



# **Farm Household Support Minister's Rule 2014**

made under the

*Farm Household Support Act 2014*

## **Compilation No. 2**

**Compilation date:** 1 August 2018

**Includes amendments up to:** F2018L01035

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Prepared by the Office of Parliamentary Counsel, Canberra

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## 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 1 August 2018 (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](http://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If a provision of the compiled law has been repealed in accordance with a provision of the law, details are included in the endnotes.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*.

**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.

### 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

### 6 Rate of farm household allowance—allowable deductions from ordinary income generally

For subsection 67(2) of the Act, an amount incurred by a person that would, under section 1075 of the Social Security Act, reduce the person's ordinary income for a tax year is an allowable deduction from the person's ordinary income for the tax year.

### 7 Rate of farm household allowance—allowable deductions from off-farm income

- (1) For subsection 67(2) of the Act, an amount incurred by a person in the following circumstances is an allowable deduction from the person's off-farm income for a tax year:
- (a) the amount is interest payable during the tax year by the person, or the person's partner, in relation to a loan made on a commercial basis from another person (the ***lender***);
  - (b) the amount is payable under a written contract:
    - (i) that came into effect at least one year before the relevant claim (see subsection (3)); and
    - (ii) that the Secretary is satisfied cannot be renegotiated to reduce the amount of interest payable during the tax year;
  - (c) the lender offers loans on a commercial basis;
  - (d) the lender is independent from:
    - (i) the person; and
    - (ii) if the person is a member of a couple—the person's partner;
  - (e) the lender does not have any right or interest in:
    - (i) the farm; or
    - (ii) any asset that is owned by the person, the person's partner or the relevant farm enterprise;
  - (f) the loan is secured by a farm asset of the relevant farm enterprise;
  - (g) the ordinary income of:
    - (i) the person; or
    - (ii) the person's partner;from the relevant farm enterprise for the year (worked out in accordance with section 67 of the Act, section 6 of this rule and the Social Security Act) is less than zero.

#### *Meanings of off-farm income and relevant claim*

- (2) A person's ordinary income is ***off-farm income*** if the person does not earn the income from the relevant farm enterprise.

- (3) The **relevant claim** is the claim for farm household allowance by:
- (a) the person (unless paragraph (b) applies); or
  - (b) if the person's ordinary income is being worked out for the purposes of working out the rate of farm household allowance of the person's partner—the partner.

*Rules relating to the amount of the allowable deduction*

- (4) The amount of the allowable deduction is (subject to subsection (5)) the lesser of:
- (a) the amount by which the ordinary income referred to in paragraph (1)(g) is less than zero; and
  - (b) the amount of the interest payable by the person, or the person's partner on the loan during the tax year.
- (5) The maximum amount of the person's allowable deductions, and the allowable deductions of the person's partner, under this section for a tax year is \$80 000.

*Limitation on reductions*

- (6) Only one person may reduce his or her ordinary income by a particular amount of an allowable deduction under this section.

Note: For example, in a case where interest of \$30 000 is payable by a farmer and the farmer's partner during a tax year on a loan covered by subsection (1), the effect of subsection (6) is that the total of the amounts by which the farmer and his partner reduce their off-farm income must not exceed \$30 000.

## **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

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## 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.

**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

## Endnotes

### Endnote 3—Legislation history

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### 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)	—

## Endnote 4—Amendment history

**Endnote 4—Amendment history**

<b>Provision affected</b>	<b>How affected</b>
<b>Part 1</b>	
s 2 .....	rep LIA s 48D
<b>Part 3</b>	
s 8 .....	rs F2015L01948
	am F2018L01035