) | Consistent with the use of accrual accounting, all units are required to fully attribute all costs to projects, as basis for better pricing of future projects and more accurate project reporting. Indirect costs usually attributed on basis of direct labour costs. |
| 6.4 | Are there any price controls on these charges? | No. CSIRO's pricing policy subject to Commonwealth CN Policy. |
| 6.5 | How often is the level of charges changed? | Price of research services assessed on a project by project basis. Fee schedules for routine technical services reassess as costs change. |
| 6.6 | What happens if revenue recovered is greater than costs incurred? | Revenue is retained by CSIRO for purposes under the Science and Industry Research Act. |

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