

## 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

**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	561429	586320	590251	584462	585421
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>561429</b>	<b>586320</b>	<b>590251</b>	<b>584462</b>	<b>585421</b>
<b>Agency revenue from other sources</b>					
3.6 Other appropriations	18247	16550	16678	11000	11000
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)					
<b>3.8 Total agency revenue from other sources</b>	<b>18247</b>	<b>16550</b>	<b>16678</b>	<b>11000</b>	<b>11000</b>
<b>3.9 Total agency revenue</b>	<b>579676</b>	<b>602870</b>	<b>606929</b>	<b>595462</b>	<b>596421</b>
<b>3.10 Total agency expenses</b>	<b>530660</b>	<b>566975</b>	<b>574254</b>	<b>549710</b>	<b>539244</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					
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.**

**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	Airservices Australia provision of Air Traffic Services, Aeronautical Information Service, Rescue and Fire Fighting Services, aeronautical, navigation and telecommunications infrastructure and services.
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**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)
	These are not cost recovery arrangements but are commercial service charges.
4.2	Basic description of arrangements: (Please attach any relevant documents.)
	Rescue and Fire Service charge, Aviation Information Service charges, terminal charge, en route charge, briefing office charges.
4.3	Who pays the cost recovery charges?
	Aviation industry pays the commercial charges.
4.4	Who benefits from the program or activity, output or outcome?
	Aviation industry and the travelling public
4.5	Do you attempt to measure these benefits? If YES, how?
	No
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)
	The Government has announced that alternative providers are planned to be able to provide ATC, tower and fire service from mid 2001.
4.7	When was this cost recovery arrangement introduced?
	This is not a cost recovery arrangement but a commercial fee for service



**PART II(b)**

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

Airservices Australia provision of Air Traffic Services, Aeronautical Information Service, Rescue and Fire Fighting Services, aeronautical, navigation and telecommunications infrastructure and services.

**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	\$		7000
4.15	Other sources (please specify)	\$		
<b>4.16</b>	<b>Total program or activity, output or outcome revenues</b>	\$		<b>7000</b>

**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	<b>Total program or activity, output or outcome expenses</b>	\$	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	Airservices Australia provision of Air Traffic Services, Aeronautical Information Service, Rescue and Fire Fighting Services, aeronautical, navigation and telecommunications
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**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.)	These are not cost recovery arrangements. Airservices has a commercial charter under the Air Services Act 1995. The charges are a fee for service and include a profit margin.
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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)	see 5.1
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)	The commercial charges were first instituted in 1988 under the Civil
Other governments (state, territory, local)	Aviation Act 1988. Previously cost recovery arrangements applied
Industry	between 1984 and 1988
Consumers	
Other	

5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)	Developed in-house by CAA, then Airservices										
5.5 Which agency is responsible for the following activities? (Please name relevant agency)	<table border="1"> <tr> <td data-bbox="416 612 853 639">Policy setting</td> <td data-bbox="904 612 1794 639">Pricing policy is Airservices</td> </tr> <tr> <td data-bbox="416 644 853 671">Price setting</td> <td data-bbox="904 644 1794 671">Airservices</td> </tr> <tr> <td data-bbox="416 676 853 703">Administration</td> <td data-bbox="904 676 1794 703">Airservices</td> </tr> <tr> <td data-bbox="416 708 853 735">Revenue collection</td> <td data-bbox="904 708 1794 735">Airservices</td> </tr> </table>	Policy setting	Pricing policy is Airservices	Price setting	Airservices	Administration	Airservices	Revenue collection	Airservices		
Policy setting	Pricing policy is Airservices										
Price setting	Airservices										
Administration	Airservices										
Revenue collection	Airservices										
5.6 Is there any ongoing consultation about these cost recovery arrangements? With whom? (Please name relevant bodies.)	<table border="1"> <tr> <td data-bbox="416 804 853 831">Commonwealth government (DOFA etc)</td> <td data-bbox="904 804 1794 831">Minister for Transport and Regional Services</td> </tr> <tr> <td data-bbox="416 836 853 863">Other governments (state, territory, local)</td> <td data-bbox="904 836 1794 863">N/A</td> </tr> <tr> <td data-bbox="416 868 853 895">Industry</td> <td data-bbox="904 868 1794 895">Comprising some 5000 customers</td> </tr> <tr> <td data-bbox="416 900 853 927">Consumers</td> <td data-bbox="904 900 1794 927">These are the industry</td> </tr> <tr> <td data-bbox="416 932 853 959">Other</td> <td data-bbox="904 932 1794 959">ACCC</td> </tr> </table>	Commonwealth government (DOFA etc)	Minister for Transport and Regional Services	Other governments (state, territory, local)	N/A	Industry	Comprising some 5000 customers	Consumers	These are the industry	Other	ACCC
Commonwealth government (DOFA etc)	Minister for Transport and Regional Services										
Other governments (state, territory, local)	N/A										
Industry	Comprising some 5000 customers										
Consumers	These are the industry										
Other	ACCC										
5.7 Please describe these consultation arrangements.	One on one consultations with large customers and industry representative organisations										
5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)	ACCC Review pricing proposals										

**PART II(d)**

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

Airservices Australia provision of Air Traffic Services, Aeronautical Information Service, Rescue and Fire Fighting Services, aeronautical, navigation and telecommunications infrastructure and 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')	Airservices' Board determines prices which then go into contracts with customers
(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)	Commercial charges based broadly on costs to provide service, maintain asset and earn a reasonable profit.

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)	N/a
(ii) What proportion of these costs do charges aim to recover? (%)	N/a
(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 value
(v) Do charges include a user cost of capital?	Pricing is based on return on sales
(vi) If 'YES' to (iv), how is it calculated?	
(vii) Do charges include return on assets? (eg. profit)	Yes
(viii) If 'YES' to (vii), on what basis?	Determined by Airservices Board
(ix) Do charges discriminate between types of users?	Yes

(x) If 'YES' to (ix), on what basis?	Based on aircraft weight
(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.)	Various including allocations based on staff numbers
6.4 Are there any price controls on these charges?	The charges are reviewable by ACCC
6.5 How often is the level of charges changed?	At least once per year
6.6 What happens if revenue recovered is greater than costs incurred?	Profit increases

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