

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 126

Division/Agency: Finance and Business Support Division

Topic: Empty Desk Cost

Proof Hansard page: 11 (27/05/2013)

Senator COLBECK asked:

Senator COLBECK: It has been indicated to me that the cost of an empty desk fully kitted is about \$16,000 a year for floor space, computer and all of that sort of stuff. Do you have a costing on it?

Mr Metcalfe: Mr Schaeffer might be able to help us.

Mr Schaeffer: That is about right but I might have to take that on notice to get the detail of that costing.

Answer:

The Department of Agriculture, Fisheries and Forestry's (DAFF) largest office is at 18 Marcus Clarke Street, Canberra City and DAFF is the sole tenant of this building. In 2012–13 the cost of an empty desk including floor space, operating costs and ICT is estimated at \$12 500.

In other locations, the empty desk cost is comparable or lower.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 127

Division/Agency: Finance and Business Support Division

Topic: Building Lease Costs

Proof Hansard page: 18 (27/05/2013)

Senator HEFFERNAN asked:

Senator HEFFERNAN: I believe that it is something like that. Take that on notice. I will be quick. I met some people the other day in real estate, Mr Metcalfe, not referring to the department, who were telling me what a great opportunity some of the real estate in Canberra has been. They bought a building and leased it back to the government. They have paid it off in three years. Can you put on notice for us the lease that you pay per square metre—can you detail that? That seems to me, as it would to everyone, to be bloody red-hot.

Mr Metcalfe: Are we talking about the ACT, Senator? We have hundreds of buildings because we are in all sorts of locations.

Senator HEFFERNAN: The ACT for a start, yes. I have just been through a rigmarole in Sydney—and if you do not use your head you can get done. To pay a building off through the generosity of the taxpayer in three years is red-hot.

Mr Metcalfe: It sounds like they have done very well. I have said earlier that the department is looking to reduce its overall space in Canberra. The question is how you can clear floors out and then make them available in buildings, and that is something that we are actively doing right at the moment.

Senator HEFFERNAN: I would be interested in not only the growth but also down to the square metre.

Mr Metcalfe: I will take that on notice.

Answer:

In 2012–13, the rent per square metre for the Department of Agriculture, Fisheries and Forestry's (DAFF) ACT properties is:

Address	Occupancy Arrangement	Average Rent per m ²
18 Marcus Clarke Street, Canberra City	Sole occupant	\$470.8
7 London Circuit, Canberra City	Multi-tenanted building	\$527.6
Units 6 and 7, 50 Collie Street, Fyshwick	Multi-tenanted building	\$259.9

DAFF is unable to provide the initial cost paid by the landlord to purchase the land and construct the building at 18 Marcus Clarke Street. DAFF took a lease of the building, including the base building design, and installed the fitout from 2006.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 128

Division/Agency: Finance and Business Support Division

Topic: Official Development Assistance Funding

Proof Hansard page: 39 (27/05/2013)

Senator RHIANNON asked:

Senator RHIANNON: Thank you, Minister. It is from Minister Carr's budget statement this year, page 132 under aid administered by other government departments. It has a section there about DAFF coming at \$10.2 million and lists those various programs. What I am just trying to understand is how much money goes to each of those programs that Senator Carr has identified and does it go on anything else?

Mr Metcalfe: Could we check on that and come back to you during the course of the hearings. I am sure that we will be able to find more detail about that information. When I was in Jakarta recently I was briefed to visit with our staff working on the infectious diseases program where we work in Indonesia. That essentially is an early warning system to detect diseases such as rabies or foot and mouth disease. It was through Australian efforts that foot and mouth disease was originally eradicated from Indonesia. I think it is that type of program, but we will look at the specifics of the announcement from the foreign minister and we will come back to you with detail about it.

Answer:

A breakdown of the Department of Agriculture, Fisheries and Forestry's \$10.2 million of Official Development Assistance funding in 2013–14 by program is provided below.

Contribution to the United Nations Food and Agriculture Organization (FAO)	\$6 390 810
Improved Animal Welfare Program	\$2 700 000
International Agricultural Cooperation Program	\$570 000
Regional Animal Biosecurity Program	\$450 000
Northern International Fisheries Program	\$110 000
Total	\$10 220 810

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 129

Division/Agency: Finance and Business Support Division

Topic: Overhead Allocation

Proof Hansard page: 63 (27/05/2013)

Senator COLBECK asked:

Senator COLBECK: What does corporate expense allocation mean and why is it increasing by nearly 12 per cent to over \$76.5 million in 2012-13?

Mr Schaeffer: I think the figure that you have there is a combination of corporate overhead and program overhead. It includes costs such as HR, finance and those sorts of things, but would also include things like the Detector Dog Program, audit and inspection, and the costs of ICON, for example.

Senator COLBECK: This is in question 120, so that you know what I am looking at, which is probably the one that Mr Chapman started off with.

Ms Mellor: Probably.

Mr Schaeffer: We can take that on notice. Just looking at that figure, that is a combination of not only what we would deem traditional corporate overhead but also the program overhead within the program itself.

Answer:

The expenses referred to by Senator Colbeck relate to the total forecast indirect expenses for the import clearance program in 2012–13.

Indirect expenses represent functions provided to support outcome and program functions across the organisation and include:

- corporate cost
- executive cost
- business overhead.

Corporate costs represent functions that support all outcomes and programs. Examples include property, information technology, human resources, general finance and policy support.

Executive costs represent executive or planning activities that support a number of direct cost centres. Examples include the divisional and branch executive.

Business overhead costs represent functions that support the delivery of a number of specific outcomes and programs; these functions are not corporate in nature, in that they do not support the delivery of all outcomes and programs. Examples include detector dogs, biosecurity training, post quarantine detection, operational science, performance targeting and regional properties.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 129 (continued)

The increase in indirect expenses relates, in the main, to increased business overhead costs. The majority of variance can be seen in the following:

- regional properties (increased rental costs)
- increased post-quarantine detection activities (post-quarantine detections manage the biosecurity risks identified in goods post border. This involves the assessment and recovery of non-compliant imported goods.)
- operational science (technical advice provided to on the ground staff by subject matter experts)
- performance targeting and effectiveness program (this area assists in the management of cargo targeting and client verification activities. This includes the establishment, maintenance and governance of cargo and entity risk profiles in border-based IT systems to ensure goods of biosecurity concern are identified, and entity surveillance, compliance intelligence analysis, and cargo profile effectiveness).

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 130

Division/Agency: Finance and Business Support Division
Topic: Fee Adjustments (Cost Recovery Impact Statement cycle)
Proof Hansard page: 63 (27/05/2013)

Senator COLBECK asked:

Senator COLBECK: So, despite the adjustments and the changes in fees, we are still looking at an \$11 million shortfall next year based on that?

Mr Schaeffer: There was no adjustment to the fees in this program.

Senator COLBECK: When is that cycle due?

Mr Schaeffer: At this stage we are working through an internal review to settle the timing, but the cost recovery impact statement has actually expired.

Senator COLBECK: When are we expecting to finalise that?

Mr Schaeffer: I will have to take that on notice.

Answer:

The current Cost Recovery Impact Statement for the Import Clearance program was published in July 2009. The Australian Government Cost Recovery Guidelines (July 2005) state that Agencies are to review all significant cost recovery arrangements periodically, but no less frequently than every five years.

The Department of Agriculture, Fisheries and Forestry is currently working through a review of the costing base of the Import Clearance program. This will inform future fees and charges. It is expected this review will be completed by March 2014.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 131

Division/Agency: Finance and Business Support Division

Topic: Levies

Proof Hansard page: Written

Senator RUSTON asked:

Will the Minister please provide copies of the Levies Revenue Service (LRS) Report to Stakeholders for the 2009–10, 2010–11 and 2011–12 financial years?

Answer:

Please refer to the answer to Question on Notice 132 (Finance and Business Support Division) from the Budget Estimates hearing in May 2013.

Rural and Regional Affairs and Transport Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Agriculture, Fisheries and Forestry

Question: 132

Division/Agency: Finance and Business Support Division

Topic: Levies

Proof Hansard page: Written

Senator RUSTON asked:

If the Levies Revenue Service Reports to Stakeholders for the 2009–10, 2010–11 and 2011–12 financial years are not available, could the Minister please advise why? If they are available, could the Minister advise why these have not been published online as with previous reports?

Answer:

The Department of Agriculture, Fisheries and Forestry (DAFF) ceased producing separate reports for the Levies Revenue Service in the 2009–10 financial year. The business unit called the Levies Revenue Service has been restructured and is now part of DAFF's Business Support Operations Branch. The name Levies Revenue Service is no longer used.

Consolidated levies information is reported in DAFF's Annual Report and summarised in **Attachment A**.

Relevant detailed information is now routinely provided to each levy recipient body and industry representative body. Information is available to all stakeholders from DAFF on request.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
 Budget Estimates May 2013
Agriculture, Fisheries and Forestry

ATTACHMENT A

Question: 132 (continued)

DAFF 2009–10 Annual Report

Page	Subject
8	Financial performance summary
66	Program 1.5 Horticulture – Achievements
70	Program 1.5 Horticulture – Outlook for 2010–11
81–83	Program 1.9 Meat and livestock industries
160	Levy collection
245	Note 1.27 Reporting of administered activities – Revenue - Levies and other charges
274	Note 16A Income administered on behalf of government – taxation revenue
291–296	Note 24 Appropriations – Table C

DAFF 2010–11 Annual Report

Page	Subject
91	Research, development and marketing – Levies
110	Responding to industry developments and issues
129–130	Research and development corporations
233	Levy collection and case study
329	Note 1.30 Reporting of administered activities – Revenue – Levies and other charges
363	Note 17A Income administered on behalf of government - taxation revenue
379–384	Note 25 Appropriations – Table C

DAFF 2011–12 Annual Report

Page	Subject
40	Improving levy compliance
98	Research, development and marketing – Levies
110	Dairy levy poll
112	Responding to industry developments and issues
304	Note 1.24 Reporting of administered activities – Levies and other charges
343	Note 18A Taxation revenue
362–366	Note 27D Special appropriations (recoverable GST exclusive)

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 133

Division/Agency: Finance and Business Support Division

Topic: Levies

Proof Hansard page: Written

Senator RUSTON asked:

Will the Minister please advise the total levies collected by the Levies Revenue Service from Australian horticultural industries (broken down by commodity) in the 2009–10, 2010–11 and 2011–12 financial years, and the total administration costs incurred by DAFF and/or the LRS in the collection and distribution of these levies in those financial years?

Answer:

The total levies collected and total administration costs incurred by the Department of Agriculture, Fisheries and Forestry (DAFF) in the collection and distribution of levies for Australian horticultural industries in the 2009–10, 2010–11 and 2011–12 financial years is shown in **Attachment A**.

Rural and Regional Affairs and Transport Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Agriculture, Fisheries and Forestry

ATTACHMENT A

Question: 133 (continued)

Horticultural Levy Collected and Disbursed in 2009-10 to 2011-12						
	2009/2010	2010/2011	2011/2012	2009/2010	2010/2011	2011/2012
	Total Levy Collected and Disbursed	Total Levy Collected and Disbursed	Total Levy Collected and Disbursed	Cost Recovery Charges	Cost Recovery Charges	Cost Recovery Charges
	\$	\$	\$	\$	\$	\$
Almonds	680,483	714,597	810,554	5,694	6,782	8,447
Apples	3,775,362	3,949,362	4,028,922	113,750	137,476	134,341
Avocados	3,414,765	3,813,378	3,935,387	73,093	86,850	83,419
Bananas	5,261,589	5,626,663	3,441,197	107,192	128,625	121,530
Cherries	655,063	544,284	710,736	6,181	7,395	21,779
Chestnuts	72,094	89,426	130,879	4,645	5,564	10,313
Citrus	1,738,106	1,355,653	1,727,743	108,821	128,901	128,896
Custard Apples	83,862	78,554	54,792	4,945	5,602	7,021
Dried Fruits	369,169	229,295	186,821	10,665	12,360	13,399
Ginger	0	2,503	105,082	0	10,646	10,780
Lychees	174,858	113,899	187,328	11,258	13,347	14,673
Macadamia Nuts	2,975,300	2,744,641	2,204,101	27,174	32,462	35,735
Mangoes	937,551	725,388	1,050,544	42,844	50,754	52,666
Mushrooms	2,448,474	2,402,056	2,588,328	20,681	24,499	23,658
Nashi	43,411	34,430	1,310	3,788	4,607	0
Nursery Products	2,176,585	1,983,519	1,893,066	40,897	48,543	50,094
Onions	446,858	445,363	466,333	35,172	42,187	43,116
Papaya	190,106	243,055	199,562	8,565	9,989	12,021
Passionfruit	94,828	159,481	155,817	9,146	18,519	19,362
Pears	1,225,323	1,252,837	1,831,576	41,919	51,003	52,407
Persimmons	121,269	109,484	163,028	6,459	7,405	9,401
Pineapples	181,235	268,083	328,180	15,488	19,491	21,452
Potatoes	1,018,448	1,020,438	983,198	56,415	67,793	70,195
Rubus	73,410	88,446	111,656	7,955	9,326	10,587
Stone Fruit	937,656	883,512	1,000,275	68,249	81,694	83,084
Strawberries	523,535	486,148	545,541	3,203	3,822	5,528
Table Grapes	1,244,702	777,002	1,137,556	53,851	63,793	64,589
Turf	558,352	565,320	557,526	79,965	95,095	103,338
Vegetables	6,540,316	7,137,778	7,102,991	239,789	284,514	296,697
Total	37,962,710	37,844,595	37,640,029	1,207,804	1,459,045	1,508,527

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 134

Division/Agency: Finance and Business Support Division
Topic: Reform of Australia's Export Certification Scheme
Proof Hansard page: Written

Senator COLBECK asked:

Why doesn't the government investigate the sorts of assistance offered to our competitors when establishing things like export fees and charges?

Does the government do any assessment of the business impact of increasing fees and charges? If so please explain

Answer:

Export fees and charges are set under the Australian Government Cost Recovery Guidelines 2005.

The Department of Agriculture, Fisheries and Forestry, in setting fee and charges, considers whether cost recovery may not be warranted, including whether the fees would unduly stifle competition and industry innovation (as set out on page 12 of the Australian Government Cost Recovery Guidelines 2005). This is considered in consultation with industry representative bodies.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 135

Division/Agency: Finance and Business Support Division

Topic: Registration Fees

Proof Hansard page: Written

Senator COLBECK asked:

Why isn't it possible for different DAFF registration fees to be combined? i.e Meat, Dairy and QAP registrations on the same premises?

Answer:

Export fees and charges are set under the Australian Government Cost Recovery Guidelines 2005.

Principle 6 on page 2 of the Australian Government Cost Recovery Guidelines 2005 states that 'Where possible, cost recovery should be undertaken on an activity (or activity group) basis rather than across the agency as a whole'.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 136

Division/Agency: Finance and Business Support Division

Topic: Office Locations

Proof Hansard page: Written

Senator COLBECK asked:

What is the licence fee for leased properties and how is this different from rent?

In October 2012 we asked for details of rent payments for all leased properties. Can you now provide details of rent payments, licence fees and any other monies paid for the lease of properties by DAFF.

Answer:

The Department of Agriculture, Fisheries and Forestry (DAFF) enters into licence agreements where it is not commercially appropriate to enter into a lease. This usually applies to use of a single room in a multi-room building (as is common in shared properties in the Torres Strait).

Question on Notice 162 from the 2013 May Budget Estimates hearing (Finance and Business Support Division) provides a summary of DAFF's properties by occupancy arrangement and includes details of rent payments and any other monies paid for the lease of properties.

The other monies paid for the lease of properties by DAFF include outgoings and operating costs such as electricity, cleaning, etc.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 137

Division/Agency: Finance and Business Support Division

Topic: “Paused Grant Program”

Proof Hansard page: Written

Senator COLBECK asked:

What are the practical implications of cutting \$64K from International Agricultural Cooperation and \$100K from Plant Biosecurity and Response reform?

Answer:

The reduction of \$64 000 from the International Agricultural Cooperation Program had no practical implications as the funds were unallocated and no potential projects had been identified.

The practical implications arising from a reduction of \$100 000 in the 2012–13 Plant Biosecurity and Response Reform (PBRR) program budget were a reprioritisation of activities resulting in some diagnostic training being rescheduled for future years.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Budget Estimates February 2013
Agriculture, Fisheries and Forestry

Question: 138

Division/Agency: Finance and Business Support Division

Topic: Hospitality Spend

Proof Hansard page: Written

Senator COLBECK asked:

What is the Department's hospitality spend since Budget Estimates 2010? Please detail date, location, purpose and cost of all events.

For each Minister/Parl Sec's office, please detail total hospitality spend FYTD. Please detail date, location, purpose and cost of each event.

Answer:

Information on the Department of Agriculture, Fisheries and Forestry's hospitality spend since Budget Estimates 2010 has been provided in the following Questions on Notice (QoN):

- QoN 155 Additional Estimates, February 2012;
- QoN 135 Budget Estimates, May 2012;
- QoN 137 Additional Estimates, February 2013; and
- QoN 142 Budget Estimates, May 2013.

For information on the hospitality spend for the Minister's office this financial year, please refer to the answer to QoN 142 (Finance and Business Support division) from the 2013 May Budget Estimates hearing.