

## Farm Household Support Bill 2014

### Farm Household Support (Consequential and Transitional Provisions) Bill 2014

*Portfolio: Agriculture*

*Introduced: House of Representatives, 6 March 2014*

1.96 The Farm Household Support Bill 2014 (the main bill) seeks to introduce the Farm Household Allowance (FHA), a new income support payment for farmers and their partners who are in financial hardship. It replaces the existing Exceptional Circumstances Relief Payment (ECRP), which is only available to farmers in regions experiencing exceptional circumstances, such as drought. The FHA will provide up to three cumulative years of income support for farmers and their partners based on individual need without the need for a climatic trigger. Its purpose is to support farm families in hardship and help farmers prepare for and manage business risks, including drought. According to the explanatory memorandum, the bill aligns the proposed new income support payment with social security laws where possible.<sup>11</sup>

1.97 Under the main bill, for a person to qualify for the payment, they must satisfy certain participation requirements, including:

- Meeting a *means test*, composed of an asset and income test. The bill proposes an assets test that is higher than mainstream asset limits in recognition of the fact that farm assets are relatively illiquid compared with other types of business assets.
- Entering into, and complying with, a *financial improvement agreement*. Such agreements will require the person to undertake approved activities such as education, training, or off-farm employment, designed to improve their capacity for self-reliance.
- Having a *farm financial assessment* conducted to evaluate options to improve the person's financial situation and inform the development of the financial improvement agreement.

1.98 The main bill proposes activity and farm financial assessment supplements for the purpose of funding partially or wholly the above requirements. It also provides ancillary benefits where certain requirements are met.<sup>12</sup>

1.99 The Farm Household Support (Consequential and Transitional Provisions) Bill 2014 (consequentials bill) repeals the *Farm Household Support Act 1992*, which currently provides for the ECRP and makes necessary consequential amendments. One such amendment has the effect of continuing the current exemption from the

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11 Explanatory memorandum, p 4.

12 This includes benefits such as a health care card, telephone allowance and rent assistance.

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*Age Discrimination Act 2004* in relation to things done in direct compliance with the 1992 Act in relation to the proposed new Act. This exemption is limited to provisions which allow for differential treatment based on age (for example, the requirement that a person must be 16 years or above to receive the FHA).

1.100 The bills are accompanied by self-contained detailed statements of compatibility. The statement accompanying the main bill states that the bill engages the right to social security, the right to an adequate standard of living, the right to health, protection of the family, the right to work and rights in work, the right to privacy and the right to equality and non-discrimination. The statement accompanying the consequential bill states that the bill engages the right to social security, the right to an adequate standard of living, the right to health, the right to work and rights in work, and the right to equality and non-discrimination. Both statements of compatibility conclude that the bills are compatible with human rights, in that to the extent that they may limit rights, the limitations are reasonable, necessary and proportionate to achieve legitimate aims.

1.101 The committee considers that the statements of compatibility contain a detailed and thorough examination of the rights implications of the bills, including sufficient justification for any limitations on rights, with one exception set out below.

1.102 The committee notes that the main bill requires entry into, and compliance with, a financial improvement agreement in order for a person to receive FHA. Accordingly, a failure to comply with certain activity requirements set out in the agreement may result in the ceasing of payments. The right to social security encompasses the right to access and maintain benefits to secure protection from, among other things, lack of work-related income. The statement of compatibility does not address how the imposition of certain activity requirements is consistent with the right to social security, particularly where a person may have a legitimate reason for not being able to meet the requirements at a given time. However, the committee notes that Division 5 of Part 2 of the main bill sets out the conditions under which an individual can be temporarily exempt from the activity test, including, for example, where it is unreasonable to expect the person to satisfy the activity test. The committee considers that it would have been helpful if the statement of compatibility had addressed this issue.

**1.103 In light of the information set out in the statement of compatibility, and the above view, the committee considers that the bills do not appear to give rise to human rights concerns.**

**1.104 The committee recommends the government monitor the operation and impact of the measures. The committee will seek to ensure that the measures are operating as intended in 12 months' time.**