

Farm Debt Mediation Amendment (Water Access Licences) Bill 2005

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The *Farm Debt Mediation Act 1994* (the **Principal Act**) makes provision for mediation concerning farm debts to take place before a creditor under a farm mortgage may take enforcement action against a farmer who is in default under the farm mortgage. The object of this Bill is to amend the Principal Act so that the provisions of that Act apply in respect of a farm debt secured by an interest in a water access licence (the provisions currently apply in respect of a farm debt secured by an interest in a farm or farm machinery). The amendments reflect recent changes to the *Water Management Act 2000* that provided for the creation of security interests over water access licences.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent to the proposed Act.

Clause 3 is a formal provision that gives effect to the amendments to the Principal Act set out in Schedule 1.

Schedule 1 Amendments

Schedule 1 [1] extends the definition of **farm property** in the Principal Act to include an access licence (within the meaning of the *Water Management Act 2000*) so that the provisions of the Principal Act apply in respect of a farm debt secured by an interest in a water access licence held by a farmer in connection with a farming operation. The provisions currently apply only to a farm debt secured by an interest in a farm or farm machinery used by a farmer in connection with a farming operation.

Schedule 1 [2] contains a consequential amendment.

Schedule 1 [3] and [4] contain provisions of a savings and transitional nature.