



Australian Government  
Industry, Science and Resources portfolio  
IP Australia

# COST RECOVERY IMPLEMENTATION STATEMENT

## IP Australia

**Patents, Trade Marks, Designs, Plant Breeder's Rights, Trans-Tasman  
IP Attorney System**

**2024-25**

Charging for regulatory activity involves government entities charging individuals or organisations in the non-government sector some or all the minimum efficient costs of a specific government activity. The Cost Recovery Policy along with the Australian Government Charging Framework (the Charging Framework) sets out the policy under which government entities design, implement and review charging for regulatory activities. The CRIS is the public document to ensure the transparency and accountability for the level of the charging and to demonstrate that the purpose for charging, as decided by Government, is being achieved.

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# 1. INTRODUCTION

## 1.1. Purpose of the CRIS

This Cost Recovery Implementation Statement (CRIS) provides information on how IP Australia implements cost recovery charging for the administration of patent, trade mark, industrial design, and plant breeder's rights legislation, as well as the administration of the Trans-Tasman IP Attorneys system. It reports actual financial and non-financial performance information for the 5 cost recovered activities and contains financial and demand forecasts for 2024-25 and three forward years. This CRIS was published following public consultation and consideration of the proposed fee amendments, and Executive Council approval of amendments to the respective legislation. IP Australia will maintain the CRIS until the activity or cost recovery for the activity has been discontinued.

## 1.2. IP Australia's Role and Functions

IP Australia administers the registrable intellectual property (IP) rights system in Australia, including patents, trade marks, designs, and plant breeder's rights. IP Australia's strategic direction is outlined in the Corporate Plan and includes the agency's purpose, which is to enable Australians to benefit from great ideas by providing a world-leading IP system. We are committed to ensuring that the IP system remains modern, effective, and efficient.

IP Australia promotes awareness of intellectual property, regulates the IP attorney profession, provides advice to government on policy relating to the IP rights system, and contributes to bilateral and multilateral negotiations and the development of cooperation programs to support the global IP system.

In 2023-24, IP Australia operated as a non-corporate Commonwealth entity within the Industry, Science and Resources portfolio and recovers more than 98 per cent of its costs by charging fees for its IP rights services in accordance with the Australian Government Charging Framework.

## 1.3. IP Australia's Purpose.

IP Australia's purpose is to enable Australians to benefit from great ideas by providing a world-leading IP system.

We deliver IP rights administration and professional registration services, increase awareness of the IP system, and shape the IP system domestically and internationally to help Australian innovation and business.

We are committed to building the capability of our people and our organisation to support this important work. Delivery of these elements enables us to provide an effective framework for the protection of innovative products and brands. This protection creates a secure environment, so our customers have trust in the value of IP, have confidence in our ability to meet their needs for investment in innovation, enables firms to build brand value and business reputation, and encourages the disclosure of inventions and the transfer of knowledge and technology.

## 1.4. Description of the regulatory activity that is cost recovered.

IP Australia cost recovers against the following five activity groups:

1. **Patents:** A patent is an exclusive right granted for any device, substance, method, or process that allows the owner to exclude others from commercially exploiting the invention for the life of the patent. Standard patents are granted for inventions that are new, useful and involve an inventive step beyond the normal progress of technology.
2. **Trade Marks:** Trade marks are signs used to distinguish goods or services in the market. Registering a trade mark provides an owner with the exclusive right to use the mark – or authorise others to use it – and seek relief for trade mark infringement. A trade mark can be for a letter, number, colour, word, phrase, sound, smell, shape, logo, picture, movement, aspect of packaging, or a combination of these but it must be distinctive and not confusingly like an existing mark to be registered.
3. **Designs:** Design rights protect the visual features of a product that give it a unique appearance, such as its shape, pattern, configuration, or ornamentation. In Australia, designs are registered without substantive examination. A design must be examined and certified by IP Australia for rights to be enforced. Additionally, the design must be new and distinctive to be eligible for protection – that is, it must be dissimilar in overall impression to designs that constitute prior art.
4. **Plant Breeder's Rights:** Plant breeder's rights (PBRs) provide legal protection for new plant varieties to encourage private investment in plant breeding and commercialisation. A plant variety must be clearly identifiable and distinguishable from other varieties to be eligible for protection. It must be uniform and stable upon propagation. PBRs grant their owners an exclusive right to exclude others from commercially exploiting their new varieties for up to 25 years.
5. **Trans-Tasman IP Attorneys system:** IP Australia administers the Trans-Tasman IP Attorneys (TTIPA) system and provides secretariat support for the Trans-Tasman IP Attorneys Board and the Trans-Tasman IP Attorneys Disciplinary Tribunal.

## 1.5. IP Australia's customers and reason for charging.

IP Australia's customers range from large national and international businesses, research companies, small to medium enterprises (SMEs), individual self-filers and inventors. IP Australia's customer base also includes attorneys and other IP professionals. Customers seeking to protect their intellectual property pay IP Australia fees for filing an application, examination, renewal, and hearings as required.

Most patent customers are non-residents and file their patent application via an international route, rather than filing directly with IP Australia. Most utilise the service of a professional attorney to assist with their application. A large proportion of trade marks customers are SMEs, and many chose to self-file rather than utilise the services of a professional attorney. Also, most trade mark customers apply for their rights directly with IP Australia rather than as part of international arrangements.

Most patent applications, and over half of PBR and design applications received by IP Australia originate from non-resident customers, while over half of trade mark applications are filed by Australian residents. Table 1 identifies the average customer origin for IP rights filed in Australia for each of the four IP rights.

Customers utilising IP Australia's services are clearly identifiable making regulatory cost recovery the most appropriate charging model. Fees are set to recover the costs of activities that can be directly attributed to these customers.

Table 1: Customer origin for IP rights filed in Australia during 2023

	Resident	Non-resident
Patents	8%	92%
Plant Breeder's Rights	49%	51%
Trade Marks	58%	42%
Designs	30%	70%

Source: Australian IP Report 2024

## 1.6. Policy Outcome and Programs

IP Australia's policy outcome statement is:

*"Increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government".*

IP Australia delivers its outcome through the administration of IP rights consistent with the relevant legislation and regulations. IP Australia has three Programs as part of its one Outcome. These programs represent IP Australia's structure for budget accountability to the Australian Government. While there are some components of IP Australia's costs which are funded directly by government, the bulk of IP Australia's costs are recovered through regulatory fees. IP Australia cost recovers against its activity group structure (as described above), not the Program structure (as described below).

**Program 1 – IP Rights Administration and Professional Registration** encompasses the administration of patent, trade mark, design, and plant breeder's IP rights legislation. It also includes the administration of the TTIPA Board for Patent and Trade Mark Attorneys and the TTIPA Disciplinary Tribunal.

All five of IP Australia's cost recovery activity groups are contained within Program 1.

**Program 2 – Education and Awareness** encompasses IP Australia's role in raising awareness and educating customers about intellectual property. This Program does not represent a separate cost recovery activity group. Costs of Program 2 are apportioned, using an activity-based costing model, to the cost recovery activity groups in Program 1 because they support the delivery of these activity groups.

**Program 3 – Advice to Government and International Engagement** encompasses IP Australia's role in providing advice on IP matters, supporting research into the current and future use of IP Rights, and engaging with key international stakeholders and IP bodies.

Programs 2 and 3 do not represent separate cost recovery activity groups. The cost of Programs 2 and 3 are apportioned, using an activity-based costing model, to the cost recovery activity groups in Program 1 because they support the delivery of these activity groups.

IP Australia receives departmental appropriation from Government (\$0.4 million in 2023-24) for non-regulatory charging activities undertaken within Program 3. Further information on IP Australia's outcome and program structure can be found in the 2024-25 Department of Industry, Science and Resources Portfolio Budget Statements (PBS).

## 2. POLICY AND STATUTORY AUTHORITY TO CHARGE (COST RECOVER)

### 2.1. Government policy approval to charge for this regulatory activity.

The policy authority to cost recover IP Australia's regulation of relevant IP legislation was reaffirmed by Government in 2012 when it was agreed that IP Australia will continue to administer Australia's IP rights' system, specifically patent, trade mark, industrial design, PBR and TTIPA Board and Disciplinary Tribunal on a cost recovery basis.

IP Australia groups the cost of individual services into activity groups aligned with the separate IP rights legislation, and then cost recovers at the activity group level. The reason for grouping at the activity level is because individual fee items, of which there are several hundred across all the IP rights legislation, represent sub-activities at a level where costing each one is neither efficient nor cost effective, and is not conducive to innovation policy objectives. This approach also supports IP Australia's business model of recovering costs over the life cycle of the IP Right.

For example, a standard patent has a 20-year life cycle as it provides the customer with protection for up to this period. It would be impractical to cost recover individual services, such as processing the application, examining the application, granting the application, and renewing the application, and instead IP Australia will continue to recover the full costs of each broader activity group (e.g., recover the total costs associated with a patent application over the life of the patent).

The cost of services provided to customers (e.g., examination) within each activity group are determined using IP Australia's activity-based costing model and allows IP Australia to determine the total cost of the activity group (e.g., Patents) in an accurate and transparent manner, and set fees that will recover the total cost of the IP Right over its life.

### 2.2. Statutory authority to charge.

IP Australia derives its legal authority to prescribe fees under the following Acts and associated regulations:

- [Patents Act 1990](#)
- [Patents Regulations 1991](#)
- [Trade Marks Act 1995](#)
- [Trade Marks Regulations 1995](#)
- [Plant Breeder's Rights Act 1994](#)
- [Plant Breeder's Rights Regulations 1994](#)
- [Designs Act 2003](#)
- [Designs Regulations 2004](#)

The TTIPA Board is a statutory body established under section 227A of the *Patents Act 1990* and constituted under the *Patents Regulations 1991*. The TTIPA Disciplinary Tribunal is established under regulation 20.61 of the *Patents Regulations 1991*.

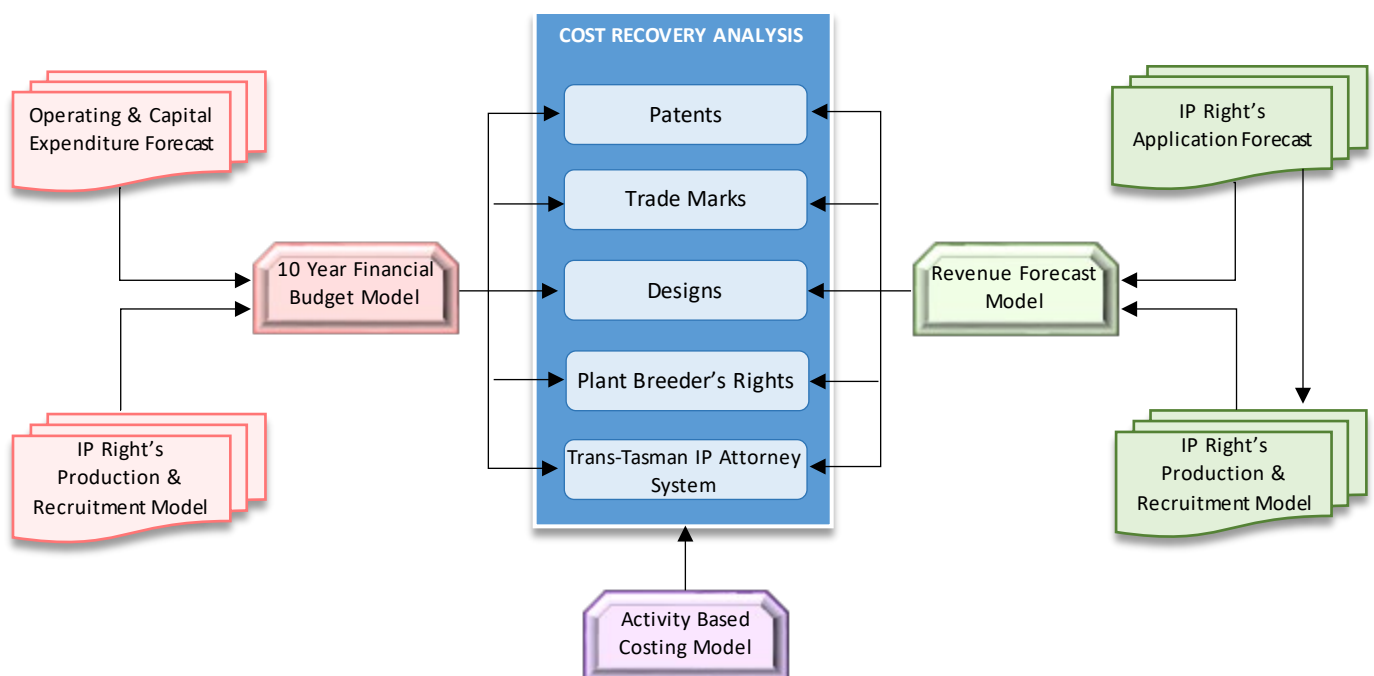
### 3. CHARGING (COST RECOVERY) MODEL

#### 3.1. Cost Recovery Model

IP Australia utilises several financial systems and models to monitor, forecast and report on IP Australia's cost recovered activities. These include:

- Financial Management Information System – SAP
- Activity Based Costing Model – SAP Business Objects Profitability and Cost Management (SAP PCM)
- 10 Year Financial Budget Model
- Revenue Forecast Model
- IP Right's Production Models

Figure 1: Illustrates how each system and internal modelling tool feeds both financial and non-financial data into the one cost recovery model, which is then used to identify the cost recovered position of each activity group.



IP Australia's cost recovery model allows IP Australia to test scenarios around the financial variables including:

- revenue forecasts driven by projected demand for IP Australia's products and services.
- trends within the IP rights product lifecycle (e.g., changes in renewal activity)
- operational resource requirements (people, infrastructure, and systems as well as external support) to meet forecast workloads and achieve customer service level standards (e.g., processing times)
- changes to input costs (such as labour costs, lease costs, and corporate overheads)
- plans for capital expenditure and related depreciation expense, to deliver important ICT modernisation programs linked to greater customer ease of use and access, as well as the efficient and reliable management of IP rights data during the application, examination/registration, and renewals process.
- external factors such as interest rates and foreign exchange movements

The model enables planning on how these scenarios may impact IP Australia's financial position, cost recovery outcomes for activity groups, and possible consequences for customers as they navigate the typical IP rights lifecycle.

Forecasts are done over a 10-year period and consider the related nature of the services provided to customers in each of the cost recovered activities. For example, a patent customer may lodge an application but never proceed to examination, or they may have their application examined but not gain acceptance and have the patent granted, or they may have the patent granted only to have it lapse when they stop renewing it after a few years. The long-term modelling takes these relationships and ratios into consideration when forecasting required work effort and fee generated revenues.

Despite the need to model and forecast the financial impacts to the organisation of longer cycles for IP rights, IP Australia must also ensure it meets its planning, budgeting, and reporting obligations, under the PGPA Act over the shorter four-year period. IP Australia finds that a fee review conducted once every four years is sufficient for our financial planning, and less disruptive for our customers.

### 3.2. Outputs and business processes of the activity

The primary outputs of IP Australia's activity groups are listed below:

#### **Receipt of Patent applications**

A patent application seeks long-term protection and control over an invention. A patent can last for up to 20 years from the filing date of a complete application (or up to 25 years for pharmaceutical substances). Before a standard patent can be granted, the complete application must be examined by IP Australia.

Most patent applications lodged with IP Australia are National Phase Entries (NPE) and NPE volumes are based on international filings that have been lodged with the World Intellectual Property Organization (WIPO). Forecast volumes are based on regression analysis, historic trend analysis, divisional versus non-divisional, country of origin, current economic conditions, and any external influences i.e., legislation changes.

#### **Receipt of Patent Cooperation Treaty (PCT) applications**

A PCT application is a way for customers to apply for a patent in several countries simultaneously. IP Australia, acting as a Receiving Office, International Searching Authority, and International Preliminary Examining Authority under the Patent Cooperation Treaty (PCT), issues International Search Reports (ISR) and Written Opinions (also called an International Search Opinion (ISO)). The ISO indicates the validity of a patent application and if there are any inventions that are similar.

The number of PCT search requests has remained relatively flat for several years. Forecast volumes are based on historic trends, including from countries that lodge PCT applications with Australia, and any other external influences.

#### **Provision of Patent examination services**

Under Australian legislation, a patent is examined only once the applicant has requested examination. The request can be voluntary or result from the Commissioner of Patents directing an applicant to request examination. Applicants must request examination within 5 years of an application's filing date, or the application will lapse. The examination of the patent application is undertaken by an examiner to ensure it meets the legislative requirements of the *Patents Act 1990*.

Operational planning within the patent business group identifies the expected number of exam reports that will be issued each year based on average staffing levels (ASL), employee attrition, application diversity (innovations, PCT, standard etc.), examiner performance expectations, and the timing and training of new examiners.



### **Receipt of Trade Mark applications**

A trade mark application for registration seeks exclusive right to use the mark – or authorise others to use it – and seek relief for trade mark infringement. Trade mark applications are forecast based on time series analysis, historic trends, volumes by application type (standard, Headstart, Madrid), current economic conditions, and any external influences such as stockpiles held by WIPO.

### **Provision of Trade Mark examination services**

A trade mark application is examined to ensure it contains all correct information and meets legislative requirements. Where a trade mark application meets these requirements, it will be registered and entered in the Australian Official Journal of Trade Marks and listed in the Australian Trade Mark Search System.

Operational planning within the trade mark business group identifies the expected number of exam reports that will be issued each year based on average staffing levels (ASL), employee attrition, examiner performance expectations, and the timing and training of new examiners.

### **Receipt of Design applications**

An application for a design registration seeks protection of a unique, new, and distinctive visual appearance of a product.

Design applications are forecast based on time series analysis, historic trends, an analysis of high filing customers, current economic conditions, and any further external influences.

### **Provision of Design examination services**

In Australia, designs are registered without substantive examination however, it must be examined and certified by IP Australia for the right to be enforced. The examination ensures that the design is both new and distinctive - that is, it must be dissimilar in overall impression to designs that constitute prior art.

Operational planning within the designs business group identifies the expected number of exam reports that will be issued in any given year based on: ASL, employee attrition, examiner performance expectations, and the timing and training of new examiners.

### **Receipt of PBR applications**

A PBR application seeks long-term legal protection for a new plant variety and provides the owner with an exclusive right to exclude others from commercially exploiting the new variety for up to 25 years.

The number of PBR applications received each year holds relatively flat at around 300 to 350 applications, and application forecasts are based on historic trends and any major external influences (for example wide spread drought across Australia).

### **Provision of PBR examination services**

Under Australian legislation, a PBR application must pass a substantive examination process and a comparative growing trial to be registered. The examination and growing trial ensure that the plant is clearly distinct from all other varieties of common knowledge by at least one characteristic.

Operational planning within the PBR business group identifies the expected number of exam reports that will be issued each year. The number of PBR examinations each year is relatively flat and reflects stable application volumes.

### TTIPA applications for registration

Both the *Patents Act 1990* and the *Trade Marks Act 1995* provide that only registered individuals have the right to practice as either a patent attorney or a trade mark attorney. To apply for registration as a patent attorney or a trade marks attorney, the individual must provide detailed information of their academic qualifications and related knowledge.

The forecast volume of applications for TTIPA registration is based on a historical average number of applications over recent years.

### Renewals of TTIPA registrations.

Each application to renew registration is assessed to determine whether the individual has the relevant qualifications, and specialised requirements and knowledge. Where this is determined, the attorney will maintain their registration as a patent or trade mark attorney.

The forecast volumes are based on new and current registrations, and the likelihood of an attorney maintaining their registration.

### Business Processes

There are several key business processes that are used to deliver the activity group outputs. The receipt and processing of applications is predominantly an electronic process utilising IP Australia's online services platform. This platform provides a secure and convenient way for customers to access a broad range of transactions, including the lodgement of applications. Several internal electronic case management and financial systems are then passed the details of the filed application to create workflow tasks for examination.

The examination processes for each activity group relies on the work effort of the examiner. The examiner must search online material relevant to each application and issue a report detailing the application's merit in complying with the relevant IP legislation.

The business processes that support the TTIPA outputs are also staff-based. The TTIPA Secretariat is responsible for providing support to the TTIPA Board, and undertakes functions associated with individuals or companies seeking to qualify for registration as patent and/or trade mark attorneys.

Table 2: The application forecast for each of IP Australia's cost recovered activity groups.

Application Forecast	Budget Estimate 2024-25	Forward Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
Patents (excluding provisional)	31,450	30,976	30,637	30,415
Patent Cooperation Treaty (PCT)	2,774	2,788	2,780	2,780
Trade Marks	88,079	90,136	92,261	93,984
Designs	8,615	8,718	8,764	9,052
Plant Breeder's Rights	350	350	350	350

Application/Renewal of Registration	Budget Estimate 2024-25	Forward Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
Trans-Tasman IP Attorneys	1,922	1,451	1,882	1,461

### 3.3. Costs of the regulatory activity

#### Overview

IP Australia uses SAP PCM to cost the organisation's five activity groups. SAP PCM is an activity-based costing system specifically configured to assign the operating costs of the organisation to the various business activities undertaken within each activity group and produce IP Australia's costed products and services.

IP Australia's variable costs (in respect of the IP rights workload drivers) are centred around the workforce which is directly employed in the receipt and administration of applications, conducting examinations, processing registrations and renewals, and granting rights, and direct dealings with IP rights customers (approximately 65% of staff). The remaining staff and the costs of ongoing ICT and corporate support services are considered as fixed, in respect to the normal reasonable variations in IP rights workloads. Fixed costs include building leases, depreciation costs, ongoing ICT costs (supporting licences for enabling systems used in common such as e-mail) and corporate overheads (payroll, insurance etc).

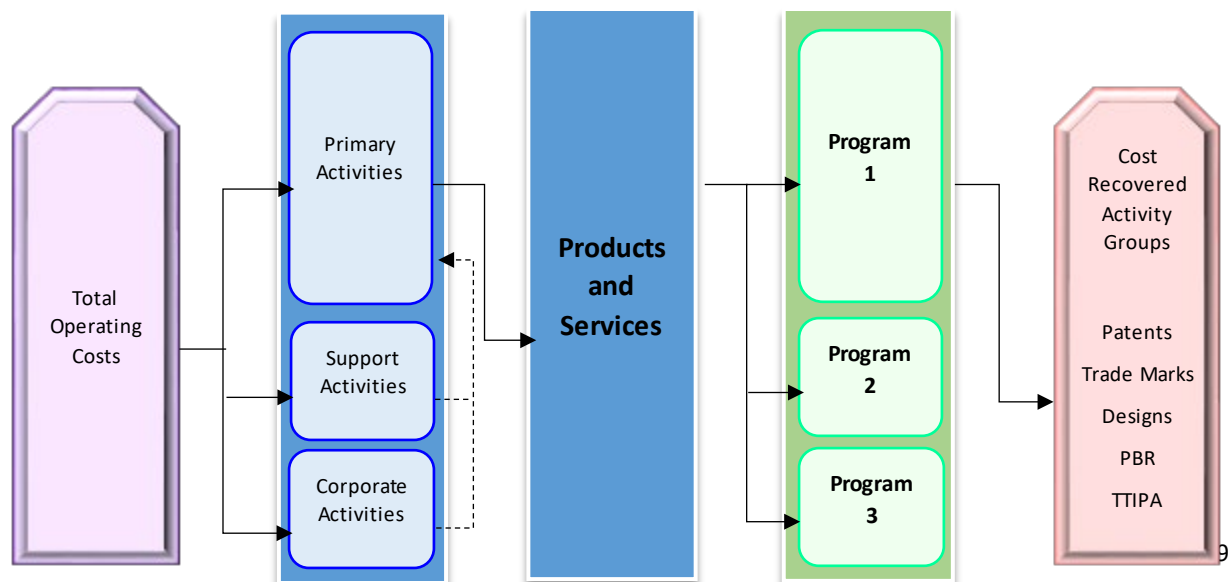
Patent and trade mark activity groups have a similar proportion of variable and fixed costs despite their differences in staffing numbers. Trade marks has approximately half the staff allocated to activities than patents. The four-year budget period covered by this CRIS holds total ASL for IP Australia flat at 1,100 ASL. Any growth in ASL required for patent and trade mark examiners to meet the demand volumes from customers (identified in Table 2), will either need to be offset by reduced corporate ASL, or managed through increased efficiencies in examination. The main variable cost driver for the three remaining smaller activity groups (Designs, PBR and TTIPA) is staff costs, while the groups' fixed costs are incidental to IP Australia's total fixed costs and are considered sunk.

Capital investment is reflected in this CRIS through forecast depreciation in the financial estimates, the depreciation is allocated to activity groups based on an historic proportion of depreciation which can be adjusted in line with planned investment.

#### Costing Methodology

The cost of each activity group is based on its individual consumption of the various activities performed to deliver the related products and services. The activity groups are costed by allocating resources to activities performed, and then assigning the core primary activities to IP Australia's products and services. These outputs are mapped to one of IP Australia's three programs, outlined in the PBS, providing a total cost per program. The cost of programs 2 and 3 are then re-assigned to the cost recoverable activity groups within program 1, identifying the cost of each activity group.

Figure 2: IP Australia Costing Model Methodology



### **IP Australia's internal organisational structure**

IP Australia's internal organisational structure can be classified into direct and indirect business groups, due to the nature of the work they undertake. This structure assists in costing the activity groups, but more so in helping to identify the various types of costs. The direct groups or sections are patents, PBR, trade mark, and designs. The work undertaken within these business groups can be directly aligned to one of the five activity groups and therefore, all operating expenses incurred are considered a direct cost of the cost recoverable activity. The support and corporate activities, such as finance, human resources, ICT, and property, are considered indirect as they support the outcomes of the direct groups. The resource costs can therefore be classified as either direct or indirect.

### **Direct costs**

The direct costs of the activity groups are employee, supplier and depreciation expenses stemming from the direct business groups. These direct costs are assigned to IP Australia's activities using cost drivers contained within SAP PCM. It should be noted that most of the expenditure for these groups is staffing costs.

The direct costs of the patents, trade marks, designs and plant breeder's rights groups are allocated using the volumes for the various examination products or services provided. The volumes are then normalised to examination hours which is used to drive direct costs to the activities.

All operating expenditure for administering the TTIPA is attributed directly to the activity.

### **Indirect costs**

The indirect costs include operating expenses, such as employee, supplier, accommodation, and depreciation, from the corporate areas of the organisation. Indirect costs are generally allocated to corporate activities and then re-assigned to the core primary activities undertaken by the direct business groups.

The main cost drivers used to assign corporate type expenses are similar for each activity. For example, in the corporate groups, the costs for overtime, consultants, contractors, depreciation, accommodation, international travel, computer, communication, and other like expenses are analysed and assigned to an appropriate activity based on a proportion of ASL, while ICT services are allocated based on a combination of system usage and proportion of ASL.

### **Projected costs**

Over the four-year period covered by this CRIS, IP Australia will see increases to the overall cost base (Table 3 refers) of an average of 4.0% per annum. This is driven by several factors:

- Employee costs will increase because of expected annual increases to salaries under IP Australia's Enterprise Agreement.
- Supplier costs are forecast to rise over the forward estimates with a focus on transitioning ICT services to the Cloud, investment in software as a service, and the impact of general inflation.
- Depreciation costs continue to increase over the four-year period because of the significant investment phase the organisation has undergone in recent years.

Table 3: Projected total expenses for IP Australia

	Budget Estimate 2024-25	Forward Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
Description	\$'M	\$'M	\$'M	\$'M
ASL	1,100	1,100	1,100	1,100
Employee Benefits	\$159.242	\$166.980	\$174.284	\$182.018
Suppliers	\$77.941	\$79.574	\$80.747	\$81.919
Depreciation and Amortisation	\$36.969	\$36.081	\$38.443	\$40.420
Finance Costs	\$1.467	\$1.212	\$1.042	\$0.862
<b>Total Expenses</b>	<b>\$275.619</b>	<b>\$283.847</b>	<b>\$294.516</b>	<b>\$305.219</b>

Table 4: Cost breakdown estimates between direct and indirect for the 2024-25 budget year.

2024-25 Budget Estimate	Direct costs	Indirect costs	Total costs
Description	\$'M	\$'M	\$'M
<b>Output 1</b>			
Patent	\$87.208	\$94.432	\$181.640
Trade Mark	\$37.378	\$42.281	\$79.659
Design	\$3.396	\$4.709	\$8.105
Plant Breeder's Rights	\$1.949	\$2.692	\$4.641
TTIPA	\$1.059	\$0.515	\$1.574
<b>Total</b>	<b>\$130.990</b>	<b>\$144.629</b>	<b>\$275.619</b>

### 3.4. Design of the regulatory charge

IP Australia provides a regulatory service by administering exclusive IP Rights in accordance with the relevant government legislation. Cost effectiveness and efficiency in providing these services is facilitated by charging discrete fees on individuals and organisations, rather than imposing broader based levies. The charging of fees is directly aligned to IP Australia's innovation policy objectives.

The Australian Government Cost Recovery Policy states that the users of government goods, services or regulations should bear the cost of their provision. In IP Australia's case, those seeking protection for their intellectual property pay the cost of the effort involved administering the IP Rights system. Each service provided can be mapped to the individual or organisation applying for that service, and as a result a fee for service is the most appropriate charge. Direct charging of services to customers is the most efficient cost recovery mechanism, consistent with the Australian Government Charging Framework.

IP Australia structures fees on a unit basis with a fee schedule for each activity group, including applications, examinations, registrations, hearings, and renewals. Applications can be received on-line or lodged using a paper form, with lower costs for on-line transactions reflecting the lower regulatory effort associated with such transactions.

The fee setting process takes account of international comparative rates and benchmarking to ensure that IP Australia's costs are efficient, and IP Australia remains competitive in the international market.

The current fee schedule for each activity group can be located within the various IP rights regulations identified in Section 2.2. Fee information can also be located on IP Australia's website.

## **Summary of Fee Changes: Implemented from 1 October 2024**

The fee changes to be implemented on 1 October 2024 are designed to simplify fee structures, balance costs with work effort, encourage the strategic assessment of the value of IP Rights, and streamline workflows. To assist in reducing cross-subsidy between charging activities, outlined in the financial tables in Section 6 “Financial Performance”, most fee changes are against the patent charging activity.

### **Patents**

Specific patent fee changes can be found in Attachment A; however, the main fee changes include:

**Patent Applications:** The application fee for both direct route and national phase entry standard applications will increase from \$370 to \$400, while the fee for filing by “another means” will increase from \$570 to \$600.

For noting, the patent application fee, when filing by the preferred means, has not been increased since 2010-2011.

The fee for filing an innovation application will increase from \$180 to \$200, while the fee for filing by “another means” will increase from \$380 to \$400. The Australian Government began the process of phasing out the innovation patent in 2020, and the last day for filing was 25 August 2021. This fee remains in place, given it’s still possible to apply for an innovation patent in certain circumstances, for example, a standard application filed on or before the 25 August 2021 that hasn’t been accepted may be converted to an innovation patent.

**Patent Examination:** The standard exam request fee will increase from \$490 to \$550, while the exam request with international preliminary report (IPE) will increase from \$300 to \$350, and the exam request under subsection 44(3) will increase from \$100 to \$150.

For noting, the patent exam request fees have not increased since 2012-13.

The innovation exam request fee will increase from \$500 to \$550, while the innovation exam fees for both the patentee and third party will increase from \$250 to \$275.

**Patent renewals:** The patent 4<sup>th</sup> year and 5<sup>th</sup> year renewal fees will remain unchanged to assist patent customers who may not at that time be receiving a financial benefit from their patent. The 6<sup>th</sup> year renewal fee will increase by \$10 with every subsequent renewal fee increasing by a further \$10, i.e., the 7<sup>th</sup> year fee by \$20 and the 8<sup>th</sup> year fee by \$30 and so on, until the 15<sup>th</sup> year where the annual increases are \$15 each year until the 19<sup>th</sup> year (see Attachment A below).

This maintains a fee structure that aims to keep renewal fees lower in the formative years and increase over time where there is a financial benefit to the patent holder, or they need to decide on their future investment in that patent.

**Patent excess claims:** The fees for excess claims will remain unchanged, however, IP Australia will now look to charge for excess claims when a First Examination Report is issued based on the number of claims identified in the initial examination. The number of excess claims will then be reassessed at acceptance to capture the highest number of claims on file throughout the examination process. This change will be introduced via an amendment to the relevant regulations and will apply to applications where examination is requested on or after the date that the regulations are enacted.

**Patent hearings:** Patent hearings fees have not increased since 2012-13. The doubling of these fees reflects the increased cost of providing these services over the last 10-years and the period up to the next fee review.

## Trade Marks

Specific trade mark fee changes can be found in Attachment A; however, the main fee changes include:

### Trade Mark Hearings:

1. Toward the end of an opposition, the parties have the option of being heard. Currently there are four different fees that can be charged, and at two different points of the process:
  - a. a hearing request fee, and
  - b. then three different hearing attendance fees, depending on how the hearing is to be conducted.

The \$400 hearing request fee is being abolished.

Since there are very few hearings conducted in person, IP Australia will simplify the fee structure for hearings to include a single fee for being heard by the Registrar of Trade Marks by means of an oral hearing (not necessarily in person) of \$700, levied at one point, and a fee for a hearing by means of written submission only which will increase from \$400 to \$500.

The current \$800 and \$600 appearance fees for being heard by the Registrar are replaced by the \$700 fee mentioned above.

2. The fee for filing a Notice of Opposition to the registration of a trade mark/extension of protection for an international registration designating Australia has not changed since its introduction in 1995 (\$250). Rather than simply raise the flat fee for filing a Notice of Intention to Oppose, we have decided to introduce a sliding scale fee. This is to make more complex matters more likely to recoup their related expenditure.

The new fee will apply to filing or amending a Statement of Grounds and Particulars (SGP) in certain circumstances in these proceedings. The first three grounds that are nominated on the SGP will continue not to attract this new fee. However, a fee of \$250 per ground above the threshold will be levied against each of the subsequent grounds nominated. Section 58A will not be counted for this purpose, since that ground serves as an extension of section 44 (that is, it is not possible to invoke s 58A without first addressing s 44(4)/reg 4.15A(5)).

Where section 44 is nominated, it will count as one ground, but we may also levy a fee depending on the number of trade marks nominated. The opponent will be able to nominate up to 10 trade marks without incurring this fee, but the 11th, 12th, etc will each attract the fee.

The fee will be partially recoverable as an out-of-pocket expense, if costs are awarded to the opponent, capped at \$500. This fee is partially recoverable to mitigate the potential for unfairness to both parties. For the opponent, it may be necessary in certain factual settings to nominate more than 3 grounds of opposition/more than 10 trade marks. For the applicant, if this fee was fully recoverable an SGP nominating many grounds/trade marks could lead to an artificially inflated costs award.

Examples:

- SGP nominates sections 58, 60 and 42(b). No grounds nominated above the threshold: \$0.
- SGP nominates sections 58, 60, 42(b) and 62A. One ground nominated above the threshold: \$250. This fee is recoverable following an award of costs.

- SGP nominates sections 58, 60, 42(b), 62A and 59. Two grounds nominated above the threshold: \$500. This fee is recoverable following an award of costs.
  - SGP nominates sections 44, 58A, 58 and 60. Under section 44 it nominates 11 different trade marks. No grounds nominated above the threshold (since section 58A is not counted); one mark nominated above the threshold: \$0 + \$250 = \$250. This fee is recoverable following an award of costs.
  - SGP nominates sections 44, 58A, 58, 60 and 62A. Under section 44 it nominates 20 different trade marks. One ground nominated above the threshold (since section 58A is not counted); 10 marks nominated above the threshold: \$250 + \$2,500 = \$2,750. The first \$500 of this fee is recoverable following an award of costs.
3. IP Australia intends to introduce a new fee of \$500 for requesting what the office considers ‘a declaration that was filed out of time’ in relation to the regulated deadlines for filing evidence in support, evidence in answer or evidence in reply during a trade marks opposition process. The intention here is to put a price signal on what is a time-consuming process. Many of these requests are affixed to extension of time requests, asking that evidence is still considered even if an extension of time is not granted. This gives rise to significant effort from IP Australia and the contradictor to dispense with.
  4. The fee to file an application for the removal of a trade mark from the Register for non-use under section 92 of the Act is currently \$250. IP Australia intends to increase this fee to \$350.

## Designs

Specific design fee changes can be found in Attachment A; however, the main fee changes include:

1. **Design applications:** Based on stakeholder consultation through the Design Review project and to incentivise the Design Right as intellectual property that provides an economic benefit to designers, the application fees will be reduced.

A design filed through the preferred means will be reduced from \$250 to \$200, with additional designs on filing, through the preferred means, reduced from \$200 to \$150. The application fees when filing through “approved means” are an additional \$200. Fees for excess designs will be reduced from \$250 to \$200.

2. **Design examination:** A substantive examination of a Design is voluntary and only needs to be pursued if the applicant intends to enforce their Right.

The exam request fee will increase from \$420 to \$500, with an increase from \$210 to \$250 for any third-party requests. These increases will assist in an improved alignment of expenses and revenue for the design activity and help to offset any potential loss resulting from the reduction in application fees.

## Plant Breeder’s Rights

Specific PBR fee changes can be found in Attachment A; however, the main fee changes assist in better aligning expenses with revenue for the PBR activity group and help address increasing PBR expenses over the forward years. The fee changes include:

1. **PBR applications:** The PBR application fee, filed by the preferred means, will increase from \$345 to \$400. This increase sees the PBR application fee move from \$300 in 2000-01 to \$400; over twenty years later. The application fees when filing through “approved means” are an additional \$200.



2. **PBR examinations:** The PBR examination fees will increase from \$1,610 to \$2,000 for a standard examination, from \$1,380 to \$1,600 for a discount examination fee, and from \$920 to \$1,400 for an examination at a centralised testing centre.

While these fee increases are substantial, they reflect current costs and are reasonable given there have been very few increases over the last 20 years.

3. **PBR renewals:** The PBR renewal fees will increase from \$400 to \$600 for the annual maintenance of an PBR Right. This is a significant fee increase, but necessary, to recover the costs of providing PBR services based primarily on salary growth over the last 20 years and investment in the modernisation of PBR systems. In 2000-01, the PBR renewal fee was \$300 per year and since then has only increased by \$100 to the current fee of \$400 per year.

## Trans-Tasman IP Attorney

Specific TTIPA fee changes can be found in Attachment A; however, the main fee changes include:

1. **TTIPA renewal of registration:** All fees to renew the registration as a patent and/or trade mark attorney will increase by \$50 to assist in covering the cost of administering the Trans-Tasman IP Attorney system.

The fees to apply for registration as a patent and/or trade mark attorney will remain unchanged.

## 4. RISK ASSESSMENT

IP Australia has undertaken a charging risk assessment, using the Charging Risk Assessment (CRA) template provided by the Department of Finance, to identify areas of implementation risk that could arise from the fee changes as outlined in this CRIS. IP Australia has assessed the overall CRA rating as **Medium**, taking into consideration the expected growth in revenue from the fee changes and the impact of these changes on our customers.

When undertaking the risk assessment, IP Australia identified several risks consistent across all IP activity groups. These risks include:

- Risk of an unforeseen and major global event that impacts demand.
- Difficulties in forecasting national and international demand
- Risk of a change in demand (and revenue) resulting from the introduction of the new fee changes
- Possible delays with the passage of regulation changes
- Risks associated with not updating IP Australia's internal fee processing systems in line with the approved legislative changes.
- Customers not having their internal systems updated in line with the updated fees.

IP Australia faces a broad range of risks reflecting its responsibilities as an administrator, service provider and regulator for Australia's IP rights system. IP Australia uses 6 categories of strategic risk to measure and monitor threats and opportunities that may impact the achievement of IP Australia's Strategic Objectives and Purpose, and which are provided in IP Australia's Corporate Plan and Annual Report.

IP Australia also has a comprehensive risk management framework, enabling the entity to effectively manage risks in accordance with its risk appetite. To ensure effective governance IP Australia embeds risk management through the following business processes:

- risk management and assessment systems to support business processes including project, and planning activities.
- operational planning
- consideration of risk management as standing items at quarterly Executive Board meetings, governance committee meetings and IP Australia's Audit Committee, and
- actively pursues the development of a positive risk culture where staff at all levels understand and manage risk as part of their day-to-day activities.

One of IP Australia's controls is to maintain a financial model used to forecast demand and revenue trends. This model assists with providing valuable and timely information that is used for the planning and decision making of IP Australia's Executive Board and has the capability to carry out sensitivity (what-if) analysis on proposed fee changes. IP Australia has also used this model to identify various scenarios, taking into consideration the risks identified above, and to ascertain the impact of proposed fee changes on IP Australia's financial management strategy, financial sustainability and cost recovered arrangements. The CRIS will be updated where necessary to reflect changes.

IP Australia will manage any risk to the financial sustainability of the organisation by ensuring the maintenance of a healthy balance sheet, and the monitoring and management of the organisation's cash reserve in accordance with IP Australia's cash reserve policy.

Customers will be given notice in advance of when the fee changes have been approved and of their effective date. This will provide time for customers that may need to update their internal systems in line with the new fees.

## 5. STAKEHOLDER ENGAGEMENT

Achieving IP Australia's purpose involves engaging effectively with customers and stakeholders.

By providing appropriate advice and systems to support effective engagement, IP Australia fulfils the role of raising awareness and educating customers about IP. Success includes the delivery of public education and awareness programs that promote the importance of IP and provide Australians with the tools they require to make informed decisions regarding IP.

IP Australia actively engages with a diverse range of stakeholders, through various channels, to canvas ideas, suggestions, and feedback in relation to IP Australia's fees and fee structure.

IP Australia is involved in various external forums including:

- Patents Consultation Group (PCG)
- Trade Marks and Designs Consultation Group (TM&DCG)
- Plant Breeder's Rights Consultation Group (PBRCCG)
- Trans-Tasman IP Attorneys Board

These Groups are the principal forums for consultation, discussion and information exchange on issues relating to the IP system which could impact on IP policy, practice, and legislation in Australia. Information updates on the current fee review has been provided to these forums, including consultation with Intellectual Property Office of New Zealand.

The consultation and communication process for the current fee review commenced with an official notice posted on IP Australia's website on 24 May 2023. This notice invited stakeholders to provide ideas and suggestions on IP Australia's current fee structures, and where improvements could be made. Over 50 submissions were received, and each one was triaged to determine their initial feasibility. From these, several common themes were identified including:

- Simplifying fee structures – reduce confusion and complexities around fee structures for customers.
- Balancing costs with work effort – aligning the cost of examination with the associated fees. For example, customers pay for the number of claims examined rather than the number of claims at acceptance to better align with the work required of an examiner.
- Encourage strategic assessment of the value of IP Rights – encourage IP owners to be more considered when it comes to renewing their rights.
- Maintain low up-front costs where possible to encourage innovation and make the IP Rights system accessible.

Several suggestions were deemed feasible, and in accordance with the Australian Government Charging Framework and were included in the draft CRIS. The draft CRIS was released for public consultation on 1 December 2023 and feedback on the proposed fee changes was accepted up until 21 January 2024. IP Australia communicated extensively with staff and customers through IP Australia's website via an official notice and news articles. In addition, notifications were posted on IP Australia's social media pages through the feedback period.

Most of the feedback received related to the proposed changes to costs awarded and hearing fees, while other comments related to the proposed changes to patent excess claims, patent innovation fees, patent international type search, and PBR fees. IP Australia considered all feedback received and incorporated some suggestions into the final fee list as provided in Attachment A. The feedback also raised other considerations including the potential for small to medium enterprise fee discounts and potential efficiency gains from the use of AI technology.

IP Australia continues to provide ongoing mechanisms for stakeholders to provide feedback on IP Australia's fees and cost recovery arrangements. These include:

- IP Australia's Customer Service Charter, and Strategic Corporate Plan which outlines the agency's commitments to customers, and
- a customer feedback database that captures customer compliments, complaints, and suggestions for improvement.

As an entity of the Australian Government, IP Australia's primary accountability is to the Australian public through the Minister for Industry and Science. In addition, the agents and representatives of IP Australia's direct customers are important stakeholders. IP Australia maintains an active involvement with industry, business groups, the IP attorney profession, Government policy makers, academic and research bodies, and the wider legal community. IP Australia is also an active participant in the proceedings of the World Intellectual Property Organisation (WIPO) which administers the international IP rights system on behalf of all member states.

## 6. FINANCIAL PERFORMANCE

The fee changes listed in Attachment A are forecast to result in the projected financial outcomes for IP Australia.

*Table 5 – Projected Financial Outcomes for IP Australia*

	Budget Estimate 2024-25	Forward Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
Description	\$'M	\$'M	\$'M	\$'M
Income	\$277.739	\$283.665	\$290.528	\$296.227
Revenue from Government	\$0.380	\$0.382	\$0.388	\$0.392
Expense	\$275.619	\$283.847	\$294.516	\$305.219
Total comprehensive income/(loss)	\$2.500	\$0.200	(\$3.600)	(\$8.600)

Capital Expenditure	\$25.000	\$25.000	\$25.000	\$25.000
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Official Public Account Balance	\$83.885	\$84.371	\$81.446	\$74.806
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IP Australia last adjusted fees in 2020 with the strategy of rebuilding the organisation's cash reserves, following major investments in the modernisation of our trade mark and design administration systems, and our Future Way of Working Program. In addition, the office successfully navigated through a period of uncertainty caused by the global health pandemic, COVID-19, and managed the impacts to the working environment.

The organisation's current financial strategy is to maintain its cash reserves in accordance with the thresholds outlined in IP Australia's Cash Reserve Policy (3-month operating reserve), and to manage planned investments and projected cost growth through moderate fee changes and an ongoing focus on efficiency. Current forecasts have operating costs increasing by approximately 17% between 2023-24 to 2027-28 because of inflationary and wage pressures, whilst maintaining average staffing levels at 1,100. Revenue is forecast to increase by approximately 15.5% over the same period. This includes an average increase of 5.5% in revenue each year based on the fee changes listed in Attachment A. This will see the agency report small surpluses over the next two financial years, with projected losses forecast in 2026-27 and 2027-28 (based on the current customer demand projections noted in Table 2 above).

Consistent with IP Australia's ICT Strategy 2025, we will continue to invest in our people and innovative technology to create digital services that will see IP Australia continue to optimise interactions with our customers. Rapid developments in device connectivity, computing power, artificial intelligence, and data capacity are fuelling growth in digital technologies, and these will have implications for IP functions and processes. These advances will provide IP Australia with more progressive options for administering, examining, and monitoring IP rights, especially given our customers expect leading-edge online services in relation to the IP system, and will provide a powerful platform for us to interact and engage with our stakeholders.

IP Australia will continue to carefully manage budgets to address the natural growth in costs (primarily in the areas of staff wages and ICT support costs), which are expected to exceed the natural increase in revenue from the projected growth in demand for services over the same period (relatively flat and between 2.0 to 2.5 per annum). For example, staffing levels will not increase unless it is deemed necessary to maintain the agency's service level commitments, and in response to any significant increase in the demand for IP rights.

If the assumptions that underpin the financial projections in this CRIS do not change significantly, IP Australia will not look to make any further changes to fees until 2028.

Table 6 to Table 11 show the financial performance against each of the 5 cost recovered activities and IP Australia's overall financial position. The tables outline the actual performance for financial years 2020-21 to 2022-23, and the planned figures for the years 2023-24 to 2027-28 based on current financial forecasts modelled in this fee review.

The fee changes listed in Attachment A, help to minimise the cross subsidisation between our two largest activities, patents, and trade marks. Given the patent activity is forecast to under recover over the budget and forward estimates, the majority (96%) of the increase in total revenue from the fee changes is in patents. The changes in PBR and TTIPA fees help to recover the growing direct cost base of these activities, while the design fee changes are planned to incentivise uptake in this IP right.

*Table 6 – PATENT cost recovered activity: Financial Performance & Forecast*

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Estimated Actual 2023-24	Budget Estimate 2024-25	Forward Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
<b>Patent Activity Group</b>	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$147.511	\$156.265	\$159.709	\$164.475	\$181.596	\$184.029	\$187.837	\$190.502
Expenses = X	\$137.903	\$145.938	\$159.866	\$172.159	\$181.640	\$186.900	\$194.021	\$201.064
Balance = Y – X	\$9.608	\$10.327	-\$0.157	-\$7.684	-\$0.044	-\$2.871	-\$6.185	-\$10.562
Cumulative Balance	\$9.608	\$19.935	\$19.778	\$12.094	\$12.050	\$9.179	\$2.995	-\$7.567

*Table 7 – TRADE MARK cost recovered activity: Financial Performance & Forecast*

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Estimated Actual 2023-24	Budget Estimate 2024-25	Forward Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
<b>Trade Mark Activity Group</b>	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$77.542	\$85.323	\$86.407	\$85.120	\$89.172	\$92.737	\$95.451	\$98.572
Expenses = X	\$61.347	\$69.871	\$77.441	\$75.563	\$79.659	\$82.149	\$85.141	\$88.238
Balance = Y – X	\$16.195	\$15.452	\$8.967	\$9.557	\$9.513	\$10.588	\$10.310	\$10.334
Cumulative Balance	\$16.195	\$31.646	\$40.613	\$50.169	\$59.682	\$70.270	\$80.580	\$90.914

*Table 8 – DESIGN cost recovered activity: Financial Performance & Forecast*

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Estimated Actual 2023-24	Budget Estimate 2024-25	Forward Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
<b>Design Activity Group</b>	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$3.971	\$4.517	\$4.593	\$4.820	\$4.447	\$4.427	\$4.535	\$4.696
Expenses = X	\$5.881	\$6.667	\$7.391	\$7.695	\$8.105	\$8.383	\$8.699	\$9.023
Balance = Y – X	-\$1.910	-\$2.150	-\$2.798	-\$2.875	-\$3.658	-\$3.956	-\$4.164	-\$4.327
Cumulative Balance	-\$1.910	-\$4.060	-\$6.858	-\$9.732	-\$13.391	-\$17.346	-\$21.511	-\$25.838

Table 9 – PBR cost recovered activity: Financial Performance & Forecast

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Estimated Actual 2023-24	Budget Estimate 2024-25	Forward Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
PBR Activity Group	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$1.507	\$1.488	\$1.534	\$1.540	\$1.932	\$2.085	\$2.077	\$2.075
Expenses = X	\$2.497	\$3.573	\$4.222	\$4.396	\$4.641	\$4.793	\$4.974	\$5.157
Balance = Y – X	-\$0.989	-\$2.085	-\$2.688	-\$2.856	-\$2.708	-\$2.707	-\$2.897	-\$3.081
Cumulative Balance	-\$0.989	-\$3.074	-\$5.762	-\$8.618	-\$11.326	-\$14.033	-\$16.931	-\$20.012

Table 10 – TTIPA cost recovered activity: Financial Performance & Forecast

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Estimated Actual 2023-24	Budget Estimate 2024-25	Forward Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
TTIPA Activity Group	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$0.873	\$0.683	\$0.813	\$0.864	\$0.972	\$0.768	\$1.017	\$0.773
Expenses = X	\$0.911	\$1.024	\$1.150	\$1.505	\$1.574	\$1.623	\$1.680	\$1.737
Balance = Y – X	-\$0.037	-\$0.340	-\$0.337	-\$0.641	-\$0.602	-\$0.855	-\$0.663	-\$0.964
Cumulative Balance	-\$0.037	-\$0.377	-\$0.714	-\$1.356	-\$1.958	-\$2.813	-\$3.476	-\$4.440

Table 11 – TOTAL IP AUSTRALIA: Financial Performance & Forecast

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Estimated Actual 2023-24	Budget Estimate 2024-25	Forward Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
Total IP Australia	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$231.405	\$248.275	\$253.056	\$256.819	\$278.119	\$284.047	\$290.916	\$296.619
Expenses = X	\$208.538	\$227.072	\$250.069	\$261.319	\$275.619	\$283.847	\$294.516	\$305.219
Balance = Y – X	\$22.867	\$21.203	\$2.987	-\$4.500	\$2.500	\$0.200	-\$3.600	-\$8.600
Cumulative Balance	\$22.867	\$44.070	\$47.057	\$42.557	\$45.057	\$45.257	\$41.657	\$33.057

## 7. NON-FINANCIAL PERFORMANCE

IP Australia reports against its non-financial performance targets in the Department of Industry, Science, and Resources PBS, Annual Report, and IP Australia's Corporate Plan. IP Australia's Customer Service Charter (CSC) sets out our key commitments and provides an overview of how we will meet customer expectations for IP rights administration.

In accordance with the *Public Governance, Performance and Accountability Act 2013*, and *Public Governance, Performance and Accountability Rule 2014*, IP Australia's Corporate Plan set out the performance measures that

the agency uses to determine whether it is achieving its purpose. These measures are aligned to the outcomes, programs and key activities presented in our Portfolio Budget Statements.

A full breakdown of IP Australia's non-financial performance measures, targets, and methodology can be found in IP Australia's 2023 Strategic Corporate Plan, with an extract provided below for ease of reference.

## Performance Measures

### Performance Measure 1

*IP Australia's timeliness, quality, satisfaction, and availability commitments are met.*

The timeliness, quality, satisfaction, and availability commitments are measured by:

- The timeliness of IP rights products and services.
- Customer satisfaction with the administration of the IP system.
- Customer satisfaction with the quality of our products and services.
- The availability of online services portal for customers.

**Targets:** The timeliness of IP rights will be measured through the proportion of IP right reports in patent, trade mark, design, and plant breeder's rights that meet the relevant timeframes as set out below.



#### Patents

We will issue:

- 85% of international search reports (for one invention) in 10 weeks
- 95% of international search reports (for all search requests) in 12 weeks
- 85% of international-type search reports (for one invention where the original request is compliant) in 6 weeks
- 95% of international-type search reports (for all search requests from receiving a compliant request) in 8 weeks



#### Designs

We will issue:

- 85% of formalities reports on registration requests in 8 weeks
- 95% of formalities reports on registration requests in 9 weeks
- 85% of first reports from examination requests in 13 weeks
- 95% of first reports from examination requests in 16 weeks



#### Trade Marks

We will issue:

- 85% of first reports on new applications in 13 weeks
- 95% of first reports on new applications in 18 weeks
- 95% of Headstart Part 1 assessments in 5 days
- 97% of Headstart Part 1 assessments in 7 days



#### Plant Breeder's Rights

We will issue:

- 85% of initial examination reports in 8 weeks
- 85% of further examination reports in 4 weeks

### Performance Measure 2

*Process trans-Tasman attorney registration applications within 15 working days from the date that the application complies with registration requirements.*

**Target:** 100% of applications are processed within the required timeframe from 2023-24 to 2027-28.

### **Performance Measure 3**

*Improved awareness of the IP rights system.*

Improved awareness of the IP rights system from 2023-24 to 2027-28 measured by:

- Effective delivery of public education and awareness programs, which promote the importance of IP and provide Australians with the tools they require to make informed decisions.

#### **Targets:**

1. Meet the key performance metrics for public education and awareness programs.
  - Reach: increased volume of partners and multipliers
  - Engagement: increased number of participants engaging with online material (website, newsletter, and social media)
  - Satisfaction: 85%+ of participants are satisfied with the education and awareness activity delivered
  - Knowledge: 85%+ of participants identify an increased understanding and awareness of the IP system

### **Performance Measure 4**

*Provision of high-quality advice to the Australian Government on policy, legislation, ministerial correspondence, and briefs.*

#### **Targets:**

1. Ministerial briefs and correspondence delivered to the Minister's Office are of a high quality with less than 10% resubmitted due to error or omission.
2. 100% of ministerial briefs and correspondence requested by the Minister's Office are delivered within the agreed timeframes.



## 8. KEY FORWARD DATES AND EVENTS

Date	Event
1 Oct 2024	Implementation of fee changes listed in Attachment A.

## 9. CRIS APPROVAL AND CHANGE REGISTER

Date of change	CRIS change	Approver	Basis for change
27/06/2012	Certification of the CRIS 2012-16	Philip Noonan, Director General, IP Australia	Scheduled Fee Review
4/05/2016	Agreement to the CRIS 2016-17	Minister of Industry, Innovation and Science	Scheduled Fee Review
24/05/2016	Certification of the CRIS 2016-17	Patricia Kelly, Director General, IP Australia	Scheduled Fee Review
3/07/2020	Agreement to the CRIS 2020-21	Minister of Industry, Science and Technology	Scheduled Fee Review
24/11/2020	Certification of the CRIS 2020-21	Michael Schwager, Director General, IP Australia	Scheduled Fee Review
13/05/2024	Agreement to the CRIS 2024-25	Minister for Industry and Science	Scheduled Fee Review
30/08/2024	Certification of the CRIS 2024-25	Michael Schwager, Director General, IP Australia	Scheduled Fee Review
24/07/2025	Added Attachment B – Tables 5-11 updated based on 2025-26 PBS	Doug Pereira, Chief Financial Officer, IP Australia	Annual Update

## ATTACHMENT A: Fee Changes

The following table provides a summary of the fee changes IP Australia will implement from 12am AEST, 1 October 2024.

Patent Fees	Old Fee	New Fee
<b>Change International PCT fees</b>		
PCT Transmittal Fee	\$200	\$0
<b>Change to Patent Application fees</b>		
Patent Provisional Application (by preferred means)	\$110	\$100
Patent Provisional Application (by another means)	\$210	\$200
Patent Innovation Application (by preferred means)	\$180	\$200
Patent Innovation Application (by another means)	\$380	\$400
Patent Standard Application (by preferred means)	\$370	\$400
Patent Standard Application (by another means)	\$570	\$600
Patent NPE (by preferred means)	\$370	\$400
Patent NPE (by another means)	\$570	\$600
<b>Change to Patent Exam fees</b>		
Patent Standard Exam - with IPE Report	\$300	\$350
Patent Standard Exam - Full Exam	\$490	\$550
Patent Innovation Exam - Patentee	\$500	\$550
Patent Innovation Exam - 3rd Party (Patentee)	\$250	\$275
Patent Innovation Exam - 3rd Party (3rd Party)	\$250	\$275
Patent Standard Exam - Commissioner Direct Applicant	\$100	\$150
<b>Change to Patent Standard Renewal fees</b>		
Standard Patent - 6th Year Renewal (by preferred means)	\$335	\$345
Standard Patent - 7th Year Renewal (by preferred means)	\$360	\$380
Standard Patent - 8th Year Renewal (by preferred means)	\$390	\$420
Standard Patent - 9th Year Renewal (by preferred means)	\$425	\$465
Standard Patent - 10th Year Renewal (by preferred means)	\$490	\$540
Standard Patent - 11th Year Renewal (by preferred means)	\$585	\$645
Standard Patent - 12th Year Renewal (by preferred means)	\$710	\$780
Standard Patent - 13th Year Renewal (by preferred means)	\$865	\$945
Standard Patent - 14th Year Renewal (by preferred means)	\$1,050	\$1,140
Standard Patent - 15th Year Renewal (by preferred means)	\$1,280	\$1,385
Standard Patent - 16th Year Renewal (by preferred means)	\$1,555	\$1,675
Standard Patent - 17th Year Renewal (by preferred means)	\$1,875	\$2,010
Standard Patent - 18th Year Renewal (by preferred means)	\$2,240	\$2,390
Standard Patent - 19th Year Renewal (by preferred means)	\$2,650	\$2,815

Patent Fees	Old Fee	New Fee
Standard Patent - 6th Year Renewal (by another means)	\$385	\$395
Standard Patent - 7th Year Renewal (by another means)	\$410	\$430
Standard Patent - 8th Year Renewal (by another means)	\$440	\$470
Standard Patent - 9th Year Renewal (by another means)	\$475	\$515
Standard Patent - 10th Year Renewal (by another means)	\$540	\$590
Standard Patent - 11th Year Renewal (by another means)	\$635	\$695
Standard Patent - 12th Year Renewal (by another means)	\$760	\$830
Standard Patent - 13th Year Renewal (by another means)	\$915	\$995
Standard Patent - 14th Year Renewal (by another means)	\$1,100	\$1,190
Standard Patent - 15th Year Renewal (by another means)	\$1,330	\$1,435
Standard Patent - 16th Year Renewal (by another means)	\$1,605	\$1,725
Standard Patent - 17th Year Renewal (by another means)	\$1,925	\$2,060
Standard Patent - 18th Year Renewal (by another means)	\$2,290	\$2,440
Standard Patent - 19th Year Renewal (by another means)	\$2,700	\$2,865
<b>Change to Patent General fees</b>		
Art 15(5) International Type Search	\$950	\$1,100
Patent Examination Search Fee	\$950	\$1,100
Patent EOT – subsection 70(1) Pharmaceutical	\$2,000	\$2,500
Patent Convert Innovation to Standard	\$190	\$220
Standard Patent - Acceptance	\$250	\$300
Request for Preliminary Search & Opinion	\$950	\$1,100
Notice of Patent Opposition	\$600	\$1,200
Request for a Patent Hearing	\$600	\$1,200
Appearing at a Patent Hearing	\$1,000	\$2,000
Direction to Co-Owners by Patent Commissioner	\$600	\$1,200
Patent Hearing on the Written Record	\$600	\$1,200
Appearing at a Hearing - Balance Fee	\$400	\$800

Trade Mark Fees	Old Fee	New Fee
<b>Change to TM Hearing fees</b>		
Removal of Trade Mark for Non-use	\$250	\$350
TM Hearing Heard by Registrar in person	\$800	Remove
TM Hearing Heard by Registrar in person Additional Day	\$800	Remove
TM Hearing Heard by Registrar NOT in person	\$600	Remove
TM Hearing Heard by Registrar NOT in person Additional Day	\$600	Remove
TM Hearing by Written Submissions	\$400	\$500
TM Oral Hearing	New Fee	\$700
TM Oral Hearing Additional Day	New Fee	\$700
Request a Hearing	\$400	Remove
Opposition Grounds above threshold - National (fee per grounds)	New Fee	\$250
Opposition Grounds above threshold - IRDA (fee per grounds)	New Fee	\$250
Request for consideration of out of time evidence	New Fee	\$500

<b>Design Fees</b>	<b>Old Fee</b>	<b>New Fee</b>
<b>Change to Design Application fees</b>		
Olympic Design Application	\$450	\$400
New Design Application (by preferred means)	\$250	\$200
New Design Application (by another means)	\$450	\$400
Additional Design on Filing (by preferred means)	\$200	\$150
Additional Design on Filing (by another means)	\$400	\$350
Excess Design (by preferred means)	\$250	\$200
Excess Design (by another means)	\$450	\$400
<b>Change to Design Exam fees</b>		
Registered Design - Exam by Registered Owner	\$420	\$500
Registered Design - Exam by 3rd Party	\$210	\$250
Registered Design - Exam by 3rd Party - Owner Component	\$210	\$250

<b>PBR Fees</b>	<b>Old Fee</b>	<b>New Fee</b>
<b>Change to PBR Application, Exam, Renewal, and General fees</b>		
Accreditation of a Qualified Person	\$240	\$350
Renew Accreditation of a Qualified Person	\$240	\$350
New PBR Application (by preferred means)	\$345	\$400
New PBR Application (by another means)	\$545	\$600
Exam - Centralised Testing Centre	\$920	\$1,400
Exam - Single Application	\$1,610	\$2,000
Exam - Application based solely on overseas test data	\$1,610	\$2,000
Exam – Multiple Applications (each)	\$1,380	\$1,600
Declaration of Essential Derivation	\$800	\$850
Certificate Fee	\$345	\$500
Annual Maintenance of a Granted PBR (by preferred means)	\$400	\$600
Annual Maintenance of a Granted PBR (by another means)	\$450	\$650

<b>Trans-Tasman IP Attorney Fees</b>	<b>Old Fee</b>	<b>New Fee</b>
<b>TTIPA Renewal of Registration – Patent attorneys</b>		
Patent Attorney Annual Registration	\$400	\$450
Annual Patent & TM Attorney Registration	\$600	\$650
Restore Patent Attorney Name to Register	\$300	\$350
Annual Registration as incorporated Patent Attorney	\$400	\$450
Annual Registration combined incorporated Patent/TM Attorney	\$600	\$650
Apply to Restore to Register of Patent Attorney	\$300	\$350
<b>TTIPA Renewal of Registration – Trade Mark attorneys</b>		
Annual TM Attorney registration	\$400	\$450
Annual Patent & TM Attorney Registration	\$600	\$650
Restore TM attorney's name to register	\$300	\$350
Annual Registration as Incorporated TM Attorney	\$400	\$450
Annual Registration for combined Patent/TM Attorney	\$600	\$650
Apply to Restore to Register for TM Attorney	\$300	\$350

## ATTACHMENT B: 2025-26 Budget Update

UPDATED FINANCIAL ESTIMATES – Reflecting the 2025-26 Budget Update.

The original tables on pages 18, 19, and 20 align with the estimates provided in the 2024-25 PBS. The updated tables below incorporate the latest figures from the 2025-26 PBS.

Table 5 – Projected Financial Outcomes for IP Australia

	Estimated actual 2024-25	Budget Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
Description	\$'M	\$'M	\$'M	\$'M
Income	\$272.119	\$284.276	\$285.140	\$289.039
Revenue from Government	\$0.380	\$0.382	\$0.389	\$0.392
Expense	\$269.499	\$279.658	\$289.029	\$297.931
Total comprehensive income/(loss)	\$3.000	\$5.000	(\$3.500)	(\$8.500)

Capital Expenditure	\$16.000	\$20.000	\$25.000	\$25.000
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Official Public Account Balance	\$96.671	\$105.780	\$103.590	\$92.148
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Table 6 – PATENT cost recovered activity: Financial Performance & Forecast

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Estimated Actual 2024-25	Budget Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
Patent Activity Group	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$147.511	\$156.265	\$159.709	\$164.580	\$178.108	\$187.298	\$186.206	\$186.784
Expenses = X	\$137.903	\$145.938	\$159.866	\$169.215	\$179.339	\$187.025	\$192.791	\$198.728
Balance = Y – X	\$9.608	\$10.327	-\$0.157	-\$4.635	-\$1.232	\$0.273	-\$6.585	-\$11.943
Cumulative Balance	\$9.608	\$19.935	\$19.778	\$15.144	\$13.912	\$14.185	\$7.599	-\$4.344

Table 7 – TRADE MARK cost recovered activity: Financial Performance & Forecast

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Estimated Actual 2024-25	Budget Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
Trade Mark Activity Group	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$77.542	\$85.323	\$86.407	\$85.015	\$86.931	\$89.482	\$91.649	\$94.482
Expenses = X	\$61.347	\$69.871	\$77.441	\$73.585	\$76.376	\$79.166	\$81.948	\$84.467
Balance = Y – X	\$16.195	\$15.452	\$8.966	\$11.430	\$10.554	\$10.316	\$9.702	\$10.014
Cumulative Balance	\$16.195	\$31.647	\$40.613	\$52.043	\$62.597	\$72.913	\$82.615	\$92.629

Table 8 – DESIGN cost recovered activity: Financial Performance & Forecast

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Estimated Actual 2024-25	Budget Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
Design Activity Group	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$3.971	\$4.517	\$4.593	\$4.995	\$4.799	\$4.646	\$4.719	\$4.902
Expenses = X	\$5.881	\$6.667	\$7.391	\$8.890	\$9.091	\$8.585	\$9.253	\$9.553
Balance = Y – X	-\$1.910	-\$2.150	-\$2.798	-\$3.895	-\$4.292	-\$3.939	-\$4.534	-\$4.651
Cumulative Balance	-\$1.910	-\$4.060	-\$6.858	-\$10.753	-\$15.045	-\$18.984	-\$23.518	-\$28.169

Table 9 – PBR cost recovered activity: Financial Performance & Forecast

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Estimated Actual 2024-25	Budget Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
PBR Activity Group	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$1.507	\$1.488	\$1.534	\$1.588	\$1.901	\$2.211	\$2.226	\$2.247
Expenses = X	\$2.497	\$3.573	\$4.222	\$3.162	\$3.386	\$3.529	\$3.650	\$3.766
Balance = Y – X	-\$0.989	-\$2.085	-\$2.688	-\$1.574	-\$1.484	-\$1.318	-\$1.424	-\$1.518
Cumulative Balance	-\$0.989	-\$3.074	-\$5.762	-\$7.336	-\$8.820	-\$10.138	-\$11.562	-\$13.080

Table 10 – TTIPA cost recovered activity: Financial Performance & Forecast

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Estimated Actual 2024-25	Budget Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
TTIPA Activity Group	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$0.873	\$0.683	\$0.813000	\$0.976	\$0.761	\$1.022	\$0.729	\$1.016
Expenses = X	\$0.911	\$1.024	\$1.150319	\$1.304	\$1.307	\$1.353	\$1.386	\$1.418
Balance = Y – X	-\$0.037	-\$0.341	-\$0.337	-\$0.327	-\$0.546	-\$0.332	-\$0.657	-\$0.402
Cumulative Balance	-\$0.037	-\$0.378	-\$0.715	-\$1.043	-\$1.589	-\$1.920	-\$2.578	-\$2.980

Table 11 – TOTAL IP AUSTRALIA: Financial Performance & Forecast

	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Estimated Actual 2024-25	Budget Estimate 2025-26	Forward Estimate 2026-27	Forward Estimate 2027-28
Total IP Australia	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
<b>ACTUAL / FORECAST</b>								
Revenue = Y	\$231.405	\$248.275	\$253.056	\$257.154	\$272.499	\$284.658	\$285.529	\$289.431
Expenses = X	\$208.538	\$227.072	\$250.069	\$256.155	\$269.499	\$279.658	\$289.029	\$297.931
Balance = Y – X	\$22.867	\$21.203	\$2.987	\$0.999	\$3.000	\$5.000	-\$3.500	-\$8.500
Cumulative Balance	\$22.867	\$44.070	\$47.057	\$48.055	\$51.055	\$56.056	\$52.556	\$44.056