

Attachment 1 - Australian Government Cost Recovery Guidelines

It is always difficult to put aside materials that have been development and in essence start with a blank page.

However as a consequence of the Stakeholder consultations, perhaps a half-day workshop to do just that could result in ensuring key elements, that maybe have been missed or treated minimally, are identified and included as part of a systematic approach to Cost Recovery.

Sometimes it is difficult to define the difference between objectives and strategies.

Our observation is that if its goals and objectives were more clearly defined then the processes would become clearer.

For example “increase transparency for all stakeholders, including those who pay charges” is more a strategy objective to ensure

- the most cost effective and efficient mechanisms for service/ product delivery
- the most cost effective and efficient mechanisms for the collection of CR fees
- the expertise of the stakeholders is utilized in CR design and delivery

Likewise the **Purpose of the Cost Recovery Guidelines** appears to list the people involved rather than why.

We offer the following in this context.

Purpose of the Cost Recovery Guidelines (and other Resources)

1. Recommend an opening paragraph such as:

To ensure objectives of Cost Recovery are met by ensuring all the people involved in the process of applying, designing, implementing, charging, paying, reviewing and keeping the system accountable are informed and empowered to perform their roles effectively and efficiently.

Then go into detail.

2. Recommend viii CRG

viii. The CRGs are also relevant for the general public, particularly non-government stakeholders who are charged for a government activity.

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- viii. CRGs are relevant for non-government stakeholders with whom the staff of the government entity are to work with collaboratively at various stages in the develop of specific Cost Recovery programs to ensure their efficiency and effectiveness and as stakeholders who are the main group to ensure accountability of the delivery of those government services/ products

ix. The CRGs are also relevant for the general public as either the direct or indirect recipients of the government's care and concern for the safety and health (physical, psychological, financial, social) of the Australian community.

x. Renumber (ix)

Objectives of cost recovery

To ensure that service and/ or products charged for

- o are necessary and justifiable by independent evidence
- o match to the level of need for government intervention
- o can be identified as predominantly affecting a specific sector of the community, rather than have significant indirect effects generally in the community, which in turns impacts upon government expenditure in other sectors.
- o use the most cost effective and efficient mechanisms for their delivery
- o use the most cost effective and efficient mechanisms for the collection of their fees
- o utilise the expertise of the stakeholders in their design and delivery
- o are only able to be effectively delivered by other government services
- o are only able to be delivered by this specific government entity. Where not, there needs to be effective cooperation and/or redefinition of roles between services so that Stakeholders are not paying for duplication and systemic inefficiencies
- o are fair, non-discriminatory and allow Stakeholders to deliver their products and services competitively with other Stakeholders
- o predominantly applied to either the end-users, or to those making profit (i.e. over and above a basic wage hourly rate and reimbursement for the costs in delivering services or products onto the end user
- o are applied by a variety of mechanisms (specific fees for specific services, fines, levies etc) so that the burden of payment is not borne by those who need the service the least.
- o allow sectors of government to continue to deliver essential service by raise income to supplement general tax payer revenues

Our apologies that time does not permit any further work from us today.

We trust all our comments and recommendations are helpful.