

# Farm Household Allowance activity supplement



Farm Household Allowance (FHA) activity supplement helps pay for activities to improve your financial position. It's worth up to \$10,000 over your lifetime.

## The activity supplement helps pay for activities in your Financial Improvement Agreement

Your Farm Household Case Officer (FHCO) works with you to develop a Financial Improvement Agreement. This is a plan for you to improve your financial situation. The agreement lists the activities you agree to do while you get FHA.

We provide an activity supplement worth up to \$10,000 in total to help pay for these activities. The amount doesn't reset each time you get FHA. This means \$10,000 is the total amount you can get in activity supplements for all periods you get FHA. If a couple gets FHA, each member needs their own agreement. Their goals and activities may complement each other or they may be different.

A farming couple in Victoria both applied for FHA when their farm was in drought. "Sharon" is the partner with full-time carer responsibilities for their children. She decided to go back to uni and improve her qualifications. She used the activity supplement to help pay her uni fees.

"Christine," a dairy farmer in New South Wales, used the activity supplement to pay for training courses to learn about organic farming practices. She got organic certification so she can sell organic milk at a higher price. She used the activity supplement to pay for advice on how to set up an organic milk processing plant.

Some people may want to do an activity that will help improve the farm's productivity.

"Ian" in Victoria wanted to improve the production of his stone fruit orchard. He needed to learn more about disease management practices. He was able to use the activity supplement to pay for a course to learn about this.

For others, their goal may be to find work away from the farm. The agreement can include study or training linked to farming or a completely different type of work.

"David" in Queensland decided to work off the farm as it wasn't financially viable. He found a TAFE course to get a qualification to help him find suitable work. David's FHCO told him the activity supplement can pay for the training cost of \$2,800. It also paid for his travel and accommodation while he studied. He finished the course and found a full-time job soon after.

Farmers nearing retirement age can get help with succession planning and arranging finances for the next stage of life.

"Jim" and "Mary," a dairy farming couple in Western Australia, used the activity supplement to pay for advice to develop a succession plan. The plan helped a smooth transition of the farm business, divided among their 3 children. It also helped to secure the couple's own financial future through retirement.

The activity supplement doesn't need to be spent on activities directly related to farming.

Northern Territory small crop farmer "Nick" wanted to use some of his land for housing. He used the activity supplement to pay a property development consultant. The consultant advised him about sub-dividing and developing part of his land. This meant he can reduce the time and effort spent working the farm and set up a second income source in retirement.

## Keep your agreement updated

You'll work with your FHCO to update your agreement and they'll review it at least every 12 weeks. You can update your agreement if your circumstances change or if you decide to change your goal. If you can't do an activity as agreed you need to talk to your FHCO as soon as possible. If you don't your payment may stop.

## The types of activities that are covered

You must use the activity supplement for an activity that's part of your agreement. Speak to your FHCO before you do the activity. They'll tell you if you can pay for it with the activity supplement.

The activity should relate to:

- business planning and performance
- diversifying and value adding
- managing risk
- succession planning and retirement
- natural resource management
- preparing for drought and natural disasters.

Your FHCO may also approve:

- activities to help you move into another career
- counselling services
- travel and accommodation costs so you can do an activity.

Farmers use the activity supplement to pay for studying subjects such as:

- agriculture
- sustainable farming practices
- organic farming
- rural operations
- feedlot operations and agricultural mechanical technology.

Others use the activity supplement for professional advice including:

- agronomy advice for soil testing or other actions to help improve stock or crops
- innovation, research or development of advanced farming technologies
- improving early detection of diseases.

The supplement may be approved for diversification and marketing activities such as:

- expanding to online markets
- agri-tourism
- adding new livestock or cropping enterprises.

You may want to make your farm more resilient or work more in harmony with the environment. The supplement may cover some costs towards:

- preparing for drought and natural disasters
- carbon farming
- emissions reduction
- water resource management
- enhancing biodiversity through animal or crop improvement programs.

Vertical integration is a common use of the activity supplement.

It can also be used to develop alternative uses of your land and business structures such as:

- land tenure agreements
- share farming
- leasing
- crop rotation.

## For more information

 Go to [servicesaustralia.gov.au/farmhouseholdallowance](https://servicesaustralia.gov.au/farmhouseholdallowance)

 Call your Farm Household Case Officer.

Call the farmer assistance hotline on **132 316, Monday to Friday, 8 am to 5 pm.**