

Submission No: 3

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BY: Gillian Gould

The Chairman – House of Representatives  
Standing Committee on Legal Affairs  
Bronwyn Bishop  
Parliament House  
Canberra, ACT

Dear Madam

I wish to draw to your attention my fears of the consequences of the proposed legislative changes to the Bankruptcy Act on my personal position. A position which I believe would not be uncommon in small to medium sized business.

My family business is in manufacturing and employs about 200 people. I have been involved for about fifty five years and about thirty years ago, because of a life threatening illness, and with four children under ten, was advised to structure my affairs into a family trust which now controls all of my personal wealth.

I believe that the legislative amendments proposed aimed correctly at the N.S.W. Barristers declaring themselves bankrupt to escape Income Tax, and the deplorable behaviour of One Tel and H.I.H. Directors may have extended application to people such as myself and virtually remove the concept of limited liability and preservation of private assets.

In the manufacturing business over time huge contingent liabilities for redundancy pay have built up by the aggressive Trade Union demands and many owners have bought industrial peace by signing up to large entitlements which will result in bankruptcy and the triggering of the proposed amendments and recourse by the ex-employees (now creditors) to the personal assets of the ex-employer (now the bankrupt).

The Trade Union power in EBA negotiations is greatly increased as employers will try to avoid triggering the contingent liability of redundancy entitlements whereas the Union member is quite happy to take a short-term lump sum from the sale of both the business assets and the personal assets of the proprietor.

I can only ask that this situation be considered as the proposed amendments cast too wide a net and have unintended consequences on thousands of Australian enterprises.

Yours faithfully

