



**ATTORNEY-GENERAL
HON ROBERT McCLELLAND MP**

MEDIA RELEASE

Wednesday, 1 December 2010

BANKRUPTCY REFORMS TAKE EFFECT

Attorney-General, Robert McClelland, has announced that reforms to bankruptcy law passed by the parliament earlier this year take effect from today.

A key change raises the minimum amount for which a creditor can petition for bankruptcy from \$2,000 to \$5,000, to ensure Australians are not made bankrupt over relatively small debts.

“The reforms commencing today will give people in financial difficulty a better opportunity to consider their options and to avoid bankruptcy if possible,” Mr McClelland said.

“Previously, a person considering bankruptcy could only have seven days respite from creditors in order to get financial advice and make that decision. From today, this period has increased to 21 days.”

“This will give those in financial hardship a more realistic chance of getting some advice about their situation and exploring their options to help them make a more informed choice.”

From today, the reforms enable the Inspector-General in Bankruptcy to issue an infringement notice for certain bankruptcy offences as an alternative to prosecution. Creditors and bankrupts can also seek a cost-free review of fees charged by a trustee to administer a bankrupt estate.

The changes are an important micro-economic reform that will ensure Australia’s bankruptcy laws are able to deal with personal insolvency issues efficiently so that people can get back on their feet as soon as possible.

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