

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S DEPARTMENT

Program 1.6

Question No. 79

Senator Furner asked the following question at the hearing on 26 May 2011

The questions are related to the AGDRP. What is the support for primary producers and small business payments; the number of applications; the number of recipients; the total amounts paid in both areas of those payments; and fraudulent claims both investigated and prosecuted.

The answer to the honourable senator's question is as follows:

- **What is the support for primary producers and small business payments?**

The Australian Government Disaster Recovery Payment (AGDRP) provides one-off financial assistance to adversely affected individuals to recover from a major disaster. Primary producers and small businesses are not eligible to receive the AGDRP.

On 10 January 2011, the Prime Minister approved the provision of a Disaster Income Recovery Subsidy (DIRS) to assist employees, small business persons and farmers who have temporarily lost income as a direct result of the flooding and severe weather that began in November 2010 and continued into February 2011. The Subsidy was available in disaster affected LGAs in Queensland and all other states. The claim period for this assistance in Queensland, Tasmania, South Australia, New South Wales and Western Australia closed on 31 March 2011. The claim period for this assistance in Victoria closed on 31 May 2011.

The Subsidy provides fortnightly payments equivalent to the maximum relevant rate of Newstart Allowance or Youth Allowance for a period of up to 13 weeks, ranging from between \$388.70 per fortnight at the under 21 rate, to \$513.80 per fortnight at the rate for a single person with a dependent child.

The Department of Education, Employment and Workplace Relations is best placed to provide information on the Wage Assistance provided to employers who were affected by Tropical Cyclone Yasi.

Support specifically tailored for primary producers and small businesses was also provided for the Queensland Floods and Tropical Cyclone Yasi through the Natural Disaster Relief and Recovery Arrangements (NDRRA). Standard Category B and C assistance under the NDRRA was provided in the form of: concessional interest rate loans (up to \$250,000) as well as clean up and recovery grants (up to \$25,000) for eligible small business and primary producers. Freight subsidies (up to \$5000) were also made available for eligible primary producers. On 16 February 2011, additional assistance was made available for eligible businesses and primary producers in the form of special concessional loans (of up to \$650,000) with a grant component (of up to \$50,000).

- **What is the number of applications?**

The breakdown of DIRS applicants as at 3 June 2011 is as follows:

65,844 applications for Queensland Floods

8,421 applications for Cyclone Yasi

- **What is the number of recipients?**

The breakdown total number of DIRS claims granted as at 3 June 2011 is as follows:

53,430 claims granted for Queensland Floods

5681 claims granted for Cyclone Yasi

- **What is the total amount paid?**

The breakdown of total DIRS expenditure as at 3 June 2011 is as follows:

\$61,510,346 paid for the Queensland Floods

\$7,988,189 paid for Cyclone Yasi

- **How many fraudulent claims have been investigated and prosecuted?**

To date, there have been no prosecutions for fraud. Centrelink has established a dedicated taskforce to investigate fraudulent floods claims and as at 6 June 2011, there are 10,600 AGDRP, DIRS and ex gratia cases under review.

Where people claimed a payment through deliberate fraud they will be required to pay it back and may face prosecution. People who have inadvertently claimed the payment when they were not entitled to it will also be required to pay it back.

The following table provides a breakdown of cases being investigated by the Taskforce. Centrelink is unable to provide a breakdown by payment type (AGDRP or DIRS) of the cases being investigated.

| As at 6 June 2011 | QLD Floods (AGDRP and DIRS) | Tropical Cyclone Yasi (AGDRP and DIRS) | Total disasters over 2010/2011 summer (AGDRP, DIRS and ex gratia) |
|---------------------------|--|---|--|
| Cases referred for review | 7,121 | 2,542 | 10,600 |
| Cases processed | 4,573 | 1,622 | 6,430 |
| \$ asked to be repaid | \$3,350,000 | \$678,000 | \$4,100,000 |

Serious cases where deliberate deception and intent to defraud can be established are referred to the Commonwealth Director of Public Prosecutions. The Commonwealth Director of Public Prosecutions determines if prosecution action is appropriate. Those found guilty can face serious consequences - including time in prison.

As at 6 June 2011, 10 cases have been referred to the Commonwealth Director of Public Prosecutions for the AGDRP. Centrelink is considering whether a further 60 people who claimed the payment should be referred to prosecutors.

Centrelink investigates all tip-offs made to the Australian Government Services Fraud Tip-off line.