

Guy Barnett MP

Minister for Primary Industries and Water
Minister for Energy
Minister for Resources
Minister for Veterans' Affairs
Liberal Member for Lyons



TASMANIAN GOVERNMENT MEDIA RELEASE

Guy Barnett, Minister for Primary Industries and Water
7 January 2021

Balancing the scales for farmers with financial stress

A new Tasmanian Farm Debt Mediation scheme will be developed to help farmers in financial stress work with their creditors.

The scheme offers a structured negotiation process where a neutral and independent mediator helps farmers and lenders communicate and come to a formal agreement about the management of farm debts.

The new legislated scheme will provide both farmers and lenders with an efficient, inexpensive and fair pathway for resolving debt problems early, instead of what can be a drawn-out, expensive and stressful court process.

Importantly, the scheme will be designed to address power imbalances that may exist between stressed farm businesses and their creditors.

It will ensure farmers who may not have the resources to negotiate their own protections when dealing with lenders will have the legal right to participate in mediation before creditors can take enforcement action.

This legislation is an important step in helping to ensure there is a nationally consistent approach to Farm Debt Mediation across Australia. This was a recommendation of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

Agriculture is a key pillar of Tasmania's economy, with a total value of \$1.9 billion at the farmgate in 2018-19. However, farm businesses can be especially vulnerable to business downturns due to conditions that are outside of their control, like weather or market price volatility.

The proposed Tasmanian scheme aims to support the mental, emotional and financial wellbeing of farmers who find themselves struggling with debt.

DPIPWE is conducting a public consultation process to seek input on the development of the Tasmanian scheme.

A consultation paper is available at <https://dpiipwe.tas.gov.au/farm-debt-mediation>

Submissions close at 11.59pm on February 5, 2021, with legislation for scheme expected to be tabled in Parliament later this year.