

## 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.**

<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				1498	1663
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)				43950	61006
3.4 Cost recovery revenue paid to CRF and not specifically appropriated to your agency (or another agency)				17608	25634
<b>3.5 Total agency revenue from cost recovery</b>	0	0	0	63056	88303
<b>Agency revenue from other sources</b>					
3.6 Other appropriations				1500	1500
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)				2083	2021
<b>3.8 Total agency revenue from other sources</b>	0	0	0	3583	3521
<b>3.9 Total agency revenue</b>	0	0	0	66639	91824
<b>3.10 Total agency expenses</b>				53410	58839
<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 SUPERVISION OF FINANCIAL INSTITUTIONS

**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) <span style="border: 1px solid black; padding: 2px;">LEVIES, FEES AND CHARGES</span>
4.2	Basic description of arrangements: (Please attach any relevant documents.) <span style="border: 1px solid black; padding: 2px;">LEVY RATES BY INDUSTRY DETERMINED BY TREASURER ANNUALLY. MINOR FEES AND CHARGES RECOVER COST OF PUBLICATIONS, SERVICES AND COSTS FUNDED BY OTHER ORGANISATIONS</span>
4.3	Who pays the cost recovery charges? <span style="border: 1px solid black; padding: 2px;">FINANCIAL SECTORS INSTITUTIONS</span>
4.4	Who benefits from the program or activity, output or outcome? <span style="border: 1px solid black; padding: 2px;">DEPOSITERS AND PREMIUM HOLDERS OF FINANCIAL INSTITUTIONS AND PUBLIC CONFIDENCE IN THE FINANCIAL SYSTEM</span>
4.5	Do you attempt to measure these benefits? If YES, how? <span style="border: 1px solid black; padding: 2px;">KEY PERFORMANCE INDICATORS HAVE BEEN ESTABLISHED FOR THREE OUTPUTS</span>
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe) <span style="border: 1px solid black; padding: 2px;">NO</span>
4.7	When was this cost recovery arrangement introduced? <span style="border: 1px solid black; padding: 2px;">FROM INCEPTION OF APRA FROM JULY 1998</span>

**PART II(b)**

Name of sub-unit, agency, program or activity, output or outcome SUPERVISION OF FINANCIAL INSTITUTIONS

**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	\$	59506
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)	\$	59506
4.12	Cost recovery not paid into CRF	\$	1663
4.13	Total cost recovery revenue	\$	61169
4.14	Appropriations not related to cost recovery	\$	1500
4.15	Other sources (please specify)	\$	2021
<b>4.16</b>	<b>Total program or activity, output or outcome revenues</b>	\$	<b>64690</b>
<b>Program or activity, output or outcome expenses</b>			
4.17	Direct expenses	\$	42365
4.18	Indirect expenses (including corporate overheads)	\$	16474
4.19	Third party expenses (a)	\$	
4.20	<b>Total program or activity, output or outcome expenses</b>	\$	<b>58839</b>
<b>Administration costs</b>			
4.21	What costs are associated with administering the cost recovery arrangements?	\$	n/a

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

SUPERVISION OF FINANCIAL INSTITUTIONS

**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.)

FINANCIAL SYSTEMS INQUIRY REPORTED MARCH 1997 MADE RECOMMENDATIONS ON THE METHOD OF FUNDING THE AGENCY.

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)  
 Subordinate legislation (eg. regulations, standards)  
 Co-regulation or quasi-regulation  
 Commonwealth/State/Territory agreement  
 Voluntary arrangements (eg. codes of practice)  
 Other

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY ACT 1998  
 SUPERVISORY LEVIES COLLECTION ACT 1998 & 6 SUPERVISORY LEVY ACTS FOR EACH FINANCIAL SECTOR

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

Commonwealth government (DOFA etc)  
 Other governments (state, territory, local)  
 Industry  
 Consumers  
 Other

TREASURY  
 INDUSTRY IS CONSULTED ON THE ANNUAL DETERMINATION  
 THE TREASURER ANNOUNCED THE DETERMINATION



<p>5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)</p>	<p>THE PRIMARY GUIDANCE OF COST RECOVERY WAS THE INTENTION OF THE FINANCIAL SYTEMS INQUIRY1997</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>APRA AND TREASURY</p> <p>APRA AND TREASURY</p> <p>APRA AND DOFA</p> <p>APRA AND DOFA</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>TREASURY</p> <p>A VARIETY OF INDUSTRY BODIES AND REPRESENTATIVES</p> <p></p> <p></p> <p></p>
<p>5.7 Please describe these consultation arrangements.</p>	<p>ANNUAL OPPORTUNITY FOR INDUSTRY TO DISCUSS LEVY OPTIONS IN MARCH</p>
<p>5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)</p>	<p>TREASURY AND APRA REVIEWED LEVIES IN FEBRUARY 2000 AND MADE RECOMMENDATIONS TO THE MINISTER FOR FINANCIAL SERVICES AND REGULATION</p>

**PART II(d)**

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

SUPERVISION OF FINANCIAL INSTITUTIONS

**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')	IN MOST CASES A RATE IS APPLIED TO THE ASSET VALUE OF AN INSTITUTION AND CHARGED THE RESULT SUBJECT TO MINIMUM AND MAXIMUM AMOUNT
(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 LEVIES ARE DESIGNED TO COVER THE COST OF APRA

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)	COSTS INCLUDE THE ENTIRE COST OF OPERATING APRA
(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)	ASSET VALUES ARE REPORTED AS A CONSEQUENCE OF REGULAR PERIODIC REPORTING BY AN INSTITUTION
(iv) If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	THE APPLICABLE ASSETS ARE DETERMINED ACCORDING TO THE INDUSTRY IN A PRESCRIBED FORMAT SUBJECT TO ACCOUNTING STANDARDS
(v) Do charges include a user cost of capital?	NO
(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?	YES
(x) If 'YES' to (ix), on what basis?	LEGISLATION DIFFERS BY INDUSTRY AS DO CHARGES

(xi) Do charges allow for access and equity considerations (eg. waivers, discounts)?	WAIVERS MAY BE APPLIED FOR
(xii) If 'YES' to (xi), on what basis?	AT THE DISCRETION OF APRA -USUALLY INEQUITY
(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 ARE ALLOCATED ACCORDING TO THE RATIO OF DIRECT TO FORM COST BY INDUSTRY
6.4 Are there any price controls on these charges?	YES; SUBJECT TO MAXIMA. EG ADI SUPERVISORY LEVY IMPOSITION ACT 1998 STATUTORY UPPER LIMIT IS \$1 MILLION
6.5 How often is the level of charges changed?	ANNUAL DETERMINATION
6.6 What happens if revenue recovered is greater than costs incurred?	IF GREATER OR LOWER THEN CARRIED FORWARD TO FOLLOWING YEAR AND OFFSET AGAINST FUTURE LEVIES

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