

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CFD 01

Division: Corporate Finance Division

Topic: DAFF Appropriation and Lapsing and Terminating Programs

Proof Hansard Page: 20 (20/10/2010)

Senator Colbeck asked:

Senator COLBECK—...This is probably one you will have to take on notice for me. Can you provide me with a breakdown for the past four years of total DAFF appropriations and DAFF appropriations as a proportion or a percentage of total government appropriations? That is a question of the numbers.

Dr O'Connell—The overall portfolio or just the department?

Senator COLBECK—The overall portfolio.

Dr O'Connell—The overall portfolio.

Senator COLBECK—Could you also extend that out, as it stands, for the forward estimates too, please? So what I am looking for is looking four years back and four years forward, please. I want a list of all the DAFF lapsing programs over the forward estimates, please.

Dr Dickson—Senator, can I just confirm whether that is lapsing or lapsing and terminating programs?

Senator COLBECK—I had better have lapsing and terminating, please, and I would like them differentiated, please. There are some where the decision has been made to terminate already. I know that we will inevitably have some discussion over the definition of lapsing as time goes on and as we discuss these things further. But I am interested to know where that is all heading to.

Answer:

Tables one and two outline the department's and portfolio agencies total appropriations compared with the whole of government total appropriations, for the past four years and the four forward estimate years.

Table three outlines all of the department's programs that are lapsing or terminating over the period of the forward estimates. Lapsing programs have provisional funding within the forward estimates for the continuation of the program – terminating programs do not.

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Table 1: Total DAFF appropriations for past four years

	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000
Final Budget Outcome – Total Expenses				
<i>Total Australian Government general government sector</i>	219,362,000	280,109,000	324,569,000	339,239,000

	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000
Annual Report – Total Expenses				
DAFF – Departmental ¹	634,288	644,403	651,653	626,957
BA ²	18,761	21,127	20,846	0
DAFF – Administered	2,217,733	2,820,346	1,686,862	1,038,590
TOTAL DAFF	2,870,782	3,485,876	2,359,361	1,665,547
<i>DAFF percentage of General Government Sector</i>	1.31%	1.24%	0.73%	0.49%

	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000	2009-10 ³ \$'000
Annual Report – Total Expenses		PBS 2010-11		
AWBC	16,295	15,294	14,494	13,943
CRDC	11,887	10,464	9,408	9,699
FRDC	24,311	21,080	27,752	26,208
GRDC	118,212	102,502	121,272	134,862
GWRDC	28,350	23,422	26,162	28,306
RIRDC	22,906	24,128	23,833	20,675
SRDC	10,724	11,093	10,252	10,807
WEA	3,633	3,651	4,221	4,151
AFMA – Departmental	50,234	50,721	45,255	41,491
AFMA – Administered	0	71	4,983	5,038
APVMA	23,242	24,851	25,864	26,726
LWA ⁴	33,591	38,698	29,546	16,576
SUB TOTAL PORTFOLIO AGENCIES	343,385	325,975	343,042	338,482

TOTAL AGRICULTURE PORTFOLIO	3,214,167	3,811,851	2,702,403	2,004,029
<i>Portfolio percentage of General Government Sector</i>	1.47%	1.36%	0.83%	0.59%

Note: The amounts for some years differ across annual reports. In these cases the latest available figure has been used.

1. DAFF Departmental includes AQIS and NRS, and BA from 2009-10 onwards.
2. BA figures are included in DAFF departmental from 2009-10 onwards.
3. 2009-2010 Total Expenses figures for portfolio agencies are estimated actuals, pending publication of their 2009-2010 Annual Reports.
4. 2009-2010 LWA figure sourced from 2009-2010 DAFF Annual report.
5. 2007-08 includes \$350m in one-off funding for Equine Influenza.
6. \$227m was transferred to the Treasury in 2009-10 following the introduction of the Federal Financial Relations Act.

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Table 2: Total DAFF appropriations for four forward estimates

	2010–11 \$'000	2011–12 \$'000	2012–13 \$'000	2013–14 \$'000
Economic Statement July 2010 – Total Expenses				
<i>Total Australian Government general government sector</i>	353,896,000	362,630,000	378,759,000	395,712,000

	2010–11 \$'000	2011–12 \$'000	2012–13 \$'000	2013–14 \$'000
Portfolio Budget Statements 2010–11 – Total Expenses				
DAFF – Departmental	677,968	675,908	660,833	661,684
DAFF – Administered ²	895,097	682,506	656,976	666,714
TOTAL DAFF	1,573,065	1,358,414	1,317,809	1,328,398
<i>DAFF percentage of General Government Sector</i>	0.44%	0.37%	0.35%	0.34%

	2010–11 \$'000	2011–12 \$'000	2012–13 \$'000	2013–14 \$'000
Portfolio Budget Statements 2010–11 – Total Expenses				
AWBC	14,410	13,538	13,642	13,655
CRDC	9,676	8,382	7,912	7,475
FRDC	24,700	25,415	25,842	25,928
GRDC	140,229	130,538	133,586	139,820
GWRDC	26,991	26,208	25,043	23,766
RIRDC	19,451	21,142	21,931	21,739
SRDC	10,298	10,565	9,833	9,059
WEA	3,997	3,843	3,958	4,076
AFMA – Departmental	39,217	38,534	39,003	40,678
AFMA – Administered	7,146	5,139	5,276	5,367
APVMA	26,434	24,732	25,268	25,909
LWA ¹	0	0	0	0
SUB TOTAL PORTFOLIO AGENCIES	322,549	308,036	311,294	317,472

TOTAL AGRICULTURE PORTFOLIO	1,895,614	1,666,450	1,629,103	1,645,870
<i>Portfolio percentage of General Government Sector</i>	0.54%	0.46%	0.43%	0.42%

1. The operations of LWA wound up in 2009–2010.
2. The budget and forward estimates only include estimates for drought assistance for those areas that have been declared eligible for Exceptional Circumstances assistance. In the 2010–11 Portfolio Budget Statements no provision is made in the forward estimates for areas that may become eligible for assistance in the future in accordance with historical practice. This approach results in a drop off in administered funding in the forward years.

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Table 3: Lapsing and Terminating Measures

Lapsing Measures

	Approp Type	10-11 (\$m)	11-12 (\$m)	12-13 (\$m)	13-14 (\$m)	Measure commenced
MEASURES LAPSING - 30 JUNE 2012						
Maintain funding for Quarantine Border Security	Dept	68.6	69.0			Budget 2010-11

Terminating Measures

	Approp Type	10-11 (\$m)	11-12 (\$m)	12-13 (\$m)	13-14 (\$m)	Measure commenced
MEASURES TERMINATING - 30 JUNE 2011						
Drought assistance - Exceptional Circumstances assistance for primary producers	Admin	1.2				MYEFO 2009-10
Drought assistance - Exceptional Circumstances assistance for small business	Admin	0.1				MYEFO 2009-10
Drought assistance - Exceptional Circumstances assistance for primary producers	Admin	125.2				Budget 2010-11
Drought assistance - Exceptional Circumstances assistance for small business	Admin	8.2				Budget 2010-11
Drought assistance - professional advice and planning - extension	Admin	15.5				Budget 2010-11
Drought assistance - professional advice and planning - extension	Dept	0.3				Budget 2010-11
Drought assistance - re-establishment assistance - extension	Admin	24.0				Budget 2010-11
Drought assistance - re-establishment assistance - extension	Dept	0.4				Budget 2010-11
Promoting Australian Produce Major Events Program	Admin	1.0				Budget 2010-11
Reform of Australia's export certification services - additional funding	Dept	65.0				Budget 2010-11
Preparing Australia's Forest industry for the future	Admin	6.9				MYEFO 2007-08
Fisheries Research Program - expansion	Admin	0.3				Budget 2008-09
Fishing Structural Adjustment Package	Admin	1.8				Budget 2008-09
Recreational Fishing Industry Development Strategy - development and implementation	Admin	1.0				Budget 2008-09
Promoting Australian Produce Program	Admin	1.0				Budget 2008-09
Quarantine Research and Preparedness Plan	Admin	1.2				MYEFO 2007-08

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	Approp Type	10-11 (\$m)	11-12 (\$m)	12-13 (\$m)	13-14 (\$m)	Measure commenced
MEASURES TERMINATING - 30 JUNE 2012						
Tackling Climate Change – Australia's Farming Future – Climate Change Adaptation Partnerships Program	Admin	15.0	15.0			Budget 2008-09
Tackling Climate Change – Australia's Farming Future – Climate Change Adjustment Program	Admin	15.0	10.0			Budget 2008-09
Tackling Climate Change – Climate Change Research Program	Admin	4.0				Budget 2008-09
Drought policy reform - pilot of new measures in Western Australia	Admin	4.2	0.2			Budget 2010-11
Reform of Australia's Biosecurity System - moving core business towards reform	Dept	28.3	25.9			Budget 2010-11
Reform of Australia's Biosecurity System - moving core business towards reform	Admin	3.5	3.6			Budget 2010-11
Regional Food Producers' Innovation and Productivity Program	Admin	8.0	12.8			MYEFO 2007-08
National Weeds and Productivity Research Program	Admin	4.0	4.0			Budget 2008-09
MEASURES TERMINATING - 30 JUNE 2013						
Pacific Island Forum Leaders' Fisheries initiative - establishment	Dept	0.6	0.4	0.5		Budget 2010-11
MEASURES TERMINATING - 30 JUNE 2014						
Reform of Australia's Biosecurity System - foundation elements of biosecurity reform	Dept	5.0	5.0	5.0	5.0	Budget 2010-11
Drought policy reform - pilot of new measures in Western Australia	Dept	0.8	0.2	0.1	0.1	Budget 2010-11
Enhanced and amalgamated mediation services for the Horticulture Code of Conduct	Dept	0.3	0.3	0.3	0.3	Budget 2010-11
Border Security - Illegal foreign fishing - securing Australia's northern water - continuation of funding for the Australian Fisheries management Authority	Dept	3.9	3.9	3.9	4.0	Budget 2010-11

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Question: CFD 02

Division: Corporate Finance Division

Topic: Tasmanian Forestry Policy Expenditure

Proof Hansard Page: 39 (20/10/2010)

Senator Colbeck asked:

Senator COLBECK—I did ask a question this morning. At the risk of being told that you do not want to answer again, the amount is budgeted to be spent this financial year. Is that the government's intention?

Senator Ludwig—Two issues really come in. MYEFO will settle that. But the commitment was to certainly provide it in a very short space of time this year.

Senator COLBECK—This year? Can I be bold enough to ask whether I am talking calendar or financial? I just do not want there to be any question. If you want to say one or the other, that is fine with me.

Senator Ludwig—I will take it on notice to provide.

Answer:

The funding for the Tasmanian Forestry Policy is budgeted to be spent this financial year.

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Question: CFD 03

Division: Corporate Finance Division

Topic: DAFF Appropriation and Lapsing and Terminating Programs

Proof Hansard Page: Written

Senator Colbeck asked:

1. Can you provide me with a breakdown for each of the past 4 years:
 - Total DAFF appropriations
 - DAFF appropriations as a % of total government appropriations?
2. Can you provide me the breakdown requested above but for the each of the 4 years in the forward estimates?
3. Can you provide me with the details of all DAFF programs lapsing/terminating over each of the 4 years in the forward estimates? (e.g. regional food producers program)

Answer:

Please refer to CFD 01.

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Question: CFD 04

Division: Corporate Finance Division

Topic: Election Commitments

Proof Hansard Page: Written

Senator Colbeck asked:

1. What is the total additional cost to the budget of Labor's election promises (over and above what was already in the budget)?
2. Can you please provide a breakdown of each policy by cost and budget year?

Answer:

1. The total cost to the Budget of the government's election commitments for the agriculture, fisheries and forestry portfolio is as follows.

<i>Financial implications \$m</i>	2010-11	2011-12	2012-13	2013-14	Total
	\$m	\$m	\$m	\$m	\$m
	-21.9	-4.2	-0.1	+1.7	-24.5

2. The following table provides a breakdown of each policy by cost and year.

<i>Financial implications \$m</i>	2010-11	2011-12	2012-13	2013-14	Total
	\$m	\$m	\$m	\$m	\$m
National Food Plan	-0.4	-0.7	-0.3	-0.1	-1.5
Better Regulation of Agricultural and Veterinary Chemicals	-2.5	-5.8	-0.3	-0.2	-8.8
Tasmania Forestry Policy	-20.0	–	–	–	-20.0
Saving and revenue measures	+1.0	+2.3	+0.5	+2.0	+5.8
Total	-21.9	-4.2	-0.1	+1.7	-24.5

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The department will receive the following funding under programs administered by other portfolios.

<i>Financial implications \$m</i>	2010-11	2011-12	2012-13	2013-14	Total
	\$m	\$m	\$m	\$m	\$m
Department of Climate Change and Energy Efficiency					
Carbon Farming Initiative	-0.3	-2.3	-2.2	-1.2	-6.0
Department of Regional Australia, Regional Development and Local Government					
Northern Australia Sustainable Futures program	-0.25	-0.25	–	–	-0.5

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Question: CFD 05

Division: Corporate Finance Division

Topic: Contractor and consultant payments

Proof Hansard Page: Written

Senator Colbeck asked:

1. Has the department/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (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. Based on the Survey of Australian Government Payments to Small Business, below is a breakdown of the percentage of Consultants and Contractor related expenses paid on time and outside 30 days by the department for the past four years:

	2006-07	2007-08	2008-09	2009-10	Average
30 days	99.91%	99.96%	95.32%	97.34%	98.12%
31-44 days	0.05%	0.03%	2.18%	1.28%	0.89%
45-60 days	0.02%	0.01%	1.02%	0.57%	0.41%
60+ days	0.02%	0.00%	1.48%	0.81%	0.58%

Reasons for delay in payments include: invoice disputes, incorrect invoices, invalid ABN numbers and missing supplier information.

2. No interest has been paid on overdue amounts in the current financial year or the previous financial years.
3. No interest has been paid.

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Question: CFD 06

Division: Corporate Finance Division

Topic: Underspends and overspends

Proof Hansard Page: Written

Senator Heffernan asked:

1. Are there any programs within your portfolio that are likely to exceed their current budget. If yes, please provide details (for example a demand driven program that has had higher than anticipated take up).
2. Are there any programs within your portfolio that are likely to under spend their current budget. If yes, please provide details (for example a demand driven program that has had higher than anticipated take up).

Answer:

1. Yes. The following table shows details of two programs expected to overspend their current budget.

Administered Items	Total Available Funding 2010/11 \$'000	Full Year Forecast \$'000	Variance \$'000	% of Total Available Funding	Comments
Commonwealth contribution to the operating costs of Animal Health Australia	1,243	1,299	(56)	-5%	The expected full year overspend is due to the annual subscription costs, associated with the Commonwealth's membership of the Animal Health Australia, agreed at the Annual General Meeting after the budget was prepared.
Exceptional Circumstances – ECIRS and RAA Running*	172,660	242,660	(70,000)	-41%	Volumes are higher than budgeted.

*Note: Exceptional Circumstances – ECIRS and RAA Running belong to Treasury under the FFR Act.

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Question: CFD 06 (continued)

2. Yes. The following table shows details of three programs expected to underspend their current budgets.

Administered Items	Total Available Funding 2010/11 \$'000	Full Year Forecast \$'000	Variance \$'000	% of Total Available Funding	Comments
International Organisations Contribution – World Organisation for Animal Health	228	206	22	9%	The underspend occurred because the exchange rate at the time of making the payment was more favourable than was estimated when the budget was prepared.
Promoting Australian Produce Program	2,000	1,838	162	8%	A project valued at \$0.162m withdrew from the program in August.
Regional Food Producers' Innovation and Productivity Program	5,500	5,322	178	3%	Two projects valued at \$0.178m withdrew from the program in July and August.