

15 July 2022

Mr David Evans
Director, Financial Policy
Financial Policy and Business Support Branch
Department of Agriculture, Fisheries and Forestry
Canberra City ACT 2601

via email: David.Evans@awe.gov.au

Dear Mr Evans

Farm Debt Mediation - Draft Better Practice Guide Consultation

Thank you for the opportunity to comment on the *Farm Debt Mediation, Draft Better Practice Guide*. Many Australian farms are operating as small and family businesses, and it is essential that these businesses are able to resolve debt disputes effectively and efficiently through access to quick and affordable debt mediation services.

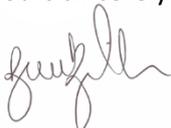
We support the introduction of the Better Practice Guide (the guide) however, we recommend consideration be given to the adoption of appropriate legislation to better support a nationally consistent approach to Farm Debt Mediation (FDM).

As previously identified by this Office, current state-based FDM schemes lack critical consistencies that open legislation up to interpretation, creating confusion for both small business farms and their lenders over when a farmer can seek mediation assistance.¹

We suggest the guide should include instructive case studies to illustrate its practical application and explain how it interacts with state regimes and Australian Banking Association Code expectations may lessen such confusion. Case studies could present examples of effective FDM practices, help lift engagement from less accommodating financiers, and give borrowers a realistic sense of their scope for negotiation and the outcomes they could anticipate from engaging in a FDM process.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Ms Sarah Blyton on 02 5114 6128 or at sarah.blyton@asbfeo.gov.au.

Yours sincerely



The Hon. Bruce Billson
Australian Small Business and Family Enterprise Ombudsman

¹ Australian Small Business and Family Enterprise Ombudsman. (December 2016). Inquiry into small business loans; Australian Small Business and Family Enterprise Ombudsman. (16 June 2017). Submission: Senate Committee on Lending to Primary Production Customers