

22 August 2011

The Secretary  
Senate Standing Committee on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Secretary,

Re: Bankruptcy Amendment (Exceptional Circumstances Exit Package) Bill 2011

The National Farmers' Federation (NFF) was established in 1979 and is the peak national body representing farmers, and more broadly, agriculture across Australia. The NFF's membership comprises of all Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. NFF also has a number of associate members who participate in the agricultural supply chain. These organisations form the NFF.

The NFF appreciates the opportunity to comment on the Bankruptcy Amendment (Exceptional Circumstances Exit Package) Bill 2011 but has been unable to find information that suggests that this is a widespread issue. The NFF also has concerns that the amendment would allow the claimant to leave a rural community and not service debts owed to members of the community. Rural communities have suffered significant hardship during the recent droughts, with many small local businesses extending credit to farmers in the community. It would be disappointing if the Bill served to weaken the trust that exists within these communities by leaving these creditors exposed.

The NFF recognises that the current Exceptional Circumstances policy measures, including Interest Rate Subsidies and Farm Exit Grants, have been of great assistance to many farmers across Australia, particularly during the intense drought experienced in recent years. The decision to leave an industry, often a long held family enterprise, is a hard one and can be the source of great anxiety for individuals and families. However, the NFF has long called for a shift in the policy focus from 'drought relief' to 'drought management and preparedness' and ensuring that farmers are supported and have the tools to manage their businesses. These tools include appropriate business plans which can be used to inform financial decisions and avoid circumstances where farmers are looking to leave the industry because they are bankrupt.

Thank you for the opportunity to contribute to the inquiry into the *Bankruptcy Amendment (Exceptional Circumstances Exit Package) Bill 2011*. Please contact me directly if you would like to discuss the NFF's position on this matter.

Yours sincerely

**MATT LINNEGAR**  
Chief Executive Officer