



Tuesday 30 July 2024

Personal Insolvency Consultation – Minimal Asset Procedure  
Attorney-General's Department  
Australian Government  
**By email:** [bankruptcy@ag.gov.au](mailto:bankruptcy@ag.gov.au)

To Whom It May Concern,

I am writing on behalf of Financial Counselling Victoria (FCVic), the peak body for financial counsellors in Victoria who collectively assist more than 23,000 of the most vulnerable Victorians every year, including individuals and small businesses at risk of personal insolvency. We have several member networks working on key advocacy issues, including the Bankruptcy Working Group (BWG) which is made up of 83 members with a particular interest in bankruptcy matters.

Members of the BWG have been working closely with the consumer group led by Financial Rights Legal Centre (FRLC) on the recent work of the Attorney-General's department on bankruptcy reforms. I am heartened to hear of the positive legislative developments in this space because of this joint advocacy.

I write today on the Attorney-General's consultation on a 'Minimal Asset Procedure' in the personal insolvency system. Several of our BWG members are working with FRLC on their submission to this consultation, and as such, **FCVic fully supports the recommendations provided by the FRLC in their submission to this consultation, especially in relation to the debt threshold which we and other consumer bodies believe should be increased to \$100,000.**

Given what our members report with the access issues that individuals can face after bankruptcy in securing housing and other essential services including insurance, any step forward supporting a group of debtors and their dependents who would truly benefit from a fresh start and who would otherwise provide little to no return to creditors, is worthwhile.

Considering Australia's housing and homelessness crisis, we also suggest that any asset tests should exclude owner-occupied homes where the home owner has limited or no equity in the property. This proposal interacts with an emerging consumer issue of increased forced bankruptcies due to owed owner's corporation / strata fees. Combining the revised \$20,000 bankruptcy threshold with this exclusion of residential homes with little/no equity will help to keep a vulnerable cohort of individuals in their homes, alleviating demand on housing and homelessness services.

Thank you for your consideration. To discuss this letter further or for any further queries, please contact FCVic's Advocacy Coordinator Amanda Chan on [achan@fcvic.org.au](mailto:achan@fcvic.org.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Zyl Hovenga-Wauchope', written over a horizontal line.

Zyl Hovenga-Wauchope  
Executive Officer  
Financial Counselling Victoria