



Investment & Financial Services Association Ltd

ACN 080 744 163

18 June 2004

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

Email: laca.reps@aph.gov.au

Dear Sirs

Bankruptcy Legislation Amendment (Anti-avoidance and Other Measures) Bill 2004

IFSA represents the retail and wholesale funds management and life insurance industry and has over 100 members who are responsible for investing approximately \$A655 billion on behalf of over nine million Australians.

IFSA has read the Submission to the Committee prepared by Speed and Stracey. We agree with the general tenor of the Speed and Stracey Submission regarding the *Exposure Draft Bankruptcy Legislation Amendment (Anti-avoidance and Other Measures) Bill 2004*.

We are concerned that, to the best of our knowledge, the Taskforce did not engage any proactive consultation with IFSA, other business groups or the public regarding proposed amendments to the bankruptcy laws.

The provisions of the draft legislation could see direct adverse changes to the assumption of risk and entrepreneurship in the Australian business and investment community, which can only devalue innovation and entrepreneurial risk-taking in the Australian market economy. It also has the potential to fundamentally alter investment and savings in Australia, as individuals could be deterred from providing investment and financial advice, even as directors of investment companies, and could encourage people to consume rather than save, if their retirement savings are at greater risk. This directly affects small and large businesses in their daily operations, and ordinary Australians.

We iterate that IFSA broadly supports the Submission prepared by Speed and Stracey and lodged with the Committee.

We welcome the opportunity to meet with the Committee to discuss the review of the law of bankruptcy.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Gilbert', written in a cursive style.

Richard Gilbert
Chief Executive Officer