

Newsletter

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Agricultural Tenancies

Since 30 April 2001 there has been a new Agricultural Tenancies Act. This newsletter provides information about this new Act to our rural readers.

The Act makes it clear that its purpose is to encourage agricultural landholders and their tenants and share farmers to have regard in farming practices to:

- the principles of ecologically sustainable development in so far as they are capable of applying to those farming practices,
- maintaining sustainable agricultural production and preventing the degradation of the environment,
- encourage the use of written agreements for agricultural tenancies and to set out terms that are taken to apply to all agricultural tenancies including terms, setting out rights of the parties and to provide a

mechanism for resolution of disputes by the parties to agricultural tenancies through mediation,

- and lastly, to provide an arbitration mechanism for settling disputes between parties to agricultural tenancies that is outside the court system.

Encouragement of Ecologically Sustainable Developments.

Section 4 of the Act now defines sustainable agricultural production as follows:

... agricultural production that complies with the following criteria:

- (a) responsiveness to consumer needs for food products that are healthy and of high quality,

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Professional advice should be sought before applying the information in this newsletter to particular circumstances.

(b) the taking into account of the cost of production, including environmental costs, and pricing that reflects those costs,

(c) the protection and restoration of the natural resource base on which agriculture depends,

(d) the prevention of adverse on-site and off-site impacts on the environment and any sector of the community,

(e) being flexible in order to accommodate regional differences and changing economic, environmental and social circumstances such as drought or terms of trade.

(f) financial viability.

The legislation provides that either party has the right to have the provisions of the

agreement in writing.

If the tenant improves the farm compensation is to be paid as agreed or as determined at mediation.

If improvements are carried out by the tenant without the consent of the owner compensation is not always payable but the matter may go to arbitration for determination.

Any application for arbitration must be made not later than three months after the dispute arises or at the end of the tenancy whichever is the later. As is the case with the Farm Debt Mediation Act the time can be extended by agreement between the parties.

Unlike the Farm Debt Mediation Act mediation is not compulsory. However, if mediation is undertaken the Act provides for secrecy for information provided.

We hope that our newsletters are of interest to you. If you wish a particular topic examined, please let us know.