



Hon Tim Mulherin MP
Member for Mackay

Reference: 06255/11



**Queensland
Government**

**Minister for Agriculture, Food
and Regional Economies**

18 AUG 2011

Senator Mark Bishop
Chair
Senate Standing Committee on Economics
PO Box 6100
Canberra Act 2600


Dear Senator

Thank you for your letter of 12 July 2011 inviting me to provide a submission to the *Inquiry into the Bankruptcy Amendment (Exceptional Circumstances Exit Package) Bill 2011*.

The Department of Employment, Economic Development and Innovation's Farm Financial Counselling Service has identified two case studies where financial institutions have required farmers to hand over Exit Package grants to offset against residual debt following the sale of property and farm assets. The case studies concern the Exceptional Circumstances (EC) Exit Package and the Sugar Exit Package.

I note the EC Exit Package is a taxpayer funded assistance measure specifically targeting low income and low asset farm owners. I consider it negates the purpose of the scheme and is therefore unacceptable for creditors to force farm families to hand over re-establishment assistance to offset any remaining debt once the sale of property and farm assets has been completed and proceeds have been disbursed.

In this regard I support Senator Nick Xenophon's proposed *Bankruptcy Amendment (Exceptional Circumstances Exit Package) Bill 2011* to protect EC Exit Package grants from bankruptcy and other legal action that requires assistance monies to be used to offset unpaid farm debts.

Yours sincerely

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