



Australian Government

The Treasury

Tax Laws Amendment (2014 Measures No. 1) Bill 2014: Farm Management Deposits

SUMMARY OF CONSULTATION PROCESS

The Government announced on 6 November 2013 that it would make two amendments affecting the Farm Management Deposit scheme. The first is to raise the ceiling on non-primary production income from \$65,000 to \$100,000 before farmers are prevented from creating new Farm Management Deposits. The second is to allow farmers to withdraw and immediately re-deposit Farm Management Deposits, so as to allow their consolidation without tax penalties. The Government further announced on 10 February 2014 that it would enact a measure to exempt Farm Management Deposits from unclaimed money provisions.

This measure was included in Tax Laws Amendment (2014 Measures No. 1) Bill 2014, which was introduced into Parliament on 27 March 2014.

Consultation process

Consultation on the draft legislation was conducted between 12 February 2014 and 28 February 2014. Four submissions were received, one of which one was confidential.

Non-confidential submissions can be viewed on the [Treasury website](#).

Summary of key issues

There were four submissions received in consultation on the draft legislation. Submissions were supportive of the changes.

One stakeholder that supported the amendments also proposed to broaden the definition of 'assessable primary production income' to allow further income streams for farmers that would qualify to be deposited as farm management deposits. This proposal is outside the scope of the scheme as broadening the definition of primary production income would have wide ranging impacts.

Feedback

Feedback on the consultation process for this measure can be forwarded to consultation@treasury.gov.au. Alternatively, you can contact Sue Piper on 02 6263 4310.

Thank you to all participants in the consultation process.