



ASIC

Australian Securities & Investments Commission

REPORT 297

Insolvency statistics: External administrators' reports 1 July 2011–30 June 2012

September 2012

About this report

This report presents statistical findings from reports lodged electronically by liquidators, receivers and voluntary administrators from 1 July 2011 to 30 June 2012.

About ASIC regulatory documents

In administering legislation, ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Previous external administrators' statistics reports

This is the fourth report of statistics compiled from external administrators' reports. The previous reports are listed below.

Report number	Report date
REP 263	November 2011
REP 225	December 2010
REP 132	June 2008

Disclaimer

This report has not been prepared for and should not be relied on for commercial use. In compiling the statistics in this report, ASIC has relied on the information in the reports lodged electronically with ASIC.

Other than as discussed in Section B of this report, ASIC has not verified or sought to confirm the accuracy of any information in the external administrators' reports. Accordingly, the statistics in this report cannot be construed or relied on as representing a complete and accurate depiction or statement about the matters or events to which the statistics relate.

Contents

A	Executive summary	4
	ASIC and company insolvency	4
	About statistics from external administrators' reports	4
	Summary of main findings	6
B	Conditions and limitations on the statistics	8
	General conditions/limitations	8
	Conditions/limitations on information in Section D	8
C	Lodgements of statutory reports	12
	Total lodgements of statutory reports	12
	Initial external administrators' reports lodged	14
D	Initial external administrators' reports 2011–12	15
	Lodgements by region	15
	Lodgement period	16
	Section lodged under	17
	Size of company	17
	Industry	17
	Nominated causes of failure	19
	Possible misconduct	22
	Liabilities and assets	33
	Employee entitlements	38
	Secured creditors	40
	Unpaid taxes and charges	40
	Unsecured creditors	44
	Cents in the dollar dividend	45
	Completion of external administration	48
	Proposed action	48
	Company officers	48
	External administrator's remuneration	49
	Key terms	50
	Related information	52

A Executive summary

ASIC and company insolvency

- 1 One of ASIC's regulatory responsibilities is the administration of the insolvency provisions of the *Corporations Act 2001* (Corporations Act). This responsibility is wide: see Table 1.

Table 1: ASIC's activities in insolvency

Companies and company officers	<ul style="list-style-type: none"> • Reviewing certain companies suspected of trading while insolvent, to make directors focus on the solvency of their companies and take early action where solvency problems exist • Investigating possible misconduct associated with the collapse of a company, and taking appropriate enforcement action • Deregistering companies • Disqualifying directors of failed companies
Insolvency practitioners	<ul style="list-style-type: none"> • Registering liquidators • Providing assistance in the conduct of external administrations by insolvency practitioners, including prosecuting directors who do not provide books and records or reports to external administrators • Administering the Assetless Administration Fund (AA Fund), which finances preliminary investigations and reports by liquidators into the failure of companies with few or no assets, when it appears to ASIC that enforcement action may be available as a result of their investigations and reports • Assessing external administrators' reports lodged with ASIC as part of their statutory responsibilities to investigate company failure and report findings to ASIC • Investigating possible misconduct by registered liquidators in their conduct of external administrations and, where appropriate entering into enforceable or voluntary undertakings, or referring the conduct to the court or to the Companies Auditors and Liquidators Disciplinary Board (CALDB)
All stakeholders	<ul style="list-style-type: none"> • Developing ASIC policy and guidance on the insolvency provisions of the Corporations Act • Publishing statistics on corporate insolvency about: <ul style="list-style-type: none"> – companies entering external administration – insolvency appointments – findings from reports lodged by liquidators, receivers and voluntary administrators

About statistics from external administrators' reports

- 2 This statistical report provides a broad picture of corporate insolvencies in Australia for the information of the insolvency profession, creditors, academics, the Australian Government and other interested stakeholders. This report covers the financial year 2011–12.

Note: In this report, spans of two years (e.g. 2011–12) always refer to financial years.

- 3 Last year's report, *Insolvency statistics: External administrators' reports 1 July 2010–30 June 2011* (REP 263), covered the financial year 2010–11.
- 4 The previous report, *Insolvency statistics: External administrators' reports 1 July 2007–30 June 2010* (REP 225), covered the financial years 2007–08, 2008–09 and 2009–10.
- 5 The first report, *External administrators: Schedule B statistics 1 July 2004–30 June 2007* (REP 132), covered the financial years 2004–05, 2005–06 and 2006–07.
- 6 This report was compiled from the estimates and opinions contained in statutory reports lodged with ASIC by liquidators, receivers and voluntary administrators (external administrators) in the format of Schedule B to Regulatory Guide 16 *External administrators: Reporting and lodging* (RG 16) (Schedule B report).
- 7 Reports are lodged under the following sections of the Corporations Act:
- s533 (by a liquidator);
 - s438D (by a voluntary administrator); and
 - s422 (by a receiver).
- 8 External administrators must lodge a report with ASIC as soon as practicable:
- when they suspect an offence under an Australian law, or instances of negligence or misconduct relating to the company to which they are appointed; or
 - in the case of a liquidation only, when unsecured creditors are unlikely to receive more than 50 cents in the dollar dividend.
- 9 Changes to the Corporations Act introduced a statutory time limit on the lodgement of reports by a liquidator appointed after 31 December 2007. Liquidators must now lodge reports as soon as practicable, and in any event, within six months after it so appears to him or her that any of the conditions in s533(1)(a), (b) and (c) apply. No statutory time limit was introduced under s422 or 438D.
- 10 We also ask external administrators to submit financial and other data when they complete their reports.

Percentages in this report

- 11 Percentages may not add up to 100% due to rounding. In this section, we have rounded the percentages to whole numbers. In Sections C and D, we have rounded to one decimal place.

Important terms used in this report

- 12 The following terms are used in this report and are important for understanding the statistics. For a full list of terms used in this report, see 'Key terms' at the end of this report.

Table 2: Meaning of important terms used in this report

Term	Meaning in this document
Electronically lodged report	A Schedule B report lodged: <ul style="list-style-type: none"> • directly by external administrators through the registered liquidators' portal on ASIC's website; or • on paper by external administrators in the Schedule B format, and subsequently entered by ASIC staff through the staff portal.
Initial external administrator report	The first electronically lodged Schedule B report after a company enters external administration.
Report	An initial external administrator report.

Summary of main findings

- 13 The following statistics are compiled from *initial* reports lodged by external administrators: see Table 2.

Table 3: Profile of companies

Characteristics	2011–12	2010–11	2009–10
No. of employees affected	78% of reports concerned companies with less than 20 employees	78% of reports concerned companies with less than 20 employees	77% of reports concerned companies with less than 20 employees
Industries with most lodgements	<ul style="list-style-type: none"> • Other (business & personal) services (2,369 reports or 24%) • Construction (2,229 reports or 22%) • Retail trade (1,024 reports or 10%) 	<ul style="list-style-type: none"> • Other (business & personal) services (1,887 reports or 23%) • Construction (1,862 reports or 23%) • Retail trade (864 reports or 11%) 	<ul style="list-style-type: none"> • Construction (1,905 reports or 24%) • Other (business & personal) services (1,735 reports or 22%) • Retail trade (818 reports or 10%)
Assets and liabilities	<ul style="list-style-type: none"> • 85% of failed companies had estimated assets of \$100,000 or less • 42% of failed companies had estimated liabilities of \$250,000 or less 	<ul style="list-style-type: none"> • 84% of failed companies had estimated assets of \$100,000 or less • 44% of failed companies had estimated liabilities of \$250,000 or less 	<ul style="list-style-type: none"> • 85% of failed companies had estimated assets of \$100,000 or less • 46% of failed companies had estimated liabilities of \$250,000 or less
Deficiency	64% of failed companies had an estimated deficiency of \$500,000 or less	65% of failed companies had an estimated deficiency of \$500,000 or less	66% of failed companies had an estimated deficiency of \$500,000 or less

Table 4: Nominated causes of company failure

	2011–12	2010–11	2009–10
Top 3 nominated causes of failure	<ul style="list-style-type: none"> Poor strategic management of business (4,449 or 44% of reports) Inadequate cashflow or high cash use (4,048 or 40% of reports) Trading losses (3,326 or 33% of reports) 	<ul style="list-style-type: none"> Poor strategic management of business (3,500 or 44% of reports) Inadequate cashflow or high cash use (3,291 or 41% of reports) Trading losses (2,657 or 33% of reports) 	<ul style="list-style-type: none"> Poor strategic management of business (3,463 or 44% of reports) Inadequate cashflow or high cash use (3,205 or 41% of reports) Poor financial control including lack of records (2,609 or 33% of reports)

Table 5: Alleged possible misconduct

	2011–12	2010–11	2009–10
Top 3 alleged possible misconduct	<ul style="list-style-type: none"> s588G(1)–(2) Insolvent trading (5,075 or 50% of reports) s286 & 344(1) Obligation to keep financial records (3,361 or 33% of reports) s180 Care & diligence— Directors' & officers' duties (2,376 or 24% of reports) 	<ul style="list-style-type: none"> s588G(1)–(2) Insolvent trading (3,979 or 49% of reports) s286 & 344(1) Obligation to keep financial records (2,769 or 34% of reports) s180 Care & diligence— Directors' & officers' duties (1,593 or 20% of reports) 	<ul style="list-style-type: none"> s588G(1)–(2) Insolvent trading (3,619 or 46% of reports) s286 & 344(1) Obligation to keep financial records (2,944 or 37% of reports) s180 Care & diligence— Directors' & officers' duties (1,398 or 18% of reports)

Table 6: Estimated dividends to unsecured creditors

	2011–12	2010–11	2009–10
Dividends to unsecured creditors	In 98% of cases, the dividend estimate was less than 11 cents in the dollar	In 97% of cases, the dividend estimate was less than 11 cents in the dollar	In 97% of cases, the dividend estimate was less than 11 cents in the dollar

Electronically lodged reports

- 14 The number of electronically lodged external administrator statutory reports as a percentage of total reports, decreased from 99% in 2010–11 to 98% in 2011–12: see Section C.
- 15 The number of electronic reports lodged *directly* by external administrators as a percentage of total reports remained unchanged at 97% in 2011–12 from the previous year.

B Conditions and limitations on the statistics

General conditions/limitations

- 16 When interpreting the statistics in this report, please keep the following conditions/limitations in mind:
- Although we encourage external administrators to report in the Schedule B report format, the use of this format is voluntary. It is not a statutory requirement. Reports not lodged in this format are only included in total lodgement statistics (see Section C and Table 7) and not in the rest of the report.
 - The statistics in this report do not directly correlate with the monthly statistics for 'Companies entering external administration' and 'Insolvency appointments' on ASIC's website due to the time delay in lodgement of reports: see Table 11. External administrators are not required to lodge reports where the pre-conditions of either s422, 438D or 533 of the Corporations Act are not met.
 - Some reports are lodged for statistical purposes only, rather than under the Corporations Act. For example, a liquidator may choose to lodge a report for a company with no suspected misconduct and with an estimated dividend of more than 50 cents in the dollar. Therefore, this report includes financial and other data from these lodgements in the aggregated statistics.

Conditions/limitations on information in Section D

- 17 To avoid double counting, all statistics are compiled only from the initial external administrator report, lodged when the company enters external administration (EXAD) status. This allows for the following situations:
- While a company is in EXAD status, it may be subject to more than one appointment type. Even though a report may be lodged for each appointment type, the statistics only include the first electronically lodged report for the company.
 - More than one report may also be lodged for each appointment type. Again, the statistics only include the first electronically lodged report.
 - A company may go in and out of EXAD status more than once. For each period in EXAD status, only the first electronically lodged report is included.
- 18 While the statistics only include the first electronically lodged report, an external administrator may have lodged an additional report on paper in a narrative form (not the Schedule B format).

- 19 Financial information provided in external administrators' reports reflects estimates and opinions of the external administrator at a point in time. The statistics do not reflect revised information from subsequent or updated reports.
- 20 When completing the report, an external administrator selects from a predetermined set of options for qualitative questions, and ranges for quantitative questions.
- 21 Limited testing carried out by ASIC while compiling these statistics identified a small number of reports with estimated employee entitlements inconsistent with other responses in those reports (e.g. very high unpaid employee entitlements but less than five employees; high unpaid employee entitlements which are significantly greater than estimated total liabilities). These reports have been eliminated from the employee entitlements statistics where the impact was material.
- 22 The top 12 industries by number of reports lodged are shown for some statistics by industry and remaining industries are grouped under 'Other industries'.
- 23 Statistics broken down by region use the latest registered address on ASIC's corporate database (ASCOT). When an external administrator from another region becomes the external administrator and changes the registered office address on ASCOT, the new address is used. The regional statistics do not include companies with an international registered address.

Amendments to Schedule B report format

- 24 In July 2008, we reissued RG 16 to enhance the quality of information disclosed. The key parts of the Schedule B report format amended are as follows:
- 'Contraventions' was renamed 'Possible misconduct' and divided into civil and criminal breaches of the Corporations Act or other Commonwealth or state or territory laws. Availability of evidence is now disclosed for each type of possible misconduct identified.
 - Contraventions were not included in REP 132. Possible misconduct was only disclosed from REP 225 for 2008–09 and 2009–10.

Changes to industry categories

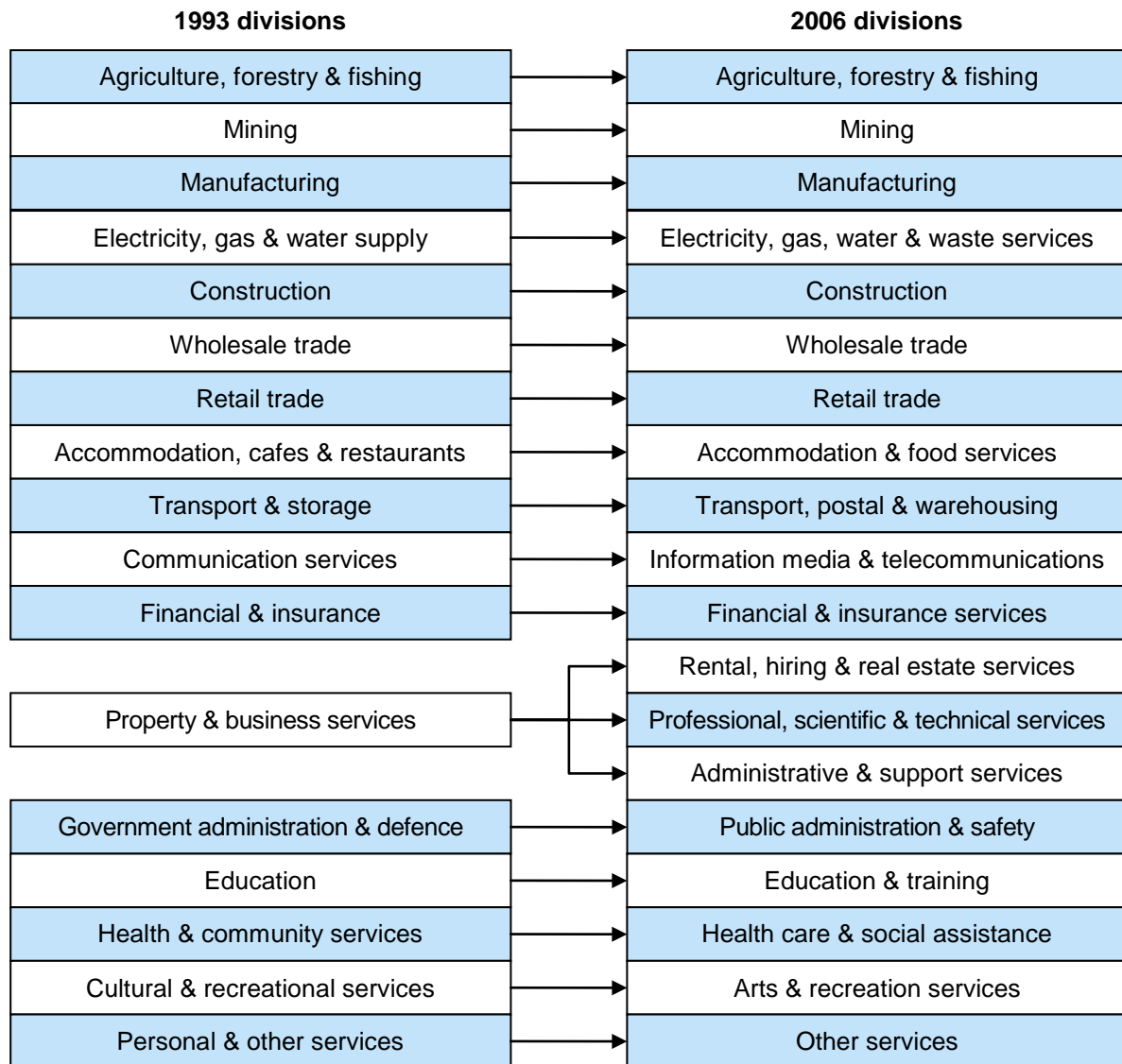
- 25 Industry categories were updated to align with 2006 Australian and New Zealand Standard Industrial Classification (ANZSIC) divisions. ANZSIC divisions are classified into subdivisions, group and classes. Due to the large number of changes made at subdivision and group level, comparison of industry data pre- and post-1 July 2008 is more difficult. Changes to the Schedule B report format for industry categories include the following:
- The 'Financial & insurance' industry category was previously broken down as separate industry categories due to ASIC's particular focus in this area. The sub-categories in the Schedule B report format of 'Credit

provider', 'Deposit taking institutions', 'Insurance', 'Managed investments', 'Superannuation' and 'Other financial services' are now combined under 'Financial & insurance services' and do not align with ANZSIC subdivision, group or class titles. References to 'Financial & insurance services' sub-categories are abbreviated to 'FIS'.

- The number of divisions was increased by rearranging the 'Property & business services' category into 'Administrative & support services', 'Professional, scientific & technical services' and 'Rental, hiring & real estate services'.
- Some industries were renamed to better reflect their composition: 'Accommodation, cafes & restaurants' is now 'Accommodation & food services'; 'Cultural & recreational services' is now 'Arts & recreation services'; 'Education' is now 'Education & training'; 'Electricity, gas & water supply' is now 'Electricity, gas, water & waste services'; 'Health & community services' is now 'Health care & social assistance'; 'Personal & other services' is now 'Other services'; 'Government administration & defence' is now 'Public administration & safety'; and 'Transport & storage' is now 'Transport, postal & warehousing'.
- Schedule B's former industry category 'Agriculture' has been renamed 'Agriculture, forestry & fishing' in line with ANZSIC divisions.
- Information media & telecommunications' effectively replaced 'Communication services', bringing together a number of classes from previous divisions.
- A new Schedule B category 'Other (business & personal) services' (ANZSIC division name 'Other services') groups 'Personal & other services' and Schedule B's former industry category, 'Services to business'.

Detail of industry descriptions is available from www.abs.gov.au/anzsic. See also Figure 1.

Figure 1: ANZSIC division changes



C Lodgements of statutory reports

Total lodgements of statutory reports

- 26 The total number of external administrator statutory reports lodged has increased consistently over the three-year period ended 30 June 2012. Total reports lodged increased from 8,494 reports lodged in 2009–10 to 10,804 reports lodged in 2011–12.
- 27 The percentage of electronically lodged reports increased significantly from 36.8% in 2002–03 (when electronic lodgement first became available) to 98.4% of reports electronically lodged in 2011–12.
- 28 The number of reports lodged directly by external administrators through the registered liquidators' portal increased from 36.8% in 2002–03 to 97.1% in 2011–12.

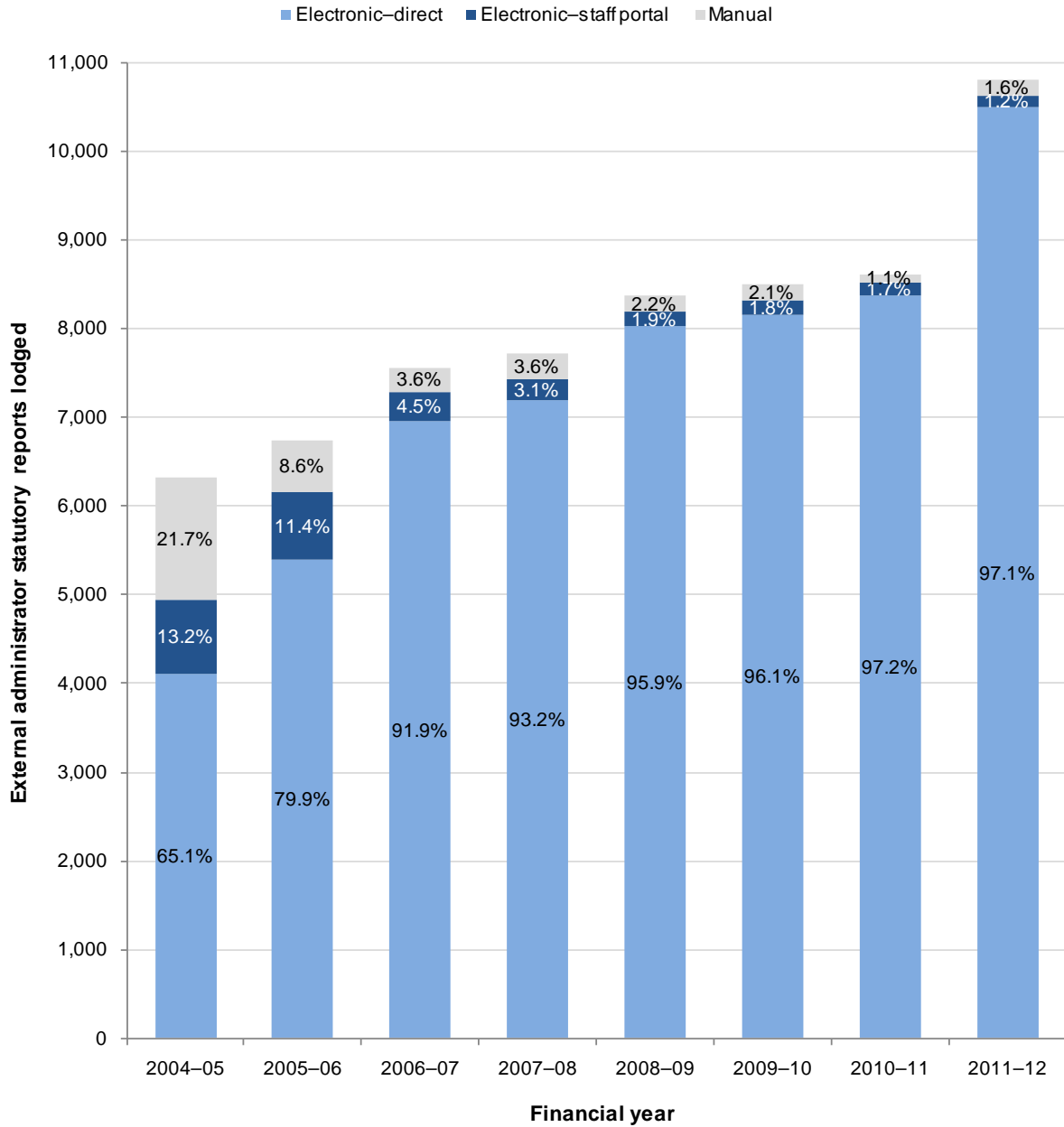
Table 7: Total external administrator statutory reports lodged by lodgement type (1 July 2009–30 June 2012)

Lodgement type	2011–12		2010–11		2009–10	
	No.	%	No.	%	No.	%
Electronic—direct	10,496	97.1%	8,375	97.2%	8,161	96.1%
Electronic—staff portal	130	1.2%	149	1.7%	151	1.8%
Manual	178	1.6%	92	1.1%	182	2.1%
Total	10,804	100.0%	8,616	100.0%	8,494	100.0%

Table 8: Definition of lodgement types

Electronic—direct	Schedule B reports lodged directly by external administrators through the registered liquidators' portal.
Electronic—staff portal	Schedule B reports lodged on paper by external administrators in the Schedule B report format and subsequently entered by ASIC staff through the staff portal.
Manual	Reports lodged on paper by external administrators. Note: Excludes supplementary reports (Schedule C reports). This figure relates to reports lodged on paper not in the Schedule B report format, as reports lodged on paper in the Schedule B format were entered through the staff portal: see above.

Figure 2: Total external administrator statutory reports lodged by lodgement type (1 July 2004–30 June 2012)



Initial external administrators' reports lodged

29 To avoid double counting, the statistics in the rest of this report relate only to initial external administrators' reports electronically lodged in 2011–12: see Table 2.

30 The number of initial external administrators' reports lodged increased from 7,903 reports in 2009–10 to 10,074 reports in 2011–12: see Table 9.

**Table 9: Initial external administrators' reports
(1 July 2009–30 June 2012)**

	2011–12	2010–11	2009–10
Total	10,074	8,054	7,903

31 Table 10 shows the percentage of reports lodged within six months of, and more than 12 months after, the appointment of the external administrator.

**Table 10: Initial external administrators' reports by timing of
lodgement after appointment (1 July 2009–30 June 2012)**

Financial year	Reports lodged within 6 months	Reports lodged more than 12 months after
2011–12	50.5%	22.3%
2010–11	50.9%	22.8%
2009–10	51.4%	23.0%

D Initial external administrators' reports 2011–12

Key points

Initial external administrators' reports disclosed the following material movements in 2011–12 compared to the previous financial year:

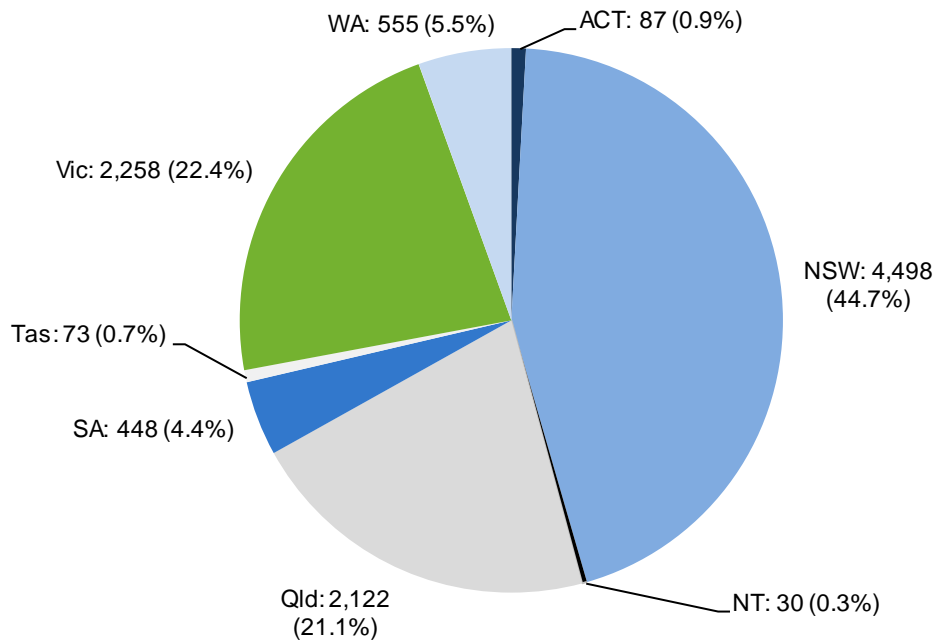
- Reports alleging breaches of civil obligations under s180 (care and diligence—Directors' and officers' duties) increased from 19.8% to 23.6% of reports.
- Reports lodged for companies in New South Wales decreased from 47.7% to 44.7% of reports.
- Companies where unpaid wages was 'not applicable' increased from 74.3% to 77.7% of reports.
- Companies with no unpaid taxes and charges liability fell from 18.8% to 14.7% of reports.
- Companies where external administrators expected the time to completion was less than three months decreased from 40.8% to 36.8% of reports.

Note: All other reported figures have not changed by three percentage points or more from the previous financial year.

- 32 For the year ended 30 June 2012, initial external administrators' reports made up 93.2% (or 10,074 reports) of the total number of external administrator statutory reports lodged: see Table 7 and Table 9 in Section C. This compares to 93.5% (or 8,054 reports) in 2010–11.

Lodgements by region

- 33 Most reports in 2011–12 related to New South Wales registered companies (4,498 reports or 44.7%), followed by Victoria (2,258 reports or 22.4%) and Queensland (2,122 reports or 21.1%). The five remaining states and territories made up 11.8% of reports.

Figure 3: Initial external administrators' reports by region (1 July 2011–30 June 2012)

Note: Three companies with international registered addresses are not included in regional statistics.

Lodgement period

34 In the year ended 30 June 2012, 51.5% of reports were lodged within six months of the external administrator's appointment, compared to 50.9% in the year ended 30 June 2011. Another 22.3% of reports were lodged more than 12 months after appointment: see Table 11.

Table 11: Initial external administrators' reports by lodgement period after appointment (1 July 2011–30 June 2012)

Lodgement period after appointment	No.	%
Less than 2 months	1,391	13.8%
Between 2 and 5 months	3,793	37.7%
Between 6 and 12 months	2,644	26.2%
More than 12 months	2,246	22.3%
Total	10,074	100.0%

Note 1: Liquidators appointed from 1 January 2008 must lodge reports as soon as practicable, and in any event within six months, after it so appears to him or her that any of the conditions in s533 apply.

Note 2: The result does not reflect instances where the first electronically lodged report was not the first report lodged.

Section lodged under

- 35 Most reports in 2011–12 (95.0%) were lodged by liquidators for the purpose of complying with s533 of the Corporations Act: see Table 12.

Table 12: Initial external administrators' reports by section of the Corporations Act (1 July 2011–30 June 2012)

Section of Corporations Act	No.	%
Section 422 (reports by receiver)	88	0.9%
Section 438D (reports by administrator)	403	4.0%
Section 533 (reports by liquidator)	9,567	95.0%
Statistical purposes	16	0.2%
Total	10,074	100.0%

Size of company

- 36 The number of employees or the number of full-time equivalent employees is used as a measure of the size of the company. In 2011–12, 78.5% of reports related to companies with less than 20 employees: see Table 13.

Table 13: Initial external administrators' reports—Size of company as measured by number of FTEs (1 July 2011–30 June 2012)

Number of FTEs	No.	%
Less than 5 FTE	6,270	62.2%
Between 5 and 19 FTE	1,636	16.2%
Between 20 and 199 FTE	500	5.0%
200 or more FTE	16	0.2%
Not known	1,652	16.4%
Total	10,074	100.0%

Note: FTE = Full-time equivalent employees.

Industry

- 37 In 2011–12, the three industries with the highest number of reports lodged were Other (business & personal) services (2,369 reports or 23.5%), Construction (2,229 reports or 22.1%) and Retail trade (1,024 reports or 10.2%).
- 38 The top 12 industries are the same as for 2010–11, but with some changes in the order of ranking.

Table 14: Initial external administrators' reports by industry type (1 July 2011–30 June 2012)

Industry type	No.	%
Other (business & personal) services	2,369	23.5%
Construction	2,229	22.1%
Retail trade	1,024	10.2%
Accommodation & food services	929	9.2%
Transport, postal & warehousing	607	6.0%
Manufacturing	574	5.7%
Rental, hiring & real estate services	344	3.4%
Wholesale trade	285	2.8%
Information media & telecommunications	257	2.6%
Professional, scientific & technical services	230	2.3%
Financial & insurance services (FIS)—Other financial services	197	2.0%
Agriculture, forestry & fishing	194	1.9%
Electricity, gas, water & waste services	177	1.8%
Administrative & support services	138	1.4%
Health care & social assistance	124	1.2%
Arts & recreation services	122	1.2%
Education & training	78	0.8%
Mining	68	0.7%
Financial & insurance services (FIS)—Managed investments	56	0.6%
Public administration & safety	27	0.3%
Financial & insurance services (FIS)—Insurance	25	0.2%
Financial & insurance services (FIS)—Credit provider	12	0.1%
Financial & insurance services (FIS)—Superannuation	7	0.1%
Financial & insurance services (FIS)—Deposit taking institutions	1	0.0%
Total	10,074	100.0%

Note: A number of amendments to the Schedule B report format were implemented effective from 1 July 2008, including changes to industry categories which were updated to align with 2006 ANZSIC divisions. ANZSIC divisions are classified into subdivisions, group and classes. The large number of changes made at subdivision and group level make comparison of industry data pre- and post-1 July 2008 less accurate. For details, see Section B and Figure 1 in this report.

Nominated causes of failure

- 39 There is commonly more than one reason for a company's failure. External administrators nominated an average of between two and three causes of failure per report in 2011–12.
- 40 The top three nominated causes of failure for companies (see Table 15 and Table 16) were:
- poor strategic management of business (4,449 or 44.2% of reports);
 - inadequate cash flow or high cash use (4,048 or 40.2% of reports); and
 - trading losses (3,326 or 33.0% of reports).
- 41 Of the top 12 industries, the three industries that most exceeded the percentage of reports for these three causes of failure were as follows:
- *Poor strategic management of business:* Transport, postal & warehousing (51.9% of reports), Information media & telecommunications (47.5% of reports) and FIS—Other financial services (45.2% of reports);
- Note: A number of industries grouped in the 'Other industries' category exceeded the average 44.2% of reports for poor strategic management of business. The top six of these were FIS—Credit Provider (66.7% of reports), Mining (63.2% of reports), FIS—Superannuation (57.1% of reports), Administrative & support services (50.0% of reports), Health care & social assistance (49.2% of reports) and Electricity, gas, water & waste services (46.3% of reports).
- *Inadequate cash flow or high cash use:* Manufacturing (44.8% of reports), Accommodation & food services (43.4% of reports) and Retail trade (43.3% of reports); and
 - *Trading losses:* Accommodation & food services (43.4% of reports), Retail trade (41.3% of reports) and Manufacturing (39.7% of reports).
- 42 The same top three causes were shared by Northern Territory, South Australia, Victoria and Western Australia which make up 32.7% of all reports. The five largest states (New South Wales, Victoria, Queensland, Western Australia and South Australia) shared the same top two causes of failure, being poor strategic management of business and inadequate cash flow or high cash use: see Table 16.

Table 15: Initial external administrators' reports—Nominated causes of failure by industry (1 July 2011–30 June 2012)

Causes of failure	Other (business & personal) services	Construction	Retail trade	Accommodation & food services	Transport, postal & warehousing	Manufacturing	Rental, hiring & real estate services	Wholesale trade	Information media & telecommunications	Professional, scientific & technical services	FIS—Other financial services	Agriculture, forestry & fishing	Other industries	Total
Under capitalisation	410	508	238	207	134	138	67	68	69	65	42	51	198	2,195
Poor financial control including lack of records	810	676	267	300	234	122	92	79	70	37	61	53	221	3,022
Poor management of accounts receivable	232	358	65	42	92	77	18	59	37	27	12	19	98	1,136
Poor strategic management of business	1,069	914	434	414	315	252	144	116	122	103	89	80	397	4,449
Inadequate cash flow or high cash use	907	900	443	403	246	257	118	117	99	82	59	81	336	4,048
Poor economic conditions	567	724	360	281	154	179	120	82	55	60	36	49	192	2,859
Natural disaster	18	26	17	18	19	7	4	8	2	1	0	14	7	141
Fraud	43	31	18	9	13	7	12	11	3	2	16	8	25	198
DOCA failed	9	16	2	7	2	5	2	2	0	1	3	1	4	54
Dispute among directors	73	58	33	39	15	24	15	9	5	10	5	6	32	324
Trading losses	724	675	423	403	187	228	90	113	73	67	42	60	241	3,326
Industry restructuring	26	23	23	17	4	25	0	6	4	1	2	4	22	157
Other	712	588	226	230	139	127	88	84	66	66	76	54	253	2,709
Nominated causes of failure by industry	5,600	5,497	2,549	2,370	1,554	1,448	770	754	605	522	443	480	2,026	24,618

Note: 'Other industries' includes Administrative & support services, Arts & recreation services, Education & training, Electricity, gas, water & waste services, remaining Financial & insurance services sub-categories (Credit provider, Deposit taking institutions, Insurance, Managed investments and Superannuation), Health care & social assistance, Mining and Public administration & safety.

Table 16: Initial external administrators' reports—Nominated causes of failure by region (1 July 2011–30 June 2012)

Causes of failure	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total
Under capitalisation	37	823	4	507	120	34	536	132	2,193
Poor financial control including lack of records	28	1,605	8	496	102	12	592	179	3,022
Poor management of accounts receivable	15	464	3	280	37	12	256	69	1,136
Poor strategic management of business	40	1,928	17	948	205	33	999	279	4,449
Inadequate cash flow or high cash use	37	1,716	12	835	209	31	934	274	4,048
Poor economic conditions	12	1,139	8	789	108	17	573	213	2,859
Natural disaster	0	29	1	85	4	0	19	3	141
Fraud	2	55	1	48	14	3	61	14	198
DOCA failed	1	24	1	12	1	0	11	4	54
Dispute among directors	3	119	2	59	14	3	84	40	324
Trading losses	37	1,420	9	715	194	32	664	253	3,324
Industry restructuring	1	53	1	17	3	0	70	12	157
Other	23	1,364	5	448	97	14	624	133	2,708
Total	236	10,739	72	5,239	1,108	191	5,423	1,605	24,613

Note: Causes of failure for companies with international registered addresses are not included in regional statistics.

Possible misconduct

43 External administrators alleged misconduct in more than two thirds of reports (7,253 or 72.0%) in 2011–12. External administrators reported 17,887 possible breaches at an average of between two and three breaches per report where possible misconduct was reported: see Table 17.

Table 17: Initial external administrators' reports—Possible misconduct (1 July 2011–30 June 2012)

Reported misconduct	No. of reports	% of reports	No. of breaches
No misconduct reported	2,821	28.0%	0
'Possible misconduct' reported	7,253	72.0%	17,887
Total	10,074	100.0%	17,887

44 As a result of reports lodged, we asked the external administrator to prepare either a supplementary s422, s438D or s533 report for 738 (10.2%) of the 7,253 reports for 2011–12 where they identified possible misconduct. The request for an additional report is a function of our assessment of risk based on a number of factors including, but not limited to:

- the nature of the possible misconduct reported;
- amount of the liabilities;
- deficiency suffered;
- availability of evidence;
- prior misconduct; and
- the advice of the external administrator that the reported possible misconduct warrants further investigation

45 Alleged criminal misconduct has been split between alleged misconduct occurring before the appointment of the external administrator (pre-appointment misconduct) and post-appointment misconduct related to directors' and officers' failure to assist the liquidator. In 2011–12, 16.6% of all reported misconduct related to post-appointment misconduct: see Table 18.

46 Alleged breaches of civil obligations are the most common breaches (13,093 or 73.2% of all reported misconduct). For a detailed analysis of civil breaches by section of the Corporations Act, industry and region, see Table 23 and Table 25.

Table 18: Initial external administrators' reports—Categories of possible misconduct (1 July 2011–30 June 2012)

Categories of possible misconduct	No. of breaches	% of breaches
Alleged criminal misconduct under Corporations Act by officers or employees:		
• pre-appointment criminal misconduct	1,565	8.8%
• post-appointment criminal misconduct	2,970	16.6%
Alleged breaches of civil obligations	13,093	73.2%
Other criminal offences	80	0.4%
Other possible misconduct	179	1.0%
Total	17,887	100.0%

Note 1: 'Other criminal offences' includes breaches by a member or contributory under the Corporations Act or breaches under other Commonwealth statutes or state or territory laws.

Note 2: 'Other possible misconduct' relates to people who have taken part in the formation, promotion, administration, management or winding up of the company and may have:

- misapplied or retained, or become liable or accountable for, any money or property of the company; or
- been guilty of any negligence, default, breach of duty or trust in relation to the company.

Documentary evidence and further inquiry

47 External administrators confirmed they had documentary evidence to support alleged pre-appointment misconduct for 4,066 reports (40.4%) for 2011–12: see Table 20. Of these, they considered that only 1,215 reports warranted ASIC's inquiry into the alleged misconduct, based on their assessment of the information and documentary evidence available.

48 Documentary evidence in the possession of a third party was identified in 473 reports. Based on this and their assessment, the external administrator recommended we make further inquiry in 220 reports.

Note: For 193 of the 220 reports where evidence was identified as being with a third party, the external administrator was also in possession of evidence. Therefore, these 193 reports were also included in the 1,215 reports where the external administrator recommended further inquiry.

49 Of the 1,215 reports where external administrators recommended further inquiry by ASIC, we requested supplementary reports (or Schedule C reports) for 353 reports (29.1%), of which 51 reports related to deficiencies of \$5 million or more. Of the remaining 862 reports where we did not request a supplementary report, 65 reports (7.5%) related to deficiencies of \$5 million or more: see Table 19. The amount of deficiency is only one input of our risk assessment model.

Table 19: Initial external administrators' reports—Evidence with liquidator and further inquiry recommended by deficiency categories (1 July 2011–30 June 2012)

Deficiency	Schedule C requested	Assessed & recorded	Total
\$0–\$50,000	23	51	74
\$50,001–\$250,000	66	267	333
\$250,001–less than \$500,000	50	169	219
\$500,000–less than \$1 million	49	136	185
\$1 million–less than \$5 million	114	174	288
\$5 million–\$10 million	20	35	55
Over \$10 million	31	30	61
Total	353	862	1,215

Table 20: Initial external administrators' reports—Possible pre-appointment misconduct reported (1 July 2011–30 June 2012)

	No. of reports	% of reports	No. of breaches
External administrator has documentary evidence to support allegation			
Yes	4,066	40.4%	9,647
No	3,187	31.6%	5,270
Total	7,253	72.0%	14,917
Of those with documentary evidence, did they recommend further inquiry by ASIC?			
Yes	1,215	12.1%	
No	2,851	28.3%	
Total	4,066	40.4%	
External administrator is aware of another person with documentary evidence			
Yes	473	4.7%	1,492
No	6,780	67.3%	13,425
Total	7,253	72.0%	14,917
Where the evidence was with another person, did they recommend further inquiry by ASIC?			

	No. of reports	% of reports	No. of breaches
Yes	220	2.2%	
No	253	2.5%	
Total	473	4.7%	

Note: 'Pre-appointment misconduct' refers to pre-appointment criminal misconduct, alleged breaches of civil obligations, other criminal offences and other possible misconduct.

Alleged criminal misconduct

Pre-appointment criminal misconduct

- 50 Statistics for alleged pre-appointment criminal misconduct are shown by industry and region: see Table 22 and Table 24. These tables also show the number of reports where the external administrator is able to advise that evidence is available. Pre-appointment criminal misconduct predominantly relates to the conduct of an officer or director of the company before the appointment of the external administrator.
- 51 External administrators held evidence for 1,057 possible criminal breaches out of 1,565 (67.5%) reported in 2011–12.
- 52 The top three nominated criminal breaches for companies for 2011–12 were the same as in the previous three financial years:
- *Section 588G(3) Insolvent trading*: 536 breaches reported (5.3% of reports);
 - *Sections 286 and 344(2) Obligation to keep financial records*: 473 breaches reported (4.7% of reports); and
 - *Section 184 Good faith, use of position and use of information*: 261 breaches reported (2.6% of reports).
- 53 Of the top 12 industries, the three industries which most exceeded the percentage of reports for these three nominated criminal breaches were:
- *Section 588G(3) Insolvent trading*: FIS—Other financial services (7.1% of reports), Wholesale trade (7.0% of reports) and Other (business & personal) services (6.5% of reports);
 - *Sections 286 and 344(2) Obligation to keep financial records*: Transport, postal & warehousing (7.2% of reports), Other (business & personal) services (5.8% of reports) and Accommodation & food services (5.6% of reports); and

- *Section 184 Good faith, use of position and use of information:* FIS—Other financial services (9.1% of reports), Wholesale trade (6.7% of reports) and Agriculture, forestry & fishing (5.7% of reports).

Note: Four industries grouped in the 'Other industries' category exceeded the average 2.6% of reports for Section 184 Good faith, use of position and use of information. The four industries were FIS—Managed investments (10.7% of reports), FIS—Insurance (8.0% of reports), Mining (5.9% of reports) and Health care & social assistance (4% of reports).

Post-appointment criminal misconduct

- 54 Alleged post-appointment criminal misconduct reported by external administrators relates to officers of the company failing to assist external administrators subsequent to the appointment of the external administrator: see Table 21. The 2,970 post-appointment breaches related to 1,503 reports (14.9%).
- 55 We assist external administrators in obtaining compliance by officers with their obligations to prepare a report as to company's affairs, provide books and records, and assist liquidators through our liquidator assistance program.

Table 21: Initial external administrators' reports—Possible post-appointment criminal misconduct reported by section of the Corporations Act (1 July 2011–30 June 2012)

Section of Corporations Act	No. of breaches
Sections 429, 438B, 446C & 475 Report as to company's affairs	1,000
Section 530A Officers to help liquidator	901
Section 530B Requirement to provide liquidator with company's books	1,069
Total	2,970

Note: The Schedule B report format does not require external administrators to advise whether or not evidence is available given the nature of the misconduct being reported.

Alleged breaches of civil obligations

- 56 Statistics for alleged breaches of civil obligations are available by industry and region: see Table 23 and Table 25. The tables also show the number of reports where the external administrator is able to advise evidence is available. External administrators held evidence for 8,371 possible breaches of civil obligations out of 13,091 (64.0%) reported.
- 57 The top three nominated civil breaches for companies for 2011–12 were the same as in the previous two years:
- *Section 588G(1)–(2) Insolvent trading:* 5,075 breaches reported (50.4% of reports);

- *Sections 286 and 344(1) Obligation to keep financial records*: 3,361 breaches reported (33.4% of reports); and
- *Section 180 Care and diligence—Directors' and officers' duties*: 2,376 breaches reported (23.6% of reports).

58 Of the top 12 industries, the three industries which most exceeded the percentage of reports for these three nominated breaches of civil obligations were:

- *Section 588G(1)–(2) Insolvent trading*: Wholesale trade (60.0% of reports), Professional, scientific & technical services (59.1% of reports) and Transport, postal & warehousing (56.0% of reports);
- *Sections 286 and 344(1) Obligation to keep financial records*: Other (business & personal) services (41.4% of reports), Transport, postal & warehousing (36.4% of reports) and Accommodation & food services (33.5% of reports); and
- *Section 180 Care and diligence—Directors' and officers' duties*: Information media & telecommunications (30.0% of reports), FIS—Other financial services (27.9% of reports) and Other (business & personal) services (27.5% of reports).

Table 22: Initial external administrators' reports—Possible pre-appointment criminal misconduct by section of the Corporations Act and industry (1 July 2011–30 June 2012)

Section of the Corporations Act	Other (business & personal) services	Construction	Retail trade	Accommodation & food services	Transport, postal & warehousing	Manufacturing	Rental, hiring & real estate services	Wholesale trade	Information media & telecommunications	Professional, scientific & technical services	FIS—Other financial services	Agriculture, forestry & fishing	Other industries	Total
Section 184 Good faith, use of position and use of information—Directors', officers' and employees' duties	60	44	31	10	5	13	16	19	4	6	18	11	24	261
Section 206A Disqualified persons not to manage corporations	12	6	1	0	1	4	2	1	0	0	2	1	3	33
Sections 286 & 344(2) Obligation to keep financial records	138	103	30	52	44	16	17	15	5	5	9	9	30	473
Section 471A Powers of other officers suspended during winding up	7	6	2	2	5	1	0	0	0	1	1	2	3	30
Section 588G(3) Insolvent trading	155	125	46	42	31	23	17	20	8	6	14	10	39	536
Section 590 Offences by officers or employees	43	37	15	5	7	10	10	7	1	1	7	4	19	166
Section 596AB Agreements to avoid employee entitlements	1	1	1	1	0	2	0	2	0	0	0	0	0	8
Other criminal offences under the Corporations Act	13	8	6	1	8	2	2	2	1	0	3	2	10	58
Total for industry	429	330	132	113	101	71	64	66	19	19	54	39	128	1,565

Note: 'Other industries' includes Administrative & support services, Arts & recreation services, Education & training, Electricity, gas, water & waste services, remaining Financial & insurance services sub-categories (Credit provider, Deposit taking institutions, Insurance, Managed investments and Superannuation), Health care & social assistance, Mining and Public administration & safety.

Table 23: Initial external administrators' reports—Possible breaches of civil obligations by section of the Corporations Act and industry (1 July 2011–30 June 2012)

Section of the Corporations Act	Other (business & personal) services	Construction	Retail trade	Accommodation & food services	Transport, postal & warehousing	Manufacturing	Rental, hiring & real estate services	Wholesale trade	Information media & telecommunications	Professional, scientific & technical services	FIS—Other financial services	Agriculture, forestry & fishing	Other industries	Total
Section 180 Care and diligence—Directors' and officers' duties	651	518	194	188	143	103	92	60	56	55	77	45	194	2,376
Section 181 Good faith—Directors' and officers' duties	275	215	99	86	68	52	55	30	30	34	39	28	103	1,114
Section 182 Use of position—Directors', officers' and employees' duties	209	172	77	60	47	42	51	30	21	26	32	22	82	871
Section 183 Use of information—Directors', officers' and employees' duties	83	46	25	25	13	17	12	11	5	10	17	8	24	296
Sections 286 & 344(1) Obligation to keep financial records	980	734	301	311	221	129	101	83	63	62	73	61	242	3,361
Section 588G(1)–(2) Insolvent trading	1,249	1,101	491	479	340	302	147	171	136	105	76	81	397	5,075
Total for industry	3,447	2,786	1,187	1,149	832	645	458	385	311	292	314	245	1,042	13,093

Note: 'Other industries' includes Administrative & support services, Arts & recreation services, Education & training, Electricity, gas, water & waste services, remaining Financial & insurance services sub-categories (Credit provider, Deposit taking institutions, Insurance, Managed investments and Superannuation), Health care & social assistance, Mining and Public administration & safety.

Table 24: Initial external administrators' reports—Possible pre-appointment criminal misconduct by section of the Corporations Act and region (1 July 2011–30 June 2012)

Section of the Corporations Act	ACT		NSW		NT		QLD		SA		TAS		VIC		WA		Total	
	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator
Section 184 Good faith, use of position and use of information—Directors', officers' and employees' duties	1	1	84	62	2	1	74	50	16	15	3	3	60	52	21	16	261	200
Section 206A Disqualified persons not to manage corporations	0	0	17	10	0	0	5	4	2	1	0	0	8	7	1	1	33	23
Sections 286 & 344(2) Obligation to keep financial records	4	2	265	132	3	2	71	49	10	9	3	3	88	50	29	13	473	260
Section 471A Powers of other officers suspended during winding up	0	0	9	7	0	0	9	9	1	1	1	1	7	6	3	2	30	26
Section 588G(3) Insolvent trading	6	4	258	130	5	2	118	99	42	41	6	4	79	58	22	15	536	353
Section 590 Offences by officers or employees	0	0	47	41	1	1	33	25	7	4	2	2	56	50	20	14	166	137
Section 596AB Agreements to avoid employee entitlements	0	0	2	2	0	0	2	2	3	2	0	0	0	0	1	0	8	6
Other criminal offences under the Corporations Act	0	0	33	29	0	0	4	4	2	1	0	0	18	17	1	1	58	52
Total	11	7	715	413	11	6	316	242	83	74	15	13	316	240	98	62	1,565	1,057

Table 25: Initial external administrators' reports—Possible breaches of civil obligations by section of the Corporations Act and region (1 July 2011–30 June 2012)

Section of the Corporations Act	ACT		NSW		NT		QLD		SA		TAS		VIC		WA		Total	
	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator	No. of breaches	Evidence with liquidator
Section 180 Care and diligence—Directors' and officers' duties	16	11	1,213	593	5	3	493	365	74	67	10	7	357	252	208	136	2,376	1,434
Section 181 Good faith—Directors' and officers' duties	10	7	440	313	3	3	239	173	43	36	3	3	242	184	134	88	1,114	807
Section 182 Use of position—Directors', officers' and employees' duties	7	6	346	262	1	1	175	143	47	43	4	4	216	174	75	50	871	683
Section 183 Use of information—Directors', officers' and employees' duties	2	2	138	112	1	1	44	34	11	11	3	3	84	72	13	8	296	243
Sections 286 & 344(1) Obligation to keep financial records	31	17	1,900	900	9	3	417	291	83	54	17	14	740	477	163	109	3,360	1,865
Section 588G(1)–(2) Insolvent trading	52	40	2,600	1,319	15	10	727	612	289	246	32	28	1,052	847	307	237	5,074	3,339
Total	118	83	6,637	3,499	34	21	2,095	1,618	547	457	69	59	2,691	2,006	900	628	13,091	8,371

Note: Civil breaches for companies with international registered addresses are not included in region statistics.

Other possible criminal offences

59 There were only 80 other possible criminal offences (0.4% of overall offences) by a member or contributory under the Corporations Act or other Commonwealth statutes or state or territory laws. Of these, 72 were possible criminal offences other than under the Corporations Act: see Table 26.

Table 26: Initial external administrators' reports—Other possible criminal offences (1 July 2011–30 June 2012)

Offence	No. of breaches
Criminal offence under the Corporations Act (if a member or contributory)	8
Criminal offence under another Commonwealth statute	42
Criminal offence under a state or territory law	30
Total	80

Other possible misconduct

60 'Other possible misconduct' relates to persons who took part in the formation, promotion, administration, management or winding up of the company: see Table 27. A further 179 instances of other possible misconduct were reported in 2011–12 (1.0% of overall breaches).

Table 27: Initial external administrators' reports—Other possible misconduct (1 July 2011–30 June 2012)

Possible misconduct	No. of breaches
May have misapplied or retained, or may have become liable or accountable for money or property of the company	81
May have been guilty of negligence, default, breach of duty or breach of trust in relation to the company	98
Total	179

Referred to other authorities

61 For reports where external administrators reported possible misconduct, 176 reports in 2011–12 indicated the external administrator had or was intending to refer the matter to another authority. The highest three number of referrals were to the Australian Tax Office (56 reports), state or territory police (53 reports) and Fair Trading/Consumer Affairs (12 reports).

Table 28: Initial external administrators' reports—Referred to other authorities (1 July 2011–30 June 2012)

Authorities	No.
State police	53
Australian Federal Police	3
Fair Trading / Consumer Affairs	12
Australian Taxation Office	56
Australian Consumer & Competition Commission	3
Other	49
Total	176

Note: In the Other category, 22 reports indicated the external administrator had or was intending to refer the matter to creditors.

Books and records

- 62 External administrators indicated they obtained or inspected the company's books and records in 7,703 reports (76.5%) in 2011–12. Of these, 4,618 reports indicated that the company's books and records were considered adequate.

Assetless Administration Fund

- 63 In 2011–12, 454 of the 9,567 reports by a liquidator (as noted in Table 12) indicated the liquidator made, or intended making, an application for funding from the AA Fund.
- 64 The Australian Government established the AA Fund and ASIC administers the fund. It finances preliminary investigations and reports by liquidators into the failure of companies with few or no assets, where it appears to ASIC that enforcement action may result from the investigation and report. A particular focus of the AA Fund is the curbing of fraudulent phoenix activity.

Liabilities and assets

- 65 External administrators provide estimates of the assets, liabilities and overall financial deficiency of companies on which they report. Table 29 shows the assets and liabilities categories and Table 30 shows the deficiency for the top 12 industries by reports lodged (as noted in Table 14).

Assets

- 66 In 60.6% of reports, companies had estimated assets of \$10,000 or less. 84.9% of reports indicated companies had estimated assets of \$100,000 or less.
- 67 Of the top 12 industries, those with the greatest percentage of reports estimating assets of \$10,000 or less were Other (business & personal) services (68.1%), FIS—Other financial services (66.0%) and Professional, scientific & technical services (65.7%).
- 68 In 41.3% of reports, the external administrator reported the administration as assetless. Of the top 12 industries, those that most exceeded this percentage for assetless administrations (41.3%) were Other (business & personal) services (48.5%), FIS—Other financial services (46.7%) and Transport, postal & warehousing (46.0%).
- 69 In 9.4% of reports, estimated assets were over \$250,000. Of the top 12 industries, those well above this percentage were Agriculture, forestry & fishing (23.2%), Rental, hiring & real estate services (16.9%) and Manufacturing (12.9%).

Note: In the 'Other industries' category, FIS—Insurance (36.0%), Mining, (22.1%), FIS—Managed investments (19.6%) and Health care & social assistance (13.7%) all exceeded this percentage across all industries (9.4%), but made up only 2.7% of all reports.

Liabilities

- 70 In 42.0% of reports, the estimated liabilities of failed companies were \$250,000 or less, and 75.3% indicated estimated liabilities of less than \$1 million.
- 71 Of the top 12 industries, those with the greatest percentage of companies with estimated liabilities of \$250,000 or less were Other (business & personal) services (50.9%), Transport, postal & warehousing (45.0%) and Professional, scientific & technical services (43.9%).
- 72 A comparison of those industries with estimated liabilities over \$10 million reveals that FIS—Other financial services (6.6%), Manufacturing (6.3%) and Wholesale trade (4.6%) most exceeded the proportion of reports in that category across all industries of 3.7%.

Note: In the 'Other industries' category, FIS—Insurance (32.0%), FIS—Managed investments (16.1%), Administrative & support services (12.3%), Mining (8.8%) and Health care & social assistance (4.8%) all exceeded this percentage across all industries (3.7%), but comprised only 4.1% of all reports.

Deficiency

- 73 Across all industries, 44.9% of reports estimated the shortfall between estimated assets and estimated liabilities at \$250,000 or less. 63.7% of reports estimated a shortfall at 500,000 or less. When comparing the deficiency estimates between the top 12 industries, the three industries with

the highest percentage of estimates at \$250,000 or less were Other (business & personal) services (53.3%), Transport, postal & warehousing (48.4%) and FIS—Other financial services (46.7%).

- 74 Only 3.0% of all reports estimated a deficiency of over \$10 million. Of the top 12 industries, the three industries which most exceeded this percentage was FIS—Other financial services (6.6%), Manufacturing (5.7%) and Wholesale trade (4.6%).

Note: Four industries grouped in the 'Other industries' category exceeded this percentage across all industries (3.0%): FIS—Insurance (28.0%), FIS—Managed investments (14.3%), Administrative & support services (12.3%) and Mining (7.4%). However, when combined, these industries comprised only 2.8% of reports.

Table 29: Initial external administrators' reports—Amount of assets and liabilities by industry (1 July 2011–30 June 2012)

	Other (business & personal) services	Construction	Retail trade	Accommodation & food services	Transport, postal & warehousing	Manufacturing	Rental, hiring & real estate services	Wholesale trade	Information media & telecommunications	Professional, scientific & technical services	FIS—Other financial services	Agriculture, forestry & fishing	Other industries	Total	% of total
Asset categories															
Less than \$1	1,150	914	383	396	279	169	140	89	89	90	92	57	317	4,165	41.3%
\$1–\$10,000	464	461	208	182	84	79	61	44	65	61	38	26	162	1,935	19.2%
\$10,001–\$20,000	217	158	115	109	46	59	24	25	30	20	9	21	72	905	9.0%
\$20,001–\$30,000	86	81	53	50	25	32	10	24	16	5	6	12	37	437	4.3%
\$30,001–\$50,000	95	111	73	55	32	37	16	10	18	12	6	9	36	510	5.1%
\$50,001–\$100,000	97	130	79	49	40	63	16	24	13	7	11	13	61	603	6.0%
\$100,001–\$250,000	90	133	53	36	31	61	19	33	14	18	16	11	57	572	5.7%
\$250,001–\$5 million	154	211	57	48	65	72	51	33	12	16	16	40	81	856	8.5%
Over \$5 million	16	30	3	4	5	2	7	3	0	1	3	5	12	91	0.9%
Total for industry	2,369	2,229	1,024	929	607	574	344	285	257	230	197	194	835	10,074	100.0%
Liability categories															
\$1–\$250,000	1,205	894	437	357	273	187	115	79	102	101	86	49	342	4,227	42.0%
\$250,001–less than \$1 million	714	697	381	385	204	193	117	93	102	75	51	75	270	3,357	33.3%
\$1 million–less than \$5 million	342	491	159	147	85	130	91	82	45	40	36	49	147	1,844	18.3%
\$5 million–\$10 million	56	57	7	18	21	28	12	18	3	9	11	13	25	278	2.8%
Over \$10 million	52	90	40	22	24	36	9	13	5	5	13	8	51	368	3.7%
Total for industry	2,369	2,229	1,024	929	607	574	344	285	257	230	197	194	835	10,074	100.0%

Note: 'Other industries' includes Administrative & support services, Arts & recreation services, Education & training, Electricity, gas, water & waste services, remaining Financial & insurance services sub-categories (Credit provider, Deposit taking institutions, Insurance, Managed investments and Superannuation), Health care & social assistance, Mining and Public administration & safety.

Table 30: Initial external administrators' reports—Amount of deficiency by industry (1 July 2011–30 June 2012)

Deficiency categories	Other (business & personal) services	Construction	Retail trade	Accommodation & food services	Transport, postal & warehousing	Manufacturing	Rental, hiring & real estate services	Wholesale trade	Information media & telecommunications	Professional, scientific & technical services	FIS—Other financial services	Agriculture, forestry & fishing	Other industries	Total	% of total
\$0–\$50,000	363	272	101	88	79	40	37	21	27	23	26	18	92	1,187	11.8%
\$50,001–\$250,000	899	686	363	296	215	169	96	64	85	82	66	44	273	3,338	33.1%
\$250,001–less than \$500,000	430	391	209	209	115	108	58	53	54	44	29	36	155	1,891	18.8%
\$500,000–less than \$1 million	279	304	164	164	86	76	62	43	41	29	18	34	110	1,410	14.0%
\$1 million–less than \$5 million	306	461	142	139	75	124	78	78	42	39	34	48	135	1,701	16.9%
\$5 million–\$10 million	52	45	9	12	18	24	8	13	3	9	11	10	26	240	2.4%
Over \$10 million	40	70	36	21	19	33	5	13	5	4	13	4	44	307	3.0%
Total for industry	2,369	2,229	1,024	929	607	574	344	285	257	230	197	194	835	10,074	100.0%

Note: 'Other industries' includes Administrative & support services, Arts & recreation services, Education & training, Electricity, gas, water & waste services, remaining Financial & insurance services sub-categories (Credit provider, Deposit taking institutions, Insurance, Managed investments and Superannuation), Health care & social assistance, Mining and Public administration & safety.

Employee entitlements

75 In all categories of employee entitlements (i.e. wages, annual leave, pay in lieu of notice, redundancy, long service leave and superannuation), 'Not applicable' was selected in the majority of reports: see Table 31 and Table 32. 'Not applicable' means that no amount of entitlement of that type remained unpaid to employee creditors as at the date of the appointment of the external administrator.

Table 31: Initial external administrators' reports—Amounts owed in unpaid employee entitlements (1 July 2011–30 June 2012)

Amount owed	Unpaid wages		Unpaid annual leave		Unpaid pay in lieu of notice		Unpaid redundancy		Unpaid long service leave	
	No.	%	No.	%	No.	%	No.	%	No.	%
\$1–\$1,000	328	3.3%	232	2.3%	192	1.9%	148	1.5%	160	1.6%
\$1,001–\$10,000	1,117	11.1%	1,098	10.9%	576	5.7%	191	1.9%	290	2.9%
\$10,001–\$50,000	542	5.4%	886	8.8%	474	4.7%	264	2.6%	338	3.4%
\$50,001–\$150,000	165	1.6%	288	2.9%	147	1.5%	189	1.9%	111	1.1%
\$150,001–\$250,000	41	0.4%	54	0.5%	22	0.2%	60	0.6%	15	0.1%
\$250,001–\$500,000	35	0.3%	23	0.2%	20	0.2%	33	0.3%	20	0.2%
\$500,001–less than \$1.5 million	14	0.1%	9	0.1%	8	0.1%	3	0.0%	6	0.1%
\$1.5 million–\$5 million	1	0.0%	5	0.0%	2	0.0%	21	0.2%	0	0.0%
Over \$5 million	1	0.0%	2	0.0%	3	0.0%	5	0.0%	7	0.1%
Not applicable	7,799	77.7%	7,446	74.1%	8,599	85.6%	9,129	90.9%	9,096	90.6%
Total	10,043	100.0%	10,043	100.0%	10,043	100.0%	10,043	100.0%	10,043	100.0%

Note: 31 reports identified as being internally inconsistent were excluded from this table.

Unpaid wages

76 Unpaid wages were 'not applicable' in 77.7% of reports. In 14.4% of reports, external administrators estimated unpaid wages at between \$1 and \$10,000. Categories from \$10,001 to over \$5 million comprised 8.0% of reports.

Unpaid annual leave

77 In all, 74.1% of reports showed unpaid annual leave as 'not applicable'. In 13.2% of cases, employees were owed \$1 to \$10,000, and 22.1% of companies owed \$50,000 or less. In 3.8% of reports, entitlements for unpaid annual leave were in the 'over \$50,000' category.

Unpaid pay in lieu of notice

- 78 Unpaid pay in lieu of notice was 'not applicable' in most cases (85.6%). Only 2.0% of reports showed entitlements for unpaid pay in lieu of notice in the 'over \$50,000' category.

Unpaid redundancy

- 79 Unpaid redundancy was 'not applicable' in 90.9% of reports. In all, 3.4% of reports showed employees were owed \$1 to \$10,000 in redundancy payments.
- 80 Only 0.05% of reports showed unpaid redundancy of over \$5 million.

Unpaid long service leave

- 81 Employees were owed \$1 to \$10,000 in unpaid long service leave in 4.5% of reports, and unpaid long service leave of \$1.5 million or more was estimated in only 0.1% of reports.
- 82 The majority of reports (90.6%) indicated a long service leave debt was 'not applicable'.

Unpaid superannuation

- 83 Due to the different value categories of superannuation entitlements, these figures are shown separately in Table 32. The results show a similar pattern to other employee entitlements with a large number (55.7%) of reports showing unpaid superannuation as 'not applicable'.

Table 32: Initial external administrators' reports—Amounts owed in unpaid superannuation entitlements (1 July 2011–30 June 2012)

Amount owed	No.	%
\$1–\$100,000	3,853	38.2%
\$100,001–\$250,000	439	4.4%
\$250,001–\$1 million	144	1.4%
Over \$1 million	24	0.2%
Not applicable	5,614	55.7%
Total	10,074	100.0%

Note: No reports were identified as being internally inconsistent.

Secured creditors

84 Table 33 and Figure 4 show the amounts owed to secured creditors by industry. Most reports for 2011–12 (67.3%) indicated that nothing was owed to secured creditors.

85 A significant proportion (23.1%) of 2011–12 reports showed secured creditors were owed between \$1 and less than \$1 million.

86 A comparison of those industries where secured creditors were owed less than \$1 million reveals that the proportion of reports in that category across all industries (90.4%) was most exceeded by Information media & telecommunications (96.5%), Other (business & personal) services (93.1%) and Professional, scientific & technical services (92.6%).

87 In 2.5% of reports, the company owed secured creditors more than \$10 million.

88 Of the top 12 industries, the four industries that most exceeded this percentage of reports across all industries with amounts owed to secured creditors over \$10 million (2.5%) were Manufacturing (5.1%), Rental, hiring and real estate services (3.8%) and equal third, Accommodation & food services and Wholesale trade (2.8% each).

Note: Four industries grouped in the 'Other industries' category exceeded the average 2.5%: Administrative & support services (10.9%), FIS—Managed investments (5.4%), Health care & social assistance (4.0%) and Mining (2.9%).

Unpaid taxes and charges

89 Most reports (82.4%) indicated that the amount of unpaid taxes and charges was \$250,000 or less.

90 Of the top 12 industries, the three that most exceeded this percentage of reports owing \$250,000 or less in unpaid taxes and charges were Retail trade (90.4%), FIS—Other financial services (86.8%) and Wholesale trade (86.0%).

91 Of the top 12 industries, the four industries that had the highest percentage of unpaid taxes and charges over \$1 million compared to the percentage across all industries of 3.5% were Construction (4.8%), Other (business & personal) services (4.3%) and equal third, Transport, postal & warehousing and Agriculture, forestry & fishing (3.6% each). See Table 34.

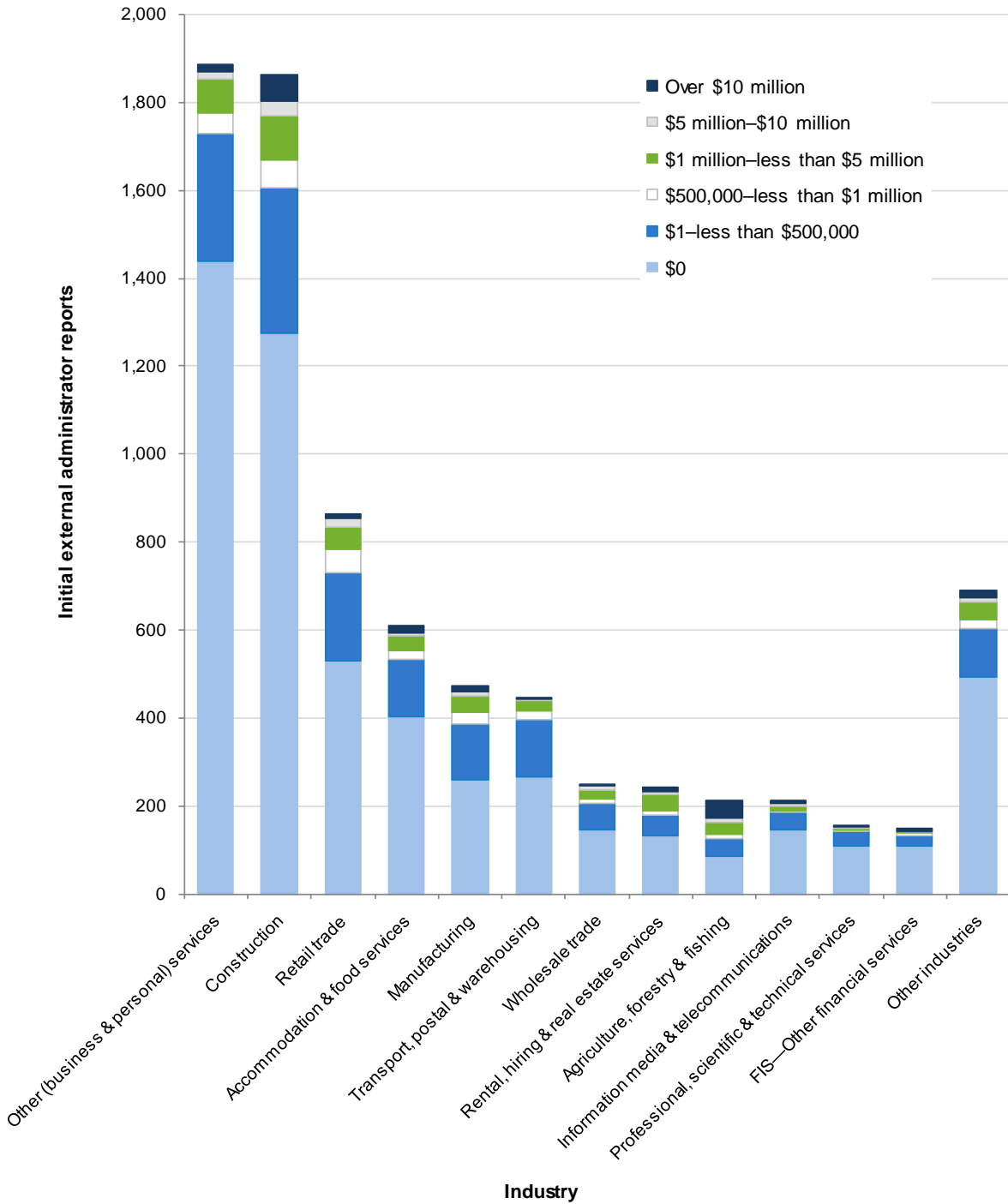
Note: In the 'Other industries' category, the three industries that most exceeded this percentage across all industries (3.5%) of unpaid taxes and charges of over \$1 million were FIS—Insurance (28.0% or 7 reports), FIS—Credit provider (25.0% or 3 reports) and FIS—Superannuation (14.3% or 1 report).

Table 33: Initial external administrators' reports—Amount owed to secured creditors by industry (1 July 2011–30 June 2012)

Amount owed	Other (business & personal) services	Construction	Retail trade	Accommodation & food services	Transport, postal & warehousing	Manufacturing	Rental, hiring & real estate services	Wholesale trade	Information media & telecommunications	Professional, scientific & technical services	FIS—Other financial services	Agriculture, forestry & fishing	Other industries	Total	% of total
\$0	1,790	1,467	634	625	392	328	189	152	191	177	148	99	583	6,775	67.3%
\$1–less than \$500,000	364	450	269	191	128	144	74	68	48	30	27	44	152	1,989	19.7%
\$500,000–less than \$1 million	52	98	31	30	22	18	23	19	9	6	5	12	18	343	3.4%
\$1 million–less than \$5 million	101	119	58	42	42	49	36	35	5	14	11	28	46	586	5.8%
\$5 million–\$10 million	29	34	4	15	10	6	9	3	2	1	1	8	11	133	1.3%
Over \$10 million	33	61	28	26	13	29	13	8	2	2	5	3	25	248	2.5%
Total for industry	2,369	2,229	1,024	929	607	574	344	285	257	230	197	194	835	10,074	100.0%

Note: 'Other industries' includes Administrative & support services, Arts & recreation services, Education & training, Electricity, gas, water & waste services, remaining Financial & insurance services sub-categories (Credit provider, Deposit taking institutions, Insurance, Managed investments and Superannuation), Health care & social assistance, Mining and Public administration & safety.

Figure 4: Initial external administrators' reports—Amount owed to secured creditors by industry (1 July 2011–30 June 2012)



Note: 'Other industries' includes Administrative & support services, Arts & recreation services, Education & training, Electricity, gas, water & waste services, remaining Financial & insurance services sub-categories (Credit provider, Deposit taking institutions, Insurance, Managed investments and Superannuation), Health care & social assistance, Mining and Public administration & safety.

Table 34: Initial external administrators' reports—Amount owed in unpaid taxes and charges by industry (1 July 2011–30 June 2012)

Amount owed	Other (business & personal) services	Construction	Retail trade	Accommodation & food services	Transport, postal & warehousing	Manufacturing	Rental, hiring & real estate services	Wholesale trade	Information media & telecommunications	Professional, scientific & technical services	FIS—Other financial services	Agriculture, forestry & fishing	Other industries	Total	% of total
\$0	346	315	150	87	73	82	59	59	30	25	49	48	157	1,480	14.7%
\$1–\$250,000	1,607	1,426	776	703	409	398	225	186	181	154	122	114	522	6,823	67.7%
\$250,001–\$1 million	314	382	83	126	103	79	48	32	38	43	23	25	123	1,419	14.1%
Over \$1 million	102	106	15	13	22	15	12	8	8	8	3	7	33	352	3.5%
Total for industry	2,369	2,229	1,024	929	607	574	344	285	257	230	197	194	835	10,074	100.0%

Note: 'Other industries' includes Administrative & support services, Arts & recreation services, Education & training, Electricity, gas, water & waste services, remaining Financial & insurance services sub-categories (Credit provider, Deposit taking institutions, Insurance, Managed investments and Superannuation), Health care & social assistance, Mining and Public administration & safety.

Unsecured creditors

Number of unsecured creditors

- 92 Most reports for 2011–12 (87.5%) indicated the company had 50 or less unsecured creditors. Of the top 12 industries, those which had the greatest percentages of 50 or less unsecured creditors were Other (business & personal) services (92.6%), Professional, scientific & technical services (92.2%) and Rental, hiring & real estate services (91.6%). See Table 35.

Amount owed to unsecured creditors

- 93 The majority (60.2%) of companies owed less than \$250,000 to unsecured creditors. Of the top 12 industries, the three that had the greatest percentage of companies in this category were Other (business & personal) services (70.2%), Transport, postal & warehousing (64.6%) and Rental, hiring & real estate services (60.8%).
- 94 Of the top 12 industries, the three industries with the highest number of reports where companies owed more than \$10 million to unsecured creditors were Construction (25 reports), Other (business & personal) services (21 reports) and Retail trade (16 reports).

Note: In the 'Other industries' category, FIS—Insurance showed the sixth highest number of reports (8 reports) where companies owed more than \$10 million to unsecured creditors.

Amounts owed to related parties

- 95 Of the total amount owed to unsecured creditors, 19.9% of reports showed that the failed company owed more than 50% of the debt to related parties. Of the top 12 industries, those with the greatest percentage of reports showing more than 50% owed to related parties were Professional, scientific & technical services (30.0%), Accommodation & food services (26.0%) and Manufacturing (23.9%).

Note: A number of industries grouped in the 'Other industries' category exceeded the average 19.9%. The top four of these were: FIS—Deposit taking institution (100.0%), FIS—Insurance (44.0%), FIS—Credit provider (33.3%) and Administrative & support services (24.6%).

Cents in the dollar dividend

- 96 The dividend estimated as payable to unsecured creditors was less than 11 cents in the dollar for most reports (97.5%). Of the top 12 industries, the top three with an estimated return of less than 11 cents in the dollar were Accommodation & food services (98.4%), Retail trade (98.2%) and Information media & telecommunications (98.1%). 'Other industries' includes three industries where 100.0% estimated less than 11 cents in the dollar: FIS—Credit provider (12 reports), FIS—Superannuation (7 reports) and FIS—Deposit taking institutions (1 report).
- 97 Of the top 12 industries, the two industries with the greatest percentage of estimated returns of more than 50 cents in the dollar to unsecured creditors were Rental, hiring & real estate services (1.7%) and FIS—Other financial services (1.0%), compared to the proportion across all industries of 0.6%: see Table 36.

Note: In the 'Other industries' category, the following industries exceeded this percentage (0.6%): Mining (7.4%), FIS—Insurance (4.0%), FIS—Managed investments (1.8%), Health care & social assistance (0.8%) and Arts & recreation services (0.8%). However, when combined, these industries made up only 3.9% of all reports.

Table 35: Initial external administrators' reports—Number of unsecured creditors, amount owed and reports where > 50% is owed to related parties by industry (1 July 2011–30 June 2012)

	Other (business & personal) services	Construction	Retail trade	Accommodation & food services	Transport, postal & warehousing	Manufacturing	Rental, hiring & real estate services	Wholesale trade	Information media & telecommunications	Professional, scientific & technical services	FIS—Other financial services	Agriculture, forestry & fishing	Other industries	Total	% of total
Number of unsecured creditors															
Less than 25	2,038	1,666	669	667	466	338	288	183	200	193	161	132	643	7,644	75.9%
25–50	155	247	199	153	58	107	27	40	30	19	15	31	92	1,173	11.6%
51–200	101	245	112	84	60	115	16	55	21	12	10	22	74	927	9.2%
More than 200	7	28	22	0	10	9	0	3	1	2	2	1	11	96	1.0%
Unknown	68	43	22	25	13	5	13	4	5	4	9	8	15	234	2.3%
Total for industry	2,369	2,229	1,024	929	607	574	344	285	257	230	197	194	835	10,074	100.0%
Amount owed to unsecured creditors															
Less than \$250,000	1,662	1,268	591	559	392	285	209	123	153	139	105	89	493	6,068	60.2%
\$250,000–\$500,000	269	295	182	162	82	98	46	53	33	29	24	34	121	1,428	14.2%
\$500,001–less than \$1 million	188	258	124	113	55	66	47	39	30	31	19	32	84	1,086	10.8%
\$1 million–less than \$5 million	203	351	106	87	59	95	37	56	35	25	32	30	93	1,209	12.0%
\$5 million–\$10 million	26	32	5	4	12	21	5	8	4	5	6	5	14	147	1.5%
Over \$10 million	21	25	16	4	7	9	0	6	2	1	11	4	30	136	1.4%
Total for industry	2,369	2,229	1,024	929	607	574	344	285	257	230	197	194	835	10,074	100.0%
Amounts owed to related parties															
> 50% owed to related parties	433	350	227	242	79	137	79	66	59	69	49	38	174	2,002	19.9%
% of reports lodged for industry	18.3%	15.7%	22.2%	26.0%	13.0%	23.9%	23.0%	23.2%	23.0%	30.0%	24.9%	19.6%	20.8%		

Note: 'Other industries' includes Administrative & support services, Arts & recreation services, Education & training, Electricity, gas, water & waste services, remaining Financial & insurance services sub-categories (Credit provider, Deposit taking institutions, Insurance, Managed investments and Superannuation), Health care & social assistance, Mining and Public administration & safety.

**Table 36: Initial external administrators' reports—Amount payable to unsecured creditors—Cents in the dollar dividend by industry
(1 July 2011–30 June 2012)**

Cents in the dollar dividend	Other (business & personal) services	Construction	Retail trade	Accommodation & food services	Transport, postal & warehousing	Manufacturing	Rental, hiring & real estate services	Wholesale trade	Information media & telecommunications	Professional, scientific & technical services	FIS—Other financial services	Agriculture, forestry & fishing	Other industries	Total	% of total
0 cents	2,240	2,051	976	889	562	522	315	262	239	212	164	175	746	9,353	92.8%
Greater than 0 but less than 11 cents	82	124	30	25	31	36	16	17	13	12	26	9	50	471	4.7%
11–20 cents	16	17	11	8	7	5	1	2	1	3	4	2	16	93	0.9%
21–50 cents	15	24	3	5	4	9	6	3	2	2	1	7	13	94	0.9%
51–100 cents	16	13	4	2	3	2	6	1	2	1	2	1	10	63	0.6%
Total for industry	2,369	2,229	1,024	929	607	574	344	285	257	230	197	194	835	10,074	100.0%

Note: Other industries' includes Administrative & support services, Arts & recreation services, Education & training, Electricity, gas, water & waste services, remaining Financial & insurance services sub-categories (Credit provider, Deposit taking institutions, Insurance, Managed investments and Superannuation), Health care & social assistance, Mining and Public administration & safety.

Completion of external administration

- 98 External administrators expected to complete their administration within six months of the date of lodging their report in 67.4% of cases. This was in addition to the time taken to lodge the report.

**Table 37: Initial external administrators' reports—
Expected time to complete the external administration
(1 July 2011–30 June 2012)**

Expected time	No.	%
0–less than 3 months	3,709	36.8%
3 months–less than 6 months	3,085	30.6%
6 months–1 year	2,576	25.6%
Over 1 year	704	7.0%
Total	10,074	100.0%

Proposed action

Public examinations

- 99 In 201 reports (2.0%), the external administrator noted that they intended holding public examinations to question a company's officer or another person about the affairs of the company.

Recovery proceedings

- 100 In 2,262 reports (22.5%), the external administrators had initiated, or they contemplated initiating, recovery proceedings for property or compensation for the benefit of creditors under Pt 5.7B of the Corporations Act.

Company officers

- 101 External administrators advised in 562 reports (5.6%) that, in their opinion, there were shadow directors.

External administrator's remuneration

- 102 Excluding the \$0 and 'not applicable' results, the most common category of external administrator's estimated collectible fees was liquidator fees, with 7,147 reports. Of these, 6,422 reports (89.9%) estimated collectible liquidator fees between \$1 and \$50,000.
- 103 Of the reports answering the voluntary administration fees question, 900 estimated the collectible fees to be between \$1 and \$50,000.

Table 38: Initial external administrators' reports—External administrators' remuneration (1 July 2011–30 June 2012)

Remuneration	Voluntary administration fees		Deed of company arrangement fees		Liquidator fees		Receiver/ controller fees	
	No.	%	No.	%	No.	%	No.	%
\$0	1,069	10.6%	1,062	10.5%	2,634	26.1%	1,066	10.6%
\$1–\$50,000	900	8.9%	149	1.5%	6,422	63.7%	45	0.4%
\$50,001–\$100,000	174	1.7%	20	0.2%	480	4.8%	27	0.3%
\$100,001–\$250,000	85	0.8%	10	0.1%	192	1.9%	24	0.2%
Over \$250,000	54	0.5%	13	0.1%	53	0.5%	20	0.2%
Not applicable	7,792	77.3%	8,820	87.6%	293	2.9%	8,892	88.3%
Total	10,074	100.0%	10,074	100.0%	10,074	100.0%	10,074	100.0%

Note: More than one fee type may be entered if the appointee has been, is or expects to be appointed to more than one type of role in relation to the company.

Key terms

Term	Meaning in this document
AA Fund	Assetless Administration Fund
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASCOT	ASIC's corporate database
ASIC	Australian Securities and Investments Commission
CALDB	Companies Auditors and Liquidators Disciplinary Board
Ch 5 (for example)	A chapter of the Corporations Act (in this example numbered 5)
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
deed administrator	An administrator of a deed of company arrangement
electronic—direct	Schedule B reports lodged directly by external administrators through the registered liquidators' portal
electronic—staff portal	Schedule B reports lodged on paper by external administrators in the Schedule B report format and subsequently entered by ASIC staff through the staff portal
electronically lodged report	A Schedule B report lodged directly by external administrators through the registered liquidators' portal, or on paper by external administrators in the Schedule B format, and subsequently entered by ASIC staff through the staff portal
EXAD	External administration
external administration	The corporate insolvency that the external administrator has been appointed to administer
external administrator	A liquidator, receiver or administrator
initial external administrator report	The first electronically lodged Schedule B report after a company has entered external administration
insolvency practitioner	A generic term to describe registered liquidators generally, regardless of whether they have been appointed to one or more specific external administrations
liquidator	An insolvency practitioner appointed under Ch 5 of the Corporations Act to wind up the affairs and distribute the property of a body corporate

Term	Meaning in this document
manual report	A report lodged by external administrators on paper not in Schedule B format
Practice Note 50	A guide first issued by ASIC on 28 April 1994 for external administrators regarding their reporting obligations to ASIC, superseded by RG 16 on 2 October 2007
Pt 5.7B (for example)	A part of the Corporations Act (in this example, numbered 5.7B)
receiver	An insolvency practitioner appointed under an instrument or by the court to receive property of a body corporate
registered liquidator	A person registered by ASIC under s1282(2)
report	An initial external administrator report
remuneration	Estimated remuneration to be paid to the external administrator for services rendered in conducting an external administration
RG 16	Regulatory Guide 16 issued by ASIC on 2 October 2006 for external administrators on their reporting obligations to ASIC, replacing Practice Note 50
s9 (for example)	A section of the Corporations Act (in this example, numbered 9)
secured creditor	A chargee as defined by s9
Schedule B report	A report whose format is in accordance with Schedule B of RG 16 and lodged with ASIC under s533 (by a liquidator), s438D (by an administrator), or s422 (by a receiver)
voluntary administrator	An administrator of a company but not a deed of company arrangement

Related information

Regulatory guides

RG 16 *External administrators: Reporting and lodging*

Legislation

Corporations Act, Pt 5.2, 5.3A, 5.6

Other

Statistics on companies entering external administration and insolvency appointments are available from www.asic.gov.au/insolvency.

Information on Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 is available from www.abs.gov.au/anzsic.