



Objections

Can I be bankrupt for more than three years?

Your bankruptcy may be extended to five or eight years if your trustee lodges an objection to your discharge. All trustees have the same powers to lodge objections in order to prompt a bankrupt to comply with certain obligations. The objection will be recorded on the [National Personal Insolvency Index \(NPII\)](#).

Your trustee may lodge an objection on a number of grounds, such as your failure to:

- provide information to your trustee
- disclose to your trustee all income
- pay assessed income contributions
- explain how money was spent, or
- reveal all assets and creditors.

More than one objection can be lodged in a bankruptcy.

Removal of objections

An objection can be removed before the end of bankruptcy if the basis for its lodgment no longer exists – for example, if your bankruptcy was extended because you didn't provide particular information that the trustee requested, but you later provide it, the objection can be withdrawn by the trustee when the information is received. The NPII will record both the lodgment and withdrawal of the objection in these cases.

Income contributions when an objection has been lodged

If your bankruptcy has been extended as a result of an objection being lodged and you earn above the income threshold throughout the bankruptcy, you will be liable to pay [income contributions](#) for the entire period of bankruptcy (which may be up to eight years).

Example:

Don's trustee makes several requests for copies of pay slips and payment summaries. Don fails to respond to these requests. The trustee lodges an objection to discharge, so Don will be bankrupt for eight years.

The trustee estimates that Don will be liable to pay about \$16,000 in contributions for each year of his bankruptcy, which will be a total of \$128,000 over eight years. However, if Don provides the requested information and the objection is withdrawn, he may only be bankrupt for three years (or until the date the objection is withdrawn, whichever is longer) and his income contributions over that time may be as low as \$48,000.