

Article Information

Author: Will Fennell

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Introduction of the Farm Household Allowance

Yesterday two new bills (the Farm Household Support Bill 2014 and Farm Household Support (Consequential and Transitional Provisions) Bill 2014) were introduced into the House of Reps to implement the Farm Household Allowance, an income support payment for farmers and their partners in financial hardship

The allowance will replace the existing Exceptional Circumstances Relief Payment, which was only available to farmers in regions experiencing exceptional circumstances, such as drought. The new allowance will be available without a drought or Exceptional Circumstances declaration.

In broad terms the bills provide for:

- Up to three cumulative years of income support for farmers and their partners in hardship without the need for a climatic trigger.
- A means test (asset and income) to qualify for payment. Consistent with other social security payments, the assets tests exclude the family home, and, consists of a two tier test comprising a “non-farm” assets value limit (between \$196k and \$421k depending on individual circumstances) and “farm assets” value limit (up to \$2.55m).
- The requirement for a recipient to:
 - enter into a “financial improvement agreement” (this relates to activities including education, training and off-farm employment) to qualify for payment; and
 - have a “farm financial assessment” conducted.
- A “farm financial assessment supplement” and an “activity supplement” for the purpose of partially or wholly funding the farm financial assessment and compulsory activities discussed above.
- Ancillary benefits such as a health care card, telephone allowance, remote area allowance, clean energy supplement, pharmaceutical allowance and rent assistance.
- Provisions to align the income support payment with social security law where possible.

It is expected that the allowance will be available from July 1 2014. Farmers requiring immediate support may also be able to access an interim allowance scheme which has been put in place pending the introduction of the legislated scheme (see the [Department of Human Services website](#) for more information.)