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Our ref: 8L192

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Farm Household Allowance Review  
Department of Agriculture and Water Resources  
GPO Box 858, CANBERRA ACT 2601  
(Email: [FHAReview@agriculture.gov.au](mailto:FHAReview@agriculture.gov.au))

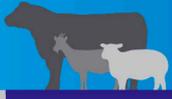
Dear Sir/Madam,

Livestock SA is the peak body for sheep, beef cattle and goat producers in South Australia with approximately 3,500 members. This submission is made on their behalf.

The Farm Household Allowance is the Commonwealth Government's income support payment that is designed to assist farmers and their partners experiencing financial hardship, regardless of the source of that hardship. It is an important support measure that is welcomed by industry as it can provide critical support for producers and their families.

Unfortunately, the Farm Household Allowance is administered by Centrelink. For many producers who have either never or rarely had to deal with a big organisation, suddenly dealing with Centrelink is a complete shock. It is apparent that the experience of dealing with farming families is also foreign to many Centrelink operators. The wait times for calling Centrelink and the time it takes to work through issues is considerable. There always appear to be issues, requiring lengthy follow up calls. For those in financial hardship with the farm business struggling, often the bureaucracy is too much. Coupled with this is the distance many producers must travel to seek advice, lodge forms, often with poor internet connections or antiquated fax machines, as well as the cost of travel and overnight accommodation that many cannot meet. The apparent unhelpfulness and apparent disdain of Centrelink when applying and lodging forms makes many decide not to apply or to simply give up.

A major issue for farmers under financial stress relates to being able to provide financial statements and tax returns to interested parties, including not only Centrelink but also banks. Centrelink requires these when reconciling funds received from the Farm Household Allowance with actual financial performance of the farming business. And banks require them if an application to refinance is underway.



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Many farmers cannot meet requests for the lodgement of financial statements and tax returns because they are unable to persuade their accountant to complete a current set of statements. This is mainly because they have been unable to pay the outstanding bills from previous years. Unfortunately, the current rules do not allow the use of any of the activity supplement funds to meet the cost of having financial statements and tax returns prepared.

Livestock SA proposes that farmers should be allowed to use some of the activity supplement funds provided (up to \$4,000) to fund the preparation of financial statements. This would help alleviate the considerable pressure being felt in being unable to comply with demands from Centrelink and banks.

Yours Sincerely,

Joe Keynes  
President