

## Bankruptcy changes

PASSAGE of the Bankruptcy Legislation Amendment Bill 2009, which raises the minimum debt for which a creditor can petition bankruptcy, augurs badly for businesses chasing unpaid debts, debt collection agency Prushka says.

The legislation was passed on June 24 and assent by the Governor-General is expected in August.

Prushka says that while the increase in the minimum amount for which a creditor can petition for bankruptcy from \$2000 to \$5000 is below the \$10,000 threshold initially proposed, businesses will still suffer as a result of the changes.

It says bankruptcy actions are also overwhelmingly used by small to medium enterprises such as tradespeople and small retail businesses, not large corporations.