

Rural Financial Counselling Service

Nth Qld

Farm Household Allowance.... not just for drought affected producers.

While the Farm Household Allowance has been around since 2014 over the last few months there have been several changes to eligibility, an extension to a fourth year and the introduction of bonus payments which are available for a short time only.

Originally the payment had a 3-year lifespan but in June the government announced a fourth year extension. The payment provides assistance in the form of a cash payment of \$492.80 a fortnight for each member of a couple, \$545.80 for singles and \$590.40 for singles with dependent children . It also assists by providing recipients with a health care card and \$4,000 to spend on training or upskilling.

While touring drought stricken parts of the country the Federal Agriculture Minister David Littleproud announced a lump sum payment for FHA recipients of up to \$12,000 per couple and \$7,200 for singles that must be applied for before the 1st of December 2018.

The changes announced by Minister Littleproud are not specific to drought but apply to all Farm Household Allowance recipients.

Legislation has been introduced into parliament to double the farm assets threshold to a net of \$5 million effective between 1st November this year and 30th of June 2019.

So the paperwork pressure is on for farmers, who fit within the qualifying criteria of both the Assets and Income Tests, to apply for FHA after the 1st of November 2018 but before the 1st of December 2018 to receive the full lump sum.

If your operation exceeds the current or new asset threshold, don't stop reading yet because, hardship provisions can apply for those farmers whose farm assets exceed the current or increasing limit.

To be eligible farmers' nett off farm assets are also considered and can't be worth more than \$258,500 for single homeowners (\$465,000 for non-homeowners) or \$387,500 for a couple combined (\$594,500 for those who are not homeowners).

Farm and off farm income will be reviewed during the application, however generally speaking it is capped at \$1927 per fortnight for couples combined or \$1053.34 for singles.

Nick Birchley is based at South Johnstone and has been with Rural Financial Counselling Service North Queensland since 2016 and knows the ins and outs of the payment and the process.

"Farm Household Allowance is designed to assist farmers with the necessities of life including living expenses and things like school fees while the farm business is struggling" Mr Birchley said.

"It is intended to ease the pressure on the business for essential day to day expenses while the farm business is struggling and allow you to make changes to improve the viability of the business." He said

If you run a farm business and you need some assistance, then you may be eligible for the FHA payment.

The application process may appear a little daunting however it helps Centrelink understand your situation and assess whether you are eligible.

You can apply by

1. collecting or downloading the application forms from the Centrelink website and complete manually
2. filling in the application directly online to the Human Services website

"The Rural Financial Counsellors can help you get all the information you need guide you through the application process and establish yourself online." Mr Birchley said.

While it is helpful to understand the eligibility parameters around the payment it is so important not to self assess and contact an RFC, like Nick Birchley.

"I've come across many rural businesses that haven't applied because they didn't understand what is available or are daunted by the application process. That's why it is so important to have your business considered individually by someone who understands FHA," Mr Birchley said.

"Don't rely on whether your neighbour was approved to decide if you are eligible and don't listen to commentary on social media, find out if it suits your circumstance and set up by talking to us,"

"Expect to dedicate a day in the office to complete two applications if you are a couple. It might seem onerous but the payment can equate to over \$37k in the next 12 months including bonuses,"he said.

How the payment looks into the future is uncertain because an independent review of the program is being undertaken which is expected to be completed the first half of 2019 according to David Littleproud.

At the time of writing the legislative changes were still before parliament.

For further information please refer to the following link.

<https://www.rfcsnq.com.au/>