

ACTS AMENDMENT (BANKRUPTCY) BILL 2009

First Reading

Bill read a first time, on motion by **Mr C.C. Porter (Attorney General)**.

Explanatory memorandum presented by the Attorney General.

Second Reading

MR C.C. PORTER (Bateman — Attorney General) [3.09 pm]: I move —

That the bill be now read a second time.

In 2004 the commonwealth enacted the Bankruptcy Legislation Amendment Act 2004, which made significant amendments to Part X of the Bankruptcy Act 1966. Part X of the Bankruptcy Act 1966 addresses the process by which a debtor may make a proposal to creditors, which is then voted upon by creditors at a formal meeting. This process differs from bankruptcy in that it allows the debtor and the creditor to agree upon a mutual compromise without the need for court intervention. The Bankruptcy Legislation Amendment Act 2004 repealed the three types of agreements that a debtor and creditor can enter into: a deed of assignment, a deed of arrangement and a composition. These agreements were replaced with the term “personal insolvency agreement”. To reflect this change in state legislation, the Acts Amendment (Bankruptcy) Bill 2008 has been drafted. The bill amends more than 90 state acts by removing any reference to a deed of assignment, a deed of arrangement and a composition and replacing them with “personal insolvency agreement”. In most of the acts, personal insolvency agreements relate to a person’s eligibility for appointment to, or as a reason for forfeiture of, statutory office.

To effect the change of terminology in all the acts, the bill inserts into the Interpretation Act 1984 a definition of “bankrupt” and “bankrupt or a person whose affairs are under insolvency laws”. This definition has been referenced in the relating acts in which the terms “deed of arrangement”, “deed of assignment” and “composition” were previously cited. These amendments will bring the relevant state laws into line with the commonwealth Bankruptcy Act 1966.

Finally, I note that a bill in similar terms was second read in the Assembly on 18 June 2008 when it was known as the Miscellaneous Amendments (Bankruptcy) Bill 2008. The bill lapsed due to the announcement of the state election.

I commend the bill to the house.

Debate adjourned, on motion by **Mr B.S. Wyatt**.