



Australian Government

Department of Agriculture, Fisheries and Forestry

Senator the Hon. Glenn Sterle
Chairman
Senate Rural Affairs and Transport Legislation Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Sterle

The department provided an incorrect answer to a question on notice from the Budget Estimates hearing conducted by the Senate Rural Affairs and Transport Legislation Committee on 23 and 24 May 2011, which I would like to correct.

In response to question 176 on Administered underspends within the portfolio, the table contained an administrative error. The total underspend reported was \$22m, however, the correct figure is \$21.1m. The figures, at the time, were subject to final ANAO Financial Audit.

There was also a transposition of numbers in the 'Portfolio Agency Underspends' table for the Australian Fisheries Management Authority. The underspend reported was \$0.60m instead of \$0.06m. This error was referenced in question 142 (5) of the supplementary Budget Estimates hearing on 20 October 2011.

The corrected response to question 176 is attached.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Matthew Ryan', with a horizontal line extending to the right.

Matthew Ryan
Assistant Secretary
Internal Budget & Cost Recovery Branch
Finance & Business Support Division

14 December 2011

Question: 176 - CORRECTED

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

Program	Underspend \$m	Reason
1.1: Tackling Climate Change – Australia's Farming Future – Climate Change	9.3	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	7.5	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	(0.062)	Mixture of delays in meeting established milestones, and completion with less cost than initially anticipated.
Total	21.1	

Question: 176 - CORRECTED (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 \$m	Reason
Australian Fisheries Management Authority	0.06	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.
Total	13.9	

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.