

## 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

**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: Public Service & Merit Protection Commission (PSMPC)

**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)	The PSMPC has service charges for the following activities: 1) training and development activities, including course, seminars and programs; 2) employment related functions such as staff selections, career transition; and 3) lodgement of employment notices in the Public Service Gazette.
4.2	Basic description of arrangements: (Please attach any relevant documents.)	As above
4.3	Who pays the cost recovery charges?	The services are predominately provided to Commonwealth Government Agencies. However, some services are also provided to State, Territory and local government bodies.
4.4	Who benefits from the program or activity, output or outcome?	The Australian Public Service.
4.5	Do you attempt to measure these benefits? If YES, how?	Yes, the benefits are measured in-line with the accrual output/outcomes framework and reported in the Commission's annual report. Measurements for the training activities include; 1) timeliness of the design and development of relevant public sector seminars, training courses and programs. 2) 75% of responding participants indicate that the seminar, course or program was of a good quality and relevant. Measurements for employment services again include the timely completion of such services. While measurements for the APS Gazette relate to the production of 50 gazettes during the year

4.6 Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)	There are a range of private sector providers of training and employment related services. In the case of the training and development services provided by the PSMPC the Commission engages consultants to deliver and develop the course etc. The Commission's role is one of design and broker for the courses. The Commission is in a unique position to understand the APS and respond to the development needs of public servants.
4.7 When was this cost recovery arrangement introduced?	Cost recovery for training/development services was introduced in the late 1980s and for and employment related services in approximately 1994. The Commission inherited the Gazette function from the Department of Finance and Administration in October 1999, however, it had been operating on a cost recovery basis prior to transfer to the Commission.

**PART II(b)**

Name of sub-unit, agency, program or activity, output or outcome Public Service & Merit Protection Commission (PSMPC)

**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	\$	8408	
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)	\$	8408	
4.12	Cost recovery not paid into CRF	\$	0	
4.13	Total cost recovery revenue	\$	8408	
4.14	Appropriations not related to cost recovery			\$
				13912
4.15	Other sources (please specify)			\$
				255
<b>4.16</b>	<b>Total program or activity, output or outcome revenues</b>			\$
				<b>22575</b>

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

4.17	Direct expenses	\$	14809
4.18	Indirect expenses (including corporate overheads)	\$	7766
4.19	Third party expenses (a)	\$	0
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	<b>22575</b>

**Administration costs**

4.21	What costs are associated with administering the cost recovery arrangements?	\$	10569
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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 Public Service & Merit Protection Commission (PSMPC)

### **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 Commission's role in training and development continued from the Public Service Board in a modified form and was articulated through its 1990-93 Corporate Plan which was approved by the Minister Assisting the Prime Minister on Public Service matters. The Commission needed to obtain funding, additional to the Budget process, to fully undertake its role in training and development and moved to greater emphasis on user pays where appropriate. The Commission's role in training and development has been more recently articulated through the Public Service Act 1999. In the case of the employment related services the Merit Protection (Australian Government Employees) Amendment Bill 1994 proposed amendments which consolidated the agency's ability to charge for certain services. Once again the agency needed to obtain funding, additional to Budget funding, to provide these services to agencies. Redeployment services were introduced through the 1993 Service-Wide enterprise agreement.
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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)	All charges are covered under s.31 of the FMA Act. Certain employment related services are also covered by the Merit Protection (Australian Government Employees) Act 1984.
Subordinate legislation (eg. regulations, standards)	Nil
Co-regulation or quasi-regulation	Nil
Commonwealth/State/Territory agreement	Nil
Voluntary arrangements (eg. codes of practice)	Nil
Other	Nil

5.3 Who was consulted about introducing these cost recovery arrangements? (Please name relevant bodies and describe the consultation arrangements.)

Commonwealth government (DOFA etc)	The Department of Finance was consulted and an appropriate Section 35/31 agreement to allow the Commission to retain the revenue was established.
Other governments (state, territory, local)	Nil
Industry	Nil
Consumers	Nil
Other	Nil

5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)	The former Department of Finance 'Guidelines on the costing of Government Activities' was used as a basis for developing all the cost recovery arrangements within the Commission.					
5.5 Which agency is responsible for the following activities? (Please name relevant agency) Policy setting Price setting Administration Revenue collection	<table border="1"> <tr><td>The PSMPC</td></tr> <tr><td>The PSMPC</td></tr> <tr><td>The PSMPC</td></tr> <tr><td>The PSMPC</td></tr> </table>	The PSMPC	The PSMPC	The PSMPC	The PSMPC	
The PSMPC						
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The PSMPC						
5.6 Is there any ongoing consultation about these cost recovery arrangements? With whom? (Please name relevant bodies.) Commonwealth government (DOFA etc) Other governments (state, territory, local) Industry Consumers Other	<table border="1"> <tr><td>No</td></tr> <tr><td>No</td></tr> <tr><td>No</td></tr> <tr><td>No</td></tr> <tr><td>No</td></tr> </table>	No	No	No	No	No
No						
No						
No						
No						
No						
5.7 Please describe these consultation arrangements.	N/A					
5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)	The level of cost recovery and prices are reviewed on a regular basis by the Commission as part of its Business Planning and Budgetary processes.					

**PART II(d)**

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

Public Service &amp; Merit Protection Commission (PSMPC)

**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 prices have been set with the view of recovering direct costs for relevant programs, taking into account market prices as well as the PSMPC's public interest responsibilities. The prices are reviewed on a regular basis to ensure that budgetary requirements are being met and when circumstances require, ie for the introduction of the GST.   |
| (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) | The level of cost recovery varies depending on the activity. The prices are set with the view of recovering direct costs for relevant programs, taking into account market prices as well as the PSMPC's public interest responsibilities. For example some seminars are run with little or no cost recovery where they are seen as meeting a 'public interest' need, ie the introduction of the new Public Service Act. |

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)                                  | Most charges are aimed at recovering only the direct costs. However, the charges for placing notices in the APS Gazette are set to cover both direct and indirect costs. |
| (ii) What proportion of these costs do charges aim to recover? (%)   | As above.  |
| (iii) Does the charging regime require assets to be valued? (eg. to allow the calculation of user cost of capital or return on assets) | Not at this stage as most assets are treated as corporate costs and are therefore overheads.   |
| (iv) If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)                     | Not applicable, however, assets are valued on deprival.  |
| (v) Do charges include a user cost of capital?   | Not at this stage.   |
| (vi) If 'YES' to (iv), how is it calculated?   | N/A  |
| (vii) Do charges include return on assets? (eg. profit)  | No.  |
| (viii) If 'YES' to (vii), on what basis?   | N/A  |



(ix)	Do charges discriminate between types of users?	No.
(x)	If 'YES' to (ix), on what basis?	N/A
(xi)	Do charges allow for access and equity considerations (eg. waivers, discounts)?	Yes.
(xii)	If 'YES' to (xi), on what basis?	Most of the Training activities offer early payment discounts where credit cards are used as the mode of payment. Group discounts for 3 or more bookings from the same agency are also offered.
(xiii)	Other (Please describe other significant features)	N/A
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, which include all corporate costs, are allocated to outputs on an ASL basis.
6.4	Are there any price controls on these charges?	No formal controls are in place, however, the Commission's overall budgetary controls do act as an internal control.
6.5	How often is the level of charges changed?	Charges are reviewed regularly by the program areas within the Commission and where external factors require, ie GST or market price movements.
6.6	What happens if revenue recovered is greater than costs incurred?	If this occurred the revenue would be used to fund public interest responsibilities and related areas such as research and development of new courses etc.

**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
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	0	0	0	0	0
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)	7886	8807	7352	7504	8408
3.4 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)	0	0	0	0	0
<b>3.5 Total agency revenue from cost recovery</b>	<b>7886</b>	<b>8807</b>	<b>7352</b>	<b>7504</b>	<b>8408</b>
<b>Agency revenue from other sources</b>					
3.6 Other appropriations	15142	17907	13597	11777	13912
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	55	112	44	108	255
<b>3.8 Total agency revenue from other sources</b>	<b>15197</b>	<b>18019</b>	<b>13641</b>	<b>11885</b>	<b>14167</b>
<b>3.9 Total agency revenue</b>	<b>23083</b>	<b>26826</b>	<b>20993</b>	<b>19389</b>	<b>22575</b>
<b>3.10 Total agency expenses</b>	<b>26906</b>	<b>21300</b>	<b>21436</b>	<b>19685</b>	<b>19720</b>
<b>CRF Consolidated Revenue Fund</b>					
(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	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,	366	391	139	134	0
3.13 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)	0	0	0	0	0
<b>3.14 Total administered revenue from cost recovery</b>	<b>366</b>	<b>391</b>	<b>139</b>	<b>134</b>	<b>0</b>
<b>Administered revenue from other sources</b>					
3.15 Other appropriations	0	0	0	0	0
3.16 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	47	0	0	0	0
<b>3.17 Total administered revenue from other sources</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3.18 Total administered revenue</b>	<b>413</b>	<b>391</b>	<b>139</b>	<b>134</b>	<b>0</b>
<b>3.19 Total administered expenses</b>	<b>470</b>	<b>268</b>	<b>179</b>	<b>284</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.**