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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

FARM HOUSEHOLD SUPPORT AMENDMENT BILL 2018

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Agriculture and Water Resources,
the Hon. David Littleproud MP)

FARM HOUSEHOLD SUPPORT AMENDMENT BILL 2018

GENERAL OUTLINE

The Farm Household Support Amendment Bill 2018 (the Bill) will amend the *Farm Household Support Act 2014* (the FHS Act) to extend the Farm Household Allowance (FHA) program from three cumulative years to four cumulative years for each recipient.

The FHA program provides qualifying farmers and their partners one-on-one case support, an Activity Supplement for planning and training and an income support payment, paid at the same rate as other social security allowances, to help meet household expenses.

FHA is subject to an income test similar to Newstart Allowance and a tailored, two tier assets test. The first tier of the assets test relates to non-farm assets and is the same as Newstart Allowance. For applicants who satisfy the first tier of the assets test, a second tier restricts FHA to those with net farm assets not exceeding \$2.55 million (whether they are single or partnered).

From the date their application is granted, recipients of FHA are entitled to access up to \$4,000 of an Activity Supplement. The Activity Supplement enables recipients to undertake prescribed activities that are negotiated as part of their Financial Improvement Agreement. By extending the FHA program to four cumulative years, the Bill will provide an additional twelve months for a recipient to benefit from the FHA program.

For those who have exhausted their three cumulative years on the FHA program, the Bill will operate to allow qualifying people to access an additional year of support.

Extension of Farm Household Allowance to four years

The FHA program provides time-limited support to farmers and farmers' partners facing hardship. Currently, the maximum period a person can participate in the FHA program is three cumulative years, or 1,095 days.

The Bill will extend the maximum period a person can participate in the FHA program to four years, or 1,460 days.

FINANCIAL IMPACT STATEMENT

It is estimated the extension of the FHA program proposed by the Bill will cost the Australian Government \$36.3 million over four years from 2018-19. The funding estimate represents payments to recipients, which will be paid through the Special Appropriation derived from the *Farm Household Support Act 2014*. The funding amount is based on expected demand for the program. However, FHA is uncapped and demand-driven, which means expenditure would be greater in times of higher demand.

Extending the FHA will also involve additional costs for program administration, case management and information technology system updates.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011.

Farm Household Support Amendment Bill 2018

This Bill is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Bill

The Farm Household Support Amendment Bill 2018 (the Bill) will amend the *Farm Household Support Act 2014* (FHS Act) to extend the Farm Household Allowance (FHA) program from three cumulative years to four cumulative years for each recipient.

Currently, qualifying applicants can be in receipt of FHA for a cumulative total of 1,095 days. While receiving payment, recipients can access a range of support measures to help them improve their circumstances and develop resilience and self-sufficiency. The Bill will extend the FHA program from a cumulative total of 1,095 days to a cumulative total of 1,460 days.

Human rights implications

The Bill engages, or has the potential to engage, the following rights:

- Article 9 of the International Covenant on Economic, Social and Cultural Rights (the ICESCR) – right to social security
- Article 11(1) of the ICESCR – right to an adequate standard of living, including food, water and housing
- Article 12(1) of the ICESCR – right to health
- Article 6 of the ICESCR – right to work and rights in work.

Right to Social Security

Article 9 of the ICESCR recognises the right to social security. The United Nations Committee on Economic, Social and Cultural Rights (CESCR) has stated that the term ‘social security’ in article 9 encompasses the right to access and maintain benefits, whether in cash or in kind to secure protection from (a) lack of work related income; (b) unaffordable healthcare; or (c) insufficient family support.¹

By increasing the maximum time a person can access the FHA program, the Bill promotes the right to social security by providing an additional 12 months of support to qualifying farmers and farmers’ partners facing hardship.

¹ CESCR, General Comment No 19 (2008), paragraph 2.

Summary

The Bill engages and promotes the right to social security enshrined in Article 9 of the ICESCR.

Right to an adequate standard of living, including food, water and housing

Article 11(1) of the ICESCR recognises the right to an adequate standard of living, including food, water and housing. States have an obligation to ensure the availability and accessibility of the resources necessary for the progressive realisation of this right. The CESCR has stated that the core content of the right to adequate food implies both the availability and (economic and physical) accessibility of food.²

Given that the livelihood of farmers is subject to a range of factors beyond their control, the Bill seeks to promote this right by extending financial and social support to farmers and farmers' partners at times of hardship where they demonstrate a limited capacity to self-support.

The right to an adequate standard of housing is protected to a lesser extent under the Bill given that FHA recipients are, subject to eligibility criteria, able to access rent assistance.

Summary

The Bill engages and promotes the right to an adequate standard of living, enshrined in Article 11(1) of the ICESCR.

Right to health

Article 12(1) of the ICESCR recognises the right of all individuals to enjoy the highest attainable standard of physical and mental health.

The CESCR has stated that this right is not confined to the right to health care.³ The CESCR considers that article 12 more broadly acknowledges that the right to health embraces a wide range of socio-economic factors that promote conditions in which people can lead a healthy life, and extends to the underlying determinants of health, such as food and nutrition, housing, access to safe and potable water and adequate sanitation, safe and healthy working conditions, and a healthy environment.

The Bill extends all elements of the FHA program, including ancillary benefits contained in **Part 2, Division 8, Subdivisions A and B**, to recipients for an additional twelve months. In particular, FHA recipients are granted automatic access to a Health Care Card (under **Part 5** of the Bill that applies the social security law to FHA); and, subject to eligibility criteria, other applicable mainstream social assistance measures.

The Health Care Card assists FHA recipients with certain health costs by allowing access to specific services at a concessional rate.

² CESCR, General Comment No 12 (1999), paragraphs 8 and 13.

³ CESCR, General Comment No 14 (2000), paragraph 4.

The Bill acts to extend all applicable social assistance measures, including the Health Care Card, to FHA recipients for an additional twelve months. In doing so, the Bill promotes the right to health.

Summary

The Bill engages and promotes the right to health in Article 12(1) of the ICESCR.

Right to work

Article 6 of the ICESCR protects the right to work. Article 6(2) provides that, to achieve the full realisation of this right, States should take steps to include “technical and vocational guidance and training programmes, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual”.

The Bill seeks to extend the period a recipient may access FHA. While receiving payment, FHA recipients are able to access an Activity Supplement to undertake agreed training and assessment activities as prescribed in their Financial Improvement Agreement. By extending the program, the Bill will provide an additional 12 months for FHA recipients to access their remaining Activity Supplement for the purpose of increasing their technical and vocational training skills. Indirectly, engaging in technical and vocational training will support recipients to increase their access to work. As a result, the Bill engages and promotes the right to work contained in Article 6 of the ICESCR.

Summary

The Bill engages and promotes the right to work in Article 6 of the ICESCR.

Conclusion

The Bill is compatible with human rights because, wherever it engages with a right recognised under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*, the provision seeks to promote that right. The Bill contains no restrictions on any right recognised in that Act.

**(Circulated by authority of the Minister for Agriculture and Water Resources,
the Hon. David Littleproud MP)**

NOTES ON AMENDMENTS

Preliminary

Clause 1 **Short Title**

Clause 1 provides for the short title of the Act to be the *Farm Household Support Amendment Bill 2018*.

Clause 2 **Commencement**

Clause 2 provides for the commencement of each provision in the Bill, as set out in the table.

Clause 3 **Schedules**

Clause 3 provides that legislation that is specified in a Schedule to the Bill is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to the Bill has effect according to its terms.

Schedule 1—Amendments

Overview

Schedule 1 of the Bill operates to amend the *Farm Household Support Act 2014*, extending the Farm Household Allowance program to four cumulative years, or 1,460 days, for each recipient.

The intention of the Bill is to ensure that all people qualifying for the FHA program will be entitled to access an additional 365 days of support through the FHA program.

Farm Household Support Act 2014

Item 1 Paragraph 3(a)

This item omits “3 years” from paragraph 3(a) and substitutes “4 years”.

Item 2 Paragraph 4(a)

This item omits “3 years” from paragraph 4(a) and substitutes “4 years”.

Item 3 Subsection 5(1) (definition of 3 years or less)

This item repeals the current definition of **3 years or less from subsection 5(1)**.

Item 4 Subsection 5(1)

This item provides that the definition of **4 years or less** is the meaning given to it by subsection 6(3).

Item 5 Section 6 (heading)

This item omits the reference to “3 years or less” in the heading of section 6 and substitutes a reference to “4 years or less”.

Item 6 Subsection 6(3) (heading)

This item omits the reference to “3 years or less” in the heading of subsection 6(3) and substitutes a reference to “4 years or less”.

Item 7 Subsection 6(3)

This item omits the reference to “3 years or less” in subsection 6(3) and substitutes a reference to “4 years or less”.

Item 8 Subsection 6(3)

This item omits the term “1095 days” in subsection 6(3) and substitutes the term “1,460 days”.

Item 9 Section 7

This item omits the reference to “3 years” in section 7 and substitutes a reference to “4 years”.

Item 10 Paragraph 8(h)

This item omits the reference to “3 years” in paragraph 8(h) and substitutes a reference to “4 years”.

Item 11 Paragraph 9(j)

This item omits the reference to “3 years” in paragraph 9(j) and substitutes a reference to “4 years”.

Item 12 Subsections 96(1) and (2)

This item omits the references to “3 years” in subsections 96(1) and 96(2) and substitutes a reference to “4 years”.

Item 13 Application of amendments

Provides for the application of amendments.

Item 13 extends the FHA program from 1,095 days to 1,460 days for all people have applied, or will apply, for the FHA program.

If a person has exhausted their 1,095 days on the FHA program prior to the commencement of the Bill, they may apply for an additional 365 days of support.

For example, the amendments will apply to:

- a person who is currently serving a period of suspension
- a person who has applied for FHA but a decision has not yet been made on their claim
- a person who is currently receiving FHA
- a person who has exhausted their prior entitlement to FHA.