

Corporate insolvencies: December quarter 2012

Quarterly result

Official insolvency data published by ASIC for the second quarter of the 2012–13 financial year show a fall of 6.7% in insolvency appointments compared to the previous quarter with the overall number of external administrations (EXADs) appointments remaining relatively high (2,618). The quarterly total was marginally higher than the 2011 December quarter (2,589); (see [Table 1](#)).

The three largest states of NSW, Victoria and Queensland comprised about 87% of all EXADs for the quarter.

Appointment Type

Save for court liquidations (up 21.4%), all EXAD appointment types decreased from the previous quarter; director-initiated creditor voluntary liquidations (down 14.9%), receiverships (down 12.1%) and voluntary administrations (down 18.6%).

Receivership appointments were driven by falls in the three largest states New South Wales (down 13.5%) and Victoria (down 18.6%) and Queensland (down 10.4%).

Voluntary administration appointments were driven by falls in New South Wales (down 37.3%) and Victoria (down 21.7%) while appointments in Queensland increased (up 27.0%).

Increased Court Liquidation appointments were driven by increase in every region in Australia. Of note were Victoria (up 39.7%), Queensland (up 25.0%) with a more moderate increase in New South Wales (up 8.8%).

Regional results

All states and territories except ACT (up 21.2%) and Western Australia (up 12.3%) experienced a fall in EXAD appointments in the December 2012 quarter relative to the September 2012 quarter, New South Wales (down 12.7%), Victoria (down 1.6%), Queensland (down 2.2%), South Australia (down 25.7%), Tasmania (down 43.6%) and Northern Territory (down 36.4%) (see [Table 2](#)).

Tables and charts

Table 1— Companies entering into EXAD in December quarter 2012

Month	2011	2012	%
October	843	991	17.6%
November	983	897	-8.7%
December	763	730	-4.3
Total	2,589	2,618	1.1%

Table 2— Companies entering into EXAD by region (quarterly change)

State / territory	Dec Qtr 2011	Sept Qtr 2012	Dec Qtr 2012	%	% change Dec Qtr 2011	% change Sept Qtr 2012
NSW	1,036	1,119	977	37.3%	-5.7%	-12.7%
VIC	643	741	729	27.8%	13.4%	-1.6%
QLD	577	580	567	21.7%	-1.7%	-2.2%
SA	104	113	84	3.2%	-19.2%	-25.7%
WA	167	171	192	7.3%	15.0%	12.3%
TAS	19	39	22	0.8%	15.8%	-43.6%
NT	9	11	7	0.3%	-22.2%	-36.4%
ACT	34	33	40	1.5%	17.6%	21.2%
Total	2,589	2,807	2,618	100.0%	1.1%	-6.7%

NB: ASIC notes that percentage changes in smaller regions can be unduly influenced by a relatively small number of appointments.

Table 3 — Analysis by appointment type - quarter ended 31 December 2012*

* excludes: scheme administrator and foreign/RAB wind-ups; and members voluntary liquidation appointments as these relate to solvent entities

Appointment type	Dec Qtr 2011	Sept Qtr 2012	Dec Qtr 2012	% change Dec Qtr 2011	% change Sept Qtr 2012
Court liquidations (1)	823	650	789	-4.1%	21.4%
Creditors' voluntary liquidations	1,087	1,385	1,179	8.5%	-14.9%
Receiverships (2)	289	330	290	0.3%	-12.1%
Voluntary administrations	390	442	360	-7.7%	-18.6%
Total	2,589	2,807	2,618	1.1%	-6.7%

(1) includes provisional liquidations

(2) includes receivers, receivers and managers, controllers and managing controllers

Chart 1— Companies entering into EXAD by quarter and type of appointment

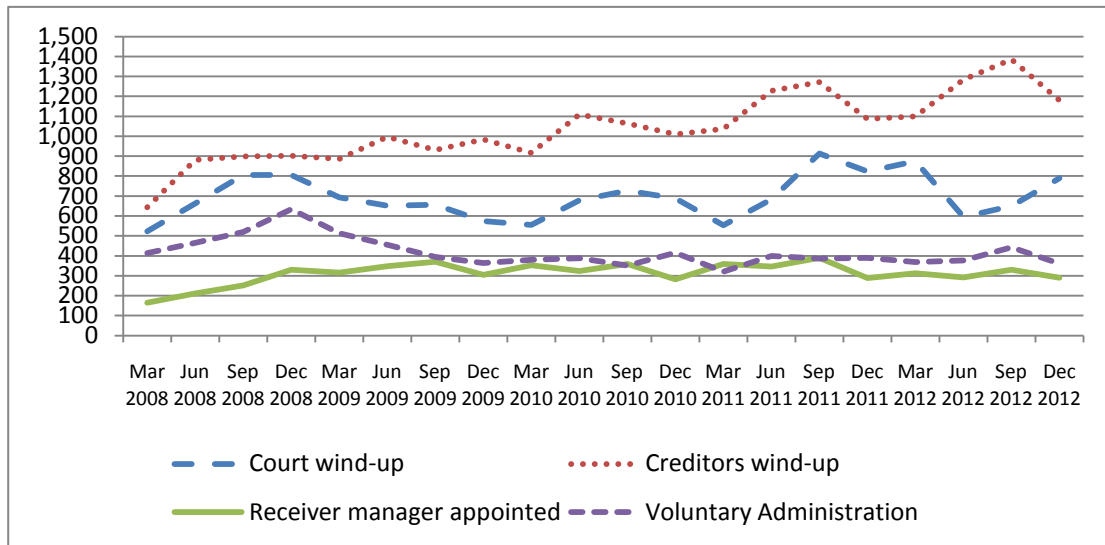
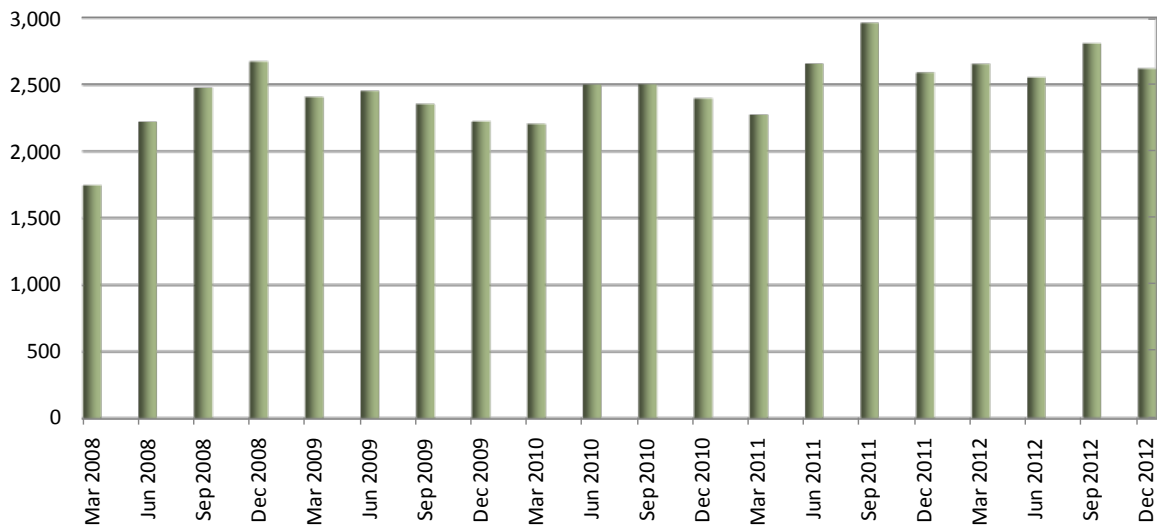


Chart 2 — Companies entering EXAD by quarter



Background

ASIC publishes monthly insolvency statistics (Series 1 and 2) detailing the number and type of corporate insolvency appointments. External administrators are obliged by law to notify ASIC of their appointments. This information is recorded on the public register. ASIC does not record data about the industries in which these appointments are made at the initial stage.