

Support and information for farmers

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Farmers have the right:

- to be offered mediation before a creditor can commencing enforcement action under a farm mortgage
- to consider an offer of mediation from their creditor and reply within 21 days
- to request mediation with their creditor whether they are in default under a farm mortgage or not
- to be issued a Prohibition Certificate where they are in default under a farm mortgage, they have requested mediation and the creditor has refused to mediate or three months have elapsed since the request for mediation was issued.

For full details, see the [Farm Debt Mediation Act 2011](#).

Farmers are not obliged to participate in mediation. If farmers do not wish to participate or do not reply within 21 days to a notice from their creditor offering mediation, a creditor can request an Exemption Certificate that will allow them to immediately proceed with debt recovery.

Approved forms, notices and applications related to farm debt mediation are available.

Outcomes of mediation

Mediation outcomes will vary according to the circumstances of each case.

Both the creditor and farmer are required to make a genuine attempt to mediate in good faith.

If the farmer and creditor agree to sign a binding agreement to resolve the dispute, the creditor must ensure that the agreement between the parties is reflected in any contract, deed, mortgage or other instrument.

Creditors are not obliged to forgive or reduce farm debts.

Prohibition certificates

A prohibition certificate prevents a creditor from taking enforcement action.

A farmer may apply for a prohibition certificate if the farmer has requested mediation with their creditor, they are in default and the creditor refuses to mediate or three months have elapsed since the request for mediation was issued.

A creditor must not commence enforcement action against a farmer if a prohibition certificate has been issued. A prohibition certificate remains in place for 6 months or until the day on which the farmer and creditor enter into mediation.

Applications for prohibition certificates should be made to the [Victorian Small Business Commission](#).

Record keeping

Both the farmer and the creditor should keep accurate records and evidence of the service of notices, as well as copies of all notices served.

Seek help

Agriculture Victoria

For general information about farm debt mediation, contact Agriculture Victoria on 136 186 or farm.debt@ecodev.vic.gov.au

Rural Financial Counselling Service

The Rural Financial Counselling Service is a free and independent service that can help identify financial options and negotiate with lenders.

All farmers participating in farm debt mediation are encouraged to contact the Rural Financial Counselling Service for support in this process.

To find your local Rural Financial Counsellor call 1800 686 175 or find your local service here {link to new Rural Financial Counselling page}

Other support

Farmers can seek assistance for their solicitor, accountant or another appropriately qualified person. These people can assist farmers to prepare for mediation, attend the mediation session with farmers and help farmers with any actions that need to be undertaken after the mediation session.

More information

For more information about farm debt mediation or to initiate mediation call the Farm Debt Mediation Officer on 136 186.

Was this page helpful?

YES

NO

