

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2016 - 2017

**Division/Agency:** Australian Securities and Investments Commission

**Question No:** 236

**Topic:** Statistics on company collapses

**Reference:** Hansard page 32 (19 October 2016)

**Senator:** Xenophon, Nick

**Question:**

[...] can you take on notice to provide, the number of collapses per annum over the past couple of years in relation to building and construction companies; the total money lost by creditors broken out into the ATO, banks and others; and the number of secondary collapses.

**Answer:**

In July 2013, ASIC commenced capturing and publishing statistics recording the number of companies entering into a form of external administration by industry.

We publish insolvency statistics on [www.asic.gov.au](http://www.asic.gov.au). Series 1A details monthly, quarterly and annual appointments by industry. Table 1 shows this information for the construction industry for the three financial years, 2013/14 to 2015/16. Tables 2 and 3 show estimated amounts owing to secured and unsecured creditors, respectively, in construction industry insolvencies for the financial years 2009-10 to 2014-15. Table 4 shows the estimated amounts of unpaid tax liabilities in construction industry insolvencies.

Tables 2, 3 and 4 reflect statistical information ASIC compiles from the estimates and opinions contained in statutory reports lodged with ASIC by external administrators in the format of Schedule B to Regulatory Guide 16 *External administrators: Reporting and lodging* (Schedule B Report). However, note the following important limitations:

- it is not mandatory for external administrators to report in the Schedule B Report format. Only reports lodged electronically in this format are included in the statistics. An external administrator may lodge an additional report or lodge a report on paper which is not in the Schedule B Report and, accordingly, is not included in the statistics;
- to avoid double counting, the statistics are compiled only from the initial external administrator report lodged;
- external administrators are not required to lodge reports unless the preconditions of s533, s422 or 438D of the Corporations Act are met.
- Accordingly, the external administrator may not lodge a report in some matters; and
- information provided in the initial 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.

ASIC understands, "secondary collapses" to mean failure of a company that operated the enterprise of a previous failed company. ASIC does not capture data on secondary collapses for construction industry companies or companies in any other industry.

**Table 1: External administration appointments for construction industry**

Year	Number of appointments
2013-14	1,802
2014-15	1,591
2015-16	1,647

**Table 2: Initial external administrators' reports (construction industry) - Estimated amount owed to secured creditors (2009-10 to 2014-15)**

Amount owed	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total	%
\$0	1,257	1,276	1,467	1,509	1,457	1,221	8,187	67.31%
\$1-less than \$500,000	362	329	450	426	436	363	2,366	19.45%
\$500,000-less than \$1 million	59	63	98	59	77	66	422	3.47%
\$1 million-less than \$5 million	121	101	119	142	101	87	671	5.52%
\$5 million-\$10 million	56	33	34	18	28	15	184	1.51%
Over \$10 million	50	60	61	91	54	18	334	2.75%
Total No. of reports	1,905	1,862	2,229	2,245	2,153	1,770	12,164	100.00%

**Table 3: Initial external administrators' reports (construction industry) — Estimated amount owed to unsecured creditors (2009-10 to 2014-15)**

Amount owed	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total	%
Less than \$250000	1,126	1,118	1,268	1,306	1,283	1,066	7,167	58.92%
\$250,000-\$500,000	270	266	295	323	296	234	1,684	13.84%
\$500,000- less than \$1million	230	206	258	256	224	187	1,361	11.19%
\$1 million-less than \$5 million	229	224	351	287	279	240	1,610	13.24%
\$5 million-\$10 million	30	28	32	40	47	27	204	1.68%
Over \$10 million	20	20	25	33	24	16	138	1.13%
Total No. of reports	1,905	1,862	2,229	2,245	2,153	1,770	12,164	100.00%

**Table 4: Initial external administrators' reports (construction industry) - amount of unpaid tax liabilities (2009-10 to 2014-15)**

Amount owed	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total	%
\$0	432	345	315	346	303	226	1,967	16.17%
\$1-\$250000	1,199	1,166	1,426	1,402	1,404	1,120	7,717	63.44%
250001-\$1 million	209	262	382	352	358	339	1,902	15.64%
Over \$1 million	65	89	106	145	88	85	578	4.75%
Total No. of reports	1,905	1,862	2,229	2,245	2,153	1,770	12,164	100.00%