

FOREST PRODUCTS COMMISSION — OVERDUE ACCOUNTS

391. Hon Lynn MacLaren to the Minister for Agriculture and Food representing the Minister for Forestry:
- (1) How many customers have accounts overdue beyond the Forest Products Commission's agreed trading terms:
 - (a) from one to 30 days past due;
 - (b) from 31 to 60 days past due; and
 - (c) greater than 60 days past due?
 - (2) For each of the customers in (1), how much does each customer owe and for how long has each account been overdue?
 - (3) What is the total amount overdue for each category in (1)?
 - (4) Why have these debts been allowed to accrue for such lengthy periods?

Hon Ken Baston replied:

- (1)
 - (a) 28 customers
 - (b) 16 customers
 - (c) 22 customers
- (2) [See paper 1027.]
- (3) 1–30 Days Past Due \$1.388m 31–60 Days Past Due \$0.882m Greater than 60 days Past due \$3.098m.
- (4) The FPC Debt Management Policy requires customers who have an overdue debt of 1–30 days to be contacted by phone, at which point they are reminded that late payment charges will apply if accounts are not paid by a nominated date.

Customers with overdue debts that are greater than 30 days are sent a reminder letter, charged a late payment rate and/or have an agreed repayment plan negotiated to pay off their debt by the end of a specified term.

There may be occasions when customers request an extended term of payment, for example where FPC has supplied logs at a faster rate than scheduled.

As the result of the above policy, the overdue debt has reduced from \$12m in December 2011 to \$5.3m in November 2013.