



ASIC

Australian Securities & Investments Commission

REPORT 372

Insolvency statistics: External administrators' reports (July 2012 to June 2013)

October 2013

About this report

This report is for insolvency practitioners and other interested stakeholders.

It presents an overview of total lodgements of statutory reports lodged by liquidators, receivers and voluntary administrators (external administrators) from 1 July 2012 to 30 June 2013, as well as our statistical findings from external administrators' reports lodged electronically when a company enters external administration (EXAD) status (initial external administrators' reports).

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 reports

Report number	Report date	Financial year covered
REP 297	September 2012	2011–12
REP 263	November 2011	2010–11
REP 225	December 2010	2007–08, 2008–09 and 2009–10
REP 132	June 2008	2004–05, 2005–06 and 2006–07

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 external administrators' 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 lodged electronically. 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.

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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

Stakeholder	ASIC activities
Companies and company officers	<ul style="list-style-type: none"> • Reviewing certain companies suspected of trading while insolvent, to ensure 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 this report

- 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 2012–13.

Note: In this report, spans of two years (e.g. 2012–13) always refer to financial years.

- 3 This report was compiled from the estimates and opinions contained in statutory reports lodged with ASIC by liquidators, receivers and voluntary administrators (external administrators' reports) in the format of Schedule B to Regulatory Guide 16 *External administrators: Reporting and lodging* (RG 16) (Schedule B report).
- 4 Liquidators, receivers and voluntary administrators (external administrators) must lodge reports under the following sections of the Corporations Act:
- (a) s533 (by a liquidator);
 - (b) s422 (by a receiver); and
 - (c) s438D (by a voluntary administrator).
- 5 External administrators must lodge a report with ASIC as soon as practicable:
- (a) 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
 - (b) in the case of a liquidation only, when unsecured creditors are unlikely to receive more than 50 cents in the dollar dividend.
- 6 Changes to the Corporations Act introduced a statutory time limit on the lodgement of a s533(1) report by a liquidator appointed after 31 December 2007. A liquidator must lodge a report as soon as practicable and, in any event, within six months after it so appears to the liquidator that any of the conditions in s533(1)(a), (b) or (c) apply. No statutory time limit was introduced under s422 or 438D.
- 7 We also ask external administrators to submit financial and other data when they complete an external administrator report.
- 8 When interpreting the statistics in this report, certain conditions and limitations should be kept in mind: see Section B.
- 9 Section C of this report provides data on the total number of external administrators' reports lodged in 2012–13, as well as the proportion of these that comprised *initial* external administrators' reports (i.e. the first electronically lodged Schedule B report after a company has entered external administration). Section D of this report presents our statistical findings from these initial external administrators' reports for the period 2012–13.

Percentages in this report

- 10 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.

Summary of main findings

- 11 The total number of external administrators' reports lodged in 2012–13 was 9,788. Initial external administrators' reports comprised almost 95% of this total (or 9,254 reports).
- 12 The number of external administrators' reports lodged electronically, as a percentage of total reports, increased from 98% in 2011–12 to 99% in 2012–13.
- 13 Table 2 summarises the main findings relating to the initial external administrators' reports for 2012–13 (presented in Section D), and includes comparative data for the previous two reporting periods.

Note: For the data for previous reporting periods, see the reports listed on page 2.

Table 2: Summary of findings—Initial external administrators' reports (2010–11 to 2012–13)¹

	2012–13	2011–12	2010–11
Profile of companies			
No. of employees affected	81% of reports concerned companies with less than 20 employees	78% of reports concerned companies with less than 20 employees	78% of reports concerned companies with less than 20 employees
Industries with most lodgements	<ul style="list-style-type: none"> Construction (2,245 reports or 24%) Other (business and personal) services (2,220 reports or 24%) Retail trade (904 reports or 10%) 	<ul style="list-style-type: none"> Other (business and 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 and personal) services (1,887 reports or 23%) Construction (1,862 reports or 23%) Retail trade (864 reports or 11%)
Assets and liabilities	<ul style="list-style-type: none"> 85% of failed companies had estimated assets of \$100,000 or less 43% 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 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
Deficiency	65% of failed companies had an estimated deficiency of \$500,000 or less	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

	2012–13	2011–12	2010–11
Nominated causes of company failure			
Top 3 nominated causes of failure	<ul style="list-style-type: none"> • Poor strategic management of business (3,908 or 42% of reports) • Inadequate cash flow or high cash use (3,829 or 41% of reports) • Trading losses (2,989 or 32% of reports) 	<ul style="list-style-type: none"> • Poor strategic management of business (4,449 or 44% of reports) • Inadequate cash flow 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 cash flow or high cash use (3,291 or 41% of reports) • Trading losses (2,657 or 33% of reports)
Alleged possible misconduct			
Top 3 alleged possible misconduct	<ul style="list-style-type: none"> • s588G(1)–(2) Insolvent trading (4,872 or 53% of reports) • s286 and 344(1) Obligation to keep financial records (3,263 or 35% of reports) • s180 Care and diligence—Directors' and officers' duties (2,302 or 25% of reports) 	<ul style="list-style-type: none"> • s588G(1)–(2) Insolvent trading (5,075 or 50% of reports) • s286 and 344(1) Obligation to keep financial records (3,361 or 33% of reports) • s180 Care and diligence—Directors' and 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 and 344(1) Obligation to keep financial records (2,769 or 34% of reports) • s180 Care and diligence—Directors' and officers' duties (1,593 or 20% of reports)
Estimated dividends to unsecured creditors			
Dividends to unsecured creditors	In 97% of cases, the dividend estimate was less than 11 cents in the dollar	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

¹ The term 'reports' in this table means 'initial external administrators' reports'.

B Conditions and limitations on the statistics

Key points

This section explains the conditions and limitations relating to the statistics in this report, including:

- the general conditions and limitations of the statistics in this report; and
- specific conditions and limitations relating to the statistical findings in Section D, which are based on initial external administrators' reports.

General conditions and limitations

- 14 When interpreting the statistics in this report, the following conditions and limitations should be kept in mind:
- (a) Although we encourage external administrators to report in the Schedule B format in RG 16, the use of this format is voluntary. It is not a statutory requirement. External administrators' reports not lodged in this format are only included in the total external administrators' report statistics (see Section C) and not in the statistics in Section D.
 - (b) 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 difference in lodgement of external administrators' reports: see Table 6. External administrators are not required to lodge reports where the pre-conditions of s422, 438D or 533 of the Corporations Act are not met.
 - (c) Some external administrators' 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 and limitations on statistics in Section D

- 15 To avoid double counting, all statistics in Section D are compiled only from the initial external administrator report lodged electronically when the company enters external administration (EXAD) status. This allows for the following situations:
- (a) 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.
- (b) More than one report may also be lodged for each appointment type. Again, the statistics only include the first electronically lodged report.
 - (c) 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.
- 16 While the statistics only include the electronically lodged initial external administrators' reports, an external administrator may have lodged an additional report on paper in a narrative form (not in the Schedule B format).
- 17 Financial information provided in an initial external administrator report 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.
- 18 When completing the initial external administrator report, the external administrator selects from a predetermined set of options for qualitative questions, and ranges for quantitative questions. 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 that are significantly greater than estimated total liabilities). These reports have been eliminated from the employee entitlements statistics where the impact was material.
- 19 The top 12 industries by number of initial external administrators' reports lodged are shown for some statistics by industry, with remaining industries grouped under 'Other industries'.
- 20 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**
- 21 In July 2008, we reissued RG 16 to enhance the quality of information disclosed. The key parts of the Schedule B report format amended were:
- (a) '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.
 - (b) Contraventions were not included in Report 132 *External administrators: Schedule B statistics 1 July 2004–30 June 2007*

(REP 132). Possible misconduct has only been disclosed since Report 225 *Insolvency statistics: External administrators' reports (July 2012 to June 2013)* (REP 225)—for 2008–09 and 2009–10.

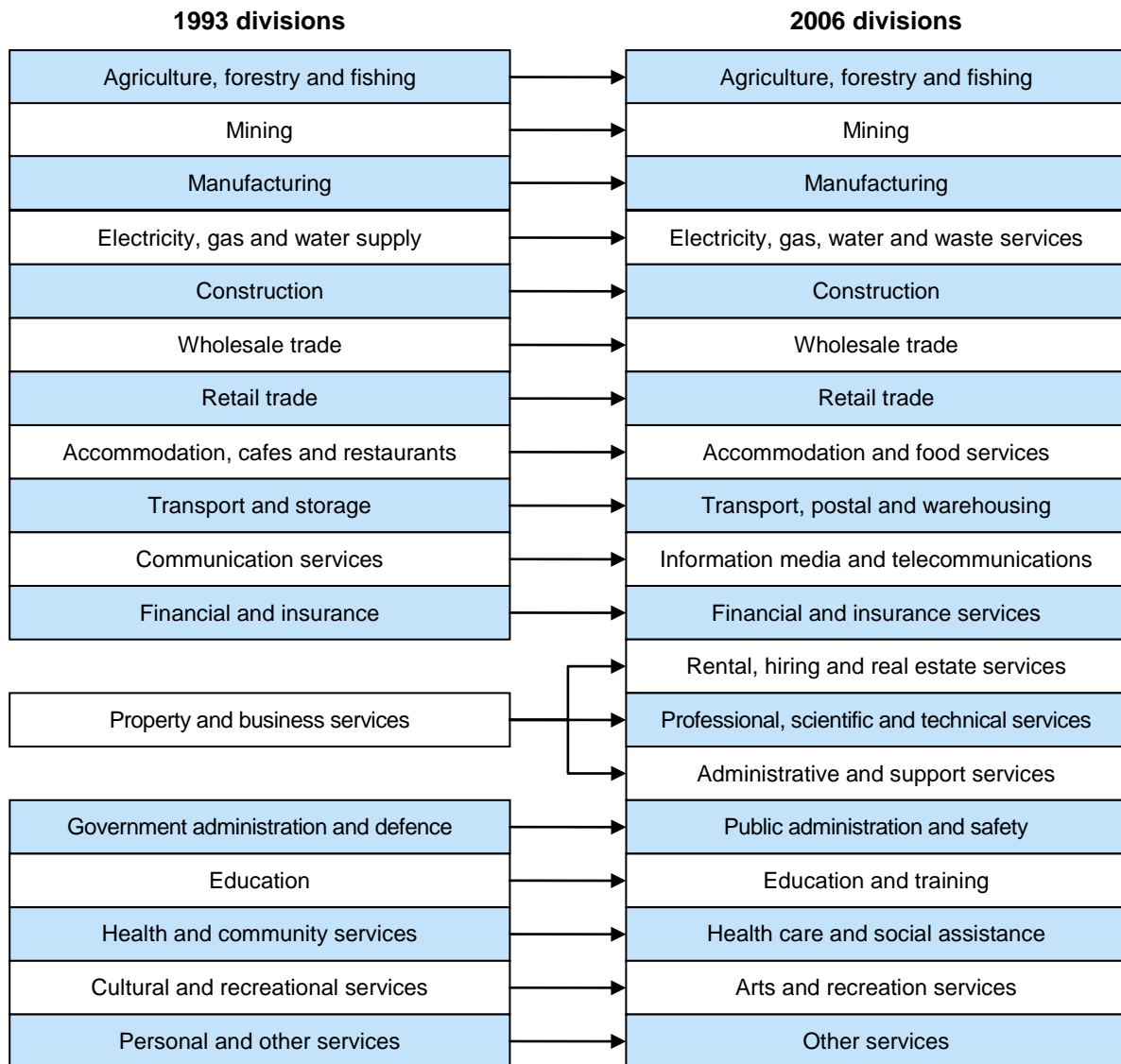
Changes to industry categories

22 Industry categories were updated to align with 2006 Australian and New Zealand Standard Industrial Classification (ANZSIC) divisions: see Figure 1. ANZSIC divisions are classified into subdivisions, groups and classes. Due to the large number of changes made at subdivision and group level, comparison of industry data before and after 1 July 2008 is more difficult. Changes to the Schedule B report format for industry categories include the following:

- (a) The 'Financial and 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 and insurance services' (FIS) and do not align with ANZSIC subdivision, group or class titles.
- (b) The number of divisions was increased by rearranging the 'Property and business services' category into 'Administrative and support services', 'Professional, scientific and technical services', and 'Rental, hiring and real estate services'.
- (c) Some industries were renamed to better reflect their composition: 'Accommodation, cafes and restaurants' is now 'Accommodation and food services'; 'Cultural and recreational services' is now 'Arts and recreation services'; 'Education' is now 'Education and training'; 'Electricity, gas and water supply' is now 'Electricity, gas, water and waste services'; 'Health and community services' is now 'Health care and social assistance'; 'Personal and other services' is now 'Other services'; 'Government administration and defence' is now 'Public administration and safety'; and 'Transport and storage' is now 'Transport, postal and warehousing'.
- (d) Schedule B's former industry category 'Agriculture' has been renamed 'Agriculture, forestry and fishing' in line with ANZSIC divisions.
- (e) 'Information media and telecommunications' effectively replaced 'Communication services', bringing together a number of classes from previous divisions.
- (f) A new Schedule B category 'Other (business and personal) services' (ANZSIC division name 'Other services') groups 'Personal and other services' and Schedule B's former industry category, 'Services to business'.

23 For details of industry descriptions, visit www.abs.gov.au/anzsic.

Figure 1: ANZSIC division changes



C Lodgements of external administrators' reports

Key points

This section provides statistics on the total lodgements of external administrators' reports, including statistics on:

- the method of lodgement (electronic and manual) compared with previous years; and
- the proportion of external administrators' reports that comprise initial external administrators' reports, as well as statistics on the timing of lodgement of these reports compared with the two previous reporting periods.

Total lodgements of external administrators' reports

- 24 The total number of external administrators' reports lodged fell from 10,804 in 2011–12 to 9,788 in 2012–13. We believe that the total number of reports lodged in 2011–12 was inflated by a compliance project undertaken by ASIC because we wrote to all registered liquidators where we identified no report had been lodged for an external administration.
- 25 The percentage of electronically lodged reports continues to increase—98.8% of reports were electronically lodged in 2012–13 compared with 36.8% in 2002–03 (when electronic lodgement first became available). The number of reports lodged directly by external administrators through the registered liquidators' portal increased marginally from 97.2% in 2010–11 to 97.9% in 2012–13: see Figure 2.

Table 3: Total external administrators' reports by lodgement type (1 July 2010 to 30 June 2013)

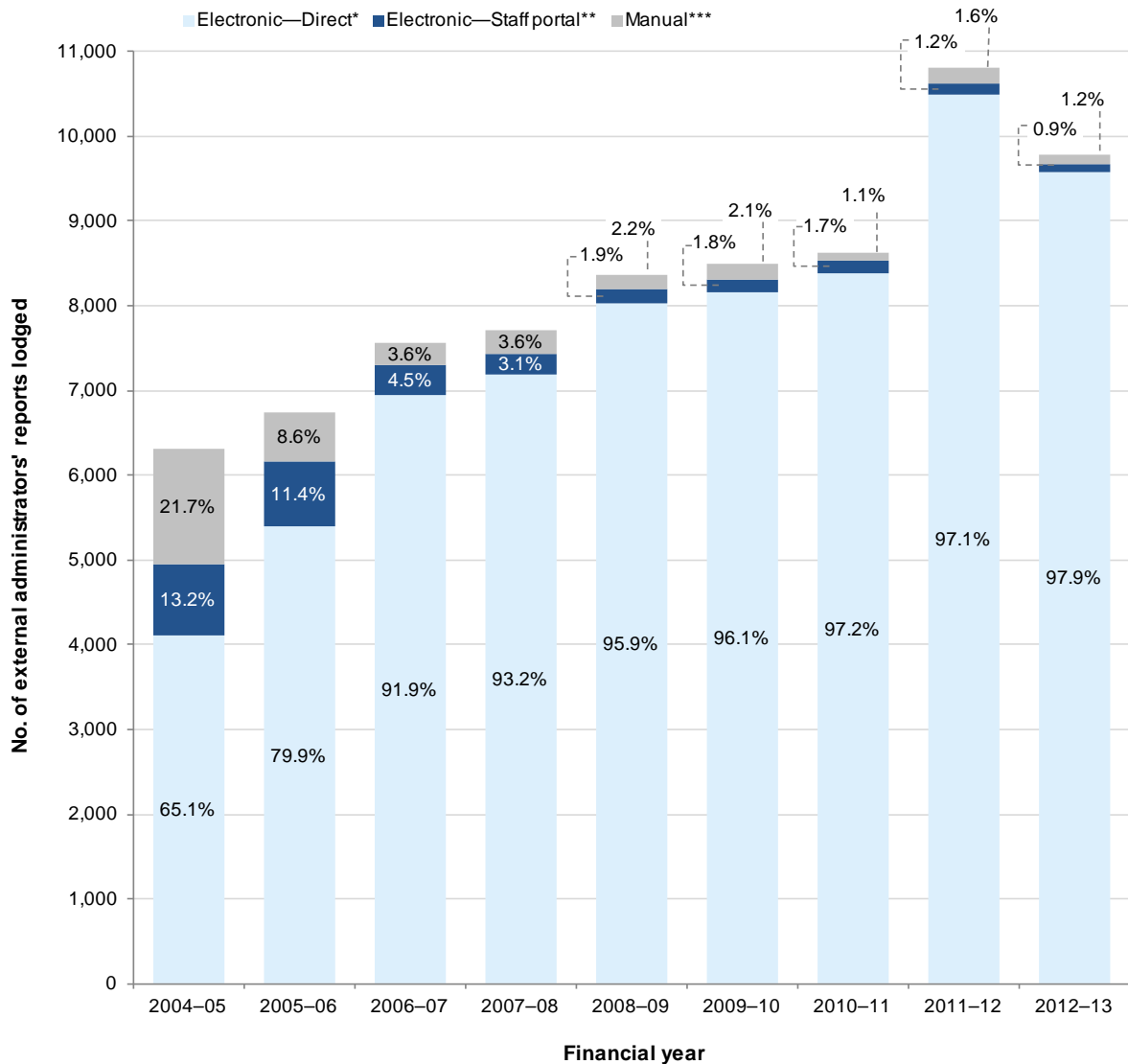
Lodgement type	2012–13		2011–12		2010–11	
	No.	%	No.	%	No.	%
Electronic—direct ¹	9,582	97.9%	10,496	97.1%	8,375	97.2%
Electronic—staff portal ²	85	0.9%	130	1.2%	149	1.7%
Manual ³	121	1.2%	178	1.6%	92	1.1%
Total	9,788	100.0%	10,804	100.0%	8,616	100.0%

¹ 'Electronic—direct' means Schedule B reports lodged directly by external administrators through the registered liquidators' portal.

² 'Electronic—staff portal' means 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.

³ 'Manual' means reports lodged on paper by external administrators. However, it 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.

Figure 2: Total external administrators' reports by lodgement type (1 July 2004 to 30 June 2013)



* 'Electronic—direct' means Schedule B reports lodged directly by external administrators through the registered liquidators' portal.

** 'Electronic—staff portal' means 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' means reports lodged on paper by external administrators. However, it 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.

Lodgements of initial external administrators' reports

26 Table 4 shows the number of initial external administrators' reports lodged in 2012–13 and the previous two financial years.

Table 4: Initial external administrators' reports (1 July 2010 to 30 June 2013)

	2012–13	2011–12	2010–11
Total	9,254	10,074	8,054

27 In 2012–13, initial external administrators' reports made up 94.5% (or 9,254 reports) of the total number of external administrators' reports lodged. This compares to 93.2% (or 10,074 reports) in 2011–12.

Timing of lodgement

28 Table 5 shows the percentage of initial external administrators' reports lodged within six months of, and more than 12 months after, the appointment of the external administrator—compared with the previous two financial years.

Table 5: Initial external administrators' reports by timing of lodgement after appointment (1 July 2010 to 30 June 2013)

Financial year	Reports lodged within 6 months	Reports lodged more than 12 months after
2012–13	56.5%	17.7%
2011–12	50.5%	22.3%
2010–11	50.9%	22.8%

29 Section D sets out the statistics relating to the initial external administrators' reports lodged in 2012–13.

D Statistical findings from initial external administrators' reports

Key points

This section presents our detailed findings from initial external administrators' reports lodged electronically in 2012–13.

As in previously published reports, highlighted here are figures that have changed by three percentage points or more from the previous financial year (2011–12):

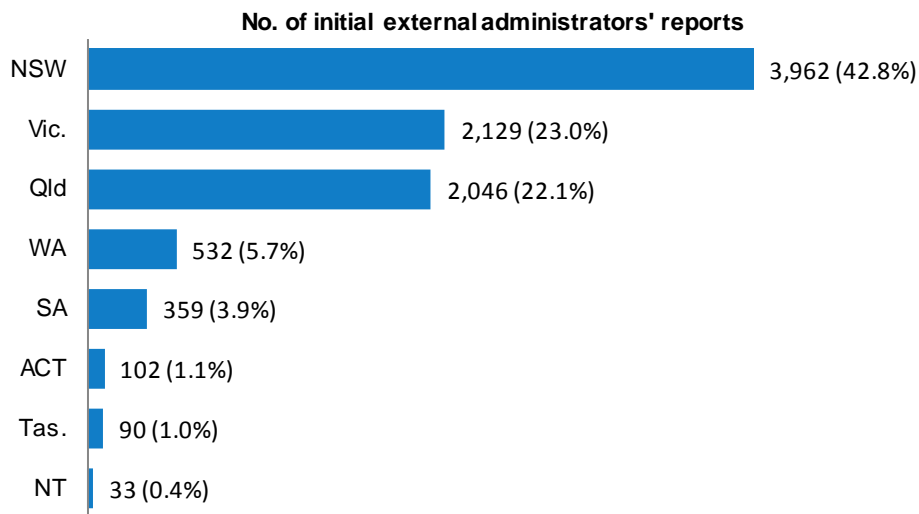
- Liquidators lodged reports in a more timely manner—reports lodged between two and five months of appointment increased from 37.7% to 42.6%, while reports lodged more than 12 months after appointment decreased from 22.3% to 17.7%.
- The number of reports indicating 'Other' causes of failure of the company increased from 26.9% to 30.3%.

Note 1: All other reported figures have not changed by three percentage points or more from the previous financial year. For the data for previous reporting periods, see the reports listed on page 2 and www.asic.gov.au/insolvency.

Note 2: The term 'reports' in this section means 'initial external administrators' reports'.

Lodgements by region

- 30 Most reports in 2012–13 related to companies registered in New South Wales (3,962 reports or 42.8%), followed by Victoria (2,129 reports or 23.0%) and Queensland (2,046 reports or 22.1%). The five remaining states and territories made up 12.1% of reports: see Figure 3.

Figure 3: Initial external administrators' reports by region¹ (1 July 2012 to 30 June 2013)

¹ One company with an international registered address is not included in regional statistics.

Lodgement period

31 In 2012–13, 56.5% of reports were lodged within six months of the external administrator's appointment (this compares with 51.5% in 2011–12). Another 17.7% of reports were lodged more than 12 months after appointment: see Table 6.

Table 6: Initial external administrators' reports by lodgement period after appointment^{1,2} (1 July 2012 to 30 June 2013)

Lodgement period after appointment	No.	%
Less than 2 months	1,284	13.9%
Between 2 and 5 months	3,940	42.6%
Between 6 and 12 months	2,389	25.8%
More than 12 months	1,641	17.7%
Total	9,254	100.0%

¹ A liquidator appointed after 31 December 2007 must lodge reports as soon as practicable, and in any event within six months after it so appears to the liquidator that any of the conditions in s533(1)(a), (b) or (c) apply.

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

Section lodged under

- 32 Most reports in 2012–13 (95.0%) were lodged by liquidators for the purpose of complying with s533 of the Corporations Act: see Table 7.

Table 7: Initial external administrators' reports by section of the Corporations Act (1 July 2012 to 30 June 2013)

Section of Corporations Act	No.	%
Section 422 (reports by receiver)	95	1.0%
Section 438D (reports by administrator)	355	3.8%
Section 533 (reports by liquidator)	8,790	95.0%
Statistical purposes	14	0.2%
Total	9,254	100.0%

Size of company

- 33 The number of employees or the number of full-time equivalent (FTE) employees is used as a measure of the size of the company. In 2012–13, 80.8% of reports related to companies with less than 20 employees: see Table 8.

Table 8: Initial external administrators' reports—Size of company as measured by number of FTEs (1 July 2012 to 30 June 2013)

Number of FTEs	No.	%
Less than 5 FTE	6,032	65.2%
Between 5 and 19 FTE	1,448	15.6%
Between 20 and 199 FTE	428	4.6%
200 or more FTE	25	0.3%
Not known	1,321	14.3%
Total	9,254	100.0%

Industry

- 34 In 2012–13, the three industries with the highest number of reports lodged were Construction (2,245 reports or 24.3%), Other (business and personal) services (2,220 reports or 24.0%) and Retail trade (904 reports or 9.8%).
- 35 The top 12 industries have changed slightly with the inclusion of Electricity, gas, water and waste services, and the exclusion of Financial and insurance

services (FIS)—Other financial services: see Section B. There have been other changes in the order of ranking.

Table 9: Initial external administrators' reports by industry type (1 July 2012 to 30 June 2013)

Industry type	No.	%
Construction	2,245	24.3%
Other (business and personal) services	2,220	24.0%
Retail trade	904	9.8%
Accommodation and food services	817	8.8%
Manufacturing	532	5.7%
Transport, postal and warehousing	493	5.3%
Rental, hiring and real estate services	290	3.1%
Information media and telecommunications	240	2.6%
Agriculture, forestry and fishing	238	2.6%
Wholesale trade	229	2.5%
Professional, scientific and technical services	196	2.1%
Electricity, gas, water and waste services	158	1.7%
FIS—Other financial services	142	1.5%
Health care and social assistance	100	1.1%
FIS—Managed investments	98	1.1%
Administrative and support services	95	1.0%
Arts and recreation services	81	0.9%
Mining	64	0.7%
Education and training	55	0.6%
Public administration and safety	24	0.3%
FIS—Credit provider	14	0.2%
FIS—Insurance	11	0.1%
FIS—Superannuation	6	0.1%
FIS—Deposit taking institutions	2	0.0%
Total	9,254	100.0%

Nominated causes of failure

- 36 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 2012–13.
- 37 The top three nominated causes of failure for companies (see Table 11) were:
- (a) poor strategic management of business (3,908 or 42.2% of reports);
 - (b) inadequate cash flow or high cash use (3,829 or 41.4% of reports); and
 - (c) trading losses (2,989 or 32.3% of reports).
- 38 Of the top 12 industries, the three industries that most exceeded the percentage of reports for these three causes of failure were as follows:
- (a) *Poor strategic management of business*: Transport, postal and warehousing (45.4% of reports), Rental, hiring and real estate services (44.8% of reports), and Accommodation and food services (44.7% of reports);
 - (b) *Inadequate cash flow or high cash use*: Information media and telecommunications (49.2% of reports), Accommodation and food services (46% of reports), and Retail trade (43.1% of reports); and
 - (c) *Trading losses*: Accommodation and food services (45.4% of reports), Manufacturing (43.4% of reports) and Retail trade (40.4% of reports).
- 39 The same top two causes were shared by all states and territories except Tasmania: see Table 12.

Possible misconduct

- 40 External administrators alleged misconduct in more than two-thirds of reports (6,761 or 73.1%) in 2012–13. External administrators reported 16,562 possible breaches at an average of between two and three breaches per report where possible misconduct was reported: see Table 10.

Table 10: Initial external administrators' reports—Possible misconduct (1 July 2012 to 30 June 2013)

Reported misconduct	No. of reports	% of reports	No. of breaches
No misconduct reported	2,493	26.9%	–
'Possible misconduct' reported	6,761	73.1%	16,562
Total	9,254	100.0%	16,562

Table 11: Initial external administrators' reports—Nominated causes of failure by industry (1 July 2012 to 30 June 2013)

Causes of failure	Construction	Other (business and personal) services	Retail trade	Accommodation and food services	Manufacturing	Transport, postal and warehousing	Rental, hiring and real estate services	Information media and telecommunications	Agriculture, forestry and fishing	Wholesale trade	Professional, scientific and technical services	Electricity, gas, water and waste services	Other industries ¹	Total
Under capitalisation	473	363	175	181	108	95	45	48	78	38	56	39	116	1,815
Poor financial control, including lack of records	679	766	253	224	111	166	82	62	58	51	58	33	176	2,719
Poor management of accounts receivable	385	257	66	40	71	63	25	34	13	37	30	32	71	1,124
Poor strategic management of business	959	904	403	365	220	224	130	107	97	90	77	69	263	3,908
Inadequate cash flow or high cash use	964	863	390	376	226	190	119	118	91	92	80	65	255	3,829
Poor economic conditions	722	514	342	268	177	107	100	57	95	61	46	39	149	2,677
Natural disaster	25	26	15	23	10	6	6	3	11	5	0	1	17	148
Fraud	19	23	17	9	6	7	6	1	5	7	5	7	27	139
Deed of company arrangement failed	18	4	2	4	3	4	1	1	4	3	2	1	3	50
Dispute among directors	42	45	22	33	16	13	8	12	7	7	10	5	18	238
Trading losses	704	600	365	371	231	146	65	92	58	87	59	55	156	2,989
Industry restructuring	34	29	20	6	30	8	0	7	5	10	4	10	19	182
Other	664	763	250	203	161	156	83	54	54	74	52	41	246	2,801
Total	5,688	5,157	2,320	2,103	1,370	1,185	670	596	576	562	479	397	1,516	22,619

¹ 'Other industries' includes Administrative and support services, Arts and recreation services, all FIS sub-categories, Health care and social assistance, Mining, and Public administration and safety.

Table 12: Initial external administrators' reports—Nominated causes of failure by region¹ (1 July 2012 to 30 June 2013)

Causes of failure	ACT	NSW	NT	Qld	SA	Tas.	Vic.	WA	Total
Under capitalisation	37	606	9	469	76	52	454	112	1,815
Poor financial control, including lack of records	33	1,390	8	518	65	16	522	167	2,719
Poor management of accounts receivable	18	450	5	290	35	7	235	84	1,124
Poor strategic management of business	41	1,592	9	935	152	25	869	284	3,907
Inadequate cash flow or high cash use	46	1,657	17	842	148	38	833	248	3,829
Poor economic conditions	26	915	9	766	128	53	614	165	2,676
Natural disaster	0	40	0	78	4	0	25	1	148
Fraud	3	39	1	42	5	1	39	9	139
Deed of company arrangement failed	0	16	0	21	2	1	3	7	50
Dispute among directors	0	102	1	48	10	1	61	15	238
Trading losses	41	1,303	6	644	145	31	601	218	2,989
Industry restructuring	1	67	0	31	8	2	64	9	182
Other	24	1,354	10	504	78	9	676	146	2,801
Total	270	9,531	75	5,188	856	236	4,996	1,465	22,617

¹ Causes of failure for companies with international registered addresses are not included in regional statistics.

- 41 As a result of reports lodged, we asked the external administrator to prepare a supplementary s422, s438D or s533 report for 677 (10%) of the 6,761 reports for 2012–13 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:
- (a) the nature of the possible misconduct reported;
 - (b) the amount of liabilities;
 - (c) the deficiency suffered;
 - (d) the availability of evidence;
 - (e) prior misconduct; and
 - (f) the advice of the external administrator that the reported possible misconduct warrants further investigation.
- 42 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 2012–13, 14.9% of all reported misconduct related to post-appointment misconduct: see Table 13.
- 43 Alleged breaches of civil obligations are the most common breaches (12,593 or 76% of all reported misconduct). For a detailed analysis of civil breaches by section of the Corporations Act, industry and region, see Table 20 and Table 22.

Table 13: Initial external administrators' reports—Categories of possible misconduct (1 July 2012 to 30 June 2013)

Categories of possible misconduct	No. of breaches	% of breaches
Alleged criminal misconduct under Corporations Act by officers or employees:		
• pre-appointment criminal misconduct	1,322	8.0%
• post-appointment criminal misconduct	2,469	14.9%
Alleged breaches of civil obligations	12,593	76.0%
Other criminal offences ¹	60	0.4%
Other possible misconduct ²	118	0.7%
Total	16,562	100.0%

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.

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

44 External administrators confirmed they had documentary evidence to support alleged pre-appointment misconduct for 4,033 reports (43.6%) for 2012–13: see Table 14. Of these, they considered that only 1,253 reports (13.5%) warranted ASIC's inquiry into the alleged misconduct, based on their assessment of the information and documentary evidence available.

Table 14: Initial external administrators' reports—Possible pre-appointment misconduct¹ reported (1 July 2012 to 30 June 2013)

	No. of reports	% of reports	No. of breaches
External administrator has documentary evidence to support allegation			
Yes	4,033	43.6%	9,731
No	1,764	19.1%	4,362
Total	5,797	62.6%	14,093
Of those with documentary evidence, did the external administrator recommend further inquiry by ASIC?			
Yes	1,253	13.5%	
No	2,780	30.0%	
Total	4,033	43.6%	
External administrator is aware of another person with documentary evidence			
Yes	449	4.9%	1,266
No	5,348	57.8%	12,827
Total	5,797	62.6%	14,093
Where the evidence was with another person, did the external administrator recommend further inquiry by ASIC?			
Yes	199	2.2%	
No	250	2.7%	
Total	449	4.9%	

¹ 'Pre-appointment misconduct' refers to pre-appointment criminal misconduct, alleged breaches of civil obligations, other criminal offences and other possible misconduct.

45 Documentary evidence in the possession of a third party was identified in 449 reports. Based on this and their assessment, the external administrator recommended we make further inquiry in 199 reports.

Note: For 187 of the 199 reports where evidence was identified as being with a third party, the external administrator also held evidence. Therefore, these 187 reports were also included in the 1,253 reports where the external administrator recommended further inquiry.

46 Of the 1,253 reports where external administrators alleged misconduct and advised that they held evidence and recommended further inquiry by ASIC, we requested supplementary reports (or Schedule C reports) for 302 of those matters (24.1%). We requested a further 375 supplementary reports (677 in total for 2012–13) where external administrators had not recommended further enquiry but the matter met our risk assessment criteria: see paragraph 41.

47 One of the criteria we consider as part of our risk assessment is the size of the reported deficiency: see paragraph 41. An analysis of the size of the deficiency reported in external administrator reports is set out in Table 15. We requested the preparation of 78 supplementary reports by external administrators where the reports related to deficiencies of \$5 million or more: see Table 15.

Table 15: Initial external administrators' reports—Evidence with liquidator and further inquiry recommended by deficiency categories (1 July 2012 to 30 June 2013)

Deficiency	Schedule C report requested	Assessed and recorded	Total
\$0–\$50,000	10	57	67
\$50,001–\$250,000	81	182	263
\$250,001–less than \$500,000	39	187	226
\$500,000–less than \$1 million	24	26	50
\$1 million–less than \$5 million	70	294	364
\$5 million–\$10 million	46	171	217
Over \$10 million	32	34	66
Total	302	951	1,253

48 It is important to note that an external administrator's report of misconduct is an allegation and may not be substantiated by sufficient evidence to warrant action. We will not take action in every instance an external administrator reports alleged misconduct and we obtain a supplementary report.

Information Sheet 151 *ASIC's approach to enforcement* (INFO 151) sets out the matters we consider before taking further action after completing our assessment of a supplementary report.

Alleged criminal misconduct

Pre-appointment criminal misconduct

- 49 Statistics for alleged pre-appointment criminal misconduct are shown by industry and region: see Table 19 and Table 21. 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.
- 50 External administrators held evidence for 955 possible criminal breaches out of 1,322 (72.2% reported in 2012–13).
- 51 The top three nominated criminal breaches for companies for 2012–13 were the same as in the previous three financial years:
- (a) *Section 588G(3) Insolvent trading*: 408 breaches reported (4.4% of reports);
 - (b) *Sections 286 and 344(2) Obligation to keep financial records*: 360 breaches reported (3.9% of reports); and
 - (c) *Section 184 Good faith, use of position and use of information*: 267 breaches reported (2.9% of reports).
- 52 Of the top 12 industries, the three industries which most exceeded the percentage of reports for these three nominated criminal breaches were:
- (a) *Section 588G(3) Insolvent trading*: Rental, hiring and real estate services (5.9% of reports), Wholesale trade (5.2% of reports), and Professional, scientific and technical services (5.1% of reports);
 Note: Six industries grouped in the 'Other industries' category exceeded the average 4.4% of reports for s588G(3) Insolvent trading. The three industries which most exceeded this average were FIS—Superannuation (16.7% of reports), FIS—Insurance (9.1% of reports) and Mining (7.8% of reports).
 - (b) *Sections 286 and 344(2) Obligation to keep financial records*: Transport, postal and warehousing (5.7% of reports), and, equal second, Other (business and personal) services and Accommodation and food services (4.4% of reports each).
 Note: Three industries grouped in the 'Other industries' category exceeded the average 3.9% of reports for s286 and 344(2) Obligation to keep financial records. The three industries were FIS—Managed investments (15.3% of reports), FIS—Other financial services (7% of reports) and Education and training (5.5% of reports).

- (c) *Section 184 Good faith, use of position and use of information*: only Rental, hiring and real estate services (4.8% of reports) exceeded the percentage of reports.

Note: Six industries grouped in the 'Other industries' category exceeded the average 2.9% of reports for s184 Good faith, use of position and use of information. The six industries were FIS—Managed investments (68.4% of reports), FIS—Superannuation (16.7% of reports), Mining (7.8% of reports), FIS—Credit provider (7.1% of reports), FIS—Other financial services (5.6% of reports), and Health care and social assistance (4% of reports).

Post-appointment criminal misconduct

- 53 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. The 2,469 post-appointment breaches related to 1,259 reports (13.6%): see Table 16.

Table 16: Initial external administrators' reports—Possible post-appointment criminal misconduct reported by section of the Corporations Act¹ (1 July 2012 to 30 June 2013)

Section of Corporations Act	No. of breaches
Sections 429, 438B, 446C and 475 Report as to company's affairs	875
Section 530A Officers to help liquidator	767
Section 530B Requirement to provide liquidator with company's books	827
Total	2,469

¹ 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.

- 54 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.

Alleged breaches of civil obligations

- 55 Statistics for alleged breaches of civil obligations are available by industry and region: see Table 20 and Table 22. The tables also show the number of reports where the external administrator is able to advise evidence is available. External administrators held evidence for 8,631 possible breaches of civil obligations out of 12,593 (68.5%) reported.
- 56 The top three nominated civil breaches for companies for 2012–13 were the same as in the previous two years:
- (a) *Section 588G(1)–(2) Insolvent trading*: 4,872 breaches reported (52.6% of reports);

- (b) *Sections 286 and 344(1) Obligation to keep financial records*: 3,263 breaches reported (35.3% of reports); and
- (c) *Section 180 Care and diligence—Directors' and officers' duties*: 2,302 breaches reported (24.9% of reports).

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

- (a) *Section 588G(1)–(2) Insolvent trading*: Accommodation and food services (57.8% of reports), Wholesale trade (57.6% of reports), and Transport, postal and warehousing (56.8% of reports);
- (b) *Sections 286 and 344(1) Obligation to keep financial records*: Other (business and personal) services (42.4% of reports), Transport, postal and warehousing (41.6% of reports), and Professional, scientific and technical services (35.7% of reports); and

Note: Three industries grouped in the 'Other industries' category exceeded the average 35.3% of reports for s286 and 344(1) Obligation to keep financial records. The three industries were FIS—Managed investments (75.57% of reports), FIS—Credit provider (71.4% of reports), and Public administration and safety (41.7% of reports).

- (c) *Section 180 Care and diligence—Directors' and officers' duties*: Professional, scientific and technical services (32.7% of reports), Rental, hiring and real estate services (27.9% of reports), and Electricity, gas, water, and waste services (27.2% of reports).

Other possible criminal offences

58 There were only 60 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, 50 were possible criminal offences other than under the Corporations Act: see Table 17.

Table 17: Initial external administrators' reports—Other possible criminal offences (1 July 2012 to 30 June 2013)

Offence	No. of breaches
Criminal offence under the Corporations Act (if a member or contributory)	10
Criminal offence under another Commonwealth statute	28
Criminal offence under a state or territory law	22
Total	60

Other possible misconduct

59 'Other possible misconduct' relates to persons who took part in the formation, promotion, administration, management or winding up of the company: see Table 18. A further 118 instances of other possible misconduct were reported in 2012–13 (0.7% of overall breaches).

Table 18: Initial external administrators' reports—Other possible misconduct (1 July 2012 to 30 June 2013)

Possible misconduct	No. of breaches
May have misapplied or retained, or may have become liable or accountable for, money or property of the company	49
May have been guilty of negligence, default, breach of duty or breach of trust in relation to the company	69
Total	118

Table 19: Initial external administrators' reports—Possible pre-appointment criminal misconduct by section of the Corporations Act and industry (1 July 2012 to 30 June 2013)

Section of the Corporations Act	Construction	Other (business and personal) services	Retail trade	Accommodation and food services	Manufacturing	Transport, postal and warehousing	Rental, hiring and real estate services	Information media and telecommunications	Agriculture, forestry and fishing	Wholesale trade	Professional, scientific and technical services	Electricity, gas, water and waste services	Other industries ¹	Total
Section 184 Good faith, use of position and use of information—Directors', officers' and employees' duties	39	46	21	14	11	10	14	5	5	6	4	4	88	267
Section 206A Disqualified persons not to manage corporations	7	4	1	5	1	2	4	0	4	0	0	0	3	31
Sections 286 and 344(2) Obligation to keep financial records	77	97	31	36	11	28	10	7	9	9	8	2	35	360
Section 471A Powers of other officers suspended during winding up	12	9	1	3	0	4	1	1	0	0	1	0	1	33
Section 588G(3) Insolvent trading	109	103	27	40	17	18	17	12	6	12	10	5	32	408
Section 590 Offences by officers or employees	23	23	8	9	5	5	8	1	4	5	2	3	17	113
Section 596AB Agreements to avoid employee entitlements	4	0	1	0	1	2	0	1	0	0	0	0	4	13
Other criminal offences under the Corporations Act	4	14	7	2	2	2	3	0	1	3	0	0	59	97
Total for industry	275	296	97	109	48	71	57	27	29	35	25	14	239	1,322

¹ 'Other industries' includes Administrative and support services, Arts and recreation services, all FIS sub-categories, Health care and social assistance, Mining, and Public administration and safety.

Table 20: Initial external administrators' reports—Possible breaches of civil obligations by section of the Corporations Act and industry (1 July 2012 to 30 June 2013)

Section of the Corporations Act	Construction	Other (business and personal) services	Retail trade	Accommodation and food services	Manufacturing	Transport, postal and warehousing	Rental, hiring and real estate services	Information media and telecommunications	Agriculture, forestry and fishing	Wholesale trade	Professional, scientific and technical services	Electricity, gas, water and waste services	Other industries ¹	Total
Section 180 Care and diligence—Directors' and officers' duties	513	598	189	217	141	130	81	53	40	62	64	43	171	2,302
Section 181 Good faith—Directors' and officers' duties	274	262	96	82	91	70	46	24	24	36	34	11	154	1,204
Section 182 Use of position—Directors', officers' and employees' duties	184	164	60	49	48	43	35	19	10	22	23	8	70	735
Section 183 Use of information—Directors', officers' and employees' duties	53	45	16	18	8	12	11	7	2	8	8	4	25	217
Sections 286 and 344(1) Obligation to keep financial records	754	942	288	284	143	205	91	65	56	75	70	44	246	3,263
Section 588G(1)–(2) Insolvent trading	1,218	1,177	509	472	255	280	133	129	90	132	101	81	295	4,872
Total for industry	2,996	3,188	1,158	1,122	686	740	397	297	222	335	300	191	961	12,593

¹ 'Other industries' includes Administrative and support services, Arts and recreation services, all FIS sub-categories, Health care and social assistance, Mining and Public administration and safety.

Table 21: Initial external administrators' reports—Possible pre-appointment criminal misconduct by section of the Corporations Act and region (1 July 2012 to 30 June 2013)

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	5	2	77	57	0	0	58	39	7	7	4	3	98	40	18	16	267	164
Section 206A Disqualified persons not to manage corporations	0	0	7	4	0	0	14	14	0	0	1	1	8	6	1	1	31	26
Sections 286 and 344(2) Obligation to keep financial records	3	2	169	102	1	0	92	67	8	6	4	4	56	37	27	20	360	238
Section 471A Powers of other officers suspended during winding up	0	0	10	6	0	0	7	6	1	1	0		10	6	5	4	33	23
Section 588G(3) Insolvent trading	4	4	194	136	1	1	114	96	28	23	6	5	37	27	24	20	408	312
Section 590 Offences by officers or employees	0	0	39	28	2	1	27	20	4	4	1	1	33	30	7	6	113	90
Section 596AB Agreements to avoid employee entitlements	0	0	4	4	0	0	6	5	2	2	1	1	0	0	0	0	13	12
Other criminal offences under the Corporations Act	0	0	19	16	0	0	6	6	2	2	0		63	60	7	6	97	90
Total	12	8	519	353	4	2	324	253	52	45	17	15	305	206	89	73	1,322	955

**Table 22: Initial external administrators' reports—Possible breaches of civil obligations by section of the Corporations Act and region¹
(1 July 2012 to 30 June 2013)**

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	29	21	1,081	605	6	3	514	372	98	91	11	10	356	265	207	141	2,302	1,508
Section 181 Good faith—Directors' and officers' duties	14	9	479	323	3	2	285	236	29	26	11	7	254	180	129	85	1,204	868
Section 182 Use of position—Directors', officers' and employees' duties	9	8	309	252	3	3	125	101	32	31	4	2	185	160	68	44	735	601
Section 183 Use of information—Directors', officers' and employees' duties	2	1	90	78	1	1	48	34	4	4	4	2	56	47	12	9	217	176
Sections 286 and 344(1) Obligation to keep financial records	25	18	1,742	964	10	8	493	317	68	49	12	11	742	483	171	120	3,263	1,970
Section 588G(1)–(2) Insolvent trading	60	54	2,373	1,439	15	11	777	657	244	209	36	34	1,047	831	320	273	4,872	3,508
Total	139	111	6,074	3,661	38	28	2,242	1,717	475	410	78	66	2,640	1,966	907	672	12,593	8,631

¹ Civil breaches for companies with international registered addresses are not included in regional statistics.

Referred to other authorities

60 For reports where external administrators reported possible misconduct, 135 reports in 2012–13 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 Taxation Office (50 reports), state or territory police (36 reports) and Fair Trading / Consumer Affairs (10 reports).

Table 23: Initial external administrators' reports—Referred to other authorities (1 July 2012 to 30 June 2013)

Authorities	No.
State or territory police	36
Australian Federal Police	5
Fair Trading / Consumer Affairs	10
Australian Taxation Office	50
Australian Consumer and Competition Commission	0
Other ¹	34
Total	135

¹ In the 'Other' category, 15 reports indicated the external administrator had or was intending to refer the matter to creditors.

Books and records

61 External administrators indicated they obtained or inspected the company's books and records in 7,129 reports (77%) in 2012–13. Of these, 4,380 reports (47%) indicated that the company's books and records were considered adequate.

Assetless Administration Fund

62 In 2012–13, 446 of the 8,790 reports by a liquidator (see Table 7) indicated the liquidator made, or intended making, an application for funding from the AA Fund.

63 The Australian Government established the AA Fund on 22 February 2006 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 or unlawful phoenix activity.

Liabilities and assets

64 External administrators provide estimates of the assets, liabilities and overall financial deficiency of companies on which they report. Table 24 shows the assets and liabilities categories and Table 25 shows the deficiency for the top 12 industries by reports lodged (as noted in Table 9).

Assets

65 In 61.1% of reports, companies had estimated assets of \$10,000 or less; 85.5% of reports indicated companies had estimated assets of \$100,000 or less.

66 Of the top 12 industries, those with the greatest percentage of reports estimating assets of \$10,000 or less were Other (business and personal) services (70.4%), Professional, scientific and technical services (67.9%), and Transport, postal and warehousing (61.3%).

Note: In the 'Other industries' category, nine industries exceeded the average percentage across all industries (61.1%), but made up only 5.6% of all reports. The three industries which most exceeded this average were: FIS—Deposit taking institutions (100%), FIS—Insurance (81.8%) and FIS—Credit provider (78.6%).

67 In 40.1% of reports, the external administrator reported the administration as assetless. Of the top 12 industries, those that most exceeded this percentage for assetless administrations (40.1%) were Other (business and personal) services (47.2%), Agriculture, forestry and fishing (45.8%), and Professional, scientific and technical services (43.4%).

68 In 8.9% of reports, estimated assets were over \$250,000. Of the top 12 industries, those well above this percentage were Manufacturing (19.2%), Agriculture, forestry and fishing (17.2%), and Rental, hiring and real estate services (16.9%).

Note: Five industries in the 'Other industries' category exceeded this percentage (11.3%) but made up only 4.4% of all reports. The three industries which most exceeded this average were: Mining (34.4%), FIS—Superannuation (16.7%) and FIS—Managed investments (15.3%).

Liabilities

69 In 43.4% of reports, the estimated liabilities of failed companies were \$250,000 or less, and 76% indicated estimated liabilities of less than \$1 million.

70 Of the top 12 industries, those with the greatest percentage of companies with estimated liabilities of \$250,000 or less were Other (business and personal) services (54.9%), Electricity, gas, water and waste services (51.3%), and Transport, postal and warehousing (50.1%).

71 Of the top 12 industries, with estimated liabilities over \$10 million, Agriculture, forestry and fishing (23.1%), Manufacturing (9.2%), and

Rental, hiring and real estate services (6.6%) most exceeded the proportion of reports in that category across all industries of 5%.

Note: In the 'Other industries' category, FIS—Managed investments (59.2%), Mining (14.1%), Administrative and support services (9.5%), and FIS—Other financial services (8.5%) all exceeded this percentage across all industries (5%), but comprised only 4.3% of all reports.

Deficiency

- 72 Across all industries, 46.2% of reports estimated the shortfall between estimated assets and estimated liabilities of \$250,000 or less, while 64.6% of reports estimated a shortfall of 500,000 or less. When comparing the deficiency estimates between the top 12 industries, the three industries with the highest percentage of estimates of \$250,000 or less were Other (business and personal) services (56.9%), Transport, postal and warehousing (53.5%), and Electricity, gas, water and waste services (51.9%).
- 73 Only 4.4% of all reports estimated a deficiency of over \$10 million. Of the top 12 industries, the three industries which most exceeded this percentage were Agriculture, forestry and fishing (19.7%), Manufacturing (8.3%) and, equal third, Construction and Rental, hiring and real estate services (4.8% each).

Note: Four industries grouped in the 'Other industries' category exceeded this percentage across all industries (4.4%): FIS—Managed investments (59.2%), Mining (10.9%), Administrative and support services (8.4%), and FIS—Other financial services (7.7%). However, when combined, these industries comprised only 4.3% of reports.

Table 24: Initial external administrators' reports—Amount of assets and liabilities by industry (1 July 2012 to 30 June 2013)

	Construction	Other (business and personal) services	Retail trade	Accommodation and food services	Manufacturing	Transport, postal and warehousing	Rental, hiring and real estate services	Information media and telecommunications	Agriculture, forestry and fishing	Wholesale trade	Professional, scientific and technical services	Electricity, gas, water and waste services	Other industries ¹	Total	% of total
Asset categories															
Less than \$1	889	1,048	315	308	120	202	125	80	109	77	85	57	292	3,707	40.1%
\$1–\$10,000	466	514	196	180	83	100	44	59	35	44	48	36	140	1,945	21.0%
\$10,001–\$20,000	222	170	105	111	56	43	17	32	10	20	12	12	56	866	9.4%
\$20,001–\$30,000	103	76	47	45	27	17	10	7	7	9	11	6	20	385	4.2%
\$30,001–\$50,000	113	94	67	40	32	28	15	16	17	12	9	10	21	474	5.1%
\$50,001–\$100,000	122	111	70	33	52	32	10	16	9	18	10	18	32	533	5.8%
\$100,001–\$250,000	125	84	53	35	60	24	20	15	10	18	10	9	53	516	5.6%
\$250,001–\$5 million	181	111	46	61	93	45	42	14	34	31	10	10	57	735	7.9%
Over \$5 million	24	12	5	4	9	2	7	1	7	0	1	0	21	93	1.0%
Total for industry	2,245	2,220	904	817	532	493	290	240	238	229	196	158	692	9,254	100.0%
Liability categories															
\$1–\$250,000	923	1,218	382	331	153	247	96	111	61	74	92	81	246	4,015	43.4%
\$250,001–less than \$1 million	706	646	339	341	177	163	102	80	61	84	60	48	208	3,015	32.6%
\$1 million–less than \$5 million	427	248	134	116	129	61	62	36	51	57	40	26	132	1,519	16.4%
\$5 million–\$10 million	67	44	25	14	24	8	11	10	10	8	2	2	15	240	2.6%
Over \$10 million	122	64	24	15	49	14	19	3	55	6	2	1	91	465	5.0%
Total for industry	2,245	2,220	904	817	532	493	290	240	238	229	196	158	692	9,254	100.0%

¹ 'Other industries' includes Administrative and support services, Arts and recreation services, all FIS sub-categories, Health care and social assistance, Mining, and Public administration and safety.

Table 25: Initial external administrators' reports—Amount of deficiency by industry (1 July 2012 to 30 June 2013)

Deficiency categories	Construction	Other (business and personal) services	Retail trade	Accommodation and food services	Manufacturing	Transport, postal and warehousing	Rental, hiring and real estate services	Information media and telecommunications	Agriculture, forestry and fishing	Wholesale trade	Professional, scientific and technical services	Electricity, gas, water and waste services	Other industries ¹	Total	% of total
\$0–\$50,000	279	370	71	76	28	86	28	31	20	10	20	21	63	1,103	11.9%
\$50,001–\$250,000	718	894	336	265	148	178	80	90	51	70	77	61	203	3,171	34.3%
\$250,001–less than \$500,000	381	387	188	212	86	94	55	34	30	49	31	30	123	1,700	18.4%
\$500,000–less than \$1 million	305	244	141	138	91	66	51	38	25	34	27	18	83	1,261	13.6%
\$1 million–less than \$5 million	394	231	122	106	113	49	50	35	53	52	38	26	117	1,386	15.0%
\$5 million–\$10 million	61	35	25	12	22	8	12	10	12	10	1	1	16	225	2.4%
Over \$10 million	107	59	21	8	44	12	14	2	47	4	2	1	87	408	4.4%
Total for industry	2,245	2,220	904	817	532	493	290	240	238	229	196	158	692	9,254	100.0%

¹ 'Other industries' includes Administrative and support services, Arts and recreation services, all FIS sub-categories, Health care and social assistance, Mining, and Public administration and safety.

Employee entitlements

74 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 26 and Table 27. '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 26: Initial external administrators' reports—Amounts owed in unpaid employee entitlements (1 July 2012 to 30 June 2013)¹

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	296	3.2%	211	2.3%	166	1.8%	134	1.5%	145	1.6%
\$1,001–\$10,000	950	10.3%	936	10.1%	537	5.8%	184	2.0%	241	2.6%
\$10,001–\$50,000	468	5.1%	815	8.8%	494	5.4%	254	2.8%	390	4.2%
\$50,001–\$150,000	137	1.5%	257	2.8%	151	1.6%	193	2.1%	116	1.3%
\$150,001–\$250,000	29	0.3%	42	0.5%	18	0.2%	59	0.6%	15	0.2%
\$250,001–\$500,000	27	0.3%	25	0.3%	11	0.1%	40	0.4%	19	0.2%
\$500,001–less than \$1.5 million	10	0.1%	26	0.3%	17	0.2%	12	0.1%	12	0.1%
\$1.5 million–\$5 million	4	0.0%	6	0.1%	6	0.1%	26	0.3%	8	0.1%
Over \$5 million	1	0.0%	2	0.0%	3	0.0%	8	0.09%	1	0.0%
Not applicable	7,300	79.2%	6,902	74.8%	7,819	84.8%	8,312	90.1%	8,275	89.7%
Total	9,222	100.0%	9,222	100.0%	9,222	100.0%	9,222	100.0%	9,222	100.0%

¹ Thirty-two reports identified as being internally inconsistent were excluded from this table.

Unpaid wages

75 Unpaid wages were 'not applicable' in 79.2% of reports. In 13.5% of reports, external administrators estimated unpaid wages at between \$1 and \$10,000. Categories from \$10,001 to over \$5 million comprised 7.3% of reports.

Unpaid annual leave

76 In all, 74.8% of reports showed unpaid annual leave as 'not applicable'. In 12.4% of cases, employees were owed \$1 to \$10,000, and 21.3% of companies owed \$50,000 or less. In 3.9% of reports, entitlements for unpaid annual leave were in the 'over \$50,000' category.

Unpaid pay in lieu of notice

- 77 Unpaid pay in lieu of notice was 'not applicable' in most cases (84.8%). Only 2.2% of reports showed entitlements for unpaid pay in lieu of notice in the 'over \$50,000' category.

Unpaid redundancy

- 78 Unpaid redundancy was 'not applicable' in 90.1% of reports. In all, 3.4% of reports showed employees were owed \$1 to \$10,000 in redundancy payments. Only 0.09% of reports showed unpaid redundancy of over \$5 million.

Unpaid long service leave

- 79 Employees were owed \$1 to \$10,000 in unpaid long service leave in 4.2% of reports, and unpaid long service leave of \$1.5 million or more was estimated in only 0.1% of reports. The majority of reports (89.7%) indicated a long service leave debt was 'not applicable'.

Unpaid superannuation

- 80 Due to the different value categories of superannuation entitlements, these figures are shown separately in Table 27. The results show a similar pattern to other employee entitlements with a majority (56.1%) of reports showing unpaid superannuation as 'not applicable'.

Table 27: Initial external administrators' reports—Amounts owed in unpaid superannuation entitlements (1 July 2012 to 30 June 2013)

Amount owed	No.	%
\$1–\$100,000	3,548	38.3%
\$100,001–\$250,000	382	4.1%
\$250,001–\$1 million	113	1.2%
Over \$1 million	17	0.2%
Not applicable	5,193	56.1%
Total	9,253	100.0%

Note: One report was identified as being internally inconsistent.

Secured creditors

- 81 Table 28 and Figure 4 show the amounts owed to secured creditors by industry. Most reports for 2012–13 (68.5%) indicated that nothing was owed to secured creditors.
- 82 A significant proportion (21.3%) of 2012–13 reports showed secured creditors were owed between \$1 and less than \$1 million.
- 83 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 (89.9%) was most exceeded by Electricity, gas, water and waste services (97.5%), and equal second, Information media and telecommunications and Professional, scientific and technical services (95.4% each).
- 84 In 3.2% of reports, the company owed secured creditors more than \$10 million.
- 85 Of the top 12 industries, the two industries that exceeded this percentage of reports across all industries with amounts owed to secured creditors over \$10 million (32.2%) were Agriculture, forestry and fishing (22.3%) and Manufacturing (7.3%).

Unpaid taxes and charges

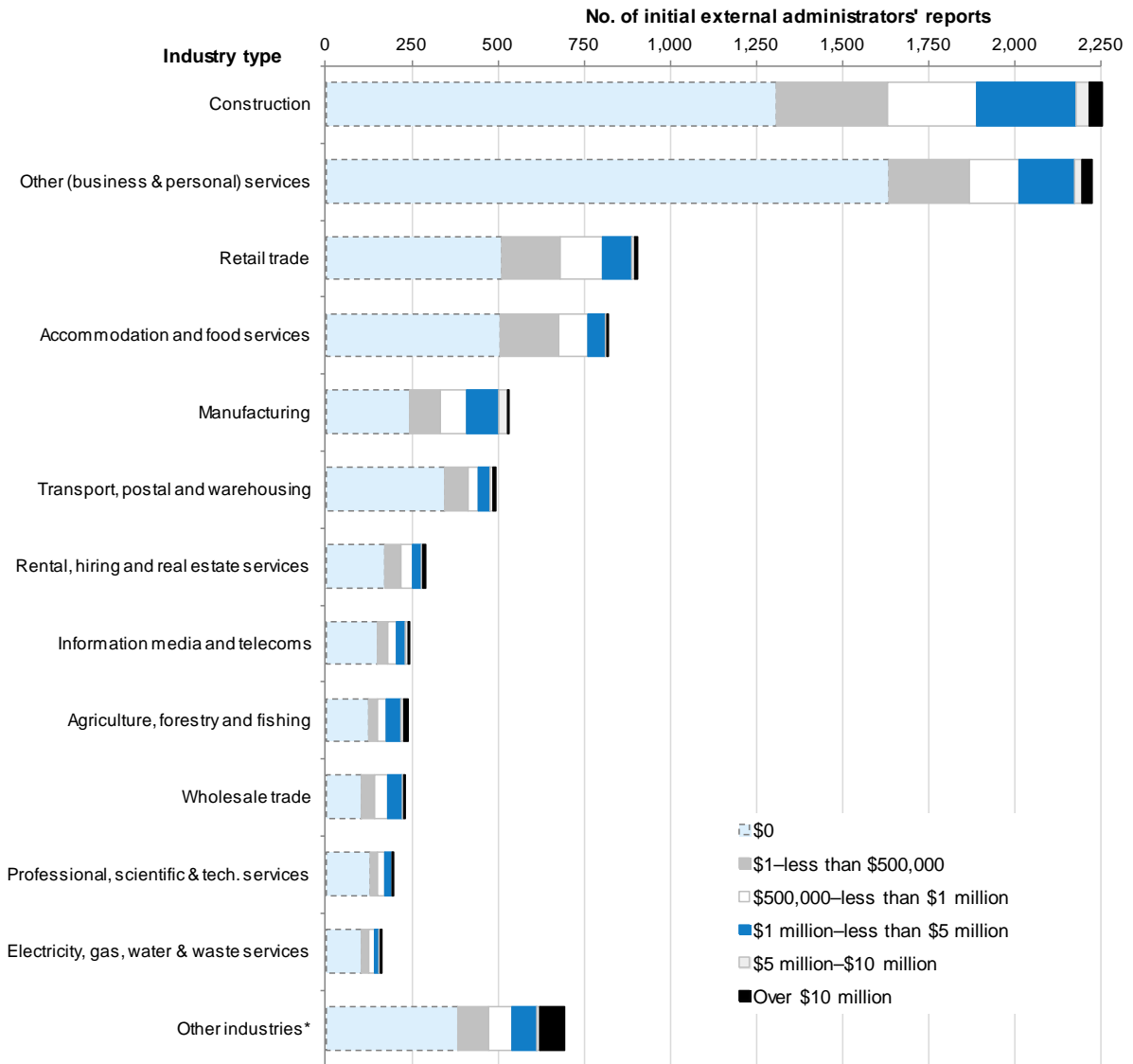
- 86 Most reports (82.9%) indicated that the amount of unpaid taxes and charges was \$250,000 or less: see Table 29.
- 87 Of the top 12 industries, the three that most exceeded this percentage of reports owing \$250,000 or less in unpaid taxes and charges were Retail trade (91.3%), Agriculture, forestry and fishing (86.1%), and Accommodation and food services (85.9%).
- 88 Of the top 12 industries, the three industries that exceeded the percentage of unpaid taxes and charges over \$1 million compared to the percentage across all industries of 3.4% were Construction (6.5%), Rental, hiring and real estate services (5.2%), and Professional, scientific and technical services (4.6%).

Table 28: Initial external administrators' reports—Amount owed to secured creditors by industry (1 July 2012 to 30 June 2013)

Amount owed	Construction	Other (business and personal) services	Retail trade	Accommodation and food services	Manufacturing	Transport, postal and warehousing	Rental, hiring and real estate services	Information media and telecommunications	Agriculture, forestry and fishing	Wholesale trade	Professional, scientific and technical services	Electricity, gas, water and waste services	Other industries ¹	Total	% of total
\$0	1,509	1,708	582	546	291	341	159	183	104	146	150	121	501	6,341	68.5%
\$1–less than \$500,000	426	338	230	168	120	107	60	45	38	48	34	27	94	1,735	18.7%
\$500,000–less than \$1 million	59	30	22	29	25	16	14	1	12	5	3	6	17	239	2.6%
\$1 million–less than \$5 million	142	80	37	52	47	14	36	8	25	25	8	4	51	529	5.7%
\$5 million–\$10 million	18	15	16	14	10	7	11	3	6	3	0	0	11	114	1.2%
Over \$10 million	91	49	17	8	39	8	10	0	53	2	1	0	18	296	3.2%
Total for industry	2,245	2,220	904	817	532	493	290	240	238	229	196	158	692	9,254	100.0%

¹ 'Other industries' includes Administrative and support services, Arts and recreation services, all FIS sub-categories, Health care and social assistance, Mining, and Public administration and safety.

Figure 4: Initial external administrators' reports—Amount owed to secured creditors by industry (1 July 2012 to 30 June 2013)



* 'Other industries' includes Administrative and support services, Arts and recreation services, all FIS sub-categories, Health care and social assistance, Mining, and Public administration and safety.

Table 29: Initial external administrators' reports—Amount owed in unpaid taxes and charges by industry (1 July 2012 to 30 June 2013)

Amount owed	Construction	Other (business and personal) services	Retail trade	Accommodation and food services	Manufacturing	Transport, postal and warehousing	Rental, hiring and real estate services	Information media and telecommunications	Agriculture, forestry and fishing	Wholesale trade	Professional, scientific and technical services	Electricity, gas, water and waste services	Other industries ¹	Total	% of total
\$0	346	340	135	78	67	65	44	32	84	32	22	26	165	1,436	15.5%
\$1–\$250,000	1,402	1,540	690	624	380	342	194	168	121	162	122	106	389	6,240	67.4%
\$250,001–\$1 million	352	280	61	108	69	75	37	35	28	30	43	22	120	1,260	13.6%
Over \$1 million	145	60	18	7	16	11	15	5	5	5	9	4	18	318	3.4%
Total for industry	2,245	2,220	904	817	532	493	290	240	238	229	196	158	692	9,254	100.0%

¹ 'Other industries' includes Administrative and support services, Arts and recreation services, all FIS sub-categories, Health care and social assistance, Mining, and Public administration and safety.

Unsecured creditors

Number of unsecured creditors

- 89 Most reports for 2012–13 (88.4%) indicated the company had 50 or fewer unsecured creditors. Of the top 12 industries, those that had the greatest percentages of 50 or fewer unsecured creditors were Rental, hiring and real estate services (94.8%), Other (business and personal) services (94.5%), and Professional, scientific and technical services (94.4%): see Table 30.

Amount owed to unsecured creditors

- 90 The majority (61.7%) 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 and personal) services (73.5%), Transport, postal and warehousing (70.2%), and Professional, scientific and technical services (66.8%).
- 91 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 (33 reports), Other (business and personal) services (31 reports), and Agriculture, forestry and fishing (13 reports).

Amounts owed to related parties

- 92 Of the total amount owed to unsecured creditors, 18.4% 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 Agriculture, forestry and fishing (26.5%), Rental, hiring and real estate (25.2%), and Accommodation and food services (23.6%)

Note: A number of industries grouped in the 'Other industries' category exceeded the average 18.4%. The top four of these were: FIS—Deposit taking institutions (50%), FIS—Credit provider (28.6%), Arts and recreation services (28.4%), and FIS—Insurance (27.3%).

Cents in the dollar dividend

- 93 The dividend estimated as payable to unsecured creditors was less than 11 cents in the dollar for most reports (97.4%). Of the top 12 industries, the top three with an estimated return of less than 11 cents in the dollar were Electricity, gas, water and waste services (99.4%), Retail trade (98.8%), and Accommodation and food services (98.2%). 'Other industries' includes five industries where 100.0% estimated less than 11 cents in the dollar: Arts and recreation services (81 reports), FIS—Credit provider (14 reports), FIS—

Insurance (11 reports), FIS—Superannuation (6 reports), and FIS—Deposit taking institutions (two reports).

94 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 and real estate services (2.1%) and Agriculture, forestry and fishing (1.7%), compared to the proportion across all industries of 0.7%: see Table 31.

Note: In the 'Other industries' category, the following industries exceeded this percentage (0.7%): FIS—Other financial services (4.2%), Mining (3.1%), and FIS—Managed investments (1%). However, when combined, these industries made up only 3.3% of all reports.

Table 30: Initial external administrators' reports—Number of unsecured creditors, amount owed and reports where more than 50% is owed to related parties by industry (1 July 2012 to 30 June 2013)

	Construction	Other (business and personal) services	Retail trade	Accommodation and food services	Manufacturing	Transport, postal and warehousing	Rental, hiring and real estate services	Information media and telecommunications	Agriculture, forestry and fishing	Wholesale trade	Professional, scientific and technical services	Electricity, gas, water and waste services	Other industries ¹	Total	% of total
Number of unsecured creditors															
Less than 25	1,746	1,943	611	599	295	410	249	200	183	152	173	124	519	7,204	77.8%
25–50	204	156	165	128	100	37	26	23	17	34	12	17	57	976	10.5%
51–200	220	64	106	73	118	30	7	12	22	35	6	14	40	747	8.1%
More than 200	36	12	10	0	15	5	1	0	7	5	0	2	62	155	1.7%
Unknown	39	45	12	17	4	11	7	5	9	3	5	1	14	172	1.9%
Total for industry	2,245	2,220	904	817	532	493	290	240	238	229	196	158	692	9,254	100.0%
Amount owed to unsecured creditors															
Less than \$250,000	1,306	1,631	508	505	242	346	173	150	123	104	131	105	383	5,707	61.7%
\$250,000–\$500,000	323	235	170	171	91	67	45	29	28	38	21	19	89	1,326	14.3%
\$500,001–less than \$1 million	256	144	122	84	75	31	33	27	23	37	21	16	67	936	10.1%
\$1 million–less than \$5 million	287	157	88	51	95	34	27	26	44	43	19	16	72	959	10.4%
\$5 million–\$10 million	40	22	7	2	24	5	4	6	7	6	2	1	10	136	1.5%
Over \$10 million	33	31	9	4	5	10	8	2	13	1	2	1	71	190	2.1%
Total for industry	2,245	2,220	904	817	532	493	290	240	238	229	196	158	692	9,254	100.0%
Amount owed to related parties															
> 50% owed to related parties	320	362	199	193	124	67	73	54	63	42	41	24	137	1,699	18.4%
% of reports lodged for industry	14.3%	16.3%	22.0%	23.6%	23.3%	13.6%	25.2%	22.5%	26.5%	18.3%	20.9%	15.2%	19.8%	18.4%	

¹ 'Other industries' includes Administrative and support services, Arts and recreation services, all FIS sub-categories, Health care and social assistance, Mining, and Public administration and safety.

**Table 31: Initial external administrators' reports—Amount payable to unsecured creditors—Cents in the dollar dividend by industry
(1 July 2012 to 30 June 2013)**

Cents in the dollar dividend	Construction	Other (business and personal) services	Retail trade	Accommodation and food services	Manufacturing	Transport, postal and warehousing	Rental, hiring and real estate services	Information media and telecommunications	Agriculture, forestry and fishing	Wholesale trade	Professional, scientific and technical services	Electricity, gas, water and waste services	Other industries ¹	Total	% of total
0 cents	2,061	2,078	842	783	496	454	268	228	226	208	185	147	575	8,551	92.4%
Greater than 0 but less than 11 cents	130	84	51	19	19	26	10	4	4	15	7	10	88	467	5.0%
11–20 cents	19	19	4	7	10	4	4	4	2	1	2	0	6	82	0.9%
21–50 cents	20	24	6	5	5	6	2	3	2	3	1	1	14	92	1.0%
51–100 cents	15	15	1	3	2	3	6	1	4	2	1	0	9	62	0.7%
Total for industry	2,245	2,220	904	817	532	493	290	240	238	229	196	158	692	9,254	100.0%

¹ 'Other industries' includes Administrative and support services, Arts and recreation services, all FIS sub-categories, Health care and social assistance, Mining, and Public administration and safety.

Expected completion of external administration

- 95 External administrators expected to complete their administration within six months of the date of lodging their report in 67.7% of cases. This was in addition to the time taken to lodge the report.

Table 32: Initial external administrators' reports—Expected time to complete the external administration (1 July 2012 to 30 June 2013)

Expected time	No.	%
0–less than 3 months	3,554	38.4%
3 months–less than 6 months	2,708	29.3%
6 months–1 year	2,257	24.4%
Over 1 year	735	7.9%
Total	9,254	100.0%

Proposed action

Public examinations

- 96 In 205 reports (2.2%), 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

- 97 In 2,115 reports (22.9%), 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

- 98 External administrators advised in 616 reports (6.7%) that, in their opinion, there were shadow directors.

External administrators' remuneration

- 99 Excluding the \$0 and 'not applicable' results, the most common category of an external administrator's estimated collectible fees was liquidator fees, with 6,602 reports. Of these, 5,916 reports (89.6%) estimated collectible liquidator fees between \$1 and \$50,000.
- 100 Of the reports answering the voluntary administration fees question, 785 estimated the collectible fees to be between \$1 and \$50,000: see Table 33.

Table 33: Initial external administrators' reports—External administrators' remuneration¹
(1 July 2012 to 30 June 2013)

Remuneration	Voluntary administration fees		Deed of company arrangement fees		Liquidator fees		Receiver/ controller fees	
	No.	%	No.	%	No.	%	No.	%
\$0	846	9.1%	816	8.8%	2,357	25.5%	822	8.9%
\$1–\$50,000	785	8.5%	112	1.2%	5,916	63.9%	32	0.3%
\$50,001–\$100,000	163	1.8%	12	0.1%	462	5.0%	22	0.2%
\$100,001–\$250,000	117	1.3%	6	0.1%	176	1.9%	35	0.4%
Over \$250,000	52	0.6%	8	0.1%	48	0.5%	28	0.3%
Not applicable	7,291	78.8%	8,300	89.7%	295	3.2%	8,315	89.9%
Total	9,254	100.0%	9,254	8.8%	9,254	100.0%	9,254	100.0%

¹ 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
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
EXAD	External administration
external administration	The corporate insolvency that the external administrator has been appointed to administer
external administrator	A liquidator, receiver or voluntary administrator
external administrator report	Means: <ul style="list-style-type: none"> • a Schedule B report lodged by an external administrator: <ul style="list-style-type: none"> – directly through the registered liquidators' portal on ASIC's website; or – on paper and subsequently entered by ASIC staff through the staff portal; and • a manually lodged report, on paper, which is not in the Schedule B format
FIS	Financial and insurance services
initial external administrator report	The first electronically lodged Schedule B report after a company has entered external administration

Term	Meaning in this document
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
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)
remuneration	Estimated remuneration to be paid to the external administrator for services rendered in conducting an external administration
report	In Table 2 and Section D—means an initial external administrator report
RG 16	Regulatory Guide 16 <i>External administrators: Reporting and lodging</i> issued by ASIC on 1 July 2008 for external administrators on their reporting obligations to ASIC
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 a voluntary administrator) or s422 (by a receiver)
voluntary administrator	An administrator of a company but not a deed of company arrangement

Related information

Regulatory guide

RG 16 *External administrators: Reporting and lodging*

Legislation

Corporations Act, Pt 5.2, 5.3A, 5.6, 5.7B

Information Sheet

INFO 151 *ASIC's approach to enforcement*

Other

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

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