

**THE QUEENSLAND**

**FARM FINANCE**

**STRATEGY**

*1 February 2008*

## **QUEENSLAND FARM FINANCE STRATEGY**

The Queensland Farm Finance Strategy was originally developed as a joint initiative of the Queensland Farmers' Federation (QFF) and the Australian Bankers' Association (ABA). It was first put in place in 1996 and has now been further developed by the ABA, QFF and Agforce Queensland, with input from key stakeholders including AgForce, Queensland Department of Primary Industries, Office of Rural Communities, Queensland Rural Adjustment Authority, Legal Aid Queensland, Queensland Justice Department and the Bar Association of Queensland.

The ABA, QFF and Agforce Queensland undertake to the best of their endeavours to implement and promote the Farm Finance Strategy, and strongly encourage the adoption of this Strategy by others who are significant stakeholders in the financial success of Queensland agriculture.

Signatories to this Strategy are listed at Appendix A.

# QUEENSLAND FARM FINANCE STRATEGY

This document is the product of a consultative process between the banking industry and rural industry organisations in Queensland.

This document was agreed to by the above parties to commence 1 February 2008, and replaces the QFF / ABA Farm Finance Strategy signed by the ABA and QFF in 2003.

## PURPOSE

The purpose of this Strategy is for financial institutions (“Financiers”) and other providers of credit to Farmers, Farmers and their respective financial advisers and financial counsellors and representative organisations to work together to:

- promote objective assessment of financial viability of Farming Operations;
- resolve financial problems as they arise; and
- promote a mechanism to achieve a timely and dignified conclusion to matters where a financial support relationship is brought to an end so as to avoid the potential for conflict between the Farmer and Financier.

To achieve the Purpose of this Strategy, the parties will:

- encourage all Farmers and Financiers to adopt the philosophy of this Strategy;
- encourage financial planning and analysis as integral parts of daily farm management by Farmers, in order to identify opportunities and strategies for economically and environmentally sustainable farming;
- encourage Farmers to access professional advice as a part of the lending process;
- encourage early recognition of Farmers’ financial problems (including debt serviceability or farm viability) and identify opportunities and strategies for addressing financial problems;
- provide a framework in which Farmers and Financiers can resolve financial problems; and
- participate in processes when a Farmer has to end their Farming Operation due to financial difficulties, in a professional and sensitive manner.

## THE STRATEGY

This Strategy recognises that both the Farmers and the Financiers are in business and that their relationship is based and defined by contracts which govern the provision of credit. This Strategy also recognises and identifies the following as key elements of a sound relationship between Farmers and Financiers:

- Access to and the use of professional advisers and the adoption of sound financial management practices by the Farmer;
- The early recognition of financial problems; and
- A willingness by the parties to negotiate to resolve financial problems in a fair and reasonable manner including the availability of mediation prior to commencing enforcement action with respect to a Farm Mortgage by the Financier.

## DEFINITIONS

**“Enforcement Action”** means action by a Financier to enforce a Farm Mortgage by the issuance of a Notice of Exercise of Power of Sale, advertisement of a notice of sale, taking possession or commencing court proceedings for possession of a Farm, commencing court proceedings for recovery of a Farm Debt, issue of enforcement warrants, the appointment of a Receiver, Manager, Administrator or Controller.

**“Farm Debt”** means a liability or obligation incurred by a Farmer for the purposes of funding the conduct of a Farming Operation that is secured wholly or partly by a Farm Mortgage.

**“Farmer”** means a person (whether an individual person or corporation) who is solely or principally engaged in a Farming Operation.

**“Farm”** means any land used in Queensland by a Farmer to conduct a Farming Operation which secures a Farm Debt.

**“Farm Mortgage”** means any interest in, or power over, any land used by a Farmer to conduct a Farming Operation which secures the payment or performance of a Farm Debt.

**“Farming Operation”** means the activity of agriculture, pasturage, horticulture, viticulture, apiculture, aquaculture, poultry farming, dairy farming, or any business consisting of the cultivation of soil, the gathering in of crops or the rearing of livestock for commercial gain.

**“Financier”** means any financial institution, which is a signatory to this Strategy.

Any right or commitment arising under this Strategy that is not consistent with a right or obligation arising under the Code of Banking Practice is to be read down to the extent of that inconsistency.

### 1. Access to Professional Advice

Professional and independent advice minimises the risks in lending and borrowing decisions and provides an opportunity for the early recognition of a Farmer’s potential financial problems.

It is preferable that financial risk management and analysis including the use of cash flow budgets are a part of the daily management of a Farming Operation. To improve the technical and business management skills of Farmers, supporters of this Strategy will use their best endeavours to:

- encourage Farmers to, consult independent professional advisers including agricultural consultants, farm financial counsellors, solicitors and accountants with a view to identifying and addressing financial problems as early as possible;
- support training and extension programs for Farmers aimed at improving their technical and business management and financial and accounting skills; and
- encourage Farmers to access training to promote best Farming Operation financial risk management practices.

## 2. Early Recognition of Financial Problems

Financial problems encountered by Farmers are more able to be advantageously managed and addressed if they are recognised at the earliest possible stage. The benefits of early problem recognition include:

- flexibility in the range of options which may be available to assist recovery;
- ensuring cash flow and carry-on requirements are adequate and are appropriately monitored and adjusted if appropriate;
- the opportunity to adopt management practices to promote sustainable Farming Operation production;
- the adoption of appropriate practices to financially manage the Farming Operation;
- the minimisation of stress on Farmers' families;
- the avoidance of erosion of equity in non-viable or marginally viable Farming Operations by the establishment, where appropriate, of an orderly programme for reorganisation of the debt to equity ratio by asset sales or other means; and
- enhancing the prospects of a satisfactory outcome for Farmers and their families leaving a Farming Operation.

### *Identification of Problems:*

Sound financial management and the identification of financial problems is an integral part of business management of Farming Operations to assist in achieving sound financial management and to identify problems.

#### **2.1 Farmers should endeavour to:**

- a. seek to improve their technical and business management and financial and accounting skills to ensure they run a viable Farming Operation;
- b. maintain open levels of communication with their Financier and immediately inform them if they believe that there are circumstances likely to result in potential financial problems. For example, crop failures, storm damage, illness;
- c. seek independent advice to assist in the identification and resolution of financial problems as soon as possible;
- d. maintain up to date accurate financial records;
- e. identify precise costs of capital and other non- recurring expenditure;
- f. present up to date full and proper financial statements, cash flow projections and other information as required and when required and monitor same;
- g. fully understand the agreements made by them in their Farm Debt and Farm Mortgage, including how and when they are to be performed, and the consequences of default.

It is recognised that for a range of practical reasons, farmers and financiers may not always be able to identify potential financial problems early. However there is the potential to identify problems and act upon them through the following:

- a. Utilisation of sound financial management practices which enable areas of concern and potential remedies to be more readily identified by both Financiers and Farmers;
- b. Regular review by farmers and their financial advisers of farmers cash flow projections/budgets and assessing performance to projections;
- c. Periodic review by farmers and their financial advisers of farmers credit facilities and financial statements;
- d. Reviews and applications for renewal of and variations in credit facilities;
- e. Occurrences of defaults in the operation of finance facilities and other behaviour suggesting poor financial performance.

**2.2 *Financiers should endeavour to:***

- a. Inform Farmers in writing if they are aware that there are financial problems;
- b. inform a Farmer of any significant change in the financial institution's assessment of the Farming Operation, noting that the ability to do this may depend on quality of information provided by the Farmer;
- c. urge Farmers and their advisers to identify and develop actions and financial and business goals that will improve their position;
- d. ensure that Farmers are not discouraged from making early disclosure of difficulties or potential difficulties;
- e. encourage Farmers to take remedial action to resolve financial problems as early as possible;
- f. at the time of a credit review and/or renewal of finance facilities, act in a fair and reasonable manner should adjustment to interest rates and fees be warranted;
- g. be supportive of this Strategy, counselling services and financial assistance measures available to Farmers such as Farm Help Payments and Austudy.

**2.3 *Rural Industry Organisations and other supporters of this Strategy should endeavour to:***

- a. encourage Farmers to access professional and independent financial advice on a regular basis about the sustainability of their Farming Operation;
- b. encourage Farmers to identify and address financial problems early;
- c. encourage Farmers to seek assistance as soon as possible by contacting the DPI Farm Financial Counselling Service, Rural Financial Counselling Services, QRAA, Centrelink and other appropriate agencies for assistance;
- d. establish systems to assist Farmers to monitor financial performance;
- e. develop and support the adoption of best practice Farming Operation management standards as guidelines for Farmers.

## **2.4 Commitments:**

To achieve resolution of financial problems, all parties to this strategy will at all times endeavour to:

- a. communicate openly and honestly;
- b. share information and documentation, where appropriate;
- c. treat each other with dignity, respect and courtesy;
- d. act in good faith.

## **3. Resolving the Problem by Negotiation**

3.1 This Strategy recognises that situations will arise, particularly when a Farmer has to end a Farming Operation due to financial difficulties, where there is a role for advisers and agencies to assist the Farmers in discussions and negotiations with the Financier. These advisers and agencies include industry organisations, DPI Farm Financial Counselling Service, Legal Aid, farm management consultants, accountants, solicitors, financial counsellors and any others the parties may wish to involve.

3.2 Subject to clause 3.7 Financiers are committed to negotiating with Farmers and their advisers to resolve financial problems, including:

- a. where a Farming Operation has failed or substantially failed for whatever reason such that there will be insufficient income to meet liabilities including interest and/or capital repayments;
- b. where commodity prices have fallen to the extent that there will be insufficient income to meet liabilities including interest and/or capital repayments;
- c. Sales of assets or other sources of income have not been realised to the extent that there will be insufficient income to meet liabilities including interest and/or capital repayments;
- d. unforeseen events have occurred which are likely to have an adverse impact on income to the extent that there will be insufficient income to meet liabilities including interest and/or capital repayments;
- e. it is anticipated that default will be made in compliance with the terms of any credit contract and any securities.

3.3 Subject to clause 3.7 a Financier will:

- a. confirm in writing its intention to negotiate to endeavour to achieve a mutually satisfactory solution;
- b. provide a reasonable time frame (of at least 15 business days) for a Farmer to agree to negotiate to resolve the financial problem;
- c. afford Farmers the opportunity to include professional advisers in negotiations to resolve problems and when appropriate assist in negotiations;
- d. agree to a date on which negotiations will commence;

- e. where appropriate undertake an objective assessment of submissions that are made by or on behalf of the Farmer including reviews of any proposed technical or financial options;
- f. attempt to negotiate a mutually satisfactory solution with the Farmer regarding refinancing and plans for adjustment such as sale or partial sale of assets, time frames, and financial support during this period.
- g. confirm in writing if a decision is made during negotiations to decline to continue financial support

3.4 Farmers participating in negotiations will:

- a. meet their financial commitments during the period of negotiations and not commit some other default;
- b. seek independent advice to assist in the resolution of a financial problem as soon as possible;
- c. agree to a date for commencement of the negotiations being not more than 15 business days after the Farmer agrees to negotiate;
- d. agree to a time frame for the conclusion of negotiations which shall be no more than 1 months from the date of commencement unless the parties otherwise agree;
- e. provide full and complete disclosure including complete up to date financial information and other such information as may be required within the time specified;
- f. attend all such meetings as may be requested during the course of negotiations.

3.5 Negotiations may end if a Farmer does not meet their financial commitments during a negotiation, fails to provide information as required, or if the parties are unable to reach a mutually satisfactory agreement within the agreed time frame.

3.6 Where a Farmer is not able to, or does not, maintain their financial commitments a Financier will at its option either offer to negotiate a solution to the financial problem (as above) or will offer mediation before Enforcement Action is taken in respect to a Farm Mortgage.

3.7 If a contractual breach of the terms of a Farm Debt or Farm Mortgage occurs and a Financier believes that the secured assets are at risk of dissipation or the value of secured assets is at risk of diminution, the Financier shall be at liberty immediately to exercise its legal rights including taking Enforcement Action to protect its financial position prior to entering into or continuing negotiations or entering into mediation with the Farmer.

3.8 The parties acknowledge that failure to comply with the provisions of this strategy will entitle the other party to discontinue negotiations immediately.



## **4. Mediation**

- 4.1 The ABA, QFF and Agforce Queensland have developed and agreed to protocols for the “Queensland Farm Debt Mediation Scheme” (Mediation Protocols) that will form an addendum to this Strategy.
- 4.2 Except as provided in clauses 3.7, 3.8 and 5.3 Financiers undertake to offer Farmers mediation in accordance with the Mediation Protocols prior to the commencement of any enforcement action in respect of a Farm Debt:
  - 4.2.1 where negotiations undertaken in circumstances in accordance with clause 3 have failed to result in an agreement;
  - 4.2.2 where default has occurred under the terms of the Farm Debt or Farm Mortgage;
  - 4.2.3 where a dispute has arisen between the Financier and the Farmer.

## **5. Acknowledgments and Undertakings**

When a Farmer’s only option is to end businesses operations due to financial difficulties the experience is often traumatic. To facilitate this process, considerable sensitivity and tact are required. There are a number of financial assistance measures available through organisations such as QRAA and Centrelink, and the parties to this Strategy will use their best endeavours to ensure that producers are made aware of those measures. There are a number of community agencies and services equipped to help in this process.

- 5.1 Financiers undertake that they will use their best endeavours to:
  - a. promote this Strategy to clients who are Farmers;
  - b. acquaint managers and staff working with Farmers with this Strategy and its purpose.
  - c. observe the terms of this Strategy.
- 5.2 The Rural Industry Organisations that are signatories to this Strategy undertake that they will use their best endeavours to:
  - a. encourage Farmers to identify financial problems early and work constructively with their Financiers to resolve financial problems;
  - b. promote this Strategy and its mediation component;
  - c. promote support of this Strategy amongst other stakeholder groups including non-bank financial institutions and professional bodies.
- 5.3 It is acknowledged that a Financier is not obliged to negotiate with or offer mediation in terms of this Strategy in the following circumstances:
  - (i) if the value of the Farm Debt is less than \$50,000 or greater than \$10,000,000;

- (ii) if after being offered negotiation or mediation a farmer does not agree to a date within a reasonable time frame to commence the negotiation or mediation;
- (iii) where the Farmer has become bankrupt or entered into an arrangement with his creditors or sought protection under the provisions of the Bankruptcy Act;
- (iv) a Farmer being a corporation that is externally administered corporation within the meaning of the Corporations Act 2001;
- (v) if any other creditor, secured or otherwise, has taken any enforcement action in respect of any of the secured assets;
- (vi) if the Farmer has vacated all or part of any of the secured assets and has failed to notify the Financier of a current address;
- (vii) if the Farmer has been convicted of any indictable offence during the term of the Farm Debt;
- (viii) where the Financier is satisfied, that the Farmer is or has acted in a manner that has deliberately diminished the value of the security held by the Financier or has disposed of assets other than in the normal course of business without consent;
- (ix) In relation to subparagraph (viii) it is anticipated that a Financier will only avoid its commitment under this Strategy where it has direct evidence;
- (x) where the Farm Debt and/or Farm Mortgage have been obtained as a result of fraud and/or deliberate deception.

5.4 The Parties agree to meet annually to review progress of the implementation of this strategy, particularly undertakings to promote the strategy under clauses 5.2 and 5.3.

## 6. Publication

The QFF, Agforce Queensland and the ABA will prepare information about this Strategy and make it accessible to rural organisations and financial institutions. QFF, Agforce Queensland and the ABA will prepare “Protocols for the Queensland Farm Debt Mediation Scheme”.

Information on this Strategy and the “Protocols for the Queensland Farm Debt Mediation Scheme” will also be posted on the QFF, Agforce Queensland and ABA Internet sites:

QFF: <http://www.qff.org.au>

AGFORCE QLD: <http://www.agforceqld.org.au>

ABA: <http://www.bankers.asn.au>

## 7. Review

### APPENDIX A

Signatories to the *Queensland Farm Finance Strategy* agree to observe and be bound by the processes and procedures provided for in and contemplated by this Strategy. Signatories are:

#### Queensland Farmers’ Federation

.....  
*Gary Sansom*  
*President*

#### CANEGROWERS

.....  
*Alf Cristaudo*  
*Chairman*

#### Cotton Australia Ltd.

.....  
*Bernie George*  
*Chairman*

#### Agforce Queensland

.....  
*Peter Kenny*  
*President*

#### Growcom Ltd.

.....  
*Paul Ziebarth*  
*Chairman*

#### Queensland Dairyfarmers’ Organisation

.....  
*Wes Judd*  
*President*

Nursery & Garden Industry  
Queensland Inc.

.....  
*Bryan Hillier*  
*President*

Queensland Chicken Growers'  
Association

.....  
*Steve Teitzel*  
*President*

Flower Industries Association of  
Queensland

.....  
*Brian Shannon*  
*President*

Australian Bankers' Association

.....  
Chair

The following financial institutions have agreed to observe and be bound by the processes and procedures provided for in this strategy from 1 February 2008 or such date as shown:

National Australia Bank  
Commonwealth Bank  
Bendigo Bank  
Westpac Banking Corporation  
ANZ Group Ltd  
Suncorp Metway Ltd  
Rabobank Australia Ltd  
Bankwest  
Bank of Queensland  
Queensland Rural Adjustment Authority  
Rural Bank Ltd (June 2016)

The following industry organisations have agreed to observe and be bound by the processes and procedures provided for in this strategy from 1 February 2008 or such date as shown:

Queensland Farmers' Federation  
AgForce Queensland  
Queensland Canegrowers Organisation Ltd  
Growcom  
Cotton Australia  
Queensland Dairyfarmers' Organisation  
Australian Prawn Farmers' Association  
Queensland Chicken Growers' Association  
Flower Association of Queensland Inc.  
Nursery & Garden Industry Queensland  
Pork Queensland Inc.

## Subscription to the Queensland Farm Finance Strategy and Queensland Farm Debt Mediation Scheme

..... agrees to observe and be bound by the processes  
and procedures provided for in and contemplated by *Queensland Farm Finance Strategy* and  
*Queensland Farm Debt Mediation Scheme* having effect from 1 February 2008..

Signature of authorised representative: .....

Date: .....

# QUEENSLAND FARM DEBT MEDIATION SCHEME

## PROTOCOLS

The purpose of the Scheme is to provide a process, which facilitates impartial mediation between a Farmer and their Financier to assist in arriving at an agreement for the present arrangements and conduct of future financial relations between the parties. Where the parties have not utilised mediation under this Scheme, Financiers will offer it prior to taking enforcement action. The function of the mediator under the Scheme is to mediate impartially and does not include:

- Encouraging or assisting a Farmer or a Financier in reserving or establishing legal rights; or
- Acting as an adjudicator.

It is recognised that the parties to mediation still have separate rights in law and that they may seek to exercise these rights.

While the Scheme recognises the potential of the mediation process to assist in reaching agreements, it is recognised that the process of mediation may not result in an agreement between the parties.

### 1. Definitions for the Purpose of the Scheme

- 1.1 **“Farm Debt”** means a liability incurred by a Farmer for the purposes of funding the conduct of a Farming Operation that is secured wholly or partly by a Farm Mortgage.
- 1.2 **“Farmer”** means a person (whether an individual person or a corporation) who is solely or principally engaged in a Farming Operation
- 1.3 **“Farm”** means any land in QLD used by a Farmer to conduct a Farming Operation which secures a Farm Debt.
- 1.4 **“Farm Mortgage”** means any interest in, or power over, any land used by a Farmer to conduct a Farming Operation that secures a Farm Debt.
- 1.5 **“Farming Operation”** means the activity of agriculture, pastorage, horticulture, viticulture, apiculture, poultry farming, dairy farming, or any tother business consisting of the cultivation of soil, the gathering of crops or the rearing of livestock for commercial gain.
- 1.6 **“Financier”** means any financial institution, which is a signatory to this Scheme.
- 1.7 **“Enforcement Action”** means action by a Financier to enforce a Farm Mortgage by the issuance of a Notice of Exercise of Power of Sale, advertisement of a notice of sale, taking possession or commencing court proceedings for possession of a Farm, commencing court proceedings for recovery of a Farm Debt, issue of enforcement warrants, the appointment of a Receiver, Manager, Administrator or Controller being steps necessary to protect the interest of the Financier in the Farm Mortgage.
- 1.8 The Queensland Farmers Federation (QFF), Agforce Queensland and the Australian Bankers’ Association (ABA) in consultation with other Rural Industry

Organisations will maintain a **mediation package**. This will include advice to Farmers about the Scheme and the options available to them in circumstances where Financiers are intending to take enforcement action. The package will be available from Financiers, QFF, Agforce Queensland, ABA, and Financial Counsellors.

**A mediator** will be either a person whom the parties agree to conduct the mediation or a person who is included on the Scheme's list of mediators. A list of suitable mediators will be maintained by the QFF, Agforce Queensland and the ABA, for the purpose of this Scheme. Suitable lists of mediators may include those maintained by the Queensland Department of Justice, the Law Society, the Bar Association, the Australian Association of Agricultural Consultants or the Australian Institute of Agricultural Scientists. Mediators that are not listed may be used by agreement of both parties'.

2. A Farmer and/or a Financier may seek mutually agreed mediation at any time consistent with the purposes of the Scheme. However, there is no obligation on either party unless enforcement action is to be taken.
3. Notwithstanding clause 2. above, a Financier who is a signatory to the Queensland Farm Debt Mediation Scheme will notify Farmers of its intention to take enforcement action in respect to a Farm Mortgage and of the availability of mediation. The mediation package will be provided to the Farmer with the notice, and will include a list of mediators approved by the QFF, Agforce Queensland and ABA.
  - 3.1 The notice of intention to take enforcement action will be way of a standard form.
4. A Farmer who has been given Notice may, within 21 days after the Notice is given, advise the Financier in writing that they request mediation concerning the Farm Debt involved. The request for mediation will include a selection of three mediators taken from a list that is provided as a part of the mediation kit if the parties have not agreed on a mediator.
  - 4.1 A standard form for accepting mediation will be provided with the notice.
  - 4.2 The cost of the mediator will be shared equally.
5. If the parties have not agreed on a mediator the Financier will choose a mediator from the 3 selected by the Farmer and within 14 days shall advise the Farmer and request the mediator to convene a pre-mediation conference.
6. If a Farmer elects to decline mediation the Financier will have satisfied its obligations to mediate under this Scheme.
  - 6.1 A standard form for electing to decline mediation will be provided with the notice.
7. If a Farmer does not respond to the mediation offer, the Financier will wait 28 days from giving notice before commencing enforcement action.



- 8.** The mediator takes over the administrative arrangements for the mediation as per this Agreement.
  - 8.1** This will include arranging a premeditation conference
    - 8.1.1.** The premeditation conference will define the issues to be resolved by the mediation, the location and timing of the mediation, the participants and the cost sharing arrangements.
    - 8.1.2.** The premeditation conference can be by phone hook up.
    - 8.1.3.** If no issues are identified the mediator will conclude the process
  - 8.2** The mediation may take place in Brisbane or regional centres at the agreed convenience of the parties.
- 9.** All parties are to enter the mediation in good faith and will endeavour to conclude the mediation process as rapidly as possible. Unless otherwise agreed by the parties, mediation is to be concluded within 3 months of the Notice being given, or two months of a mediator being appointed.
- 10.** The parties are able to have advisers present in mediation sessions. The participants will be agreed in the pre-mediation conference.
- 11.** A mediation may be satisfactory even without the parties necessarily reaching an agreement at the end of the mediation process.
- 12.** Within three working days of the conclusion of mediation the mediator will advise the parties in writing on the standard form whether or not the Financier participated in the mediation in good faith. On the basis the mediator advises that the Financier has acted in good faith, the Financier will have satisfied its obligations to mediate under this Scheme.
  - 12.1** A bank participating in a mediation in good faith is expected to give reasonable consideration to proposals put forward by the farmer but is not required to agree to forgive debt or agree to make other concessions with regards existing contractual arrangements.
- 13.** Unless agreed by the parties, out-comes of the mediation will be confidential.
- 14.** Written communications preferably will be by ordinary pre-paid post unless otherwise agreed.
  - 14.1** The Financier shall retain copies of all communications issued by the Financier to the Farmer and such copies shall bear on their face a certification by a responsible officer of the Financier as to the date the communications were forwarded in the post to the Farmer. Where the Farmer has agreed to communications being via facsimile transmission, the Financier shall maintain with a copy of the facsimile communication a copy of the transmission report showing the time and date of transmission to the Farmer.
- 15.** The Scheme will be reviewed at the end of 12 months operation.

# QUEENSLAND FARM DEBT MEDIATION SCHEME

## NOTICE TO FARMER

### INTENTION TO TAKE ENFORCEMENT ACTION IN RESPECT OF FARM MORTGAGE

This is a notice under Section 3.1 of the Queensland Farm Debt Mediation Scheme to inform you ..... (*the farmer*)  
that the (*financier*) .....  
(*Address*) .....

intends to take enforcement action against property over which it holds a farm mortgage.

Details of security instrument: .....

Details of property over which security is held: .....

FACILITY BALANCE O/S as at date of issue of Section 3.1 Notice .....

### FARMERS' RIGHTS UNDER THE QUEENSLAND FARM DEBT STRATEGY

Under the Queensland Farm Debt Mediation Scheme you are entitled to request that mediation between this financier and yourselves take place within the next three months at a time and place to be agreed upon. You are urged to seek independent professional legal and financial advice about your financial position and the implications of the intended action by this financier with respect to your debt before making any decision regarding mediation.

If you wish to seek mediation and you have not already agreed with your financier as to who will conduct the mediation you will need to select three possible mediators from the list of mediators attached. A copy of the Protocols for Mediation is also attached.

### ACTION REQUIRED BY YOU

You have 21 days in which to give notice to this financier of your intention to participate in mediation with the financier. If you do not respond within this time you will lose your rights under the Queensland Farm Debt Strategy.

### HOW TO RESPOND TO THIS NOTICE

If you wish to respond to this notice and seek mediation, complete the enclosed section 4.1 Notice.

If you wish to respond to this notice and decline the offer of mediation, complete the enclosed section 6.1 Notice.

Authorised by: .....

Date Issued: .....

Date Sent: .....

**QUEENSLAND FARM DEBT MEDIATION SCHEME  
SECTION 4.1 NOTICE TO FINANCIER**

**REQUEST FOR MEDIATION CONCERNING FARM DEBT**

This is a notice under Section 4.1 of the Queensland Farm Debt Mediation Scheme requesting mediation in regard to our farm debt referred to in the Section 3.1 Notice issued by .....  
..... issued on ..... and received on .....  
*(Creditor)* *(date)* *(date)*

Name of farm contact person: .....  
Telephone contact No.: .....  
Signed: .....  
Signed: .....  
Dated: .....

**Please provide the names of your preferred mediators selected from the list provided or provide the name of the mediator that you and your financier have agreed to use:**

1. ....
2. ....
3. ....

**NB:**

**Return this Notice to the issuing Creditor within 21 days of receipt of the Section 3.1 Notice if you wish to mediate. If you do not respond within 21 days of receipt you will lose your rights to mediation under the Queensland Farm Debt Mediation Scheme.**

Return to:.....  
*(Financier)*

**QUEENSLAND FARM DEBT MEDIATION SCHEME**

**SECTION 6.1 NOTICE TO FINANCIER**

**OF DECISION NOT TO ENTER INTO MEDIATION**

Under the Queensland Farm Debt Mediation Scheme a Farmer has a right to request mediation.

Being aware of my/our right to request mediation I/we elect not to exercise that right and decline to enter into or proceed with mediation in respect of the farm debt and farm mortgage as detailed in Section 3.1 Notice issued by .....  
..... issued on ..... and received on .....  
*(Financier)* *(date)* *(date)*

Name of farm contact person: .....  
Telephone contact No.: .....  
Signed: .....  
Signed: .....  
Dated: .....

**NB:**

**You should give consideration to obtaining independent professional advice before signing this form.**

**Return this Notice to the issuing Financier within 21 days of receipt of the Section 3.1 Notice if you wish to decline the offer to mediate. If you do not respond within 21 days of receipt you will lose your rights to mediation under the Queensland Farm Debt Mediation Scheme.**

**Return to:.....**  
*(Financier)*

**QUEENSLAND FARM DEBT MEDIATION SCHEME  
SECTION 12 NOTICE**

**MEDIATOR'S STATEMENT**

This is a notice under Section 12 of the Queensland Farm Debt Mediation Scheme regarding mediation between

*Name of Financier:* .....

*Name of farmer:* .....

I confirm that mediation was held on .....(date) and that the Financier participated in the mediation in good faith.

Name of Mediator: .....

Signed: .....

Address of Mediator: .....

Telephone Contact No.: .....

Dated: .....

**NB:**

**Return this Notice to both the Financier and the Farmer within three days of completion of mediation.**

Return to:.....

*(Financier)*

.....

*(Farmer)*