
B Selected cost recovery arrangements

The terms of reference require the Commission to report on the nature and extent of current cost recovery arrangements. To meet this requirement, the Commission sent a questionnaire to a large number Commonwealth Government regulatory and information agencies. In total, 127 questionnaires were sent, and the Commission received 99 responses (a response rate of 78 per cent). A copy of the questionnaire, a list of the agencies to which the survey was sent and a list of those who responded are available in appendix J.

The questionnaire has two sections. All agencies were asked to complete part I, which included questions on their total revenues and expenses, as well as their total cost recovery revenue. Those agencies that considered that they undertook cost recovery in 1999-2000 were asked also to complete part II. This section asked agencies to provide information on individual cost recovered activities. Where cost recovery arrangements were similar across activities, agencies were asked to report on these arrangements as a group. This section included questions on the total revenue, cost recovery revenue and expenses of the individual activities. For many agencies, the sum of the individual activities reported in part II differs from the total figure reported in part I. Therefore, care should be taken when comparing responses from part I, which are cited in parts of this report, with responses from part II, cited in this appendix.

This appendix provides a summary of responses from part II for those agencies covered in the inquiry's case studies (see box B.1). Responses from information agencies are in tables B.1–B.5. Health and safety regulatory agencies' responses are in tables B.6–B.10 and financial regulatory agencies are covered in tables B.11–B.15. The Australian Communications Authority's responses are in tables B.16–B.20. For presentational reasons, responses have been simplified and the responses to some questions have not been included.

Both a summary and the full response of all agencies that responded (except those that were provided in confidence) are available from the Commission's web site (www.pc.gov.au) or on request from the Commission.

Box B.1 Agencies covered in the case studies

ACA Australian Communications Authority

Information agencies

ABARE Australian Bureau of Agricultural and Resource Economics

ABS Australian Bureau of Statistics

AGSO Australian Geological Survey Organisation

AUSLIG Australian Surveying and Land Information Group

BoM Bureau of Meteorology

BRS Bureau of Rural Science

NLA National Library of Australia

SSA ScreenSound Australia

Health and safety regulatory agencies

TGA Therapeutic Goods Administration

ANZFA Australia New Zealand Food Authority

ARPANSA Australian Radiation Protection and Nuclear Safety Agency

AQIS Australian Quarantine and Inspection Service

NRA National Registration Authority for Agricultural and Veterinary Chemicals

NICNAS National Industrial Chemicals Notification and Assessment Scheme

CASA Civil Aviation Safety Authority

AMSA Australian Maritime Safety Authority

ASA Airservices Australia

Financial regulatory agencies

APRA Australian Prudential Regulation Authority

ASIC Australian Securities and Investments Commission

B.1 Case study — information agencies

Table B.1 Overview of arrangements

<i>Agency</i>	<i>Activity/sub-agency</i>	<i>Type of charge</i>	<i>Stated rationale for cost recovery^a</i>	<i>When introduced</i>	<i>How often charges are changed/reviewed</i>
ABARE		Fee	Policy/user	1989-90	Annually
ABS		Fee	Demand/revenue	1988	Annually
AGSO		Fee	Policy	1988	Regularly
AUSLIG		Fee	na	1950s	Annually
BoM	<i>Aviation weather services</i>	Fee	Policy	1952	Annually
	<i>Defence weather services</i>	Fee	Policy	1972	Annually
	<i>Special Services Unit</i>	Fee	Policy	1990	na
	<i>Other specific services</i>	Fee	Policy	1967	Annually
BRS		Fee	Revenue/policy	1993	Annually
NLA	<i>Kinetica</i>	Fee	Policy	1999	Annually
	<i>Sale of goods and services</i>	Fee	Demand	1960	Annually
SSA		Fee	Revenue/service	1983	Irregularly

^a Demand = demand management; revenue = raising revenue; policy = Government policy; user = user pays; beneficiary = beneficiary pays; services = expand services. **na** Not available.

Source: PC summary based on questionnaire (part II) responses.

Table B.2 Revenue, 1999-2000

Agency	Activity/sub-agency	Revenue raised though cost recovery	Total revenue	CR revenue / total revenue	Total expenses	CR revenue / total expenses	Whether revenue is earmarked ^a	What happens to revenue if it is greater than costs ^b
		\$m	\$m	%	\$m	%		
ABARE		11.2	22.8	49.4	22.0	51.1	Yes	na
ABS		21.5	265.0	8.1	255.5	8.4	Yes	Retained
AGSO		12.1	75.0	16.2	73.5	16.5	Yes	Retained
AUSLIG		4.7	33.2	14.2	33.2	14.2	No	Adjustment/ services
BoM	<i>Aviation weather services</i>	14.5	14.5	100.0	14.5	100.0	No	Adjustment
	<i>Defence weather services</i>	3.4	3.4	100.0	3.4	100.0	No	Adjustment
	<i>Special Services Unit</i>	9.0	9.0	100.0	9.0	100.0	No	CRF
	<i>Other specific services</i>	5.0	5.0	100.0	5.0	100.0	No	Adjustment
BRS		7.6	21.8	34.9	25.0	30.4	Yes	..
NLA	<i>Kinetica</i>	6.0	8.3	72.8	7.9	75.9	No	Adjustment/ services/retained
	<i>Sale of goods and services</i>	2.5	222.9	1.1	43.1	5.8	No	..
SSA		1.7	48.6	3.5	47.5	3.6	Yes	Retained

^a Earmarking is the assignment of revenue received from a specific tax or taxes to the financing of a particular Government activity. ^b Refund = CR revenue refunded; adjustment = fees adjusted; services = services expanded; retained = CR revenue retained by agency; CRF = paid into Consolidated Revenue Fund. **CR** cost recovery. **na** Not available. .. Not applicable.

Source: PC summary based on questionnaire (part II) responses.

Table B.3 **Costs recovered**

<i>Agency</i>	<i>Activity/sub-agency</i>	<i>What costs charges aim to recover^a</i>	<i>How indirect costs are allocated^b</i>	<i>Basis for asset valuation</i>	<i>Whether charges include a user cost of capital</i>
ABARE		Direct/indirect	<i>Pro rata</i>	na	No
ABS		Direct/indirect	<i>Pro rata</i> (direct labour costs)	Historic	No
AGSO		Direct/indirect and Total plus	na	Historic	No
AUSLIG		Direct/indirect	Activity Based Costing	Deprival	No
BoM	<i>Aviation weather services</i>	Direct/indirect	<i>Pro rata</i>	Deprival	Yes
	<i>Defence weather services</i>	Direct/indirect	<i>Pro rata</i>	Deprival	Yes
	<i>Special Services Unit</i>	Total plus	<i>Pro rata</i>	na	Yes
	<i>Other specific services</i>	Direct/indirect	<i>Pro rata</i>	Deprival	Yes
BRS		Direct/indirect	<i>Pro rata</i>	..	Yes
NLA	<i>Kinetica</i>	Direct/indirect	Other	Deprival	No
	<i>Sale of goods and services</i>	Direct/indirect	Other	Deprival	No
SSA		Direct/indirect	Other	Replacement	Yes

^a 'Direct' costs are costs that can directly and unequivocally be attributed to an activity. 'Indirect' costs are costs that are not directly attributable to an activity. 'Total plus' includes direct and indirect costs plus any revenue over this amount, such as a proxy rate of return. ^b Indirect costs are generally allocated *pro rata* to some or all direct costs or by Activity Based Costing. Activity Based Costing links an organisation's outputs to activities used to produce those outputs, which in turn are linked to the organisation's costs (see appendix H). **na** Not available. **..** Not applicable.

Source: PC summary based on questionnaire (part II) responses.

Table B.4 **Accountability and transparency**

<i>Agency</i>	<i>Activity/sub-agency</i>	<i>Legal basis^a</i>	<i>Who was consulted when cost recovery introduced</i>	<i>What guidelines were used</i>	<i>Who is involved in ongoing consultation</i>	<i>Whether the arrangements have been formally reviewed</i>
ABARE		FMA Act	Govt	DOFA ^b	Govt	Yes (1995)
ABS		FMA Act/other Act	Govt	DOFA	Govt/industry	No
AGSO		FMA Act	Govt	DOFA	Govt/industry	Under review
AUSLIG		FMA Act	na	Other	Govt/industry/consumers	Under review
BoM	<i>Aviation weather services</i>	FMA Act/other Act	Govt/industry	Internal/Cwlth	Govt/industry	Yes (1998-99)
	<i>Defence weather services</i>	FMA Act/other Act	Govt	Internal/DOFA	Govt	Yes (1997-98)
	<i>Special Services Unit</i>	FMA Act/other Act	Govt	Internal/DOFA	Govt	Yes (1997)
	<i>Other specific services</i>	FMA Act/other Act	Govt	Internal/DOFA	Govt/industry/consumers	Yes (1997)
BRS		FMA Act	Govt	na	No ongoing consultation	Yes, internally
NLA	<i>Kinetica</i>	Other Act	Govt/industry	na	Industry/consumers	Under review
	<i>Sale of goods and services</i>	Other Act	Govt/consumers	DOFA	Industry	Under review
SSA		FMA Act	Govt/industry/consumers	No	Govt/industry/consumers	Yes (2000)

^a FMA Act= *Financial Management and Accountability Act 1997*. The main purpose of this Act is to provide a framework for the proper management of public money and public property. It is not clear whether this Act provides a legal basis for cost recovery; tax Act = any tax Act; other Act = an Act other than the FMA Act or a tax Act; no Act = no Act supporting the arrangements. ^b DOFA = Department of Finance and Administration. **na** Not available.

Source: PC summary based on questionnaire (part II) responses.

Table B.5 **Responsibility for various functions**

<i>Agency</i>	<i>Activity/sub-agency</i>	<i>Policy</i>	<i>Price setting</i>	<i>Administration</i>	<i>Revenue collection</i>
ABARE		AFFA ^a /ABARE	ABARE	AFFA/ABARE	AFFA/ABARE
ABS		ABS	ABS	ABS	ABS
AGSO		AGSO	AGSO	AGSO	AGSO
AUSLIG		AUSLIG	AUSLIG	AUSLIG	AUSLIG
BoM	<i>Aviation weather services</i>	BoM/ICAO ^b /CASA	BoM	BoM	ASA ^d
	<i>Defence weather services</i>	BoM/DoD ^c	BoM	BoM	BoM
	<i>Special Services Unit</i>	BoM	BoM	BoM	BoM
	<i>Other specific services</i>	BoM	BoM	BoM	BoM
BRS		AFFA	BRS	BRS	BRS
NLA	<i>Kinetica</i>	NLA	NLA	NLA	NLA
	<i>Sale of goods and services</i>	NLA	NLA	NLA	NLA
SSA		SSA	SSA	SSA	SSA

^a AFFA = Department of Agriculture, Fisheries and Forestry — Australia. ^b ICAO = International Civil Aviation Organisation. ^c DoD = Department of Defence.

^d ASA collects the revenue as an agent for BoM.

Source: PC summary based on questionnaire (part II) responses.

B.2 Case study — Health and safety regulatory agencies

Table B.6 Overview of arrangements

<i>Agency</i>	<i>Activity/sub-agency</i>	<i>Type of charge</i>	<i>Stated rationale for cost recovery^b</i>	<i>When introduced</i>	<i>How often charges are changed/reviewed</i>
TGA		Fee/tax	Policy/user	1990	Annually
ANZFA		Royalties/fee	User	1991	na
ARPANSA		Fee	User	1999	Annually
AQIS	<i>Live Animal Exports</i>	Fee	na	na	Six monthly
	<i>Grain Exports</i>	Fee/tax	na	1963 (tax) 1990 (fee)	Six monthly
	<i>Horticulture Export Program</i>	Fee/tax	na	early 1990s	Six monthly
	<i>Dairy Export Program</i>	Fee/tax	na	1990	Six monthly
	<i>Fish Export Program</i>	Fee/tax	na	1991	Six monthly
	<i>Post Entry Animal Quarantine Stations</i>	Fee	na	1991	Six monthly
	<i>International Mail</i>	Fee	na	1997	Six monthly
	<i>Import Clearance Program</i>	Fee	na	1994	Six monthly
	<i>Post Entry Plant Quarantine</i>	Fee	na	1991	Six monthly
	<i>Airports</i>	Fee/PMC ^a	na	1995	Six monthly
	<i>Seaports</i>	Fee	na	1991	Annually
	<i>Meat Inspection Program</i>	Fee/tax	na	1991	Six monthly
	<i>AQIS Training Services</i>	Fee	na	1993	Six monthly
NRA		Fee/levy	Policy	1994	2–3 years
NICNAS	<i>New chemical assessment fees</i>	Fee	Policy	1997	<i>Ad hoc</i>
	<i>Existing chemicals assessment</i>	Levy	Policy	1997	<i>Ad hoc</i>
	<i>Publications and seminars</i>	Fee	Policy	na	<i>Ad hoc</i>
CASA		Excise/fee	Policy/user/beneficiary	1988	Biannually (CPI)
AMSA		Levies	Policy/user	na	Annually
ASA		Fee	User	na	Annually (minimum)

^a PMC = Passenger Movement Charge. ^b Demand = demand management; revenue = raising revenue; policy = Government policy; user = user pays; beneficiary = beneficiary pays; services = expand services. **na** Not available.

Source: PC summary based on questionnaire (part II) responses.

Table B.7 Revenue, 1999-2000

Agency	Activity/sub-agency	Revenue raised though cost recovery	Total revenue	CR revenue / total revenue	Total expenses	CR revenue / total expenses	Whether revenue is earmarked ^a	What happens to revenue if it is greater than costs ^b
		\$m	\$m	%	\$m	%		
TGA		41.4	43.8	94.7	49.0	84.5	Both	Retained
ANZFA		0.8	13.6	5.9	13.1	6.1	No	na
ARPANSA		1.2	3.8	31.6	3.6	33.5	No	Adjustment
AQIS	<i>Live Animal Exports</i>	1.8	1.8	99.8	1.8	97.4	No	Refund/ retained/ services
	<i>Grain Exports</i>	6.8	6.8	99.8	6.8	99.8	No	Refund/ retained/ services
	<i>Horticulture Export Program</i>	4.7	4.7	99.7	5.3	87.7	No	Refund/ retained/ services
	<i>Dairy Export Program</i>	1.1	1.1	99.7	1.1	99.8	No	Refund/ retained/ services
	<i>Fish Export Program</i>	3.8	3.8	99.8	3.9	99.1	No	Refund/ retained/ services
	<i>Post Entry Animal Quarantine Stations</i>	2.7	3.1	83.3	2.9	83.2	No	Retained
	<i>International Mail</i>	2.2	2.3	99.8	2.3	98.9	No	Refund/ retained/ services
	<i>Import Clearance Program</i>	36.4	36.4	100.0	35.1	99.0	No	Industry Reserve Fund
	<i>Post Entry Plant Quarantine</i>	0.3	1.4	21.2	1.4	21.2	No	Retained

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Table B.7 (continued)

Agency	Activity/sub-agency	Revenue raised through cost recovery	Total revenue	CR revenue / total revenue	Total expenses	CR revenue / total expenses	Whether revenue is earmarked ^a	What happens to revenue if it is greater than costs ^b
	Airports	20.0 ^c	20.1	99.8	20.2	99.2	Partially to other agency and CRF	Retained
	Seaports	4.4 ^c	4.5	98.3	4.2	103.6	Partially to other agency and CRF	Refund/ retained/ services
	Meat Inspection Program	54.0	54.0	100.0	53.9	100.0	No	Refund/ retained/ services
	AQIS Training Services	1.5	1.5	99.1	1.6	94.1	No	Refund/ retained/ services
NRA		17.8	18.5	96.0	16.2	109.7	Yes	Adjustment
NICNAS	New chemical assessment fees	1.6	1.6	100.0	1.6	100	Yes	Retained
	Existing chemicals assessment	2.1	2.2	95.5	2.1	100	Yes	Retained
	Publications and seminars	—	—	100.0	—	100.0	na	Adjustment
CASA		59.9	98.9	60.6	83.7	71.6	Yes	na
AMSA		52.4	54.6	96.0	57.6	90.9	Yes	Retained
ASA		na	na	na	na	na	No	Retained

^a Earmarking is the assignment of revenue received from a specific tax or taxes to the financing of a particular Government activity. ^b Refund = CR revenue refunded; adjustment = fees adjusted; services = services expanded; retained = CR revenue retained by agency; CRF = paid into Consolidated Revenue Fund. **CR** cost recovery. **na** Not available. — Rounds to zero.

Source: PC summary based on questionnaire (part II) responses.

Table B.8 **Costs recovered**

<i>Agency</i>	<i>Activity/sub-agency</i>	<i>What costs charges aim to recover^a</i>	<i>How indirect costs are allocated^b</i>	<i>Basis for asset valuation</i>	<i>Whether charges include a user cost of capital</i>
TGA		Direct/indirect	Activity Based Costing	Deprival	No
ANZFA		Direct/indirect	% of direct costs	..	No
ARPANSA		Direct/indirect	<i>Pro rata</i> (labour)	..	No
AQIS	<i>Live Animal Exports</i>	Direct/indirect	Cost drivers	na	No
	<i>Grain Exports</i>	Direct/indirect	Cost drivers	na	No
	<i>Horticulture Export Program</i>	Direct/indirect	Cost drivers	na	No
	<i>Dairy Export Program</i>	Direct/indirect	Cost drivers	na	No
	<i>Fish Export Program</i>	Direct/indirect	Cost drivers	na	No
	<i>Post Entry Animal Quarantine Stations</i>	Direct/indirect	Cost drivers	na	No
	<i>International Mail</i>	Direct/indirect	Cost drivers	na	No
	<i>Import Clearance Program</i>	Direct/indirect	Cost drivers	na	No
	<i>Post Entry Plant Quarantine</i>	Direct/indirect	Cost drivers	na	No
	<i>Airports</i>	Direct/indirect	Cost drivers	na	No
	<i>Seaports</i>	Direct/indirect	Cost drivers	na	No
	<i>Meat Inspection Program</i>	Direct/indirect	Cost drivers	na	No
	<i>AQIS Training Services</i>	Direct/indirect	Cost drivers	na	No
NRA		Direct/indirect	Activity Based Costing	..	No
NICNAS	<i>New chemical assessment fees</i>	Direct/indirect	Activity Based Costing	na	No
	<i>Existing chemicals assessment</i>	Direct/indirect	Activity Based Costing	na	No
	<i>Publications and seminars</i>	Direct	na	na	No
CASA		Direct/indirect	na	Deprival	No
AMSA		Direct/indirect	Activity Based Costing	Deprival	Yes
ASA		Total plus	<i>Pro rata</i> (labour)	Deprival	Yes

^a 'Direct' costs are costs that can directly and unequivocally be attributed to an activity. 'Indirect' costs are costs that are not directly attributable to an activity. 'Total plus' includes direct and indirect costs plus any revenue over this amount, such as a proxy rate of return. ^b Indirect costs are generally allocated *pro rata* to some or all direct costs or by Activity Based Costing. Activity Based Costing links an organisation's outputs to activities used to produce those outputs, which in turn are linked to the organisation's costs (see appendix H). **na** Not available. **..** Not applicable.

Source: PC summary based on questionnaire (part II) responses.

Table B.9 **Accountability and transparency**

<i>Agency</i>	<i>Activity/sub-agency</i>	<i>Legal basis^a</i>	<i>Who was consulted when cost recovery introduced</i>	<i>What guidelines were used</i>	<i>Who is involved in ongoing consultation</i>	<i>Whether the arrangements have been formally reviewed</i>
TGA		Tax act/other Act	Govt/industry/consumers	na	Industry/consumers	No
ANZFA		Other Act	Govt/industry/consumers	DOFA ^b /other	Industry/consumers	No
ARPANSA		Other Act	Govt	DOFA/other	Minister/industry	No
AQIS	<i>Live Animal Exports</i>	Other Act	na	na	na	Yes (2000)
	<i>Grain Exports</i>	Tax Act/other Act	na	na	na	Yes
	<i>Horticulture Export Program</i>	Tax Act/other Act	na	na	na	Yes (2000)
	<i>Dairy Export Program</i>	Tax Act/other Act	na	na	na	Yes
	<i>Fish Export Program</i>	Tax Act/other Act	na	na	na	Yes
	<i>Post Entry Animal Quarantine Stations</i>	Other Act	na	na	na	Yes
	<i>International Mail</i>	Other Act	na	na	na	Yes
	<i>Import Clearance Program</i>	Other Act	na	na	na	Yes
	<i>Post Entry Plant Quarantine</i>	Other Act	na	na	na	Yes
	<i>Airports</i>	Other Act	na	na	na	Yes
	<i>Seaports</i>	Other Act	na	na	na	No
	<i>Meat Inspection Program</i>	Tax Act/other Act	na	na	na	Yes
	<i>AQIS Training Services</i>	FMA Act	No consultation	na	na	No
NRA		Tax Act/other Act	Govt/industry/consumers	na	na	Under review

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Table B.9 (continued)

<i>Agency</i>	<i>Activity/sub-agency</i>	<i>Legal basis^a</i>	<i>Who was consulted when cost recovery introduced</i>	<i>What guidelines were used</i>	<i>Who is involved in ongoing consultation</i>	<i>Whether the arrangements have been formally reviewed</i>
NICNAS	<i>New chemical assessment fees</i>	Other Act	Govt/industry/consumers	Independent to Govt	Govt/industry	Yes (1997)
	<i>Existing chemicals assessment</i>	Other Act	Govt/industry	Independent to Govt	Govt/industry	Yes (2000)
	<i>Publications and seminars</i>	No Act	Govt/industry	Cwlth	Govt/industry	No
CASA		Tax Act/other Act	Govt/industry/consumers	Independent to Govt	Govt/industry	Yes
AMSA		Tax Act/other Act	Industry	Independent to Govt	Industry	Yes (1997)
ASA		Other Act	na	Internal	Industry/consumers	Yes (2000)

^a FMA Act = *Financial Management and Accountability Act 1997*. The main purpose of this Act is to provide a framework for the proper management of public money and public property. It is not clear whether this Act provides a legal basis for cost recovery; tax Act = any tax Act; other Act = an Act other than the FMA Act or a tax Act; no Act = no Act supporting the arrangements. ^b DOFA = Department of Finance and Administration. **na** Not available.

Source: PC summary based on questionnaire (part II) responses.

Table B.10 **Responsibility for various functions**

<i>Agency</i>	<i>Activity/sub agency</i>	<i>Policy</i>	<i>Price setting</i>	<i>Administration</i>	<i>Revenue collection</i>
TGA		TGA	TGA	TGA	TGA
ANZFA		ANZFA	ANZFA	ANZFA	ANZFA
ARPANSA		ARPANSA	ARPANSA	ARPANSA	ARPANSA
AQIS	<i>Live Animal Exports</i>	na	na	na	na
	<i>Grain Exports</i>	na	na	na	na
	<i>Horticulture Export Program</i>	na	na	na	na
	<i>Dairy Export Program</i>	na	na	na	na
	<i>Fish Export Program</i>	na	na	na	na
	<i>Post Entry Animal Quarantine Stations</i>	na	na	na	na
	<i>International Mail</i>	na	na	na	na
	<i>Import Clearance Program</i>	na	na	na	na
	<i>Post Entry Plant Quarantine</i>	na	na	na	na
	<i>Airports</i>	na	na	na	na
	<i>Seaports</i>	na	na	na	na
	<i>Meat Inspection Program</i>	na	na	na	na
	<i>AQIS Training Services</i>	na	na	na	na
NRA		AFFA ^a	NRA/AFFA	NRA	NRA
NICNAS	<i>New chemical assessment fees</i>	DEWRSB ^b	DEWRSB	NICNAS	NICNAS
	<i>Existing chemicals assessment</i>	DEWRSB	DEWRSB	NICNAS	NICNAS
	<i>Publications and seminars</i>	DEWRSB	NICNAS	NICNAS	NICNAS
CASA		DTRS ^c	DTRS	DOFA/CASA	CASA/ATO ^d /ACS ^e
AMSA		AMSA	AMSA	AMSA	ACS
ASA		ASA	ASA	ASA	ASA

^a AFFA = Department of Agriculture, Fisheries and Forestry – Australia. ^b DEWRSB = Department of Employment, Workplace Relations and Small Business. ^c DTRS = Department of Transport and Regional Services. ^d ATO = Australian Taxation Office. ^e ACS = Australian Customs Service. **na** Not available.

Source: PC summary based on questionnaire (part II) responses.

B.3 Case study — Financial regulatory agencies

Table B.11 Overview of arrangements

<i>Agency</i>	<i>Type of charge</i>	<i>Stated rationale for cost recovery^a</i>	<i>When introduced</i>	<i>How often charges are changed/reviewed</i>
APRA	Levy	Beneficiary	1998 ^b	Annually
ASIC	Fee	Beneficiary/policy	1991 ^c	Annually

^a Demand = demand management; revenue = raising revenue; policy = Government policy; user = user pays; beneficiary = beneficiary pays; services = expand services. ^b Financial supervision fees were in existence before this date. ^c Company fees were in existence before this date.

Source: PC summary based on questionnaire (part II) responses.

Table B.12 Revenue, 1999-2000

<i>Agency</i>	<i>Revenue raised though cost recovery</i>	<i>Total revenue</i>	<i>CR revenue / total revenue</i>	<i>Total expenses</i>	<i>CR revenue / total expenses</i>	<i>Whether revenue is earmarked^a</i>	<i>What happens to revenue if it is greater than costs^b</i>
	\$m	\$m	%	\$m	%		
APRA	61.2 ^c	64.7	94.6	58.8	104.1	No	Adjustment
ASIC	201.0 ^d	201.0	100.0	144.8	144.8	No	CRF

^a Earmarking is the assignment of revenue received from a specific tax or taxes to the financing of a particular Government activity. ^b Refund = CR revenue refunded; adjustment = fees adjusted; services = services expanded; retained = CR revenue retained by agency; CRF = paid into Consolidated Revenue Fund. ^c Does not include transfers to ASIC and the Australian Taxation Office. ^d Does not include transfers to third parties. **CR** cost recovery.

Source: PC summary based on questionnaire (part II) responses.

Table B.13 Costs recovered

<i>Agency</i>	<i>What costs charges aim to recover^a</i>	<i>How indirect costs are allocated^b</i>	<i>Basis for asset valuation</i>	<i>Whether charges include a user cost of capital</i>
APRA	Direct/indirect	<i>Pro rata</i>	na	No
ASIC	Total plus	na	na	No

^a 'Direct' costs are costs that can directly and unequivocally be attributed to an activity. 'Indirect' costs are costs that are not directly attributable to an activity. 'Total plus' includes direct and indirect costs plus any revenue over this amount, such as a proxy rate of return. ^b Indirect costs are generally allocated *pro rata* to some or all direct costs or by Activity Based Costing. Activity Based Costing links an organisation's outputs to activities used to produce those outputs, which in turn are linked to the organisation's costs (see appendix H). **na** Not available.

Source: PC summary based on questionnaire (part II) responses.

Table B.14 Accountability and transparency

<i>Agency</i>	<i>Legal basis^a</i>	<i>Who was consulted when cost recovery introduced</i>	<i>What guidelines were used</i>	<i>Who is involved in ongoing consultation</i>	<i>Whether the arrangements have been formally reviewed</i>
APRA	Tax Acts	Govt/industry	Other	Govt/industry	Yes (2001)
ASIC	Tax Act	Govt	Cwlth/other	No ongoing consultation	Yes (2001)

^a FMA Act = *Financial Management and Accountability Act 1997*. The main purpose of this Act is to provide a framework for the proper management of public money and public property. It is not clear whether this Act provides a legal basis for cost recovery; tax Act = any tax Act; other Act = an Act other than the FMA Act or a tax Act; no Act = no Act supporting the arrangements.

Source: PC summary based on questionnaire (part II) responses.

Table B.15 Responsibility for various functions

<i>Agency</i>	<i>Policy</i>	<i>Price setting</i>	<i>Administration</i>	<i>Revenue collection</i>
APRA	APRA/Treasury	APRA/Treasury	APRA/DOFA ^a	APRA/DOFA
ASIC	Treasury	Treasury/Minister	ASIC	ASIC

^a DOFA = Department of Finance and Administration.

Source: PC summary based on questionnaire (part II) responses.

B.4 Case study — Australian Communication Authority

Table B.16 Overview of arrangements

<i>Activity</i>	<i>Type of charge</i>	<i>Stated rationale for cost recovery^a</i>	<i>When introduced</i>	<i>How often charges are changed/reviewed</i>
<i>Annual Licence Carrier Charge</i>	Levy	Beneficiary	1991	Annually
<i>Spectrum Maintenance Component</i>	Levy	Policy/demand/user	1995	Biannually
<i>Administrative</i>	Fee	Policy/demand/user	1995	Biannually

^a Demand = demand management; revenue = raising revenue; policy = Government policy; user = user pays; beneficiary = beneficiary pays; services = expand services.

Source: PC summary based on questionnaire (part II) responses.

Table B.17 Revenue, 1999-2000

<i>Activity</i>	<i>Revenue raised though cost recovery</i>	<i>Total revenue</i>	<i>CR revenue / total revenue</i>	<i>Total expenses</i>	<i>CR revenue / total expenses</i>	<i>Whether revenue is earmarked^a</i>	<i>What happens to revenue if it is greater than costs^b</i>
	\$m	\$m	%	\$m	%		
<i>Annual Licence Carrier Charge</i>	18.5	18.5	100.0	18.4	100.5	No	CRF
<i>Spectrum Maintenance Component</i>	24.5	24.5	99.6	30.0	81.3	No	CRF
<i>Administrative</i>	5.9	5.9	100.0	6.5	90.8	No	CRF

^a Earmarking is the assignment of revenue received from a specific tax or taxes to the financing of a particular Government activity. ^b Refund = CR revenue refunded; adjustment = fees adjusted; services = services expanded; retained = CR revenue retained by agency; CRF = paid into Consolidated Revenue Fund. **CR** cost recovery.

Source: PC summary based on questionnaire (part II) responses.

Table B.18 Costs recovered

<i>Activity</i>	<i>What costs charges aim to recover^a</i>	<i>How indirect costs are allocated^b</i>	<i>Basis for asset valuation</i>	<i>Whether charges include a user cost of capital</i>
<i>Annual Licence Carrier Charge</i>	Direct/indirect	Activity Based Costing	Deprival	Yes
<i>Spectrum Maintenance Component</i>	Direct/indirect	Activity Based Costing	Deprival	Yes
<i>Administrative</i>	Direct/indirect	Activity Based Costing	Deprival	Yes

^a 'Direct' costs are costs that can directly and unequivocally be attributed to an activity. 'Indirect' costs are costs that are not directly attributable to an activity. 'Total plus' includes direct and indirect costs plus any amount over this revenue, such as a proxy rate of return. ^b Activity Based Costing links an organisation's outputs to activities used to produce those outputs, which in turn are linked to the organisation's costs (see appendix H).

Source: PC summary based on questionnaire (part II) responses.

Table B.19 Accountability and transparency

<i>Activity</i>	<i>Legal basis^a</i>	<i>Who was consulted when cost recovery introduced</i>	<i>What guidelines were used</i>	<i>Who is involved in ongoing consultation</i>	<i>Whether the arrangements have been formally reviewed</i>
<i>Annual Licence Carrier Charge</i>	Other Act/tax Act	Govt	na	Govt	No
<i>Spectrum Maintenance Component</i>	Other Act/tax Act	Govt	Internal	Govt	Yes (1995)
<i>Administrative</i>	Other Act	Govt	Internal	Govt	Yes (1995)

^a FMA Act = *Financial Management and Accountability Act 1997*. The main purpose of this Act is to provide a framework for the proper management of public money and public property. It is not clear whether this Act provides a legal basis for cost recovery; tax Act = any tax Act; other Act = an Act other than the FMA Act or a tax Act; no Act = no Act supporting the arrangements. **na** Not available.

Source: PC summary based on questionnaire (part II) responses.

Table B.20 Responsibility for various functions

<i>Activity</i>	<i>Policy</i>	<i>Price setting</i>	<i>Administration</i>	<i>Revenue collection</i>
<i>Annual Licence Carrier Charge</i>	DCITA ^a	ACA	ACA	ACA
<i>Spectrum Maintenance Component</i>	ACA	ACA	ACA	ACA
<i>Administrative</i>	ACA	ACA	ACA	ACA

^a DCITA = Department of Communications, Information Technology and the Arts.

Source: PC summary based on questionnaire (part II) responses.