

Compulsory Farm Debt Mediation on its way to South Australia

David McCrostie & Taylah Cochrane | June 2018 | Banking

South Australia currently has a voluntary farm debt mediation scheme (the SA Farm Finance Strategy), however there has been a push to protect farmers rights and the *Farm Debt Mediation Bill 2018 (SA)* (2018 Bill) has recently been introduced to State Parliament.

The 2018 Bill closely reflects the processes required by the *Farm Debt Mediation Act 2011 (VIC)*, and makes it compulsory for a creditor of a farmer under a farm mortgage to issue a notice allowing 21 days for the farmer to request mediation, prior to taking any enforcement action. Interestingly and, in perhaps a hint of what might be expected to come in the jurisdictions with FDM schemes, the 2018 Bill introduces forestry, soil farming and aquaculture in the definition of farming operation.

A Bill for mandatory farm debt mediation was previously introduced to the South Australian State Parliament in 2015, however after being passed by the Legislative Council it was defeated by the House of Assembly.

The 2018 Bill was read by the House of Assembly on 6 June 2018, but has yet to be debated or passed to the Legislative Council for reading.

Farm Debt Mediation is currently a statutory requirement in New South Wales, Victoria, and most recently Queensland. There are also voluntary schemes in Western Australia and South Australia.

As soon as there are developments on the 2018 Bill, we will release a detailed TurkAlert.

If you require any information regarding farm debt mediation, please contact David McCrostie, Lisa Morrissey or Taylah Cochrane.

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