

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 4

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Farm Household Allowance

Proof Hansard page: 113-114

Senator GALLACHER asked:

Senator GALLACHER: Dr Grimes, could you advise if your department has been talking to the Department of Human Services about the decision to bring forward the farm household allowance?

Dr Grimes: Yes, we have been talking to the Department of Human Services about matters under consideration by the government.

Senator GALLACHER: Specifically, in relation to the farm household allowance?

Dr Grimes: Specifically, the arrangements for the implementation of the farm household allowance, yes.

Dr Grimes: They have been ongoing for quite some time. There have been discussions with the Department of Human Services on the implementation of those arrangements for some time.

Senator GALLACHER: Was it prior to 6 February?

Dr Grimes: If you are talking about the specific timing, I think the officers this evening have already indicated that in relation to the timing of provision of advice we would have to take that on notice to find the specific times in which we had discussions. We have certainly been undertaking discussions with the Department of Human Services.

Senator GALLACHER: Can you take that on notice?

Dr Grimes: We can take timing on notice, yes.

Answer:

The department has had numerous discussions with the Department of Human Services, both prior to and after 6 February 2014, regarding implementation of the Interim Farm Household Allowance.

Question: 4(Continued)

An interdepartmental meeting was held on 5 February 2014 to discuss possible Australian Government in-drought support, including income support; officers from the Department of Human Services attended this meeting.

The Farm Household Allowance referred to in the question and announced in the 2013-14 Budget has been the subject of ongoing inter-departmental meetings and discussions, including with the Department of Human Services, for over two years.

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ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

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Question: 5

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Number of applications

Proof Hansard page: 105

Senator O’SULLIVAN asked:

Senator O’SULLIVAN: I better get parochial for Queensland or I will not get a lift home. Would it be fair to assume, Ms Freeman, that the first round would soak up the largest number of applications subject only to circumstances deteriorating or applicants becoming ineligible through progression of drought or something to that effect? So in the case of Queensland there were 104 applications in round 1. Would you anticipate round 2, 3 or 4—however this rolls out—that there ought to be a diminishing number, that anyone who can has made an application?

Ms Freeman: I would have to check with my colleague Ms Willock, but I do not think the 104 just applies to round 1. We may have to take that on notice, Senator.

Answer:

The Queensland delivery agency QRAA reported that it had received, as at 31 January 2014, 104 applications under the *Farm Finance Concessional Loan Scheme*.

In the first application round, 95 applications were registered. As at 31 January 2014, a further 9 applications were registered.

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Additional Estimates February 2014

Agriculture

Question: 6

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Debt restructuring and productivity enhancement

Proof Hansard page: 106

Senator BACK asked:

Senator BACK: Rather than take the time now, could somebody source it. I understood you to say that Tasmania and Western Australia have got those criteria but the other states and the Territory do not?

Ms Freeman: Correct; at the decision of those state jurisdictions.

Senator BACK: So they are sort of open slather? Anyone can apply?

Ms Freeman: The Tasmanian government wish to have loans for debt restructuring and productivity enhancement. They are the only jurisdiction that has made that call to have both of those.

Senator BACK: Debt restructuring and productivity enhancement?

Ms Freeman: Debt restructuring and productivity enhancement. Western Australia wanted their loans to be purely for productivity enhancement. And the list of eligible and ineligible activities are in the program guidelines which we can provide you with.

Senator BACK: Would fertiliser constitute productivity enhancement?

Ms Freeman: I would have to double-check but, under the guidelines for the existing program, I would say no.

Answer:

Standard variable inputs (such as fodder and chemicals) are not an eligible activity for a productivity enhancement loan under the guidelines for the *Farm Finance Concessional Loans Scheme* in Tasmania and Western Australia. However, in WA only, lime may be considered eligible for a productivity enhancement loan.

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Question: 7

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Prime Minister statements

Proof Hansard page: 109

Senator FARRELL asked:

Senator FARRELL: You have provided information to Prime Minister and Cabinet about bringing forward the date of the assistance. Is that correct?

Ms Anderson: Yes—about how we may give effect to the comments you alluded to that the Prime Minister has made.

Senator FARRELL: Was that done before or after the Prime Minister made his statements?

Ms Anderson: It was done at various times. I would have to check the exact dates of when it went through, but it has been under discussion for a little while. I can provide that on notice.

Senator FARRELL: So the first comment by the Prime Minister was on 6 February. Do you think it was before or after that date that you provided your information?

Mr Tucker: We would have to check.

Senator FARRELL: How easy is that to check?

Mr Tucker: I do not know. It is probably the officers here who will have to check and while they are here they cannot check their own records in the office.

Senator FARRELL: Fair enough, but you will provide us with that information.

Answer:

The Department of Agriculture does not brief the Prime Minister directly.

The Department of the Prime Minister and Cabinet (PM&C) is responsible for briefing the Prime Minister and his office. The Department of Agriculture is in regular contact with PM&C and at times provides information which can be drawn on by PM&C in briefing the Prime Minister and his office.

Income support arrangements for farmers were a subject of correspondence from the Minister for Agriculture to the Prime Minister prior to 6 February 2014.

Question: 7 (continued)

The decision to introduce the Interim Farm Household Allowance was made by the Government. The decision was announced by the Prime Minister and Minister for Agriculture on 26 February 2014.

An interdepartmental meeting was held on 5 February 2014 to discuss possible Australian Government in-drought support, including income support; officers from the Department of Human Services and the Department of Prime Minister and Cabinet attended this meeting.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Agriculture

Question: 8

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Terms of Reference

Proof Hansard page: 113

Senator BACK asked:

Ms Gaglia: There is a review that is going to be undertaken to the renewable energy target. The terms of reference have recently been released. That review will be undertaken by the Department of the Environment.

Senator BACK: So forest residues will be considered under that review process?

Ms Gaglia: It is part of the terms of reference, yes.

Senator BACK: When did it open for review? Do you know?

Ms Gaglia: The terms of reference have just been released.

Senator BACK: Would you happen to know what the consultation period is?

Ms Gaglia: No, I do not.

Senator BACK: But we can find out from the Department of Environment?

Mr Tucker: We can find that out for you and provide you with an answer on notice to that detail.

Answer:

The independent Expert Panel conducting the Renewable Energy Target review is yet to announce the timing of consultations. Information on the consultation process will be published on the RET Review website in due course at www.RETreview.dpmc.gov.au/

Rural and Regional Affairs and Transport Legislation Committee

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Agriculture

Question: 9

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Farm Household Allowance

Proof Hansard page: Written

Senator STERLE asked:

According to the list of legislation proposed for introduction in the 2014 Autumn sittings which has been posted by the Department of Prime Minister and Cabinet, there will be a Farm Household Support Bill:

- To establish the Farm Household Allowance by introducing new legislation and making consequential amendments to related legislation and;
- To repeal the Farm Household Support Act 1992 to remove redundant provisions

1. When will the Bill be brought before the Parliament?
2. How will the allowance and any change to assets test be made possible without this Bill?
3. Is the Australian Government Disaster Recovery Payment (AGDRP) being considered as an option to make payments to households? (the Disaster Recovery Allowance (DRA) which was inserted into the Social Security Act by the Social Security Legislation Amendment (Disaster Recovery Allowance) Act 2013).

Answer:

1. The Bill was introduced into the Parliament on 6 March 2014.
2. The Interim Farm Household Allowance (Interim FHA), in place from 1 March 2014, is an executive scheme. It provides more generous criteria than the former Transitional Farm Family Payment for accessing income support, including changes to the asset test. These changes are based on the settings that will be available under the Farm Household Allowance from 1 July 2014. Eligibility for this payment is outlined in scheme guidelines available at www.daff.gov.au/agriculture-food/drought/assistance/income/interim-farm-household-allowance-guidelines. The Interim FHA will be available until the permanent Farm Household Allowance is implemented.
3. No. The arrangements for the Australian Government Disaster Recovery Payment— now the Disaster Recovery Allowance – remain unchanged.

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Agriculture

Question: 10

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Farm Household Allowance

Proof Hansard page: Written

Senator STERLE asked:

1. I refer to the Prime Minister's announcement on ABC Brisbane radio on 6 February 2014 and further reiterated in an interview with Fran Kelly on Breakfast, ABC Radio National 17 February 2014 that he would bring forward the Farm Household Allowance from the first of July to the first of March. The commonwealth's contribution under the National Drought Reform Package was signed under the former Labor Government in May 2013. Had the Department of Agriculture briefed the Prime Minister, his office or his department prior to 6 February or 17 February on the Farm Household Allowance?
 - a. On what date was a brief provided to the PM, the PMO or PM&C?
 - b. Was a brief provided through the Minister for Agriculture or his office prior to 6 February on the bringing forward of the Farm Household Allowance?
 - c. Did the department provide a 'for decision' brief or a 'for noting' brief on the farm household allowance?
 - d. On what date did the Minister or the Prime Minister make a decision to bring forward the Farm Household Allowance? By what means did the Minister or Prime Minister make that decision?
 - e. What is the expected cost of bringing forward the payment?
2. The 2013-14 budget allocated \$99.4 million to the Allowance, has this figure been revised?
 - a. If so, what are the revised costs?
 - b. Is so, where will the additional funds come from?
 - c. If so, on what date did treasury or finance model the budget impact on the revised start date of the Allowance?
 - d. If so, did the department of agriculture provide data to the treasury or finance departments for the purpose of remodelling the fiscal impact on the new start date of the farm household allowance? When?

Question: 10 (continued)

3. Did Prime Minister and Cabinet or did the Department of Agriculture inform, engage or brief Centrelink and the Department of Human Services about the decision to bring forward the Farm Household Allowance?
 - a. On what date, was it before or after 6 February?
4. What is the expected start date of the new farm household allowance?
 - a. Will the website, payment process, call centre, program and payment be fully ready on that date?
5. Has the department revised its modelling on the expected take up rate of the payment, given the changed start date, changed conditions and high level of public interest?
 - a. If so, when was this work done?
 - b. What is the revised figure of expected payments?

Answer:

1. The Department of Agriculture does not brief the Prime Minister directly.
 - a. The Department of the Prime Minister and Cabinet (PM&C) is responsible for briefing the Prime Minister and his office. The Department of Agriculture is in regular contact with PM&C and at times provides information which can be drawn on by PM&C in briefing the Prime Minister and his office.
 - b. Income support arrangements for farmers were a subject of correspondence from the Minister for Agriculture to the Prime Minister prior to 6 February 2014.
 - c. The department has provided briefs for decision to the Minister for Agriculture about the Farm Household Allowance.
 - d. The decision to introduce the Interim Farm Household Allowance was made by the Government. The decision was announced by the Prime Minister and Minister for Agriculture on 26 February 2014.
 - e. The expected cost of implementing the Interim Farm Household Allowance will be reported in the department's 2014–15 Portfolio Budget Statements.
2. The Department of Agriculture, in consultation with the Department of Finance, regularly reviews costs associated with portfolio programs.
 - a. A revised estimate for the Farm Household Allowance will be reported in the department's 2014–15 Portfolio Budget Statements.
 - b. Funding for introducing the Interim Farm Household Allowance will be advised through the 2014–15 Budget process.
 - c. The Department of Finance agreed the costs of the changes prior to the Government's consideration of the drought assistance package announced on 26 February 2014.

Question: 10 (continued)

- d. Yes. The Department of Agriculture engaged in the usual processes of consultation with the departments of Finance and the Treasury prior to the Government's consideration of the drought assistance package.
- 3. Yes. The department has had numerous discussions with the Department of Human Services, both prior to and after 6 February 2014, regarding implementation of the Interim Farm Household Allowance. An interdepartmental meeting was held on 5 February 2014 to discuss possible Australian Government drought support, including income support; officers from the Department of Human Services and PM&C attended this meeting.
- 4. 1 July 2014, following the passage of legislation on 20 March 2014.
 - a. Yes, the payment and associated service delivery elements are expected to be ready by that date. The departments of Agriculture and Human Services have been preparing for implementation of the Farm Household Allowance on 1 July 2014 since the payment was agreed in the 2013-14 Budget.
- 5. Yes.
 - a. Full costings for the Farm Household Allowance and Interim Farm Household Allowance were prepared to inform the Governments consideration of the drought assistance package announced on 26 February 2014.
 - b. A revised estimate for the Farm Household Allowance and expected costs for the Interim Farm Household Allowance will be published in the 2014-15 Portfolio Budget Statements.

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ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

Agriculture

Question: 11

Division/Agency: Agricultural Adaptation and Forestry

Topic: Concessional Loans

Proof Hansard page: Written

Senator Sterle asked:

1. How has the Minister determined that an extra \$280 million dollars is needed on top of the \$420 million dollars?
2. Did the Minister seek advice from his department regarding the \$280 million?
3. Was the Minister provided advice from his department regarding extra funding for the Debt relief farm finance scheme.
4. The Minister refers to the \$420 million dollars with regards to the farm finance scheme, however the Minister has taken 40 million dollars away from this scheme, was this done on the advice from the department.
5. When will the Minister return the 40 million dollars to the farm finance scheme, allowing farmers to access the funding immediately?
6. Has the Minister sought advice on how the extra \$280 million would be allocated to the states and territory?
7. When will the Government release its support package for farmers impacted by the drought?

Answer:

1. The decision to allocate \$280 million to the Drought Concessional Loans Scheme was a decision of government.
2. Refer to the response to question one.
3. Refer to the response to question one.
4. No funding has been removed from the *Farm Finance* Concessional Loans Scheme. The \$40 million reserve fund remains available in 2014-15 to enable the Australian Government to respond to emerging issues.

The reallocation of the \$420 million available under the *Farm Finance* Concessional Loans

Question: 11 (continued)

Scheme, including the creation of a \$40 million reserve fund in 2014-15, was a decision of government.

5. The \$40 million reserve fund is available for allocation in 2014-15 to one or more jurisdictions.
6. The allocation of the \$280 million over 2013-14 and 2014-15 is a matter for the government and will be determined following consultation with state and territory governments.
7. On 26 February 2014, the Prime Minister and the Minister for Agriculture announced a drought assistance package worth \$320 million to support those farm businesses, farm families and rural communities facing hardship brought on by drought.

Further information on the drought assistance package is available at www.daff.gov.au/drought.

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Additional Estimates February 2014

Agriculture

Question: 12

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Drought Program Reform

Proof Hansard page: Written

Senator STERLE asked:

1. Senator Gallagher asked for an update on action undertaken after the election regarding the drought reform program and was told that there is not a drought reform program (pg 96, Senate Rural and Regional Affairs and Transport Legislation Committee Hansard, 19/11/13). Yet on the Department of Agriculture website which was updated on 7 November 2013, there is information about the National Drought program reform. I think it is reasonable to conclude that this was what Senator Gallagher was asking about at the previous estimate hearings. I am puzzled as to why the department did not offer information regarding this program when obviously the order of the words was slightly wrong.

Are you able to provide an explanation as to why Senator Gallagher was not provided with this information?

2. Could you please update the committee on work undertaken to progress the National Drought Program Reform.

Answer:

1. Senator Gallagher asked for an update on action undertaken after the election regarding the drought reform program (pg 137, Senate Rural and Regional Affairs and Transport Legislation Committee Hansard, 19/11/13).

Following a question from Mr Mark Tucker, Deputy Secretary, Senator Gallagher clarified the question by asking for an update on the decision process for changing the *Farm Finance* initiative. This is not one of the activities under National Drought Program Reform.

2. The Australian Government has continued to liaise with the state and territory governments to implement the Intergovernmental Agreement on National Drought Program Reform (IGA). Draft implementation plans for all jurisdictions have been prepared, however some implementation details will not be known until 1 July 2014.

The Australian Government's key contribution under the IGA is the Farm Household Allowance which is to be implemented from 1 July 2014. Legislation to implement the

Question: 12 (continued)

allowance was passed by the parliament on 20 March 2014 and received royal assent on 28 March 2014.

One of the measures to be implemented under the IGA was continued access to Farm Management Deposits (FMDs) and taxation measures. On 13 January 2014 the Australian Government released for public consultation an exposure draft of amendments to be made to the FMD scheme, and the accompanying explanatory material. These amendments are designed to improve the operation of the FMD scheme, allowing more farmers to access the FMD scheme and making existing FMD accounts easier to manage. The exposure draft can be accessed on The Treasury's website (www.treasury.gov.au/ConsultationsandReviews/Consultations/2014/Amendments-to-the-Farm-Management-Deposits-scheme).

The Australian, state and territory governments have worked to develop a national approach to farm business training. The Farm Business Management skill set was published on training.gov.au in December 2013. The state and territory governments are responsible for encouraging the delivery and uptake of the skill set.

A coordinated, collaborative approach to the provision of social support services is another output of the IGA. At the Australian Government level a High Level Group on Social Support has been established, bringing together senior executives from agencies responsible for delivery of social support services to ensure services are directed to where they are needed. The 26 February 2014 announcement that included improved social services in drought-affected areas is an example of this element of the IGA being implemented.

Access to tools and technologies to inform farmer decision making is an important aspect of preparing for and managing risks associated with drought. The department continues to work with the Bureau of Meteorology and is engaging with the Managing Climate Variability program to ensure their climate forecasting and research initiatives are successfully communicated to farmers.

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Question: 13

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Forestry excluded from the Agricultural competitiveness white paper

Proof Hansard page: Written

Senator STERLE asked:

1. Can you provide detail as to why Forestry was excluded from the Agricultural Competitiveness white paper when the key point in the then coalition's policy paper was that the nation's forestry sector should be competitive and sustainable?
2. Can you provide detail how the Department of Agriculture is ensuring that the Australian Forestry Industry will be competitive and sustainable?
3. Can you confirm if the following commitments to the forestry industry have been undertaken?
 - a. Investing 15million over three years to implement a National Bushfire Mitigation Programme
 - b. Establishing an industry advisory council for the forestry sector.

Answer:

1. The *Coalition's Policy for a Competitive Agriculture Sector* pre-election document stated that a White Paper on the competitiveness of the agriculture sector would be commissioned. The *Coalition's Policy for a Strong and Sustainable Forestry Industry* outlines the government's policy direction for the forestry industry.
2. The Department of Agriculture works with the state and territory governments (which are primarily responsible for operational forest management) and the forest and wood processing industries to deliver policies which support the competitiveness and sustainability of these industries. This includes implementation of the government's forestry election commitments, such as the establishment of a 20-year rolling life to Regional Forest Agreements and the formation of an industry advisory council for the forestry sector.

Question: 13 (continued)

3.

- a. This commitment is being administered by the Attorney-General's Department, which is responsible for natural disaster mitigation policy.
- b. The department is providing advice to the government about the formation of the industry advisory council for the forestry sector. The government has announced that the co-chair of the advisory council will be Mr Rob de Fégely, Director and National President of the Institute of Foresters of Australia.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

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Question: 14

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: National Drought Program Reform

Proof Hansard page: Written

Senator STERLE asked:

1. Can you provide detail how the Department of Agriculture will continue to meet with state counterparts to discuss issues such as the National Drought program reform, intergovernmental biosecurity agreements, a foot and mouth disease action plan?
2. I refer to the Minister Joyce's comments that an extra \$280 million would be needed on top of the \$420 million farm finance scheme. How was this figure generated?
3. With regards to Ms Freeman's response at the previous estimates hearings - that there is still \$40 million remaining for 2014-15 in case the need emerges in WA or in any of those other states. If there are additional funds required, there is money available. If those jurisdictions can demonstrate the need, there will be additional funds made available (pg 100, Senate Rural and Regional Affairs and Transport Legislation Committee Hansard, 19/11/13).
 - a. Has the Department provided advice to the Minister that this money should/could be used in the wake of the drought emergency currently facing farmers?
4. With regards to the Minister's drought tour with the Prime Minister 16-17 February 2014
 - a. Did departmental staff accompany the Minister, can you please state which departmental officers attended.

Answer:

1. The Agriculture Senior Officials Committee has been formed to enable continued collaboration between the Australian Government and the states and territories. Membership of this committee comprises the heads of Australian, state, territory government agencies responsible for primary industries policy issues. Meetings will be held twice-yearly (or more often if required for priority issues) at departmental venues.
2. The decision to allocate \$280 million to the Drought Concessional Loans Scheme was a decision of government.

Question: 14 (continued)

3. The \$40 million reserve fund for the *Farm Finance Concessional Loans Scheme* has been established to enable the Australian Government to respond to emerging issues in 2014-15. A decision on the allocation of these funds is a decision for government.
4. No departmental officers accompanied the Minister.

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Question: 15

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Drought Package

Proof Hansard page: Written

Senator STERLE asked:

1. When did the Prime Minister and Cabinet or did the Department of Agriculture inform, engage or brief Centrelink and the Department of Human Services about the decision to implement the Interim Farm Household Allowance (Interim FHA)?
2. In the Fact Sheet – Drought support for farmers, released by the Department of Agriculture on Wednesday, 26 February 2014 it states:
 - a. The interim payment will have a different asset test so that more farmers, including those affected by drought, will be able to access income support when they need it.
 - i. Can you detail what the asset test is for farmers to access income support?
 - ii. Will the payment be able to be accessed by farmers not affected by drought?
3. Payments under the Interim FHA commence from 3 March 2014 for new applicants, has the department began processing applicants and will payments commence on 3 March as stated in the Fact Sheet.
4. How many new applications has the Department received?
5. I understand that some type of Centrelink payments have been available for a decade or more, is that correct?
6. If so, which agency or department processed and delivered these payments?
7. (if the answer is an agency other than Centrelink, the question is seeking confirmation), so Centrelink has never processed or delivered these payments before?
8. Is Centrelink confident that it has the resources, capacity and technology to process and deliver these payments?
9. Under what instrument does Centrelink derive the authority to deliver the interim FHA payments?
10. When did the Prime Minister and Cabinet or did the Department of Agriculture inform, engage or brief the Department of Social Services about the decision to provide up to \$10.7 million dollars to increase the delivery of social services in drought-affected areas?

Question: 15 (continued)

11. In the Fact Sheet – Drought support for farmers, released by the Department of Agriculture on Wednesday, 26 February 2014 it states:

Social Support

Recognising that hardships like drought can have significant impacts on the mental health and wellbeing of farmers, farm families and communities, the Australian Government is providing up to \$10.7 million to increase the delivery of social support services in drought-affected areas.

Phone: 1300 653 227

Web: dss.gov.au/familysupportprogram and dss.gov.au/Targetedcommunitycare

- a. Can you detail what services will be provided for farmers to access?
- b. How will these services be provided? Financial arrangements, staffing numbers.
- c. When will these services be made available? Please provide a date.
- d. How will the department determine if the applicant for the service is to be deemed drought affected?

Answer:

1. The department has had numerous discussions with the Department of Human Services, both prior to and after 6 February 2014, regarding implementation of the Interim Farm Household Allowance. An interdepartmental meeting was held on 5 February 2014 to discuss possible Australian Government in-drought support, including income support; officers from the Department of Human Services and the Department of the Prime Minister and Cabinet attended this meeting.

2. (a) (i) There are two components to the Interim Farm Household Allowance asset test. Firstly the applicant's non-farm and liquid assets must not exceed:

- single: \$196,750 (homeowner); \$339,250 (non-homeowner)
- partnered: \$279,000 (homeowner); \$421,500 (non-homeowner).

Secondly, the net value of farm assets must not exceed \$2.55 million. The value of the principal home is excluded from assessment.

These limits will be indexed in line with CPI on 1 July each year.

- (a) (ii) Yes, consistent with the 2013 Intergovernmental Agreement on National Drought Program Reform, farmers meeting the qualification criteria can apply for support at any time, regardless of the source of their hardship.

Question: 15 (continued)

3. The Department of Human Services is processing applications for Interim Farm Household Allowance. Payments to new applicants commenced on 3 March 2014.
4. As at 14 March 2014, the Department of Human Services has received 249 new applications for Interim Farm Household Allowance.
5. Yes. Centrelink (now the Department of Human Services) delivered all the income support payments referred to in the answer to question 5.
6. Not applicable.
7. The drought assistance package announced on 26 February 2014 included costs for the Department of Human Services (DHS). DHS delivered the Transitional Farm Family Payment from 1 July 2012 to 28 February 2014 using similar processes as for the Interim Farm Household Allowance.
8. The Commonwealth derives legislative authority for the Interim Farm Household Allowance from the *Financial Management Accountability Act 1997* and Schedule 1AB of the *Financial Management and Accountability Regulations 1997*. The government's decision was announced by the Prime Minister and Minister for Agriculture on 26 February 2014.
9. In response to the social support element of the 2013 Intergovernmental Agreement on National Drought Program Reform, the Department of Agriculture established a Rural Social Support Working Group, which first met on 25 June 2013. A Senior Executive High Level Group was also established to help steer the Commonwealth response to its IGA commitment.

These groups comprised members from the Department of Agriculture and other agencies, including the Department of Social Services (DSS), with an interest in, and responsibility for, providing social support services.

DSS was involved in advising the government on its consideration of options for increasing social support to drought affected farmers in Queensland and New South Wales. This included DSS involvement in the usual process for input and consultation associated with a Cabinet decision.

a. The services and events to be delivered will:

- provide support services for families dealing with mental health issues such as anxiety and depression, family relationship issues and physical health problems
- provide family and relationship therapy and counselling for individuals and families, including outreach support for people in their homes and workplaces as well as telephone and online services
- act as referral points for people needing services
- identify people who can be assisted through community-based mental health services, and where necessary refer them to medical services

Question: 15 (continued)

- educate communities about the causes and early signs of mental health issues
- build community resilience by promoting better general and mental health and emotional wellbeing.

Drought coordinators, based in the drought-affected areas, will ensure services are coordinated and support is accessible to those who need it. These coordinators will work with communities to identify their needs and facilitate communication and links between government, non-government and community based mental health and social support services in the drought-affected areas.

This measure will complement the range of existing services and support that are available on an ongoing basis to assist people who are experiencing distress or mental illness.

- b. Additional funding will be provided to enhance existing programs, this includes \$3.2 million in existing funding for this financial year and \$6.5 million in new funding from July 2014. The programs, delivered by the Department of Social Services, are the Targeted Community Care (Mental Health) Program and the Family Support Program.

The Drought Coordinators will be new positions through the Department of Human Services.

- c. The Targeted Community Care (Mental Health) and Family Support programs are available now but will be enhanced over the coming months to ensure coverage of drought-affected areas. The Drought Coordinator positions are expected to commence on 1 April 2014.
- d. The services are available to all, but will be enhanced in areas in Queensland and NSW that, at the time, were identified as priority drought-affected areas. Applicants will not be denied access to services based on their own 'drought-affected' status.

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Question: 16

Division/Agency: Agricultural Adaptation and Forestry Division

Topic: Drought Package

Proof Hansard page:

Senator SIEWERT asked:

1. Please outline the new asset test?
2. What are the eligibility criteria for the Interim Farm Household Allowance?
3. Will these be the same for the Permanent Farm Household Allowance?
4. If not, why not and what will they be?
5. What are the obligations and/or activity requirements of recipients?
6. Who will be responsible for monitoring compliance?
7. Who makes the decision on the application?

Answer:

1. There are two components to the Interim Farm Household Allowance (FHA) asset test. Firstly the applicant's non-farm and liquid assets must not exceed:

- single: \$196 750 (homeowner); \$339 250 (non-homeowner)
- partnered: \$279 000 (homeowner); \$421 500 (non-homeowner)

Secondly, the net value of the farm assets must not exceed \$2.55 million. The value of the principal home is excluded from assessment.

These limits will be indexed in line with CPI on 1 July each year.

Following the passage of the *Farm Household Support Act 2014* on 20 March 2014, this test will also apply to the Farm Household Allowance.

2. The eligibility requirements for the Interim FHA require that a person:
 - a. is a farmer

Question: 16 (continued)

- b. is an Australian resident
- c. is currently in Australia
- d. is 16 years of age or over
- e. contributes a significant part of his or her capital and labour to the farm enterprise, and
- f. the farm enterprise must have a significant commercial purpose or character.

Applicants for Interim FHA must also pass asset and income tests. The income test mirrors the test for the Newstart Allowance, but includes an offset for off-farm income where that income is not available for an individual's self support.

- 3. The eligibility criteria for Interim FHA and FHA are largely the same, however they are not identical.
- 4. Under Interim FHA, where a farmer has a partner, the farmer will automatically receive a double rate of payment for both themselves and their partner. FHA includes a separate partner qualification criteria which ensures consistency with mainstream social security, where an individual must qualify for a payment in their own right. This allows the partner to receive the payment directly, and also allows access to training and support in their own right. It does not affect the combined amount of money that will be paid to a farmer and their partner.

The FHA qualification criteria also specifies that a person must be willing to enter into and comply with an activity agreement, and that they must not have already received three years of support.

The asset and income tests for the payment are the same as the tests for Interim FHA.

- 5. Recipients of the Interim FHA who are granted after 1 March 2014 are required to meet with a Rural Financial Counsellor.

Recipients of FHA must enter into an activity agreement, and undertake activities agreed between the recipient and their case manager. This will include activities such as training courses or job seeking, to help recipients either to improve their income from on-farm activities or improve their prospects of gaining work outside the farm.

- 6. The Department of Human Services.
- 7. The Department of Human Services will assess applications for Interim FHA and FHA.