

Update: 1 November 2011 Passing control of the family farm



Fleming Muntz
Solicitors



Summary

Succession planning needs careful thought by farming families. An orderly transition brings many benefits but the process has risks and needs specialised professional advice.

Typical situation

Usually, farming children leave school early and toil on the family farm for most of their working lives, but then many become frustrated or embittered when the process of next-generation farming succession bogs down, or worse still, is "off the table" for discussion.

The parents' problem

Farming parents are faced with a number of dilemmas:

- More than one farming child – will the property support everyone?
- Concerns about spouses and potential marriage breakdown.
- Personal concerns about income, and a place to live, in retirement.
- Providing for non-farming children – is there enough?

The opposing view

Farming children have:

- A sense of entitlement.
- Usually, a wish to discuss the matter openly.

- Unhappiness about the speed of change.
- Often, frustration at the delay in passing of control.

The solution?

Whilst not every farming succession problem is soluble, happily most can be resolved with mutual goodwill, a willingness to openly discuss the issues, and a commitment by all parties to achieve a fair and equitable outcome.

How can Fleming Muntz help?

At Fleming Muntz we have lawyers who are skilled in negotiating farming succession, the processes involved, and the pitfalls to avoid.

We are proud to be a firm of choice for other professionals, in dealing with this specialised area, and will gladly act for farming families in their succession planning without disturbing their existing solicitor relationship.

Please contact us if we can be of assistance to you or your farming clients.

Important fine print

This update is for general information only. It is not a complete guide to the area of law. Competent advice should be obtained before taking any action.

We resent unwanted email as much as anyone – if you would prefer not to receive any further updates, please telephone us on (02) 6021 2222 or email to enquiries@flemingmuntz.com.au.

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