

## Senate Rural Affairs and Transport Legislation Committee

### ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2011

### Agriculture, Fisheries and Forestry

**Question:** 168

**Division:** CFD – Corporate Finance Division

**Topic:** Contractors

**Proof Hansard Page:** 5 (23/05/11)

**Senator Colbeck asked:**

At previous budget estimates and additional estimates, in response to question on notice No. 24, you indicated to us there that you were going to achieve efficiencies by prioritising some activities, by some restructuring and by reducing costs such as contractors and travel. I think at that point in time the 2011-12 estimate was \$3.58 million, to which you have to add another \$1.4 million, so you are looking at taking \$5.2 million out of the budget for 2011-12. Can you give us some sense of where the specific reductions to contractors referred to have been made?

**Dr O'Connell:** I would have to take that on notice and look at the contract numbers that we have.

**Senator COLBECK:** You do not have any of that information with you?

**Dr O'Connell:** I do not. We could probably get that before the day is done. I do not have it on the table.

**Answer:**

There has been a net decrease in departmental expenditure for contractors from \$35.9 million in 2009-10 to \$34.3 million in 2010–11 (to 17 June 2011). The table below shows a breakdown of this expenditure under the major departmental programs.

| Departmental Programs                         | June 2009  | June 2010  | June 2011<br>(as at<br>17/6/11) |
|---|------------|------------|---------------------------------|
| Biosecurity Services                          | 0          | 0          | 201,940                         |
| National Residue Survey                       | 6,309      | 22,525     | 263,921                         |
| Aust Plague & Locusts                         | 66,327     | 28,354     | 0                               |
| Other Product Integrity                       | 514,200    | 1,649,438  | 274,253                         |
| AQIS  | 32,111,238 | 24,955,513 | 23,773,475                      |
| ABARE   | 162,810    | 136,605    |                                 |
| Bureau of Rural Sciences                      | 3,361,231  | 1,590,202  | 415,693                         |
| Corporate Policy Division                     | 570,355    | 614,655    | 413,504                         |
| Corporate Finance Division (excluding Levies) | 696,157    | 1,188,509  | 900,677                         |
| Levies  | 29,750     | 151,265    | 603,484                         |
| Corporate Services Division                   | 2,472,134  | 4,450,908  | 5,908,998                       |
| Agricultural Productivity Division            | 132,999    | 49,385     | 320,680                         |

**Senate Rural Affairs and Transport Legislation Committee**

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Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 168 (continued)

|                                 |                   |                   |                   |
|---------------------------------|-------------------|-------------------|-------------------|
| Sustainable Resource Management | 1,022,532         | 601,710           | 643,294           |
| Climate Change Division         | 673,887           | 29,254            | 180,139           |
| Trade & Market Access           | 538,304           | 367,058           | 424,658           |
| <b>Total</b>                    | <b>42,371,254</b> | <b>35,891,382</b> | <b>34,324,714</b> |

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 169

**Division:** CFD – Corporate Finance Division

**Topic:** Reduction in travel

**Proof Hansard Page:** 5 (23/05/11)

**Senator Colbeck asked:**

**Senator COLBECK:** You also referred to specific reductions in travel. How has your travel budget varied over the last 12 months?

**Dr O'Connell:** Again, I would have to get those numbers for you during the day, if that is okay.

**Senator COLBECK:** You do not have a consolidated travel figure for the portfolio?

**Mr Schaeffer:** We do, we just do not have that level of detail with us.

**Answer:**

The departmental budget for travel for 2010–11 was \$13.7 million. The department has spent \$11.6 million on travel (to 17 June 2011).

The table below shows the monthly departmental actuals and budget, cost recovered and appropriation funded for travel for 2010–11.

**Senate Rural Affairs and Transport Legislation Committee**

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Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question: 169** (continued)

|              | Actual           |                      |                   | Budget           |                      |                   |
|--------------|------------------|----------------------|-------------------|------------------|----------------------|-------------------|
|              | Cost Recovered   | Appropriation Funded | Total             | Cost Recovered   | Appropriation Funded | Total             |
| Jul          | 646,314          | 1,073,677            | 1,719,992         | 565,242          | 786,375              | 1,351,617         |
| Aug          | 605,568          | 851,153              | 1,456,720         | 533,824          | 798,452              | 1,332,276         |
| Sep          | 761,346          | 1,082,541            | 1,843,887         | 591,210          | 1,085,694            | 1,676,905         |
| Oct          | 736,397          | 1,185,709            | 1,922,105         | 554,135          | 908,803              | 1,462,939         |
| Nov          | 674,682          | 962,522              | 1,637,205         | 594,046          | 1,243,495            | 1,837,541         |
| Dec          | 556,164          | 991,770              | 1,547,934         | 548,771          | 807,829              | 1,356,601         |
| Jan          | 511,826          | 597,628              | 1,109,454         | 521,743          | 892,741              | 1,414,484         |
| Feb          | 529,228          | 810,502              | 1,339,729         | 579,864          | 1,351,462            | 1,931,326         |
| Mar          | 667,986          | 1,211,293            | 1,879,278         | 666,494          | 1,785,918            | 2,452,411         |
| Apr          | 684,752          | 1,247,279            | 1,932,031         | 665,773          | 1,328,352            | 1,994,124         |
| May          | 831,267          | 1,477,221            | 2,308,488         | 577,029          | 1,252,033            | 1,829,062         |
| Jun          | 491,719          | 1,070,842            | 1,562,560         | 590,678          | 1,470,036            | 2,060,714         |
| <b>Total</b> | <b>7,697,248</b> | <b>12,562,134</b>    | <b>20,259,383</b> | <b>6,988,810</b> | <b>13,711,191</b>    | <b>20,700,001</b> |

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 170

**Division:** CFD – Corporate Finance Division

**Topic:** Reduction in Travel

**Proof Hansard Page:** 6 (23/05/11)

**Senator Colbeck asked:**

**Senator COLBECK:** How do you mean ‘cost-recovered’?

**Mr Schaeffer:** That is basically paid for by industry for activities that get applied to them under the legislation, under the Quarantine Act. It is difficult to do apples-to-apples comparisons when you are just talking about travel in its own right, because there are some embedded reductions in our travel, in our funded areas, but there will be an increase in some parts of our travel budget due to increases in activity that are cost-recovered.

**Dr O’Connell:** The cost-recovery component overall of our budget is roughly 60 per cent, so it has a major impact upon the travel and it is probably more than that of the travel component, I think, because of the level of effort that is undertaken to do inspections and that sort of thing. We can give to you these numbers more precisely, if that is useful to you.

**Senator COLBECK:** Yes. You talk about an \$18 million—close to 19, 18.8 so far to April. You have still got May and June to go. What sort of budget reduction were you looking for out of travel as far as that particular area is concerned, over and above 2009-10?

**Mr Schaeffer:** The reductions are about 10 per cent but you cannot see it in the numbers because of the increases in activity that are cost-recovered. There is a netting-off in all that, so that is why we need to go back and get you those numbers.

**Dr O’Connell:** We can provide those broken down into cost-recovered and appropriation.

**Senator COLBECK:** You talked about quarantine, for example, as far as cost-recovered.

**Mr Schaeffer:** Sea-cargo inspections, where people have to travel to get to the port.

**Senator COLBECK:** What about the current process that you are going through in respect of reviewing all of the AQIS fees and charges? There has been a considerable amount of travel engaged in that. Is that an activity that would be cost recovered?

**Mr Schaeffer:** We would have to take that on notice.

**Answer:**

The departmental budget for travel for 2010–11 was \$13.7 million.

The table below shows the departmental budget, cost recovered and appropriation funded for travel for 2009–10 and 2010–11 against major program areas.

Travel incurred as part of the review of the export fees under the Export Certification Reform Package are funded by Government.

**Senate Rural Affairs and Transport Legislation Committee**  
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**Agriculture, Fisheries and Forestry**

Question: 170 (continued)

| <b>2009/2010 vs 2010/2011 Budget - Travel Expenses by Program</b> |                       |                      |                       |                      |
|---|-----------------------|----------------------|-----------------------|----------------------|
| <b>Programs</b>   | <b>2009-2010</b>      |                      | <b>2010-2011</b>      |                      |
|   | <b>Cost Recovered</b> | <b>Approp Funded</b> | <b>Cost Recovered</b> | <b>Approp Funded</b> |
| <b>Outcome 1</b>  |                       |                      |                       |                      |
| Agricultural Productivity   | -                     | 751,939              | 3,000                 | 697,632              |
| Climate Change  | -                     | 1,166,336            | 15,186                | 732,487              |
| Sustainable Resource Management                                   | 485,993               | 686,261              | 433,483               | 435,398              |
| Trade and Market Access   | -                     | 1,866,012            | -                     | 2,121,178            |
| ABARES  | -                     | 1,035,423            | 558,297               | 895,703              |
| <b>Total Outcome 1</b>  | <b>485,993</b>        | <b>5,505,971</b>     | <b>1,009,965</b>      | <b>4,882,399</b>     |
| <b>Outcome 2</b>  |                       |                      |                       |                      |
| Animal Quarantine Operations                                      | 75,135                | 49,011               | 62,728                | 55,200               |
| Animal Export Operations  | 156,342               | -                    | 119,260               | -                    |
| Plant Export Operations   | 510,025               | -                    | 475,303               | 48,710               |
| Plant Quarantine  | 68,821                | 50,978               | 86,380                | 243,160              |
| Food Export   | 2,988,703             | 183,951              | 2,736,731             | 212,734              |
| Export Reform   | -                     | 696,020              | -                     | 1,112,426            |
| Cargo   | 1,459,655             | 67,818               | 1,769,980             | 30,000               |
| NAQS  | -                     | 401,080              | -                     | 427,896              |
| Passenger & Mail  | 56,379                | 581,811              | 44,500                | 701,580              |
| Other   | 391,442               | 5,356,897            | 683,962               | 5,997,086            |
| <b>Total Outcome 2</b>  | <b>5,706,501</b>      | <b>7,387,565</b>     | <b>5,978,845</b>      | <b>8,828,793</b>     |
| <b>DAFF Total</b>   | <b>6,192,494</b>      | <b>12,893,537</b>    | <b>6,988,810</b>      | <b>13,711,191</b>    |

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 171

**Division:** CFD – Corporate Finance Division

**Topic:** Cost recovery

**Proof Hansard Page:** 8-9 (23/05/11)

**Senator Colbeck asked:**

**Senator COLBECK:** What proportion of your biosecurity budget would be cost recovered?

**Ms Mellor:** It would be in the order of 60 to 65 per cent. The appropriation-funded activities are airports, technical science advice and Northern Australian Quarantine Strategy. For example, travel that is associated with the Northern Australian Quarantine Strategy, would come out of the appropriation budget not out of cost-recovered budget.

**Senator COLBECK:** I will be interested in seeing some more detailed information on this.

**Mr Schaeffer:** If it is useful, we could provide on notice for you travel by program, if you like.

**Senator COLBECK:** Yes, and month so that I can get a sense of the cycles and the movement in the cycles.

**Answer:**

The tables below show departmental travel budget, cost recovered and appropriation funded, per month for the major programs under outcome 1 and outcome 2.

**Senate Rural Affairs and Transport Legislation Committee**  
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**Agriculture, Fisheries and Forestry**

**Question:** 171 (continued)

**2010/2011 Budget - Travel Expenses by Outcome 1 and Outcome 2 programs by month**

| <b>Programs</b> | <b>Total Outcome 1</b> |                      | <b>Total Outcome 2</b> |                      | <b>Total</b>      |
|-----------------|------------------------|----------------------|------------------------|----------------------|-------------------|
| <b>Month</b>    | <b>Cost Recovered</b>  | <b>Approp Funded</b> | <b>Cost Recovered</b>  | <b>Approp Funded</b> | <b>Month</b>      |
| Jul             | 58,533                 | 218,963              | 506,709                | 567,412              | 1,351,617         |
| Aug             | 75,734                 | 234,526              | 458,090                | 563,927              | 1,332,277         |
| Sep             | 71,303                 | 374,471              | 519,908                | 711,223              | 1,676,905         |
| Oct             | 77,075                 | 280,376              | 477,060                | 628,427              | 1,462,939         |
| Nov             | 92,528                 | 482,445              | 501,518                | 761,049              | 1,837,541         |
| Dec             | 68,309                 | 300,693              | 480,462                | 507,136              | 1,356,601         |
| Jan             | 79,953                 | 293,070              | 441,790                | 599,671              | 1,414,483         |
| Feb             | 89,414                 | 423,788              | 490,450                | 927,675              | 1,931,326         |
| Mar             | 126,377                | 726,873              | 540,117                | 1,059,044            | 2,452,411         |
| Apr             | 94,274                 | 463,755              | 571,498                | 864,597              | 1,994,124         |
| May             | 88,669                 | 383,020              | 488,361                | 869,014              | 1,829,063         |
| Jun             | 87,795                 | 700,419              | 502,883                | 769,617              | 2,060,714         |
| <b>Year</b>     | <b>1,009,965</b>       | <b>4,882,399</b>     | <b>5,978,845</b>       | <b>8,828,793</b>     | <b>20,700,001</b> |



**Senate Rural Affairs and Transport Legislation Committee**

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**Agriculture, Fisheries and Forestry**

Question: 171 (continued)

| <b>2010/2011 Budget - Travel Expenses by Outcome 1 programs by month</b> |                                  |                      |                       |                      |  |                      |                                |                      |                       |                      |                        |                      |
|--|----------------------------------|----------------------|-----------------------|----------------------|--|----------------------|--------------------------------|----------------------|-----------------------|----------------------|------------------------|----------------------|
| <b>Programs</b>  | <b>Agricultural Productivity</b> |                      | <b>Climate Change</b> |                      | <b>Sustainable Resource Management</b> |                      | <b>Trade and Market Access</b> |                      | <b>ABARES</b>         |                      | <b>Total Outcome 1</b> |                      |
| <b>Month</b>   | <b>Cost Recovered</b>            | <b>Approp Funded</b> | <b>Cost Recovered</b> | <b>Approp Funded</b> | <b>Cost Recovered</b>                  | <b>Approp Funded</b> | <b>Cost Recovered</b>          | <b>Approp Funded</b> | <b>Cost Recovered</b> | <b>Approp Funded</b> | <b>Cost Recovered</b>  | <b>Approp Funded</b> |
| Jul  | -                                | 54,300               | -                     | 45,708               | 19,861                                 | 10,000               | -                              | 49,914               | 38,672                | 59,041               | 58,533                 | 218,963              |
| Aug  | -                                | 33,650               | -                     | 52,467               | 22,220                                 | 31,263               | -                              | 35,746               | 53,513                | 81,400               | 75,734                 | 234,526              |
| Sep  | -                                | 74,750               | -                     | 61,358               | 15,925                                 | 34,500               | -                              | 118,728              | 55,378                | 85,135               | 71,303                 | 374,471              |
| Oct  | -                                | 58,676               | -                     | 65,083               | 23,526                                 | 13,000               | -                              | 60,253               | 53,549                | 83,364               | 77,075                 | 280,376              |
| Nov  | -                                | 51,315               | -                     | 85,409               | 44,675                                 | 43,223               | -                              | 216,338              | 47,853                | 86,161               | 92,528                 | 482,445              |
| Dec  | -                                | 60,500               | 27                    | 53,733               | 26,657                                 | 27,849               | -                              | 96,003               | 41,625                | 62,608               | 68,309                 | 300,693              |
| Jan  | -                                | 13,100               | -                     | 78,160               | 46,536                                 | 20,893               | -                              | 137,202              | 33,417                | 43,716               | 79,953                 | 293,070              |
| Feb  | -                                | 64,300               | 7,500                 | 53,333               | 44,037                                 | 53,570               | -                              | 159,229              | 37,877                | 93,356               | 89,414                 | 423,788              |
| Mar  | -                                | 88,651               | -                     | 82,633               | 49,536                                 | 67,632               | -                              | 372,265              | 76,841                | 115,692              | 126,377                | 726,873              |
| Apr  | 3,000                            | 56,550               | -                     | 80,333               | 50,537                                 | 39,333               | -                              | 200,043              | 40,737                | 87,496               | 94,274                 | 463,755              |
| May  | -                                | 87,400               | 7,659                 | 51,533               | 46,036                                 | 55,090               | -                              | 147,337              | 34,974                | 41,660               | 88,669                 | 383,020              |
| Jun  | -                                | 54,440               | -                     | 22,737               | 43,937                                 | 39,045               | -                              | 528,122              | 43,858                | 56,075               | 87,795                 | 700,419              |
| <b>Year</b>  | <b>3,000</b>                     | <b>697,632</b>       | <b>15,186</b>         | <b>732,487</b>       | <b>433,483</b>                         | <b>435,398</b>       | <b>-</b>                       | <b>2,121,178</b>     | <b>558,297</b>        | <b>895,703</b>       | <b>1,009,965</b>       | <b>4,882,399</b>     |

**Senate Rural Affairs and Transport Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Budget Estimates May 2011**  
**Agriculture, Fisheries and Forestry**

Question: 171 (continued)

| 2010/2011 Budget - Travel Expenses by Outcome 2 programs by month |                                     |               |                                 |               |                                |               |                         |                |                    |                |                      |                  |                  |               |                |                |                         |                |                |                  |                  |                  |
|---|-------------------------------------|---------------|---------------------------------|---------------|--------------------------------|---------------|-------------------------|----------------|--------------------|----------------|----------------------|------------------|------------------|---------------|----------------|----------------|-------------------------|----------------|----------------|------------------|------------------|------------------|
| Programs  | Animal Quarantine Operations Branch |               | Animal Export Operations Branch |               | Plant Export Operations Branch |               | Plant Quarantine Branch |                | Food Export Branch |                | Export Reform Branch |                  | Cargo Branch     |               | NAQS           |                | Passenger & Mail Branch |                | Other          |                  | Total Outcome 2  |                  |
| Month   | Cost Recovered                      | Approp Funded | Cost Recovered                  | Approp Funded | Cost Recovered                 | Approp Funded | Cost Recovered          | Approp Funded  | Cost Recovered     | Approp Funded  | Cost Recovered       | Approp Funded    | Cost Recovered   | Approp Funded | Cost Recovered | Approp Funded  | Cost Recovered          | Approp Funded  | Cost Recovered | Approp Funded    | Cost Recovered   | Approp Funded    |
| Jul   | 4,664                               | 4,600         | 10,672                          | -             | 34,497                         | 1,600         | 5,280                   | 15,620         | 236,394            | 16,720         | -                    | 92,702           | 142,350          | 1,000         | -              | 32,254         | 3,700                   | 65,143         | 69,152         | 337,772          | 506,709          | 567,412          |
| Aug   | 4,744                               | 4,600         | 9,572                           | -             | 35,964                         | 12,900        | 1,460                   | 42,730         | 236,394            | 18,220         | -                    | 92,702           | 129,843          | 1,000         | -              | 31,266         | 3,700                   | 59,751         | 36,414         | 300,757          | 458,090          | 563,927          |
| Sep   | 5,164                               | 4,600         | 9,572                           | -             | 33,026                         | 9,500         | 18,160                  | 23,030         | 236,394            | 17,050         | -                    | 92,702           | 138,725          | 2,000         | -              | 43,449         | 6,450                   | 68,730         | 72,417         | 450,161          | 519,908          | 711,223          |
| Oct   | 4,744                               | 4,600         | 10,672                          | -             | 38,041                         | 3,000         | 3,320                   | 23,260         | 236,394            | 17,570         | -                    | 92,702           | 138,527          | 2,000         | -              | 35,497         | 4,900                   | 61,730         | 40,462         | 388,068          | 477,060          | 628,427          |
| Nov   | 8,344                               | 4,600         | 9,572                           | -             | 29,608                         | 2,400         | 11,350                  | 56,990         | 236,394            | 18,220         | -                    | 92,702           | 129,971          | 2,000         | -              | 35,791         | 3,700                   | 64,166         | 72,579         | 484,180          | 501,518          | 761,049          |
| Dec   | 4,744                               | 4,600         | 9,572                           | -             | 48,180                         | -             | 1,250                   | 1,080          | 203,061            | 17,150         | -                    | 92,702           | 186,071          | 2,000         | -              | 25,320         | 2,400                   | 50,465         | 25,185         | 313,819          | 480,462          | 507,136          |
| Jan   | 5,164                               | 4,600         | 10,672                          | -             | 42,258                         | -             | -                       | -              | 203,061            | 16,820         | -                    | 92,702           | 122,588          | 10,000        | -              | 25,320         | 5,200                   | 44,863         | 52,847         | 405,364          | 441,790          | 599,671          |
| Feb   | 4,744                               | 4,600         | 9,572                           | -             | 41,404                         | 3,200         | 13,600                  | 23,820         | 203,061            | 19,120         | -                    | 92,702           | 164,052          | 2,000         | -              | 39,120         | 1,700                   | 44,146         | 52,317         | 698,965          | 490,450          | 927,675          |
| Mar   | 4,664                               | 4,600         | 9,572                           | -             | 40,952                         | 1,550         | 3,710                   | 17,300         | 236,394            | 17,050         | -                    | 92,702           | 149,756          | 2,000         | -              | 37,248         | 2,900                   | 70,346         | 92,169         | 816,247          | 540,117          | 1,059,044        |
| Apr   | 6,344                               | 4,600         | 10,672                          | -             | 42,407                         | 1,480         | 21,000                  | 11,900         | 236,394            | 16,820         | -                    | 92,702           | 197,569          | 2,000         | -              | 48,289         | 5,250                   | 45,146         | 51,862         | 641,659          | 571,498          | 864,597          |
| May   | 4,664                               | 4,600         | 9,572                           | -             | 42,808                         | 2,680         | 1,000                   | 25,270         | 236,394            | 18,420         | -                    | 92,702           | 127,404          | 2,000         | -              | 42,870         | 1,700                   | 85,746         | 64,819         | 594,724          | 488,361          | 869,014          |
| Jun   | 4,744                               | 4,600         | 9,572                           | -             | 46,158                         | 10,400        | 6,250                   | 2,160          | 236,394            | 19,570         | -                    | 92,702           | 143,125          | 2,000         | -              | 31,470         | 2,900                   | 41,346         | 53,740         | 565,368          | 502,883          | 769,617          |
| <b>Year</b>   | <b>62,728</b>                       | <b>55,200</b> | <b>119,260</b>                  | <b>-</b>      | <b>475,303</b>                 | <b>48,710</b> | <b>86,380</b>           | <b>243,160</b> | <b>2,736,731</b>   | <b>212,734</b> | <b>-</b>             | <b>1,112,426</b> | <b>1,769,980</b> | <b>30,000</b> | <b>-</b>       | <b>427,896</b> | <b>44,500</b>           | <b>701,580</b> | <b>683,962</b> | <b>5,997,086</b> | <b>5,978,845</b> | <b>8,828,793</b> |

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 172

**Division:** CFD – Corporate Finance Division

**Topic:** Efficiency – Reduced spending on contractors

**Proof Hansard Page:** 9-10 (23/05/11)

**Senator Colbeck asked:**

**Senator COLBECK:** What about contractors? Has there been a reduction in the spending on contractors so far this year?

**Mr Schaeffer:** Once again, it is applicable to the relevant business unit so. If there is a need for contractors to increase due to the business activity increasing, that is allowed, but there is an overall objective to keep the contractors to a minimum. There is one area where we have reduced contractors or will be reducing contractors, which is in our IT area, under the Gershon policy that the government has set.

**Senator COLBECK:** How is that going to work?

**Mr Schaeffer:** The contractors come down there and then they will be replaced by employees, effectively.

**Dr O'Connell:** There will be some in-sourcing of skills. I do not have contractor numbers here but we can provide those to you, if you want, over the similar three-year period.

**Senator COLBECK:** Yes. It is only a saving, though, if you spend less on internal employees than you do on the contractors.

**Answer:**

There has been a net decrease in departmental expenditure for contractors in 2010–11 compared with 2008–09 and 2009–10. The table below shows the actuals for contractors for each of the last three financial years.

| <b>Year</b>                  | <b>Actual<br/>Departmental Expense</b> |
|------------------------------|--|
| 2008–09                      | 42 371 254                             |
| 2009–10                      | 35 891 382                             |
| 2010–11<br>(to 17 June 2011) | 34 324 714                             |

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 173

**Division/Agency:** CFD – Corporate Finance Division

**Topic:** Contractor and consultant payments

**Proof Hansard Page:** Written

**Senator Heffernan asked:**

1. Has the department/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e.within 30 days)? If not, why not, and what has been the timeframe for payment of accounts? Please provide a breakdown, average statistics etc as appropriate to give insight into how this issue is being approached.)
2. For accounts not paid within 30 days, is interest being paid on overdue amounts and if so how much has been paid by the portfolio/department agency for the current financial year and the previous financial year?
3. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

**Answer:**

1. Yes. Consultant and contractor related accounts paid by the department for the past financial year and current financial year to date are:

|                    | 2009–10<br>% of invoices | 1/7/10 to<br>15/6/11<br>% of invoices |
|--------------------|--------------------------|---------------------------------------|
| <b>0-30 days</b>   | 94.10                    | 92.55                                 |
| <b>31-60 days</b>  | 4.17                     | 4.98                                  |
| <b>61-90 days</b>  | 0.89                     | 1.33                                  |
| <b>90-120 days</b> | 0.40                     | 0.58                                  |
| <b>120+ days</b>   | 0.44                     | 0.56                                  |

The reasons for payments over 30 days include: invoice disputes, incorrect invoices, invalid ABN numbers and missing supplier information.

2. No interest has been paid on overdue accounts in the current financial year or the previous financial year.
3. N/A.

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 174

**Division:** CFD – Corporate Finance Division

**Topic:** Reduction in Departmental appropriation

**Proof Hansard Page:** Written

**Senator Colbeck asked:**

Page 64 of the PBS shows a massive reduction in the Departmental appropriation in 2011–12 and the forward estimates.

1. Please provide details of the components of the reduction.
2. How much relates to export reform and how much to the efficiency dividend?
3. What other matters does it include?
4. Can you provide some detail as to what the efficiency dividend component will impact upon in practical terms and what the reduction specifically relates to?

**Answer:**

1. Page 64 relates to Program 2.1 Quarantine and Export. This section includes the funds for export reform which terminates in 2011–12 and the measure Reform of Australia's Biosecurity System-moving core business towards reform which also terminates in 2011–12.

The reduction is the result of a number of budget processes, which include the completion of terminating programs and government savings measures required to partially offset our expense measures and meet the efficiency dividend targets applied to all agencies in the Commonwealth.

2. The net reduction in Export Certification Reform Package from 2010–11 and 2011–12 is \$65 million. In 2011–12, the total efficiency dividend for the department is \$4 million and its allocation to specific programs has yet to be settled.
3. Refer to response provided for question 2.
4. The efficiency dividend will be delivered by undertaking a broad change management process across the whole organisation to strengthen our business delivery and policy direction, and consolidate and streamline our organisation. This process will eliminate red tape and duplicated functions and is yet to be settled.

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

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**Agriculture, Fisheries and Forestry**

**Question:** 175

**Division/Agency:** CFD – Corporate Finance Division

**Topic:** Budget information for statutory research and development information

**Proof Hansard Page:** Written

**Senator Colbeck asked:**

Budget information has been provided for statutory research and development authorities. It is not clear where funding for other industry-owned companies that conduct research and development, such as Horticulture Australia Limited, are allocated within the Department.

Please provide details of where these budgets are allocated and details of the budget allocations for 2011–12 and the previous five financial years.

**Answer:**

Budget funding for both statutory research and development authorities and other industry-owned companies is allocated under the Special Appropriations within the department. For example, budget funding to Horticulture Australia Limited sits under *Horticultural Marketing and Research and Development Services Act 2000, s. 16(9)*, and for 2011–12 can be found on page 15 of the 2011–12 Portfolio Budget Statements.

The table below shows where these funds are allocated for 2011–12 and the previous five financial years. The figures are extracted from the Portfolio Budget Statements for the respective financial years.

**Senate Rural Affairs and Transport Legislation Committee**  
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**Agriculture, Fisheries and Forestry**

**Question:** 175 (continued)

**Budget Funding (Levy and Commonwealth Matching) for Statutory Research and  
 Development Authorities  
 and other Industry-owned Companies for the Financial Years 2006–07 to 2011–12**

*Source: Portfolio Budget Statements (PBS) for the financial years 2006–07 to 2011–12*

| <b>Special Appropriation Description</b>   | <b>Related Statutory<br/>research and<br/>development<br/>authority /<br/>Industry-owned<br/>company</b> | <b>2011–12<br/>PBS<br/>Budget</b> | <b>2010–11<br/>PBS<br/>Budget</b> | <b>2009–10<br/>PBS<br/>Budget</b> | <b>2008–09<br/>PBS<br/>Budget</b> | <b>2007–08<br/>PBS<br/>Budget</b> | <b>2006–07<br/>PBS<br/>Budget</b> |
|--|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  |  | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     |
| Agricultural and Veterinary Chemicals Administration Act 1992, s. 58(3)                                    | AgVet  | -                                 | -                                 | -                                 | -                                 | 22,851                            | 24,694                            |
| Australian Animal Health Council (Live-stock Industries) Funding Act 1996, s. 5 (LRS)                      | Animal Health Australia  | 6,312                             | 6,296                             | 6,205                             | 6,345                             | 6,325                             | 6,977                             |
| Australian Meat and Live-stock Industry Act 1997, s. 63(2) - payments to the industry marketing body (LRS) | Meat and Livestock Australia   | 75,786                            | 74,732                            | 68,288                            | 73,136                            | 73,104                            | 64,367                            |
| Australian Meat and Live-stock Industry Act 1997, s. 64(2) - payments to the industry research body (LRS)  | Meat and Livestock Australia   | 24,293                            | 24,179                            | 20,552                            | 22,420                            | 22,428                            | 20,904                            |

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ANSWERS TO QUESTIONS ON NOTICE

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**Agriculture, Fisheries and Forestry**

**Question:** 175 (continued)

| <b>Special Appropriation Description</b>   | <b>Related Statutory research and development authority / Industry-owned company</b> | <b>2011–12<br/>PBS<br/>Budget</b> | <b>2010–11<br/>PBS<br/>Budget</b> | <b>2009–10<br/>PBS<br/>Budget</b> | <b>2008–09<br/>PBS<br/>Budget</b> | <b>2007–08<br/>PBS<br/>Budget</b> | <b>2006–07<br/>PBS<br/>Budget</b> |
|--|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  |  | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     |
| Australian Meat and Live-stock Industry Act 1997, s. 64A(2) - payments to the livestock export marketing body (LRS)    | Livecorp   | 3,198                             | 3,240                             | 3,935                             | 2,520                             | 2,430                             | 2,213                             |
| Australian Meat and Live-stock Industry Act 1997, s. 64B(2) - payments to the livestock export research body (LRS)     | Livecorp   | 800                               | 810                               | 788                               | 580                               | 580                               | 246                               |
| Australian Meat and Live-stock Industry Act 1997, s. 64C(2) - payment to the meat processor marketing body (LRS)       | Australian Meat Processor Corporation  | 5,603                             | 4,935                             | 6,430                             | 4,890                             | -                                 | -                                 |
| Australian Meat and Live-stock Industry Act 1997, s. 64D(2) - payment to the meat processor research body (LRS)        | Australian Meat Processor Corporation  | 10,106                            | 8,868                             | 11,548                            | 7,335                             | -                                 | -                                 |
| Australian Meat and Live-stock Industry Act 1997, s. 66(1) - Commonwealth contribution to industry research body (LRS) | Meat and Livestock Australia   | 42,206                            | 41,798                            | 39,390                            | 45,000                            | 40,370                            | 40,500                            |



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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 175 (continued)

| <b>Special Appropriation Description</b>   | <b>Related Statutory research and development authority / Industry-owned company</b> | <b>2011–12<br/>PBS<br/>Budget</b> | <b>2010–11<br/>PBS<br/>Budget</b> | <b>2009–10<br/>PBS<br/>Budget</b> | <b>2008–09<br/>PBS<br/>Budget</b> | <b>2007–08<br/>PBS<br/>Budget</b> | <b>2006–07<br/>PBS<br/>Budget</b> |
|--|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  |  | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     |
| Australian Wine and Brandy Corporation Act 1980, s. 32 (LRS)   | Australian Wine and Brandy Corporation   | -                                 | 5,290                             | 5,606                             | 5,477                             | 5,209                             | 5,982                             |
| Dairy Produce Act 1986, s. 6(1) (LRS)  | Dairy Australia  | 46,283                            | 46,244                            | 49,954                            | 43,938                            | 48,428                            | 47,770                            |
| Dairy Produce Act 1986, Schedule 2, 83(3) - Dairy Industry Adjustment Program                                    | Dairy Australia  | -                                 | -                                 | -                                 | 233,055                           | -                                 | -                                 |
| Dairy Produce Act 1986, Schedule 2, 83(2) - Dairy Industry Restructure Package                                   | Dairy Australia  | -                                 | -                                 | -                                 | -                                 | 228,756                           | 226,556                           |
| Egg Industry Service Provision Act 2002, s. 8(1) (LRS)   | Australian Egg Corporation Limited   | 8,946                             | 6,128                             | 5,267                             | 4,832                             | 4,221                             | 4,900                             |
| Financial Management and Accountability Act 1997, s. 28(2) - payment of refunds not elsewhere appropriated (LRS) | Not applicable   | 2,000                             | 1,725                             | 1,725                             | 2,725                             | 2,725                             | 2,725                             |

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ANSWERS TO QUESTIONS ON NOTICE

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**Agriculture, Fisheries and Forestry**

**Question:** 175 (continued)

| <b>Special Appropriation Description</b>  | <b>Related Statutory research and development authority / Industry-owned company</b> | <b>2011–12<br/>PBS<br/>Budget</b> | <b>2010–11<br/>PBS<br/>Budget</b> | <b>2009–10<br/>PBS<br/>Budget</b> | <b>2008–09<br/>PBS<br/>Budget</b> | <b>2007–08<br/>PBS<br/>Budget</b> | <b>2006–07<br/>PBS<br/>Budget</b> |
|---|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   |  | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     |
| Fisheries Administration Act 1991, s. 80(2)   | Australian Fisheries Management Authority  | -                                 | -                                 | -                                 | 10,400                            | 10,986                            | 8,323                             |
| Forestry Marketing and Research and Development Services Act 2007, s. 9(1) payments and matching payments to an industry services body and Commonwealth administration expenses (LRS) | Forest and Wood Products Australia   | 10,186                            | 9,117                             | 7,872                             | 9,982                             | -                                 | -                                 |
| Horticultural Marketing and Research and Development Services Act 2000, s. 16(9) (LRS)  | Horticulture Australia Limited   | 75,135                            | 75,166                            | 63,600                            | 63,600                            | 63,600                            | 61,110                            |
| National Cattle Disease Eradication Trust Account Act 1991, Schedule 5, 21(6)   | Brucellosis & Tuberculosis Eradication Council                                       | -                                 | -                                 | -                                 | -                                 | 6                                 | 1                                 |

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**Agriculture, Fisheries and Forestry**

**Question:** 175 (continued)

| <b>Special Appropriation Description</b>  | <b>Related Statutory research and development authority / Industry-owned company</b> | <b>2011–12<br/>PBS<br/>Budget</b> | <b>2010–11<br/>PBS<br/>Budget</b> | <b>2009–10<br/>PBS<br/>Budget</b> | <b>2008–09<br/>PBS<br/>Budget</b> | <b>2007–08<br/>PBS<br/>Budget</b> | <b>2006–07<br/>PBS<br/>Budget</b> |
|---|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   |  | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     |
| National Residue Survey Administration Act 1992, s. 6 (LRS)   | National Residue Survey  | 9,493                             | 8,977                             | 8,972                             | 8,825                             | 6,083                             | 6,812                             |
| Pig Industry Act 2001, s. 10(1) (LRS)   | Australian Pork Limited  | 16,005                            | 15,390                            | 14,495                            | 17,624                            | 17,421                            | 16,694                            |
| Plant Health Australia (Plant Industries) Funding Act 2002, s. 6 (LRS)  | Plant Health Australia   | 1,072                             | 1,398                             | 1,811                             | 982                               | 982                               | 795                               |
| Plant Health Australia (Plant Industries) Funding Act 2002, s. 10B (LRS)  | Plant Health Australia   | 430                               | 402                               | -                                 | -                                 | -                                 | -                                 |
| Primary Industries and Energy Research and Development Act 1989, s. 30(3) - Cotton R&D Corporation (LRS)            | Cotton Research and Development Corporation  | 14,819                            | 6,717                             | 6,569                             | 4,694                             | 5,359                             | 8,941                             |
| Primary Industries and Energy Research and Development Act 1989, s 30(3) - Forest and Wood Products R&D Corporation | Forest and Wood Products Research and Development Corporation                        | -                                 | -                                 | -                                 | -                                 | 7,055                             | 8,000                             |

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**Agriculture, Fisheries and Forestry**

**Question:** 175 (continued)

| <b>Special Appropriation Description</b>  | <b>Related Statutory research and development authority / Industry-owned company</b> | <b>2011–12 PBS Budget</b> | <b>2010–11 PBS Budget</b> | <b>2009–10 PBS Budget</b> | <b>2008–09 PBS Budget</b> | <b>2007–08 PBS Budget</b> | <b>2006–07 PBS Budget</b> |
|---|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|   |  | <b>\$'000</b>             | <b>\$'000</b>             | <b>\$'000</b>             | <b>\$'000</b>             | <b>\$'000</b>             | <b>\$'000</b>             |
| Primary Industries and Energy Research and Development Act 1989, s. 30(3) - Grains R&D Corporation - Other Grains (LRS) | Grains Research and Development Corporation  | 59,043                    | 44,394                    | 48,013                    | 55,768                    | 38,329                    | 42,696                    |
| Primary Industries and Energy Research and Development Act 1989, s. 30(3) - Grains R&D Corporation - Wheat (LRS)        | Grains Research and Development Corporation  | 81,363                    | 65,744                    | 80,392                    | 70,091                    | 62,280                    | 66,314                    |
| Primary Industries and Energy Research and Development Act 1989, s. 30(3) - Grape & Wine R&D Corporation (LRS)          | Grape and Wine Research and Development Corporation                                  | 24,728                    | 25,834                    | 25,857                    | 23,394                    | 27,219                    | 25,315                    |
| Primary Industries and Energy Research and Development Act 1989, s. 30(3) - Rural Industries R&D Corporation (LRS)      | Rural Industries Research and Development Corporation                                | 7,190                     | 4,823                     | 4,530                     | 4,414                     | 3,320                     | 5,505                     |
| Primary Industries and Energy Research and Development Act 1989, s. 30(3) - Sugar R&D Corporation (LRS)                 | Sugar Research and Development Corporation   | 9,644                     | 8,938                     | 9,263                     | 10,193                    | 10,069                    | 10,712                    |

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**Question:** 175 (continued)

| <b>Special Appropriation Description</b>   | <b>Related Statutory research and development authority / Industry-owned company</b> | <b>2011–12<br/>PBS<br/>Budget</b> | <b>2010–11<br/>PBS<br/>Budget</b> | <b>2009–10<br/>PBS<br/>Budget</b> | <b>2008–09<br/>PBS<br/>Budget</b> | <b>2007–08<br/>PBS<br/>Budget</b> | <b>2006–07<br/>PBS<br/>Budget</b> |
|--|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  |  | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     | <b>\$'000</b>                     |
| Primary Industries and Energy Research and Development Act 1989, s. 30A(3) - Fisheries R&D Corporation (LRS) | Fisheries Research and Development Corporation                                       | 16,447                            | 16,548                            | 17,488                            | 16,525                            | 16,415                            | 16,670                            |
| Wheat Marketing Act 1989, s 10A(2)   | Wheat Export Authority   | -                                 | -                                 | -                                 | -                                 | 2,860                             | 3,716                             |
| Wine Australia Corporation Act 1980, s.32  | Wine Australia Corporation   | 4,936                             | -                                 | -                                 | -                                 | -                                 | -                                 |
| Wool Services Privatisation Act 2000, s. 31(4) (LRS)   | Australian Wool Innovation   | 53,800                            | 42,983                            | 50,128                            | 53,900                            | 51,500                            | 52,000                            |
| <b>Total Special Appropriations managed by Levies Revenue Service</b>  |  | <b>609,824</b>                    | <b>550,676</b>                    | <b>558,678</b>                    | <b>802,645</b>                    | <b>780,911</b>                    | <b>781,438</b>                    |

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**Agriculture, Fisheries and Forestry**

**Question:** 176

**Division/Agency:** CFD – Corporate Finance Division

**Topic:** Underspends

**Proof Hansard Page:** Written

**Senator Colbeck asked:**

1. Can you identify the total amount of underspending within the portfolio and the specific areas and amounts?
2. What are the reasons for these underspends?
3. Will any of the underspent funds be used for purposes other than originally intended?
4. Do you anticipate any underspends in 2011–12 and if so in what areas and why?

**Answer:**

1. The following tables identify the underspends for 2010–11. Agencies are currently being audited which could mean some variation to the figures presented.

**Administered Underspends**

| <b>Program</b>   | <b>Underspend<br/>\$m</b> | <b>Reason</b>   |
|--|---------------------------|---|
| 1.1: Tackling Climate Change –<br>Australia’s Farming Future –<br>Climate Change | 7.6                       | Demand driven program dependant on uptake.  |
| 1.3: Forestry Industry   | 1.2                       | Grantees delays in meeting established milestones and project completion with less cost than initially anticipated. |
| 1.4: Fishing Industry  | 1.8                       | Completion with less cost than initially anticipated.   |
| 1.5: Horticulture Industry   | 0.7                       | Completion with less cost than initially anticipated.   |
| 1.11: Drought Programs   | 9.5                       | Demand driven program dependant on uptake in drought declared areas.  |
| 1.13: International Market Access  | 0.7                       | Completion of funding rounds at lower cost than initially anticipated.  |
| 2.1: Plant and Animal Health   | 0.5                       | Mixture of delays in meeting established milestones, and completion with less cost than initially anticipated.      |

## Senate Rural Affairs and Transport Legislation Committee

### ANSWERS TO QUESTIONS ON NOTICE

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### Agriculture, Fisheries and Forestry

**Question:** 176 (continued)

#### Departmental Appropriation Underspends

Departmental appropriation underspends will be \$3.5 million in 2010–11 primarily the result of the implementation of the Export Certification Reform Package.

#### Portfolio Agency Underspends

| Agency   | Underspend<br>\$m | Reason  |
|--|-------------------|---|
| Australian Fisheries Management Authority                | 0.6               | Decline in illegal fishing vessel apprehensions.  |
| Australian Pesticides and Veterinary Medicines Authority | 1.0               | Staff vacancies and delays in receiving scientific assessment services.   |
| Cotton Research and Development Corporation              | 1.1               | Project milestone payments delayed due to project extensions granted.   |
| Fisheries Research and Development Corporation           | 0.2               | Delays in project milestone payments.   |
| Grains Research and Development Corporation              | 2.8               | Revenue received was higher than anticipated.   |
| Grape and Wine Research and Development Corporation      | 1.9               | Project funding not contracted and operational savings due to prudent management and vacant positions.  |
| Rural Industries Research and Development Corporation    | 4.2               | Delays in initiating the Weeds Program and various other minor underspends.   |
| Sugar Research and Development Corporation               | 1.3               | Weather conditions impacting research, payments transferred to 2011–12. Delays in technology trials due to reduced cash flow and additional maintenance costs.      |
| Wine Australia Corporation                               | 0.1               | A decline in orders received for the Australian Wine Overseas scheme and reduced property costs.  |
| Wheat Exports Australia                                  | 1.2               | Lower spending in accreditation and monitoring related activities and no expenditure in exporters cost recovery for external audits and Ministerial Investigations. |
| <b>Total</b>   | <b>14.4</b>       |   |

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**Question:** 176 (continued)

2. The reasons for these underspend are provided in the table at 1 above.
3. Some minor underspends will be re-allocated to demand driven capped programs.
4. The Budget for 2011–12 reflects the anticipated result for the year, which does not show any underspend.



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**Agriculture, Fisheries and Forestry**

**Question:** 177

**Division/Agency:** CFD – Corporate Finance Division

**Topic:** Small business payments

**Proof Hansard Page:** Written

**Senator Colbeck asked:**

1. Has the Department paid its accounts to small business in accordance with the Government policy in terms of time for payment i.e. within 30 days?
2. Please provide details on the number and percentages that are within and outside the timeframe?
3. Has any interest been paid on overdue accounts?

**Answer:**

1. Yes.
2. The figures below are based on the department's report for the Survey of Australian Government Payments to Small Business for the year ending 30 June 2010.

| 2009–10              | Paid within 30 days | Paid within 31-44 days | Paid within 45-60 days | Not paid within 60 days | Total  |
|----------------------|---------------------|------------------------|------------------------|-------------------------|--------|
| Number of invoices   | 55,712              | 493                    | 220                    | 280                     | 56,705 |
| <i>% of invoices</i> | 98.25               | 0.87                   | 0.39                   | 0.49                    | 100    |

3. No.

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**Agriculture, Fisheries and Forestry**

**Question:** 178

**Division/Agency:** CFD – Corporate Finance Division

**Topic:** Post-entry quarantine facilities

**Proof Hansard Page:** Written

**Senator Nash asked:**

In the Portfolio Budget Statement 2011–12, Section 1: Agency Overview and Resources, 1.1 Strategic Direction Statement, page 12, paragraph 5, it says “In 2011–12, the department will also invest in our post-entry quarantine facilities and work closely with industry sectors to bed down export certification reforms”.

1. Where in the budget is the line item for the “investment in post-entry quarantine facilities”?
2. How much funding is allocated for this?
3. What exactly will you be investing in – capital works? Infrastructure? Staff?
4. How many staff are Department staff? How many are contractors?
5. How are the contractors trained?

**Answer:**

1. In the Portfolio Budget Statement 2011–12, Table 1.2: Budget measures, page 21, the second measure titled ‘Future Post-Entry Quarantine Arrangements – initial work’ and also within the Capital measures, with the same title. Funding for the purchase of land has been provided in the Department of Finance and Deregulation’s budget and is not for publication for commercial reasons.

2.

| <b>Expense measure</b>                                   | <b>2011–12<br/>(\$m)</b> |
|--|--------------------------|
| Future post-entry quarantine arrangements – initial work |                          |
| Administered   | 0.4                      |
| Departmental   | 5.0                      |
| <b>Capital measure</b>                                   |                          |
| Future post-entry quarantine arrangements – initial work |                          |
| Administered   |                          |
| Departmental   | 13.7                     |
| <b>Total</b>   | <b>19.1</b>              |

Budget Measures, Budget Paper No 2, 2011-12 also provides details of budget measures. Refer page 340 for more information in relation to ‘Future Post-Entry Quarantine Arrangements – initial work’.

3. In the 2011–12 Budget, the government made a commitment to fund maintenance and refurbishment of existing post-entry quarantine facilities. Each site will

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**Question: 178 (continued)**

undergo some critical maintenance to allow each station to continue to operate at appropriate standards.

The government also funded development of future arrangements, including detailed design work, site assessment and procurement activities related to these future arrangements. The department will work in partnership with the Department of Finance and Deregulation and specialist consultants to progress further detailed design work for future facilities, assess potential sites for future facilities and conduct related procurement activities.

4. The program of specific works is still being developed and the measure does not fund operational staff at existing stations.
5. As the contractors are yet to be procured for this work, this is not yet known.

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**Agriculture, Fisheries and Forestry**

**Question:** 179

**Division/Agency:** CFD – Corporate Finance Division

**Topic:** Treasury payments

**Proof Hansard Page:** Written

**Senator Nash asked:**

On page 21, Table 1.2 Budget measures, footnote 2. It says “The government has allocated \$12.6 million in 2010-11 and \$2.8million in 2012-13 for the “Animal Pest and Disease Eradication programs” – meeting existing commitments measure. Payments will be made by the Department of the Treasury.

1. Please define what payments are being made by Treasury; and
2. Why are payments being made by Treasury?

**Answer:**

1. Funds for and payments by the federal government to the state and territory governments under the Federal Financial Relations Framework are administered by the Department of the Treasury. More details of the framework are provided at Australia’s Federal Relations, Budget Paper No. 3, 2011–12, Appendix A, which starts at page 123. All Australian Government annual Budget papers are available at [www.budget.gov.au](http://www.budget.gov.au).

The government will provide \$15.4 million over two years to meet commitments to eradicate or control existing animal and plant pest and disease incursions. These funds will be administered by the Department of the Treasury, through the Federal Financial Relations Framework, to meet commitments with state and territory governments and industries relating to pest and disease eradication.

Targeted incursions under those programs include chestnut blight, myrtle rust, red imported fire ants, electric ants, Asian honeybee, branched broomrape, European house borer, four tropical weeds (Koster's curse, limnocharis, mikania vine and some miconia species) and siam weed.

2. The reason why payments are made by the Treasury is outlined in the material referred to in our response to question 1.

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 180

**Division/Agency:** CFD – Corporate Finance Division.

**Topic:** Funding to organisations

**Proof Hansard Page:** Written

**Senator Birmingham asked:**

Has the Department provided any funding to any of the following organisations in the current financial year or in any of the previous three financial years? If so, please detail when it was provided and for what purpose.

- a. Australian Conservation Foundation
- b. Australian Council of Trade Unions
- c. Australian Youth Climate Coalition
- d. Climate Action Network Australia
- e. The Climate Institute
- f. Environment Victoria
- g. GetUp!
- h. Greenpeace Australia Pacific
- i. World Wildlife Fund Australia

**Answer:**

On 5 February 2008 the department made two payments to the World Wildlife Fund (WWF) Australia for \$1020.00 and \$315.08 (GST exclusive) for sitting fees and travel allowance for WWF representation (community representation) on the Communication Implementation Working Group and the National Weed Advisory Group meetings.

No other payments have been made to the organisations listed in the question.

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 181

**Division/Agency:** CFD – Corporate Finance Division

**Topic:** Departmental efficiencies

**Proof Hansard Page:** Written

**Senator Colbeck asked:**

1. Will Biosecurity Services Group be impacted in any way by the Departmental Efficiencies measure in BP2, p86?
2. If so, please provide details.

**Answer:**

1. Yes.
2. The efficiency dividend will focus the department in consolidating and streamlining our organisation, in an effort to eliminate red tape and duplicate functions across our corporate functions.

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 182

**Division/Agency:** CFD – Corporate Finance Division

**Topic:** Future post-entry quarantine arrangements

**Proof Hansard Page:** Written

**Senator Back asked:**

The Government will provide funding to the Department of Finance and Deregulation to purchase land and undertake initial scoping and design work required to address future post-entry quarantine arrangements. The capital expenditure associated with this part of the measure is not for publication (nfp) as the negotiations will be commercial-in-confidence.

1. In this Budget, \$5.4m of the \$19.1m will be allocated to DAFF for initial work – What is this funding to be spent on – Inspector-General of Biosecurity? Particularly as Finance has the lead of identifying and purchasing the facility?
2. Can you confirm this is a new expense?
3. Why does this allocation appear in Budget Paper 2 – where does this appear and which appropriation bill provides for this money?
4. What role will DAFF play in identification / purchase of the Future Post-Entry Quarantine Facility?
5. When does the Government anticipate that this facility will be completed?
6. Will quarantine be delivered by government officers only or through a mix of other methods? Sub-contracted etc through private facilities?
7. What locations /organisations are being considered?

**Answer:**

1. Budget Measures, Budget Paper No. 2, 2011–12, page 340 provides the relevant details. It is for urgent repair and maintenance work and other expenses at existing post-entry quarantine sites.
2. Yes, this is a new expense.
3. The resourcing for agencies in 2011–12, which include the total amounts in the Appropriation Bills, is documented in Agency Resourcing, Budget Paper No. 4, 2011–12. The resourcing for the department is identified at page 89. The amount of \$5.4 million as referred in 1 above is included in the total funding for Outcome 2 under Appropriation Bill No. 1 (i.e. departmental appropriation of \$5.0 million and administered appropriation of \$0.4 million). The remainder of the \$19.1 million, ie \$13.7 million is for capital expenditure and is included in the total amount of “Equity Injections” (for departmental funds) under Appropriation Bill No. 2.

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 182 (continued)

4. The department will work in partnership with the Department of Finance and Deregulation and specialist consultants to progress further detailed design work for future facilities, assess potential sites for future facilities, and conduct related procurement activities.
5. The government will determine the completion date for the facilities through the relevant work outlined to be undertaken at 4 above.
6. Quarantine services are provided by an array of delivery methods at the border through quarantine approved premises and post-entry quarantine stations. The government has announced a reform process which is considering arrangements for existing Commonwealth post entry quarantine functions. State and private sector post entry quarantine functions are outside the scope of the project. The project will not affect the wide range of arrangements in place for post entry quarantine facilities that are not operated by the Australian Government, including facilities which are Quarantine Approved Premises and facilities which operate under existing Compliance Agreements.
7. The details of any potential sites, land purchase or lease discussions are, at this stage, covered by the commercial-in-confidence requirement.



**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 183

**Division:** CFD – Corporate Finance Division

**Topic:** National Framework for Agricultural and Veterinary Chemicals

**Proof Hansard Page:** Written

**Senator Colbeck asked:**

1. Page 50 of the PBS shows a reduction in the Departmental appropriation for Agricultural Resources of around \$1 million in 2012–13 compared with 2011–12 with further reductions over the forward estimates. Can you advise whether this just relates to the efficiency dividend or other matters?
2. Please provide some details as to what this will impact upon in practical terms and what the reduction specifically relates to?

**Answer:**

1. In 2011–12 this program will receive additional external revenue for research activities. Offsetting this revenue into the forward estimates is the application of the efficiency dividend.
2. The efficiency dividend will focus the department in consolidating and streamlining our organisation, in an effort to eliminate red tape and duplicate functions across our corporate functions.

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 184

**Division:** CFD – Corporate Finance Division

**Topic:** National Framework for Agricultural and Veterinary Chemicals

**Proof Hansard Page:** Written

**Senator Colbeck asked:**

1. Will Agricultural Productivity be impacted in any way by the Departmental Efficiency measures in PB2, p86?
2. If so, please provide details.

**Answer:**

1. Yes.
2. The efficiency dividend will focus the department in consolidating and streamlining our organisation, in an effort to eliminate red tape and duplicate functions across our corporate functions.

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 185

**Division/Agency:** CFD – Corporate Finance Division

**Topic:** Contractors

**Proof Hansard Page:** Written

**Senator Colbeck asked:**

1. Please provide details of the specific reductions to contracts and contractors being made to achieve the targeted budget reduction for 2011 – 12.
2. Please provide details of how the work undertaken by contractors is being reallocated.
3. If this reallocation involves employment of staff, please provide details of the cost saving associated with moving from contractors to internal employees, including consideration of on-costs and coverage of activities during periods of staff leave.
4. If this reallocation involves redeployment of staff, please provide details of the costs associated with upskilling / reskilling and relocation of staff.

**Answer:**

1. A minimum of seven Information and Communication Technology (ICT) contractor positions have been targeted for conversion to Australian Public Service positions by December 2011.

The department is developing and implementing risk-based interventions throughout 2011–12 across all quarantine operations. The needs of each program are under constant review.

2. Contractors are employed at various capacities at airports, mail centres and in other supporting roles for example, information technology.
3. It is estimated that \$300 000 to \$600 000 will be saved in 2011–12 by converting ICT contractor positions to Australian Public Service positions.
4. No current DAFF employees will be redeployed due to contractor re-allocation.

**Senate Rural Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2011

**Agriculture, Fisheries and Forestry**

**Question:** 186

**Division/Agency:** CFD – Corporate Finance Division.

**Topic:** Additional efficiency dividend

**Proof Hansard Page:** Written

**Senator Colbeck asked:**

1. Can you outline how the additional efficiency dividend will impact on the Sustainable Resource Management areas of DAFF?
2. Specifically which program areas will be impacted, and what will be the reduction or change in activity?

**Answer:**

1. Yes.
2. The efficiency dividend will focus the department in consolidating and streamlining our organisation, in an effort to eliminate red tape and duplicate functions across our corporate functions.