



Farm Household Support Minister's Rule 2014

made under the

Farm Household Support Act 2014

Compilation No. 3

Compilation date: 16 December 2019

Includes amendments up to: Act No. 117, 2019

Registered: 4 February 2020

This compilation includes commenced amendments made by Act No. 104, 2019. Amendments made by Act No. 117, 2019 have not commenced but are noted in the endnotes.

Prepared by the Office of Parliamentary Counsel, Canberra

About this compilation

This compilation

This is a compilation of the *Farm Household Support Minister's Rule 2014* that shows the text of the law as amended and in force on 16 December 2019 (the **compilation date**).

The notes at the end of this compilation (the **endnotes**) include information about amending laws and the amendment history of provisions of the compiled law.

Uncommenced amendments

The effect of uncommenced amendments is not shown in the text of the compiled law. Any uncommenced amendments affecting the law are accessible on the Legislation Register (www.legislation.gov.au). The details of amendments made up to, but not commenced at, the compilation date are underlined in the endnotes. For more information on any uncommenced amendments, see the series page on the Legislation Register for the compiled law.

Application, saving and transitional provisions for provisions and amendments

If the operation of a provision or amendment of the compiled law is affected by an application, saving or transitional provision that is not included in this compilation, details are included in the endnotes.

Editorial changes

For more information about any editorial changes made in this compilation, see the endnotes.

Modifications

If the compiled law is modified by another law, the compiled law operates as modified but the modification does not amend the text of the law. Accordingly, this compilation does not show the text of the compiled law as modified. For more information on any modifications, see the series page on the Legislation Register for the compiled law.

Self-repealing provisions

If a provision of the compiled law has been repealed in accordance with a provision of the law, details are included in the endnotes.

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Part 1—Preliminary

1 Name of rule

This rule is the *Farm Household Support Minister's Rule 2014*.

3 Authority

This rule is made under the *Farm Household Support Act 2014*.

4 Definitions

In this rule:

Act means the *Farm Household Support Act 2014*.

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).

professional body means a body that has the following characteristics:

- (a) its members practise the same profession;
- (b) it has enough membership to be considered representative (but not necessarily solely representative) of the profession practised by its members;
- (c) it sets its own admission requirements, including acceptable qualifications;
- (d) it sets standards of practice and ethical conduct;
- (e) it aims to maintain the standard of the profession practised by its members;
- (f) it has written rules, articles of association, by-laws or codes of conduct for its members;
- (g) it has the ability to impose sanctions on members who contravene the body's written rules, articles of association, by-laws or codes of conduct;
- (h) it is not conducted for profit.

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

Section 5

5 Meaning of *prescribed adviser*

- (1) For the definition of *prescribed adviser* in subsection 5(1) of the Act, a person who meets the requirements of this section is a prescribed adviser.

Prescribed advisers

- (2) A person is a prescribed adviser if:
- (a) the person has relevant financial qualifications; and
 - (b) the person is a member of a professional body whose members normally provide financial advice.

Note: For paragraph (a), an example of a relevant financial qualification is a qualification:

- (a) from a tertiary institution in a field that is relevant to giving financial advice; and
- (b) that is recognised by a professional body whose members normally give financial advice.

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.

Section 7B

- (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.

Part 3—Activity supplement

8 Maximum amount of activity supplement

For paragraph 82(1)(a) of the Act, the maximum amount of activity supplement is:

- (a) if a person's cumulative period of farm household allowance is 2 years or more and the person begins, or will begin, to undertake an activity in the third year, or the fourth year, of the cumulative period of farm household allowance—\$4 000; and
- (b) in any other case—\$3 000.

Note: The amount of activity supplement payable to a person for an activity is the lowest of the maximum amount prescribed by these rules, the cost of the activity, or the remaining balance of the person's activity supplement—see subsection 82(1) of the Act.

Part 4—Farm financial assessments

9 Maximum amount of farm financial assessment supplement

For paragraph 89(a) of the Act, \$1 500 is the maximum amount of farm financial assessment supplement.

Note: The amount of farm financial assessment supplement is the lesser of the maximum amount prescribed by these rules and the cost of the farm financial assessment—see section 89 of the Act.

Endnotes

Endnote 1—About the endnotes

The endnotes provide information about this compilation and the compiled law.

The following endnotes are included in every compilation:

Endnote 1—About the endnotes

Endnote 2—Abbreviation key

Endnote 3—Legislation history

Endnote 4—Amendment history

Abbreviation key—Endnote 2

The abbreviation key sets out abbreviations that may be used in the endnotes.

Legislation history and amendment history—Endnotes 3 and 4

Amending laws are annotated in the legislation history and amendment history.

The legislation history in endnote 3 provides information about each law that has amended (or will amend) the compiled law. The information includes commencement details for amending laws and details of any application, saving or transitional provisions that are not included in this compilation.

The amendment history in endnote 4 provides information about amendments at the provision (generally section or equivalent) level. It also includes information about any provision of the compiled law that has been repealed in accordance with a provision of the law.

Editorial changes

The *Legislation Act 2003* authorises First Parliamentary Counsel to make editorial and presentational changes to a compiled law in preparing a compilation of the law for registration. The changes must not change the effect of the law. Editorial changes take effect from the compilation registration date.

If the compilation includes editorial changes, the endnotes include a brief outline of the changes in general terms. Full details of any changes can be obtained from the Office of Parliamentary Counsel.

Misdescribed amendments

A misdescribed amendment is an amendment that does not accurately describe the amendment to be made. If, despite the misdescription, the amendment can be given effect as intended, the amendment is incorporated into the compiled law and the abbreviation “(md)” added to the details of the amendment included in the amendment history.

If a misdescribed amendment cannot be given effect as intended, the abbreviation “(md not incorp)” is added to the details of the amendment included in the amendment history.

Endnotes

Endnote 2—Abbreviation key

Endnote 2—Abbreviation key

ad = added or inserted	o = order(s)
am = amended	Ord = Ordinance
amdt = amendment	orig = original
c = clause(s)	par = paragraph(s)/subparagraph(s) /sub-subparagraph(s)
C[x] = Compilation No. x	pres = present
Ch = Chapter(s)	prev = previous
def = definition(s)	(prev...) = previously
Dict = Dictionary	Pt = Part(s)
disallowed = disallowed by Parliament	r = regulation(s)/rule(s)
Div = Division(s)	reloc = relocated
ed = editorial change	renum = renumbered
exp = expires/expired or ceases/ceased to have effect	rep = repealed
F = Federal Register of Legislation	rs = repealed and substituted
gaz = gazette	s = section(s)/subsection(s)
LA = <i>Legislation Act 2003</i>	Sch = Schedule(s)
LIA = <i>Legislative Instruments Act 2003</i>	Sdiv = Subdivision(s)
(md) = misdescribed amendment can be given effect	SLI = Select Legislative Instrument
(md not incorp) = misdescribed amendment cannot be given effect	SR = Statutory Rules
mod = modified/modification	Sub-Ch = Sub-Chapter(s)
No. = Number(s)	SubPt = Subpart(s)
	<u>underlining</u> = whole or part not commenced or to be commenced

Endnote 3—Legislation history

Endnote 3—Legislation history

Name	Registration	Commencement	Application, saving and transitional provisions	
Farm Household Support Minister's Rule 2014	10 June 2014 (F2014L00687)	1 July 2014 (s 2)		
Farm Household Support Minister's Amendment Rule 2015	8 Dec 2015 (F2015L01948)	9 Dec 2015 (s 2(1) item 1)	—	
Farm Household Support Amendment (Activity Supplement) Minister's Rule 2018	17 July 2018 (F2018L01035)	1 Aug 2018 (s 2(1) item 1)	—	

Act	Number and year	Assent	Commencement	Application, saving and transitional provisions
Farm Household Support Amendment (Relief Measures) Act (No. 1) 2019	104, 2019	28 Nov 2019	Sch 2 (items 2, 3): 16 Dec 2019 (s 2(1) item 1)	—
Farm Household Support Amendment (Relief Measures) Act (No. 2) 2019	117, 2019	11 Dec 2019	Sch 3 (items 11–13) and Sch 4 (items 3, 4): <u>awaiting commencement (s 2(1) item 1)</u>	<u>Sch 3 (item 13) and Sch 4 (item 4)</u>

Endnotes

Endnote 4—Amendment history

Endnote 4—Amendment history

Provision affected	How affected
Part 1	
s 2	rep LIA s 48D
s 4	am No 104, 2019; <u>No 117, 2019</u>
s 5	rep <u>No 117, 2019</u>
Part 2	
Part 2	rs No 104, 2019
s 6	rs No 104, 2019
s 7	rs No 104, 2019
s 7A	ad No 104, 2019
s 7B	ad No 104, 2019
Part 3	
s 8	rs F2015L01948
	am F2018L01035
	rs <u>No 117, 2019</u>
