

Version
as at 24 August 2023



Farm Debt Mediation Act 2019

Public Act 2019 No 73
Date of assent 13 December 2019
Commencement see section 2

Contents

| | Page |
|---|------|
| 1 Title | 3 |
| 2 Commencement | 3 |
| Part 1 | |
| Preliminary provisions | |
| 3 Purpose of Act | 4 |
| 4 Outline of Act | 4 |
| 5 Outline of mediation requests and mediation process | 5 |
| 6 Interpretation | 6 |
| 7 Transitional, savings, and related provisions | 9 |
| 8 Act binds the Crown | 10 |
| 9 Status of examples | 10 |
| Part 2 | |
| Restrictions on enforcement of farm debt | |
| Subpart 1—Restrictions on enforcement of farm debt | |
| 10 Meaning of enforcement action | 10 |
| 11 When creditor cannot take enforcement action | 11 |

Note

The Parliamentary Counsel Office has made editorial and format changes to this version using the powers under subpart 2 of Part 3 of the Legislation Act 2019.

Note 4 at the end of this version provides a list of the amendments included in it.

This Act is administered by the Ministry for Primary Industries.

| | | |
|----|---|----|
| 12 | Restriction does not apply if parties enter into mediation agreement | 12 |
| 13 | Restriction does not apply if farmer is subject to insolvency proceeding or process | 12 |
| 14 | Enforcement action in contravention is void | 13 |
| | Subpart 2—Mediation process | |
| | <i>Mediation requests</i> | |
| 15 | Farmer may request mediation at any time | 13 |
| 16 | Creditor may request mediation at any time after default | 13 |
| 17 | Reply to mediation request | 14 |
| 18 | Creditor must have good reason to decline to mediate | 14 |
| 19 | Extension of time for farmer’s reply | 14 |
| 20 | When mediation is declined | 15 |
| | <i>Mediation process</i> | |
| 21 | Appointment of mediator | 15 |
| 22 | Procedure agreement | 15 |
| 23 | Costs of mediation | 16 |
| 24 | Conduct of mediation | 17 |
| 25 | Duration of mediation process | 17 |
| 26 | Parties must mediate in good faith | 17 |
| 27 | Mediation report | 18 |
| | <i>Confidentiality</i> | |
| 28 | Matters covered in mediation are confidential | 18 |
| | Subpart 3—Mediation agreement | |
| 29 | Mediation agreement | 19 |
| 30 | Preparation of and entry into mediation agreement | 19 |
| 31 | Enforcement of mediation agreement | 19 |
| 32 | Right to cancel mediation agreement | 19 |
| 33 | Effect of cancellation | 20 |
| | Subpart 4—Enforcement and prohibition certificates | |
| | <i>Application for and issue of certificates</i> | |
| 34 | Grounds for enforcement certificate | 20 |
| 35 | Grounds for prohibition certificate | 20 |
| 36 | Application for certificate | 20 |
| 37 | Notice to other party | 21 |
| 38 | Issue of enforcement certificate | 21 |
| 39 | Issue of prohibition certificate | 21 |
| 40 | Notice of decision | 21 |
| 41 | Content of certificate | 22 |
| | <i>Duration and effect</i> | |
| 42 | Duration of certificate | 22 |

| | | |
|--|--|----|
| 43 | Effect of expiry of enforcement certificate | 22 |
| Part 3 | | |
| General provisions | | |
| Subpart 1—Mediators | | |
| 44 | Approval of mediation organisations | 23 |
| 45 | Suspension or cancellation of approval | 23 |
| 46 | Authorisation of mediators | 24 |
| 47 | Conflicts of interest | 24 |
| 48 | Exclusion of liability | 24 |
| 49 | Requirements for mediation organisations and mediators | 25 |
| Subpart 2—Administrative review of decisions | | |
| 50 | Decisions subject to administrative review | 25 |
| 51 | Application for administrative review | 26 |
| 52 | Opportunity to make submissions | 26 |
| 53 | Conduct of administrative review | 26 |
| 54 | Determination of application | 26 |
| 55 | Notice of determination | 27 |
| 56 | Application for administrative review acts as stay | 27 |
| 57 | Appeals on question of law | 27 |
| Subpart 3—Miscellaneous | | |
| 58 | No contracting out | 27 |
| 59 | Restriction applies to guarantors | 28 |
| 60 | Multi-party mediation | 29 |
| 61 | Appointment of receiver allowed by court order in event of urgency | 29 |
| 62 | Notices | 31 |
| 63 | Published requirements | 31 |
| 64 | Power to make regulations by Order in Council | 31 |
| Schedule 1 | | |
| Transitional, savings, and related provisions | | |

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Farm Debt Mediation Act 2019.

2 Commencement

- (1) Part 1 and subparts 1 and 2 of Part 3 come into force on 1 February 2020.
- (2) The rest of this Act comes into force on 1 July 2020.

Part 1

Preliminary provisions

3 Purpose of Act

The purpose of this Act is to provide parties to farm debt with the opportunity to use mediation to reach an agreement on the present arrangements and future conduct of financial relations between them before an enforcement action is taken in relation to farm property.

4 Outline of Act

- (1) This Act requires parties to a farm debt to engage in mediation before the creditor can take an enforcement action in relation to farm property.

Example

A farmer borrows money from a bank to purchase additional land and stock. As part of that loan, the farmer gives a mortgage over the farm land to the bank.

The farmer stops repaying the loan.

The mortgage allows the bank to sell the farm land and use the sale money to repay the outstanding amount of the loan.

However, the bank must invite the farmer to mediate, and engage in that mediation process in good faith, before the bank can use that power of sale.

- (2) Under Part 2,—
- (a) a creditor cannot take an enforcement action in relation to farm property unless the creditor has an enforcement certificate (*see* section 11); and
 - (b) an enforcement certificate will not be issued unless the creditor has participated in the mediation process in good faith (*see* sections 34 and 38). An enforcement certificate lasts for 3 years (*see* section 42). An enforcement certificate could also be issued if the farmer has declined to mediate (*see* section 20).
- (3) Part 2 also allows a farmer to initiate mediation in relation to a farm debt, and allows a farmer to obtain a prohibition certificate if the relevant grounds are established (*see* sections 35 and 39). A prohibition certificate stops a creditor from taking an enforcement action for 6 months (*see* sections 11 and 42).
- (4) In addition, Part 2 sets out requirements relating to—
- (a) how mediation requests are made and the mediation process. A guide to mediation requests and the mediation process is set out in section 5;
 - (b) how mediation agreements may be entered into and when they may be enforced (*see* subpart 3 of Part 2);
 - (c) the application for, and issue of, certificates (*see* subpart 4 of Part 2). If the parties do not enter into a mediation agreement, or if the farmer cancels the agreement under section 32, the farmer or the creditor may have grounds for applying for a certificate (*see* sections 34 and 35).

- (5) The restriction on enforcement actions under section 11 does not apply if the parties enter into a mediation agreement (*see* section 12). However, the terms of the mediation agreement are binding on the parties and can be enforced (*see* section 31). If a mediation agreement is more than 3 years old, the restriction on enforcement actions applies again (*see* section 12).
- (6) In addition, the restriction on enforcement actions does not apply if the farmer is subject to an insolvency proceeding or process, such as liquidation or bankruptcy (*see* section 13).
- (7) Part 3 allows mediation organisations to be approved. Once approved, those mediation organisations can authorise a person to be a mediator. *See* subpart 1 of Part 3. Mediation must be carried out by an authorised mediator.
- (8) Part 3 also contains a process for reviewing decisions to issue a certificate or to approve an organisation, and other miscellaneous matters.
- (9) Guarantors of farm debt are also protected by the restriction on enforcement actions under section 11 (*see* section 59).
- (10) This section and section 5 are a guide only to the general scheme and effect of this Act.

5 Outline of mediation requests and mediation process

- (1) A farmer or a creditor may request mediation using the procedure set out in sections 15 to 19.
- (2) A request to mediate may be accepted or declined (*see* section 17). However, a creditor may only decline if they have a good reason to do so (*see* section 18). Declining to mediate (which includes failing to reply to a request—*see* section 20) can result in a certificate being issued.
- (3) If the farmer and creditor agree to mediate, the mediation process begins. The parties have 60 working days to complete the mediation process. However, this period can be extended if both parties agree (*see* section 25).
- (4) The mediation process contains the following steps:
 - (a) the parties appoint a mediator (*see* section 21):
 - (b) the parties enter into a procedure agreement (*see* section 22). This agreement sets out the arrangements between the parties about how the mediation will be conducted. The agreement must include an agreement about the costs of mediation. However, the farmer cannot be required to pay more than \$2,000 towards the mediator's costs (*see* section 23):
 - (c) mediation is conducted using that procedure agreement (*see* section 24):
 - (d) the mediator gives a report to the chief executive (*see* section 27). That report includes a summary of the mediation process.
- (5) The farmer and creditor must participate in each step of the mediation process in good faith (*see* section 26). Failure to participate in good faith can result in a certificate being issued.

- (6) The mediator may discuss the possibility of a multi-party mediation (for example, by inviting the farmer's other creditors to participate in the mediation). Section 60 applies if there is a multi-party mediation.

6 Interpretation

- (1) In this Act, unless the context otherwise requires,—

approved mediation organisation means a mediation organisation that is approved under section 44

authorised mediator means a mediator who is authorised under section 46

certificate means an enforcement certificate or a prohibition certificate

chief executive means the chief executive of the Ministry

creditor means a person to whom a farm debt is owed by a farmer

default, in relation to a farm debt, means a failure to perform an obligation or the occurrence of an event that, under the terms of the farm debt or the security interest, gives the creditor a right to take an enforcement action

enforcement action has the meaning set out in section 10

enforcement certificate means an enforcement certificate issued under section 38

event of urgency has the meaning set out in section 61

farm debt means a debt incurred by a farmer (whether as principal debtor or guarantor) that,—

- (a) at the time it is incurred, is incurred solely or principally for the purpose of conducting a primary production business or any related activities; and
- (b) is secured wholly or partly by a security interest in farm property (whether granted by the farmer or a guarantor)

farm property means any property that is used for or in connection with the primary production business or related activities of the farmer

Example 1

A farmer is engaged in aquaculture. The farmed fish are farm property.

Example 2

A farmer is engaged in apiculture. The apiary, bees, and smoker are farm property.

Example 3

A sharemilker owns a utility vehicle and a car. The utility vehicle is used on the farm and is farm property. The car is used for personal purposes and is not farm property.

farmer—

- (a) means a person who is engaged in a primary production business; and
- (b) includes a principal debtor under a debt that was incurred solely or principally for the purpose of conducting a primary production business (whether or not that person is engaged in the business)

Example

A married couple own a farm. Both spouses are parties to the farm debt. One spouse works on the farm. The other is a librarian. Both spouses are farmers.

guarantee means a guarantee, an indemnity, or a liability given, assumed, or undertaken by a guarantor

guarantor—

- (a) means a person who—
 - (i) guarantees the performance of a debtor’s obligations under a debt; or
 - (ii) indemnifies a creditor against any loss that the creditor may incur in connection with the debt; or
 - (iii) assumes liability for performing the obligations of a debtor under the debt; but
- (b) does not include such a person to the extent that the person indemnifies a creditor against any loss that the creditor may incur in connection with the debt under a contract of insurance

insolvency proceeding or process has the meaning set out in subsection (2)

linked has the meaning set out in subsection (3)

mediation agreement means an agreement between the parties to the mediation entered into in accordance with sections 29 and 30

mediation process means the process set out in sections 21 to 27

mediation report—

- (a) means a report given by the mediator to the chief executive under section 27(1); and
- (b) includes any further information given by the mediator to the chief executive under section 27(3)

mediation request means a request under section 15 or 16

mediator means an impartial third person appointed by the parties to the mediation to assist the parties to reach an agreement for the present arrangements and future conduct of financial relations between the parties

Ministry means the department of State that, with the authority of the Prime Minister, is responsible for the administration of this Act

primary production business—

- (a) means a business undertaking that primarily produces unprocessed materials (including, without limitation, agriculture, horticulture, and aquaculture); and
- (b) includes—
 - (i) sharemilking; and
 - (ii) any business or class of business specified in regulations; but
- (c) does not include—
 - (i) a business undertaking that primarily provides materials or labour to perform a service for a business undertaking of a kind set out in paragraph (a); or
 - (ii) a business undertaking that primarily involves mining; or
 - (iii) any business or class of business specified in regulations

Example 1

An architect owns a lifestyle farm and has some chickens and a sheep on that farm. The produce is for personal use. The architect is not raising the chickens and sheep as a business undertaking. There is no primary production business.

Example 2

A company provides shearers to farmers on a contract basis. The company is providing labour to perform a service. There is no primary production business.

procedure agreement means an agreement relating to procedure for the mediation agreed between the parties in accordance with section 22

prohibition certificate means a prohibition certificate issued under section 39

property—

- (a) means any real or personal property in New Zealand; and
- (b) includes any consent or permit granted under the Natural and Built Environment Act 2023

related activities means business activities that involve primary production and are carried out in connection with a primary production business

Example

A company produces buffalo milk and is a primary production business. In addition to producing milk, the company also makes and sells a limited range of cheeses. The company is primarily producing milk, and the cheese-making is a related activity.

security interest—

- (a) means—

- (i) a security interest as defined in section 17 of the Personal Property Securities Act 1999; and
 - (ii) a mortgage as defined in section 4 of the Property Law Act 2007; but
 - (b) does not include—
 - (i) a charge created by section 169 of the Tax Administration Act 1994 or sections 169 and 184 of the Child Support Act 1991; or
 - (ii) a charge or other interest in property created by or under any other enactment.
- (2) In this Act, a farmer is subject to an **insolvency proceeding or process** if any of the following apply:
- (a) the farmer is in liquidation under the Companies Act 1993 or under any other enactment:
 - (b) the farmer is in voluntary administration or subject to a deed of company arrangement under Part 15A of the Companies Act 1993:
 - (c) a receiver has been appointed and is acting in relation to the whole, or substantially the whole, of the assets and the undertaking of the farmer:
 - (d) the farmer is subject to a compromise with its creditors that has been approved under Part 14 of the Companies Act 1993:
 - (e) an order that an arrangement or a compromise is binding on the farmer has been made under Part 15 of the Companies Act 1993:
 - (f) the farmer is in statutory management under the Corporations (Investigation and Management) Act 1989 or any other enactment:
 - (g) the farmer is an undischarged bankrupt:
 - (h) a person is appointed in respect of, or another event occurs that indicates the start of, a process in New Zealand or in any other country that is similar to any of those set out in paragraphs (a) to (g).
- (3) In this Act, an enforcement action (the **action**) is **linked** to another enforcement action if the action and the other enforcement action relate to—
- (a) the same default; and
 - (b) the same security interest; and
 - (c) the same farm property.

Section 6(1) **property** paragraph (b): amended, on 24 August 2023, by section 805(1) of the Natural and Built Environment Act 2023 (2023 No 46).

7 Transitional, savings, and related provisions

The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.

8 Act binds the Crown

This Act binds the Crown.

9 Status of examples

- (1) An example used in this Act is only illustrative of the provisions to which it relates. It does not limit those provisions.
- (2) If an example and a provision to which it relates are inconsistent, the provision prevails.

Part 2**Restrictions on enforcement of farm debt****Subpart 1—Restrictions on enforcement of farm debt****10 Meaning of enforcement action**

- (1) An **enforcement action**, in relation to a security interest in farm property,—
 - (a) means an action that is taken to enforce a security interest in farm property following a default; and
 - (b) includes—
 - (i) appointing a receiver of the farm property under a power contained in an instrument relating to the security interest; or
 - (ii) applying for an order for the appointment of a receiver of the farm property for the purpose of enforcing the security interest; or
 - (iii) serving a notice under section 119 or 128 of the Property Law Act 2007; or
 - (iv) entering into possession, or assuming control, of the farm property for the purpose of enforcing the security interest; or
 - (v) appointing a person to enter into possession or assume control of the farm property (whether as agent for the creditor or for the farmer) for the purpose of enforcing the security interest; or
 - (vi) exercising, as a creditor or as a receiver or person so appointed, a right, power, or remedy existing because of the security interest, whether arising under an instrument relating to the security interest, under a written or unwritten law, or otherwise.

Example

A hazelnut grower misses a payment that is due under a farm debt that is secured by a charge over the grower's vacuum harvester.

The creditor sends a letter reminding the grower to make the payment. That letter is not an enforcement action.

Payment is still not made. The creditor sends another letter, which includes a notice under section 128 of the Property Law Act 2007 for the purposes of accelerating the debt. That letter is an enforcement action.

- (2) An action of a creditor specified in subsection (3) is to be treated as if it were an enforcement action in relation to a security interest in farm property (and, accordingly, the restriction in section 11 applies to those actions).
- (3) The actions are—
 - (a) appointing an administrator of a farmer under section 239K of the Companies Act 1993; or
 - (b) applying for an order for the appointment of an administrator of a farmer under section 239L of the Companies Act 1993; or
 - (c) applying for an order for the appointment of a liquidator of a farmer under section 241 or 342 of the Companies Act 1993; or
 - (d) appointing a receiver of the whole, or substantially the whole, of the assets and undertaking of a farmer; or
 - (e) applying for a farmer to be adjudicated bankrupt under section 13 of the Insolvency Act 2006; or
 - (f) another action that is similar to any of those set out in paragraphs (a) to (e).
- (4) *See also* section 59 (which provides that enforcement actions in relation to a security interest in any property of a guarantor, or actions of a kind set out in subsection (3) taken in relation to the guarantor, are treated as actions in relation to a security interest in farm property).

11 When creditor cannot take enforcement action

- (1) A creditor must not take an enforcement action in relation to a security interest in farm property unless an enforcement certificate is in force in respect of the relevant farm debt.
- (2) A creditor must not take an enforcement action in relation to a security interest in farm property if there is a prohibition certificate in force in respect of the relevant farm debt.
- (3) This section does not affect an enforcement action in relation to property that is not farm property (*but see* section 59, which extends the restriction in this section to enforcement actions in relation to non-farm property owned by a guarantor).
- (4) *See* subpart 4 for when a certificate may be issued.
- (5) *See also* section 56 (which provides that certain applications for administrative review act as a stay on enforcement action).

- (6) *See also* section 59 (which provides that enforcement actions in relation to security interests granted by guarantors are also subject to this provision).

Compare: Farm Debt Mediation Act 1994 ss 5(3)(c), 8(1) (New South Wales)

12 Restriction does not apply if parties enter into mediation agreement

Section 11 does not apply if the parties have, at any time in the 3 years before the enforcement action, entered into a mediation agreement under this Act in relation to the farm debt.

Example 1

At the end of a mediation process, the parties enter into a mediation agreement. In the agreement, the creditor agrees that the farmer can do various things before the creditor will take an enforcement action.

Despite this, the creditor takes an enforcement action without waiting for the farmer to do those things.

Because there is a mediation agreement, the restriction in section 11 does not apply. This means that the enforcement action is not void.

However, the mediation agreement is binding (see section 31) and the farmer can enforce that agreement against the creditor.

Example 2

A dairy farmer defaults 3 years after a mediation agreement is entered into. The creditor wants to take an enforcement action.

Because the mediation agreement was entered into more than 3 years before the enforcement action, the restriction in section 11 applies. If the creditor wants to take an enforcement action in respect of the default, the creditor must first obtain an enforcement certificate.

13 Restriction does not apply if farmer is subject to insolvency proceeding or process

- (1) Section 11 does not apply if the farmer under the relevant farm debt is subject to an insolvency proceeding or process.
- (2) The end of an insolvency proceeding or process does not affect an enforcement action (the **action**), and the action may continue and be completed as if subsection (1) still applied, if—
- (a) the action was commenced or is in progress while the farmer is subject to an insolvency proceeding or process; or
 - (b) the action is linked to another enforcement action, and that other enforcement action was commenced or was in progress while the farmer was subject to an insolvency proceeding or process.
-

Example

While an avocado grower is in bankruptcy, a creditor serves notice under section 128 of the Property Law Act 2007. That notice does not become void when the

grower is discharged from bankruptcy, and the creditor may continue to exercise its power to sell the mortgaged goods.

14 Enforcement action in contravention is void

- (1) An enforcement action taken in contravention of section 11 is void.
- (2) However, nothing in subsection (1) affects—
 - (a) section 184 of the Property Law Act 2007 (which provides protection to a person who purchases mortgaged property from a mortgagee or receiver); and
 - (b) section 124 of the Personal Property Securities Act 1999 (which provides, in the case of transfer of collateral sold by a secured party, for a purchaser to acquire good title to goods); and
 - (c) section 51 of the Land Transfer Act 2017 (which provides, in the case of a transfer of an estate or interest in land, for title by registration except as provided for by that section); and
 - (d) the provisions of any other enactment or law that protects a purchaser who purchases property from or through a creditor in good faith, or any person claiming through such a purchaser.

Compare: Farm Debt Mediation Act 1994 s 8(2) (New South Wales)

Subpart 2—Mediation process

Mediation requests

15 Farmer may request mediation at any time

- (1) A farmer who owes a farm debt to a creditor may request mediation in accordance with this Act in relation to the farm debt at any time.
- (2) However, a farmer may not request mediation under subsection (1) if there is an enforcement certificate in force in respect of the farm debt.
- (3) The request must—
 - (a) be given to the creditor in writing; and
 - (b) comply with any published requirements (*see* section 63).

Compare: Farm Debt Mediation Act 1994 s 18B (New South Wales)

16 Creditor may request mediation at any time after default

- (1) A creditor who is owed a farm debt by a farmer may request mediation in accordance with this Act at any time after a farmer is in default of that farm debt.
- (2) However, a creditor may not request mediation under subsection (1) if there is a prohibition certificate in force in respect of the farm debt.
- (3) The request must—

- (a) be given to the farmer in writing; and
- (b) comply with any published requirements (*see* section 63).

Compare: Farm Debt Mediation Act 1994 s 18A (New South Wales)

17 Reply to mediation request

- (1) A party must reply to a mediation request within 20 working days after receiving the request.
- (2) The reply must—
 - (a) be in writing; and
 - (b) state whether the party agrees to mediate; and
 - (c) comply with any published requirements (*see* section 63).
- (3) A creditor who declines to mediate must also state the reason for declining in their reply (*see also* section 18).
- (4) *See* section 20 (which provides that failure to reply to the mediation request is treated as a reply declining mediation).

Compare: Farm Debt Mediation Act 1994 ss 18A(3), (4), 18B(4), (5) (New South Wales)

18 Creditor must have good reason to decline to mediate

- (1) A creditor must agree to mediate unless there is a good reason for them to decline.
- (2) For the purposes of sections 34(b) and 35(b) (which provide for certificate applications on good faith grounds), the following may be treated as evidence that a creditor did not participate in the mediation process in good faith:
 - (a) declining an earlier mediation request without good reason; or
 - (b) failing to state a reason for declining an earlier mediation request.

19 Extension of time for farmer's reply

- (1) The chief executive may, on application by a farmer made within 5 working days after receiving a request under section 16, extend the time within which a reply must be given under section 17(1) if the chief executive considers an extension is reasonably required in the circumstances.
- (2) An application must be made in the way required by the chief executive.
- (3) An extension must be no longer than 10 additional working days.
- (4) The chief executive—
 - (a) must make a decision on whether to grant an extension as soon as is reasonably practicable after receiving an application; and
 - (b) must give written notice of the decision to the farmer and the other party as soon as practicable after making the decision.

20 When mediation is declined

- (1) A party **declines to mediate** if—
 - (a) they fail to respond to a mediation request within the period specified in section 17(1) (as extended by section 19, if applicable); or
 - (b) they indicate in writing to the party who made the mediation request that they do not want to proceed with mediation; or
 - (c) they indicate in any other manner that they do not want to proceed with mediation.
- (2) *See* subpart 4 (which provides that declining to mediate may result in a certificate being issued).

Compare: Farm Debt Mediation Act 1994 ss 18A, 18B (New South Wales)

Mediation process

21 Appointment of mediator

- (1) If the reply under section 17(2) contains an agreement to mediate, a mediator must be appointed as follows:
 - (a) the farmer must nominate a panel of 3 authorised mediators; and
 - (b) the creditor must accept 1 of those mediators.
- (2) A failure to comply with the provisions of this section within a reasonable time may be treated as evidence that a party has not participated in the mediation process in good faith (*see* section 26).

Compare: Farm Debt Mediation Act 1994 s 18C (New South Wales)

22 Procedure agreement

- (1) Once a mediator is appointed, the parties and the mediator must enter into an agreement relating to the procedure for the mediation.
- (2) The procedure agreement must include an agreement as to how the costs and related expenses of the mediation will be shared (*but see* section 23).
- (3) The procedure agreement may include 1 or more of the following matters:
 - (a) who has authority to represent and bind the parties;
 - (b) who may attend the mediation, including any guarantors, interested parties, legal counsel, and experts;
 - (c) requirements as to confidentiality and privilege in respect of the mediator, the parties, and any other persons attending the mediation, including who may be informed about any confidential matter;
 - (d) whether the mediator may engage an expert assessor for a stated or any other purpose;
 - (e) how the procedure agreement may be varied or terminated:

- (f) any other matter that the mediator and the parties agree is appropriate to best meet the needs and interests of the parties, having regard to the nature of the issues between the parties.
- (4) A procedure agreement is binding on the parties in accordance with its provisions.
- (5) The following may be treated as evidence that a party has not participated in the mediation process in good faith (*see* section 26):
- (a) a failure to enter into a procedure agreement within a reasonable time;
 - (b) a failure to comply with the provisions of a procedure agreement without a good reason.

23 Costs of mediation

- (1) A farmer must not be required to pay more than \$2,000 towards the costs and related expenses of the mediator.
- (2) A creditor must meet its own costs and expenses in relation to the mediation process.
- (3) If a procedure agreement contravenes subsection (1), or is silent as to costs, the parties must be treated as having agreed that the farmer will pay \$2,000 towards the costs and related expenses of the mediator and that the creditor will pay the balance of those costs and related expenses.
- (4) *See also* section 58 (which provides that a provision of an agreement that overrides this section is unenforceable) and section 60 (which provides for cost sharing in the case of a multi-party mediation).

Example

A viticulturist has a loan agreement with a creditor and incurs farm debt under that agreement. The viticulturist defaults on payments, and the creditor initiates mediation under this Act.

The loan agreement contains a clause that says the creditor can recover its costs of enforcement of the agreement by adding those costs to the balance of the debt owed by the viticulturist. The parties do not agree on anything specific regarding mediation costs in the procedure agreement they enter into.

Both the viticulturist and the creditor spend some time preparing for the mediation, and engage expert assistance as part of that preparation.

The parties agree on a mediator. The mediator's costs and expenses for the mediation, including for time spent preparing for the mediation and actively mediating, come to a total of \$5,500 exclusive of GST.

The costs of the mediator and the mediation process are dealt with as follows:

- The viticulturist must pay \$2,000 towards the mediator's costs.
- The creditor must pay the balance of the mediator's costs (\$3,500 plus the amount of the GST).

- The creditor cannot add the balance of the mediator's costs to the debt owed by the viticulturist or recover those costs from the viticulturist in any other way.
- The creditor cannot add the costs of its preparation for the mediation (including any costs of expert assistance) to the debt owed by the viticulturist or recover those costs from the viticulturist in any other way.
- The parties are free to come to an agreement that assists the viticulturist in paying for the costs of their preparation for the mediation (including the viticulturist's costs of expert assistance).

24 Conduct of mediation

- (1) A mediator—
 - (a) may, having regard to the purpose of this Act and the needs of the parties, follow any procedures (whether structured or unstructured) or do any things that the mediator considers appropriate to resolve the issues between the parties promptly and effectively; and
 - (b) may receive any information, statement, admission, document, or other material, in any way or form the mediator thinks fit, whether or not it would be admissible in judicial proceedings.
- (2) A mediator must discuss the advantages and disadvantages of a multi-party mediation with the creditor and farmer if the mediator considers it appropriate (having regard to the purpose of this Act and the needs of the parties).
- (3) The provisions of the procedure agreement prevail over subsection (1).
- (4) A mediator does not have power to determine any matter, even if the mediator is required to do so by the parties.

Compare: 2006 No 84 s 81

25 Duration of mediation process

- (1) The parties must proceed to mediation as soon as is reasonably practicable after a procedure agreement is entered into.
- (2) The mediation process may not continue beyond the date that is 60 working days after the date of a mediation request, except with agreement of the parties.

26 Parties must mediate in good faith

- (1) The parties must participate in the mediation process in good faith.
- (2) Declining to reduce or forgive a debt or to vary the terms of a debt does not, by itself, demonstrate that the creditor did not participate in the mediation process in good faith.
- (3) *See* subpart 4 in relation to when good faith is relevant to a certificate being issued.

Compare: Farm Debt Mediation Act 1994 s 14(5) (New South Wales)

27 Mediation report

- (1) At the end of the mediation, the mediator must give a report to the chief executive.
- (2) The report must include—
 - (a) a summary of the mediation process; and
 - (b) the names of the parties to the farm debt; and
 - (c) the address for service nominated by each party to the farm debt (*see* section 62); and
 - (d) any other information specified in published requirements (*see* section 63).
- (3) The chief executive may require a mediator to give any further information that the chief executive considers reasonably necessary.
- (4) The mediator must give the parties to the mediation a copy of the mediation report.
- (5) The contents of a mediation report may be used as evidence that a party has not participated in the mediation process in good faith (*see* section 26).

Compare: Farm Debt Mediation Act 1994 s 18O (New South Wales)

*Confidentiality***28 Matters covered in mediation are confidential**

- (1) The mediation agreement and any other matters shared, discussed, agreed, admitted, or determined in, or in the course of, mediation are confidential and—
 - (a) must not be disclosed by the parties, the mediator, or persons attending the mediation; and
 - (b) are not admissible in a court, tribunal, or other forum or before a person acting judicially.
- (2) The provisions of the procedure agreement prevail over subsection (1).
- (3) However, subsection (1) does not restrict disclosure—
 - (a) by a mediator, to the extent that disclosure is necessary for a mediation report (*see* section 27); or
 - (b) by a farmer or a creditor, to the extent that disclosure is necessary for an application for a certificate or in an application for administrative review of a decision whether or not to issue a certificate (*see* sections 36, 50, and 52); or
 - (c) where disclosure is authorised by the High Court; or
 - (d) where disclosure is otherwise required by law.

- (4) Despite subsection (1), a mediation agreement is admissible for the purpose of enforcing that agreement (*see* section 31).

Subpart 3—Mediation agreement

29 Mediation agreement

- (1) Any agreement reached between the parties in the course of a mediation must be recorded in a mediation agreement.
- (2) Failure to reach agreement or to enter into a mediation agreement does not, by itself, demonstrate that the parties have not participated in the mediation process in good faith (*see* section 26).

Compare: Farm Debt Mediation Act 1994 s 18K (New South Wales)

30 Preparation of and entry into mediation agreement

- (1) The mediator must prepare a draft mediation agreement setting out the main points of agreement between the parties.
- (2) A draft mediation agreement must comply with any published requirements (*see* section 63).
- (3) The parties may enter into a mediation agreement by signing it.
- (4) A mediation agreement can be varied or replaced in the same manner as it is entered into.
- (5) A defect in form or a technical irregularity does not invalidate a mediation agreement.

Compare: Farm Debt Mediation Act 1994 s 18J (New South Wales)

31 Enforcement of mediation agreement

- (1) A mediation agreement is binding on the parties who enter into it.
- (2) However, a mediation agreement is not enforceable by a creditor unless the time during which the farmer may cancel the agreement under section 32 has expired and the farmer has not given notice of cancellation within that time.
- (3) *See also* section 12 (which provides that the restriction in section 11 does not apply if the parties have entered into a mediation agreement under this Act).

Compare: 1986 No 121 s 36N

32 Right to cancel mediation agreement

- (1) A farmer may cancel a mediation agreement by giving written notice of the cancellation to the creditor (or the creditor's legal representative) within 10 working days after the date on which the mediation agreement is signed by the parties.
- (2) This section does not limit a person's right to cancel a mediation agreement under any other enactment or law.

- (3) *See* section 60 for cancellation notices in the case of a multi-party mediation.
Compare: 1986 No 121 s 36M; 2003 No 52 s 27

33 Effect of cancellation

- (1) If a mediation agreement is cancelled under section 32, the agreement is treated as if it had never been entered into.
- (2) Cancellation of a mediation agreement under section 32 does not, by itself, demonstrate that the creditor did not participate in the mediation process in good faith.

Compare: Farm Debt Mediation Act 1994 s 18M (New South Wales)

Subpart 4—Enforcement and prohibition certificates

Application for and issue of certificates

34 Grounds for enforcement certificate

A creditor who is owed farm debt by a farmer may apply to the chief executive for an enforcement certificate in relation to the farm debt on either of the following grounds:

- (a) that the farmer declined to mediate (*see* section 20);
- (b) that the creditor participated in the mediation process in good faith (*see* sections 18 and 26).

Compare: Farm Debt Mediation Act 1994 s 15(3) (New South Wales)

35 Grounds for prohibition certificate

A farmer who owes farm debt to a creditor may apply to the chief executive for a prohibition certificate on either of the following grounds:

- (a) that the creditor declined to mediate (*see* section 20);
- (b) that the creditor did not participate in the mediation process in good faith (*see* sections 18 and 26).

36 Application for certificate

- (1) A person who applies for a certificate on the grounds that a party declined to mediate (section 34(a) or 35(a), as applicable) must apply for a certificate within 10 working days after the grounds arise.
- (2) A person who applies for a certificate on good faith grounds (section 34(b) or 35(b), as applicable) must apply for a certificate—
- (a) within 10 working days after being given the mediation report; or
- (b) in the case of an application made following cancellation of a mediation agreement under section 32, within 20 working days after being given notice of the cancellation.

- (3) The chief executive may extend the period specified in subsection (1) or (2) for as long as is reasonably necessary if the chief executive considers an extension is reasonably required in the circumstances.
- (4) A person must apply for a certificate in the way that is specified by the chief executive.
- (5) The chief executive may specify—
 - (a) the form that must be used to make an application; and
 - (b) the information or other evidence or documents that must be provided with the application.
- (6) The chief executive may require an applicant to provide any further information that the chief executive considers reasonably necessary.

Compare: Farm Debt Mediation Act 1994 ss 9, 13 (New South Wales)

37 Notice to other party

- (1) The chief executive must notify the other party to the farm debt if an application for a certificate is made.
- (2) The notification must state the grounds on which the application was made.

38 Issue of enforcement certificate

The chief executive must, after receiving an application under section 36, issue an enforcement certificate in respect of farm debt if—

- (a) the farmer is in default of the farm debt; and
- (b) there is no prohibition certificate in force in respect of the farm debt; and
- (c) the chief executive is satisfied that the grounds set out in the application are established.

Compare: Farm Debt Mediation Act 1994 s 14 (New South Wales)

39 Issue of prohibition certificate

The chief executive must, after receiving an application under section 36, issue a prohibition certificate in respect of farm debt if—

- (a) there is no enforcement certificate in force in respect of the farm debt; and
- (b) the chief executive is satisfied that the grounds set out in the application are established.

Compare: Farm Debt Mediation Act 1994 s 10 (New South Wales)

40 Notice of decision

- (1) The chief executive must, as soon as practicable after deciding whether to issue a certificate, give written notice of the decision to the applicant and to the other party to the farm debt.
- (2) The notice must—

- (a) state the reasons for the decision; and
- (b) advise the parties of their right to apply for administrative review under section 50; and
- (c) enclose a copy of any certificate that is issued as a result of the decision.

41 Content of certificate

A certificate must—

- (a) state the names of the current parties to the farm debt; and
- (b) identify the security interest that the certificate relates to; and
- (c) state the date the certificate takes effect from; and
- (d) state the period the certificate is in force for.

Duration and effect

42 Duration of certificate

(1) A certificate—

- (a) takes effect from the date stated in the certificate; and
- (b) in the case of an enforcement certificate, is in force for 3 years; and
- (c) in the case of a prohibition certificate, is in force for 6 months.

(2) *But see* section 56 (which provides that certain applications for administrative review act as a stay on enforcement action).

Compare: Farm Debt Mediation Act 1994 s 15 (New South Wales)

43 Effect of expiry of enforcement certificate

The expiry of an enforcement certificate does not affect an enforcement action (the **action**), and the action may continue and be completed as if the enforcement certificate were still in force, if—

- (a) the action was commenced or is in progress before the expiry of the enforcement certificate; or
- (b) the action is linked to another enforcement action, and that other enforcement action was commenced or was in progress before the expiry of the enforcement certificate.

Example

Before an enforcement certificate expires, an order is obtained to appoint a receiver of farm property. That order does not become void if the certificate expires, and the receiver may be appointed and exercise their powers.

Compare: Farm Debt Mediation Act 1994 ss 8(4), 15(5) (New South Wales)

Part 3 General provisions

Subpart 1—Mediators

44 Approval of mediation organisations

- (1) The chief executive may approve an organisation (whether incorporated or unincorporated) as an approved mediation organisation.
- (2) In deciding whether to give approval, the chief executive must apply any criteria referred to in section 49(1)(a).
- (3) An approval may be made on any terms and conditions referred to in section 49(1)(b).
- (4) The chief executive must ensure that a list of all approved mediation organisations is published on an Internet site that is maintained by or on behalf of the Ministry.

Compare: 2013 No 79 s 6

45 Suspension or cancellation of approval

- (1) The chief executive may suspend or cancel the approval of an organisation as an approved mediation organisation on any ground referred to in section 49(1)(c).
- (2) If the chief executive suspends an approval for any period (the **suspension period**),—
 - (a) the organisation is not an approved mediation organisation during the suspension period; but
 - (b) every authorisation of a mediator made by the approved mediation organisation under section 46 continues during the suspension period.
- (3) If the chief executive cancels the approval of an organisation as an approved mediation organisation,—
 - (a) every authorisation of a mediator made by the approved mediation organisation under section 46 continues for a period of 6 months from the date of cancellation of the organisation's approval and then ends; and
 - (b) the chief executive may authorise a mediator to act, or to continue to act, in respect of a mediation under this Act beyond that 6-month period.
- (4) In the event of a cancellation or suspension of an approval, the chief executive may—
 - (a) supervise those mediators who were authorised by the organisation (including, for example, by monitoring and enforcing the terms and conditions of the mediator's authorisation or cancelling that authorisation);
or

- (b) enter into an agreement with 1 or more other approved mediation organisations for the supervision of those mediators.

Compare: 2013 No 79 ss 7, 8

46 Authorisation of mediators

- (1) An approved mediation organisation may authorise a person to be a mediator for the purposes of this Act.
- (2) An authorisation may only be given to a person if that person is qualified and competent to act as a mediator under this Act.
- (3) In deciding whether a person meets the criteria in subsection (2), the approved mediation organisation must apply the qualification and competency requirements referred to in section 49(1)(d).
- (4) An authorisation may be made on any terms and conditions that the approved mediation organisation thinks appropriate.
- (5) An approved mediation organisation may suspend or cancel an authorisation in the same manner.

Compare: 2013 No 79 s 9

47 Conflicts of interest

- (1) A mediator—
 - (a) must act independently when deciding how to deal with any particular matter; and
 - (b) must be independent of the parties to the mediation.
- (2) A mediator who has a conflict of interest must—
 - (a) disclose it to the parties to the mediation; and
 - (b) withdraw from the mediation unless the parties agree otherwise.
- (3) If a mediator withdraws after they have been appointed, a new mediator must be appointed by the parties using the process set out in section 21.
- (4) A party who agrees under subsection (2)(b) to a mediator continuing to act loses any right to object to the mediator's acting on the basis of any conflict of interest disclosed by the mediator under subsection (2)(a) before the party agreed.

Compare: 2006 No 84 s 104

48 Exclusion of liability

Unless a mediator has acted in bad faith, the mediator has no criminal or civil liability in respect of—

- (a) any act done or omitted in the course of performing any of their functions under this Act; or
- (b) any words spoken or written at, or for the purposes of, a mediation; or

(c) anything in any mediation report.

Compare: 2006 No 84 s 122; 2019 No 21 s 65

49 Requirements for mediation organisations and mediators

- (1) The chief executive may, by written notice, set out requirements relating to—
- (a) the criteria that the chief executive must apply when deciding whether to approve an organisation as an approved mediation organisation:
 - (b) the terms and conditions on which the chief executive may approve an organisation:
 - (c) the grounds on which the chief executive may suspend or cancel the approval of an organisation:
 - (d) the qualification and competency requirements that must be met for a person to be authorised as a mediator.
- (2) The qualification requirements under subsection (1)(d) may include matters that disqualify a person from being authorised as a mediator.
- (3) A notice under subsection (1) is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).
- (4) *[Repealed]*

Compare: 2013 No 79 s 15

Legislation Act 2019 requirements for secondary legislation made under this section

| | | |
|---------------------|--|--------------------------------------|
| Publication | The maker must: <ul style="list-style-type: none">• notify it in the <i>Gazette</i> with details of where it is published• publish it on a website maintained by, or on behalf of, the Ministry | LA19 ss 73, 74(1)(a), Sch 1 cl 14 |
| Presentation | The Minister must present it to the House of Representatives | LA19 s 114, Sch 1 cl 32(1)(a) |
| Disallowance | It may be disallowed by the House of Representatives | LA19 ss 115, 116 |

This note is not part of the Act.

Section 49(3): replaced, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

Section 49(4): repealed, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

Subpart 2—Administrative review of decisions

50 Decisions subject to administrative review

- (1) The following people may apply for administrative review of the following decisions:
- (a) a farmer or a creditor affected by a decision on whether to issue a certificate under subpart 4 of Part 2:
 - (b) a mediation organisation affected by a decision under section 44 or 45.

- (2) An application must be made within 10 working days after the day on which the notice of the decision is given.
- (3) The chief executive may, on an application made within the 10-working-day period, extend the time to make the application for the administrative review.

51 Application for administrative review

- (1) A person must apply for administrative review in the way that is specified by the chief executive.
- (2) The chief executive may specify—
 - (a) the form that must be used to make an application; and
 - (b) the information or other evidence or documents that must be provided with the application.
- (3) The chief executive may require an applicant to provide any further information that the chief executive considers reasonably necessary.

52 Opportunity to make submissions

In the case of an application by a farmer or a creditor, the chief executive must—

- (a) notify the other party to the farm debt that an application has been made; and
- (b) allow the other party an opportunity to make a written submission.

53 Conduct of administrative review

- (1) The chief executive must review the legal basis of, and any assessment or other matters relevant to, the decision under review.
- (2) The chief executive must determine the review on the papers, unless the chief executive considers it is not appropriate to do so.
- (3) The chief executive must consider—
 - (a) the application; and
 - (b) any written submissions made by the applicant or by the other party; and
 - (c) any further information provided by the applicant under section 51(3); and
 - (d) any other information that the chief executive considers relevant.
- (4) The individual who made the reviewable decision under a delegation by the chief executive must not review the decision.

Compare: 2018 No 4 Schedule 7 cl 3

54 Determination of application

- (1) The chief executive must determine an application within 20 working days after the day on which the application is received.

- (2) The chief executive must determine an application by—
 - (a) confirming the decision under review; or
 - (b) withdrawing the decision under review and, if appropriate, substituting a new decision in its place.
- (3) The chief executive may extend the period specified in subsection (1) for determining an application for as long as is reasonably necessary if, in the chief executive's opinion, the circumstances of the case do not allow a determination to be made within the specified period.

Compare: 2018 No 4 Schedule 7 cl 4

55 Notice of determination

- (1) The chief executive must, as soon as practicable after determining an application, give written notice of the determination to the applicant and, in the case of an application by a creditor or a farmer, to the other party to the farm debt.
- (2) The notice must—
 - (a) state the reasons for the determination; and
 - (b) enclose a copy of any certificate that is issued as a result of the determination.

56 Application for administrative review acts as stay

- (1) This section applies if an application for administrative review is made under section 51 in relation to—
 - (a) a decision to grant an enforcement certificate; or
 - (b) a decision to refuse a prohibition certificate.
- (2) Despite sections 11 and 42, a creditor must not take enforcement action until notice of the determination is given under section 55.

Compare: Farm Debt Mediation Act 1994 s 18Q (New South Wales)

57 Appeals on question of law

There is a right of appeal to the High Court, on a question of law only, against any determination under section 54.

Subpart 3—Miscellaneous

58 No contracting out

- (1) The provisions of this Act have effect despite any provision to the contrary in any agreement.
- (2) A provision of an agreement that has the effect of overriding a provision of this Act (whether directly or indirectly) is unenforceable.
- (3) Nothing in subsection (1) or (2) applies in respect of a provision that imposes a stricter duty on the creditor than would be imposed under this Act.

- (4) In this section, **agreement** includes any contract, guarantee, arrangement, or understanding.

Compare: 1986 No 121 s 5C

59 Restriction applies to guarantors

- (1) A debt incurred by a guarantor under a farm debt guarantee is to be treated as forming part of the farm debt.
- (2) An action is to be treated as if it were an enforcement action in relation to a security interest in farm property if the action—
- (a) is of a kind set out in section 10(1); and
 - (b) is taken in relation to any property owned by a guarantor (whether or not that property is farm property); and
 - (c) is taken in connection with a guarantor's obligations as a guarantor under a farm debt guarantee.
- (3) An action is to be treated as if it were an enforcement action in relation to a security interest in farm property if the action—
- (a) is of a kind set out in section 10(3); and
 - (b) is taken in relation to a guarantor (rather than a farmer); and
 - (c) is taken in connection with a guarantor's obligations as a guarantor under a farm debt guarantee.
- (4) Accordingly, the restriction in section 11 applies to—
- (a) any enforcement action (within the meaning of section 10) in relation to a security interest granted by the guarantor in connection with the farm debt;
 - (b) actions of a kind set out in section 10(1) taken against non-farm property owned by a guarantor, as well as farm property;
 - (c) actions of a kind set out in section 10(3) (appointing an administrator of a guarantor, etc) taken in relation to a guarantor.
- (5) In this section, **farm debt guarantee** means—
- (a) a guarantee given in connection with a farm debt; or
 - (b) an existing guarantee that applies in connection with a farm debt.

Example

A creditor lends money to a company. The company is engaged in the growing of hops and owns the farming business and its associated assets. It is the borrower under the loan, and the loan is a farm debt.

However, the company does not own the land that the farm is located on. Instead, the farm land is owned by the 2 directors of the company and a third person who, together, hold that farm land as trustees of a family trust. The family trust also owns a residential property nearby.

As part of the loan arrangements, the trustees give the creditor an unlimited guarantee (guaranteeing the payment of the debts that the company owes to the creditor). This guarantee is given in connection with the farm debt of the company.

The trustees give the creditor a mortgage over the farm land and the residential property. This mortgage is a security interest.

Because the guarantee was given in connection with a farm debt, the debt that the trustees owe to the bank (if the guarantee is called upon) is treated as part of the farm debt that the farmer incurred. This means that the restriction in section 11 applies to any enforcement action by the creditor, including (for example) the exercise of the mortgagee's power to sell the farm land or residential property.

The creditor must enter into mediation with the company (the farmer) and obtain an enforcement certificate before it can take an enforcement action in relation to the mortgage given by the family trust. If the company and the creditor agree, the trustees could attend the mediation or be added as a party.

Compare: 2003 No 52 s 119(1)

60 Multi-party mediation

- (1) This section applies if there is a multi-party mediation.
- (2) Each party to the mediation must enter into the procedure agreement under section 22.
- (3) Each reference to the farmer in section 23(1) and (3) is to be treated as if it were a reference to the farmer together with any other party to the mediation who is not a creditor (and, accordingly, the amount is the maximum amount that a farmer and any non-creditor party can collectively be required to pay).
- (4) A mediation agreement is binding on the parties who enter into it (*see* section 31(1)).
- (5) Any party to the mediation agreement, other than a creditor, may exercise the right of cancellation under section 32.
- (6) The notice of cancellation under section 32 must be given to all the parties who entered into the agreement.
- (7) If a mediation agreement is cancelled, the agreement is treated as if it had never been entered into by any of the parties (*see* section 33).
- (8) The notices under sections 37, 40, 52, and 55 must be given to all parties to the mediation who are parties to the farm debt that the application relates to.

61 Appointment of receiver allowed by court order in event of urgency

- (1) This section applies if—
 - (a) the creditor has reasonable grounds to believe that there is an event of urgency; and
 - (b) but for section 11, a creditor would have a power to appoint a receiver or a right to apply for an order for the appointment of a receiver of farm property.

- (2) A creditor may apply to the High Court for an order allowing the creditor to appoint a receiver despite the restriction in section 11.
- (3) The court may make an order if it is satisfied that—
 - (a) there is an event of urgency; and
 - (b) the appointment of a receiver is necessary or desirable—
 - (i) to safeguard the interests of the creditor; or
 - (ii) in the case of an application in respect of an event of urgency described in subsection (7)(c), to safeguard the welfare of the animals.
- (4) The court may make an order on whatever terms and conditions the court thinks fit.
- (5) In imposing any terms and conditions, the court must balance—
 - (a) the need to allow the receiver to eliminate or minimise the effects of the event of urgency; and
 - (b) the need to preserve, to the extent possible, the parties' opportunity to use mediation for the purpose set out in section 3.
- (6) The terms and conditions may, without limitation,—
 - (a) specify whether, and if so how and when, mediation must occur under this Act:
 - (b) modify or suspend, in whole or in part,—
 - (i) the receiver's powers under the Receiverships Act 1993 or any other enactment or instrument (for example, by restricting the receiver from taking any enforcement action):
 - (ii) the terms and conditions of any instrument relating to the creditor's security interest:
 - (c) specify the duration of the appointment (for example, by specifying that the receiver must cease to act as such from a specified date or in the event of specified circumstances occurring):
 - (d) provide for how the receivership may be terminated and the effect of that termination.
- (7) In this section, an **event of urgency** means 1 or more of the following:
 - (a) the whole or part of any farm property subject to the creditor's security interest has been or will be destroyed, endangered, removed, or sold contrary to the terms of the farm debt or the security interest:
 - (b) the whole or part of any farm property subject to the creditor's security interest has been or will be damaged contrary to the terms of the farm debt or the security interest, resulting in a substantial decline in the value of the property:

- (c) an animal that is subject to the creditor's security interest has been suffering or will suffer unreasonable or unnecessary pain or distress.

62 Notices

The chief executive may give notice under this Act—

- (a) by sending it to the recipient's last known place of residence, place of business, or registered address; or
- (b) by sending it to the recipient's address for service set out in the mediation report (*see* section 27), in the case of a notice under sections 37, 40, 52, and 55.

63 Published requirements

- (1) The chief executive may, by written notice, set out requirements relating to—
 - (a) the manner or content of mediation requests (*see* sections 15 and 16):
 - (b) the manner or content of a reply to a mediation request (*see* section 17):
 - (c) the content of a mediation report (*see* section 27):
 - (d) the manner or content of a mediation agreement (*see* section 30).
- (2) If a notice is made under subsection (1), the chief executive must ensure that—
 - (a) a notice is published in the *Gazette* stating that the notice has been made and giving details of where it is published; and
 - (b) the notice is published on an Internet site that is maintained by or on behalf of the Ministry.

(3) [Repealed]

Section 63(3): repealed, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

64 Power to make regulations by Order in Council

- (1) The Governor-General may, by Order in Council, make regulations for 1 or more of the following purposes:
 - (a) specifying a business or class of business for the purposes of the definition of primary production business in section 6:
 - (b) requiring the payment to the Ministry of fees and charges for applications under sections 36 and 51:
 - (c) providing for any other matters contemplated by this Act, necessary for its administration, or necessary for giving it full effect.
- (2) Regulations made under subsection (1)(b) may—
 - (a) make different provision for different cases on any differential basis:
 - (b) prescribe any of the following:
 - (i) the method by which the fees or charges are to be assessed:

- (ii) the persons liable to pay the fees or charges:
 - (iii) when the fees or charges must be paid:
 - (iv) circumstances in which the fees or charges may be refunded, remitted, or waived (wholly or partly).
- (3) The chief executive may refuse to perform or exercise a function, power, or duty until the prescribed fee, charge, or cost is paid.
- (4) Any fee or charge payable to the Ministry under the regulations is recoverable by the Ministry in any court of competent jurisdiction as a debt due to the Ministry.
- (5) Regulations under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Legislation Act 2019 requirements for secondary legislation made under this section

| | | |
|---------------------|--|-------------------------------|
| Publication | PCO must publish it on the legislation website and notify it in the <i>Gazette</i> | LA19 s 69(1)(c) |
| Presentation | The Minister must present it to the House of Representatives | LA19 s 114, Sch 1 cl 32(1)(a) |
| Disallowance | It may be disallowed by the House of Representatives | LA19 ss 115, 116 |

This note is not part of the Act.

Section 64(5): inserted, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

Schedule 1

Transitional, savings, and related provisions

s 7

Part 1

Provisions relating to this Act as enacted

1 Application of Act

This Act applies to any farm debt, whether that debt was incurred before or after the commencement of section 11.

2 Enforcement actions in progress before commencement of section 11 may continue

Section 11 does not apply to an enforcement action (the **action**) if—

- (a) the action was commenced or was in progress before the commencement of that section; or
- (b) the action is linked to another enforcement action, and that other enforcement action was commenced or was in progress before the commencement of that section.

Notes

1 *General*

This is a consolidation of the Farm Debt Mediation Act 2019 that incorporates the amendments made to the legislation so that it shows the law as at its stated date.

2 *Legal status*

A consolidation is taken to correctly state, as at its stated date, the law enacted or made by the legislation consolidated and by the amendments. This presumption applies unless the contrary is shown.

Section 78 of the Legislation Act 2019 provides that this consolidation, published as an electronic version, is an official version. A printed version of legislation that is produced directly from this official electronic version is also an official version.

3 *Editorial and format changes*

The Parliamentary Counsel Office makes editorial and format changes to consolidations using the powers under subpart 2 of Part 3 of the Legislation Act 2019. See also PCO editorial conventions for consolidations.

4 *Amendments incorporated in this consolidation*

Natural and Built Environment Act 2023 (2023 No 46): section 805(1)

Secondary Legislation Act 2019 (2021 No 7): section 3