

**Rural and Regional Affairs and Transport Legislation Committee**

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2017

**Agriculture and Water Resources**

**Question:** 60

**Division/Agency:** Farm Support Division

**Topic:** Farm Household Allowance

**Proof Hansard page:** Written

**Senator STERLE asked:**

In relation to Farm Household Allowance the development of the National Drought Policy through the Standing Committee of Primary Industries (SCoPI)

**Answers to QoNs 540 the Minister states that Labor abolished the Exceptional Circumstances Relief Payment – ask the department to provide information as to why via the Intergovernmental agreement on National Drought Program Reform Exceptional Circumstances were abolished?**

1. Has the department provided a briefing to the Minister with regards to the work formerly undertaken by SCoPI?
2. What work is currently being done to continue the Intergovernmental agreement on National Drought Program Reform?
3. Is it true that the Interim Household farm assistance was available under Labor?
4. Did the Minister misled the Parliament when referring to the FHA scheme to an answer on 20 October 2014 *stating* that “but it is not the case that you apply for the money and then you have to wait for your application to be approved. You actually get the money straightaway.”
5. Subsequently the Minister’s Hansard was doctored to correct the record to read that “but it is not the case that you apply for the money and then you have to wait for your application to be approved unless it is a new application”. You actually get the money straightaway.”
6. Why has it taken the Minister over two years to acknowledge that the application process has been difficult for farmers? Especially since this issue was the core issue in the Hansardgate in which the Minister refused to acknowledge that there were failings in the application process.
7. The Minister stated that in his answer to QoNs 540 that “I regularly examine the FHA for its effectiveness” what actions does the Minister undertake to regularly examine the FHA for its effectiveness?
8. What role did the department have in assisting the Minister to regularly examine the FHA for its effectiveness?

**Question: 60 (continued)**

9. Describe what is meant by “regularly examine”
10. How many farmers are almost at the end of their 3 year FHA payments? Does the department have data as to how many farmers are no longer facing financial hardship and how effective the mutual obligation requirement has been?

**Answers:**

1. Yes.
2. The department has commenced work with state and territory officials to prepare for a review of the Intergovernmental Agreement on National Drought Program Reform.
3. No. Interim Farm Household Allowance commenced on 1 March 2014.
4. The Minister has indicated previously that he did not mislead the Parliament. Under Interim Farm Household Allowance all farmers on the Transitional Farm Family Payment on 28 February 2014 were automatically transferred to Interim Farm Household Allowance payments when it commenced on 1 March 2014.
5. Please see the answer above.
6. The Farm Household Allowance is an innovative time-limited payment this Government has legislated, providing the agricultural sector with confidence in the long term drought and hardship policy framework. Since the implementation of the FHA, the Government has adopted a continuous improvement approach to the administration of the scheme. For example a review in December 2014 led to the removal of the requirement in the FHA claim form for applicants to complete a Mod F (business details form). In May 2016 the Minister made a Minister’s Rule in relation to farmers’ co-operative shares and a further Minister’s Rule in December 2016 to clarify the treatment of farm water rights.
7. The Minister receives, considers and acts on feedback on the FHA programme from a variety of sources, including the department, DHS, parliamentarians, local community members, industry organisations and FHA applicants and recipients.
8. The department provides regular updates and advice to the Minister on FHA and maintains an ongoing dialogue with DHS, the Rural Financial Counselling Service and farmer and community stakeholders to help inform this advice.
9. See previous answer.
10. DHS has estimated that as at 20 February 2017, 1,544 FHA recipients will reach their maximum 1,095 days of payment by July 2017.

The programme is designed to encourage and assist recipients to improve their financial situation. This includes support to complete an initial Farm Financial Assessment and, using this, to develop and take action under a Financial Improvement Agreement (FIA). The obligation is with the recipient to take action to improve their financial circumstances.

**Question: 60 (continued)**

FHA delivers the Commonwealth's commitment under the Intergovernmental Agreement on National Drought Program Reform (IGA) to provide a time-limited income support payment for farmers based on individual need. The 2009 Productivity Commission report on Government Drought Support also recommended support should be time limited to 3 in 7 years to promote independence from social security.

DHS Farm Household Case Officers meet with FHA recipients up to four times a year to discuss FIAs and how these plans are being implemented. Recipients also have access to an activity supplement of up to \$4,000 to help fund activities specified in the FIA.

The effectiveness of this mutual obligation structure is supported by a survey conducted on behalf of the department which found that the FHA programme is regarded by recipients as being helpful with improving both their immediate (92 per cent) and medium term (84 per cent) financial circumstances.

**Rural and Regional Affairs and Transport Legislation Committee**

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2017

**Agriculture and Water Resources**

**Question Number:** 61

**Division/Agency:** Farm Support Division

**Topic:** Coalition election commitments

**Proof Hansard Page:** Written

**Senator STERLE asked:**

**\$5 million – Leadership in Agricultural Industries Fund**

1. How will this funding be allocated?
2. When will this funding be available?
3. What work has the department done with regards to this election commitment?

**Establishing a Regional Investment Corporation**

4. What work has the department undertaken to establish a Regional Investment Corporation?
5. What challenges have been identified with the establishment of a Regional Investment Corporation?
6. When will the Regional Investment Corporation be established?
7. Have State counterparts raised concerns with the creation of a Regional Investment Corporation?
8. What will be the cost in establishing a Regional Investment Corporation?
9. What legislative barriers exist to creating a Regional Investment Corporation?
10. Will the Department of Agriculture and Water Resources manage the Regional Investment Corporation?

**Answer:**

**\$5 million – Leadership in Agricultural Industries Fund**

1. Funding will be allocated through a competitive grants round. Eligible applicants can apply for grants of between \$100,000 and \$500,000.

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2. At the close of the application period, applications will be assessed and funding will then be available.
3. The department's work has included developing programme guidelines, obtaining legislative approval for the programme, conducting information sessions on the guidelines with agricultural representative organisations and preparing an assessment process.

### **Establishing a Regional Investment Corporation**

4–10. The department is working with the Deputy Prime Minister on settling arrangements for establishing the Regional Investment Corporation, including administrative, financial, legal and governance arrangements.

The department has held preliminary discussions with state and territory governments on the election commitment, and will continue to engage with jurisdictions in the months ahead.