

Submission No: 135



FERRIER HODGSON

RECEIVED
06 JUL 2004

2 July 2004

BY:

The Secretary,
House of Representatives Standing Committee on
Legal and Constitutional Affairs,
Parliament House,
Canberra ACT 2600.

SYDNEY
Level 17 2 Market Street
Sydney NSW 2000 Australia
GPO Box 4114 Sydney NSW 2001
phone +61 2 9286 9999
fax +61 2 9286 9888
email fhsydney@syd.fh.com.au
www.ferrierhodgson.com
DX 13020 Sydney
Market Street Exchange

Dear Ms Gould,

Enquiry into the *Bankruptcy Legislation Amendment (Anti-Avoidance and Other Measures) Bill 2004*

I have had an opportunity of reviewing the Bankruptcy Legislation Amendment (Anti-Avoidance and Other Measures) Bill 2004.

Whilst I understand there may be some practical issues faced by the trustees in bankruptcy as a result, if this legislation is passed I believe that the additional power given to Trustees in bankruptcy to recover "tainted property" and "tainted money" will be of considerable assistance to the recovery process and may result in substantially increased returns to creditors.

From my experience of handling numerous, and in some cases substantial bankruptcy administrations, it is quite clear that there are many instances of bankrupts generating wealth over a period of time which resides with either their spouse or family trusts. It appears perfectly equitable to me that these assets should be made available to meet the debts of a bankrupt.

I believe that the amendments relating to income contributions will also assist in dealing with aberrant bankrupts and their obligations to pay.

In summary, as a trustee in bankruptcy, these amendments must be welcomed as they will substantially increase the recoverability of assets in bankrupt estates.

Yours faithfully
Ferrier Hodgson

M.C. Donnelly
Partner

H:\MCD Submissions.doc

ADELAIDE
BRISBANE
MELBOURNE
NEWCASTLE
PERTH
WOLLONGONG
AUCKLAND
HONG KONG
JAKARTA
KUALA LUMPUR
SINGAPORE
TOKYO

affiliated through
Kroll Worldwide
UNITED STATES
UNITED KINGDOM

RESTRUCTURE & TURNAROUND
FINANCIAL DUE DILIGENCE
FORENSIC ACCOUNTING
INSOLVENCY MANAGEMENT