

## Senate Community Affairs Legislation Committee

### ADDITIONAL ESTIMATES – 2 MARCH 2017 ANSWER TO QUESTION ON NOTICE

#### Department of Human Services

**Topic:** Farm Household Allowance

**Question reference number:** 75 (HS 79)

**Senator:** Kakoschke-Moore

**Type of question:** Written

**Date set by the committee for the return of answer:** 21 April 2017

**Number of pages:** 3

#### **Question:**

- a) In respect of the Dairy Support Package announced by the Government in May 2016:
  - 1) How many dairy farming businesses have received Farm Household Allowance (FHA)?
  - 2) How many of those businesses are located in South Australia?
  - 3) How many applications for support, by electorate, have been:
    - i) received;
    - ii) processed; and
    - iii) rejected?
  - 4) What is the total funding provided to dairy farming businesses via the FHA since May 2016?
  - 5) What was the estimated budget expenditure for the FHA over this period?
- b) In respect of FHA applications:
  - 1) What is the average timeframe for resolution?
  - 2) What is the average number of exchanges (phone, electronic or face to face) between the applicant and the Minister's department before an application is resolved?
  - 3) What percentage of applications take longer than 8 weeks to process, and what is the primary reason for delay?
  - 4) What are the key performance indicators for the department in processing applications?
  - 5) What actions have been taken to address delays in processing?

#### **Answer:**

- a)
  - 1) Between 25 May 2016 and 6 February 2017, the Department granted 554 claims where the claimant had identified 'dairy' as part of their farm type.
  - 2) Between 25 May 2016 to 6 February 2017, the Department granted 26 claims from South Australia where the claimant has identified 'dairy' as the farming type.

- 3) The Department is not able to provide this data by electorate. However, information at the state level is provided below.

***FHA claims with farming type 'dairy' received, processed and rejected between 25 May 2016 to 6 February 2017***

State	Claims received	Claims Finalised	Claims rejected
NSW	53	45	22
NT	2	1	-
QLD	12	10	2
SA	36	26	10
TAS	34	31	10
VIC	900	714	230
WA	2	2	1
<b>Total</b>	1,039	829	275

Data notes:

- Claims received includes all claims received. Claims that are subsequently withdrawn or deemed to be not be required are counted. It is for this reason that claims received will not align with claims finalised.
  - Claims finalised is based on claims that result in a granted or rejected outcome. Claims rejected are a subset of claims finalised.
- 4) FHA payments are made to individuals rather than businesses and the structure of farming businesses could mean that a number of individual FHA recipients may have a part share in one single dairy farming business. As a result, the Department is unable to identify the funding provided to dairy farming businesses through FHA.
- 5) In 2015-16, the Department paid \$57.4 million in Farm Household Allowance payments.

*[Source: Department of Agriculture and Water Resources, 2015-16 Annual Report, Appendix 1 (page 4)]*

- b) 1) The most frequent reason for delays in FHA claims processing is the time taken for a claimant to provide the information required to assess a claimant's eligibility and the applicable rate of payment in accordance with the relevant legislation.

	Claims Finalised	Finalised Within 56 days	Average days to process
1 July 2016 to 31 December 2016	2,061	41.00%	80.29

Data notes:

- This data includes some claims that may have had more than one finalisation, such as a claim that was reopened after a review. Timeliness calculations for these claims is based from the date the claim was originally received by the Department and not when the claim was reopened for reassessment.
  - Claims timeliness is based on both standard and complex claims. Complex claims require an additional assessment of income and asset arrangements and as a result take longer than a standard claim to assess.
- 2) The Department does not collect the information required to respond to this question.
- 3) See (b)(1) above.

- 4) The key performance indicators for FHA claims processing is to process 80 per cent of claims that do not require a complex assessment within 28 days and 80 per cent of claims that do require a complex assessment within 42 days. This key performance indicator has been in place with the Department of Agriculture and Water Resources since late 2014.
- 5) The Department has progressed a range of improvements to service delivery and supporting policy changes in response to feedback received from recipients, claimants and the community.

A consistent feature of feedback received has related to the alignment of FHA policy and delivery with farmer and community expectations.

The policy intent of the programme has been to deliver an income support programme for farmers that is aligned to Newstart and Youth Allowance.

Key progress made by the Department regarding the delivery of services for FHA includes:

- delivery of a claiming FHA information sheet and checklist to support claimants;
- implementation of the Farm Household Support (Non-farm Assets) Minister's Rule 2016, including finalising a large number of claims that were on hold pending direction on the treatment of water assets;
- undertaking a successful pilot for new FHA claims processing, which provides enhanced recipient communications including increasing outbound telephone contact with all applicants and additional continuity for recipients claiming the FHA. The pilot processes are now being incorporated into ongoing delivery;
- updates to staff reference material regarding key areas of feedback from claimants and recipients, including eligibility for non-permanent residents;
- continued focus on the performance of the Farmer Assistance Hotline, the average speed of answer for the week commencing 30 January 2017 was 3:57 minutes across 508 calls answered;
- continued focus on processing FHA claims on hand, including reviews of previously finalised claims following receipt of additional information from claimants; and
- progression of work with Agriculture and the Rural Financial Counselling Service to identify new and improved ways to support claimants in applying for FHA, and making the most of the services and support available once payment is granted through the Financial Improvement Agreement to assist in them transitioning from FHA.

The Farm Household Support Amendment Bill 2017 (Amendment Bill) commenced on 5 April 2017. The Amendment Bill consolidates provisions made in subordinate legislation including the removal of the Liquid Assets and Ordinary Waiting Periods and clarifying the definition of farm assets.