

## PART I

**ALL AGENCIES ARE REQUESTED TO COMPLETE PART I.**

**If you cannot answer a question, please indicate whether the question is NOT APPLICABLE or if INFORMATION IS NOT AVAILABLE.**

**Section 1: Contact details**

1.1 Agency

1.2 Reporting and financial arrangements are governed by:  
(Please indicate with a 'X' whether one or more of the following Acts apply)

*Financial Management and Accountability Act 1997*

YES	NO
x	

*Commonwealth Authorities and Companies Act 1997*

YES	NO

Other

1.3 Contact Officer

Position

Phone

Fax

Email

Address

**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

**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) ComSuper charges agencies administration fees for civilian and military contributors and pensioners and former employees with preserved benefits. ComSuper also charges Boards of Trustees for fund accounting and secretariat services.
4.2	Basic description of arrangements: (Please attach any relevant documents.) ComSuper ceased to receive budget appropriation with effect from 30 June 1998 and from 1 July 1998 has charged agencies for its superannuation administration services.
4.3	Who pays the cost recovery charges? Commonwealth agencies. Some external entities such as the NT and ACT Governments are also charged administration fees.
4.4	Who benefits from the program or activity, output or outcome? ComSuper provides administration services to the various Boards of Trustees who have the legislative responsibility for scheme administration. The ultimate recipients of ComSuper services are the members of the schemes (ie current and former public sector employees).
4.5	Do you attempt to measure these benefits? If YES, how? Yes. Scheme administration is benchmarked against comparable defined benefit schemes and surveys of membership satisfaction are undertaken three times a year.
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe) Yes, although at present ComSuper has a legislated monopoly for administration services. Legislation before the Parliament, if passed, will remove ComSuper's monopoly in regard to the civilian superannuation schemes.
4.7	When was this cost recovery arrangement introduced? ComSuper moved to full cost recovery in 1998-99 and implemented competitive neutrality principles in its pricing in 1999-00. Prior 1998-99 there had been some charging to recover

**PART II(b)**

Name of sub-unit, agency, program or activity, output or outcome Superannuation Administration 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	\$	<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)	\$	0
4.12	Cost recovery not paid into CRF	\$	39419
4.13	Total cost recovery revenue	\$	39419
4.14	Appropriations not related to cost recovery	\$	<input type="text"/>
4.15	Other sources (please specify)	\$	454
<b>4.16</b>	<b>Total program or activity, output or outcome revenues</b>	\$	<b>39873</b>
<b>Program or activity, output or outcome expenses</b>			
4.17	Direct expenses	\$	36997
4.18	Indirect expenses (including corporate overheads)	\$	<input type="text"/>
4.19	Third party expenses (a)	\$	1812
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	<b>38809</b>
<b>Administration costs</b>			
4.21	What costs are associated with administering the cost recovery arrangements?	\$	<input type="text"/>

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 Superannuation Administration 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 charging arrangements for ComSuper were developed by the Department of Finance and Administration. They were intended to promote a purchaser-provider relationship between ComSuper and the Boards of Trustees and to encourage efficiencies in service delivery by making public sector superannuation administration a contestable market.

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)	ComSuper has a Special Account under Section 20 of the Financial Management and Accountability Act. All administration fees received by ComSuper are credited to this account and ComSuper is authorised to spend
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 and the Boards of Trustees are consulted about ComSuper's charges.
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>ComSuper obtained advice from PricewaterhouseCoopers in the initial setting of charges.</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="902 608 1796 639">DOFA</td> </tr> <tr> <td data-bbox="902 639 1796 671">ComSuper</td> </tr> <tr> <td data-bbox="902 671 1796 703">ComSuper</td> </tr> <tr> <td data-bbox="902 703 1796 735">ComSuper</td> </tr> </table>	DOFA	ComSuper	ComSuper	ComSuper	
DOFA						
ComSuper						
ComSuper						
ComSuper						
<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="902 804 1796 836">DOFA and the Boards of Trustees</td> </tr> <tr> <td data-bbox="902 836 1796 868"> </td> </tr> <tr> <td data-bbox="902 868 1796 900"> </td> </tr> <tr> <td data-bbox="902 900 1796 932"> </td> </tr> <tr> <td data-bbox="902 932 1796 963"> </td> </tr> </table>	DOFA and the Boards of Trustees				
DOFA and the Boards of Trustees						
<p>5.7 Please describe these consultation arrangements.</p>	<p>ComSuper consults the Boards of Trustees each year about service levels and effectiveness of current administration. The views of the Boards are taken into</p>					
<p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p>	<p>The arrangements have been in place for two years not been formally reviewed as yet.</p>					

**PART II(d)**

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

Superannuation Administration 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')   | Prices are determined after taking into account competitive neutrality principles, in particular a commercial return on equity (currently target NPAT 10% of shareholder funds) and payment of dividends (with at least 50% payout ratio) |
| (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) | Prices are based on type of scheme (military or civilian) and type of member (contributor, pensioner or preserver).   |

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 - direct and indirect.   |
| (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)                     | Deprival   |
| (v) Do charges include a user cost of capital?   | ComSuper target return on net assets of 10% (ie net profit after tax as a percentage of shareholder funds) |
| (vi) If 'YES' to (iv), how is it calculated?   | See above  |
| (vii) Do charges include return on assets? (eg. profit)  | See above  |
| (viii) If 'YES' to (vii), on what basis?   | See above  |
| (ix) Do charges discriminate between types of users?   | Charges vary according to scheme and category of member. All agencies are charged the same prices.         |
| (x) If 'YES' to (ix), on what basis?   | See above  |

(xi) Do charges allow for access and equity considerations (eg. waivers, discounts)?	See above
(xii) If 'YES' to (xi), on what basis?	See 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.)	Indirect costs are allocated taking into account activity based costing principles.
6.4 Are there any price controls on these charges?	No
6.5 How often is the level of charges changed?	Prices are reviewed annually.
6.6 What happens if revenue recovered is greater than costs incurred?	ComSuper is required to operate on a commercial basis and earn a profit each year.

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

**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

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**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	327	228	5483	32577	39419
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>327</b>	<b>228</b>	<b>5483</b>	<b>32577</b>	<b>39419</b>
<b>Agency revenue from other sources</b>					
3.6 Other appropriations	29785	23151	27710		
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	7395	6747	788	63	454
<b>3.8 Total agency revenue from other sources</b>	<b>37180</b>	<b>29898</b>	<b>28498</b>	<b>63</b>	<b>454</b>
<b>3.9 Total agency revenue</b>	<b>37507</b>	<b>30126</b>	<b>33981</b>	<b>32640</b>	<b>39873</b>
<b>3.10 Total agency expenses</b>	<b>36179</b>	<b>31817</b>	<b>35457</b>	<b>33354</b>	<b>38809</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,					
3.13 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)					
<b>3.14 Total administered revenue from cost recovery</b>	0	0	0	0	0
<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)					
<b>3.17 Total administered revenue from other sources</b>	0	0	0	0	0
<b>3.18 Total administered revenue</b>	0	0	0	0	0
<b>3.19 Total administered expenses</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.**