



# Pricing for value

*A guide for government services*

**Frequently asked questions**

# What comprises the Pricing for Value Guide?

The Guide comprises:

- the **overview**: which outlines the pricing principles and playbook;
- the **pricing principles**: which sets out the principles, circumstances where they may be appropriate, examples of their application, and compliance information;
- the **pricing playbook**: which is a step-by-step guide to undertaking a pricing review (government entities can access the full playbook at [dtf.vic.gov.au](http://dtf.vic.gov.au)); and
- a **quick reference guide**: which is a one-page summary of the pricing guidance.

## **Will the Pricing for Value Guide replace the Cost Recovery Guidelines?**

There will be a transition period (ending on 30 June 2021) during which agencies will be able to apply the Cost Recovery Guidelines or the Pricing for Value Guide. From 1 July 2021, agencies will be required to apply the Pricing for Value Guide.

**Which government entities will be required to apply the Pricing for Value Guide?**

Agencies as defined in the Standing Directions will be required to apply the Pricing for Value Guide from 1 July 2021.

**Do government entities have to apply all the pricing principles in the Guide?**

Entities would apply the pricing principles that are appropriate in the circumstances (i.e. a case by case approach), noting that there are trade-offs between some of the principles.

## **Will entities be able to set fees above or below cost recovery?**

Entities will need to determine which pricing principles are appropriate to the circumstances of each service. Some of the principles support setting fees above cost recovery and some support fees below cost recovery. The rationale needs to be clearly demonstrated.

**Are fines, penalties  
or taxes in scope of  
the Pricing for Value  
Guide?**

No, they are not within scope of the framework nor is local government. That said, some of the principles may be used to inform fines design.

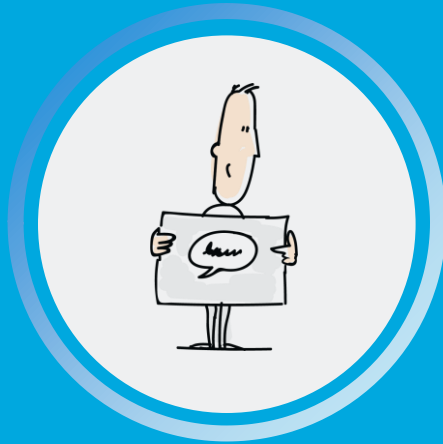
## When is the Treasurer's approval required?

For any proposed new prices or price changes that will have a revenue impact exceeding \$500 000\* a year, agencies will require the Treasurer's approval. In such cases, agencies should notify the Department of Treasury and Finance at least six months before the price changes are scheduled to take effect.

\* The revenue threshold will be adjusted annually using the Treasurer's annual rate, commencing on 1 July 2020.



# Further information



## Pricing for value

- The guidance materials include:
  - the overview;
  - the pricing principles;
  - the pricing playbook;
  - a quick reference guide; and
  - frequently asked questions (i.e. this document).
- These are available at [dtf.vic.gov.au](https://www.dtf.vic.gov.au)

## Contact details

- For further information about the guidance materials, please contact Economic Policy, Department of Treasury and Finance:
  - website: [dtf.vic.gov.au](https://www.dtf.vic.gov.au)
  - email: [pricing@dtf.vic.gov.au](mailto:pricing@dtf.vic.gov.au)
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