



Farm Household Allowance

Assets test explained

May 2025

Farm Household Allowance (FHA) is an Australian Government support package for commercial-scale farmers and their partners doing it tough. To be paid FHA you must meet the assets test.

The assets limit for FHA is **\$5.5 million**. The same limit applies to couples and to a single person.

This is a **net amount (equity)** and does not include any debts against your assets.

What are assets

Assets are things you own, including things you are paying off. Your total farm and non-farm assets are counted together. **Farm assets** include land, livestock, crop, plant or equipment and the value of your water rights.

Non-farm assets are not related to your farm business, for example, cash, money in the bank, shares, money on loan, private vehicles and real estate not related to the farm.

The value of your home and up to 2 hectares of the adjacent land on the same title is not included. Additionally, the assets test generally excludes shares you need for your farm business (for example, your water or producer co-operative shares that do not pay dividends and are not for resale).

Valuing your assets

Your rates notice, insured value or preferred sale price may not represent the actual value of your assets.

Follow these steps when estimating the value of your assets:

1. Include all the assets you own (except your principal home and adjacent land).
 - if a business is carried on the adjacent land (for example, a packing shed), then that portion of land is a farm asset and should be included in the total amount.
2. Estimate the price you are likely to receive if you:
 - sold each of the assets (or class of assets) without any improvements,
 - in the current market conditions (for your farm this is your walk in/ walk out amount).
3. Deduct any debts owed against your assets (for example, a loan or mortgage).

Assets hardship

In exceptional circumstances where your assets are higher than the threshold, but you are in severe financial hardship, you may still be able to receive payments under the asset hardship rule. Services Australia will advise if you qualify. Please be aware that in most cases your asset needs to be on the market, to be considered under the assets hardship rule.

Assets test scenarios

Scenario 1

Peter and Jenny's farm was impacted by bush fires. Their farm buildings, silos, fences and farm machinery have sustained significant damage. They also lost most of their livestock.

Before the bushfires, Peter and Jenny could have reasonably expected to receive around \$9 million if they sold the farm. With all the damage, if they were to sell their farm 'as is', they could only expect around \$7 million.

Their farm business owes \$2.5 million in loans, meaning their current equity is \$4.5 million. They would meet the assets test if they applied for FHA.

Scenario 2

Gino is a broadacre farmer. He had his farm valued recently at \$10 million – this includes the farmland, buildings, machinery and other equipment. However, the drying conditions slowed property sales in the area.

If Gino were to sell the farm in the current conditions, he is unlikely to receive more than \$9 million. Gino owes the bank \$4 million for his farmland and has separate loans to pay for the new farm machinery and the packing shed, totalling \$500,000.

Gino's current equity is \$4.5 million, which means he will meet the assets test.

Scenario 3

Jeremy is a third-generation beef farmer in a drought-affected area. His farm business owns substantial land. The total assets are estimated to be worth \$7.5 million, if sold 'as is' in the current conditions. Over the years Jeremy has paid off most of the farm debts. His only remaining loan is \$200,000. Jeremy's current equity is \$7.3 million.

Jeremy will not meet the assets test for FHA. There may be other options available to him, including seeking advice from a Rural Financial Counsellor.

More information

Learn more about [Income and assets tests for FHA](#)

Web [Farm Household Allowance](#)

Call the Farmer Assistance Hotline on **132 316** to discuss eligibility and ways to apply for FHA