

PART I

ALL PORTFOLIOS 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 Portfolio

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
<input type="checkbox"/>	<input type="checkbox"/>

Commonwealth Authorities and Companies Act 1997

YES	NO
X	<input type="checkbox"/>

Other

1.3 Contact Officer

Position

Phone

Fax

Email

Address

This section asks about your portfolio’s total revenues, charges and expenses (but not including the revenues, charges and expenses of agencies that will be completing separate responses to this questionnaire - see Attachment A). All portfolios should complete this section, whether or not you consider you undertake cost recovery.

Section 2: Portfolio revenues, charges and expenses

(Please indicate with a 'X' which response applies)

2.1 Has your portfolio 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 portfolio, and which are collected by your portfolio, 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 portfolio 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 portfolio or by another agency on your behalf).

YES	NO
X	

2.3 Has your portfolio 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 portfolio 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: Portfolio revenues and expenses

Please do not include the revenues and expenses in this section of agencies that will be completing separate responses to this questionnaire (see Attachment A).

3.1 Does your portfolio 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 portfolio classifies revenues and expenses as 'agency' and 'administered' then please fill in both tables below. If your portfolio does not classify revenues and expenses as 'agency' and 'administered' then please put all revenues and expenses in the 'agency' table below.

AGENCY portfolio 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 portfolio	0	0	0	0	0
3.3 Cost recovery revenue paid to CRF and appropriated to your portfolio (or another agency for a specific purpose (ie. annotated, hypothecated or earmarked revenues)	0	0	0	0	0
3.4 Cost recovery revenue paid to CRF and not specifically appropriated to your portfolio (or another agency)	0	0	0	0	0
3.5 Total agency revenue from cost recovery	0	0	0	0	0
Agency revenue from other sources					
3.6 Other appropriations	128,079	130,615	126,022	135,646	132,381
3.7 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	8,257	7,031	7,543	9,232	7,647
3.8 Total agency revenue from other sources	136336	137646	133565	144878	140028
3.9 Total portfolio agency revenue	136336	137646	133565	144878	140028
3.10 Total agency expenses	140,400	127,800	127,100	145,500	138,700

CRF Consolidated Revenue Fund
(a) Include all revenue from fees, levies, excises and other charges which arise from the services or activities of your portfolio, and which is paid to your portfolio, to another agency or to the Consolidated Revenue Fund.

ADMINISTERED portfolio 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 portfolio	0	0	0	0	0
3.12 Cost recovery revenue paid to CRF and appropriated to your portfolio (or another agency for a specific purpose (ie. annotated,	0	0	0	0	0
3.13 Cost recovery revenue paid to CRF and not specifically appropriated to your portfolio (or another agency)	275,471	297,918	326,090	331,778	360,975
3.14 Total administered revenue from cost recovery	275471	297918	326090	331778	360975
Administered revenue from other sources					
3.15 Other appropriations	0	0	0	0	0
3.16 Other sources (eg. asset sales, dividends, interest, funding from other government agencies)	0	0	0	0	0
3.17 Total administered revenue from other sources	0	0	0	0	0
3.18 Total portfolio administered revenue	275471	297918	326090	331778	360975
3.19 Total administered expenses	n/a	n/a	6,186	7,773	6,050

CRF Consolidated Revenue Fund

(a) Include all revenue from fees, levies, excises and other charges which arise from the services or activities of your portfolio, and which is paid to your portfolio, 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 portfolio 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 Australian Securities and Investments Commission (ASIC)

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)
	There are fees for lodging documents with ASIC, making applications to ASIC, seeking declarations from ASIC and/or the Minister and for searching information held by ASIC.
4.2	Basic description of arrangements: (Please attach any relevant documents.)
	Section 25 of the Corporations Act 1989 provides that the regulations (made by the Governor-General under section 22 of the Act) may prescribe fees for chargeable matters. The prescribed fees are contained in the Schedule to the Corporations (Fees) Regulations.
4.3	Who pays the cost recovery charges?
	Companies, licence holders and other entities lodging documents with or making applications to ASIC, and members of public searching information held by ASIC.
4.4	Who benefits from the program or activity, output or outcome?
	The program provides for the administration of companies and the regulation of the futures and securities industries. People involved with companies and participants (and potential participants) in those industries benefit through their participation in a well regulated capital market.
4.5	Do you attempt to measure these benefits? If YES, how?
	No. However, there is anecdotal evidence that where capital markets are not well regulated, investors (especially non-domestic investors) will not participate in those markets.
4.6	Are there alternate providers or substitutes for this program or activity, output or outcome? (Please describe)
	No.
4.7	When was this cost recovery arrangement introduced?
	In Australia, cost recovery arrangements have existed since the 19th century. The existing arrangements commenced in 1991 and were modified in 1994.

PART II(b)

Name of sub-unit, agency, program or activity, output or outcome Australian Securities and Investments Commission (ASIC)

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 portfolio	\$	0
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	\$	360,975
4.11	Cost recovery revenue paid to CRF (subtotal)	\$	360975
4.12	Cost recovery not paid into CRF	\$	0
4.13	Total cost recovery revenue	\$	360975
4.14	Appropriations not related to cost recovery	\$	0
4.15	Other sources (please specify)	\$	0
4.16	Total program or activity, output or outcome revenues	\$	360975
Program or activity, output or outcome expenses			
4.17	Direct expenses	\$	88,568
4.18	Indirect expenses (including corporate overheads)	\$	50,138
4.19	Third party expenses (a)	\$	160,000
4.20	Total program or activity, output or outcome expenses	\$	298706
Administration costs			
4.21	What costs are associated with administering the cost recovery arrangements?	\$	1,620

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 Australian Securities and Investments Commission (ASIC)

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.) Successive governments have taken the view that costs associated with the administration of companies and the regulation of the futures and securities industries should be borne either directly or indirectly by all companies and market participants rather than through public funding by taxpayers.

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)	Section 22 of the Corporations Act 1989 empowers the Governor-General to make regulations. Section 25 of the Act provides the regulations may prescribe fees for chargeable matters.
Subordinate legislation (eg. regulations, standards)	The prescribed fees are contained in the Schedule to the Corporations (Fees) Regulations
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)	In 1993, fees were reviewed by a committee comprising representatives of
Other governments (state, territory, local)	
Industry	
Consumers	
Other	

5.4 What guidelines were consulted when establishing these cost recovery arrangements? (Please attach source of information, guidelines etc.)	The initial objective of the cost recovery arrangements was to cover all costs associated with the corporate regulator. In 1993, following a review involving Attorney-General's Department, ASC and DoF, the cost recovery arrangements were revised to cover all costs of the national corporate regulation scheme.					
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>Treasury</td> </tr> <tr> <td>Minister (following consideration of Treasury advice)</td> </tr> <tr> <td>Australian Securities and Investments Commission</td> </tr> <tr> <td>Australian Securities and Investments Commission</td> </tr> </table>	Treasury	Minister (following consideration of Treasury advice)	Australian Securities and Investments Commission	Australian Securities and Investments Commission	
Treasury						
Minister (following consideration of Treasury advice)						
Australian Securities and Investments Commission						
Australian Securities and Investments Commission						
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.	Not applicable.					
5.8 Have the cost recovery arrangements been formally reviewed? What was the outcome? (Please attach copy of review)	Corporations fees have been reviewed as part of the Government's CLERP program (copy of consultative paper attached). The Government has not made a decision on the recommendations in the paper.					

PART II(d)

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

Australian Securities and Investments Commission (ASIC)

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')	Since 1994, fees have been set using the 1 July 1994 fees as the base fees (set at a level that would, over time, recover all costs) and subsequent changes have been made in line with the change in the CPI. Between 1995-96 and
(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)	Fees for company annual returns are set at a level that recovers the majority of costs associated with the national corporate regulation scheme. Fees for other activities (eg licencing, fundraising and takeovers) are cross-subsidised by companies fees but the CLERP 7 paper proposed such fees should be revised in line with 'user pays' principles. The CLERP 7 paper proposes that proprietar
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)	Corporations fees are intended to recover (a) the amounts appropriated for ASIC (including the CALDB and the Government's share of the AASB), CASAC, (b) the amounts paid to the States and Northern Territory as
(ii)	What proportion of these costs do charges aim to recover? (%)	100% (on basis that over a number of years total fees revenue will equal total outlays and compensation payments.
(iii)	Does the charging regime require assets to be valued? (eg. to allow the calculation of user cost of capital or return on assets)	No
(iv)	If 'YES' to (iii), on what basis are assets valued? (eg. historic, replacement, deprival or replacement cost)	
(v)	Do charges include a user cost of capital?	No
(vi)	If 'YES' to (iv), how is it calculated?	
(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?	In a limited number of instances, fees are set on the basis of class of company (eg public or proprietary) or type of licence holder (eg corporation or natura
(x)	If 'YES' to (ix), on what basis?	In an attempt to reflect costs of regulating different bodies.

(xi) Do charges allow for access and equity considerations (eg. waivers, discounts)?	Media is provided with low cost access to corporate information.
(xii) If 'YES' to (xi), on what basis?	Dissemination of information is in the public interest.
(xiii) Other (Please describe other significant features)	Some fees (eg late fees) will be waived when late lodgment is caused by circumstances outside the control of the lodging party.
6.3 How are indirect costs allocated for cost recovery arrangements? (eg. activity based costing, according to share of direct costs or other rule.)	Further to 6(1)(ii), fees for licencing, fundraising and takeovers are initially intended to be increased to cover all ASIC costs. Ideally, these fees should also be increased to cover a proportion of the compensation payments to the States and Northern Territory.
6.4 Are there any price controls on these charges?	No
6.5 How often is the level of charges changed?	Annually in line with the change in the Consumer Price Index (although if the CPI increase in any one year is small, fees may not be increased).
6.6 What happens if revenue recovered is greater than costs incurred?	Since 1991, total schemes expenses have exceeded revenue although in recent years revenue has exceeded expenses in individual years. The action to be

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