



Farm Household Support Amendment (Relief Measures) Act (No. 1) 2019

No. 104, 2019

An Act to amend the *Farm Household Support Act 2014*, and for related purposes

Note: An electronic version of this Act is available on the Federal Register of Legislation (<https://www.legislation.gov.au/>)

Contents

1	Short title.....	1
2	Commencement.....	2
3	Schedules.....	2
Schedule 1—Time limit on payment		3
	<i>Farm Household Support Act 2014</i>	3
Schedule 2—Farm business losses		5
	<i>Farm Household Support Act 2014</i>	5
	<i>Farm Household Support Minister’s Rule 2014</i>	5
Schedule 3—Relief payment		8
	<i>Farm Household Support Act 2014</i>	8
	<i>Social Security (Administration) Act 1999</i>	11



Farm Household Support Amendment (Relief Measures) Act (No. 1) 2019

No. 104, 2019

An Act to amend the *Farm Household Support Act 2014*, and for related purposes

[Assented to 28 November 2019]

The Parliament of Australia enacts:

1 Short title

This Act is the *Farm Household Support Amendment (Relief Measures) Act (No. 1) 2019*.

No. 104, 2019 *Farm Household Support Amendment (Relief Measures) Act (No. 1)* 1
2019

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this Act	A single day to be fixed by Proclamation. However, if the provisions do not commence within the period of 6 months beginning on the day this Act receives the Royal Assent, they commence on the day after the end of that period.	16 December 2019 (F2019N00105)

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Note: The provisions of the *Farm Household Support Minister's Rule 2014* amended or inserted by this Act, and any other provisions of that instrument, may be amended or repealed by an instrument made under subsection 106(1) of the *Farm Household Support Act 2014* (see subsection 13(5) of the *Legislation Act 2003*).

Schedule 1—Time limit on payment

Farm Household Support Act 2014

1 Paragraph 3(a)

After “up to 4 years”, insert “in each specified 10 year period”.

2 Section 4

Omit:

(a) farm household allowance for up to 4 years; and

substitute:

(a) farm household allowance for up to 4 years in each specified 10 year period; and

3 Subsection 5(1)

Repeal the following definitions:

- (a) definition of *4 years or less*;
- (b) definition of *cumulative period of farm household allowance*.

4 Subsection 5(1)

Insert:

meets the 4 years or less requirement has the meaning given by subsection 6(1A).

specified 10 year period has the meaning given by subsection 6(1).

5 Section 6 (heading)

Repeal the heading, substitute:

6 Meanings of *specified 10 year period* and *meets the 4 years or less requirement*

6 Subsection 6(1)

Repeal the subsection, substitute:

Meaning of specified 10 year period

- (1) A *specified 10 year period* is a period of 10 years beginning on:
- (a) 1 July 2014; or
 - (b) a tenth anniversary of 1 July 2014.

Meaning of meets the 4 years or less requirement

- (1A) A person *meets the 4 years or less requirement* on a day in a period mentioned in section 8 or 9 if, on that day, the total number of days for which farm household allowance is payable to the person, in the specified 10 year period in which that day falls, does not exceed 1,460 days (assuming farm household allowance is payable to the person on that day).

7 Subsection 6(3)

Repeal the subsection.

8 Section 7

After “4 years”, insert “in each specified 10 year period”.

9 Paragraph 8(h)

Repeal the paragraph, substitute:

- (h) the person meets the 4 years or less requirement.

10 Paragraph 9(j)

Repeal the paragraph, substitute:

- (j) the person meets the 4 years or less requirement.

11 Subsections 96(1) and (2)

Omit “person’s cumulative period of farm household allowance is more than 4 years”, substitute “person does not meet the 4 years or less requirement”.

Schedule 2—Farm business losses

Farm Household Support Act 2014

1 Section 67

Repeal the section, substitute:

67 Allowable deductions from ordinary income

For the purpose of working out the rate of farm household allowance for a person, the person's ordinary income for a tax year, worked out under Part 3.10 of the Social Security Act, is to be reduced in accordance with Minister's rules made for the purposes of this section.

Farm Household Support Minister's Rule 2014

2 Section 4

Insert:

amount, of the loss from a farm business, has the meaning given by subsection 7B(4).

directly related, in relation to a business that is a farm enterprise, has the meaning given by subsection 7B(2).

farm business has the meaning given by subsection 7B(1).

income, from a farm business, has the meaning given by subsection 7B(5).

operates at a loss, in relation to a farm business, has the meaning given by subsection 7B(3).

reductions, for a farm business, has the meaning given by subsection 7B(6).

3 Part 2

Repeal the Part, substitute:

Part 2—Farm household allowance—farm business losses

6 Operation of Part

For the purposes of section 67 of the Act, this Part applies if a farm business operates at a loss for a tax year.

Note: For *farm business* and *operates at a loss*, see section 7B.

7 Farm business loss to be used to reduce ordinary income

The ordinary incomes of the person who carries on the farm business, and the person's partner (if any), for the tax year are to be reduced by the amount of the loss, subject to the limits set out in section 7A.

Note: For the *amount* of the loss, see section 7B.

7A Limits on use of loss

- (1) The total amount of the loss used to reduce the ordinary incomes of the person, and the person's partner (if any), must not exceed \$100,000.

Example: If the person has a partner, and the ordinary income of the person has been reduced by \$60,000, the ordinary income of the person's partner must not be reduced by more than \$40,000.

- (2) Neither the person's, nor the person's partner's, ordinary income may be reduced below zero.

Farm businesses carried on with other persons

- (3) If the farm business is carried on with other persons, the other persons' portions of the loss must not be used to reduce the ordinary incomes of the persons mentioned in section 7.

7B Definitions

- (1) A *farm business*:
 - (a) is a business that is a farm enterprise; and

-
- (b) includes any directly related business.
- (2) A business is **directly related** to a business that is a farm enterprise if the operation of both businesses relies to a large extent on the use of shared equipment or other shared physical assets.
- (3) A farm business **operates at a loss** for a tax year if the income from the farm business for the tax year is less than the reductions for the farm business for the tax year.
- (4) The **amount** of the loss is the difference between the income and the reductions.
- (5) The **income** from a farm business for a tax year is:
- (a) the ordinary income for a person from the farm business for the tax year worked out under Part 3.10 of the Social Security Act assuming the person were the only person carrying on the farm business; but
 - (b) without any reductions under Division 1A of that Part.
- (6) The **reductions** for a farm business for a tax year are the reductions that would be made from a person's ordinary income from the farm business for the tax year under Division 1A of Part 3.10 of the Social Security Act assuming:
- (a) the person were the only person carrying on the farm business; and
 - (b) the income from the farm business for the tax year exceeded the reductions.

Schedule 3—Relief payment

Farm Household Support Act 2014

1 Section 4

Omit:

- | |
|--|
| (d) additional funding (called the FHA supplement) for persons to whom farm household allowance is payable at any time between 1 September 2018 and 1 June 2019. |
|--|

substitute:

- | |
|---|
| (d) additional funding (called the FHA supplement) for a person to whom farm household allowance is payable at any time between 1 September 2018 and 1 June 2019; and |
| (e) a relief payment for a person if 1,460 days of farm household allowance have been payable to the person before 1 July 2020; and |
| (f) if the Minister’s rules prescribe other circumstances in which a relief payment may be made—a relief payment for a person in those circumstances. |

2 Subsection 5(1)

Insert:

relief payment means an amount payable under Part 4B.

3 After Part 4A

Insert:

Part 4B—Relief payments

89D Simplified outline of this Part

This Part is about relief payments.

A person qualifies for a relief payment if 1,460 days of farm household allowance have been payable to the person before 1 July 2020.

The Minister's rules may also prescribe circumstances in which other relief payments may be made.

A claim is not required for a relief payment. The rules dealing with how relief payments are made and review of decisions relating to relief payments are found in the Social Security Act and the Social Security Administration Act. (This is because Part 5 of this Act applies the Social Security Act and the Social Security Administration Act in relation to relief payments.)

89E Qualification for relief payment

- (1) A person is qualified for a relief payment if 1,460 days of farm household allowance have been payable to the person before 1 July 2020.
- (2) A person also qualifies for a relief payment in the circumstances (if any) prescribed by the Minister's rules.

89F Amount of relief payment

- (1) The amount of relief payment under subsection 89E(1) for a person is:
 - (a) if the person's rate of farm household allowance on the 1,460th day that farm household allowance was payable to the person was calculated by reference to the person being a member of a couple—\$6,500; or
 - (b) otherwise—\$7,500.
- (2) The amount of relief payment under subsection 89E(2) for a person in circumstances prescribed by the Minister's rules is the amount prescribed by the Minister's rules for the relief payment for those circumstances.

Overpayments of relief payments are not debts

- (3) If:
- (a) an amount of relief payment under subsection 89E(1) or (2) is paid to a person; and
 - (b) the amount should not have been paid to the person; the amount is not a debt due to the Commonwealth.
- (4) Subsection (3) does not apply to an amount of relief payment obtained by fraud.

4 Section 90

Omit:

The farm household allowance, the activity supplement, the farm financial assessment supplement and the FHA supplement are all treated as if they were social security payments. As a result, the general rules in the Social Security Act and Social Security Administration Act relating to claims, how payments are made and review of decisions apply in relation payments under this Act.

substitute:

The farm household allowance, the activity supplement, the farm financial assessment supplement, the FHA supplement and a relief payment are all treated as if they were social security payments. As a result, the general rules in the Social Security Act and Social Security Administration Act relating to claims, how payments are made and review of decisions apply in relation to payments under this Act.

5 Section 91 (example)

Omit “farm financial assessment supplement and FHA supplement”, substitute “farm financial assessment supplement, FHA supplement and relief payment”.

6 Subsection 93(1) (table item 6)

Omit “farm financial assessment supplement and FHA supplement”, substitute “farm financial assessment supplement, FHA supplement and relief payment”.

7 Section 95 (table item 14)

After “FHA supplement”, insert “or relief payment”.

8 Subsection 105(3)

Omit “Division 3 of Part 4 (farm financial assessment supplement) or Part 4A (FHA supplement)”, substitute “Division 3 of Part 4 (farm financial assessment supplement), Part 4A (FHA supplement) or Part 4B (relief payment)”.

Social Security (Administration) Act 1999

9 Section 12L

Repeal the section, substitute:

12L FHA supplement and relief payment

A claim is not required for FHA supplement or relief payment.

10 Subsection 47(1) (after paragraph (hx) of the definition of *lump sum benefit*)

Insert:

(hy) relief payment; or

11 Section 47CB (at the end of the heading)

Add “or relief payment”.

12 Section 47CB

Omit “FHA supplement for a qualifying period (within the meaning of the *Farm Household Support Act 2014*), the Secretary must pay the supplement”, substitute “FHA supplement for a qualifying period (within the meaning of the *Farm Household Support Act 2014*), or relief payment, the Secretary must pay the supplement or payment”.

13 Subclause 1(1) of Schedule 1

Insert:

relief payment has the meaning given by the *Farm Household Support Act 2014*.

[*Minister's second reading speech made in—
House of Representatives on 17 October 2019
Senate on 11 November 2019*]

(204/19)

12 *Farm Household Support Amendment (Relief Measures) Act (No. 1)* No. 104, 2019
2019