

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
	N/A

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
	N/A

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
	N/A

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	59697	69968	73703	67742	72833
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	59697	69968	73703	67742	72833
Agency revenue from other sources					
3.6 Other appropriations					
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	1353	1320	1587	1615	1810
3.8 Total agency revenue from other sources	1353	1320	1587	1615	1810
3.9 Total agency revenue	61050	71288	75290	69357	74643
3.10 Total agency expenses	57931	61107	63556	68401	67270

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

IP Australia

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
4.2	Basic description of arrangements: (Please attach any relevant documents.)
	IP Australia operates on a full cost recovery basis and uses the revenue raised from charges for intellectual property services to fund its operations. IP Australia receives no funding from the Appropriation Bills. The standing appropriation for special accounts enables IP Australia to spend revenue received for intellectual property charges.
4.3	Who pays the cost recovery charges?
	Users of the IP system - predominately applicants for IP rights (patents, trade marks, industrial designs)
4.4	Who benefits from the program or activity, output or outcome?
	1) Primarily successful applicants 2) Business and industry; and 3) All Australians benefit from the effective use of intellectual property, particularly through increased innovation, investment and trade.
4.5	Do you attempt to measure these benefits? If YES, how?
	Yes. Measures to monitor the effectiveness of the outcome mentioned in 4.4 are detailed in the Portfolio Budget Statements 2000-01
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)
	Yes. Seeking an IP right is voluntary. A number of alternatives are available, such as: trade secrets and confidentiality agreements, maintaining a competitive advantage (in place of patents); and the common law tort of "passing off" (in place of registering a trade mark).
4.7	When was this cost recovery arrangement introduced?
	1984 on a cash basis and 1993 on an accrual basis.

PART II(b)

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

IP Australia

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	\$	72833
4.13	Total cost recovery revenue	\$	72833
4.14	Appropriations not related to cost recovery	\$	
4.15	Other sources (interest)	\$	1810
4.16	Total program or activity, output or outcome revenues	\$	74643

Program or activity, output or outcome expenses

4.17	Direct expenses	\$	36 609
4.18	Indirect expenses (including corporate overheads) * plus IT & capital charges	\$	35 631
4.19	Third party expenses (a)	\$	
4.20	Total program or activity, output or outcome expenses	\$	72 240

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 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

IP Australia

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 Patents, Designs and Trade Mark Offices have a long history of user pays. Before 1984, the Offices recovered all normal operating costs through fee charges. In 1984, Government decided that the Offices should recover all the significant cash costs. In 1993, IP Australia moved to cost recovery on an accrual basis.												
5.2 What was the legal basis for establishing these cost recovery arrangements: (Please name and attach relevant documents.)	<table border="1"> <tr> <td data-bbox="414 719 891 810">Legislation (eg. s.31 of the Financial Management and Accountability Act, tax or levy acts)</td> <td data-bbox="902 719 1787 810">S.31, s.20 and Regulations of the FMA Act.</td> </tr> <tr> <td data-bbox="414 815 891 874">Subordinate legislation (eg. regulations, standards)</td> <td data-bbox="902 815 1787 874"></td> </tr> <tr> <td data-bbox="414 879 891 906">Co-regulation or quasi-regulation</td> <td data-bbox="902 879 1787 906"></td> </tr> <tr> <td data-bbox="414 911 891 938">Commonwealth/State/Territory agreement</td> <td data-bbox="902 911 1787 938"></td> </tr> <tr> <td data-bbox="414 943 891 1002">Voluntary arrangements (eg. codes of practice)</td> <td data-bbox="902 943 1787 1002"></td> </tr> <tr> <td data-bbox="414 1007 891 1034">Other</td> <td data-bbox="902 1007 1787 1034"></td> </tr> </table>	Legislation (eg. s.31 of the Financial Management and Accountability Act, tax or levy acts)	S.31, s.20 and Regulations 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	
Legislation (eg. s.31 of the Financial Management and Accountability Act, tax or levy acts)	S.31, s.20 and Regulations 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.)	<table border="1"> <tr> <td data-bbox="414 1150 891 1177">Commonwealth government (DOFA etc)</td> <td data-bbox="902 1150 1787 1177">DoFA, DISR, Treasury and PM&C</td> </tr> <tr> <td data-bbox="414 1182 891 1209">Other governments (state, territory, local)</td> <td data-bbox="902 1182 1787 1209"></td> </tr> <tr> <td data-bbox="414 1214 891 1241">Industry</td> <td data-bbox="902 1214 1787 1297">Australian Manufacturer's Patent; Industrial Designs; Copyright and Trade Marks Association; Institute of Patent and Trade Mark Attorneys; Law Council of Australia</td> </tr> <tr> <td data-bbox="414 1302 891 1329">Consumers</td> <td data-bbox="902 1302 1787 1329">As above</td> </tr> <tr> <td data-bbox="414 1334 891 1361">Other</td> <td data-bbox="902 1334 1787 1361">Industrial Property Advisory Committee</td> </tr> </table>	Commonwealth government (DOFA etc)	DoFA, DISR, Treasury and PM&C	Other governments (state, territory, local)		Industry	Australian Manufacturer's Patent; Industrial Designs; Copyright and Trade Marks Association; Institute of Patent and Trade Mark Attorneys; Law Council of Australia	Consumers	As above	Other	Industrial Property Advisory Committee		
Commonwealth government (DOFA etc)	DoFA, DISR, Treasury and PM&C												
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Industry	Australian Manufacturer's Patent; Industrial Designs; Copyright and Trade Marks Association; Institute of Patent and Trade Mark Attorneys; Law Council of Australia												
Consumers	As above												
Other	Industrial Property Advisory Committee												

<p>5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)</p>	<p>DoFA guidelines on costing of government activities (current at that time). Trust Account guidelines.</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>	<p>IP Australia, DISR, DFAT IP Australia IP Australia IP Australia</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) Other governments (state, territory, local) Industry Consumers Other</p>	<p>DoFA, ORR, DISR Australian Manufacturer's Patent, Industrial Designs, Copyright and Trade Marks Association; Institute of Patent and Trade Mark Attorneys; Law Council of Australia As above plus, Client surveys, Inventors Associations Advisory Council on Intellectual Property</p>
<p>5.7 Please describe these consultation arrangements.</p>	<p>Regular discussions, correspondence, client surveys</p>
<p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p>	<p>IP Australia's cost recovery arrangements were reviewed by ANAO in 1999 - see www.anao.gov.au. The arrangements are also currently being reviewed jointly by DoFA and IP Australia.</p>

PART II(d)

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

IP Australia

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')	At a level to achieve full cost recovery for services on an aggregate level. They are also structured to gain maximum advantage for Australian businesses, while at the same time complying with international agreements.
(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 relate to the costs.
6.2	If charges are directly related to the costs of particular activities, outputs or outcomes:	
(i)	What costs do charges aim to recover? (eg. only direct costs or indirect costs such as overheads)	All costs
(ii)	What proportion of these costs do charges aim to recover? (%)	100%
(iii)	Does the charging regime require assets to be valued? (eg. to allow the calculation of user cost of capital or return on assets)	Yes
(iv)	If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	replacement, deprival
(v)	Do charges include a user cost of capital?	Yes
(vi)	If 'YES' to (iv), how is it calculated?	This is performed by the valuer (AVO)
(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.)	Allocation exercise based on cost drivers. Activity based costing currently being implemented
6.4	Are there any price controls on these charges?	Not directly, but the Financial Framework Agreement with DoFA under the FMA requires fees to be at least comparable with other countries; fee increases to be less than the CPI; and fees set to recover total costs.
6.5	How often is the level of charges changed?	Two fee changes since October 1994, both reductions, with no fee increases. Fees reviewed annually.
6.6	What happens if revenue recovered is greater than costs incurred?	Surplus is retained in IP Australia for future contingencies.

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