



# Australian Federal Government Job Keeper Payment Scheme

## Methodology used to determine assessment periods

### Background

The Federal Government has introduced the [Job Keeper Payment Scheme](#) in response to the impact of the COVID-19 pandemic. Eligibility to the scheme is contingent upon a business being able to demonstrate that the COVID-19 response has impacted business turnover.

This is more difficult for farmers who are experiencing the combined impact of COVID-19 and drought, and in some cases bushfire. The ATO ruling allows a farm business to use a past non-drought period as a basis for providing evidence of COVID 19 impact.

The NSW DPI fielded a high volume of enquiries relating to the history of seasonal conditions and drought during the initial phase of the Job Keeper Scheme rollout. To assist the application process, the NSW DPI has developed a three-step method that guides the selection of a non-drought period.

Option 1: For the majority of NSW the 2016-2017 financial year is a suitable period to select for a non-drought period.

Option 2: Some areas of the state were experiencing drought during the 2016-2017 financial period. A look up table was developed to provide a regional assessment of when each Parish in NSW was in non-drought since 1 Jan 2015.

Option 3: For a small number of cases the climate variability experienced since 2014/15 has been high and complex. A great deal of care needs to be taken in selecting an appropriate non-drought period for the Job Seeker application. More detailed information is available through the [NSW Seasonal Conditions Information Portal](#).

Further detail relating to the methodology used to develop the three options is discussed below.

### Methodology used to determine assessment periods

The NSW Government has not issued Drought Declarations since 2013. Despite this, the NSW DPI continues to monitor seasonal conditions using the Combined Drought Indicator (CDI) <https://edis.dpi.nsw.gov.au/>. The CDI is used to raise the awareness and provide a regionalised overview of seasonal conditions across NSW. The CDI has been used as the basis of this analysis. NSW DPI undertook this analysis using a multi-faceted approach as outlined below.

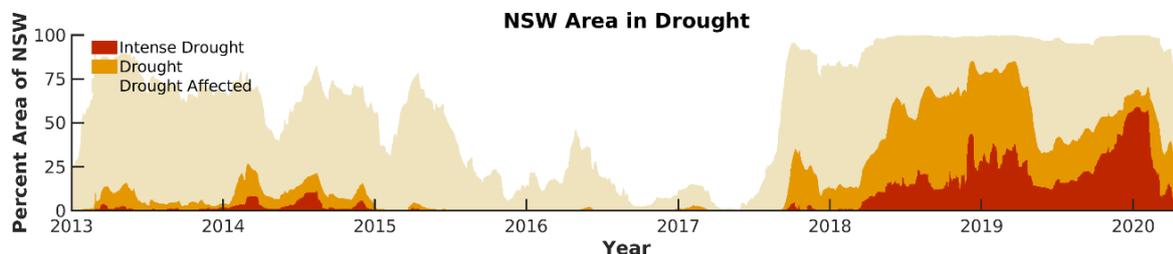
Study 1: Evaluating the area of NSW in drought

Study 2: Assessing the date of drought onset (any CDI drought category) by Parish

Study 3: Identifying periods of non-drought by Parish

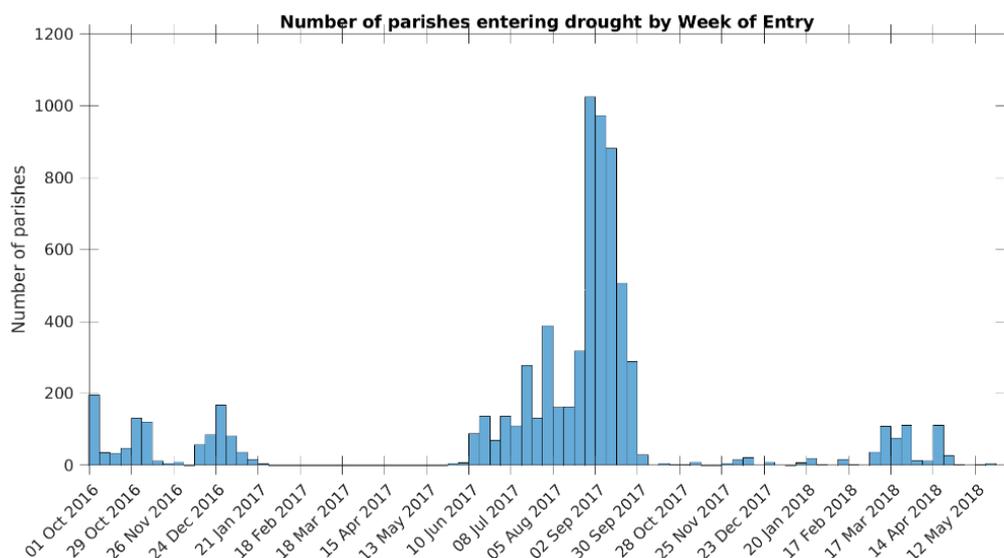
## Study 1: Evaluating the area of NSW in drought

This method provides an overview of the recent history of drought onset in NSW. The analysis found that between mid-2016 to mid-2017, the majority of NSW was in non-drought. During mid-to-late 2017, conditions across most of NSW deteriorated and there was a rapid transition into the current drought event. Despite this there was evidence that some regions had experienced drought in the year prior (the 2016-17 period).

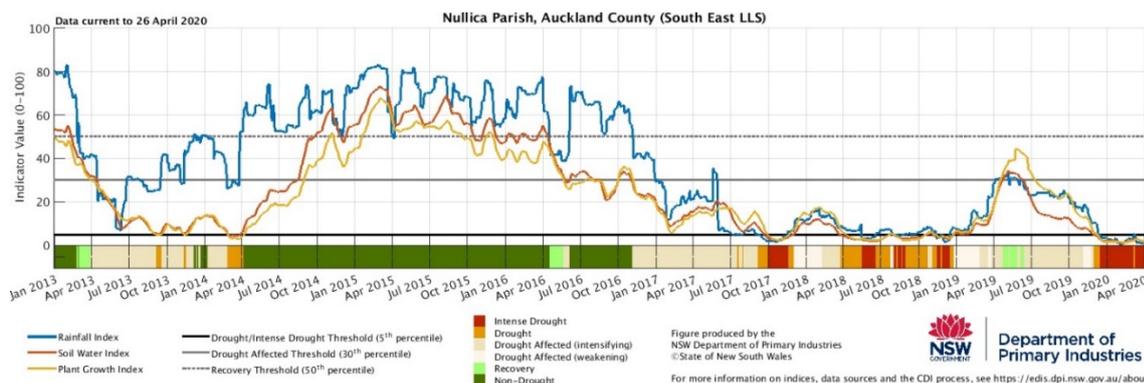
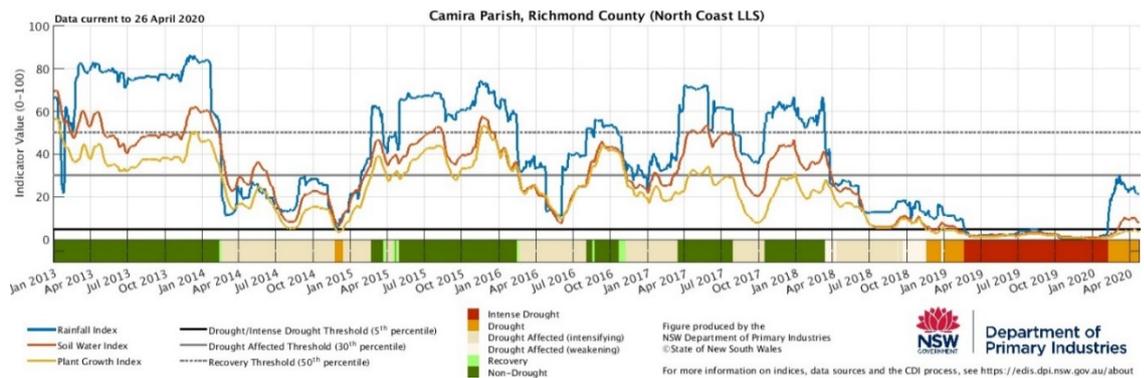


## Study 2: Assessing the date of drought onset by Parish

To provide a regionalised view of when areas of NSW transitioned into one of the CDI drought categories, a detailed analysis for each Parish in NSW was undertaken. Data was extracted for the time period between 1 October 2016 to 1 January 2020. The transition into drought was calculated to be when the CDI first went into one of the three drought categories (Drought Affected, Drought or Intense Drought) and continued in one of these categories for at least 60 days. The figure below shows the number of Parishes that transitioned into drought on a weekly basis. The analysis shows that transition into drought peaked in the first week of September 2017, however many parishes began transition into the current drought event as early as May 2017.

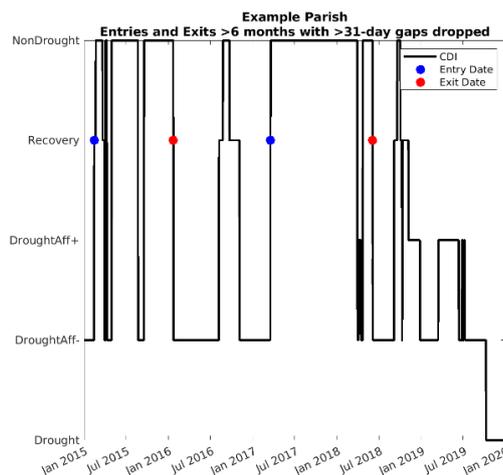
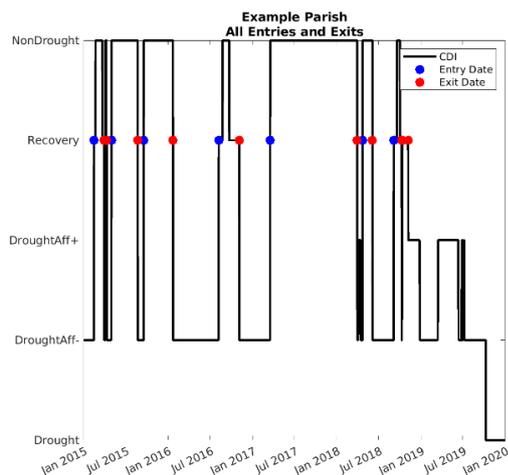


A small subset of parishes was identified as transitioning into drought in October 2016. This analysis should be treated with caution as they may or may not have achieved non-drought status after this time before returning to a drought category. For example, Camira Parish in Richmond County experienced intermittent Drought and Non-Drought conditions throughout 2016-2017 and only fully entered the current drought event in March 2018. In comparison, Nullica Parish in Auckland County has remained continuously in drought since late October 2016.



### Study 3: Identifying periods of non-drought by Parish

Additional analysis was conducted to assess periods of non-drought between 1 January 2015 and 1 January 2020. The analysis identified periods when the CDI first transitioned into the Non-drought or Recovery categories and maintained a non-drought status for at least 6 months. Departures from the non-drought/recovery categories that lasted for less than 31 days were ignored. The non-drought period was terminated when the CDI transitioned into one of the three drought categories. Some parishes have multiple non-drought periods in the 2015-2020 interval.



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