



**ASIC**  
Australian Securities &  
Investments Commission

<b>Committee</b>	Parliamentary Joint Committee on Corporations and Financial Services
<b>Inquiry</b>	Oversight of ASIC, the Takeovers Panel and the Corporations Legislation No.1 of the 46th Parliament
<b>Question No.</b>	017
<b>Date</b>	26 November 2021
<b>Topic</b>	Number of registered liquidators and disciplinary committee activities
<b>Reference</b>	Spoken, 26 November 2021, Hansard page 54
<b>Committee member</b>	Senator O'Neill

### Question

**Senator O'NEILL:** Can I go to your report—I think this is following up on an initial question from the deputy chair this morning. Liquidator registration and disciplinary committees—is there somebody here who can answer a couple of questions for me on that?

**Mr Hughes:** I'll try, but I don't have the report in front of me, and I fear that in five minutes I may end up taking all your questions on notice.

**Senator O'NEILL:** I don't really have that many, but I'm keen to understand what's happening in this space. Because of the COVID crisis and the changing nature of the economy in that context, there's been concern about the collapse of businesses and delay in people figuring out that they really just can't sustain their businesses anymore and declaring insolvency. And there have been reports of increasing acquisitions of talent into liquidation companies. I'm keen to get the shape and scope of what's happening in that area and also to have a sense of what appears to be an increase in disciplinary committee action around insolvency

**Mr Hughes:** On the second question, I simply don't have the material in front of me to answer.

**Senator O'NEILL:** I'm happy to have that on notice, given the hour of the day, and I think it's probably going to need some detail.

**Mr Hughes:** Of course. I understand. On the first question, certainly both the data that we've got and anecdotal information that we have through our interaction with the insolvency profession is that appointments are currently running at approximately 50 per cent of the pre-COVID trend, which of course would reflect fiscal support and other temporary relief measures. So, it's difficult for us to compare apples with apples. In the three-year period prior to COVID, companies entering formal insolvency appointment for the first time averaged 2,000 failures per quarter. During COVID, that fell to approximately 1,000 per quarter to the end of September 2021. The decline in the number of formal insolvency appointments has been more pronounced in creditor-initiated appointments than in director-initiated appointments. Again, that reflects the relief measures.

**Senator O'NEILL:** Do you have any idea of the forecast in this space?

**Mr Hughes:** As measures taper off, as the economy reopens and as we return—assuming we do—to a more normalised trading environment, we would expect there to be an increase or a trend back towards something like pre-COVID measures, but I certainly don't want to stand here on the record and say that that's what will happen, because we simply don't know.

**Senator O'NEILL:** But you're prepared for that, in case it comes through?

**Mr Hughes:** Well, we are prepared. The question I think is whether the insolvency profession are prepared and whether they have sufficient numbers, because certainly, from the feedback we've received, there has been a tailing off, obviously, of the number of professionals, and some of those professionals or some of the businesses have gone looking for work elsewhere, because of that

reduction in workload. As to whether they're able to step back up and be available to take on appointments as they increase, we will have to wait and see. But certainly ASIC is ready for there to be an increase.

**Senator O'NEILL:** And Chair, I did say that I could take us all the way to five o'clock, but in this case it might be better to break my word and conclude my questions.

**CHAIR:** Then I'll declare this hearing closed. Thank you very much for coming. I know you have a busy schedule and you've got planes to catch.

**Mr Longo:** Thank you, Chair. I really appreciate the thoughtfulness displayed to us all today in giving us a room. It's been a very productive day, so I thank you all.

**CHAIR:** Thank you so much.

### Answer

In addition to the ASIC Annual Report referred to, ASIC publishes quarterly statistics about registered liquidators on [www.asic.gov.au](http://www.asic.gov.au) at [Series 4 Quarterly registered liquidator statistics](#) including;

- current by region
- ceased by region
- new by region
- gender by region
- total by age group
- total by years of registration
- total by number of in a firm

This shows an increase in registered liquidators from a low of 633 as at 30 June 2020 to 652 at 30 September 2021. The unpublished number at 30 November 2021 is 654.

No other statistical data is published by ASIC on the number or profile of registered liquidators.

Since the inception of disciplinary committees for registered liquidators in March 2017, ASIC has reported the number of matters heard by disciplinary committees in its Annual Report. The following table shows the number of referrals to disciplinary committees as well as the number of hearings.

Year	Number of referrals to disciplinary committees	Number of matters heard reported in Annual Reports
2017-2018	1	1
2018-2019	4	1
2019-2020	1	4
2020-2021	2	2
2021-2022 (to date)	1	

ASIC also maintains a list of referrals to and decisions of disciplinary committees on a [webpage](#) on [www.asic.gov.au](http://www.asic.gov.au) including:

- Name of registered liquidator
- Date of referral
- Basis of referral
- Date of decision
- Copy of report and/ or decision (if published)