



The Hon Jaala Pulford MP

Minister for Agriculture
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Ref: BMIN17004218R

Senator Malcolm Roberts, MP
Chair, Senate Select Committee on Lending to Primary Production Customers
PO Box 6100, Parliament House
CANBERRA ACT 2600

Dear Senator Roberts

FARM DEBT MEDIATION SCHEME INFORMATION REQUEST

Thank you for your letter of 5 October 2017 to my Department about the Farm Debt Mediation Scheme. You specifically asked *what happens if a farmer requests mediation but the creditor declines to mediate.*

A farmer does not need to be in default before making a request for mediation regarding their farm debt. However, if the farmer is **not** in default then a refusal to mediate by the creditor does not, of itself, give rise to any claim or other consequence under the *Farm Debt Mediation Act 2011*.

If the farmer is in default then refusal to mediate by the creditor (either through declining the request or failing to respond to a request to mediate within 21 days) provides the farmer with grounds to apply to the Victorian Small Business Commissioner for the issue of a Prohibition Certificate. A Prohibition Certificate prevents a creditor from commencing enforcement action against a farmer for a period of six months.

I trust that this information has assisted in answering your question. If you require further information, please contact Tracey Harper, Senior Policy Analyst of the Department of Economic Development, Jobs, Transport and Resources.

Yours sincerely

Hon Jaala Pulford MP
Minister for Agriculture

Date: 25/10/17

