EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Agriculture, Fisheries and Forestry

FARM HELP ADVICE AND TRAINING GRANT SCHEME AMENDMENT 2005 (No. 1)

Subsection 52B(1) of the Farm Household Support Act 1992 provides that the Minister may, by written instrument, formulate a Scheme to be called the Farm Help Advice and Training Scheme, to grant assistance to eligible farmers and their families to obtain advice to assess their long term prospects, obtain training or obtain software needed for the purpose of, or as a result of advice or training under the Scheme. Such a grant is called a Farm Help Advice and Training Grant.

This Scheme is related to the Scheme formulated under section 52A(1) of the Farm Household Support Act 1992 (the Farm Help Re-establishment Grant Scheme 1997).

Amendments to the Farm Household Support Act 1992, the Farm Help Advice and Training Scheme 1997 and the Farm Help Re-establishment Grant Scheme 1997 will reinforce the structural adjustment focus of the Farm Help – Supporting Families Through Change programme. The amendments will do this by clarifying the qualification provisions for entry into the Farm Help programme and enabling ongoing communication with Re-establishment Grant recipients regarding their undertakings not to re-enter farming and to notify of a change of address.

The amendments have emanated from the on-going monitoring of the programme’s performance, a mid-term evaluation of Farm Help conducted in 2002 and the Performance Audit of key Agriculture Advancing Australia programmes undertaken by the Australian National Audit Office in 2002 and 2003.
FARM HELP ADVICE AND TRAINING SCHEME AMENDMENT 2005 (No. 1)

1. Name of Scheme

This item identifies the name of the Scheme as the Farm Help Advice and Training Scheme Amendment 2005 (No. 1).

2. Commencement

This item refers to the Scheme’s commencement date as the day after it is registered.

3. Amendment of Farm Help Advice and Training Scheme 1997

This item refers to the amendment by Schedule 1 of the Farm Help Advice and Training Scheme 1997.

SCHEDULE 1 AMENDMENTS

Item 1 Section 1.3, note

This item inserts reference to the definition of a farmer and the farm help scheme payment commencement day, as stated in the Farm Household Support Act 1992.

Item 2 Section 2.3(1)

This item repeals the previous reference to an eligible person under 2.3(1)(a). After the day this subsection commences or a subsequent day, an eligible person is defined under 2.3(1)(a) as a person who is at least 18, and an Australian resident, and is in Australia, and under 2.3(1)(ab), for a continuous period of at least 2 years immediately before application, the person has been a farmer, and has derived more than 50 per cent of his or her gross income from his or her farm enterprise, and has contributed more than 50 per cent of his or her capital to the farm enterprise, and has spent more than 50 per cent of his or her working hours in work on the farm enterprise. The other subclauses under clause 2.3 still apply.

Item 3 After subsection 2.3(1)

This item inserts a note referring to subsection 2A, which is the exercise of discretion in cases where a person does not satisfy the 50 per cent income test, where the person’s gross income during the 2-year qualifying period is significantly diminished by certain events due to natural disaster, extreme seasonal conditions, market collapse, or serious illness or disability.

Item 4 After subsection 2.3(2)

This item inserts a clause where a person who does not satisfy subparagraph 1(ab)(ii) is taken to satisfy the subparagraph if there is a determination in writing by the Secretary that the person’s gross income from the farm enterprise during the qualifying period is significantly diminished by:
(i) Drought, flood, bushfire or some other natural disaster.

(ii) An ‘unforeseeable extreme variation in seasonal norms’ such as situations where commodity production or prices have been severely damaged due to circumstances for which the farmer could not have prepared. An example of this could include, among others, the 2000 outbreak of orange rust in the sugar industry.

(iii) Market collapse, that is, a situation where an unforeseen external factor resulted in the sudden and total collapse of commodity prices or the exclusion of Australia from the global market for a particular commodity.

(iv) A serious illness or disability which had prevented the person from earning 50 per cent of their gross income from the farm enterprise.

The Secretary in this case carries the same definition as in the *Farm Household Support Act 1997*: the Secretary to the Department of Social Security. This determination will be made in close consultation with the Department of Agriculture, Fisheries and Forestry. These provisions will ensure that genuine farmers who have suffered a decline in farm cash flow or financial loss due to such circumstances, but who meet the criteria in 2.3(1)(ab)(i), (iii) and (iv), will not be excluded from assistance under the Farm Help programme.

**Item 5**  
After subsection 4.2A

(1) Inserts a transitional provision, for a person who was eligible for and applied for a grant, between 1 July 2004 and the 2005 commencement day. The 1 July 2004 eligibility and qualification provisions will apply to a person who, under this Scheme, was an eligible person and applied for a grant on or after 1 July 2004 and before the 2005 commencement day.

(2) Inserts reference to the 2005 commencement day for subsection (1), which means the day on which this section commences, which is the day after this Instrument is registered.