

Michael J Patterson
6 Guy Court
WANTIRNA 3152

11th June, 2004

Mr. Chris Pearce,
Member for Aston,
Federal Parliament of Australia,
Parliament House,
Canberra, ACT 2600

22 JUN 2004
876 Graham Pearce

Dear Mr. Pearce,

**RE: PROPOSED BANKRUPTCY LAW CHANGES
(REMOVAL OF ASSET PROTECTION RULES)**

I am writing to express my concerns in relation to the proposed changes to the Bankruptcy Laws.

I understand that the Government has an issue with certain individuals who do not lodge Income Tax Returns, avoid tax and then become bankrupt. I think it may be more appropriate to increase the penalties for tax avoidance and non lodgement of Tax Returns rather than using the proposed changes to Bankruptcy Laws.

The reason I say this is that the proposed changes will have severe implications on many businesses throughout Australia. As the proposed legislation is totally retrospective business owners will not be able to protect personal and family assets from business related personal liability. It is my understanding of the changes that family homes that have been owned by a spouse for many years will now be targeted as assets of the Bankrupt! I consider this to be totally unfair and an enormous disincentive to venture into business when assets previously acquired and owned by your spouse will be at risk.

Would you please address my concerns with your colleagues including the House of Representatives Standing Committee on Legal and Constitutional Affairs. The proposed changes need amending to arrive at a fairer result for all business owners.

I would appreciate your comments on the proposed changes.

Yours sincerely,

Michael Patterson.