

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
INSOLVENCY AND TRUSTEE SERVICE AUSTRALIA

Question No. 70

Senator Williams asked the following question at the hearing on 24 May 2012:

George Lousick became bankrupt in April 2010, with debts of around \$1 million. ITSA has said previously the operating arrangements of Clarence Valley Aluminium and Steel Specialists were of interest to the Trustee, particularly Mr.Lousick's management of deposits. He is required to account for \$134,500 in total transactions.

- a) Has ITSA been able to obtain the financial records of G & K Aluminium and the financial records of the bankrupt's business from Indigenous Business Australia?
- b) Has ITSA been able to interview Mr.Lousick as suggested in your report of June 2011?
- c) If ITSA has been able to obtain the records, can you indicate what the examination of those records has revealed?
- d) Can you determine if the bankrupt had been trading insolvent at any time, including when he was operating Jopalo Boats, and particularly when he was under the supervision, guidance and financial support of Indigenous Business Australia?
- e) If a bankrupt refuses to sign and return the written authority as directed, what penalty can be imposed?

The answer to the honourable Senator's question is as follows:

- a) The Official Trustee has received the records of G & K Aluminium. The records of Clarence Valley Aluminium and Steel Specialists (copies of records held by Indigenous Business Australia) are still being pursued.
- b) Since the report of June 2011 the Official Trustee has received responses to comprehensive questions in respect of Mr Lousick's examinable affairs. As such the Official Trustee considers that an interview with Mr Lousick is no longer necessary.
- c) As indicated, the records of G & K Aluminium have been received and are currently being examined. The records of Clarence Valley Aluminium and Steel Specialists are being pursued and will likewise be examined.
- d) The Official Trustee is not in a position to answer this question at present, but will keep creditors informed of any action that may be considered appropriate as a result of the examination of the financial records.
- e) If a bankrupt refuses or fails to sign a document after being lawfully required to do so by the trustee, the trustee can file an objection to his or her discharge from bankruptcy, thereby extending the bankruptcy period to eight years.