

Corporate insolvencies: March quarter 2013

Quarterly result

Official insolvency data published by ASIC for the third quarter of the 2012–13 financial year show a fall of 4.3% in insolvency appointments compared to the previous quarter with the overall number of external administrations appointments (EXADs) moderating (2,506). The quarterly total was also lower than the 2012 March quarter (2,655); (see [Table 1](#)).

The three largest states of NSW, Victoria and Queensland comprised about 84.6% of all EXADs for the quarter.

Appointment Type

Save for court liquidations (up 4.7%), all EXAD appointment types decreased from the previous quarter; director-initiated creditor voluntary liquidations (down 10.3%), receiverships (down 5.9%) and voluntary administrations (down 3.1%).

The decline in receivership appointments was driven by falls in Western Australia (down 55.6%), New South Wales (down 11.7%) and Queensland (down 7%) while appointments in Victoria (up 10%) and South Australia (up 100%) increased.

The decline in voluntary administration appointments was driven by falls in Queensland (down 28.7%) and Victoria (down 15.7%) while appointments in New South Wales (up 12.5%) and South Australia (up 154.5%) increased.

Increased court liquidation appointments were driven by an increase in every region in Australia except Queensland (down 23.2%). Of note were, South Australia (up 64%), Western Australia (up 28%) and, with a more moderate increase, Victoria (up 11.6%).

Regional results

Appointments in the three largest states all fell compared to the December 2012 quarter; New South Wales (down 4.4%), Victoria (down 6.2%), Queensland (down 11.5%). Falls also occurred in Western Australia (down 7.8%) and Northern Territory (down 28.6%) while all other states experienced an increase in appointments; South Australia (up 52.4%), Tasmania (up 54.5%) and ACT (up 5%) (see [Table 2](#)).

Tables and charts

Table 1— Companies entering into EXAD in March quarter 2013

Month	2012	2013	%
January	518	628	21.2%
February	1,123	960	-14.5%
March	1,014	918	-9.5%
Total	2,655	2,506	-5.6%

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

State / territory	Mar Qtr 2012	Dec Qtr 2012	Mar Qtr 2013	%	% change Mar Qtr 2012	% change Dec Qtr 2012
NSW	1,042	977	934	37.3%	-10.4%	-4.4%
VIC	658	729	684	27.3%	4.0%	-6.2%
QLD	623	567	502	20.0%	-19.4%	-11.5%
SA	109	84	128	5.1%	17.4%	52.4%
WA	162	192	177	7.1%	9.3%	-7.8%
TAS	25	22	34	1.4%	36.0%	54.5%
NT	7	7	5	0.2%	-28.6%	-28.6%
ACT	29	40	42	1.7%	44.8%	5.0%
Total	2,655	2,618	2,506	100.0%	-5.6%	-4.3%

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 March 2013*

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

Appointment type	Mar Qtr 2012	Dec Qtr 2012	Mar Qtr 2013	% change Mar Qtr 2012	% change Dec Qtr 2012
Court liquidations (1)	874	789	826	-5.5%	4.7%
Creditors' voluntary liquidations	1,099	1,179	1,058	-3.7%	-10.3%
Receiverships (2)	313	290	273	-12.8%	-5.9%
Voluntary administrations	369	360	349	-5.4%	-3.1%
Total	2,655	2,618	2,506	-5.6%	-4.3%

(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

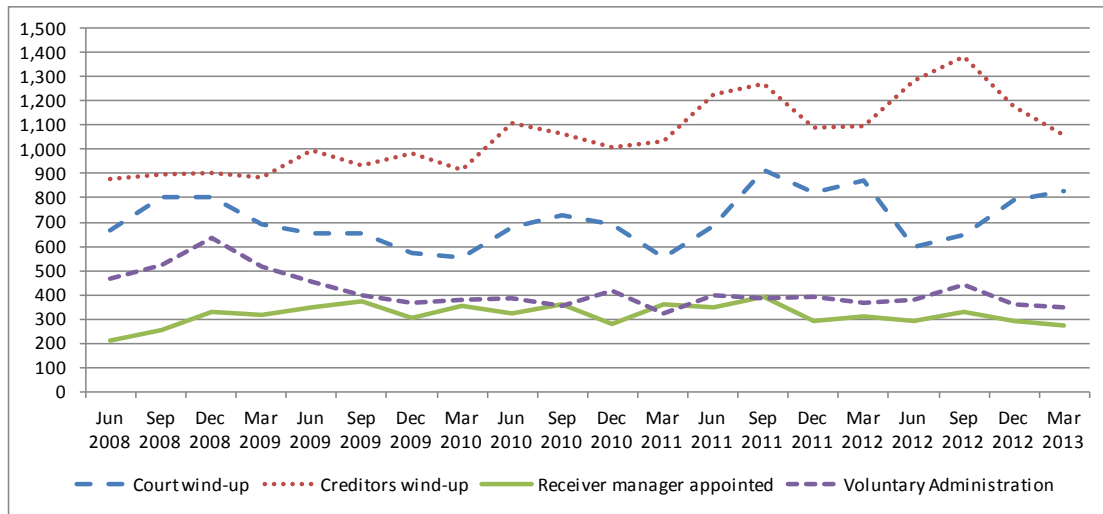
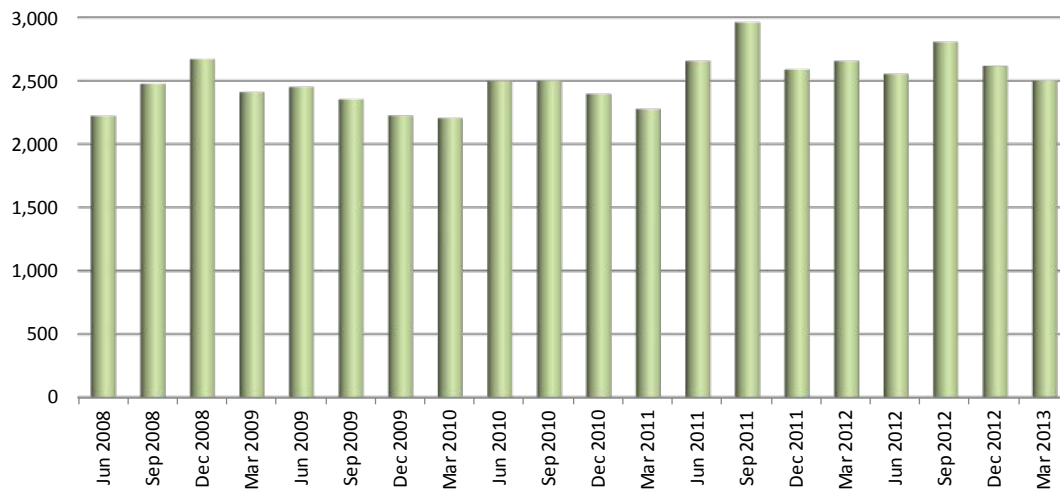


Chart 2 — Companies entering EXAD by quarter



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.